MEMORANDUM

Date: January 5, 2015

To: The Honorable Ally Miller, Member
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: Request for Information Regarding Star Valley Trail Maintenance and Construction of Roadway Improvements

The attached information responds to your request for information regarding trail maintenance and roadway improvements related to Star Valley. Included is a July 15, 2014 letter from the Development Services Director to Ms. Tanis Duncan at Platinum Management outlining the County’s position regarding trail maintenance. This letter contains Mr. Joseph Cesare’s May 6, 2009 acceptance of the terms outlined in the letter, including that the County would not accept the trails for maintenance.

Also attached is a February 7, 2014 memorandum to you from the Development Services Director providing information regarding the County’s position on roadway construction obligations. Included with this memorandum, as Attachment 6, is correspondence that defines the developer’s obligations for roadway improvements to satisfy the conditions of the Specific Plan, including which improvements were eligible for impact fee credits.

CHH/mjk

Attachments

c: The Honorable Chair and Members, Pima County Board of Supervisors
John Bernal, Deputy County Administrator for Public Works
Carmine DeBonis, Jr., Director, Development Services
July 15, 2014

Ms. Tanis Duncan
Platinum Management
P.O. Box 14198
Tucson, Arizona 85732

Re: Response to Your Letter Dated July 2, 2014

Dear Ms. Duncan,

Carla Blackwell’s April 9, 2014 letter addressed to your client, Platinum Management, and to the Cesares in their capacity as HOA officers as well as the master developers of Star Valley, addressed various issues that were raised by Star Valley residents. Included in that letter were approximately 130 pages of documentation regarding the trails and other matters. The development issues raised in the April 9th letter are not relevant to you in your current capacity, especially since these have been extensively addressed in previous communications to the Cesares, their partners in the ownership and their separate legal counsel. Please contact them if you would like the documents related to the traffic impact study, improvement obligations, assurance agreements and rezoning conditions. This letter only addresses the issues that are germane to the HOA, which is primarily the trail system.

Pima County regulates land subdivisions, road design, drainage systems, recreation provisions and other development attributes. We do so through the adoption of regulations which protect consumers and assure that the required improvements are installed for the benefit of the home buying public. In the case of Star Valley, Pima County Development Services is the administrator of the Star Valley Specific Plan. The Specific Plan Administration Chapter (Page 123), Section B., states “The Star Valley Specific Plan shall be administered and enforced by Pima County with the Planning and Development Services Department being the coordinator.” Since the master planned community is only partially completed, we are charged with enforcement of the provisions of the plan. It is within this capacity that Pima County Development Services Department and its employees act.

As you are aware, we have been apprised from residents about the conditions of the trails. Your letter of July 2, 2014 misrepresents Pima County’s position on the trail system. Pima County has been very clear that the trails are not to be maintained by Pima County. In fact, rezoning condition 12.E. of the approved specific plan states that trails within the 100-year floodplain will not be maintained by Pima County. The Specific Plan is clear on Pima County’s intentions only to assume maintenance of the two park properties. Mr. Cesare signed a document in 2009 acknowledging the County would not maintain the trails (attached). Therefore, it is incumbent upon Mr. Cesare to solve the maintenance issue with you and the homeowners. Regarding the issue of access for maintenance, attached is a copy of the Flood Control Maintenance Agreement dated December 7, 2004 that runs with the land in perpetuity that grants both
parties (or their assigns) rights to enter the subject property (drainage basins) for maintenance and repair purposes, so there are no issues with the HOA accessing the trails to perform maintenance.

The Specific Plan is very clear regarding construction of the trail system. The Specific Plan states on Page 9, “The major environmental constraint affecting the site is the widespread shallow sheet flooding. In order to address this, a comprehensive system composed of three drainage corridors which will serve as open space areas and linear recreation facilities. Within these multi-use drainage and recreation corridors will be drainage channels to convey surface water across the site, pedestrian and bicycle trails which will provide linkages between residential areas and elementary schools/parks.” The developer proposed this in the plan not, as you erroneously reported, that Pima County requested these trails after Plan approval or that the developer voluntarily offered the trails.

In fact, the 5.6 miles of trail was integral to the Specific Plan (Page 85, Exhibit 25, Recreation Concept Plan). This is why rezoning condition 12.E was added by Pima County indicating that the County would not maintain them. This trail system was the cornerstone of the recreation concept plan for Star Valley Specific Plan and there are no less than 8 references to the required trail system within the Specific Plan (Page 64, Exhibit 17; Page 67, Recreation/Schools; Page 73, Exhibit 19; Page 80, Exhibit 21; Page 84 and Exhibit 25, Page 84 - 86, Recreation Concept Plan; Page 85, Exhibit 25; Page 88, Vegetation). Likewise, and in addition to rezoning condition 12.E, Page 70 – 71, Drainage Concept Plan, and Page 120, Parks and Recreation Facilities, delineate the dedication of public drainageways to the County and the County’s maintenance responsibilities for the public park site, neither of which include reference to the County accepting maintenance of the trail system.

Your representation that the County approved plans for construction of these required trails is incorrect. The Drainage Improvement Plans for Star Valley Blocks 1 through 32, P1200-184 were approved in January 2003. The drainage channel details (Page 32 and 33) only depict the location of the multi-use bike and pedestrian path relative to the drainage channel. The approved plans do not contain any paving or construction details for the path, and detail “T” for the typical bank channel treatment explicitly states “VARIES 10’ – 15’ MULTI-USE BIKE AND PEDESTRIAN EARTHEN PATH”. General Grading Note #5 on Page 1 states, “THIS PLAN IS TO BE USED FOR GRADING CONSTRUCTION ONLY. CONTRACTOR SHALL USE OTHER SPECIFIC IMPROVEMENT PLANS FOR IMPROVEMENTS OTHER THAN GRADING.”

The drainage plan was subsequently revised and the Drainage Improvement Plans for Star Valley Blocks 1 through 30, P1200-184 were approved in January 2003. Each of the just referenced notes and details remained on the revised set of plans. Revision #3 on the plan did make reference to an asphalt path, however the plan view detail on Page 33A specifically states “FUTURE PATH SURFACING BY OTHERS”, and no additional pavement construction details were included, further emphasizing that construction of a paved path was not included in the approved drainage plans. Likewise, no design criteria for the bike paths and pedestrian ways were approved by the Pima County Department of Transportation and Flood Control District as required by rezoning condition 11.C of the approved Specific Plan.
Ms. Tanis Duncan  
Re: Response to Your Letter Dated July 2, 2014  
July 15, 2014  
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This absence of approved plans for construction of the paved trails is in no way negated by installation of an irrigation system which was necessitated primarily to supply irrigation for re-vegetation of the drainage basins which was critical to control erosion and stabilize the drainage basins.

I trust the above clarifies Pima County Development Services’ position regarding the trails. Please note that the information provided is in response to your July 2, 2014 letter and should not be construed as an exhaustive accounting of our position or a formal interpretation of the Specific Plan provisions relative to the trails. Should you be interested in a formal interpretation of the trail requirements of the Star Valley Specific Plan, please submit your request in writing along with the exact applicable provisions of the Specific Plan that you wish to have interpreted.

Sincerely,

[Signature]

Carmine DeBonis Jr.  
Development Services Director

c:  
C. H. Huckelberry, County Administrator  
John M. Bernal, Deputy County Administrator  
Chris Cawein, Natural Resources Parks and Recreation Director  
Suzanne Shields, Regional Flood Control District Director  
Carla Blackwell, Deputy Development Services Director  
Arlan Colton, Planning Official  
Lesley Lukach, Deputy County Attorney
MEMORANDUM
Public Works Administration

DATE: May 13, 2009

FROM: John M. Bernal
Deputy County Administrator

TO: Suzanne Shields, Department Director
Regional Flood Control District

Rafael Payan, Department Director
Natural Resources, Parks and Recreation

RE: Star Valley Accepted Improvements

Attached is a signed copy of my May 1, 2009 letter to Star Valley acknowledging our acceptance of certain drainage improvements associated with the Star Valley development project. As noted in this letter, Pima County, as of May 7, 2009 (date of the transmittal letter also attached) assumes maintenance responsibility for certain constructed drainage improvements as identified in the nine aerial photographs attached to the May 1, 2009 letter.

As further noted in this May 1st letter, Pima County is specifically not accepting responsibility for, or maintenance of, trails built within those drainage channels. Further clarification of the location of the excluded trails, described as Basin, Ridge, and Soil-surfaced trails, is provided in the attached aerial photograph prepared by the Natural Resources, Parks, and Recreation Department.

Until such time as the issues related to trail acceptance are resolved, the Natural Resources, Parks, and Recreation Department is specifically prohibited from expending public funds for the operation and maintenance of these trails.

JMB/jgs

Attachments

Cc: C.H. Huckleberry, County Administrator
May 1, 2009

Mr. Joseph R. Cesare, President
C/O USH/SVA Star Valley, LLC
Broadway Realty & Trust, Inc.
P.O. Box 12863
Tucson, Arizona 85732

Re: Star Valley

Dear Mr. Cesare:

I am writing to inform you that we are accepting the drainage improvements outlined on the attached aerial photographs, which lie within the drainage ways in the Star Valley development that were previously dedicated to Pima County on the Plat recorded in Book 86 of Maps and Plats at Page 55. These areas, which are within the "primary flow regime" as illustrated on Exhibit E to the 2004 Flood Control Maintenance Agreement between Pima County and USH/SVA Star Valley L.L.C., will hereafter be maintained by the Pima County Flood Control District, subject to Star Valley's responsibility for erosion maintenance related to the undeveloped property within the Star Valley master development pursuant to Article 11 of the 2004 agreement.

The trails that have been built within the drainage channels, whether within the primary or secondary flow regime, are specifically excluded from this acceptance of the above-described drainage improvements, and the County shall not by this acceptance of the drainage improvements be deemed to have in any way accepted maintenance of or responsibility for those trails.

Please indicate your acceptance of these terms and conditions by signing the enclosed copy of this letter where indicated and returning it to me. Thank you.

Sincerely,

John M. Bernal
Deputy County Administrator for Public Works

Attachment

Cc: Honorable Sharon Bronson, District 3 Supervisor
Honorable Ramón Valadez, District 2 Supervisor
C.H. Huckelberry, County Administrator
Rafael Payan, NRPR Department Director
Suzanne Shields, RFCD Department Director
Keri Sylvin, Esq., Lewis & Roca LLP
Regina L. Nassen, Deputy County Attorney

I accept the terms and conditions in this letter.
USH/SVA Star Valley, LLC
SVA Corporation, Member By

Joseph R. Cesare
V.P.
DATE: February 7, 2014
TO: Honorable Supervisor Miller, Board of Supervisors, District 1
FROM: Carmine DeBonis Jr., Development Services Director
SUBJECT: Information Related to the Star Valley Development

The Star Valley Specific Plan was approved by the Board of Supervisors in 1987. The Specific Plan included a transportation circulation concept plan and preliminary street phasing plan. The adopted rezoning ordinance contained conditions related to the transportation improvements. Specifically, rezoning condition 11.D required approval of a transportation improvement financing plan and a transportation system implementation plan.

In February 2002, a Traffic Impact Analysis (TIA) was submitted with the Star Valley Master Block Plat which provided specific transportation detail beyond the conceptual/preliminary exhibits of the Specific Plan. The information included in the TIA formed the basis of the required transportation improvement financing and implementation plan. The transportation improvement financing and implementation plan was agreed to by the developer in October 2002. Included in this plan was phased construction of Wade, Camino Verde, Los Reales, Vivianna and Yedra roadways and signalization for key intersections.

Accordingly, the transportation improvement financing and implementation plan (derived from the Master TIA), the Star Valley Master Block Plat and the associated assurance agreements for construction of subdivision improvements collectively reflect the obligations of the master developer. A subsequent addendum to the Master TIA for Star Valley Blocks 4, 7 & 8 further identified needed transportation improvements.

Since approval of the Master Block Plat, five Blocks have been re-platted and over 1,500 lots have been released for sale. Roughly, 1,300 building permits have been issued for single-family homes. All of the homes within these subdivisions rely on access via Wade Road, the only constructed roadway into the master development. Three additional Blocks (4, 7 & 8) have been re-platted into 1,079 lots which have not been released. Another nine Blocks were released from the Master Block Plat and sold to the Pasqua Yaqui Nation.
Despite agreeing to the transportation improvement financing and implementation plan, the master developer is disputing any obligation to construct the required improvements. On this basis, we do not plan to release further Blocks or lots for sale until the master developer commits to complete specific improvements contained in the transportation improvement financing and implementation plan and the TIA addendum for Blocks 4, 7 & 8, which include installation of the Wade Road traffic signal, construction of Camino Verde from the Specific Plan boundary to Valencia Road, and the possible widening of Wade Road to four lanes.

To address traffic safety concerns Pima County has installed a temporary traffic signal at the intersection of Wade Road and Valencia and is proceeding with the design for Camino Verde.

Attached, as requested, are the following key documents related to the Star Valley development and associated required transportation improvements:

- Star Valley Specific Plan Adopted Ordinance #1987-212 (Attachment 1)
- Link to Star Valley Specific Plan
- Specific Plan Circulation Concept Plan (Attachment 2)
- Specific Plan Preliminary Street Phasing Plan (Attachment 3)
- Master Block Plat – Page 1 & 2 (Attachment 4)
- Conclusion/Recommendation/Implementation Section - Master TIA (Attachment 5)
- Correspondence on Acceptance of Transportation Improvement Financing and Implementation Plan (Attachment 6)
- Star Valley Original Master Block Plat Assurance Agreement (Attachment 7)
- Conclusion/Recommendation Section - TIA Addendum for Blocks 4, 7 & 8 (Attachment 8)
- Recent Correspondence with Master Developer (Attachment 9)

Following your review of these materials, staff is available to meet with you to answer questions or provide additional documentation, if needed.

c: C. H. Huckelberry, County Administrator
   John M. Bernal, Deputy County Administrator – Public Works
ORDINANCE #1987-212

ADOPT THE STAR VALLEY SPECIFIC PLAN (AS ENACTED BY ORDINANCE #1987-64) AND AMEND AND CHANGE PIMA COUNTY ZONING MAP #64, 65, 99 and 100, IN THE VICINITY OF PASCUA YAQUI PUEBLO INDIAN RESERVATION AND WEST OF CAMINO RANCHO ALIGNMENT, AS REFERRED TO IN PIMA COUNTY ORDINANCE #1985-62, AND REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWIT.

BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA:

SECTION 1. That the Star Valley Specific Plan, as attached, is hereby adopted subject to the following conditions:

A. This specific plan (dated October 19, 1987) shall be subject to the following conditions prior to this ordinance becoming effective:

1. Amendment of the specific plan document as may be necessitated by Board of Supervisors' action.
2. Approval by the Board of Supervisors of a Surveyed Boundaries Map for the specific plan within THREE MONTHS of specific plan ordinance adoption by the Board of Supervisors.
3. Recording a covenant that the specific plan will abide by all applicable adopted Pima County ordinances, existing or as may be adopted or amended, not included or specifically addressed within the specific plan.
4. Recording a covenant that within five years of ordinance adoption of this specific plan, the petitioner will record an acceptable master plat in accordance with Condition B.1.
5. Recording a covenant that there will be no further subdividing or lot splitting without the written approval of the Board of Supervisors.
6. Recording a covenant holding Pima County harmless in the event of flooding.
7. Representatives of the San Xavier District of the Tohono O'odham Nation and the Pascua Yaqui Pueblo Nation shall be involved in all relevant meetings (including the Subdivision and Development Review Committee) of the primary developer and Pima County, and the primary developer shall hold regular meetings with the representatives to evaluate trespassing issues, including equestrian easements, prior to any future Board of Supervisors action on this specific plan.

B. Within FIVE YEARS of ordinance adoption, the specific plan shall be subject to the following:

1. Recording an acceptable master plat which will provide for development-related studies, assurances and dedications, as required by the appropriate agencies, and any related conditions that may be approved by the Board of Supervisors. Otherwise, any or all of this specific plan shall be referred to the Planning and Zoning Commission for consideration of amendment or repeal.

C. Approval of a subdivision plat, development plan or issuance of a building permit shall be subject to the following:

1. Conformance with the Star Valley Specific Plan as adopted.
2. Provision of development-related assurances as required by the applicable agencies.
3. Dedication of necessary rights-of-way for roads and drainage by plat, or by separate instrument if the property is not to be subdivided.

4. Conformance with Pima County paving policies as determined applicable by the Department of Transportation and Flood Control District.

5. Alley access to garages (page 94) shall be permitted only as secondary access to individual lots.

6. Performance of the significant vegetation transfer program as established within the Environmental Resources Conservation Element of the specific plan, including an approved revegetation program for the drainageways and detention/retention basins identified within the Drainage Concept Element of the specific plan.

7. Standards for detached accessory buildings in residential areas shall be as follows:
   a. Maximum lot coverage: As determined by the Star Valley Development Review Authority.
   b. Maximum building height: 24 feet.
   c. Minimum setback requirements:
      1) To main building: 7 feet;
      2) To front lot line: 20 feet;
      3) To side lot lines: 3 feet;
      4) To rear lot line: 3 feet.

8. Model home permits (page 93) shall be limited to 15 dwelling units or 10% of the number of lots within a proposed subdivision, whichever is more restrictive, per subdivision.

9. Conformance with the night light program as established within the Environmental Resources Conservation Element of the specific plan.

10. Requirements of the Wastewater Management Department:
    A. The property owner must connect to the public sewer system at the location and in the manner specified by Wastewater Management at the time of review of the tentative plat or development plan.
    B. The property owner must construct an off-site public sewer extension to serve this specific plan and must construct the on-site sewers in a manner which will provide flow-through for upstream tributary areas at points and with capacities as specified by Wastewater Management prior to submittal of tentative plat or development plans. The public sewer improvements must be sized and located in accordance with a Basin Study prepared by the property owner and reviewed and approved by Wastewater Management. The public sewer improvements must be designed and constructed in conformance with the applicable Pima County standards and must be completed, inspected and released for service prior to the issuance of any building permits.

11. Requirements of the Department of Transportation:
    A. An access control policy shall be established for the principal streets (Types I and II) within the specific plan area. At a minimum, the number of vehicular access points along major streets shall be limited. Also, no direct access to individual residential lots will be permitted from these streets. Median breaks and local collector streets shall be spaced at intervals sufficiently far enough to maintain the through traffic characteristics of these roadways.
B. All arterials, collector and local streets required for development shall be designed to provide sufficient capacity for ultimate development of the plan. All roadway improvements shall be constructed to the ultimate design per the approved transportation system implementation plan. All development related internal transportation improvements for the specific plan shall be provided by the developer.

C. Establishment of design criteria to include right-of-way widths, typical cross-sections, design speeds, utility locations, maximum design roadway slopes, access control, bike paths and pedestrian way or sidewalks shall be subject to approval by the Pima County Department of Transportation and Flood Control District.

D. A transportation improvement financing plan and transportation system implementation plan for the specific plan area shall be required before any subdivision plat is approved. The implementation plan shall address the provision of major routes within the plan area, the provision of capacity and route continuity adjacent to the plan and the areas of responsibility of the County, the primary developer and any subsequent developers.

E. Type I streets (Wade, Camino Verde, Viviana, Los Reales) shall have a maximum right-of-way of 120 feet. Final cross-sections shall need the approval of the Pima County Department of Transportation and Flood Control District.

F. Type II streets (collector roads) shall have a maximum right-of-way of 90 feet. Final cross sections shall need to be approved by the Pima County Department of Transportation and Flood Control District.

G. Type III streets (local roads) shall have a maximum right-of-way of 52 feet. Final cross sections shall need to be approved by the County Department of Transportation and Flood Control District.

H. Building setbacks for Type I streets shall be a minimum of 30 feet. Type II and III streets shall have a minimum building setback of 20 feet.

I. All landscaping in rights-of-way shall conform to Pima County Department of Transportation and Flood Control District standards and must be approved by the Pima County Department of Transportation and Flood Control District.

12. Requirements of the Flood Control District:

A. The petitioner shall expand the Master Drainage Study into a Sub-Basin Management Study to evaluate offsite drainage problems and potential resolutions. The limits of study and scope of work shall be determined by the District. The Sub-Basin Management Study shall be conducted at no cost to the District and shall be submitted and approved by the District prior to submission and acceptance of a Master Block Plat.

B. The petitioner shall expand the Master Drainage Study for on-site drainage to include evaluation of alternatives for channel alignment, collection, sizing, treatment, and evaluation of detention/retention basins including location, sizing and mitigation measures. The Master Drainage Study shall be conducted at no cost to the District and shall be submitted and approved by the District prior to submission and acceptance of a Master Block Plat.
C. The petitioner shall be financially responsible for constructing offsite drainage improvements necessitated by the subject property as determined from the Sub-Basin Management study. The phasing of constructing these improvements shall be determined by the petitioner and approved prior to the Master Block Plat.

D. All internal drainage improvements shall be constructed at no cost to Pima County.

E. Trails within the 100-year floodplain shall not be maintained by Pima County. Trails within the access easement are acceptable and can be incorporated into a mitigation plan.

F. Detention/retention basins shall be designed in conformance with the Stormwater Detention/Retention Manual.

G. Landscaping mitigation plan for drainage channels shall be developed by the petitioner and approved by the District prior to submission and acceptance of the Master block Plat.

H. The petitioner must finalize a phasing plan of drainage improvements prior to acceptance of the Master Block Plat.

I. Internal drainage scheme for blocks shall be determined at the Master Block Plat phase as shown on the conceptual master plat (page 97 of the Star Valley Specific Plan).

13. Parks are to be provided as follows:
   A. Neighborhood parks shall be developed according to Pima County standards. The park adjacent to proposed Calle Torim shall be developed when 70% of the residential development west of Drainageway B has been provided; the park adjacent to the Los Reales alignment shall be developed when 70% of the residential development east of Drainageway B has been provided.
   B. The primary developer of the specific plan shall provide standards and requirements for the development of subneighborhood parks.

and that Pima County Zoning Map #64, 65, 99 and 100, in the vicinity of Pascua Yaqui Pueblo Indian Reservation and west of Camino Rancho alignment, as referred to in Pima County Ordinance #1985-82 be, and the same is, hereby amended and changed to the SP (Specific Plan) zone as shown on the entitled "Amendment #25/4/1 by Ordinance #1987-212 to Pima County Zoning Map #64, 65, 99 and 100" hereto attached and by reference made a part thereof.

SECTION 2. That this ordinance becomes effective upon satisfaction of conditions of Subsection A and that all ordinances and parts of ordinances in conflict herewith be and the same are hereby repealed to the extent of such conflict.
PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona, this 1st day of December, 1987.

Chairman, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

APPROVED AS TO FORM:

Civil Deputy County Attorney

Executive Secretary, Pima County Planning and Zoning Commission
E. Circulation Concept Plan

The Star Valley Circulation Plan is designed to provide two functions. First, to provide a connection for the Star Valley community to the metropolitan area arterial street system and, secondly, to provide for safe, convenient access to all areas within the Star Valley Specific Plan (see Exhibit 21, Circulation Concept Plan).

Presently, no constructed public streets provide access to the Star Valley Specific Plan area. Vehicular access is proposed for the Wade Road alignment at the Specific Plan area's west boundary and Viviana Road. Wade Road will be constructed by the Star Valley developer prior to July 1, 1989. This will provide initial access to the Star Valley Specific Plan area.

The primary internal street system includes Los Reales Road, which is an east-west arterial street bisecting the site, Viviana Road, which is the easternmost north-south arterial which will connect Los Reales to Valencia Road, and Camino Verde, which is also a proposed north-south route to connect Los Reales to Valencia Road. Access to the southwest portion of the Specific Plan area will be the extension of Camino Verde, which is to be named Calle Torim and aligned with an existing public right-of-way to the west. Wade Road will transition from its present north-south alignment to the Los Reales Road east-west alignment in the western portion of the plan area.
There are three standard street cross-sections provided. They are identified as Type I streets, Type II streets and Type III streets.

Type I streets are the major arterial streets serving the project. They are four-lane, divided thoroughfares with a landscaped median. Parking is not permitted on Type I streets. The standard cross-section for a Type I street is shown as Exhibit 22.

Type II streets are secondary arterials and are composed of one lane in each direction and a center turn lane. No on-street parking provisions are made for Type II streets because they serve primarily to convey traffic from one destination point to another. The cross-section for Type II streets is Exhibit 23.

Type III streets are the public interior subdivision streets and are not shown on the Circulation Plan. The cross-section for the Type III streets provides for two traffic lanes and parking on either side of the street. Parking is included in the Type III streets in recognition of their use in residential areas and the relatively low traffic volumes normally associated with subdivision streets. The cross-section for Type III streets is shown as Exhibit 24. Private streets may be used within subdivisions also. Their cross sections will be a minimum of 28' including curbs.
The extent of Type I and Type II streets is shown on Exhibit 22, the Circulation Plan.

In addition to the proposed street system, a pedestrian/bicycle circulation system is also provided. This system is separate from the vehicular circulation system and is located in conjunction with major drainage facilities. The pedestrian/bicycle circulation system will link major recreation facilities and elementary school sites within the plan area. Subdivision designs for the planning areas should include safe and convenient access to this pedestrian/bicycle circulation system. Pedestrian circulation will also be provided by sidewalks to be constructed as part of the major street network. Sidewalks are also included within the interior subdivision streets as shown by the typical cross-section. Multi-family developments, such as townhouses and apartments, are responsible for providing private pedestrian facilities within their respective developments.
TYPE III STREET
PUBLIC

8235  990

EXHIBIT 24
E. Streets

The primary street system shown on Exhibit 28 shall be implemented in three phases with responsibility shared between the primary developer and secondary builder/developer. The shared responsibility is done in recognition of the timing between the initial need for paved roads in the area and the actual development of subdivisions within the planning areas. Therefore, only the essential street improvements are provided by the primary developer in order to avoid the inefficiency of providing improvements which must be removed because of conflict with the secondary builder/developer required improvements.

Type I Streets (Four Lanes and Median)

The primary developer will be responsible for 24 feet of asphalt paving, a 20-foot landscaped median, and landscaping at the edge of the road. The major intersections will be developed to their ultimate width by the primary developer. The intersection development will be carried 400 feet on each side of the intersection.

The secondary developer(s) will be responsible for an additional 24 feet of paving and a 1" overlay of the previously installed pavement, the outside curb on each side of the road, and sidewalks on each side of the street. Exhibit 21 depicts the extent of Type I streets.
Type II Streets (Two Lanes and Left-Turn Lane)
Responsibility for implementation of the Type II streets shall be shared between the primary developer and secondary builder/developer. The primary developer shall be responsible for 24 feet of paving and construction of the intersections to the ultimate width. The intersection development will be carried 400 feet on each side of the intersection.

The secondary builder/developer will be responsible for 16 feet of additional paving, a 1" overlay for the 24-foot width, and the outside curbs and sidewalks on their side of the street.

Type III Streets (Subdivision Streets - Two Lanes and Parking Area)
Responsibility for implementation of Type III streets and their intersection with Type I and Type II streets is the sole responsibility of the secondary builder/developer because they are constructed in conjunction with subdivisions within the planning areas.

Phasing of Street Improvements
Phase I shall include the following: construction of Wade Road from Valencia Road southerly approximately 3700 feet. This construction shall be accomplished with the development of the adjacent area known as Star Valley Village, which is not a part of the Specific Plan area.
Phase II shall include the following: construction of Wade Road through its transition to its intersection with Camino Verde; construction of Los Reales Road from the Camino Verde intersection to Viviana Road; construction of Camino Verde south of Los Reales Road through its transition to Calle Torim, terminating at the project's west boundary; construction of Viviana Road from Valencia Road southerly one mile to Los Reales Road.

Phase III shall include the following: construction of Los Reales Road from Viviana Road to the eastern boundary of the project; construction of Camino Verde from Los Reales northerly to the project's north boundary.
6.4 Site Access

The planned development roadway network will provide good site access and can be implemented in conjunction with the development phasing. Initially, the primary access point into the development will be Wade Road since it currently connects to Valencia Road. As such, the Wade Road/Valencia Road intersection may need to be signalized. Extension of Camino Verde, south of Valencia Road into the site, should be completed early in the development. This connection will enhance access to both Valencia Road and Ajo Highway. Additional site access at Vahalla Road and Viviana Road can be implemented as development extends to the east and west of Camino Verde.

6.5 Pedestrian, Bicycle, and Transit Considerations

Provision of alternate mode facilities to accommodate the needs of pedestrians, cyclists, and transit should be included within the development site. This should include bicycle lanes and sidewalks. Widening of Camino Verde and Valencia Road should include multi-use lanes and sidewalks.

7. CONCLUSIONS AND RECOMMENDATIONS

Based upon the projected traffic impacts associated with the planned Star Valley development and on other expected development in the surrounding area, improvements to the surrounding roadway network will be required to provide necessary capacity and an appropriate level of safety. Key findings of the traffic analysis and recommendations are listed below.

1. The development is expected to generate some 48,000 daily trips at build-out. It is predicted that 40,000 trips will be external to the development site.

2. Valencia Road, Camino Verde, and Ajo Highway will be the primary arterials that serve the Star Valley development as well as other future developments in the surrounding area. In order to provide sufficient roadway capacity and ensure proper access, the following improvements will need to occur.
   a. Widen Valencia Road, from Camino Verde to the CAP canal, to a 4-lane cross section. Install a traffic signal at Camino Verde/Valencia Road. Traffic signals may also be required at Wade Road/Valencia Road and at Viviana Road/Valencia Road, depending upon traffic distribution to the site.
   b. Widen Ajo Way to 4-lanes from Camino Verde to Kinney Road.
   c. Widen Camino Verde to a 4-lane divided cross section from Valencia Road to Ajo Highway. Install a traffic signal at Camino Verde/Ajo Highway.

3. The proposed internal site roadways (Camino Verde, Wade Road/Los Reales Road, and Viviana Road) should initially be constructed as 2-lanes with left-turn bays at local streets and major driveways. Bicycle lanes and sidewalks should be provided. Ninety feet of right-of-way should be provided for Camino Verde, Wade Road, Los Reales Road, and Viviana Road.
4. Upon construction of Camino Verde, between Yedra Road and Wade Road, Yedra Road should be improved to a 2-lane paved cross section.

5. Roadway cross section standards provided in the Pima County Roadway Design Manual will apply to improvements on Valencia Road and Camino Verde (north of Valencia Road).

6. A sub-area transportation study of the Altar Valley area should be performed by Pima County to identify roadway and drainage improvements required in response to the accelerated development that is anticipated over the next 10 to 20 years.

8. IMPLEMENTATION PLAN

Based on the results of the traffic analysis, an implementation plan that addresses cost, funding, sequencing, and monitoring of roadway improvements required to support the projected traffic demand generated by the Star Valley development and future development in the area has been prepared.

8.1 Improvement Costs

Planning level cost estimates for the recommended roadway improvements external to the development site are provided in Exhibit 24. The costs represent improvements required to support traffic demand generated by the Star Valley development at buildout and by other developments that may occur in the area.

Exhibit 24. Roadway Improvement Costs

<table>
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<tr>
<th>Roadway</th>
<th>Section</th>
<th>Description</th>
<th>Length</th>
<th>Cost ($) millions</th>
</tr>
</thead>
<tbody>
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<td>1 Valencia Road</td>
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<tr>
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<tr>
<td></td>
<td>Boundary</td>
<td>roadway</td>
<td></td>
<td></td>
</tr>
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</table>

8.2 Funding

Implementation of transportation improvements in the area is expected to be funded from a combination of developer, local, and state sources. Roadways within the development boundary will be constructed by the developer. Construction of the sections of Camino Verde and Viviana Road to provide connections with existing roadways and access to the site will be required as part of the development.

Developer impact fees provide an equitable and flexible method for generating a portion of the funds required for roadway improvements external to the development site. This funding
mechanism ensures that all new development that occurs in the area contributes to the expansion of infrastructure and generates funding based on the amount of development that actually occurs. The Star Valley development is located in the Altar Valley development impact fee area, although the fee process is not currently active. It is anticipated that the upcoming update of the Pima County developer impact fee ordinance will include the Altar Valley area. Based on the current Pima County impact fee of $1,550 per single family unit, the Star Valley development will generate approximately $6.7 million of impact fee revenue at build out.

8.3 Phasing of Improvements

Roadway improvements will be implemented as development occurs. Detailed traffic impact studies should be conducted for each phase of the Star Valley development in order to identify needed roadway capacity, access, and traffic control to provide an acceptable level of service and safety. The widening of Valencia Road to 4-lanes and construction of the section of Camino Verde from the development boundary to Valencia Road will need to occur within the first half of the Star Valley development. Implementation of improvements to Camino Verde and Ajo Way will occur as development continues and as determined by traffic studies performed for each phase.

A preliminary phased implementation of necessary roadway improvements, based on the anticipated phasing of the Star Valley development and development of surrounding parcels, is provided in Exhibit 25.
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</tr>
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<td>16 Improve Yedra Road, Camino Verde to Vahalla Road, 2-lanes</td>
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</tr>
</tbody>
</table>
STAR VALLEY DEVELOPMENT

Traffic Impact Analysis

Prepared for

MMLA

Prepared by

CEI Catalina Engineering, Inc.

February 2002
6.4 Site Access

The planned development roadway network will provide good site access and can be implemented in conjunction with the development phasing. Initially, the primary access point into the development will be Wade Road since it currently connects to Valencia Road. As such, the Wade Road/Valencia Road intersection may need to be signalized. Extension of Camino Verde, south of Valencia Road into the site, should be completed early in the development. This connection will enhance access to both Valencia Road and Ajo Highway. Additional site access at Vahalla Road and Viviana Road can be implemented as development extends to the east and west of Camino Verde.

6.5 Pedestrian, Bicycle, and Transit Considerations

Provision of alternate mode facilities to accommodate the needs of pedestrians, cyclists, and transit should be included within the development site. This should include bicycle lanes and sidewalks. Widening of Camino Verde and Valencia Road should include multi-use lanes and sidewalks.

7. CONCLUSIONS AND RECOMMENDATIONS

Based upon the projected traffic impacts associated with the planned Star Valley development and on other expected development in the surrounding area, improvements to the surrounding roadway network will be required to provide necessary capacity and an appropriate level of safety. Key findings of the traffic analysis and recommendations are listed below.

1. The development is expected to generate some 48,000 daily trips at build-out. It is predicted that 40,000 trips will be external to the development site.

2. Valencia Road, Camino Verde, and Ajo Highway will be the primary arterials that serve the Star Valley development as well as other future developments in the surrounding area. In order to provide sufficient roadway capacity and ensure proper access, the following improvements will need to occur.
   a. Widen Valencia Road, from Camino Verde to the CAP canal, to a 4-lane cross section. Install a traffic signal at Camino Verde/Valencia Road. Traffic signals may also be required at Wade Road/Valencia Road and at Viviana Road/Valencia Road, depending upon traffic distribution to the site.
   b. Widen Ajo Way to 4-lanes from Camino Verde to Kinney Road.
   c. Widen Camino Verde to a 4-lane divided cross section from Valencia Road to Ajo Highway. Install a traffic signal at Camino Verde/Ajo Highway.

3. The proposed internal site roadways (Camino Verde, Wade Road/Los Reales Road, and Viviana Road) should initially be constructed as 2-lanes with left-turn bays at local streets and major driveways. Bicycle lanes and sidewalks should be provided. Ninety feet of right-of-way should be provided for Camino Verde, Wade Road, Los Reales Road, and Viviana Road.
4. Upon construction of Camino Verde, between Yedra Road and Wade Road, Yedra Road should be improved to a 2-lane paved cross section.

5. Roadway cross section standards provided in the Pima County Roadway Design Manual will apply to improvements on Valencia Road and Camino Verde (north of Valencia Road).

6. A sub-area transportation study of the Altar Valley area should be performed by Pima County to identify roadway and drainage improvements required in response to the accelerated development that is anticipated over the next 10 to 20 years.

8. IMPLEMENTATION PLAN

Based on the results of the traffic analysis, an implementation plan that addresses cost, funding, sequencing, and monitoring of roadway improvements required to support the projected traffic demand generated by the Star Valley development and future development in the area has been prepared.

8.1 Improvement Costs

Planning level cost estimates for the recommended roadway improvements external to the development site are provided in Exhibit 24. The costs represent improvements required to support traffic demand generated by the Star Valley development at buildout and by other developments that may occur in the area.

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July 8, 2002

Mr. Geoff W. Harris, P.E.
Project Manager
MMLA, Inc.
800 E. Wetmore Rd., Suite 110
Tucson, AZ 85719


Dear Mr. Harris,

Thank you and Mr. Lodge for meeting with Ted Payne and myself this morning to discuss the transportation improvement financing and implementation plan for Star Valley. As I mentioned, the traffic analysis section of the report is acceptable to Transportation staff. What remains to be settled is the responsibility for funding the off-site roadway improvements necessary for this project which are listed under “Conclusions and Recommendations” on page 26 and 27 of the subject report.

As we discussed today, Transportation staff recommends that the developer pay for and construct those immediate off-site improvements needed to mitigate the traffic impacts of this development and provide a minimum of LOS D with build out of the first half of the development. These improvements include Viviana Road and Camino Verde connections to Valencia Road, Valencia Road widening and intersection capacity improvements and signalization where needed, and Camino Verde improvements north of Valencia Road. Staff also recommends that the developer contribute funds to offset regional traffic impacts to major routes in the vicinity of the project as build out is completed. Ajo Highway improvements fall outside of Pima County jurisdiction and would need to be coordinated through the Arizona Department of Transportation.

We discussed using development impact fees to help fund all off-site improvements except the Viviana Road and Camino Verde connections to Valencia Road. Transportation staff views those road connections as project-related and not appropriately funded with impact fees.

We look forward to working with you to come to an agreement as soon as possible. Please call me at 740-6383 if you have any questions.

Sincerely,

Jonathan Crowe, AICP
Principal Planner

c: Ted Payne
DATE: August 15, 2002

TO: John Bernal  
Pima County Deputy Administrator  
Public Works Administration  
100 N. Stone Avenue, Suite 300  
Tucson, Arizona 85701

FC: Tom Lodge, MMLA  
FC: Hugh M. Caldwell, Jr. Esquire  
FROM: Joseph R. Cesare

REF: Star Valley Block Plat Recordation

MESSAGE:

1) By Fax Message on August 9, 2002 we requested that you approve our Traffic Report and cause the Block Plat to be recorded for the above caption; to date we have not had a response and need to know your decision.

2) The Board approved the Block Plat on July 15, 2002 and it should have been recorded by now.

3) Please communicate with me as to the Recordation Status.

Joseph R. Cesare

THIS FACSIMILE IS THE ONLY COPY YOU WILL RECEIVE. IT IS THE ORIGINAL WILL BE KEPT ON FILE AT THIS OFFICE, UNLESS INDICATED ABOVE.
Total pages including this page 1. If you do not receive all pages, call 747-5700.
August 16, 2002

Mr. Joseph R. Cesare  
Broadway Realty & Trust, Inc.  
4855 East Broadway, Suite 103  
Tucson, Arizona 85711

Re: Star Valley Block Plat

Dear Mr. Cesare:

Your request for approval of the Transportation Improvement Financing Plan and Transportation System Implementation Plan as required by condition 11 D. of the Star Valley Specific Plan Ordinance has not been granted by the Department of Transportation and Flood Control District (DOT&FCD). I have requested that the DOT&FCD staff review the materials submitted with your August 9, 2002 fax, together with the August 2, 2002 letter from MMLA, to determine whether any of the presented information in these communications satisfactorily supplements the previously submitted materials to address the concerns expressed in the DOT&FCD letter of July 8, 2002.

You or your representative will be contacted by the DOT&FCD staff to further review this matter.

Sincerely,

John M. Bernal  
Deputy County Administrator—Public Works

JMB:jgs

c: Kurt Weinrich, Director, Transportation & Flood Control District  
Ben Goff, Deputy Director, Transportation & Flood Control District  
Carmine DeBonis, Director, Development Services
August 28, 2002

Mr. Joseph R. Cesare
Broadway Realty & Trust, Inc.
4855 East Broadway, Suite 103
Tucson, Arizona 85711

Re: Star Valley Specific Plan

Dear Mr. Cesare:

The Department of Transportation staff as requested by Mr. John M. Bernal, Deputy County Administrator-Public Works, has reviewed your August 9, 2002 fax and the August 2, 2002 letter from MMLA. Both documents indicate your position that the Star Valley development has no responsibility for the construction or funding of off-site roadway improvements except for Wade Road. This position appears to be based on your interpretation of the Star Valley Specific Plan Ordinance and the “Requirements of the Department of Transportation”, Transportation Condition 11.D.

Star Valley Specific Plan: Transportation Condition 11.D.

“A transportation improvement financing plan and transportation system implementation plan for the specific plan area shall be required before any subdivision plat is approved. The implementation plan shall address the provision of major routes within the plan area, the provision of capacity and route continuity adjacent to the plan and the areas of responsibility of the County, the primary developer and any subsequent developers.”

Transportation staff interprets this transportation condition to require participation by the property developers in any needed roadway improvements that are or will be necessary to accommodate traffic impacts associated with the proposed development. The needed roadway improvements are to offset impacts to existing public roadways that provide access to the developing properties.
The traffic analysis section of the Star Valley Development, Traffic Impact Analysis Report dated February 2002 was approved and accepted by Transportation staff as noted in Mr. Jonathan Crowe’s letter of July 8, 2002. The Report notes that Star Valley Development is predicted to generate 40,000 vehicle trips external to the specific plan property. This off-site traffic is expected to have a major impact on the existing public roadway system that provides access to and from the specific plan developments. The Report further notes that off-site roadway capacity improvements will be needed to accommodate traffic from the specific plan development. These noted off-site roadway improvements are anticipated to cost approximately $27 million. This cost represents how much money is needed to construct the off-site roadway improvements required to support the traffic demand generated by the Star Valley development at build-out and by other developments that may occur in the area.

Developer participation in the construction and/or financing of any needed safety and/or capacity improvements for off-site roadways to address development traffic impacts to existing public roadways has routinely been required by the Department of Transportation as a condition of development approval. The same Transportation Condition was applied to the Santa Rita Ranch Specific Plan (Ordinance #1988-82) that is also starting the development process and has reached a tentative agreement with the Department of Transportation regarding off-site roadway construction and financing. This condition is applied to development as a development exaction even if there was no rezoning. To insure that transportation exactions are fair and satisfy the test of essential nexus and rough proportionality, the Department of Transportation reviews and approves Traffic Impact Analysis Reports prepared by qualified Traffic Engineers for Developers. The intent of these Reports is to analyze the traffic impacts of proposed developments and to determine what, if any, transportation improvements are necessary due to the development. When it is established by an approved Report that transportation improvements are needed because of a development, an implementation plan for the construction and/or financing of the needed transportation improvements is developed.

The Star Valley Traffic Impact Analysis Report notes in its Conclusions and Recommendations Section the need for a number of off-site transportation improvements associated with the proposed development. The estimated cost of these improvements and a project-phasing schedule were also provided. However, the Implementation Plan Section of the Report simply says, “Implementation of transportation improvements in the area is expected to be funded from a combination of developer, local, and state sources.” While the Report under the Funding Section refers to developer impact fees providing an equitable and flexible method for generating a portion of the funds required for roadway improvements external to the development, there is nothing in the Report committing the Star Valley development to any participation in the funding or construction of any off-site roadway improvements.
The Department of Transportation cannot approve a Transportation Improvement Financing Plan and System Implementation Plan for the Specific Plan without a commitment to participate in all needed improvements. Further, the Department of Transportation cannot support the notion that the Star Valley Specific Plan was approved by the Board of Supervisors with the understanding that rezoning condition 11.D. implied that the sole transportation obligation of the Star Valley Development was to construct only on-site subdivision roadways and only one access road to serve the development of 4,300 residential units.

Transportation staff recommends that the Star Valley Specific Plan Developer negotiate with the Department of Transportation and reach an agreement regarding construction and/or fair share funding of needed off-site roadway improvements. The Traffic Impact Analysis Report already submitted and reviewed provides the framework for this agreement. In lieu of an agreement, staff recommends the Star Valley Developer request through Development Services Department a Board of Supervisors hearing in order to obtain the Board’s interpretation of Transportation Condition 11.D.

Sincerely,

[Signature]

Benjamin H. Goff, P.E.
Deputy Director
Pima County Department of Transportation and Flood Control District

BHG/tjp/tjp

C: John M. Bernal, Deputy County Administrator-Public Works
   Kurt Weinrich, Director, Transportation & Flood Control District
   √Carmine DeBonis, Director, Development Services
The meeting will be held in the 3rd Floor Conference Room, 10:00 a.m., September 23.

Yes, thank you. BHG

Sydney from Frank Bangs office called and she said that Joe Cesare, Tom Lodge and Frank Bangs would like to meet with you here on Monday, September 23 (10:00) to discuss Star Valley. I reviewed your calendar and you are available during that time, do you want me to confirm your availability?

I just spoke with Ben...he is going to speak with Joe Caesar first before we set up a meeting with Sydney.

Hi Lisa, I can make all times except Thursday, September 19 2:30-3:30. I am at a DRC meeting Thursday from 1:30 on. TJP
Hellooo Ted,
These are the Ben's available times to meet with Sydney at Star Valley, which timeframes will work for you? As soon as I figure a common time, I'll confirm the location/time of the meeting.

Wednesday, September 18: Anytime between 9:00 a.m. and 11:00 a.m.
Thursday, September 19: 2:30-3:30
Monday, September 23: Anytime between 9:00 a.m. and 11:00 a.m.
Tuesday, September 24: Anytime between 9:00 a.m. and 11:00 a.m. or 2:30 p.m. - 3:30 p.m.

-----Original Message-----
From: Nicole Burdette
Sent: Thursday, September 12, 2002 11:24 AM
To: Lisa Matthews
Subject: Phone message for Ben (11:15 a.m.)

Sydney @ 629-4403 would like you to call her so she can schedule a meeting with Ben regarding the Star Valley road improvements.

Nicole Burdette
Pima County
Department of Transportation
Transportation Systems
(520)740-6403
# FACSIMILE TRANSMITTAL

**LEWIS AND ROCA LLP LAWYERS**

One South Church Avenue Suite 700
Tucson, Arizona 85701-1611
Telephone (520) 622-2090
Facsimile (520) 622-3088

September 23, 2002

<table>
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<th>Facsimile Number</th>
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<tr>
<td>Amelia Craig Cramer/Pima County Attorney’s Office</td>
<td>740-5750</td>
<td>620-6556</td>
</tr>
<tr>
<td>Mr. Ben Goff/Pima County Department of Transportation &amp; Flood Control</td>
<td>740-6403</td>
<td>620-1933</td>
</tr>
<tr>
<td>Mr. John M. Bernal/Pima County Public Works</td>
<td>205-8350</td>
<td>205-8360</td>
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<tr>
<td>Mr. Carmine DeBonis/Pima County Development Services</td>
<td>740-6506</td>
<td>623-5411</td>
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<tr>
<td>Joseph R. Cesare</td>
<td>747-5000</td>
<td>577-8555</td>
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<tr>
<td>Karen Novak, RLA/Novak Environmental, Inc.</td>
<td>206-0591</td>
<td>623-3507</td>
</tr>
<tr>
<td>Mr. Thomas C. Lodge/McGovern MacVittie Lodge &amp; Associates, Inc.</td>
<td>292-2300</td>
<td>292-1290</td>
</tr>
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**From:** Frank S. Bangs, Jr.  
**Direct Telephone:** (520) 622-2090  
**Direct Facsimile:** (520) 879-4701  

**Comments:** Letter attached regarding Star Valley Specific Plan.  

**Document(s) Being Transmitted:** Will not be sent

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Via telecopy

September 23, 2002

Amelia Craig Cramer, Esq.
Deputy County Attorney
Pima County Attorney's Office Civil Division
32 North Stone Avenue, Suite 2100
Tucson, Arizona 85701

Re: Star Valley Specific Plan

Dear Amelia:

Our firm represents USH/SVA Star Valley, LLC, the owner of the land subject to the Star Valley Specific Plan. This letter follows our September 23, 2002 meeting with you, Mr. Ben Goff, Mr. Carmine Debonis, Mr. Jonathan Crowe and Mr. Ted Payne.

Two major issues remain as impediments to recording the Star Valley block plat and obtaining grading permits. They are, respectively: (1) the interpretation of Condition 1ID of Ordinance No. 1987-212 adopting the Star Valley Specific Plan, and (2) the application of the NPPO to this project. In an attempt to resolve these issues short of litigation, Mr. Tom Lodge will submit supplemental information to Mr. Jonathan Crowe regarding the transportation improvement financing and implementation plan, and Ms. Karen Novak will submit the requested information on the NPPO to Mr. Carmine DeBonis.

This is to confirm our understanding that the submission of this information by USH/SVA Star Valley in an attempt to resolve these issues and its review by Pima County does not constitute an admission by either party of the validity of the other's legal position on these issues, or a waiver by Pima County or USH/SVA Star Valley of their ability to pursue their respective legal positions in the future. Please let me know immediately if this understanding is incorrect.
Thank you for your time and attention to this matter.

Sincerely,

[Signature]

Frank S. Braggs, Jr.

FSB/sdi
cc: Mr. John M. Bernal
     Mr. Ben Goff
     Mr. Carmine Debonis
     Mr. Joseph R. Cesare
     Ms. Karen Novak
     Mr. Thomas C. Lodge
     (All via telecopy)
September 30, 2002

Mr. Thomas C. Lodge, P.E., Principal
Vice President, Private Development
MMLA, Inc.
800 E. Wetmore Rd., Suite 110
Tucson, AZ 85719

RE: Star Valley Development - Responsibility for Funding Roadway Improvements

Dear Mr. Lodge,

This letter is a formal response to the proposed financing plan, submitted to Department of Transportation (PCDOT) staff on September 24th, for funding necessary roadway improvements associated with the Star Valley Development. That financing plan included an enumerated list of projected improvements (Exhibit 25 on page 29 of the Star Valley Development Traffic Impact Analysis) and an accompanying map. PCDOT approves the financing plan with the exception that we believe that the developer of Star Valley should be responsible for improving Yedra Road to two lanes from Camino Verde to Vahalla Road. Other more regional roadway impacts associated with the Star Valley Development will be addressed by the Board of Supervisors’ extending the roadway development impact fee to the Altar Valley benefit area.

You will recall that in a July 8, 2002 correspondence from Jonathan Crowe to Mr. Geoff Harris, PCDOT approved the traffic analysis section of the Traffic Impact Analysis Report. PCDOT hereby approves the proposed financing plan for Star Valley roadway improvements, which satisfies rezoning condition 11.D. The proposed financing plan indicates that the following roadway improvements will be funded and constructed by the master developer of Star Valley. The following improvements are referenced by number to Exhibit 25 on page 29 of the Star Valley Development Traffic Impact Analysis report:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010.

4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs.

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #16).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete.

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Please call Jonathan Crowe (740-6383) or Ted Payne (740-6387) if you have any questions or concerns.

Sincerely,

Benjamin H. Goff, P.E.
Deputy Director

c: John Bernal
Kurt Weinrich
Carmine DeBonis
Ted Payne
Jonathan Crowe
TRANSPORTATION SYSTEMS DIVISION

FAX TRANSMITTAL

Date 10/7/02  Number of pages 4 (total)

To Tom Lodge

From Ben Goff

Fax 292-1290

Tel. 292-2300

Subject Star Valley Improvements

Comments I have indicated via strike-out and additions to your letter of 10/2/02 DOT conditions of approval. I will call you soon to discuss.

[Signature]

Cc Ted Payne

Jonathan Crowe
October 2, 2002

Mr. Ben Goff, P.E., Deputy Director
Pima County Department of Transportation
And Flood Control District
201 N. Stone Avenue, 3rd Floor
Tucson, AZ 85701

Re: Star Valley Development – Transportation Improvement Financing Plan
MMLA 86171-62-11

Dear Mr. Goff:

Thank you for your September 30, 2002, letter responding to our transportation financing plan. We appreciate your approval of condition 11D and look forward to Pima County recording the plat this week. Your approval of our financing plan generally matches the discussion between your staff (Jonathan Crowe/Ted Payne) and myself. We would like to restate and clarify our position on Items 3, 4, 5, 8, 10 and 11 for the record. They are as follows:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at grade roadway. **This project would be eligible for development impact fee credit.**

4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement. **This project would be eligible for development impact fee credit.**
5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement. *This project would be eligible for development impact fee credit.*

6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway. *The portion of the roadway outside the project boundary would be eligible for development impact fee credit.*

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #16).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete. This roadway would be constructed as an at-grade roadway. *This project would be eligible for development impact fee credit. Pima County shall be responsible for right-of-way acquisition and any utility relocation.*

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project. *This project would be eligible for development impact fee credit.*

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

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Items 3, 8 and 10 are outside the project boundary and are within Pima County's right-of-way. Pima County will obtain permits (404, etc.), if necessary, for areas within its right of way to facilitate the construction of the proposed roadways.

Pima County will assist the developer in obtaining third-party permits (i.e. Section 404), however required mitigation is considered part of the improvement project.
The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately.

Sincerely,

MMLA, Inc.

[Signature]

Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc: John Bernal, Pima County
   Joe Cesare, Broadway Realty & Trust
   David Cada, US Home Corporation
   Carmine DeBonis, Pima County
BROADWAY REALTY & TRUST, INC.
4855 East Broadway, Suite 103
Tucson, Arizona 85711

Phone: 520-747-5700
Fax: 520-577-8555

DATE: October 17, 2002

TO: Honorable Sharon Bronson
    John Bernal
    Department County Administrator
    Public Works
    Chuck Huckelberry
    County Administrator
    Frank Bangs, Esquire
    Tom Lodge, MMLA

FROM: Joseph R. Cesare

REF: Star Valley Block Plat - Recordation

MESSAGE:

1) As you know, we have attempted to reasonably work out some conditions with the Transportation Department which we believe are not applicable to our Specific Plan Ordinance.

2) I last spoke to John Bernal last Friday (October 11, 2002), and was told that Katrina Richter would be in touch with our attorney Frank Bangs in hopes of resolving the situation. It is now Thursday (October 17, 2002), and it appears that we are left with no alternative except to file suit to obtain recordation of a final plat and recover substantial monetary damages caused by Pima County through its' Transportation Department.

3) This letter is simply written as a courtesy to advise you of a forth coming legal action since no reasonable remedy has been offered in order to resolve the impasse.

Joseph R. Cesare
October 28, 2002

Thomas C. Lodge, P.E.
Vice President, Private Development
MMLA, Inc.
800 East Wetmore Road, Suite 110
Tucson, Arizona 85719

Re: Star Valley Development – Transportation Improvement Financing Plan

Dear Mr. Lodge:

Confirming my fax of October 7, 2002, and our subsequent conversations, the Pima County Department of Transportation (PCDOT) cannot accept the conditions contained in your letter of October 2, 2002, as meeting the Transportation Financing Plan requirements of the Star Valley Specific Plan. Your letter was in response to my letter dated September 30, 2002, which enumerated roadway improvements based upon the meetings of September 23 and 24, 2002.

After reviewing your position as restated in your October 2, 2002 letter I am reiterating PCDOT’s position with the modifications I agreed to in our discussions. The Financing Plan must contain the following provisions:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at-grade roadway.

4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway.

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #10).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is completed. This roadway would be constructed as an at-grade roadway. Pima County shall be responsible for right-of-way acquisition and clearance of encroachments, excluding utilities.

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project if they are actively developing the property. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Items 3, 8 and 9 are outside of the Specific Plan boundary. These improvements are the responsibility of the master developer of the Star Valley Specific Plan. PCDOT has worked diligently with your firm, other consultants and Mr. Cesare to assure that the Star Valley Transportation Financing Plan adheres to the conditions of approval. Condition 11D of the rezoning explicitly applies to roadways adjacent to, as well as within, the plan area. PCDOT will assist the developer in obtaining third-party permits (i.e., Section 404), however, required mitigation is considered part of these off-site improvement projects.

You have suggested that these and other improvements enumerated above would be eligible for development impact fee credits should Pima County extend the Impact Fee Ordinance to encompass the Specific Plan area. PCDOT will recommend that the impact fees be assessed in this area; however, their use will be directed to significant regional roadways, such as Valencia Road. The traffic impact assessment for Star Valley identified substantial demand from the Specific Plan area on major roads in the
southwest area. The impact fees are the most equitable way to mitigate the impact of the Specific Plan development upon major roads in conjunction with other planned development within the benefit area.

As we have not received confirmation of your acceptance of these requirements, the Pima County Administrator has requested staff to place the Star Valley block plat on the Board of Supervisor's Agenda for reconsideration, based upon non-compliance with the Specific Plan conditions of rezoning.

I will be out of the office October 28th thru November 1st so please contact Ted Payne at 740-6403 if you have any further questions.

Sincerely,

[Signature]

Benjamin H. Goff, P.E.,
Deputy Director

c: John M. Bernal, Deputy County Administrator for Public Works
Kurt Weinrich, Director, PCDOT
Carmine DeBonis, Director, Development Services Department
Katharina Richter, Chief Civil Deputy County Attorney
Ted Payne, Supervisor, Transportation Systems Division
October 30, 2002

Mr. Ben Goff, P.E., Deputy Director
Pima County Department of Transportation
And Flood Control District
201 N. Stone Avenue, 3rd Floor
Tucson, AZ 85701

Re: Star Valley Development – Transportation Improvement Financing Plan
MMLA 86171-62-11

Dear Mr. Goff:

Our client is accepting Pima County’s October 7, 2002 and October 20, 2002 requested changes to the Star Valley Transportation Financing Plan.

The changes are as follows:

1. **Wade Road (#5)**. Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde (#6)**. Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde (#7)**. Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at-grade roadway.

4. **Camino Verde/Valencia Road Intersection (#8)**. This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

5. **Wade Road/Valencia Road Intersection (#9)**. This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway.

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #10).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete. This roadway would be constructed as an at-grade roadway. This project would be eligible for development impact fee credit. Pima County shall be responsible for right-of-way acquisition and clearance of encroachments. Pima County will exercise its power to require the Utility Companies to relocate their facilities necessary for road construction.

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project if they are actively developing the property. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Item #10 was corrected to reflect your October 7 conditions. We have assumed that the deletion was a typographical error.

Items 3, 8 and 9 are outside of the Specific Plan boundary. PCDOT will assist the developer in obtaining third-party permits (i.e., Section 404), however, required mitigation is considered part of these off-site improvement projects.
By its acceptance of the County’s changes to the Financing Plan, USH/SVA Star Valley does not waive any constitutional or statutory grounds it may have to challenge the requirement of off-site improvements as a condition of plat approval, or its ability to seek the inclusion of the off-site improvements as projects to be funded by future development fees adopted by Pima County.

The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately. We look forward to the Plat recording this week.

Sincerely,

MMLA, Inc.

[Signature]

Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc:  John Bernal, Pima County
     Joe Cesare, Broadway Realty & Trust
     David Cada, US Home Corporation
     Carmine DeBonis, Pima County
     Katharina Richter, Pima County
ASSURANCE AGREEMENT FOR
CONSTRUCTION OF SUBDIVISION IMPROVEMENTS
(Third Party Trust)
P12-00-184

THIS AGREEMENT is made and entered into by and between USH/SVA STAR VALLEY LLC, an Arizona limited liability company AND S.V.A. CORPORATION, an Arizona corporation, ("Subdivider"), TITLE GUARANTY AGENCY OF ARIZONA, INC., an Arizona corporation, ("Trustee"), as trustee under Trust Nos.T-1330 and T-1440; and Pima County, Arizona ("County").

1. RECITALS

1.1. Subdivider is the beneficiary and Trustee is the trustee of a trust which owns land ("the Land") located in Pima County, Arizona and described in paragraph 2.1 of this agreement.

1.2. County, Subdivider and Trustee wish to establish specific terms, conditions, and guidelines relating to the subdivision of the Land and construction of related improvements to comply with A.R.S. '11-806.01.

2. AGREEMENT

Based on the foregoing recitals, which are incorporated here as the intent of the parties, and in consideration of County's approval of a final plat for the Land, County, Subdivider and Trustee agree as follows:

2.1. Property Description. The Land is all of the real property which is the subject of the subdivision plat ("the Subdivision Plat") identified as MASTER BLOCK PLAT STAR VALLEY, BLOCKS 1 THROUGH 30, recorded in Book 516 of Maps and Plats at Page 255 on the 11th day of November, 2022, in the Office of the Pima County Recorder.

2.2. Construction of Subdivision Improvements. As a condition of subdivision approval, Subdivider hereby agrees to construct all subdivision improvements ("the Subdivision Improvements") contemplated by the Subdivision Plat, including but not limited to streets, sanitary sewers (if necessary), water and electric utilities, drainage and flood control improvements.

2.3. Existing Utilities. Any relocation or modification of existing utilities or public improvements required in order to construct the Subdivision Improvements shall be done at no expense to the public. Subdivider's performance of this requirement shall be considered in determining whether to release assurances under paragraphs 2.5 and 2.6.
2.4. Assurance of Construction. This agreement is submitted as an assurance that Subdivider will construct the Subdivision Improvements, as required by A.R.S. ' 11-806.01 and Pima County Zoning Code Chapter 18.69.

2.5. Limitation on Transfer of Title. Trustee shall not convey title to any of the Land without obtaining prior written approval from County in the form of a Release of Assurance. A Release of Assurance shall not be provided by County until the Subdivision Improvements are completed in accordance with paragraph 2.11.

2.6. Partial Release of Assurances. County shall issue a Release of Assurance for some of the lots depicted on the Subdivision Plat if both of the following have occurred:

   A. All of the Subdivision Improvements required in connection with the released lots have been completed in accordance with paragraph 2.11, and

   B. County finds that the released lots and the Subdivision Improvements required in connection with them can be used and maintained separately from the Subdivision Improvements not yet completed in accordance with paragraph 2.11.

2.7. Deposit Receipt Agreements. Notwithstanding paragraph 2.5, Trustee may enter into a deposit receipt agreement for the sale of the Land or any portion of it if the agreement clearly states that no portion of the Land shall be conveyed until Subdivider performs its obligations under this agreement.

2.8. Bulk Sales. Notwithstanding paragraph 2.5, Trustee may sell and convey all of the Land in one transaction to a single purchaser who has entered into a satisfactory assurance agreement with County, assuring completion of the Subdivision Improvements.

2.9. Conveyance Out of Trust for the Purpose of Encumbrance. Notwithstanding paragraph 2.5, Trustee may convey all or part of the Land to the Subdivider for the sole purpose of encumbering the Land by the recording of mortgages or deeds of trust, provided that the Land is thereafter immediately reconveyed into the trust.

2.10. Substitution of Assurances. Subdivider may submit substitute assurances in a form and amount acceptable to County at any time during which Subdivider is not in default under this agreement.

2.11. Completion of the Subdivision Improvements. The Subdivision Improvements shall be completed by Subdivider not more than four years after the date of this agreement. The Subdivision Improvements shall not be considered completed until after they have been constructed in accordance with all applicable plans and after County has inspected them and finds them to be in compliance with the plans.
2.12. Acceptance of the Subdivision Improvements. County shall not accept maintenance responsibility for any of the Subdivision Improvements unless and until all of the following have occurred:

A. They have been completed in accordance with paragraph 2.11.

B. They have been dedicated to County by the Subdivision Plat or by some other instrument of record.

C. The dedication has been accepted by the Pima County Board of Supervisors as evidenced by approval of the dedication on the Subdivision Plat or by some other formal action.

2.13. County’s Option to Re-Plat Upon Default. At County’s sole option, if Subdivider or Trustee defaults in its obligations under this agreement, County may re-plat all or a portion of the Land for the purpose of returning the portions of Land which are the subject of the re-plat to approximately the same boundary configurations of record which existed before the recording of the Subdivision Plat. Subdivider hereby authorizes County to execute on behalf of Subdivider the re-plat described in this section. The re-plat may exclude any dedications to the public which were made on the Subdivision Plat which are deemed necessary to serve either portions of the Land which are not re-platted, or to serve the public. Subdivider shall pay the reasonable costs incurred in re-platting. First class mailed notice to the last known address of Subdivider and Trustee shall be given not less than thirty days before County exercises its option to re-plat under this paragraph.

2.14. Incorporation and Annexation. If the Land is incorporated as or annexed by a city or town, the city or town shall automatically succeed to all benefits and duties of County under this agreement.

2.15. Termination. This agreement shall remain in full force and effect until one of the following has occurred:

A. The Subdivision Improvements have been completed and accepted by County in accordance with paragraph 2.11 and a Release of Assurances with respect to all the Land has been recorded in the Office of the Pima County Recorder in accordance with paragraph 2.5; or

B. A new subdivision plat has been recorded for the Land in compliance with any and all applicable laws and regulations; or

C. A substitute assurance agreement has been executed by and between Subdivider and County in accordance with paragraph 2.10.
2.16. Effective Date. This agreement is effective on the 15th day of July, 2002 which is the date of approval of this agreement by the Pima County Board of Supervisors.

PIMA COUNTY, ARIZONA

Sharon Blower
Chair, Board of Supervisors
JUL 15 2002

ATTEST:

Robert Bowden, Deputy
Clerk of the Board
JUL 15 2002

STATE OF ARIZONA
Count of Pima ss.

The foregoing instrument was acknowledged before me this ___ day of __________, 20__, by ________________________________ of

("Subdivider"), a corporation, on behalf of the corporation.

________________________________
Notary Public

My Commission Expires:

STATE OF ARIZONA
Count of Pima ss.

The foregoing instrument was acknowledged before me this 5th day of July 2002 by Kevin French as Trust Officer of TITLE GUARANTY AGENCY OF ARIZONA, INC. ("Trustee"), an Arizona corporation, on behalf of the corporation, as trustee under trust number T-1330.

________________________________
Notary Public

Assurance Agreement Page 4 of 5 4/00
SUBDIVIDER: USH/SVA STAR VALLEY
LLC, an Arizona limited liability company (as to Blocks 1-4, Blocks 7-10, Blocks 13-15, Blocks 18-23 and Blocks 25-29)

By: S.V.A. CORPORATION, an Arizona Corporation

By: [Signature]

As: [Signature]

S.V.A. CORPORATION, an Arizona corporation (as to Blocks 5 & 6, Blocks 11 & 12, Blocks 16 & 17 and Blocks 24 and 30)

By: [Signature]

As: [Signature]

STATE OF ARIZONA )
) ss.
County of Pima )

The foregoing instrument was acknowledged before me this 5th day of July, 2002, by Joseph R. Cesare as Member of USH/SVA STAR VALLEY, L.L.C., ("Subdivider"), an Arizona limited liability company, on behalf of the company.

[Signature]
Notary Public

STATE OF ARIZONA )
) ss.
County of Pima )

The foregoing instrument was acknowledged before me this 5th day of July, 2002, by Joseph R. Cesare as Vice President of S.V.A. CORPORATION, ("Subdivider"), an Arizona corporation, on behalf of the corporation.

[Signature]
Notary Public
5. CONCLUSIONS AND RECOMMENDATIONS

Traffic through the intersection of Valencia Road and Wade Road is presently light. With the continued development of Star Valley, traffic will increase significantly during the next three years. The current intersection configuration and traffic control (stop control) will not be sufficient to serve the demand once Block 4, 7 and 8 are completed. Analysis of signal warrants indicates that a traffic signal at the intersection will be justified. Construction of an eastbound right-turn lane will be warranted and widening of Wade Road will also be warranted. Based on this, it is recommended that roadway improvements be done in a phased manner, as follows:

- Design and construct a traffic signal for the intersection of Wade Road and Valencia Road when signalization warrants are met. This is anticipated to take place when approximately 850 Star Valley units are occupied (this excludes the Star Valley Village). The Figure below shows the projected traffic levels at the intersection of Wade Road and Valencia Road when 650 units are added to the 197 existing units.

![Traffic Volume Graph]

**Figure 7 - Warrant 3, Peak-Hour Volumes (from MUTCD) for 850 units**

- Increase the available storage for the westbound left turn lane on Valencia Road. Vehicle storage of 675 feet will be required upon completion of Blocks 4, 7 and 8.
However it is suggested that the extension of the storage for this movement be constructed simultaneously with the traffic signal at Valencia Road and Wade Road to minimize construction costs.

- Design and build an eastbound right turn lane for Valencia Road at Wade Road. This should take place when the eastbound right turns reach a level of 70 vehicles in the peak hour, which is anticipated to occur when approximately 1,500 Star Valley units are occupied (excluding the Star Valley Village). It is suggested that the right turn lane also be built with the traffic signal to achieve economies of scale.

- Widen Wade Road to four lanes between Valencia Road and Dove Wood Way (4,500 feet) when the traffic volumes approach 17,000 vehicles per day. Based on the current schedule, it is anticipated this will take place after completion of 2100 Star Valley units (excluding the Star Valley Village). This could take place during construction of Blocks 4, 7 and 8. Currently, there are 600 feet of exclusive left and right turn lanes on Northbound Wade Road. The ultimate storage need will be 875 feet for 2,591 residential units. Therefore, it is anticipated that the current storage will be able to handle the turning movement volumes until Wade Road is widened to 4 lanes. The design of the widening should reflect the need for a total of 875 feet of storage either on a single lane or preferably in dual lanes if Valencia Road has been widened to 4-lanes.

- Pima County is presently planning to Widen Valencia Road to four lanes as currently outlined in the 2006-2010 Regional Transportation Improvement Program³ (from Camino de la Tierra to Mark Rd) and in the Regional Transportation Authority’s plan (from Mark Road to Ajo Way). The proposed widening should consider the need for dual left turn lanes from westbound Valencia Road onto Wade Road.

- Periodically monitor the volumes and delays at the intersection of Yedra and Wade to determine if a traffic signal will be warranted. The original Star Valley Development Traffic Impact Analysis⁴ did not find a need for a signal at that location, but monitoring based on actual development intensity is justified.
August 28, 2013

Via: U.S. Mail

Priscilla S. Cornelio, P.E.
Pima County Department of Transportation
201 North Stone Ave., 4th Floor
Tucson, AZ 85701-1207

Re: Signal Installation on Valencia and Wade Road

Dear Ms. Cornelio,

This letter is to inform you that this firm has been retained by S.V.A. Corporation, a member of USH/SVA Star Valley, L.L.C. Please refer all future correspondence regarding this matter to this office and my attention.

This letter is also meant as a response to your letter of July 31, 2013 wherein you have stated that the Pima County Department of Transportation is now hereby requesting the payment of $137,667 from USH/SVA Star Valley, L.L.C., the developer of the Star Valley Specific Plan. I am attaching hereto a copy of a letter dated July 30, 2013 that was transmitted to Lesley Lukach at the Office of the Pima County Attorney which was responding to her July 2, 2013 response to our initial claim letter that was served on the county pursuant to A.R.S. § 12-821.01. The question that was posed to the county attorney which has gone unanswered is the same question that I would pose to you in response to your July 31, 2013 letter and that is for you to provide to my office the legal basis by which you are claiming the developer USH/SVA Star Valley, L.L.C. has any obligation to pay any monies for the permanent traffic signal at the location of Valencia Road and Wade Road. As I explained to the county attorney I have reviewed the rezoning conditions in detail and see no obligation of the developer to pay any sums for this traffic light. If you have contrary authority I would request that you provide that to me in writing immediately so that we may move forward to attempt to resolve the issue prior to it becoming something that is unsolvable.
If you have any questions or want to discuss this matter further please feel free to contact me directly.

Sincerely,

Thompson·Krone·Gibson, P.L.C.

Evan L. Thompson

ET/dh
enclosure
cc: client
July 30, 2013

Via: U.S. Mail

Lesley Lukach
Office of Pima County Attorney
32 North Stone Ave., Suite 2100
Tucson, AZ 85701-1412

Re: Stewart Title Trust 3698 / A.R.S. § 12-82101 Claim

Dear Lesley,

This letter is in response to the second half of your letter of July 2, 2013 which has nothing to do with our original claim and is not protected under Rule 408 of the Rules of Evidence. You stated in your email that the County will be pursuing the master developer of Star Valley for its share of the cost of the permanent signal at the intersection of Wade Road and Valencia Road. You further state that Star Valley Village has obligations for infrastructure, including improvements to Valencia Road, under the existing rezoning conditions.

I have reviewed the rezoning conditions in detail and this letter shall act as a request that you provide to me a specific and more detailed list of the obligations for infrastructure and improvements to Valencia Road and provide to me the authority for that list in the existing rezoning conditions. Such a broad statement that the County will be pursuing the master developer creates a question as to what exactly you mean by pursuing and by what authority they will be acting.

I would appreciate it if we could receive that information sooner rather than later and if you need to discuss this matter further feel free to contact me directly.

Sincerely,

Thompson•Krone•Gibson, P.L.C.

Evan L. Thompson

ET/dh
cc: client
September 11, 2013

Thompson, Krone and Gibson  
6303 E. Tanque Verde Road  
Suite 210  
Tucson, Arizona 85715  

RE: Star Valley Signal Installation

Dear Mr. Thompson:

Star Valley requirements are built on a series of successive studies and approvals that the county relied upon from the Star Valley Associates assurances (all written) that they will fund and build this infrastructure. Title 11 of State Statute is very clear regarding the county’s authorities to regulate land use, subdivision of lands and provisions of services such as sewer, roads, parks and other public facilities. The information below addresses our authority to require payment for the traffic signalization as well as request construction of Camino Verde.

1. The Board of Supervisors has comprehensive plan policies pursuant to a Concurrency Management System (2001 Comprehensive Plan, Cost of Development Element) to require development to construct the proper facilities to maintain an appropriate level of service to serve that development. Facilities subject to concurrency include, sewer service (which the contractor constructed to the site) utilities, parks (which the developer constructed) drainage, roads, school sites, and fire station sites.

2. When Star Valley was approved as a specific plan, it was with the full understanding that the spine infrastructure as depicted in the Specific Plan Circulation Concept Plan (pages 77-83) would be constructed by the primary developer with some shared responsibility with the secondary builder. The arterial streets, depicted in Exhibit 21, are Camino Verde from Valencia to boundary on the west, Wade Road to the boundary on the east and Viviana Road. A requirement was included in the rezoning ordinance for an agreement for financing and construction of the roads that would address specifically the improvements needed, the time table and responsibilities.
3. This requirement was a rezoning condition in the rezoning ordinance 1987-212 under condition 11.D. “A transportation improvement financing plan and transportation system implementation plan for the specific plan area shall be required before any subdivision plat is approved. The implementation plan shall address the provision of major routes within the plan area, the provision of capacity and route continuity adjacent to the plan and the areas of responsibility of the County, the primary developer and any subsequent developer.”

4. At the time that the master plat was submitted, a Traffic Analysis was submitted by MMLA as part of the platting requirement. The analysis measured the impacts of the development and presented a long list of recommendations for traffic improvements. Quoting from the February 2002 Traffic Impact Study submitted by the Star Valley developer:

6.4 Site Access

The planned development roadway network will provide good site access and can be implemented in conjunction with the development phasing. Initially, the primary access point into the development will be Wade Road since it currently connects to Valencia Road. As such, the Wade Road/Valencia Road intersection may need to be signalized. Extension of Camino Verde, south of Valencia Road into the site, should be completed early in the development. This connection will enhance access to both Valencia Road and Ajo Highway. Additional site access at Vahalla Road and Viviana Road can be implemented as development extends to the east and west of Camino Verde.
The list of recommended improvements formed the basis of the transportation improvement financing plan agreement. Before the plat was recorded, the developer and his agent approved that agreement. Pima County relied on that agreement and recorded the plat. Please see the final correspondence from Mr. Tom Lodge to Ben Goff. DOT accepted that letter and allowed the plat to record.

5. Please note that Item 5 of the financing agreement regarding Wade Road/Valencia Road Intersection signalization, “Pima County and Star Valley will share in the funding of this improvement.” This improvement is now due.

Some conditions have changed, but not the need for additional infrastructure to be built in the area to support this development. We have made repeated attempts to urge your client to negotiate a revised agreement acknowledging the sale of blocks to the Pascua Yaqui Tribe, schedule new target dates for the remaining improvements and discuss transportation impact fee improvements. Lots and Blocks can’t be released for further development without the needed infrastructure improvements. We hope that this can be resolved soon.

Thanks.

Sincerely,

Priscilla S. Cornelio, P.E., Director
Pima County Department of Transportation

cc: Carnine DeBonis, Director, Development Services
Carla Blackwell, Deputy Director, Development Services
Benjamin H. Goff, Deputy Director – Transportation Systems, Support and Operations
Robert C. Young, P.E., Division Manager, Transportation Systems
Lesley Lukach, County Attorney, Pima County Attorney’s Office
October 30, 2002

Mr. Ben Goff, P.E., Deputy Director  
Pima County Department of Transportation  
And Flood Control District  
201 N. Stone Avenue, 3rd Floor  
Tucson, AZ 85701

Re: Star Valley Development – Transportation Improvement Financing Plan  
MMLA 86171-62-11

Dear Mr. Goff:

Our client is accepting Pima County's October 7, 2002 and October 20, 2002 requested changes to the Star Valley Transportation Financing Plan.

The changes are as follows:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at-grade roadway.

4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway.

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #10).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete. This roadway would be constructed as an at-grade roadway. This project would be eligible for development impact fee credit. Pima County shall be responsible for right-of-way acquisition and clearance of encroachments. Pima County will exercise its power to require the Utility Companies to relocate their facilities necessary for road construction.

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project if they are actively developing the property. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Item #10 was corrected to reflect your October 7 conditions. We have assumed that the deletion was a typographical error.

Items 3, 8 and 9 are outside of the Specific Plan boundary. PCDOT will assist the developer in obtaining third-party permits (i.e., Section 404), however, required mitigation is considered part of these off-site improvement projects.
October 30, 2002
MMLA 86171-62-11
Page 3

By its acceptance of the County's changes to the Financing Plan, USH/SVA Star Valley does not waive any constitutional or statutory grounds it may have to challenge the requirement of off-site improvements as a condition of plat approval, or its ability to seek the inclusion of the off-site improvements as projects to be funded by future development fees adopted by Pima County.

The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately. We look forward to the Plat recording this week.

Sincerely,

MMLA, Inc.

[Signature]

Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc: John Bernal, Pima County
   Joe Cesare, Broadway Realty & Trust
   David Cada, US Home Corporation
   Carmine DeBonis, Pima County
   Katharina Richter, Pima County
DATE: January 10, 2014

TO: C.H. Huckelberry, County Administrator
    John Bernal, Deputy County Administrator

FROM: Carmine DeBonis, Jr., Development Services Director

SUBJECT: Star Valley Block 4

Staff recently met to review the Star Valley Specific Plan requirements and specifically the status of Block 4. Star Valley Block 4 is a platted subdivision within the Star Valley Master Plan consisting of 572 lots (P1205-093). Staff also met with Mr. Joe Cesare and Mr. GT Alley to discuss the pending sale and development of Block 4, and other Star Valley improvements.

Status of Block 4 Improvement Plans: The Block 4 sewer, paving and grading improvement plans were approved in 2006 but never constructed. They subsequently expired and were not renewed. In order to be reapproved, the plans will have to be resubmitted for review but not necessarily redesigned provided no change of standards has occurred. If there are no significant changes, the plans can simply be resealed and DSD can review the paving and grading plans in 5 days. The sewer improvement plans will take longer and must be reapproved by ADEQ; however DSD will help facilitate expedited plan processing. Notwithstanding, approval of improvement plans shall not commit Pima County to the release of lots or building permits.

Disagreement Regarding Required Offsite Improvements: Pima County and Mr. Cesare have a fundamental difference of opinion regarding the agreement for offsite roadway improvement construction. Mr. Cesare’s stated position is that the list of improvements identified in the October 30, 2002 letter from his engineer does not constitute a binding agreement to fund and construct Star Valley offsite improvements. It is his position that transportation impact fees (initiated around the same time) were to be designated for these improvements. He expressly disagrees with the amount of impact fees that were contributed to Valencia Road widening.

Pima County’s Position on Offsite Improvements: Pima County maintains that the October 30, 2002 letter constitutes the Transportation Improvement Financing Plan required to satisfy the Specific Plan conditions. Completion of the transportation plan was a prerequisite to recording the Star Valley Master Block plat. If the letter does not constitute an agreement as suggested by Mr. Cesare, then Specific Plan Condition 11.D (Ordinance 1987-212) has not been satisfied and no
building permits should be issued until such time as the condition is satisfied. Condition 11.B of the
same ordinance requires the developer to construct the roads per the plan. All subdivision plats
including the Master Block Plat (P1200-184) and Block 4 (P1205-093) contain plat notes indicating
the subdivisions are subject to the rezoning conditions adopted by the Board of Supervisors.

Currently, the following developer required improvements are being advanced by Pima County
Department of Transportation in response to traffic safety concerns from area residents:

- Per the Specific Plan and the Star Valley Transportation Financing Plan, Camino Verde is
  required to be constructed from the Star Valley development north boundary to Valencia
  Road. Pima County has commenced design of this roadway. Full reimbursement will be
  necessary from the developer to cover all costs including design, right-of-way acquisition and
  construction. The total cost for Camino Verde is estimated to be $1.2 million. Mr. Cesare
  maintains that Camino Verde is not warranted and favors expansion of Wade Road instead.

- Per the Specific Plan and Star Valley Transportation Financing Plan, funding is required
  from the developer for half of the cost of the stop light at the intersection of Wade Road and
  Valencia Road. The installation cost for the permanent signal is $275,334; the developer’s
  portion is approximately $137,667 plus any applicable interest.

It is the Department of Transportation’s position that both of these conditions must be satisfied by
the developer before any new lots may be released. This position has been communicated to Mr.
Cesare’s attorney, Evan Thompson, via written correspondence dated September 11, 2013.

Additional Options: Given the pending sale of Block 4 (Mr. Cesare indicated a cash offer has been
tendered that could be jeopardized if permits and lot releases continue to be withheld), any or all of
the following alternatives could be considered:

1. Reapprove improvement plans and allow issuance of building permits in Block 4, but hold
   the release of assurance for the sale of lots until the developer portion of the traffic signal is
   paid since traffic from Block 4 would access at the Wade and Valencia Road intersection.
   Require an updated Traffic Impact Statement (TIS) that reflects current conditions, and
   pursuant to the updated TIS, establish terms for developer financing of Camino Verde and
   other future improvements via development agreement prior to issuance of permits and
   release of lots for Blocks 7 and 8.

2. Reapprove improvement plans and allow issuance of building permits in Block 4, but phase
   the release of lots. Establish a threshold for an updated TIS that reflects current conditions
   including the sale of the nine blocks to the Pascua Yaqui Tribe when 200 lots are released.
   Condition the release of the next 200 lots on execution of a new development agreement
   outlining the time frames for required future transportation improvements pursuant to the
   TIS. Condition the release of the final lots upon full reimbursement for all transportation
   improvements paid for by Pima County
3. The developer may request reconsideration of the infrastructure obligations related to the Star Valley Specific Plan through Board of Supervisors’ action in the form of amendments to the specific plan and/or its conditions.

Attachment

c: Priscilla Cornelio, Director, Department of Transportation
   Carla Blackwell, Deputy Director Development Services
   Tom Drzazgowski, Deputy Chief Zoning Inspector
   Joseph R. Cesare
September 11, 2013

Thompson, Krone and Gibson
6303 E. Tanque Verde Road
Suite 210
Tucson, Arizona 85715

RE: Star Valley Signal Installation

Dear Mr. Thompson:

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Thanks.

Sincerely,

[Signature]

Priscilla S. Cornelio, P.E., Director
Pima County Department of Transportation

cc: Carmine DeBonis, Director, Development Services
    Carla Blackwell, Deputy Director, Development Services
    Benjamin H. Goff, Deputy Director – Transportation Systems, Support and Operations
    Robert C. Young, P.E., Division Manager, Transportation Systems
    Lesley Lukach, County Attorney, Pima County Attorney’s Office
October 30, 2002

Mr. Ben Goff, P.E., Deputy Director
Pima County Department of Transportation
And Flood Control District
201 N. Stone Avenue, 3rd Floor
Tucson, AZ 85701

Re: Star Valley Development – Transportation Improvement Financing Plan
MMLA 86171-62-11

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The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately. We look forward to the Plat recording this week.

Sincerely,

MMLA, Inc.

[Signature]

Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc: John Bernal, Pima County
    Joe Cesare, Broadway Realty & Trust
    David Cada, US Home Corporation
    Carmine DeBonis, Pima County
    Katharina Richter, Pima County
Date: January 6, 2014

To: Carmine DeBonis, Jr., Director
   Development Services
   Carla Blackwell, Deputy Director
   Development Services

From: C.H. Huckelberry
      County Administrator

Re: Star Valley Development Proposal

Attached are notes from a meeting I had with Mr. Joseph Cesare on January 3, 2014 to discuss Star Valley Block 4 and a new homebuilder, LGI Homes from Texas.

I suggest you perform some due diligence with respect to LGI Homes. Apparently, they have entered into a purchase agreement with Star Valley Associates. It would appear from my meeting with Mr. Cesare, LGI Homes requires certain re-approvals in Block 4 within 30 to 60 days, and such may be a condition of sale. I am enclosing one sheet provided to me defined Exhibit A, Plans and Specifications. These are the project plans that need to be approved or re-approved to begin development in Block 4.

The notes state that some of Block 4 was in construction, some permits were issued, and permits and inspection fees were paid. Please ascertain whether we have any records regarding the status of Block 4 construction permits issues and/or certain permits and inspection fees being paid. During my meeting, Mr. Cesare mentioned that approximately $23,000 was paid to our Regional Wastewater Reclamation Department for inspection fees associated with a sewer line construction that never occurred. Obviously, a refund is due, or the fees will not be paid again.

What is necessary is a quick review of the plans that have been previously approved. Mr. Cesare has the approval of LGI Homes to employ the previous engineer to bring the plans up to current standards if there have been any changes, as there is reference in the attached letter about putting the project on hold sometime after October 2006. The first issue to be resolved is the status of various approvals relating to Block 4. What will be the requirements to have plans approved or re-approved, as it appears that some plan requirements have not been prepared or supplied to the County for review and approval?

The concept of an additional or new homebuilder in Star Valley may be beneficial, as it may also trigger funding for various improvements the County has been requesting over
the last year or two regarding this project. We also need to review those requirements and conditions to ensure that everyone involved in the project is clearly aware of not only the Block 4 re-approval process, but also the process by which additional homebuilding permits within Star Valley would be issued by the County.

I am asking Deputy County Administrator John Bernal to take the lead in coordinating the various actions of the departments involved and to meet with Mr. Cesare and representatives of LGI Homes before the end of this week, once we obtain all the information with regard to the requirements associated with Block 4 approvals and the issuance of additional building permits within Star Valley.

CHH/anc

Attachment

c: John Bernal, Deputy County Administrator for Public Works
    Joseph Cesare, Vice President, Star Valley Associates
Date: Jan. 3, 2013

To: Chuck Huckleberry
Pima County Architects

From: Joseph R. Cesare, V. P.
Star Valley Associates

Ref: Star Valley Block 4 - LGI Homes

Message:

1) The purpose of this meeting is to request assistance in expediting Re-Approval of Improvements Plans and Specification for Star Valley Block 4, which was approved previously and was (a) in construction, (b) Permits were issued and (c) Permits and Inspection Fees were paid but were not implemented because of the economic recession that occurred commencing October 2006.

2) The project was put on hold until economic conditions improved to allow work to re-commerce.

We respectfully request that you authorize the Re-approval of our Plans and Specification for Improvements (Grandfather Rights) as they exist without modification so that LGI Homes can comply with their Purchase Agreement to build Entry Level Homes.

Joseph R. Cesare
### EXHIBIT "A"
### PLANS AND SPECIFICATIONS

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PLAN NO.</th>
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<tbody>
<tr>
<td>1. Private Grading Plans</td>
<td>P12005-093 (Project No. 86171-104-49)</td>
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<tr>
<td>2. Public Paving and Sewer Plans</td>
<td>P1203-012 (Project No. 86171-104-50/51)</td>
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<tr>
<td>3. Water Plans</td>
<td>2-147-2006 (Phase 1)</td>
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<td>2-172-2006 (Phase 2)</td>
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<td>4. COT – Water Booster Station Plans</td>
<td>2-020-024-2006</td>
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<tr>
<td>5. Star Valley Block 4 Bufferyard and Common Area Landscape Plan</td>
<td>Novak Environmental, Inc. Job No. 0592</td>
</tr>
<tr>
<td>6. Star Valley Block 4 Internal Common Area Landscape</td>
<td>Novak Environmental, Inc. (not yet prepared, to be supplied)</td>
</tr>
<tr>
<td>7. Star Valley Block 4 Perimeter Walls</td>
<td>Novak Environmental, Inc. (not yet prepared, to be supplied)</td>
</tr>
<tr>
<td>8. Star Valley Roadsides Landscape and Irrigation Plans for Bufferyards within Common Areas and Portions of Pima County Right-of-Way for Block 4</td>
<td>Novak Environmental, Inc. (not yet prepared, to be supplied)</td>
</tr>
<tr>
<td>10. Telephone</td>
<td>CenturyLink (to be supplied) (Formally known as QWEST)</td>
</tr>
<tr>
<td>11. Cable TV</td>
<td>CenturyLink (to be supplied) (Formally known as QWEST) Same Plan(s) as telephone</td>
</tr>
<tr>
<td>12. Gas</td>
<td>Southwest Gas (not yet prepared, to be supplied)</td>
</tr>
<tr>
<td>13. SWPPP Plan</td>
<td>224.10</td>
</tr>
</tbody>
</table>
Hi Joe and GT,

In the interest of time, I am sending this formal response and additional information to you via email. This information is in response to the items enumerated below in your email memorandum. Please let me know if you have any issues viewing it (big file.) We can send it in pieces.

Thanks
Carla

Carla L. Blackwell
Deputy Director, Development Services
201 N. Stone Ave. First Floor
Tucson, Arizona 85701
(520) 724-9516
Help plan our future! Share your ideas at [www.pimaprospers.com](http://www.pimaprospers.com)

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E-mail Memorandum

To: Carla Blackwell
Cc: John Bernal, Carmine DeBonis, Chuck Huckelberry, G.T. Alley III, Jeffrey J. Cesare
From: Joseph R. Cesare
Date: January 13, 2014
Subject: Meeting on Wednesday, January 8, 2014

Carla,

1) Thank you for your E-mail of Jan. 10, 2014 @ 2:32 PM and providing us a copy of the October 30, 2002 letter from our Engineers (MMLA now PSOMAS) which was not in our records; however it only raises additional questions because it refers to Pima County's requested changes of October 7, 2002 and October 20, 2002. We do not have any record of these “changes” and need to know if these were made by letter,
conversation or meetings. Therefore we are requesting that you E-mail to us the documents or memos of October 7, 2002 and October 20, 2002 so we can properly address same.

2) In regard to the October 30, 2002 letter from our engineers, this is a letter that is simply part of what appears to be the negotiations of a Transportation Finance Agreement (TFA). As you are well aware, no such agreement was ever entered into. If you have a completed executed FTA please provide that immediately. If you do not have a completed and executed FTA, then I believe it is a more prudent position that everyone agree that there was no FTA and act accordingly. We have no record of a Transportation Finance Agreement (TFA) and knew nothing of Pima County’s position regarding this letter until we received a letter from Priscilla Cornelio, Director of Pima County Department of Transportation, dated May 23, 2013, eleven (11) years after any correspondence from Pima County concerning a Transportation Finance Agreement.

3) Clearly there is a reason for an eleven (11) year hiatus and it is very simple: we all knew that a Transportation Impact Fees was going to be assessed to Star Valley (which occurred within a few months of the Star Valley Block Plat being recorded) that satisfied all of the conditions of the Zoning Ordinance for the Star Valley Specific Plan.

4) Now the real question is how the Impact Fees for Star Valley (over $10 million) have been applied? Have those Impact Fees been applied for the benefit of Star Valley?

Within ten (10) days of the date hereof please provide me how the Impact Fees collected for Star Valley were allocated and to which Transportation (Roads) projects.

5) I think it is important to note that if you applied a Transportation Impact Fee and a Transportation Finance Plan Fee to Star Valley that would be charging Star Valley twice for the same thing. No Housing Development could sustain such fees being charged.

6) Please note that Ben Goff’s E-mail to Priscilla Cornelio dated September 20, 2012 clearly states that Star Valley Specific Plan "predates the adoption of Roadway Development Impact Fees" which supports our position that you do not place a double burden on a Housing Development and expect it to survive. Contrary to political rhetoric that Development does not pay for itself, the National Home-builders Association and the National Board of Realtors have many studies that prove to the contrary that Housing Development not only pays for itself in 3 to 4 years but keeps paying thereafter.

7) LGI Homes is a new Home-builder to Tucson and it was my understanding with Mr. Huckelberry that we would put this issue (the Transportation Finance Plan) aside, such that LGI could get their Building Permits, Sewer Service Agreement, etc. and sell their homes. That we would then attempt to negotiate our differences or let a Court of Competent jurisdiction make the decision for us without affecting LGI’s plans
in Tucson.

8) Time is of the essence with the LGI deal that exceeds $85,000,000.00 most of which is labor and materials. Due to of the gravity of this situation, I am requesting an immediate meeting with Mr. Huckelberry in hopes of avoiding an unpleasant situation.

Respectfully Submitted,

Joseph R. Cesare, President
Broadway Realty & Trust, Inc.
P.O. Box 12863
Tucson, Arizona 85732
(520) 747-5700
BRATJRC@aol.com

-----Original Message-----
From: Carla Blackwell <Carla.Blackwell@pima.gov>
To: 'BRATJRC@aol.com' <BRATJRC@aol.com>
Cc: John Bernal <John.Bernal@pima.gov>; Carmine DeBonis <Carmine.DeBonis@pima.gov>;
    'BRATGTA@aol.com' <BRATGTA@aol.com>
Sent: Fri, Jan 10, 2014 2:23 pm
Subject: RE: Meeting on Wednesday, January 8. 2014

Joe and GT,

Attached is the letter referenced from your engineer dated October 30,2002. This letter was also sent to your attorney, Mr. Thompson in September when the issues arose around the stoplight and Camino Verde.

Carmine checked in with John Bernal regarding delaying a response to the county administrator. We are under deadline of today to outline the issues and recommendations to him. Carmine has revised the draft and it is attached. Although this memo will be sent by the end of the day, we welcome the opportunity to continue discussing alternatives and options and would forward them to the County Administrator and John.

Thanks
Carla

Carla L. Blackwell
Deputy Director, Development Services
201 N. Stone Ave. First Floor
Tucson, Arizona 85701
(520) 724-9516
Help plan our future! Share your ideas at www.pimaprospers.com

From: BRATJRC@aol.com [mailto:BRATJRC@aol.com]
E-mail Memorandum

To: Carla Blackwell  
Cc: John Bernal, Carmine DeBonis, G.T. Alley III  
From: Joseph R. Cesare  
Date: January 10, 2014  
Subject: Meeting on Wednesday, January 8, 2014

Carla,

I am not in agreement with your draft letter of January 9, 2014. The October 30, 2002 letter from the engineer is not in our file so we need to see it before we can comment (kindly E-mail us the October 30, 2002 letter). As to some of the other issues, such as Traffic Signal and Camino Verde, we need to get a better understanding so we can further discuss it with you, therefore I am requesting a time extension be given concerning your draft letter until Tuesday, January 14, 2014 so we can draft our alternatives or comments as offered in your letter before said letter is sent to Mr. Huckelberry and Mr. Bernal.

Thank you for your consideration.

Joseph R. Cesare, President  
Broadway Realty & Trust, Inc.  
P.O. Box 12863  
Tucson, Arizona 85732  
(520) 747-5700  
BRATJRC@aol.com

In a message dated 1/9/2014 11:04:00 A.M. US Mountain Standard Time, Carla.Blackwell@pima.gov writes:

Joe and GT,

Here is a draft of the memo back to the county administrator (with comments from John Bernal, DOT, etc.) that details our differences and suggestions for moving forward. We included some of your feedback from the meeting.

Is there any alternatives or comments that you would like to suggest? We want to finalize this by tomorrow.

Thanks

Carla L. Blackwell  
Deputy Director, Development Services  
201 N. Stone Ave. First Floor  
Tucson, Arizona 85701  
(520) 724-9516
Carmine/Carla:

Based on our conversation this morning and my discussions with Joe Cesare, we would like to schedule a meeting with you both on Wednesday, January 8, 2014 at 9:00am to discuss Star Valley Block 4.

The above requested meeting will be a precursor to any meetings scheduled with LGI Homes and our engineers, so that we can have a "meeting of the minds" on how to move forward with this project. Joe and I will be the only ones attending this meeting. Kindly confirm that the above time works for you.

Thank you,

G.T.

Gordon Thomas (G.T.) Alley, III
Senior Vice President
Broadway Realty & Trust, Inc.
4855 E. Broadway, Suite 103
Tucson, Arizona 85711
(520) 747-5700 -O-
(520) 577-8555 -F-
(520) 275-3652 -C-
bratgta@aol.com
January 17, 2014

Mr. Joseph R. Cesare
USH/SVA Star Valley LLC
Broadway Realty & Trust, Inc
4855 E. Broadway Blvd. #103
Tucson, Arizona 85711

Re: Transportation Finance Agreement for Star Valley

Dear Mr. Cesare:

This is a formal response to your request for additional information and items outlined in your email Memorandum dated January 13, 2014. Multiple departments contributed to this consensus response.

The Star Valley Specific Plan rezoning required approval of the Transportation Improvement Financing Plan and Transportation System Implementation Plan (“Transportation Plans” or “Plans”) before the recording of any plat. Your initial proposal for the Transportation Plans was embedded in the Traffic Impact Analysis dated February 2002 and submitted by MMLA with the Master Block Plat. Because your initial proposal for the Transportation Plans was not acceptable to Pima County, subsequent correspondence settled the details of the Plans with final acceptance documented in the October 30, 2002 letter from MMLA. In response to your specific comments (1-8), I offer the following:

1. Attached to this letter is a history of the submittal, comments and responses specifically addressing the Transportation Plans for Star Valley. As mentioned above, the Plans were submitted as a part of the Traffic Impact Analysis (EXHIBIT 1 is the abridged edition, we can send you the full one if needed). The components of the Plans that needed to be changed were recited in the letters to your engineer, MMLA, and from your engineer to DOT. (EXHIBIT 2) Approval and recordation of the plat was dependent upon your commitment to implement Plans acceptable to, and approved by, DOT. The Transportation Plans are subdivision improvements contemplated by the plat. As a condition of approval, DOT required the list of improvements, payment mechanisms and timetable stipulated in the Traffic Impact Analysis as modified by the October 30, 2002 letter (EXHIBIT 3). Unless otherwise indicated in the letter, it was and remains clear that you were responsible for the cost and timely completion of the listed improvements.

2. The Traffic Impact Analysis with the embedded transportation financing and implementation comments and acceptance constitutes your agreement to implement transportation improvements for Star Valley, and Pima County has acted accordingly pursuant to that agreement. The plat was recorded
in reliance on the final satisfactory terms and acceptance as illustrated in the October 30, 2002 letter. (EXHIBIT 4)

3. The agreement is being discussed at this time because some of the improvements required by the agreement are now necessary. The timetable in the Plans contemplated a much shorter time span for the improvements, but it also relied on a rapid build out of the community. Pima County was forced to install a temporary traffic signal at the intersection of Valencia and Wade and has asked you for traffic light signal payment. Pima County is requiring construction of Camino Verde based on present conditions. These improvements and the other responsibilities of the developer would have been demanded long ago if it were not for the Great Recession slowing building of homes. Impact fees were not the reason. In 2002, DOT denied your request to use impact fees for the road improvements, except to expand Camino Verde from a two lane road to a four lane road. (See fax of October 7, 2002 from Ben Goff marking up October 2, 2002 MMLA letter in Exhibit 2.)

4. Impact Fee Use breakout is attached. (EXHIBIT 5)

5. Impact Fees cover the cost of impacts and expansion to regional roadways in the entire benefit area (Avra Valley) such as Valencia Road. The Transportation Improvement Financing Plan, not impact fees, covers direct impacts from the development on adjacent roadways and provides for the construction of roads to safely enter and exit Star Valley such as Wade, Camino Verde, and Vivianna. Those roads directly serve Star Valley. Impact fees are a common vehicle to fund transportation improvements in high growth areas. Pima County has a number of master planned communities that are subject to impact fees in their benefit area as well as their share of road improvements that directly serve their developments. The Star Valley Transportation Improvement Financing Plan is in alignment with other developer agreements to both build improvements and pay the impact fees.

6. Impact fees were in place during the plat period. However, Altar Valley Benefit Area did not have a road improvement plan at that time and therefore no fee was assessed at that time but one was contemplated. That fee is discussed in the 2002 Traffic Impact Analysis.

7. Due to the needed transportation requirements, blocks and lots are on hold for any further releases. Development Services is the safe keeper of the assurance agreements. We rely on the Department of Transportation to inspect subdivision improvements and give us the approval to release the lots or blocks if the improvements have met their requirements and conditions. Per state statute, there are two mechanisms that Pima County has to ensure residents that improvements get built:

   - Third Party Trust Assurance agreements, where nothing gets sold until the improvements are made and inspected by DOT.
   - Building Permits can be held if the rezoning conditions as stated on the plat are not met.

The deadlines in your assurance agreements have passed. In the absence of the necessary transportation improvements, continued increases in residential density in the Star Valley Specific Plan
area would cause hardships to the current residents and present public safety issues. Pima County is now considering all options to ensure that the improvements are made and the Specific Plan and Block Plat conditions are complied with, including but not limited to the following:

1. Re-plat Star Valley due to expired Assurance Agreements.

2. Hold building permits, as permitted by the International Building Code, until the rezoning conditions are complied with and an acceptable development agreement is executed.

3. Hold lots and blocks under the terms of the assurance agreement until the terms of the current Transportation Plans are met.

4. If LGI plans to purchase Block 4, allow LGI to propose assurances for Block 4 (under the Bulk Sales provision of the Assurance Agreement, a bulk sale is permitted if the purchaser has entered into an assurance agreement satisfactory to the County). Acceptable assurances would recognize the need to address off-site transportation improvements.

5. Initiate an amendment of the Star Valley Specific Plan and related ordinances to allow the Board of Supervisors to rescind or amend parts of the Specific Plan to remedy the problems caused by your failure to comply with the Transportation Plans.

6. File a lawsuit against you under A.R.S. § 11-815 and other available authority to compel you to meet your obligations.

Unless we come to terms quickly on the outstanding improvements enumerated in the Plans, no further blocks/lots may be released and/or no further building permits may be issued. As stated in the recommendation to the County Administrator, memo dated January 10, 2014 from Carmine DeBonis, Jr. on this subject, Pima County requires the following improvements be made or satisfied:

- In accordance with the Specific Plan and Star Valley Development – Transportation Financing Plan, Camino Verde is required to be constructed from the Star Valley development north boundary to Valencia Road. Pima County has commenced design of this roadway. Full reimbursement and/or other financial assurances will be necessary from the developer to cover all costs including design, right-of-way acquisition and construction.

- In accordance with the Specific Plan and Star Valley Development – Transportation Financing Plan, funding is required from the developer for half of the cost of the stop light at the intersection of Wade Road and Valencia Road.

In addition, Pima County will require an updated Traffic Impact Statement (TIS) that reflects current conditions for the entire Star Valley development and pursuant to the updated TIS, establish revised
MR. JOE CESARE  
RE: TRANSPORTATION FINANCE AGREEMENT FOR STAR VALLEY  
JANUARY 16, 2014  
PAGE 4

terms for developer financing and construction timing of all the remaining improvements via a revised agreement in the form of a development agreement.

Thank you for your consideration.

Sincerely,

[Signature]

Carla L. Blackwell  
Deputy Director, Development Services

Attachments

C: Mr. C.H. Huckelberry, Pima County Administrator  
Mr. John Bernal, Deputy County Administrator  
Carmine DeBonis, Jr. Director, Development Services Department  
Priscilla Cornelio, Director, Department of Transportation
EXHIBIT 1
STAR VALLEY DEVELOPMENT

Traffic Impact Analysis

Prepared for

MMLA

Prepared by

CEI Catalina Engineering, Inc.

February 2002
6.4 Site Access

The planned development roadway network will provide good site access and can be implemented in conjunction with the development phasing. Initially, the primary access point into the development will be Wade Road since it currently connects to Valencia Road. As such, the Wade Road/Valencia Road intersection may need to be signalized. Extension of Camino Verde, south of Valencia Road into the site, should be completed early in the development. This connection will enhance access to both Valencia Road and Ajo Highway. Additional site access at Vahalla Road and Viviana Road can be implemented as development extends to the east and west of Camino Verde.

6.5 Pedestrian, Bicycle, and Transit Considerations

Provision of alternate mode facilities to accommodate the needs of pedestrians, cyclists, and transit should be included within the development site. This should include bicycle lanes and sidewalks. Widening of Camino Verde and Valencia Road should include multi-use lanes and sidewalks.

7. CONCLUSIONS AND RECOMMENDATIONS

Based upon the projected traffic impacts associated with the planned Star Valley development and on other expected development in the surrounding area, improvements to the surrounding roadway network will be required to provide necessary capacity and an appropriate level of safety. Key findings of the traffic analysis and recommendations are listed below.

1. The development is expected to generate some 48,000 daily trips at build-out. It is predicted that 40,000 trips will be external to the development site.

2. Valencia Road, Camino Verde, and Ajo Highway will be the primary arterials that serve the Star Valley development as well as other future developments in the surrounding area. In order to provide sufficient roadway capacity and ensure proper access, the following improvements will need to occur.
   a. Widen Valencia Road, from Camino Verde to the CAP canal, to a 4-lane cross section. Install a traffic signal at Camino Verde/Valencia Road. Traffic signals may also be required at Wade Road/Valencia Road and at Viviana Road/Valencia Road, depending upon traffic distribution to the site.
   b. Widen Ajo Way to 4-lanes from Camino Verde to Kinney Road.
   c. Widen Camino Verde to a 4-lane divided cross section from Valencia Road to Ajo Highway. Install a traffic signal at Camino Verde/Ajo Highway.

3. The proposed internal site roadways (Camino Verde, Wade Road/Los Reales Road, and Viviana Road) should initially be constructed as 2-lanes with left-turn bays at local streets and major driveways. Bicycle lanes and sidewalks should be provided. Ninety feet of right-of-way should be provided for Camino Verde, Wade Road, Los Reales Road, and Viviana Road.
4. Upon construction of Camino Verde, between Yedra Road and Wade Road, Yedra Road should be improved to a 2-lane paved cross section.

5. Roadway cross section standards provided in the Pima County Roadway Design Manual will apply to improvements on Valencia Road and Camino Verde (north of Valencia Road).

6. A sub-area transportation study of the Altar Valley area should be performed by Pima County to identify roadway and drainage improvements required in response to the accelerated development that is anticipated over the next 10 to 20 years.

8. IMPLEMENTATION PLAN

Based on the results of the traffic analysis, an implementation plan that addresses cost, funding, sequencing, and monitoring of roadway improvements required to support the projected traffic demand generated by the Star Valley development and future development in the area has been prepared.

8.1 Improvement Costs

Planning level cost estimates for the recommended roadway improvements external to the development site are provided in Exhibit 24. The costs represent improvements required to support traffic demand generated by the Star Valley development at buildout and by other developments that may occur in the area.

<table>
<thead>
<tr>
<th>Roadway</th>
<th>Section</th>
<th>Description</th>
<th>Length</th>
<th>Cost ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valencia Road</td>
<td>Camino Verde to CAP crossing</td>
<td>Widen to 4 lanes</td>
<td>1.0 mi</td>
<td>5.0</td>
</tr>
<tr>
<td>Camino Verde</td>
<td>Valencia Road to Ajo Way</td>
<td>Widen to 4 lanes</td>
<td>1.8 mi</td>
<td>9.0</td>
</tr>
<tr>
<td>Development Boundary to Valencia Road</td>
<td></td>
<td>Construct 4 lanes</td>
<td>0.5 mi</td>
<td>2.5</td>
</tr>
<tr>
<td>Ajo Highway</td>
<td>Camino Verde to Kinney Road</td>
<td>Widen to 4 lanes</td>
<td>1.5 mi</td>
<td>7.0</td>
</tr>
<tr>
<td>Viviana Road</td>
<td>Development Boundary to Valencia Road</td>
<td>Construct 4 lanes</td>
<td>0.5 mi</td>
<td>2.5</td>
</tr>
<tr>
<td>Yedra Road</td>
<td>Vahalla to Development Boundary</td>
<td>Construct 2 lane roadway</td>
<td>0.5 mi</td>
<td>1.0</td>
</tr>
</tbody>
</table>

8.2 Funding

Implementation of transportation improvements in the area is expected to be funded from a combination of developer, local, and state sources. Roadways within the development boundary will be constructed by the developer. Construction of the sections of Camino Verde and Viviana Road to provide connections with existing roadways and access to the site will be required as part of the development.

Developer impact fees provide an equitable and flexible method for generating a portion of the funds required for roadway improvements external to the development site. This funding
mechanism ensures that all new development that occurs in the area contributes to the expansion of infrastructure and generates funding based on the amount of development that actually occurs. The Star Valley development is located in the Altar Valley development impact fee area, although the fee process is not currently active. It is anticipated that the upcoming update of the Pima County developer impact fee ordinance will include the Altar Valley area. Based on the current Pima County impact fee of $1,550 per single family unit, the Star Valley development will generate approximately $6.7 million of impact fee revenue at build out.

8.3 Phasing of Improvements

Roadway improvements will be implemented as development occurs. Detailed traffic impact studies should be conducted for each phase of the Star Valley development in order to identify needed roadway capacity, access, and traffic control to provide an acceptable level of service and safety. The widening of Valencia Road to 4-lanes and construction of the section of Camino Verde from the development boundary to Valencia Road will need to occur within the first half of the Star Valley development. Implementation of improvements to Camino Verde and Ajo Way will occur as development continues and as determined by traffic studies performed for each phase.

A preliminary phased implementation of necessary roadway improvements, based on the anticipated phasing of the Star Valley development and development of surrounding parcels, is provided in Exhibit 25.
### Exhibit 25. Projected Improvement Phasing

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Implementation Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Widen Valencia Road, CAP to Camino de la Tierra, 4-lanes</td>
<td>Under design; planned construction – 2004/05</td>
</tr>
<tr>
<td>2  Signalize Camino de Oeste/Valencia Road</td>
<td>Under design; planned construction – 2002</td>
</tr>
<tr>
<td>3  Widen Valencia Road, Camino Verde to CAP, 4-lanes</td>
<td>2005-2010</td>
</tr>
<tr>
<td>4  Widen Ajo Hwy., Camino Verde to Kinney Road, 4-lanes</td>
<td>2005-2010</td>
</tr>
<tr>
<td>5  Extend Wade Road to Camino Verde, 2-lanes</td>
<td>Under design; planned construction - 2002/03</td>
</tr>
<tr>
<td>6  Construct Camino Verde, Wade Road/Los Reales Road to development boundary, 2-lanes</td>
<td>Under design; planned construction - 2002/03</td>
</tr>
<tr>
<td>7  Construct Camino Verde, development boundary to Valencia Road, 2-lanes</td>
<td>2005-2010</td>
</tr>
<tr>
<td>8  Signalize Camino Verde/Valencia Road</td>
<td>2005-2010, as warranted</td>
</tr>
<tr>
<td>9  Signalize Wade Road/Valencia Road</td>
<td>2005-2010, as warranted</td>
</tr>
<tr>
<td>10 Signalize Camino Verde/Ajo Hwy.</td>
<td>2005-2010, as warranted</td>
</tr>
<tr>
<td>11 Signalize Mark Road/Valencia Road</td>
<td>2005-2010, as warranted</td>
</tr>
<tr>
<td>12 Construct Los Reales Road, Camino Verde to Viviana Road, 2-lanes</td>
<td>Under design; planned construction - 2002/03</td>
</tr>
<tr>
<td>13 Construct Los Reales Road, Viviana Road to development boundary, 2-lanes</td>
<td>&gt;2010</td>
</tr>
<tr>
<td>14 Construct Viviana Road, Los Reales Road to Valencia Road, 2-lanes</td>
<td>&gt;2010</td>
</tr>
<tr>
<td>15 Extend Camino Verde to tie into Yedra Road, 2-lanes</td>
<td>Under design; planned construction - 2002/03</td>
</tr>
<tr>
<td>16 Improve Yedra Road, Camino Verde to Vahalla Road, 2-lanes</td>
<td>&gt;2010, if required</td>
</tr>
<tr>
<td>17 Widen Camino Verde, Valencia Road to Ajo Hwy., 4-lanes</td>
<td>&gt;2010</td>
</tr>
<tr>
<td>18 Widen Camino Verde, Wade Road/Los Reales Road to Valencia Road, 4-lanes</td>
<td>&gt;2010</td>
</tr>
<tr>
<td>19 Signalize Viviana Road/Valencia Road</td>
<td>&gt;2010, as warranted</td>
</tr>
<tr>
<td>20 Signalize Camino Verde/ Los Reales Road</td>
<td>&gt;2010, as warranted</td>
</tr>
</tbody>
</table>
EXHIBIT 2
July 8, 2002

Mr. Geoff W. Harris, P.E.
Project Manager
MMLA, Inc.
800 E. Wetmore Rd., Suite 110
Tucson, AZ 85719


Dear Mr. Harris,

Thank you and Mr. Lodge for meeting with Ted Payne and myself this morning to discuss the transportation improvement financing and implementation plan for Star Valley. As I mentioned, the traffic analysis section of the report is acceptable to Transportation staff. What remains to be settled is the responsibility for funding the off-site roadway improvements necessary for this project which are listed under “Conclusions and Recommendations” on page 26 and 27 of the subject report.

As we discussed today, Transportation staff recommends that the developer pay for and construct those immediate off-site improvements needed to mitigate the traffic impacts of this development and provide a minimum of LOS D with build out of the first half of the development. These improvements include Viviana Road and Camino Verde connections to Valencia Road, Valencia Road widening and intersection capacity improvements and signalization where needed, and Camino Verde improvements north of Valencia Road. Staff also recommends that the developer contribute funds to offset regional traffic impacts to major routes in the vicinity of the project as build out is completed. Ajo Highway improvements fall outside of Pima County jurisdiction and would need to be coordinated through the Arizona Department of Transportation.

We discussed using development impact fees to help fund all off-site improvements except the Viviana Road and Camino Verde connections to Valencia Road. Transportation staff views those road connections as project-related and not appropriately funded with impact fees.

We look forward to working with you to come to an agreement as soon as possible. Please call me at 740-6383 if you have any questions.

Sincerely,

Jonathan Crowe, AICP
Principal Planner

c: Ted Payne
DATE: August 15, 2002

TO: John Bernal
Pima County Deputy Administrator
Public Works Administration
100 N. Stone Avenue, Suite 300
Tucson, Arizona 85701

FC: Tom Lodge, MMLA
FC: Hugh M. Caldwell, Jr. Esquire

FROM: Joseph R. Cesare

REF: Star Valley Block Plat Recordation

MESSAGE:

1) By Fax Message on August 9, 2002 we requested that you approve our Traffic Report and cause the Block Plat to be recorded for the above caption; to date we have not had a response and need to know your decision.

2) The Board approved the Block Plat on July 15, 2002 and it should have been recorded by now.

3) Please communicate with me as to the Recordation Status.

Joseph R. Cesare

THIS FACSIMILE IS THE ONLY COPY YOU WILL RECEIVE. THE ORIGINAL WILL BE KEPT ON FILE AT THIS OFFICE, UNLESS INDICATED ABOVE.
Total pages including this page . If you do not receive all pages, call 747-5700.
August 16, 2002

Mr. Joseph R. Cesare
Broadway Realty & Trust, Inc.
4855 East Broadway, Suite 103
Tucson, Arizona 85711

Re: Star Valley Block Plat

Dear Mr. Cesare:

Your request for approval of the Transportation Improvement Financing Plan and Transportation System Implementation Plan as required by condition 11 D. of the Star Valley Specific Plan Ordinance has not been granted by the Department of Transportation and Flood Control District (DOT&FCD). I have requested that the DOT&FCD staff review the materials submitted with your August 9, 2002 fax, together with the August 2, 2002 letter from MMLA, to determine whether any of the presented information in these communications satisfactorily supplements the previously submitted materials to address the concerns expressed in the DOT&FCD letter of July 8, 2002.

You or your representative will be contacted by the DOT&FCD staff to further review this matter.

Sincerely,

[Signature]

John M. Bernal
Deputy County Administrator—Public Works

JMB:jgs

c: Kurt Weinrich, Director, Transportation & Flood Control District
  Ben Goff, Deputy Director, Transportation & Flood Control District
  Carmine DeBonis, Director, Development Services
August 28, 2002

Mr. Joseph R. Cesare  
Broadway Realty & Trust, Inc.  
4855 East Broadway, Suite 103  
Tucson, Arizona 85711

Re: Star Valley Specific Plan

Dear Mr. Cesare:

The Department of Transportation staff as requested by Mr. John M. Bernal, Deputy County Administrator-Public Works, has reviewed your August 9, 2002 fax and the August 2, 2002 letter from MMLA. Both documents indicate your position that the Star Valley development has no responsibility for the construction or funding of off-site roadway improvements except for Wade Road. This position appears to be based on your interpretation of the Star Valley Specific Plan Ordinance and the “Requirements of the Department of Transportation”, Transportation Condition 11.D.

Star Valley Specific Plan: Transportation Condition 11.D.

“A transportation improvement financing plan and transportation system implementation plan for the specific plan area shall be required before any subdivision plat is approved. The implementation plan shall address the provision of major routes within the plan area, the provision of capacity and route continuity adjacent to the plan and the areas of responsibility of the County, the primary developer and any subsequent developers.”

Transportation staff interprets this transportation condition to require participation by the property developers in any needed roadway improvements that are or will be necessary to accommodate traffic impacts associated with the proposed development. The needed roadway improvements are to offset impacts to existing public roadways that provide access to the developing properties.
The traffic analysis section of the Star Valley Development, Traffic Impact Analysis Report dated February 2002 was approved and accepted by Transportation staff as noted in Mr. Jonathan Crowe’s letter of July 8, 2002. The Report notes that Star Valley Development is predicted to generate 40,000 vehicle trips external to the specific plan property. This off-site traffic is expected to have a major impact on the existing public roadway system that provides access to and from the specific plan developments. The Report further notes that off-site roadway capacity improvements will be needed to accommodate traffic from the specific plan development. These noted off-site roadway improvements are anticipated to cost approximately $27 million. This cost represents how much money is needed to construct the off-site roadway improvements required to support the traffic demand generated by the Star Valley development at build-out and by other developments that may occur in the area.

Developer participation in the construction and/or financing of any needed safety and/or capacity improvements for off-site roadways to address development traffic impacts to existing public roadways has routinely been required by the Department of Transportation as a condition of development approval. The same Transportation Condition was applied to the Santa Rita Ranch Specific Plan (Ordinance #1988-82) that is also starting the development process and has reached a tentative agreement with the Department of Transportation regarding off-site roadway construction and financing. This condition is applied to development as a development condition even if there was no rezoning. To insure that transportation exactions are fair and satisfy the test of essential nexus and rough proportionality, the Department of Transportation reviews and approves Traffic Impact Analysis Reports prepared by qualified Traffic Engineers for Developers. The intent of these Reports is to analyze the traffic impacts of proposed developments and to determine what, if any, transportation improvements are necessary due to the development. When it is established by an approved Report that transportation improvements are needed because of a development, an implementation plan for the construction and/or financing of the needed transportation improvements is developed.

The Star Valley Traffic Impact Analysis Report notes in its Conclusions and Recommendations Section the need for a number of off-site transportation improvements associated with the proposed development. The estimated cost of these improvements and a project-phasing schedule were also provided. However, the Implementation Plan Section of the Report simply says, “Implementation of transportation improvements in the area is expected to be funded from a combination of developer, local, and state sources.” While the Report under the Funding Section refers to developer impact fees providing an equitable and flexible method for generating a portion of the funds required for roadway improvements external to the development, there is nothing in the Report committing the Star Valley development to any participation in the funding or construction of any off-site roadway improvements.
The Department of Transportation cannot approve a Transportation Improvement Financing Plan and System Implementation Plan for the Specific Plan without a commitment to participate in all needed improvements. Further, the Department of Transportation cannot support the notion that the Star Valley Specific Plan was approved by the Board of Supervisors with the understanding that rezoning condition 11.D. implied that the sole transportation obligation of the Star Valley Development was to construct only on-site subdivision roadways and only one access road to serve the development of 4,300 residential units.

Transportation staff recommends that the Star Valley Specific Plan Developer negotiate with the Department of Transportation and reach an agreement regarding construction and/or fair share funding of needed off-site roadway improvements. The Traffic Impact Analysis Report already submitted and reviewed provides the framework for this agreement. In lieu of an agreement, staff recommends the Star Valley Developer request through Development Services Department a Board of Supervisors hearing in order to obtain the Board’s interpretation of Transportation Condition 11.D.

Sincerely,

[Signature]

Benjamin H. Goff, P.E.
Deputy Director
Pima County Department of Transportation and Flood Control District

BHG/tjp/tjp

C: John M. Bernal, Deputy County Administrator-Public Works
Kurt Weinrich, Director, Transportation & Flood Control District
✓ Carmine DeBonis, Director, Development Services
The meeting will be held in the 3rd Floor Conference Room, 10:00 a.m., September 23.

-----Original Message-----
From: Ben Goff
Sent: Friday, September 13, 2002 9:54 AM
To: Lisa Matthews
Subject: RE: Sep. 23 Star Valley Meeting

Yes, thank you. BHG

-----Original Message-----
From: Lisa Matthews
Sent: Friday, September 13, 2002 9:54 AM
To: Ben Goff
Cc: Ted Payne
Subject: Sep. 23 Star Valley Meeting
Importance: High

Sydney from Frank Bangs office called and she said that Joe Cesare, Tom Lodge and Frank Bangs would like to meet with you here on Monday, September 23 (10:00) to discuss Star Valley. I reviewed your calendar and you are available during that time, do you want me to confirm your availability?

-----Original Message-----
From: Ted Payne
Sent: Thursday, September 12, 2002 1:30 PM
To: Lisa Matthews
Subject: RE: Sydney (629-4403) - Star Valley Meeting

Sounds good to me. TJP

-----Original Message-----
From: Lisa Matthews
Sent: Thursday, September 12, 2002 12:44 PM
To: Ted Payne
Cc: Ben Goff; Lisa Matthews
Subject: Sydney (629-4403) - Star Valley Meeting

I just spoke with Ben...he is going to speak with Joe Caesar first before we set up a meeting with Sydney.

-----Original Message-----
From: Ted Payne
Sent: Thursday, September 12, 2002 12:39 PM
To: Lisa Matthews
Subject: RE: Star Valley Meeting

Hi Lisa, I can make all times except Thursday, September 19 2:30-3:30. I am at a DRC meeting Thursday from 1:30 on. TJP

-----Original Message-----
From: Lisa Matthews
Sent: Thursday, September 12, 2002 12:33 PM
To: Ted Payne
Hellooo Ted,
These are the Ben's available times to meet with Sydney at Star Valley, which timeframes will work for you? As soon as I figure a common time, I'll confirm the location/time of the meeting.

Wednesday, September 18: Anytime between 9:00 a.m. and 11:00 a.m.
Thursday, September 19: 2:30-3:30
Monday, September 23: Anytime between 9:00 a.m. and 11:00 a.m.
Tuesday, September 24: Anytime between 9:00 a.m. and 11:00 a.m. or 2:30 p.m. - 3:30 p.m.

-----Original Message-----
From: Nicole Burdette
Sent: Thursday, September 12, 2002 11:24 AM
To: Lisa Matthews
Subject: Phone message for Ben (11:15 a.m.)

Sydney @ 629-4403 would like you to call her so she can schedule a meeting with Ben regarding the Star Valley road improvements.

Nicole Burdette
Pima County
Department of Transportation
Transportation Systems
(520)740-6403
**FACSIMILE TRANSMITTAL**

One South Church Avenue Suite 700
Tucson, Arizona 85701-1611
Telephone (520) 622-2090
Facsimile (520) 622-3088

September 23, 2002

<table>
<thead>
<tr>
<th>To: Receiving Party/Firm</th>
<th>Telephone Number</th>
<th>Facsimile Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amelia Craig Cramer/Pima County Attorney's Office</td>
<td>740-5750</td>
<td>620-6556</td>
</tr>
<tr>
<td>Mr. Ben Goff/Pima County Department of Transportation &amp; Flood Control</td>
<td>740-6403</td>
<td>620-1933</td>
</tr>
<tr>
<td>Mr. John M. Bernal/Pima County Public Works</td>
<td>205-8350</td>
<td>205-8360</td>
</tr>
<tr>
<td>Mr. Carmine DeBonis/Pima County Development Services</td>
<td>740-6506</td>
<td>623-5411</td>
</tr>
<tr>
<td>Joseph R. Cesare</td>
<td>747-5000</td>
<td>577-8555</td>
</tr>
<tr>
<td>Karen Novak, RL/A/Novak Environmental, Inc.</td>
<td>206-0591</td>
<td>623-3507</td>
</tr>
<tr>
<td>Mr. Thomas C. Lodge/McGovern MacVittie Lodge &amp; Associates, Inc.</td>
<td>292-2300</td>
<td>292-1290</td>
</tr>
</tbody>
</table>

From: Frank S. Bangs, Jr. Direct Telephone: (520) 622-2090

Total Pages Including this page: 3 Direct Facsimile: (520) 879-4701

**Comments: Letter attached regarding Star Valley Specific Plan.**

Document(s) Being Transmitted: Will not be sent

User No.: 3925
File No.: 42149.00001
Ext. No.: 4403
TWO (2) COPIES

**NOTE:** THIS IS A CONFIDENTIAL AND PRIVILEGED COMMUNICATION. This transmission is intended only for the use of the individual or entity to which it is addressed, and contains confidential information that is privileged and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via the U.S. Postal Service.
Via telecopy

September 23, 2002

Amelia Craig Cramer, Esq.
Deputy County Attorney
Pima County Attorney's Office Civil Division
32 North Stone Avenue, Suite 2100
Tucson, Arizona 85701

Re: Star Valley Specific Plan

Dear Amelia:

Our firm represents USH/SVA Star Valley, L.L.C., the owner of the land subject to the Star Valley Specific Plan. This letter follows our September 23, 2002 meeting with you, Mr. Ben Goff, Mr. Carmine DeBonis, Mr. Jonathan Crowe and Mr. Ted Payne.

Two major issues remain as impediments to recording the Star Valley block plat and obtaining grading permits. They are, respectively: (1) the interpretation of Condition 11D of Ordinance No. 1987-212 adopting the Star Valley Specific Plan, and (2) the application of the NPPO to this project. In an attempt to resolve these issues short of litigation, Mr. Tom Lodge will submit supplemental information to Mr. Jonathan Crowe regarding the transportation improvement financing and implementation plan, and Ms. Karen Novak will submit the requested information on the NPPO to Mr. Carmine DeBonis.

This is to confirm our understanding that the submission of this information by USH/SVA Star Valley in an attempt to resolve these issues and its review by Pima County does not constitute an admission by either party of the validity of the other's legal position on these issues, or a waiver by Pima County or USH/SVA Star Valley of their ability to pursue their respective legal positions in the future. Please let me know immediately if this understanding is incorrect.
Thank you for your time and attention to this matter.

Sincerely,

[Signature]

Frank S. Bangs, Jr.

FSB/sdl
cc: Mr. John M. Bernal
     Mr. Ben Goff
     Mr. Carmine Debonis
     Mr. Joseph R. Cesare
     Ms. Karen Novak
     Mr. Thomas C. Lodge
     (All via telexcopy)
September 30, 2002

Mr. Thomas C. Lodge, P.E., Principal
Vice President, Private Development
MMLA, Inc.
800 E. Wetmore Rd., Suite 110
Tucson, AZ 85719

RE: Star Valley Development - Responsibility for Funding Roadway Improvements

Dear Mr. Lodge,

This letter is a formal response to the proposed financing plan, submitted to Department of Transportation (PCDOT) staff on September 24th, for funding necessary roadway improvements associated with the Star Valley Development. That financing plan included an enumerated list of projected improvements (Exhibit 25 on page 29 of the Star Valley Development Traffic Impact Analysis) and an accompanying map. PCDOT approves the financing plan with the exception that we believe that the developer of Star Valley should be responsible for improving Yedra Road to two lanes from Camino Verde to Vahalla Road. Other more regional roadway impacts associated with the Star Valley Development will be addressed by the Board of Supervisors’ extending the roadway development impact fee to the Altar Valley benefit area.

You will recall that in a July 8, 2002 correspondence from Jonathan Crowe to Mr. Geoff Harris, PCDOT approved the traffic analysis section of the Traffic Impact Analysis Report. PCDOT hereby approves the proposed financing plan for Star Valley roadway improvements, which satisfies rezoning condition 11.D. The proposed financing plan indicates that the following roadway improvements will be funded and constructed by the master developer of Star Valley. The following improvements are referenced by number to Exhibit 25 on page 29 of the Star Valley Development Traffic Impact Analysis report:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010.

4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
5. **Wade Road/Valencia Road Intersection (#9)**. This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

6. **Los Reales Road (#12)**. Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13)**. Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14)**. Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs.

9. **Camino Verde (#15)**. Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #16).

10. **Yedra Road (#16)**. Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete.

11. **Camino Verde (#18)**. Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20)**. This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Please call Jonathan Crowe (740-6383) or Ted Payne (740-6387) if you have any questions or concerns.

Sincerely,

[Signature]

Benjamin H. Goff, P.E.
Deputy Director

c: John Bernal
Kurt Weinrich
Carmine DeBonis
Ted Payne
Jonathan Crowe
TRANSPORTATION SYSTEMS DIVISION

FAX TRANSMITTAL

Date 10/7/02 Number of pages 4 (total)

To Tom Lodge From Ben Goff

Fax 292-1290 Tel. 292-2300

Subject Star Valley Improvements

Comments I have indicated via strike out and additions to your letter of 10/2/02 DOT conditions of approval. I will call you soon to discuss.

Ben Goff

Cc Ted Payne
Jonathan Crow
October 2, 2002

Mr. Ben Goff, P.E., Deputy Director
Pima County Department of Transportation
And Flood Control District
201 N. Stone Avenue, 3rd Floor
Tucson, AZ 85701

Re: Star Valley Development – Transportation Improvement Financing Plan
MMLA 86171-62-11

Dear Mr. Goff:

Thank you for your September 30, 2002, letter responding to our transportation financing plan. We appreciate your approval of condition 11D and look forward to Pima County recording the plat this week. Your approval of our financing plan generally matches the discussion between your staff (Jonathan Crowe/Ted Payne) and myself. We would like to restate and clarify our position on Items 3, 4, 5, 8, 10 and 11 for the record. They are as follows:

1. **Wade Road** (#5). Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde** (#6). Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde** (#7). Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at grade roadway. This project would be eligible for development impact fee credit.

4. **Camino Verde/Va lencia Road Intersection** (#8). This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement. This project would be eligible for development impact fee credit.
5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement. This project would be eligible for development impact fee credit.

6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway. The portion of the roadway outside the project boundary would be eligible for development impact fee credit.

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #16).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete. This roadway would be constructed as an at-grade roadway. This project would be eligible for development impact fee credit. Pima County shall be responsible for right-of-way acquisition and any utility relocation.

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

**Items 3, 8, and 10 are outside the project boundary and are within Pima County’s right of way. Pima County will obtain permits (404, etc.), if necessary, for areas within its right of way to facilitate the construction of the proposed roadways.**

**Pima County will assist the developer in obtaining third-party permits (i.e. Section 404), however required mitigation is considered part of the improvement project.**
The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately.

Sincerely,

MMLA, Inc.

[Signature]

Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc: John Bernal, Pima County
    Joe Cesare, Broadway Realty & Trust
    David Cada, US Home Corporation
    Carmine DeBonis, Pima County
BROADWAY REALTY & TRUST, INC.
4855 East Broadway, Suite 103
Tucson, Arizona 85711
Phone: 520-747-5700
Fax: 520-577-8555

File No.

DATE: October 17, 2002
TO: Honorable Sharon Bronson
    John Bernal
    Department County Administrator
    Public Works
    Chuck Huckelberry
    County Administrator
    FAX NUMBER: 884-1152
    FAX NUMBER: 205-8360
    FAX NUMBER: 740-8171
    FAX NUMBER: 622-3088
    FAX NUMBER: 292-1290

FROM: Joseph R. Cesare

REF: Star Valley Block Plat - Recordation

MESSAGE:

1) As you know, we have attempted to reasonably work out some conditions with the Transportation Department which we believe are not applicable to our Specific Plan Ordinance.

2) I last spoke to John Bernal last Friday (October 11, 2002), and was told that Katrina Richter would be in touch with our attorney Frank Bangs in hopes of resolving the situation. It is now Thursday (October 17, 2002), and it appears that we are left with no alternative except to file suit to obtain recordation of a final plat and recover substantial monetary damages caused by Pima County through its' Transportation Department.

3) This letter is simply written as a courtesy to advise you of a forth coming legal action since no reasonable remedy has been offered in order to resolve the impasse.

Joseph R. Cesare
October 28, 2002

Thomas C. Lodge, P.E.
Vice President, Private Development
MMLA, Inc.
800 East Wetmore Road, Suite 110
Tucson, Arizona  85719

Re:  Star Valley Development – Transportation Improvement Financing Plan

Dear Mr. Lodge:

Confirming my fax of October 7, 2002, and our subsequent conversations, the Pima County Department of Transportation (PCDOT) cannot accept the conditions contained in your letter of October 2, 2002, as meeting the Transportation Financing Plan requirements of the Star Valley Specific Plan. Your letter was in response to my letter dated September 30, 2002, which enumerated roadway improvements based upon the meetings of September 23 and 24, 2002.

After reviewing your position as restated in your October 2, 2002 letter I am reiterating PCDOT’s position with the modifications I agreed to in our discussions. The Financing Plan must contain the following provisions:

1.  Wade Road (#5). Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2.  Camino Verde (#6). Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3.  Camino Verde (#7). Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at-grade roadway.

4.  Camino Verde/Valencia Road Intersection (#8). This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

5.  Wade Road/Valencia Road Intersection (#9). This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway.

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #10).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is completed. This roadway would be constructed as an at-grade roadway. Pima County shall be responsible for right-of-way acquisition and clearance of encroachments, excluding utilities.

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project if they are actively developing the property. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Items 3, 8 and 9 are outside of the Specific Plan boundary. These improvements are the responsibility of the master developer of the Star Valley Specific Plan. PCDOT has worked diligently with your firm, other consultants and Mr. Cesare to assure that the Star Valley Transportation Financing Plan adheres to the conditions of approval. Condition 11D of the rezoning explicitly applies to roadways adjacent to, as well as within, the plan area. PCDOT will assist the developer in obtaining third-party permits (i.e., Section 404), however, required mitigation is considered part of these off-site improvement projects.

You have suggested that these and other improvements enumerated above would be eligible for development impact fee credits should Pima County extend the Impact Fee Ordinance to encompass the Specific Plan area. PCDOT will recommend that the impact fees be assessed in this area; however, their use will be directed to significant regional roadways, such as Valencia Road. The traffic impact assessment for Star Valley identified substantial demand from the Specific Plan area on major roads in the
southwest area. The impact fees are the most equitable way to mitigate the impact of the Specific Plan development upon major roads in conjunction with other planned development within the benefit area.

As we have not received confirmation of your acceptance of these requirements, the Pima County Administrator has requested staff to place the Star Valley block plat on the Board of Supervisor's Agenda for reconsideration, based upon non-compliance with the Specific Plan conditions of rezoning.

I will be out of the office October 28th thru November 1st so please contact Ted Payne at 740-6403 if you have any further questions.

Sincerely,

[Signature]

Benjamin H. Goff, P.E.,
Deputy Director

c: John M. Bernal, Deputy County Administrator for Public Works
   Kurt Weinrich, Director, PCDOT
   Carmine DeBonis, Director, Development Services Department
   Katharina Richter, Chief Civil Deputy County Attorney
   Ted Payne, Supervisor, Transportation Systems Division
EXHIBIT 3
October 30, 2002

Mr. Ben Goff, P.E., Deputy Director
Pima County Department of Transportation
And Flood Control District
201 N. Stone Avenue, 3rd Floor
Tucson, AZ 85701

Re:  Star Valley Development – Transportation Improvement Financing Plan
MMLA 86171-62-11

Dear Mr. Goff:

Our client is accepting Pima County's October 7, 2002 and October 20, 2002 requested changes to the Star Valley Transportation Financing Plan.

The changes are as follows:

1. **Wade Road (#5)**. Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.

2. **Camino Verde (#6)**. Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.

3. **Camino Verde (#7)**. Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at-grade roadway.

4. **Camino Verde/Valencia Road Intersection (#8)**. This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

5. **Wade Road/Valencia Road Intersection (#9)**. This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.

7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.

8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway.

9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #10).

10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete. This roadway would be constructed as an at-grade roadway. This project would be eligible for development impact fee credit. Pima County shall be responsible for right-of-way acquisition and clearance of encroachments. Pima County will exercise its power to require the Utility Companies to relocate their facilities necessary for road construction.

11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project if they are actively developing the property. This project would be eligible for development impact fee credit.

12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Item #10 was corrected to reflect your October 7 conditions. We have assumed that the deletion was a typographical error.

Items 3, 8 and 9 are outside of the Specific Plan boundary. PCDOT will assist the developer in obtaining third-party permits (i.e., Section 404), however, required mitigation is considered part of these off-site improvement projects.
October 30, 2002
MMLA 86171-62-11
Page 3

By its acceptance of the County’s changes to the Financing Plan, USH/SVA Star Valley does not waive any constitutional or statutory grounds it may have to challenge the requirement of off-site improvements as a condition of plat approval, or its ability to seek the inclusion of the off-site improvements as projects to be funded by future development fees adopted by Pima County.

The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately. We look forward to the Plat recording this week.

Sincerely,

MMLA, Inc.

[Signature]

Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc: John Bernal, Pima County
    Joe Cesare, Broadway Realty & Trust
    David Cada, US Home Corporation
    Carmine DeBonis, Pima County
    Katharina Richter, Pima County
Date: October 21, 2002

To: John Bernal  
Deputy County Administrator - Public Works

From: C.H. Huckelberry  
County Administrator

Re: Fax from Broadway Realty & Trust Regarding the Star Valley Block Plat and Its Recordation

Apparently staff has been unable to obtain an agreement with the property owner regarding certain conditions of zoning related to the specific plan that our staff believes should be clarified in the block plat planning process. I assume these relate to infrastructure systems and, in particular, appropriate agreements regarding contributions to major transportation improvements necessary to support the specific plan. If reasonable accommodation and agreement cannot be made regarding these specific plan requirements, I would request that the Star Valley block plat be placed back on the Board’s agenda for reconsideration based on non-compliance with specific plan zoning conditions.

I understand staff’s desire to accelerate and cooperate with the land owner in this matter, and that the original approval and placement of this block plat on the Board’s agenda for approval was predicated on staff’s belief that an appropriate agreement could be reached with the owner. If such is necessary, please schedule the block plat for Star Valley for reconsideration by the Board at your earliest convenience, as well as delineate specifically what conditions of zoning contained in the specific plan have not been met.

CHH/jj

Attachment

c: Carmine DeBonis, Development Services Director  
Katharina Richter, Chief Civil Deputy County Attorney
DATE: October 17, 2002

TO: Honorable Sharon Bronison
    John Bernal
    Department County Administrator
    Public Works
    Chuck Huckelberry
    County Administrator
    Frank Bangs, Esquire
    Tom Lodge, MMLA

FC: FAX NUMBER: 884-1152
    FAX NUMBER: 205-8360
    FAX NUMBER: 740-8171
    FAX NUMBER: 622-3088
    FAX NUMBER: 292-1290

FROM: Joseph R. Cesare

REF: Star Valley Block Plat - Recodation

MESSAGE:

1) As you know, we have attempted to reasonably work out some conditions with the Transportation Department which we believe are not applicable to our Specific Plan Ordinance.

2) I last spoke to John Bernal last Friday (October 11, 2002), and was told that Katrina Richter would be in touch with our attorney Frank Bangs in hopes of resolving the situation. It is now Thursday (October 17, 2002), and it appears that we are left with no alternative except to file suit to obtain recodation of a final plat and recover substantial monetary damages caused by Pima County through its Transportation Department.

3) This letter is simply written as a courtesy to advise you of a forth coming legal action since no reasonable remedy has been offered in order to resolve the impasse.

Joseph R. Cesare
EXHIBIT 5
<table>
<thead>
<tr>
<th>Project ID</th>
<th>Prior Expenditures thru end of FY12 (See Note 4)</th>
<th>PRIOR YEAR (See Note 4)</th>
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| Expenditure Sub-Totals: | $0 | $0 | $529,311 | $2,722,834 | $2,680,000 | $7,510,409 | $7,919,500 | $0 |

- ed Projected Impact Fee Percentage of Current Year
- ed balance (excluding FY10). RATE shown above
- Totals, Projected Impact Fee Revenues

| dt | $5,988 | $47,008 | $41,710 | $36,495 | $17,073 | $0 |

| t | $1,003,337 | 1,000,000 | $900,000 | $900,000 | $1,000,000 | $1,000,000 | $1,000,000 |

| t | $13,196,358 | $13,196,358 | $13,196,358 | $13,196,358 | $13,196,358 | $13,196,358 | $13,196,358 |

| t | $1,996,142 | $15,669,177 | $13,903,351 | $12,165,061 | $5,691,147 | ($1,211,279) | ($211,279) |

Fully Developer Funded

Transfers from
Avra Valley = $11,732,339
San Xavier = $1,464,019
### Southwestern Benefit Area

**Impact Fee Projects-Southwest**

- **SW001**: Airline Road: Los Reales to Valen roadway.
- **SW002**: Ajo Highway, three grade separations at Valencia, San J.
- **SW003**: Bopp Road: San Joaquin to Kinney.
- **SW004**: Camino de Oeste: Irvington Road and four lane roadway.
- **SW005**: Camino Verde: Ajo Highway to V roadway.
- **SW006**: Drexel Road: Ajo Highway to Ma roadway.
- **SW007**: Irvington Road: Ajo Highway to six lane roadway.
- **SW008**: Joseph Road/Mark Road: Ajo Highway six lane roadway.
- **SW009**: Kinney Road, Ajo Hwy to Bopp Rd.
- **SW010**: Los Reales Road: Ajo Highway to roadway.
- **SW011**: San Joaquin: Ajo Highway to San roadway.
- **SW012**: Valencia Road: Ajo Highway (to 6 a six and eight lane roadway.
- **SW013**: Wade Road: Ajo Highway to Los.
- **SW014**: Vahalla Road, Valencia to Drexel.
- **SW015**: Camino Verde: Valencia to Brigh roadway (per Resolution 2013-76).

### Projects in Planning

- **SW005**: Camino Verde: Valencia Road to SW012: Valencia Road: Ajo Hwy to Mt E

### Projects in Construction

- **SW012**: Valencia Road: Mark Road to W

### Projects Completed

- SW012: Valencia Road: Mark to Mission...