



MEMORANDUM

Date: July 3, 2013

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator *CHH*

Re: **Southern Arizona Raceway Conceptual Plan, Proposed Draft Lease and Noise Mitigation Report**

Attached is a final draft proposed lease for Southern Arizona Raceway on land within the Southeast Regional Park. This proposed lease, as well as the attached noise mitigation study, will be posted on the County's website with a mechanism for public review and comment. In addition, staff will conduct a public meeting in July at the Pima County Fairgrounds to facilitate and invite public comment on the proposed lease and use of the property as a motor sports facility. Results of this public meeting and any comments received or posted on our website will be reported to the Board of Supervisors at your August 6, 2013 meeting.

The draft lease will be placed on the Board's August 6, 2013 public hearing agenda. The public hearing will be held, and the Board can then determine whether any modifications of the draft lease are necessary based on public review and comment. After the August 6 public hearing, the Board will be asked to direct that the lease be publicly advertised for receipt of proposals by interested parties.

Following initial publicity regarding this matter, a number of comments were received regarding a Formula One racing facility. What is being proposed is a Federation Internationale de l'Automobile (FIA) Grade 2 Complex. This is far less expensive than a Formula 1 facility.

The minimum rent currently anticipated from the lease of the 400 acres for this use is set at \$137,700 per year or two percent of the gross revenues, whichever is greater. Requirements related to noise abatement are included in the draft lease, and a minimum public investment of \$15 million is required of the successful proposer.

It is anticipated that once the Board approves advertising of the lease, it will take 60 to 90 days to receive proposals, since bid submittal requirements include certain preliminary designs for the racing facility and ancillary improvements as part of any proposal.

CHH/mjk

Attachments

c: Hank Atha, Deputy County Administrator for Community & Economic Development
Tom Moulton, Director, Economic Development and Tourism



To: C.H. Huckelberry

From: Tom Moulton *TQM*

Date: June 26, 2013

Re: Noise Mitigation

In preparation of the upcoming BOS executive session on July 2, I was asked to explore some options and prepare some recommendations and on how to mitigate noise within the Southeast Regional Park (SERP) and more specifically the current and future motorsports locations.

Currently four racetracks or motorsport attractions are operating within the park. The park hours vary, but most operate primarily Friday – Sunday from 8 am – 10 pm.

Attractions ¹	Activity	Location	Year Opened	Noise Level
Tucson Raceway Park (dba Tucson Speedway)	3/8 mile track	C - CE	1968	
	Car Races			Loud
	Fireworks			Medium-Loud
Southwestern Intl Raceway	NHRA racing	NE - CE	1997	
	Drag Racing			Loud
SA Kart Club (dba Musselman Honda Racing Circuit)	Professional Kart Racing	C - CW	2007	
	Karts			Medium
	SuperMoto			Medium
	Bicycles			Soft
PMP (dba MC Motorsports)		C - CE	2005	
	MotorCross			Medium
	Cross-Country			Medium
	Extreme Rock Crawling			Medium
	Quads			Medium

* Estimated Sound Levels at Property Line

Soft 0 – 70 dB
 Medium 70-100 dB
 Loud 100 plus dB

¹ Source: Pima County Economic Development and Tourism Department (see Exhibit 1).

HOW IS NOISE MEASURED

Noise is often described as unwanted sound. Noise levels whether they're too high or too low can be subjective, however most communities for health and safety reasons and normally through local or state regulations, endeavor to address the issue before it becomes a problem to their citizens. Pima County's policy is to prohibit excessive, unnecessary and annoying noises from all sources. At and above certain level, noises are detrimental to the health and welfare of the citizens of the county, and it is in the best interest of the citizens of Pima County that such noises be systematically eliminated. It further states it shall be unlawful for any person to make or continue, or cause or permit to be made or continued, any excessive, unnecessary or offensive noise which disturbs the peace or quiet of any neighborhood or which causes discomfort or annoyance to any reasonable person of normal sensitivity residing in the area.²

To really understand noise and why it is controversial, one first should understand how decibels (dB) work, their relation to loudness, and the fundamental property of sound intensity. Sound intensity is the rate at which energy is being carried by a sound wave through a given area. Sound intensity decreases inversely as the square of the distance from the sounds origin. For example, when the distance from the source is doubled, the energy is spread out spherically, over four times the area.

The basic sound level scale is called the Bel, but because the values obtained are too large in the normal range of sound levels, the Decibel is commonly used (1dB = 0.1 Bel). A high sound level of 120 dB is generally regarded as the threshold of pain for the average human.³

Many environmental variables such as wind, humidity, whether daytime or nighttime, typography of the land, background (ambient) such as traffic and other sounds can affect how noise is heard from a distance. Sound levels (dB) vary by type of sound as indicated in the chart below. Surprisingly many municipalities measure nuisance with any dB levels over 65 dB, which as show are normal conversation levels.

Decibel (Loudness) Comparison Chart ⁴

Environmental Noise	
Weakest sound heard	0dB
Whisper Quiet Library at 6'	30dB
Normal conversation at 3'	60-65dB
Telephone dial tone	80dB
City Traffic (inside car)	85dB
Train whistle at 500', Truck Traffic	90dB
Jackhammer at 50'	95dB
Subway train at 200'	95dB
Hand Drill	98dB
Power mower at 3'	107dB
Snowmobile, Motorcycle	100dB
Power saw at 3'	110dB
Sandblasting, Loud Rock Concert	115dB
Pain begins	125dB
Pneumatic riveter at 4'	125dB
Jet engine at 100'	140dB
12 Gauge Shotgun Blast	165dB
Rock music peak	150dB

² PC Ordinance Chapter 9.30 - REGULATION OF EXCESSIVE, UNNECESSARY AND ANNOYING NOISES

³ Circle Track excerpt, December 2010 Issue; Racetrack Noise Legislation... Rob Fisher; See completed Article, Exhibit 2

⁴ Marshall Chasin, M.Sc., Aud ©, FAAA, Centre for Human Performance & Health

PLANNING FOR NOISE

During the master plan development phase of the Southeast Regional Park (SERP), the planning committee consisting of the Fairgrounds, Natural Resources Parks and Recreation (NRPR) and ED&T Department, with support from various Pima County departments, realized loud sustained sound levels could become a problem unless some mitigation strategies were adopted. Some of the ideas expressed from the planning committee included:

- Develop a physical geographical sound barrier around the entire property from one eighth to one quarter of a mile utilizing internal land boundaries where possible.
- Recommend to the City of Tucson and State of Arizona compatible zoning limiting residential development primarily in the northeast and eastern central regions of Pima County. Restrict future development in the South, north of any current developments.
- Explore limiting operating hours/days in the loud noise corridors, with careful consideration towards adjacent neighbors and on-site operators.
- Use sound attenuating barriers where needed and when possible.
- Locate any new loud noise activities in the center regions of SERP or areas that have larger natural boundaries such as the Southwest quadrant that may have limited construction due to a propensity to flood, possible solar panel array, and existing natural habitat areas. (*Southern Arizona Raceway concept*)
- Consider light pollution along with the potential of noise interference to potential residential sites.
- Create an entertainment district within the Southeast Regional Park boundaries that zones the land properly for entertainment and attraction development.

SOUTHERN ARIZONA RACEWAY

While the conceptual plan was being developed for SAR, the planners knew distance would not entirely be enough to mitigate all of the racing sounds and innovative sound abatement techniques should be considered. The noise level of some of the races could match the current noise levels of the Southwest International Raceway, a drag strip adjacent to Houghton Road. Since most of the proposed races will be longer than a traditional quarter mile drag strip or three eighths mile “circle track”, sustained noise levels may prove to be more measureable than the current tracks in operation. Longer track, more corners and straightaways will lead to different degrees of acceleration, which will cause longer durations of high intensity sound levels.

Location of the proposed new track in the southwest portion of SERP is the right location for the racing complex since a large portion of the sound generated from the motorsports complex will most likely be absorbed by the vegetation and will dissipate due to the distance to the nearby neighborhoods located south of the southernmost point of the track. These neighborhoods, which range from 3.5 miles to 5 miles to the south as shown in Exhibit 3, may begin to hear noise due to the sustained sound levels caused by the length of the races and the variety of proposed motorsports racing vehicles. No one really knows if this will happen since the current tracks have not generated significant complaints to date.

During the development of the SAR bid package we have asked the proposers to incorporate sound mitigation concepts into the design and operation documents. The primary mitigation will most likely be in the design and landscape phases. Additionally we included the evaluation of the sound mitigation techniques to be included in the scoring of the proposal.

SUMMARY AND RECOMMENDATIONS

When does sound become noise? As mentioned previously, this is often the perception of an individual. Pima County addresses noise as “any excessive, unnecessary or offensive noise which disturbs the peace or quiet of any neighborhood...” Some communities address this concern by measuring this annoyance by incorporating a range of acceptable and non-acceptable dB levels. Since there are so many mitigating variables to equivocating using dB levels to define a “sound level that becomes a nuisance”, we recommend not using this methodology on the SAR facility. Furthermore, we don’t necessarily know if the sound levels for the proposed SAR will be louder than the current motorsports operations, which to date have not become a nuisance. However it’s possible as neighborhoods grow, Houghton Road is expanded and nearby state land is sold what is not a problem today may become one tomorrow if we are not proactive in our noise mitigation strategies and actions.

One of the most important recommendations we can make to the proposers is to encourage them to take a look at the “best practices” of sound abatement that are being utilized by current motorsports facilities. I have attached some sample studies in Exhibit 4. As you will read this is a common issue at many racetracks around the nation, but as mentioned in one of the articles attached as Exhibit 2, the concerns over noise “for racetracks, new or old, track management must take a proactive approach as a member of the community...” . It is not just the raceway operators who can work with the neighborhoods, “There are a lot of things that you as a racer can do to ensure your track’s survival...”. “But it starts with an open line of communication with the track operator.” Everyone associated with the racetrack must take a proactive position on putting on a good show while not being a nuisance to the nearby neighborhoods or businesses.⁵

In order to minimize the risk of sound levels becoming a nuisance, we recommend the following for consideration:

- Place in the SAR bidder’s package language that requires the proposer to include sound abatement practices that will be integrated in the design and operation of the motorsports facility.
- Add current Pima County sound and noise ordinance language into the operator’s land lease agreement. Avoid restricting operation at the proposed new facility by enacting sound mitigation legislation using specific dB levels until such a time, if warranted, a professional sound study can be completed that will measure the current sound levels before and after the development of SAR. This study will provide us with a baseline study of the current sound levels at both the property line of the facility and beginning of the closest neighborhoods boundaries.
- Adapt any applicable mitigation (encroachment) strategies recommended by the Pima County Sports Shooting Range advisory and the SERP planning committees in the following areas:
 - Zoning
 - Legislation
 - Administrative Actions
 - Acquisition of Land Buffers
 - Bond Funded Improvements to Upgrade Future Development at Southeast Regional Park Shooting Facility as well as other SERP facilities.
- Operators and administrator must the nearby communities throughout the design and operation of the facility. Be a community partner from the start.

⁵ Circle Track excerpt, December 2010; Racetrack Noise Legislation... , Rob Fisher

**EXHIBIT 1
SOUTHEAST REGIONAL PARK
ACTIVITY MATRIX**

Attraction	Activity	Location	Noise Level		
			Level	Amount	Extent
Current Activities					
Fairgrounds					
	Fair	C-CE Quadrant	Medium		11 days in April
	Horse Shows	Horse Arena; Stables	Soft		120 days annually (Daytime)
	Concerts	Main and Grand Stage	Medium-Loud		Friday - Sunday until 11 pm
	Gun Shows	Indoor Pavillions	Soft		Indoor Weekends
	Misc Trade Shows	Grounds and Pavillions	Soft		Indoor Weekends
	Demolition Derby	Concert area	Medium		Daytime during Fair
	Camping	Fair Grounds	Soft		365 days; sound curfew after 10pm
	Fireworks	Over the Fairgrounds	Medium-Loud		Friday - Sunday (10-11pm)
Tucson Raceway Park					
	Car Races	C - CE	Loud		Friday - Sunday operation
	Fireworks		Medium-Loud		Special Holidays only
Southwestern Intl Raceway					
	Drag Racing	NE - CE	Loud		Friday - Sunday operation; special events
SA Kart Club					
	Kart Racing	C - CW	Medium		Daytime; Special Event weekends
	SuperMoto Racing		Medium		Daytime; Special Event weekends
	Bicycling Racing		Soft		Daytime; Special Event weekends
PMP					
	MotorCross (Motorcycles)	C - CE	Medium		Wed, Sat - Sun; Special Event weekends
	Cross-Country Racing		Medium		Daytime; Special event weekends only
	Extreme Rock Crawling		Medium		Daytime; Special event weekends only
	Quads		Medium		Wed, Sat - Sun; Special Event weekends
Model Airplane	Flying Planes	C - CE	Soft		
Dirt Go-Karts	Racing Karts	C-CE	Soft-Medium		Fridays
SERP Shooting range					
	Hand Gun Shooting	NE	Medium		Thurs - Sun (8 am - 5 pm)
	Rifle Range Shooting	NE	Medium		Thurs - Sun (8 am - 5 pm)
	Archery	NE - NW	Soft		
	Trap and Skeet Shooting	NE	Medium		Thurs - Sun (Fall 2013)
Proposed Activities					
Southern Arizona Raceway					
	Multi-Use Race Tracks (Indy Cars, LeMans Series, Sports Car and Motorcycle Racing)	SW Quadrant	Loud		Weekend Special events (Daytime trials and training)
Horse Track (tentative)	Horseracing	Central Quadrant	Soft-Medium		Daytime - Spring
Fairgrounds					
	Multi-Purpose Arena	Central Quadrant	Soft-Loud		During the Fair; Weekend special events
	RV Parks Recreational Activities	C-CE	Soft-Medium		Most activities Spring and Fall; over by 10pm
Arizona Family Adventures	Family Adventure Park	N - NE	Soft		Indoor/Outdoor recreation for the family M-Sun

*** Estimated Sound Levels at Property Line of Attraction Facility**

Soft 0 - 70db
Medium 70-100db
Loud 100 plus db

** Actual db levels TBD

Car Racing Dates

Home » Ultimate Racing » Racetrack Noise Legislation - Shhhhhhhh...

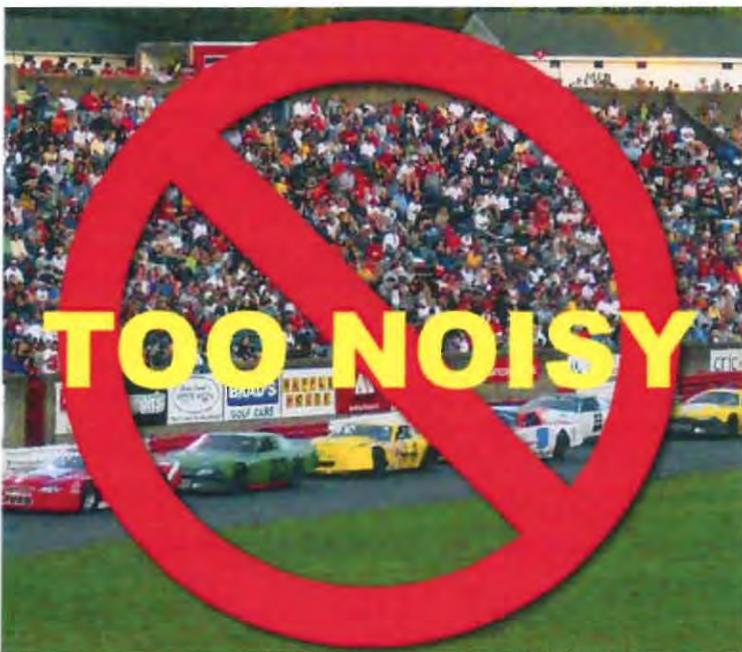
Racetrack Noise Legislation - Shhhhhhhh...

Noise Legislation Still A Problem For Tracks Around The U.S.

By Rob Fisher

Circle Track, December, 2010

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It's a battle that gets played out on a routine basis around the country, noisy racetracks against area residents seeking peaceful Saturday nights. From New Jersey's Wall Stadium, to Boyd's Speedway in Georgia, to the now-defunct Mesa Marin Raceway in California, the issue of noise has been at the forefront of the racing industry, especially as once rural areas give way to suburban sprawl.



PHOTO BY JUSTIN CESLER

While suburban sprawl may have subsided thanks to the faltering economy, noise created by racetracks continues to be a political hot potato in many areas of the country. On one side are local residents who have no interest in racing; on the other side are the racetrack operators and racers whose livelihood, in many cases, relies on the track. The battle between the two is played out in front of county commissioners throughout the land.

The battle is not new as current ASA President Dennis Huth recalls. "Years ago I was on an environmental quality commission board in Oregon. The board represented all aspects of motorsports in dealing with the local and state governments. During those years, we had the CART races taking place at Portland International Raceway and right next door we

had a huge home development (North Portland). Residents complained about the noise, not only of the CART show, but the dragstrip and the weekly (oval track) shows."

Huth said that pressure from the local communities put the EQC and the State on a path that could have severely impacted oval track racing in Oregon. "They decided to legislate rules that would require tracks to conform to dba readings down in the range of 79 or 80 decibels. Now that's nearly impossible, go out on a major roadway today and it'll be louder than that."



Dust flies at the Orange County Fair Speedway in New York at the start of the 1997 Eastern

Huth and other representatives of the racing industry in Oregon collected data of what lumber mill whistles, jet airplanes at the airport, and other loud "disturbances" would register. "The whistles and the jets were both around 120 decibels, but when we presented the data the government's response was that those things were necessary, and they considered motorsports as non-necessary."

That put the burden on the racing community to show that it was a viable industry. They collected more data showing the number of people that made their living not only off of racing, but building engines, building and maintaining the tracks, and so on. Eventually, the state government decided that it was going to have three community meetings, one in Portland, one in Eugene, and one in Medford. As the first meeting date neared, Huth and his fellow motorsports professionals decided to hold a silent vigil at Portland international Raceway.

"The vigil was going to have every type of race car representing all forms of motorsports displayed on open trailers. Representatives of motorsports support businesses would drive their vehicles around the track," said Huth. "Naturally, we called the press and told them what was going on and that the pending legislation was unfair, and racing was being picked on, and so on.



A muffler like this can go a long way in keeping residential neighbors to a racetrack happy

"The press showed up and at one point early in the evening, there was a guy pulling a drag race car. Behind the drag car was a rope that was pulling a cart and on the back of this cart was a young kid who was crying. The camera zooms in and the reporter began to ask the boy and his parent's questions."

What happened next, Huth said, was completely unscripted but the timing couldn't have been better. The boy said, "Daddy told me that they wanted me to stop racing and that's the only time I really get to see my Daddy."

The boy was literally saying that the government's desire to legislate racing noise levels to a point so low that the only solution would be to stop racing essentially takes away his time with his father," says Huth. "After that night, they cancelled every meeting and left us alone for however many years it's been."

What's a Decibel?

To really understand the noise argument, you first have to understand how decibels work, their relation to loudness, and the fundamental property of sound: intensity. Sound intensity is the rate at which energy is being carried by a sound wave through a given area. Sound intensity decreases inversely as the square of the distance from the sounds origin. For example, when the distance from the source is doubled, the energy is spread out spherically, over four times the area. Keep that in mind for a second.

Now the basic sound level scale is called the Bel, but because the values obtained are too large in the normal range of sound levels, the Decibel is commonly used (1dB = 0.1 Bel). A high sound level of 120 dB is generally regarded as the threshold of pain for the average human.

Today, Deery says that her biggest problem is when the track brings in Doug Rose's Green Mamba jet car to entertain fans. Rose uses the famous jet car from the '60s to set junk cars on fire in a fabulous show of fiery destruction. "The first time we did it the police department got calls because some neighbors thought that a plane crashed at the speedway."



Rockford Speedway has been operational for 63 continuous years thanks to a proactive good

Rockford has taken a very proactive approach to handling complaints about noise at the track. And still does. "If somebody does complain, we invite them to the speedway for an evening as our guest. It allows them to come see what we do and what we're all about," says Deery.

Now it gets complex Rockford was well established long before residential housing made its way to the track's doorstep. The same can't be said for Shenandoah Speedway in Virginia. "We took the toughest route we possibly could," says track founder Jeff Vaughan.



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Vaughan grew up with a passion for racing, a passion that took him from a driving career to an ownership role, all the way up to the NASCAR Truck Series. Quickly tiring of the high cost of a national touring series, Vaughan opted to build a short track in his own backyard. After acquiring 118-acre tract of land in Paige County two miles outside the corporate limits, Vaughan built a 3/8-mile track that is bordered on one side by the Shenandoah River and the other by a mountain range. This beautiful setting would, however, cause Vaughan a lot of problems. Because of the amphitheatre style location of the facility, on a race night noise would travel 7-8 miles.

Prior to building the track, Vaughan had gotten all of the proper permits from the County including a Special Use Permit that was signed off on by the County Board of Supervisors. Paige County's ordinance stated that once a Special Use Permit was granted, it would remain in force in perpetuity (which legally means forever). He thought he was in the clear.

"Our first race was open wheel Modifieds with open headers. We had 3,000 people in the stands and it was a great Saturday night show," explained Vaughan. "The next day we had three of our neighbors show up at the track asking what we were going to do about the noise."

The number of neighbors complaining grew to about 12. Those neighbors successfully pressured the county into modifying Vaughan's permit in such a way that it would have effectively put him out of business.

"I'm not this kind of person but I had to sue the local government," said Vaughan.

Fortunately, his lawyer had the case heard in the adjoining county and that Judge sided with the racetrack. However, the judgment did say that that the county had the option of rewriting the ordinance.

By this time, the original Board of Supervisors who granted Vaughan the first permit was no longer in power and a new Board had been elected. That Board successfully changed the ordinance giving it the right to set time limits on Special Use Permits.

During this time, Vaughan made it a point to work with the new Board to avoid any further lawsuits. But in order to keep Shenandoah open for racing, Vaughan had to hire an acoustical engineer to do a sound model which involved creating an aerial typography map of the land. In addition, he had to purchase two sound monitors; one to be placed at the track and one placed in the community that was complaining.

The results of the study and its subsequent presentation to the Board of Supervisors led to a settlement stating all engines on Shenandoah race cars had to have mufflers and the noise level of a single car passing by can't exceed 80 decibels when recorded at the track's property line.

All told, just to get the new permit to operate cost Vaughan \$94,000. It was a long, hard, and expensive battle that, at least for the time being, has subsided. Vaughan says that he expects situations like his to get worse for tracks regardless of how long they've been established and that it's imperative for track owners to work closely with the economic development arms of their local communities.

In an ironic twist, Shenandoah Speedway won the 2008 Paige County Tourism and Business of the Year Award and recently Vaughan ran for and got elected to the County Board of Supervisors. "I guess it's the old saying coming true . . . if you can't beat 'em, join 'em."

Mufflers-Not necessarily a Bad Thing

Mufflers were once thought to be the demise of short track racing. Stiffling the loud thump of big American V-8s would certainly make racing boring for the fans sitting in the grandstands and they would, in turn, stay away in droves. But quite the contrary as track operators around the country have found out.

"It adds another dimension to racing," says Huth. "If you add mufflers and take away some of the bark from the cars, all of a sudden the announcer becomes a bigger component of that race. He can sell hot dogs, he can sell sponsorships, he can keep people informed of what's going on with the racing. If the racing is unmuffled a lot of times he's just a distant murmur in the background."



Flemington Speedway in New Jersey operated from 1915 to 2002. Circle Track Archives



Here, cars pull onto the front stretch for the start of the Flemington 200 dirt race. The



This vintage shot of Stafford Speedway in Connecticut shows just how close to the track ho

The ASA Midwest Tour requires all of its cars to run mufflers and meet a 95-decibel rule. Any car not meeting the 95-decibel sound rule will not race and that is clearly stated in the rules. Guess what? That rule hasn't hurt competition at all, the tour is one of the most successful Asphalt-Late Model tours in the country producing full fields and strong crowds on a consistent basis.

As we found out in the dyno testing phase of Project G.R.E.E.N., adding restriction to the exhaust, in our case catalytic convertors, changed the shape of the torque curve at lower rpm. The increased back pressure produced more torque, albeit slight. Theoretically, the same would hold true if the cats were replaced with mufflers-something we intend on finding out in further testing. So, in essence muffling race cars can have benefits to the racer, track, and surrounding community.



NASCAR's Craftsman Truck Series rolls off in front of a packed crowd at the now-defunct Me

The Bottom Line

Several years ago the State of New Jersey attempted to pass a blanket noise ordinance that would force the tracks in the state to abide by specific operating times and noise levels regardless of their geographic location. Blanket rules such as that are the path of least resistance for politicians to take in attempts to appease voters. However, while it may work in populated areas, it penalizes those tracks in very rural areas. Therefore, it's very important for each track operator, no matter what type of track they are, or how long they've been there, to work within the community and the local government officials to come up with a working arrangement that satisfies everybody.

For racetracks, new or old, that are experiencing pressure from local residents concerning noise, the track management must take a proactive approach as a member of the community much like Jody Deery has done at Rockford. Adding things like hedges and trees or man-made noise barriers, as well as running mufflers on the cars shows surrounding communities that the track is trying to be a good neighbor.



Want to build a new track and don't want to be concerned about waking up the neighbors? Ge

An important aspect of this is that as racers, we are part of the track. Promoters should regard the racers who come to their track to spend money and put on a good show for the fans as part of their family. And racers should feel the same way-we're all in this together. There are a lot of things that you as a racer can do to ensure your track's survival if it is getting pressure from local communities. But it starts with an open line of communication with the track operator.

Offer to go to meetings with the town to show your support of the track. Bring your race car to the local school and give a talk to the kids about racing and how it can positively impact their lives by teaching good sportsmanship, teamwork, discipline, and the rewards of hard work. Get involved with local government committees and get to know your local politicians and the platforms on which they run. Then don't forget to exercise your right to vote come election day. The survival of your local track may just depend on it.

Let's say that a person is exposed to a sound level of 120 dB at a distance of 10 meters from the sound's source, 10 meters being the standard measurement to determine dB ratings. If that person moves 10 more meters away from the source you might expect that dB rating to drop in half, after all the person moved twice as far from the source, right? Wrong. Remember that sound intensity decreases inversely as you get farther from the source.



The cars of the ASA Midwest Tour feature mufflers on their 520 horsepower motors. Here, No

Using a logarithm based mathematical formula, we can determine that the person above would experience a dB level of 114 if they moved the additional 10 meters away. This is one reason why when a non muffled race motor being fired across the pits still sounds really loud.

Decibels are not cumulative either. And this fact is perhaps more important to the racetrack argument. For example, let's say that you have a Dirt Late Model, an ASA Midwest Tour-style Late Model, and a four-cylinder Bomber all lined up on a track.

The DLM has an 800-plus-hp Roush-Yates Engine and no muffler. The ASA car has a 520hp 2bbl motor with a muffler, while the Bomber has its production EFI four-cylinder.

All three cars are fired up at the same time. The Yates-powered car trips the dB meter at 105 decibels, the ASA car hits 95, and the Bomber hit 70. (Note these are not actual numbers, but hypothetical to make a point). With all three cars running, a person standing 10 meters away will not hear 270 decibels worth of noise. They'll only hear the noise from the highest dB reading motor.

However, studies have shown that if multiple cars are running on the track at the same time, each additional car will add anywhere from 3-5 decibels of noise. The real trick is

that there are numerous ways to measure and analyze decibels. But at the heart of the issue is the fact that noise is, by and large, a subjective thing. What bothers me may not bother you.

So What's the Problem?

Neighboring residents who complain about racetracks fall into two basic categories-those who move into a new neighborhood which was built near an existing racetrack, or those who live in a neighborhood where a new racetrack is built. The former seems on the surface to be a pretty straightforward situation. A new residential community is built near an existing racetrack. The track was there first and operational for decades as in the case of Wall Stadium in New Jersey or Rockford Speedway in Illinois. The argument is simple: new residents had to know that the racetrack was there and that race cars are loud, right?



The cars of the ARCA series do not run mufflers, but at the same time many of the tracks t

True, but the problem can go deeper than that. Take, for example, the weekly track that runs every Saturday night, but also allows teams to rent the track for testing on say a Wednesday afternoon. New residents who may understand that the track runs on Saturday likely may not ever consider that the track would be used during the week. This is especially true if the new residents are not familiar with our industry.



These big block Super Modifieds are some of the loudest race cars around and don't run muf

Rockford Speedway, one of the oldest racetracks in the country, is a perfect example of that type of situation. Built in 1948, the high banked quarter-mile oval is in its 63rd year of continuous racing. Although located on the very northern outskirts of the town of Loves Park (a Rockford suburb), several years ago the housing boom and suburban expansion brought residential developments within shouting distance of the racetrack. As the new houses began to fill up with families, some noise complaints followed. Track operator Jody Deery said that they found out one of the realtors selling houses told prospective buyers that the racetrack was going out of business, a fact far from the truth.

After that rumor was put to rest, Deery said that overcoming neighbors concerns was as simple as doing what was right. "We try to be good neighbors," she says. "We do not run too late, and we keep open communication with the residents. It helps a lot if they know you're trying to be a good neighbor."

Interestingly, that good neighbor policy began years ago when, as a state, Illinois began looking at regulating noise. "We added mufflers to our cars years ago," says Deery. "Our commercial neighbors never complained."

In addition, she said that they planted trees around the speedway and added large billboards around the track. Both the trees and billboards served to buffer noise to the local community by directing the sound from the cars upwards, but the billboards had an added benefit. They allowed the speedway an additional way to gain revenue by selling advertising on the billboards.



[See all 12 Photos](#)

By Rob Fisher

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Shenandoah Speedway Noise Analysis Shenandoah, Virginia

HMMH Client

Page County, Virginia

Project Owner

Page County

Project Duration

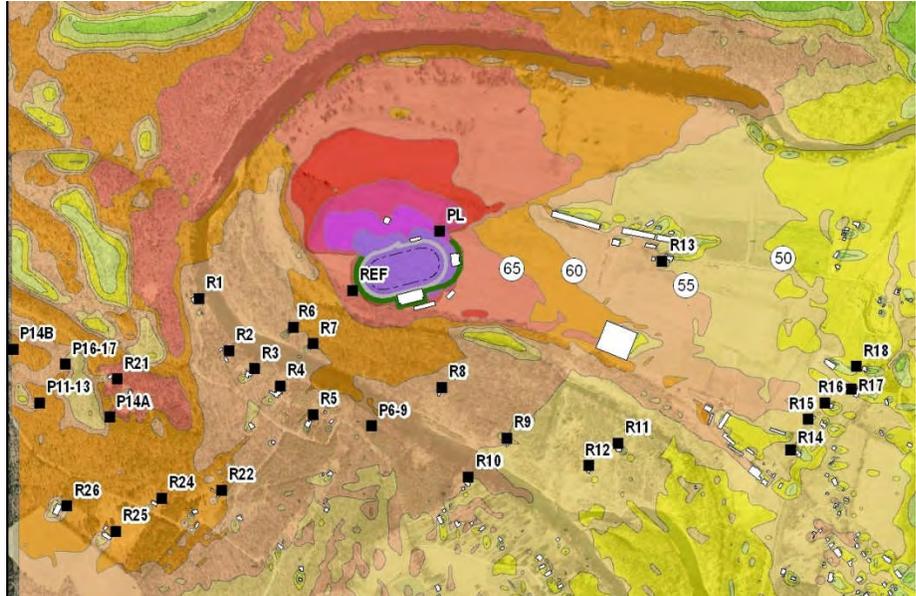
2005

HMMH Role

Prime consultant responsible for noise analysis

Testimonial

“Chris and the team from HMMH did a first-rate job for Page County as we looked at sound propagation from a new race track near the town of Shenandoah. His experience was lauded by county citizens and he was able to gain the respect of local residents, the race track owner and county officials combined. The results of the study were exactly what we were looking for to help strike a balance between the rights of residents to enjoy the solitude of a very rural area and the need for a local business to thrive and foster the area’s tourism industry. HMMH would be my first call when faced with a similar problem in the future.” – Mark Belton



Racetrack noise and community reaction contour map generated by SoundPLAN®

HMMH conducted a noise analysis study for a new racetrack facility in the foothills of the Appalachian Mountains. Page County desired a balanced, neutral noise evaluation that would address both the concerns of nearby citizens and the economic interests of the town and the track owner. Since no noise or zoning regulations were applicable, HMMH’s analysis compared the noise from the racetrack to surveys of normal community reaction to comparable noise.

Modeling with SoundPLAN® allowed us to present results in a way easily understood by the public and County officials. Our analysis recommended reasonable noise abatement measures agreed to by the track owner that would significantly reduce noise in the community while allowing increased racing activity.

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cmenge@hmmh.com
HMMH Project Number: 301330/331



Dragway and NASCAR Speedway Noise Comparison Concord, North Carolina

HMMH Client

City of Concord, NC

Project Owner

City of Concord

Project Duration

2008

HMMH Role

Prime consultant responsible for noise analysis

Testimonial

"HMMH staff closely listened and observed the actual situation and made specific recommendations that led to a much better study process and eventually results. They took our information and formulated a plan and a process to work within our budget to deliver a well devised study that fully met the intended goals of the City. We found HMMH to be flexible as possible, easy to work with and considered them to be partners in the entire process. Sensitive to our needs and the public nature of the study results, we were engaged in the review of the draft report such that the final product became a full report that is both very useful and understandable while presenting the findings completely non-biased and in a data supported format." – Jim Hipp, Asst. City Manager
City of Concord



Inside the new dragway



Dragway grandstands and noise barrier



A professional racing facility with an oval track speedway used for NASCAR events recently expanded by adding a major drag strip track with large grandstands. Residents in the nearby community have been exposed to noise from speedway races for many years, while the dragway racing noise is new and very different in character.

For the City of Concord, HMMH assessed whether the noise from the dragway on its opening weekend was louder in the surrounding residential community than the noise from a NASCAR race at the speedway. The racetracks' owner had committed to no increased noise from the dragway.

HMMH conducted noise measurements during both drag strip and speedway races at multiple locations in the community. We used several metrics to compare the noise levels, including averages and maximums over a loud hour, peak period and full day of racing.

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 HMMH Project Number: 303100



**Club Motorsports Inc. Racetrack
Tamworth, New Hampshire**

HMMH Client

The Tamworth Foundation, FOCUS
Tamworth

Project Owner

The Tamworth Foundation

Project Duration

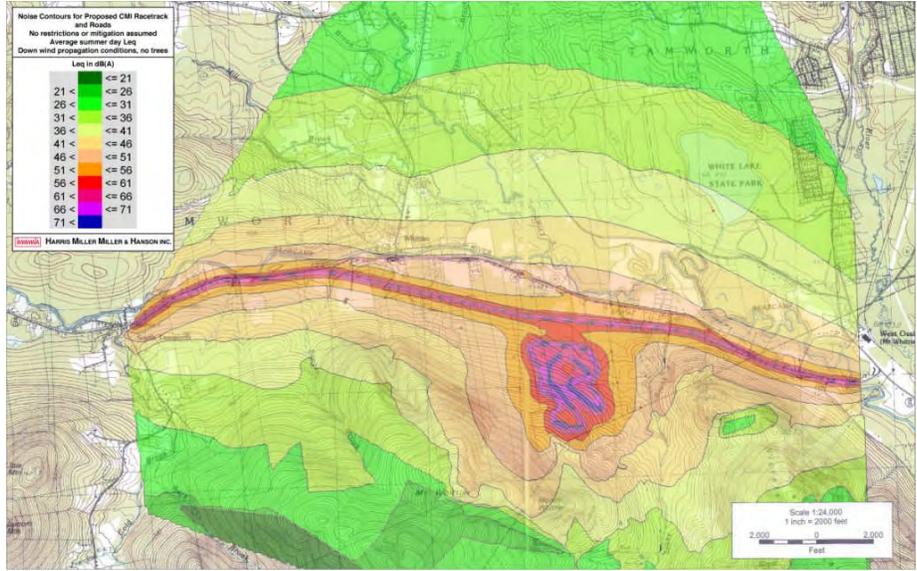
2003

HMMH Role

Prime/Noise Consultant

Testimonial

“Chris Menge, of Harris Miller Miller & Hanson conducted a sound study on the potential community impact of a controversial race track proposed for Tamworth NH, and has helped analyze documents submitted by the developer. Chris was professional, knowledgeable, thorough, flexible, and innovative in his work and recommendations, and he has contributed significantly to our community’s understanding of the proposed development.” – David Little



Noise contour map generated by SoundPLAN showing both the noise contours from the racetrack and from a nearby highway

HMMH conducted a noise analysis study for a proposed club racetrack facility in Tamworth, New Hampshire, in the foothills of the White Mountains. The Tamworth Foundation desired a balanced, neutral noise evaluation that would address both the concerns of citizens who feared that noise from the facility would adversely affect their town, as well as the interests of other Town citizens who desired the facility for the economic benefits it would bring. Since no noise or zoning regulations were applicable, HMMH’s analysis focused on the expected average community reaction from the facility.

HMMH conducted reference noise measurements of race vehicles during a club race at New Hampshire International Speedway to provide valid comparable noise emissions data for the SoundPLAN modeling analysis.

Our analysis addressed busy days as well as average days, and recommended property-line noise limits that would allow the facility to operate with all but the noisiest modified vehicles, and yet minimize the impact and audibility of racing noise at the nearest homes and throughout the Town. The Tamworth selectmen and the town adopted the property-line noise limits, and the developer is pursuing permits needed for the project.

Contacts:

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HMMH Project Number: 299630/299780



BIDDERS' INFORMATION PACKAGE

FOR LEASE OF UNIMPROVED LAND

FOR RACEWAY WITHIN SOUTHEAST REGIONAL PARK

LOCATION: 11900 SOUTH HARRISON ROAD, TUCSON, AZ. 85747

**RITA LEON
SENIOR ACQUISITION AGENT
(520) 740-6462**

**REAL PROPERTY SERVICES
201 N. STONE AVE., 6TH FLOOR
TUCSON, ARIZONA 85701**

THE PROJECT

The Project

The project (the “**Project**”) is the leasing of property owned by Pima County, Arizona (the “**County**”) for the design, development, construction, operation and maintenance of an FIA Grade 2 Licensed automotive raceway facility or similar public racing facility (the “**Facility**”). The property to be leased is located at an approximately four hundred acre site within the Southeast Regional Park, located at 11900 South Harrison Road, Tucson, AZ, 85747, near I-10 and Harrison Road (the “**Site**”).

The Lessee will be required to build the Facility entirely at its own expense, and operate, insure, repair and maintain the Facility, also at its own expense, for the term of the lease. The Facility must be operated as a public facility, with public access and reasonable use rates, and Lessee must provide agreed-upon public programs and benefits. The Lessee must make a minimum Phase One capital investment in the Project of at least fifteen million dollars (\$15,000,000.00) as specified in the Lease.

Noise abatement techniques must be integrated into the design and operation of the facility as illustrated in the outlined areas within the exhibits to the Bid Package. Bid evaluation points will be awarded to any entity that clearly develops a noise reduction strategy.

The Lease

The lease of the Site (the “**Lease**”) will be in substantially the form attached as Exhibit A. The initial term of the Lease will be up to eighteen (18) months for design and commencement of construction, and upon commencement of construction the term will be extended to twenty-five (25) years, with one twenty-five year option to renew.

The minimum annual rent will be the greater of (i) two percent (2%) of gross revenues, or (ii) \$137,700.00. Rent shall be paid in semi-annual payments, commencing on the earlier of (i) the first day of the 6th full month following opening of the raceway, or (ii) the first day of the 42nd full month (i.e. six (6) months following a design and construction period of no more than thirty six (36) months) following awarding of the bid by the Pima County Board of Supervisors. The minimum rent will have a cost of living adjustment every 5 years.

Lessee must comply with all local, state and federal laws including Pima County Ordinance Chapter 9.30—“Regulation of Excessive, Unnecessary and Annoying Noises”.

By submitting a bid, the bidder agrees that, if selected, it will enter into a Lease with County on the terms and conditions set forth in this Bidders' Information Package and build and operate the Facility. While the final form of the Lease may be subject to some negotiation between the high scoring proposed bidder and County, refusal of the bidder to agree to the terms set forth in this Bidders' Package or the attached form of Lease, or any failure of the parties to successfully negotiate a final form of Lease, may result in the bid being declared non-responsive. In that event, County will have the right to reject that bid and negotiate instead with the next highest scoring responsive and responsible bidder.

There will be no binding contract between the County and any bidder unless and until the Pima County Board of Supervisors approves and executes the Lease. No bidder has any cause of action against the County or any County official, employee, or agent, or any evaluator, based in whole or in part on a bidder's response to this Notice of Intent, or on any actions taken by any such organizations or individuals in connection with the Notice of Intent, the evaluation process, or the award or non-award of any Lease. Each bidder must understand that responding to this Bidders' Information Package will require the bidder to make a substantial investment of time, and a substantial investment of money that the bidder may or may not recoup. P i m a County is not responsible for any such costs.

Insurance Requirements

Insurance requirements will be subject to approval of Pima County's Finance and Risk Management Department with a base minimum of five million dollars (\$5,000,000.00) of commercial general liability coverage which will apply to both spectators and participants. Levels of insurance for some events may be higher based upon the risk assessment by Risk Management.

The Site

Site Location & Size: The Site is legally described in **Exhibit B** and depicted on **Exhibit C**. The site is bounded:

- To the north by the Musselman Honda P1 Kart Circuit Facility. This includes a buffer area.
- To the east, west and south by State Land.

Pima County makes no guarantee/warranty as to the condition of the property. The successful bidder shall accept the property in an AS-IS condition. Any Lease Agreement is subject to Board of Supervisors approval and Pima County reserves the right to cancel the lease process at any time.

Assessments & Reports:

County will require Environmental, Native Species, and Cultural plans before any construction may begin. Any additional reports as required by County, State or Federal regulatory authorities will be the responsibility of the Lessee. A Hydrology report was completed in 2012 and a summary of that report is attached as Exhibit D. Certain conditions may exist as a result of this report which will have to be addressed with the Pima County Flood Control District as part of the planning and design process of the Facility. Prospective Lessees are advised to review the entire hydrology report prior to submitting a bid.

The above information and attached reports are provided without any warranty or guarantee as to accuracy or completeness. Each bidder is solely responsible for conducting its own due diligence regarding the condition of the Site and its suitability for development and use. Other reports not listed here may be required by Pima County Development Services.

Information about the demographics and economic base of Pima County is attached as Exhibit E.

The above information was gathered from publicly available sources and is provided without any warranty or guarantee as to accuracy or completeness. Each bidder is solely responsible for conducting its own due diligence regarding the demographics of the community and assessing the practical and economic viability of developing and using the Site.

Facility Requirements.

The Facility must:

- include at a minimum a +/- 3 mile championship automotive racecourse, racecourse lighting, pit road, pit area, and all requirements as mandated by the FIA Grade 2 license;
- provide spectator amenities such as grandstands, restrooms, concessions, parking, and RV parking/facilities;
- include a paved paddock, fueling station, oil recycle facility, wash rack, maintenance facilities and necessary track buildings; and
- have signage that prominently and clearly establishes that the Facility is owned by County
- involve a minimum Phase One capital investment of fifteen million dollars (\$15,000,000.00)
- include noise abatement structures or landscaping integrated within the design of the facility

The Lessee will be responsible for developing all required driveways, maintenance and storage compounds, parking, ticketing kiosks, security fencing, lighting, power pole relocation, utilities, infrastructure, and landscaping.

Bidders are encouraged to build into the design of the Facility ancillary revenue-producing space such as restaurants, shops, training facilities, or automobile displays. The Lessee will be permitted to enter into concession agreements with other entities to operate these ancillary areas.

The Facility must comply with all zoning requirements and all other applicable governmental laws, regulations, and requirements. The Lessee will be required to complete the development review process through Pima County Development Services and other regulatory authorities. Plans and specifications for the Facility will also be subject to review and approval by County to ensure compliance with the requirements of the Lease.

Facility Operation. The Lessee:

- must provide a proposed international racing schedule;
- must charge fees that are reasonable for a public facility and comparable to other fees charged in the state;
- may sell alcohol with proper licensure;
- is encouraged to include youth outreach programs, designed to create opportunities for low-income youth;
- while developing its operational schedule must work with the nearby school and neighborhood community;
- may name the facility, or sell the naming rights (during the term of the Lease) provided that the name includes “Pima County”.

MINIMUM QUALIFICATIONS

To be responsive, a bidder must demonstrate that it meets all of the following minimum qualifications (the “**Minimum Qualifications**”).

- The bidder must have recent experience operating at least one successful raceway of similar size and scope to the proposed project.
- The bidder must have been in business, as a raceway developer or operator, for at least five years in projects similar in size and scope to this proposed project.
- The bidder must be licensed and certified for this type of business prior to entering into the Lease.
- The bidder must be a legal entity with authority to contract with other organizations, individuals, political subdivisions, and business entities, and conduct motor sports, sanctioned motor sport racing, motor sports exhibitions and auctions, motor sports education, private motor sports clubs, and similar events.

For purposes of meeting the Minimum Qualifications, the term “bidder” shall include either the bidding entity, or any principal of the bidder, including any director, office, or shareholder of the bidding entity.

BID SUBMITTAL

Delivery of Bid

Bids must be submitted in one or more sealed envelopes clearly marked on the outside with title, due date, and time, and bidder's name. Eight copies of the bid addressed to Rita Leon, Senior Acquisition Agent, must be submitted (meaning physically delivered and received) **by 4:00 pm on _____, 2013** at the Pima County Real Property Services office, 201 North Stone Avenue, 6th Floor, Tucson, Arizona 85701. It is the bidder's responsibility to assure bids are received by the specified time. Late bids will be returned.

All bids must:

- contain the required information about the bidder,
- demonstrate that the bidder meets the Minimum Qualifications, and
- include both a preliminary design and cost estimate for the Facility, and a detailed plan of operation, all as further explained below.

All bids submitted by the deadline that meet the requirements of this Notice of Intent will be scored by a team of evaluators assembled by County, consisting of County officials and employees as well as such other members as may be selected at the discretion of County, and an award will be recommended to the County Board of Supervisors.

County anticipates that the evaluation process will take approximately 30-60 days and that the highest scoring bidder will be contacted shortly thereafter.

County, however, reserves the right to cancel the project at any point in the process, waive compliance with any requirement of this Bidders' Information Package, reject all bids and issue or decline to issue a new Notice of Intent, or to take any other actions that are in the best interests of County.

Site Visit

Please contact Rita Leon at (520) 740-6462 to schedule a site visit.

The property is disability accessible. The following services are available upon prior request (ten working days): additional property information in Braille or large Print; and a signer for the hearing impaired.

Bid Documentation Requirements

Bids must contain the information and supporting documentation described below and conform to all other requirements of this Bidders' Package. Any substantial deviation from these requirements will be cause for rejection of the bid in County's sole discretion. For purposes of satisfying the requirements set forth below, the term "bidder" shall include either the bidding entity, or any principal of the bidder, including any director, officer, or shareholder of the bidding entity. Each bidder should label or tab its bid using the headings and letters corresponding to the required items listed below:

- A. Cover Letter: A cover letter giving the legal name and address of the bidder, the entity type and domicile of the bidder; and the name, address, telephone number and email address of the individual who will serve as the bidder's contact person with County and who will be authorized to make representations on behalf of the bidder and sign the Lease. The letter must bear the original signature of the individual with the proper authority to submit the bid on behalf of the bidder. The highest scoring bidder will be required to submit documentation (such as a corporate resolution or signed statements by partners or members) showing the entity's approval of the Lease, and the signer's signature authority for the Lease. If the bidder is a joint venture, this information, and the information listed below, shall be given for each member of the venture, and the role of each member shall be clearly explained. The highest scoring bidder will be required prior to entering into the Lease to be properly qualified to do business in Arizona.
- B. Management Experience: A synopsis of the overall qualifications and experience of the bidder, including its years in business; its level of staffing; a description of all other raceways currently or previously developed or operated by it; an explanation regarding any raceways developed or operated by the bidder that have been closed or sold; a description of the experience and qualifications of key management and operations staff who will be involved in the Project (including on-going operations); and the identity of subsidiary, parent and other affiliated companies.
- C. Financial statements; capital; financing commitments: A statement by an authorized officer or representative of the bidder that the bidder has or will have sufficient capital funds available to it (though financing arrangements or otherwise) to construct the Facility as set forth in the Lease.

- D. Financial & Operating References: The names and contact information of at least three financial references; meaning people or entities with whom the bidder has done business in the last five years who may be contacted by County for financial information about the bidder. Also, names and contact information of at least three people or entities familiar with the bidder's current operations at another raceway (such as government officials, or representatives of the automobile racing community or industry) who County can contact for information about the bidder's operations.
- E. Facility Design: A narrative description of the proposed Facility and all of its components, as well as a schematic design (including paving, grading, parking and landscaping); prototype building design; noise abatement infrastructure, types of major building systems and equipment and specifications/brands of those systems; an itemized evaluation of the facility's design elements as well as the extent of its compliance with LEED Silver standards. Design must comply with the listed Facility requirements above.
- F. Timeline: Proposed project timeline from the effective date of the Lease to completion of construction.
- G. Cost Estimate: Itemized estimate of initial project costs, including design, permitting, construction, and project management.
- H. Business Plan: A detailed five-year (minimum) business plan including at least:
- Market analysis
 - Operating budget, including all anticipated revenue sources and projected income, and all operating expenses; include fee schedule
 - Capital improvement plan, including method of funding
 - Marketing plan
 - Proposed fee schedule
 - Analysis of economic impact of Facility on surrounding area

I. Operations/Program Plan: A detailed five-year (minimum) plan regarding the proposed operation of the Facility that complies with the requirements set forth above including at least:

- Types of permitted uses, including whether the Facility will be available for special events etc.
- Description of public/outreach programs
- Hours of operation
- Concessions/retail opportunities
- Proposed racing events schedule

DRAFT

EVALUATION AND AWARD

Bids will be reviewed by the members of the evaluation committee, who will score the bids as follows:

<u>Criteria</u>	<u>Maximum Points</u>
Operational qualifications and experience, including, but not limited to, consideration of the following factors (in no particular order):	25 Points
Length of experience	
Depth of experience	
Success of other operations	
Strength of recommendations	
Experience and qualifications of management and operations staff	
	20 Points
Facility design, including but not limited to consideration of the following factors (in no particular order):	
Aesthetics	
Functionality of layout	
FIA Grade 2 Licensing Ability	
Safety	
Noise Abatement Design	
Operating plan, including, but not limited to, consideration of the following factors (in no particular order):	30 Points

Public benefit

Types of ancillary uses

Racing events proposed

Availability of private and group instruction

**Business Plan including, but not limited to, consideration of the following factors
25 Points
(in no particular order):**

Apparent financial viability of Proposer and plan

Capital improvement plan and identification of funding sources

Diversity of revenue sources

Timeline to have facility open to public

Marketing plan

LIST OF EXHIBITS

- Exhibit A: Form of Lease Agreement
- Exhibit B: Legal Description of Site
- Exhibit C: Site Plans, Showing Site Features
- Exhibit D: Hydrology Report Summary & Map
- Exhibit E: Pima County Profile (Executive Summary)
- Exhibit F: Archeological Sensitivity Map
- Exhibit G: Habitat Model Map

STANDARD BIDDING TERMS AND CONDITIONS

Proposals as Public Records: Upon opening, bids become public records and are subject to disclosure as required by the Arizona Public Records Law, A.R.S. § 39-101 et seq. The bidder must clearly and specifically identify, in the bid, any materials that either should not constitute public records or are otherwise protected from disclosure. For each item so identified, the bidder must state the reasons why the item should not be subject to public disclosure and the legal basis for that conclusion, including citation to specific legal authority. It is the intent of County to delay disclosure of the bids until the conclusion of the evaluation process, but County reserves the right to release the bids earlier, in response to a public records request, if it deems such disclosure to be in County's best interests, or if required by law. If County receives a request for disclosure that would include materials that have been labeled by a bidder as confidential, County will notify the bidder of the request and of County's intent to disclose the bid. A bidder will have ten business days within which to file an action seeking to enjoin disclosure of the materials. County will release the materials after that period of time unless the bidder has successfully obtained a court order preventing such disclosure.

Final Negotiations; Presentations: County reserves the right to negotiate a best and final offer with a bidder as may be in County's best interests. In its discretion, County may require any bidder to make an oral presentation regarding their bid or to provide further documentation.

No Joint Venture: Nothing in this Notice of Intent or in the Lease creates a partnership or joint venture relationship between any bidder and County.

No Collusion/Conflict of Interest: By submitting a bid, a bidder certifies to County that the bidder has not paid or agreed to pay and will not pay or agree to pay any fee or commission, or any other thing of value to any County employee, official, agent, or evaluator, contingent on the award of the Lease to the bidder. In addition, the bidder certifies that it does not have any conflict of interest as defined by A.R.S. § 38-511 et seq.

EXHIBIT A

DEPARTMENT: Economic Development & Tourism	(STAMP HERE)
PROJECT: Southeast Regional Park Raceway	
TENANT: Name of Tenant	
DESCRIPTION/ADDRESS OF PROPERTY: Southeast Regional Park	
REVENUE CONTRACT	

Ground Lease Agreement

1. **PARTIES; EFFECTIVE DATE** This Lease (~~-Lease~~) is made by and between **Name of Tenant, Type of Entity** (hereinafter referred to as "**Tenant**") and Pima County, a political subdivision of the State of Arizona (hereinafter referred to as ~~-Landlord~~ or ~~-Pima County~~). This Lease shall be effective (the ~~-Effective Date~~) on the date it is signed by the Chairman of Pima County's Board of Supervisors. Tenant shall execute this Lease before it is submitted to the Board of Supervisors for approval.

2. **BACKGROUND AND PURPOSE.**
 - 2.1. Landlord owns the property legally described and depicted on **Exhibit A** (hereinafter referred to as the ~~-Land~~), which is an approximately four hundred twenty-five and 53/100ths (425.53) acre parcel of real property located within the Southeast Regional Park, located at 11900 South Harrison Road, Tucson, AZ, 85747, near I-10 and Harrison Road.
 - 2.2. Tenant is authorized to conduct motor sports, sanctioned motor sport racing, motor sports exhibitions and auctions, motor sports education, private motor sports clubs, and similar events in Pima County.
 - 2.3. Tenant desires to design, develop, construct, operate and maintain an FIA Grade 2 Licensed automotive raceway facility or similar public racing facility (the ~~-Raceway~~) on the Land.
 - 2.4. Landlord has the authority to lease the Land to Tenant. Landlord has provided notice, appraised the Land and held an auction in accordance with A.R.S. §11-256. Tenant was the highest responsible bidder at the auction.
 - 2.5. Landlord and Tenant desire to enter into this Lease to allow Tenant to develop the Land as a major new entertainment attraction for Pima County and the

region, bringing professional racing events to Tucson, attracting visitors to Pima County and generating tangible benefits to the local economy.

2.6. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Land, together with all improvements now on or hereafter located on the Land (the **Premises**"), under the terms and conditions set forth in this Lease.

3. PREMISES.

3.1. **Lease.** In consideration of Tenant's compliance with all the terms and conditions of this Lease, and timely performance of all its obligations under this Lease, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Tenant will develop, operate, manage and maintain the Raceway upon the Premises under the terms and conditions set forth herein. Tenant will construct, provide, operate and maintain all real and personal property and all equipment necessary for the establishment and operation of the Raceway.

3.2. **Condition of Land.** Tenant acknowledges that it is fully familiar with the physical and legal condition of the Land and has received the same in good order and condition. LANDLORD MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONDITION OR STATE OF THE LAND OR ITS FITNESS OR AVAILABILITY FOR ANY PARTICULAR USE, AND LANDLORD IS NOT LIABLE FOR ANY LATENT OR PATENT DEFECT THEREIN. Tenant's use of the Premises is subject to all existing easements, rights-of-way and set-backs existing as of the date of this Lease.

3.3. **Quiet Enjoyment.** Landlord covenants and agrees that upon Tenant paying the Rent and performing and observing all of the Tenant's obligations under this Lease, Tenant may peaceably and quietly have, hold and enjoy the Premises for the Term, without hindrance or molestation by anyone claiming paramount title or claims through Landlord.

3.4. **Entry by Landlord.** Landlord reserves the right to enter the Premises to inspect the same; provided that if such entry is not during normal business hours, Landlord will give Tenant at least twenty-four (24) hours advance notice. Landlord will make a reasonable effort to not interrupt Tenant's business at the Premises. Landlord at any and all times will have the right to use any and all means which Landlord may deem proper to open gates or doors in an emergency in order to obtain entry to the Premises, without liability to Tenant, except for any failure to exercise due care for Tenant's property, and any entry to the Premises obtained by Landlord by any such means, or otherwise, will not under any circumstances be construed or deemed to be a forcible or unlawful

entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

4. TERM.

- 4.1. Design and Construction Period. The initial term of this Lease commences as of the Effective Date and runs until the earlier of: a) thirty-six (36) months (the ***-Maximum Design and Construction Period***) after the Effective Date, or b) the completion of construction of the first phase and the opening of the of the Raceway for operation. In the event that either: a) Tenant has not commenced construction of the Raceway within eighteen (18) months of the Effective Date, or b) Tenant has not completed construction of the first phase of the Raceway (***-Phase One***) and opened the Raceway for operation within the Maximum Design and Construction Period, this Lease will automatically terminate and will be of no further force or effect. Phase One shall refer to completion of all improvements designated for Phase One as provided in **Exhibit C**.
- 4.2. Initial Term. Upon the timely commencement by Tenant of construction of Phase One, this Lease will extend for a term of twenty-five (25) years (the ***-Initial Term***) from the date construction commences, subject to automatic termination pursuant to **Section 4.1** for failure of Tenant to complete construction of Phase One and open the Raceway for operation within the Maximum Design and Construction Period.
- 4.3. Option Period. Provided that Tenant is not then in default of any provision of this Lease, upon expiration of the Initial Term, the term of this Lease may be renewed and extended by Tenant for an additional twenty-five (25) year term (the ***-Option Period***). If Tenant wishes to renew the Lease, Tenant shall do so by providing written notice to Landlord not more than two (2) years and not less than one (1) year prior to the end of the Initial Term.

5. RENT.

- 5.1. **Initial Operation Fee:** In consideration of the initial pre-construction use and occupancy of the Premises as described in **Section 4.1** of this Lease, Tenant will pay Landlord an initial annual operations rental fee of one hundred dollars (\$100.00) payable annually as of the Effective Date.
- 5.2. **Annual Rent.** Commencing on the earlier of (i) the first day of the 6th full month following opening of the raceway, or (ii) the first day of the 42nd full month after the Effective Date (i.e. six (6) months following the Maximum Design and Construction Period) (the ***-Rent Commencement Date***), Tenant will pay an annual rent (***-Rent***) equal to the greater of (i) two percent (2%) of Gross Revenues (***-Percentage Rent***), or (ii) One Hundred Thirty Seven Thousand, Seven Hundred Dollars (\$137,700.00) (the ***-Annual Minimum***

Rent”).

- 5.3. **Payment of Rent.** Beginning on the Rent Commencement Date, and continuing thereafter on the first day of the sixth month following the Rent Commencement Date (the ***-Rent Due Date***) and every six (6) months thereafter, Rent shall become due and payable in semi-annual installments. Each semi-annual installment shall be in the amount of Sixty-Eight Thousand, Eight Hundred Fifty Dollars (\$68,850.00) (the ***-Minimum Rent Semiannual Payment***), which equals one-half of the Annual Minimum Rent.
- 5.4. **Adjustments to Annual Minimum Rent.** Beginning on the first day of the sixtieth (60th) month following the Rent Commencement Date, and every sixty (60) months thereafter during the Initial Term and any renewal term, the Rent shall be increased by the lesser of (i) Three and One-Half Percent (3.5%) annually (not compounded), or (ii) by the increase, if any, in the Consumer Price Index—U.S. City Average—All Urban Consumers (***-Index***) as published by the [U.S. Department of Labor, Bureau of Labor Statistics](#) (***“Bureau”***) for the five year period ending prior to the rent adjustment date. Should the Bureau discontinue the publication of the Index, or publish it less frequently, or alter it in any other manner, then Tenant shall adopt a substitute index or substitute procedure that reasonably reflects and monitors consumer prices, that is reasonably acceptable to Landlord.
- 5.5. **Percentage Rent.** In addition to the Minimum Rent Semiannual Payment, Tenant shall pay Percentage Rent, to the extent it exceeds the Minimum Rent, as provided in this Section 5.
- 5.5.1. Gross Revenues defined. For purposes of this Lease, the term ~~—Gross Revenues~~” means all income and receipts from any source arising out of operations or activities conducted on the Premises, whether such revenue is directly to Tenant or to any permitted subtenant of Tenant, or any other person or entity receiving revenue for activities conducted on the Premises. It is the intent of the parties that Gross Revenues be interpreted as broadly as possible to include revenue derived from use of the Premises regardless of the recipient of the revenue.
- 5.5.2. Exclusions from Gross Revenues. Notwithstanding the foregoing, Gross Revenues shall not include direct taxes charged on admissions or other monies collected for and paid to a taxing authority as sales or excise taxes, or normal charge-backs such as rebates to charities using the Premises, refunds, returns, credit card fees or uncollected amounts.

5.5.3. Reporting Percentage Rent. On or before forty-five (45) days after Rent is due (the **-Reconciliation Date**"), Tenant shall provide to Landlord a reconciliation of the Percentage Rent due for the six (6) month period immediately preceding the Rent Due Date (the **-Rent Reconciliation**"). If the Rent Reconciliation shows Percentage Rent greater than the Minimum Rent Semiannual Payment, Tenant shall pay to Landlord, on the Reconciliation Date, the difference between the Percentage Rent due and the Minimum Rent Semiannual Payment.

5.6. **Interest on Late Due Amounts.** Tenant must pay interest (simple interest, not compounded) on any payments of Rent not received by the Rent Commencement Date, the Rent Due Date, the Reconciliation Date, or any other sum due under this Lease, from the date due until paid, at the greater of (i) the rate of ten percent (10%) per annum, or (ii) the statutory rate for interest on judgments in effect when the payment is due.

5.7. **Rental Taxes.** Tenant must pay to Landlord any occupancy tax, rent tax or government property lease excise tax now in effect or hereafter enacted, which Landlord is now or hereafter required to collect from Tenant or to pay with respect to the Premises or this Lease.

5.8. **Other Taxes.** Tenant is responsible for payment of all taxes, whether real property taxes, personal property taxes, income taxes, or any other taxes, if any, that are or may be assessed relating to the Premises, the Project, this Lease, or any use of the Premises pursuant to this Lease.

6. CONSTRUCTION OF RACEWAY.

6.1. Construction of Raceway.

6.1.1. Scope. Tenant will construct a paved road course racing circuit and related improvements which must include at a minimum a +/- three (3) mile championship racecourse, racecourse lighting, pit road, pit area, and all requirements as mandated by the FIA Grade 2 license upon the Premises as described in the attached **Exhibit B: Purpose and Scope of Motor Sports Activities**.

6.1.2. Facilities. The Raceway must provide spectator amenities such as grandstands, restrooms, concessions, parking, and RV parking and facilities. The Raceway must include a paved paddock, fueling station, oil recycling facility, wash rack, maintenance facilities and necessary track buildings. Tenant will be responsible for developing all required driveways, maintenance and storage

compounds, noise abatement facilities, parking, ticketing kiosks, security fencing, lighting, power pole relocation, utilities, infrastructure and landscaping.

- 6.1.3. Concept Drawings. Tenant will construct all such circuit and related improvements consistent with the phased concept drawings attached to this Lease as **Exhibit C: Phased Implementation Strategies.**
 - 6.1.4. Minimum Capital Investment. Tenant shall make a minimum capital investment in the construction of Phase One of the Raceway and all related facilities, in an amount not less than Fifteen Million Dollars (\$15,000,000.00).
 - 6.1.5. Noise Abatement. Tenant shall take all necessary steps to ensure that the sound generated by operation of the Raceway does not constitute a nuisance.
- 6.2. **Off-Site Improvements.** Tenant is solely responsible for construction of any off-site public improvements required as a result of Tenant's construction of the Raceway or use of the Premises (including any sidewalks, roadway, drainage or lighting improvements).
- 6.3. **Plans and Specifications.**
- 6.3.1. Pre-Construction Requirements. Before any construction of the Raceway is commenced on the Premises, and before any building materials have been delivered to the Premises by Tenant or under Tenant's authority, Tenant must comply with all the following conditions or obtain Landlord's written waiver of the condition or conditions specified in the waiver.
 - 6.3.2. Preliminary Plans. Tenant must deliver to Landlord for Landlord's approval three full hard copy sets, and an electronic (AutoCAD) set of preliminary construction plans and specifications for the Project prepared by an architect or engineer licensed to practice in Arizona, including but not limited to preliminary grading and drainage plans, soil test, utilities, sewer and service connections, locations of ingress and egress to and from public thoroughfares, curbs, gutters, parkways, street lighting, designs and locations for outdoor signs, storage areas, and landscaping, all sufficient to enable potential contractors and subcontractors to make reasonably accurate bid estimates and to enable Landlord to make an informed judgment about the design and quality of construction, and about the impact of the Raceway on adjacent and nearby properties. Landlord will not unreasonably disapprove preliminary plans and specifications. Approval or disapproval will be communicated

in the manner provided for notices, and disapproval will be accompanied by specification of the grounds for disapproval. Following Landlord's first or any subsequent disapproval, Tenant will submit revised plans and specifications.

- 6.3.3. Lender Approval. Tenant must deliver to Landlord the written approval of the plans and specifications by the financial institution that has made the commitment for financing the construction, unless Tenant is not obtaining financing but is instead funding the Raceway with cash on hand. If Tenant is funding the Raceway with its own money, Tenant will furnish throughout the course of the Raceway at Landlord's request proof that it has available to it funds sufficient to complete the Raceway.
- 6.3.4. Final Plans. Tenant must prepare and deliver to Landlord, for Landlord's approval, three full hard copy sets and an electronic (AutoCAD) set of final plans and specifications (***-Final Plans***) substantially conforming to the preliminary plans previously approved by Landlord.
- 6.3.5. Contract. Tenant must furnish to Landlord a true copy of Tenant's contract with a general contractor for construction of the Raceway, and evidence of the general contractor's financial condition for Landlord's approval, which will not be unreasonably withheld or delayed. The contract must give Landlord the right but not the obligation to assume Tenant's obligations and rights under that contract if Tenant defaults.
- 6.3.6. Liability Insurance. Tenant must furnish to Landlord proof that Tenant has obtained the liability insurance required under Section 13 below.
- 6.3.7. Builder's Risk Insurance. Tenant must furnish to Landlord proof that Tenant, or Tenant's contractor, has obtained —allrisks” builder's risk insurance including vandalism and malicious mischief, in broad form and with a company reasonably acceptable to Landlord, covering improvements in place and all material and equipment at the job site furnished under contract, but excluding contractor's, subcontractor's and construction manager's tools and equipment and property owned by contractor's or subcontractor's employees.
- 6.3.8. Payment and Performance Bonds. Tenant must deliver to Landlord payment and performance bonds issued by a surety company licensed to do business in the State of Arizona, running to Landlord as obligee, conditioned on the contractor's completion of the Raceway in accordance with the Final Plans and the provisions of this Lease, free and clear of all mechanics' or other liens and free and clear of all financing statements under the Uniform Commercial Code. This bond must be in an amount and in a form and written by a company approved

by Landlord, which approval Landlord will not unreasonably withhold. The bond may also include as obligee, as its interest may appear, Tenant's construction lender.

- 6.3.9. Worker's Compensation Insurance. Tenant must deliver to Landlord satisfactory proof that worker's compensation insurance has been procured to cover all persons employed in connection with the construction.
- 6.3.10. Costs. All plan review and permit fees and other costs related to the Raceway will be paid by Tenant.
- 6.3.11. Construction Standards; Permits. All work related to construction on the Premises shall be done in good workmanlike manner, in conformance with industry standards, and shall be diligently prosecuted to completion. Tenant shall comply with all applicable building codes, zoning codes, and other laws, regulations and orders for any construction, whether of a permanent or a temporary nature, and shall obtain all applicable permits from regulatory agencies.
- 6.4. **Liens**. Tenant must timely pay all contractors, subcontractors, mechanics, laborers, or materialmen providing materials or services with respect to the Project, and must not permit any lien to attach to the Premises or any interest therein, except as permitted by Section 7 below, and must indemnify and defend Landlord against all legal costs and charges resulting from any such lien.
- 6.5. **Plan Modifications**. Tenant may, at any time during the course of construction, request that the Final Plans be modified in such particulars as may be specified by Tenant, and Landlord agrees that it will not unreasonably withhold or delay its consent to such changes.
- 6.6. **Commencement of Construction**. Construction of the Raceway will be deemed to have commenced when Tenant begins grading. If Tenant fails to commence construction within eighteen (18) months after the Effective Date (without regard to delays occasioned by "force majeure"), Landlord will have the right as its sole and exclusive remedy to declare this Lease automatically terminated pursuant to Section 4.1. After construction is commenced, Tenant must diligently pursue it to completion, in accordance with the Final Plans, in a good workmanlike manner, and in compliance with all applicable laws and regulations of all governmental bodies and pursuant to the conditions of any governmental approvals.
- 6.7. **Landlord Inspection**. During construction, the Raceway will be subject to inspection by representatives of Landlord who will be permitted access and the

opportunity to inspect the Raceway at all reasonable times, but this provision will not in any way whatsoever create any obligation on Landlord to conduct such an inspection.

6.8 Substantial Completion. In the event construction of Phase One is not substantially completed within the Maximum Design and Construction Period (subject to delays occasioned by ~~—force majeure~~”), Landlord will have the right to declare this Lease automatically terminated pursuant to Section 4.1 above. As used in this Lease, substantial completion of Phase One will be deemed to have occurred when Tenant’s construction has been completed to such an extent, and all government permits and approvals and occupancy certificates necessary have been obtained, so that Phase One can be utilized by Tenant for all permitted uses under this Lease, notwithstanding that minor or insubstantial details of construction, mechanical adjustment or decoration remain to be performed, the non-completion of which would not interfere with the opening of Phase One for business.

6.9 Final Completion. Notwithstanding that Phase One has been substantially completed, Tenant must diligently proceed to final completion of the Raceway and obtain a permanent certificate of occupancy for the Raceway.

6.10 Manner of Construction. Notwithstanding anything to the contrary hereof, construction of the Raceway by Tenant must be done in such a manner that it does not materially interfere with the business of any adjacent land owner or occupant and in completing such construction, Tenant will not (i) store construction equipment or materials on said adjacent parcels; or (ii) permit construction workers, whether employees or agents of Tenant or its contractors or subcontractors, to park in the parking areas of said adjacent parcels. Tenant must fence in the construction area to prevent debris from entering onto the parking area of said adjacent parcels or sidewalks, if any, of said adjacent parcels.

6.11 Title to the Project. Tenant will own the Raceway as it is built ~~—back~~ by brick.” At all times while this Lease is in force, title to the Raceway will belong solely to Tenant. Upon the termination or expiration of this Lease, title to the Raceway then situated on the Land will pass automatically to Landlord, without payment therefore, and Tenant will have no further rights therein.

6.12 No Landlord Liability for Approval of Plans or Specifications. Landlord’s review of the plans and specifications shall be solely for Landlord’s purposes and shall not imply that Landlord has reviewed the plans and specifications for quality, design, laws, compliance or other like matters. Accordingly, notwithstanding that any construction drawings are reviewed by any Landlord architects, engineers, or consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any

omissions or errors contained in any construction drawings, and Tenant's indemnity set forth in the Indemnification Clause of this Lease shall specifically apply to the construction drawings. Landlord's review shall be to determine that the improvements to the Premises are consistent with the purposes of this Lease.

7. **LEASEHOLD MORTGAGE.** Landlord agrees that it will consent to a mortgage or deed of trust on Tenant's leasehold interest hereunder granted to a lending institution (the ~~Lender~~) to secure a loan, the proceeds of which will be used entirely to pay for the construction of the Raceway (the ~~Leasehold Deed of Trust~~); provided, however, that the language of the Leasehold Deed of Trust and of all related documents that require the execution, approval, or consent of Landlord will be subject to the prior review and approval of Landlord, which approval will not be unreasonably withheld or delayed, and to the following terms and conditions:
- 7.1. If the Lender forecloses upon Tenant's leasehold interest, or takes an assignment of this Lease in lieu of foreclosure, Lender must promptly cure any defaults of Tenant and pay any sums due under this Lease and must attorn to Landlord.
- 7.2. If, by reason of any default of Tenant, this Lease is terminated by Landlord before Lender forecloses or takes an assignment of this Lease in lieu of foreclosure, Landlord must enter into a new lease with the Lender for the remainder of the Term, effective as of the date of such termination, on the same terms and conditions of this Lease, provided that:
- 7.2.1. The Lender requests such a new lease from Landlord, in writing, within thirty (30) days after the termination date, such request to be accompanied by a payment to Landlord of any sums then due it under the Lease;
- 7.2.2. The Lender pays Landlord, upon execution and delivery of the new lease, all sums due hereunder in addition to those which would be then be due but for the termination, plus all reasonable expenses, including legal fees, incurred by Landlord by reason of such default; and
- 7.2.3. The Lender cures any other Tenant default.
- 7.3. If, before any default occurs under this Lease, the Lender gives Landlord written notice containing the Lender's name and office address, Landlord will give the Lender a copy of each notice of default by Tenant at the same time that Landlord gives such notice to Tenant. Landlord will accept performance by the Lender of any Tenant obligation, just as if performed by Tenant, provided that at the time of such performance Landlord is furnished satisfactory evidence that the person or entity tendering such performance is in fact at that time the

holder of the Leasehold Deed of Trust. This will not operate to extend any cure periods.

8. **ALTERATIONS.** Tenant, after completion of the Raceway, may from time to time during the Term make changes, alterations, additions, substitutions or improvements to the Premises (collectively, ***-Alterations***"), at Tenant's sole cost and expense, as set forth below:

8.1. **Minor Alterations.** Tenant may make such non-structural Alterations as Tenant may reasonably consider necessary and desirable to adapt or equip the Raceway for Tenant's use and occupancy, except as set forth below.

8.2. **Substantial Alterations.** Tenant will make no Alterations that will (i) cost in excess of \$100,000; or (ii) involve structural work or changes; or (iii) involve work or changes to the electrical, plumbing, or HVAC systems (collectively, ***-Substantial Alterations***"), unless Tenant first delivers plans and specifications to Landlord and obtains Landlord's written approval which will not be unreasonably withheld or delayed. The requirements applicable to the initial construction of the Raceway, as set forth in Section 6 above, including but not limited to insurance and bonding requirements and approval of plans and specifications, will apply to Substantial Alterations.

9. **FIXTURES AND FURNISHINGS.** Tenant will retain ownership of all trade fixtures and business equipment and furnishings (collectively ***-Fixtures***") from time to time installed in the Premises by Tenant at its expense. Tenant may remove any such Fixtures at any time during the Term and must remove all Fixtures prior to the expiration of the Term, except those Fixtures that Landlord agrees, in writing, may be left on the Premises. Upon any removal of Fixtures, Tenant must promptly repair any and all resulting damage to the Premises. Any Fixtures not removed at the expiration of the Term will become the property of Landlord without payment to Tenant. Tenant must reimburse Landlord for any costs and expenses incurred by Landlord in removing any Fixtures that are left in place by Tenant without Landlord's prior written permission, and repairing any resulting damage; this covenant will survive expiration or termination of the Lease.

10. USE OF PREMISES.

10.1. **Permitted Uses.** The Premises may be used by Tenant only for its intended use as a racetrack and uses reasonably related thereto in keeping with the general character of the surrounding area and permitted by law.

10.2. Operation of Raceway.

10.2.1. Conduct of Raceway. Tenant will determine the quantity and duration

of major racing events, special events, motor sports shows and auctions on an annual basis. Tenant will conduct its activities, and ensure that its employees, and all permissible users of the Raceway conduct their activities in a professional manner and in compliance with applicable standards of practice for raceway facilities and all federal, state and local laws. In developing its operational schedule for the Raceway, Tenant agrees to work cooperatively with the nearby school and neighborhood community to minimize inconvenience from the Raceway operation.

- 10.2.2. Right of Public to Access Raceway. Except for designated holidays, the Raceway will be open to the general public free of charge, except for major racing events, motor sports shows and auctions, and other special and private events. All utilization of the Raceway by third parties will be scheduled and directed by and through Tenant.
- 10.2.3. Fees. Tenant may charge fees for use of the Raceway for Racing Events, Special Events and other uses of the Raceway in amounts approved in advance by Landlord. All fees will be included in the calculation of Gross Revenue.
- 10.2.4. Alcohol. Tenant may serve and sell alcoholic beverages for consumption on the Premises provided Tenant complies with applicable liquor laws and provides Landlord with the required insurance set forth herein.
- 10.2.5. Signs: Tenant may affix and maintain upon the Premises such signs relating to the events held on the Raceway as Tenant deems appropriate; provided, however, that all signs utilized by Tenant on or about the Raceway, whether visible from outside the Raceway or not, shall at all times comply with applicable provisions of the Pima County Sign Code and shall be installed and maintained at Tenant's sole cost. Any and all advertising signs placed by Tenant on the Raceway shall be immediately removed by Tenant upon termination of this Lease for any reason. Any damage resulting from such removal shall be repaired immediately by Tenant at its sole cost. Tenant shall not remove any operational or safety signage from the Raceway except to maintain, repair or replace the signage. Tenant shall pay for all costs of construction, erection, installation, maintenance and repair of any sign to be erected or installed or otherwise placed on the Raceway. Tenant shall, through coordination with Landlord, identify the Raceway and Tenant's components thereof, in signs and in any of its written materials, as belonging to Pima County. Tenant may name the Raceway or sell the naming rights (during the term of this Lease) provided that the name includes —Pima County". Notwithstanding

anything herein to the contrary, any signs requested by Landlord and not otherwise required to be installed at the Raceway shall be constructed and installed at Landlord's expense.

- 10.3. **Prohibited Activity.** Tenant may not permit any unlawful activities on the Premises, or any activities that unduly interfere with activities of neighboring property owners/occupants. Tenant shall comply with all local, state and federal laws including but not limited to Pima County Code Chapter 9.30—~~Regulation of Excessive, Unnecessary and Annoying Noises~~".
- 10.4. **Activities not Insured or that Affect Insurance.** Tenant shall not conduct any activity or permit any activity to be conducted on the Premises which is not covered by the insurance policies provided pursuant to Section 13 herein without first obtaining the written consent of Landlord and without providing additional insurance covering the activity or event and with coverage limits and carriers acceptable to Landlord. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents or cause a cancellation of any insurance policy covering the Premises or any part thereof or any of its contents.

11. ENVIRONMENTAL COMPLIANCE.

- 11.1. **Hazardous Materials Defined.** As used herein, the term ~~Hazardous Material~~" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of Arizona or the United States Government. The term ~~Hazardous Material~~" includes, without limitation, any material or substance that is (i) petroleum or petroleum products; or (ii) defined as a Hazardous Material under A.R.S. 26-301(8).
- 11.2. **Hazardous Materials Prohibited; Clean Air Act.** Tenant may not cause or permit any Hazardous Material (as hereinafter defined) to be brought upon, kept, or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, without the prior written consent of Landlord, other than such Hazardous Materials as are customarily necessary or useful to the type of operations permitted under this Lease and actually being carried out by Tenant on the Premises which will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Materials. Tenant's operations on the Premises must comply with applicable provisions of the Clean Air Act, 42 U.S.C. 7401 et seq. and Arizona Revised Statutes, Title 49, Chapter 3 and any other applicable environmental laws or regulations.

- 11.3. **Indemnity.** If (i) Tenant breaches the obligations stated in the preceding paragraph, (ii) the presence (whether consented to by Landlord or otherwise) of Hazardous Material on the Premises or on or in the soil or ground water under or adjacent to the Premises is caused or permitted by Tenant, its agents, employees, contractors or invitees, (iii) contamination of the Premises or soil or ground water under or adjacent to the Premises by Hazardous Material otherwise occurs for which Tenant is legally liable, or (iv) contamination occurs elsewhere in connection with the transportation by Tenant of Hazardous Material to or from the Premises, then Tenant will indemnify, protect, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, expenses, liabilities or losses (including, without limitation, diminution in value of the Premises or any part thereof, damages for the loss or restriction on use of usable space or of any amenity of the Premises or any part thereof, damages arising from any adverse impact on marketing of space with respect to the Premises or any part thereof, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arose or arises during or after the term of this Lease as a result of such contamination. The foregoing obligation of Tenant to indemnify, protect, defend and hold Landlord harmless includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, restoration or other response work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present, as a result of any action or inaction on the part of Tenant, its agents, employees, contractors or invitees, in the Premises or the soil or ground water on, under or adjacent to the Premises, or elsewhere in connection with the transportation by Tenant of Hazardous Material to or from the Premises.
- 11.4. **Clean-up.** Without limiting the foregoing, if the presence of any Hazardous Material on or in the Premises, or the soil or ground water under or adjacent to the Premises caused or permitted by Tenant, or its agents, employees, contractors or invitees results in any suspected contamination of the Premises, the soil or ground water under or adjacent to the Premises, Tenant must promptly notify Landlord in writing and take all actions at its sole expense as are necessary to return the Premises, or such soil or ground water to the condition existing prior to the introduction of any such Hazardous Material to the Premises, or to such soil or ground water; provided that Landlord's approval of such actions is first obtained, which approval may not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises.

- 11.5. **Pre-Existing Contamination.** Landlord agrees that any Hazardous Materials contaminating the Premises prior to possession of the Premises by Tenant will not result in liability for Tenant under this Paragraph except to the extent such contamination is aggravated by the action or inaction of Tenant.
- 11.6. **Notices Regarding Environmental Conditions.** Tenant must, within ten (10) business days following receipt thereof, provide Landlord with a copy of (i) any notice from any local, state or federal governmental authority of any violation or administrative or judicial order or complaint having been filed or about to be filed against Tenant or the Premises alleging any violation of any local, state or federal environmental law or regulation or requiring Tenant to take any action with respect to any release on or in the Premises or the soil or ground water under or adjacent to the Premises of Hazardous Material, or (ii) any notices from a federal, state or local governmental agency or private party alleging that Tenant may be liable or responsible for cleanup, remedial, removal, restoration or other response costs in connection with Hazardous Material on or in the Premises or the soil or ground water under or adjacent to the Premises or any damages caused by such release.
- 11.7. **Survival.** Tenant's obligations under this Section will survive the expiration or earlier termination of this Lease and vacation of the Premises.

12. REPAIR, MAINTENANCE AND UTILITIES.

- 12.1. **Maintenance and Repairs.** All improvements on the Premises, both outside and inside, must be put and kept in good order and repair by Tenant at Tenant's sole cost and expense, and Tenant must make all repairs and replacements, ordinary as well as extraordinary, foreseen and unforeseen, structural or otherwise, that may be necessary or required, except as provided in Section 12.2 below. If Tenant fails to make such repairs, restoration or replacements, Landlord may make them, and Tenant must reimburse Landlord for the costs within ten days after Landlord sends Tenant an invoice.
- 12.2. **Damage for Casualty.** If any improvement on the Premises is damaged or destroyed by any cause whatsoever, Tenant must, with reasonable promptness, repair and replace the same at its own expense, to at least the condition existing immediately prior to the damage or destruction, and must do so even though the proceeds of any insurance policies covering the loss are insufficient to reimburse Tenant therefore, and Tenant's obligations under this Lease will not be terminated or suspended; except that, that if the Premises are substantially destroyed by fire or other casualty at any time during the last five (5) years of the Initial Term, or the Option Period, then Tenant may terminate this Lease by written notice given to Landlord within

sixty (60) days after the date of such destruction, and Tenant will be discharged from responsibility to repair the damage, but Tenant must in that event, at Tenant's sole cost and expense, clean and clear the Land of all debris and repair the Land and install landscaping so that the Land blends in reasonably well with the surroundings.

- 12.3. **Utilities** Tenant must, at its sole cost and expense, arrange for the furnishing of all utilities, including electricity, gas, water and sewer, and telecommunication services, fire protection lines and hydrants, that are necessary for its operations on the Premises, and Tenant covenants and agrees to pay all charges for such utilities and services directly to the supplier thereof. Landlord will not be liable in any way to Tenant for any failure or defect in the supply or character of utilities or telecommunications services furnished to the Premises by reason of any requirement, act or omission of the provider of such service or for any other reason.

13. INSURANCE; INDEMNIFICATION.

- 13.1. **Maintenance of Insurance.** Tenant shall procure and maintain, until all of Tenant's obligations, including any warranty periods under this Lease, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Tenant, its agents, representatives, employees or subcontractors.
- 13.2. **Minimum Requirements.** The insurance requirements herein are minimum requirements for this Lease and in no way limit the indemnity covenants contained in this Lease. Landlord in no way warrants that the minimum limits contained herein are sufficient to protect the Tenant from liabilities that might arise out of the performance of the work under this Lease by the Tenant, its agents, representatives, employees or subcontractors, and Tenant is free to purchase additional insurance.
- 13.3. **Insurance prior to Completion of Construction of Phase One.** From the effective date of this Lease until completion of construction of Phase One of the Raceway and the opening of Phase One of the Raceway for automobile racing or testing activities, the following coverage limits apply: Commercial General Liability insurance with coverage at least as broad as ISO form CG 00 01 in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000) aggregate covering the Premises, endorsed to include Pima County as additional insured with coverage at least as broad as ISO form CG 20 10, and covering all activities carried out at the Premises while the Raceway is under construction.
- 13.4. **Insurance after Completion of Construction.** Once construction of Phase One is completed and the Raceway is ready for use by racing vehicles, including the testing of the track by a vehicle, the limits for liability insurance requirements in effect shall provide coverage with limits of liability not less than those stated below.
- 13.4.1. Commercial General Liability – Occurrence Form
- 13.4.1.1. Policy shall include bodily injury, property damage, personal injury and broad form contractual liability:
- General Aggregate \$5,000,000.00
 - Products – Completed Operations Aggregate \$5,000,000.00
 - Personal and Advertising Injury \$5,000,000.00
 - Each Occurrence \$5,000,000.00
 - Blanket Contractual Liability – Written and Oral \$5,000,000.00

- Fire Damage (Any one fire) \$ 50,000.00
- Liquor Liability (if alcohol is being sold) \$5,000,000.00
- Spectator Liability \$5,000,000.00
- Participant Liability \$5,000,000.00

13.4.1.2. The policy shall be endorsed to include the following additional insured language: *“Pima County” shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Tenant.*

13.4.1.3. Policy shall contain a waiver of subrogation against Pima County for losses arising from work performed by or on behalf of Tenant.

13.4.1.4. The policy shall be endorsed to include Liquor Liability coverage if alcohol is being sold at any events. This requirement can be satisfied by a separate Liquor Liability Policy. Additional insured and waiver of subrogation language are still required.

13.4.1.5. Liability insurance is to cover all participating drivers, crew members, car owners, spectators and sponsors as well as the promoter.

13.4.1.6. Levels of insurance for special events may be higher than those levels specified herein based upon specific risk assessment by the Pima County Risk Manager. Lessee shall provide at least sixty (60) days’ notice of special events to the Pima County Risk Manager and shall obtain and maintain in place any increased insurance coverage prior to the scheduled event.

13.4.2. Business Automobile Liability. Tenant shall provide Auto Liability coverage for Bodily Injury and Property Damage in the amount of \$1 million combined single limit for vehicles used in the performance of services under this Lease and any renewals thereof.

13.4.3. Worker’s Compensation, Employers’ Liability and Participant Accident Coverage .

13.4.3.1. Workers’ Compensation coverage: Statutory with Employers’ Liability insurance to include: Each Accident \$ 500,000.00;

Disease-Each Employee \$ 500,000.00 with a Disease-Policy Limit of \$1,000,000.00.

13.4.3.2. Participant Accident Insurance Coverage with minimum limits to include: Accidental Death \$500,000.00; Medical Reimbursement \$1,000,000.00.

13.4.3.3. Policies shall contain a waiver of subrogation against Pima County.

13.4.4. Property Insurance. Tenant shall obtain and keep in force during the term of this Lease a policy of insurance covering loss or damage to the Premises in the amount of the full replacement value thereof, providing protection against all vandalism, malicious mischief, special extended perils (all risk) and shall deliver to Landlord a Certificate of Property Insurance, with Landlord named as additional insured. Said Certificate must be satisfactory to Landlord. Tenant will provide a copy of Tenant's policy of Property insurance to Landlord annually.

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

13.5.1. Additional insured shall be Pima County, its departments and its officers, officials, agents, and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by Tenant, even if those limits of liability are in excess of those required by this Lease.

13.5.2. Each insurance policy shall contain a severability of interests provision and shall waive subrogation against Pima County.

13.5.3. Tenant's liability insurance coverage shall be primary insurance with respect to all other available sources.

13.5.4. Coverage provided by Tenant shall not be limited to the liability assumed under the indemnification provisions of this Lease.

13.6. **Notice of Cancellation.** Each insurance policy required by the insurance provisions of this Lease shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to Pima County.

13.7. **Acceptability of Insurers.** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an —~~A~~. Best”

rating of not less than A- VII. Landlord in no way warrants that the above-required minimum insurer rating is sufficient to protect Tenant from potential insurer insolvency.

13.8. Verification of Coverage.

13.8.1. Tenant shall furnish Landlord with certificates of insurance (ACORD form or equivalent approved by Pima County) as required by this Lease. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

13.8.2. All certificates and endorsements are to be received and approved by the Pima County Risk Manager before work commences under this Lease. Each insurance policy required by this Lease must be in effect at or prior to commencement of work under this Lease and remain in effect for the duration of this Lease. Failure of Tenant to maintain the insurance policies as required by this Lease, or to provide evidence of renewal, is a material breach of this Lease.

13.8.3. All certificates required by this Lease shall include the Pima County project/contract number and the project number and description shall be noted on the certificates of insurance. Landlord reserves the right to require complete, certified copies of all insurance policies required by this Lease at any time.

13.9. Subcontractors. Tenant's certificate(s) shall include all subcontractors as insured under its policies or Tenant shall furnish to Landlord separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

13.10. Approval.

13.10.1. Any modification or variation from the insurance requirements in this Lease shall be made by the Landlord's Risk Management Division, whose decision shall be final. Such action will not require a formal amendment to this Lease, but may be made by administrative action.

13.10.2. Any construction or renovation projects on the Premises will require additional insurance coverage such as Builder's Risk insurance. Pima County Risk Management will provide the additional

insurance requirements required for any construction or renovations.

13.11. **Safety.**

13.11.1. Tenant will adhere to Federal, State and Local safety standards related to the on-site activities. Compliance is to include relevant OSHA standards as well as the safety standards, codes or rules related to racing events, thereby providing a safe environment for both the participants and the spectators.

13.11.2. Every competitor, official, worker, mechanic and other individual who is issued a pit pass or other credential permitting access to the racing area must sign a Release and Indemnity Agreement to include indemnification of Pima County, in a form acceptable to Landlord. The release is to be signed prior to entry into the racing area.

13.12. **Indemnification.** Tenant agrees that, to the fullest extent permitted by law, Tenant will indemnify, defend, and hold harmless Landlord, its officers, employees and agents from and against any and all losses, costs, or expenses (including reasonable attorney fees) incurred or suffered by Landlord as a result of any damages to property or injuries to persons (including death), or any suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of or directly related to any act, omission, fault or negligence by the Tenant, its agents, employees, invitees, contractors or anyone under its direction or control or acting on its behalf, or anyone permitted by Tenant to conduct any activity on the Premises, or in connection with any use or occupancy of the Premises under the terms of this Lease.

14. **DEFAULT/TERMINATION.**

14.1. **Tenant Default.** The occurrence of any one or more of the following events will constitute a default and breach of this Lease by Tenant for which Landlord may terminate this Lease:

14.1.1. Operation of Premises. The vacating or abandonment of the Premises, or cessation of activities thereon, or any portion thereof, by Tenant, that continues for a period of ten (10) calendar days after notice of such default is sent by Landlord to Tenant.

14.1.2. Monetary Obligations. The failure by Tenant to make any payment required to be made by Tenant under this Lease, as and when due,

that continues for a period of ten (10) calendar days after notice from Landlord that such payment is due.

- 14.1.3. Insurance. The failure by Tenant to maintain insurance policies as set forth above for any period of time, in which event Tenant must immediately cease all operations at the Premises until such insurance is obtained. In the event of such a default, Landlord may, in Landlord's sole discretion, obtain necessary insurance coverage in which event Tenant must, within five (5) days of demand, reimburse and pay to Landlord the full amount of any costs and premiums expended by Landlord to obtain such coverage.
- 14.1.4. Violation of Law. Violation of any law by Tenant, or the conduct of any unlawful activities on the Premises that are permitted by Tenant, either tacitly or explicitly, or that Tenant has not taken reasonable means to prevent after Tenant becomes or in the exercise of reasonable diligence should have become aware that such activities are being conducted.
- 14.1.5. Health and Safety Violation. Any action or omission by Tenant that, in Landlord's reasonable judgment, causes a threat to the health or safety of the general public or the users of the Premises or neighboring properties.
- 14.1.6. Other Covenants. The failure by Tenant to observe or perform any other of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant that continues for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant will not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. The notice and cure periods in this paragraph do not apply to the automatic termination provisions in Section 4.1.

14.2. Landlord Default. Landlord will be deemed to be in default hereunder if Landlord fails to perform any covenant or condition of this Lease to be performed by Landlord and such failure continues for thirty (30) days after written notice and demand from Tenant, unless the failure is of such a character as to require more than thirty (30) days to cure, in which event Landlord will be in default only if it fails to initiate the cure within thirty (30) days, and thereafter diligently pursue the same to completion.

14.3. Remedies.

- 14.3.1. All Remedies Available. Either party may pursue any remedies provided by law and in equity for the breach of this Lease, including termination of the Lease. No right or remedy is intended to be exclusive of any other right or remedy and each will be cumulative and in addition to any other.
- 14.3.2. Cure by Landlord. Should Tenant fail to perform in a timely manner any of the covenants or terms of this Lease on its part to be performed, Landlord may (but is not obligated to) perform the same and charge Tenant for the costs thereof, together with interest thereon, at the greater of (i) 10% per annum, or (ii) the rate set by statute for interest on judgments, from the date upon which the expense is incurred until paid by Tenant.

15. **NOTICES.** All notices given under this Lease must be in writing and either served personally or sent by certified or registered mail, return receipt requested, to the parties as indicated below or to such other persons, or addressees as either party may designate in writing to the other party:

If to Tenant: **Name of Tenant**
 Name of Entity
 Address
 Phone

If to Landlord: Director, Economic Development & Tourism
 33 N. Stone Ave. Suite 830
 Tucson, AZ 85701

16. **ASSIGNMENT/SUBLETTING.** Tenant may not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, except as permitted under Section 7 above, and may not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of Landlord.
17. **SURRENDER OF PREMISES/HOLDING OVER.** On the last day or earlier termination of the Term of this Lease, Tenant must quit and surrender the Premises, in good condition and repair (except as provided in Section 12.2 above), normal wear and tear excepted. Any holding over with the consent of Landlord after the expiration of the Term or earlier termination of the Lease will be construed to be a

tenancy from month-to-month upon the same terms and conditions as provided in this lease, to the extent applicable. Tenant's obligations under this Section will survive the expiration or earlier termination of the Term of this Lease.

18. **SUSTAINABILITY PLAN.** In accordance with the County's Sustainability Plan, Tenant must use all reasonable efforts to use recycled products for its operation within the Premises, and re-use and recycle materials utilized in the Premises.
19. **CANCELLATION FOR CONFLICT OF INTEREST.** This Lease may be cancelled for conflict of interest pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein by this reference.
20. **TENANT NOT AN AGENT OF LANDLORD.** Tenant is not an agent of Landlord for any purpose under this Lease or otherwise. Tenant will control activities on the Premises, and Landlord will not control those activities. Tenant's employees and servants will not be under the control of Landlord.
21. **NON-DISCRIMINATION.** Tenant agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive Order 99-4 and amends Executive Order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website http://www.azgovernor.gov/dms/upload/EO_2009_09.pdf which is hereby incorporated into this Lease as if set forth in full herein. During the performance of this Lease, Tenant shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.
22. **NON-APPROPRIATION.** Notwithstanding any other provision in this Lease, this Lease may be terminated if for any reason, the County's Board of Supervisors does not appropriate sufficient monies for the purpose of maintaining this Lease. In the event of such termination, County will have no further obligations to Tenant.

23. **BOOKS, RECORDS, AND REPORTS**

- 23.1. Tenant shall keep and maintain proper and complete books, records and accounts of all its operations conducted on the Premises, in a manner approved by the Pima County Finance Director. All such book, records and accounts shall be open for inspection and audit by Landlord or its auditors, or the Arizona Auditor General, at all reasonable times.
- 23.2. Tenant shall provide Landlord annually during the Initial Term and any Option Period:

- 23.2.1. An annual report on the operation and activities on the Premises.
 - 23.2.2. By September 30, a certified audit and annual financial report of all activities conducted on the Premises for the immediately preceding fiscal year of Landlord (July 1 – June 30);
 - 23.2.3. By June 30, assistance in Landlord's preparation of a written inventory of all buildings, equipment and items of value on the Premises which are the property of Tenant; and
 - 23.2.4. By September 30, a proposed budget for the current fiscal year.
24. **CHOICE OF LAW.** The laws of the State of Arizona will apply to any action relating to this Lease and any court action must be brought in a court in Pima County, Arizona.
25. **NON-WAIVER.** The failure of either party to insist in any one or more instances upon the full and complete performance of any of the terms and provisions of this Lease to be performed by the other party, or to take any action permitted as a result thereof, will not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same or any other covenant or condition either in the past or in the future. The acceptance by either party of sums less than may be due and owing to it at any time will not be construed as an accord and satisfaction.
26. **INTERPRETATION OF LEASE.** The parties acknowledge that each has had the opportunity to review this Lease with counsel of its or their choice. This Lease will not be construed in favor or against either of the parties but will be interpreted fairly and equitably to effectuate the intent of the parties. All provisions contained in this Lease will bind and inure to the benefit of the parties hereto, their successors and assigns.
27. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between the parties and all previous agreements, negotiations, or understandings are superseded by and merged in this Lease. This Lease may be modified by the parties only by writing executed with the same formalities as this Lease.
28. **AMENDMENT.** This Lease may not be amended except by a written instrument duly executed by both parties. Landlord will not enter into any modification of this Lease without the prior written consent of the holder of the Leasehold Deed of Trust provided that Landlord has notice of such secured party's interest in this Lease.

29. **ATTORNEY'S FEES.** In the event any action, suit or proceeding at law or in equity is instituted with respect to this Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses and court costs incurred.
30. **RECORDING.** This Lease may be recorded by Landlord or Tenant.
31. **TIME OF THE ESSENCE.** Time is of the essence of this Lease.
32. **AUTHORITY.** The undersigned represent to each other that they have full power and authority to enter into this Lease, and that all necessary actions have been taken to give full force and effect to this Lease. The undersigned further agree to produce all documents reasonably requested by the other party to evidence that the foregoing representation is true and correct, including but not limited to any partnership agreements, trust documents, operating agreements, articles of incorporation, or shareholder agreements.
33. **ATTORNEY'S REVIEW.** The parties acknowledge that they have had an opportunity to consult with legal counsel regarding this Lease, and that the terms of this Lease are not to be construed against any party because that party drafted the Lease, or construed in favor of a party because that party failed to understand the legal effect of the provisions of this Lease. County's Attorney is signing as to form only, and represents solely the interests of County. Each party shall bear the costs of their attorney incurred in connection with the negotiation and drafting of this Lease.

The remainder of the page is left intentionally blank

IN WITNESS WHEREOF, the parties have executed this Lease as of the day, month and year written below.

TENANT: Name of Tenant

Name

Date

Its: _____

LANDLORD: Pima County, a political subdivision of the State of Arizona

Ramon Valadez, Chairman, Board of Supervisors

Date

ATTEST:

Robin Brigode, Clerk of Board

Date

APPROVED AS TO CONTENT:

Tom Moulton, Director, Economic Development & Tourism

APPROVED AS TO FORM:

Tobin Rosen, Deputy County Attorney, Civil Division

EXHIBIT B

*Legal Description
Southern Arizona Raceway
A Portion of Docket 6561 at Page 1012*

A portion of Sections 22 and 23, Township 16 South, Range 15 East, Gila and Salt River Meridian, Pima County, Arizona, as described in Docket 6561 at Page 1012, records of Pima County, Arizona, more particularly described as follows:

Commencing at the Northwest corner of Section 22, Township 16 South, Range 15 East, Gila and Salt River Meridian, Pima County, Arizona;

Thence, Southerly along the West Section Line of said Section 22, 75 feet to the Point of Beginning on the proposed South Right of Way of Dawn Road;

Thence, Southerly along said West Section Line \pm 1815 feet to a point on the North line of an existing 60 foot Southwest Transmission Cooperative easement;

Thence, Easterly along said existing transmission easement a distance of \pm 1556 feet;

Thence, South $67^{\circ}-57'-45''$ East, \pm 3732 feet;

Thence, South $90^{\circ}-00'-00''$ East, \pm 1565 feet;

Thence, North $26^{\circ}-58'-49''$ East, \pm 1605 feet to a point on the northerly line of said existing Southwest Transmission Cooperative easement;

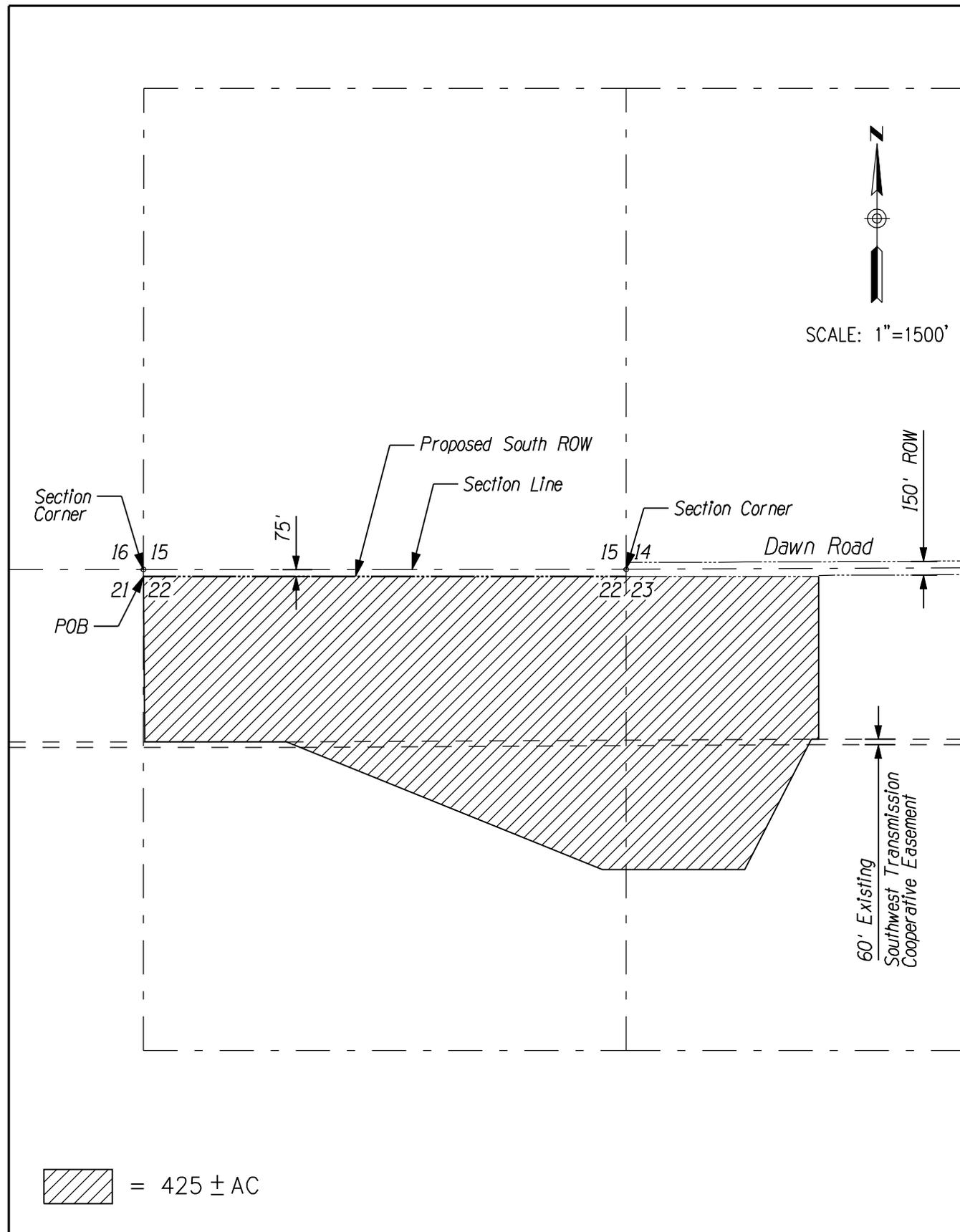
Thence, Easterly along said existing transmission easement a distance of \pm 79 feet;

Thence, North $90^{\circ}-00'-00''$ West, \pm 1785 feet to a point on the South Right of Way of Dawn Road as recorded in Book 12, Page 71;

Thence, Westerly along said South Right of Way line to a point that is 75 feet south of the Northeast corner of Section 22;

Thence, Westerly along said proposed South Right of Way of Dawn Road along a line 75 feet south and parallel to the North Section line of Section 22 to the Point of Beginning.

EXHIBIT C



 = 425 ± AC

Southern Arizona Raceway
T16S, R15E, Section 22 & 23
A Portion of Docket 6561 at Page 1012
Records of Pima County, Arizona

EXHIBIT D

HYDROLOGIC & HYDRAULIC ANALYSIS FOR THE SOUTHEAST REGIONAL PARK

III. SUMMARY OF RESULTS

Using the results of the existing-condition FLO-2D analysis, two exhibits were prepared to illustrate the potential impact the 100-year flood will have on the project site, as shown on the 2011 aerial photograph. The first exhibit (Figure 5, Sheet 1 of 2) shows the areas of inundation where the depth is greater than 0.2 feet. The second exhibit (Figure 5, Sheet 2 of 2) shows the area of inundation where the depth is greater than 1.0 feet. Both exhibits also show the 100-year discharge at several locations within the park boundary. The first existing-condition floodplain exhibit clearly shows that the majority of the site is subject to shallow sheet flooding during the 100-year event. However, the second exhibit shows that existing improvements will not be subjected to major flooding (i.e., flooding depths greater than 1.0 feet) during the 100-year event. The high flood hazard areas are for the most part limited to the undeveloped portions of the project site. For this reason, a master drainage or mitigation plan is not warranted. Using the existing-condition FLO-2D model as the basis for planning and design, future improvements can accommodate existing runoff and minimize their impact on the existing flood plain.

Using the concept plan information shown on Figure 3 in conjunction with updated information obtained from individual stakeholders, two revised concept plans were prepared to illustrate the impact that the 100-year flood event will have on the Southeast Regional Park as currently envisioned. One of the revised plans incorporates Master Plan Option 1 for the Pima County Fairgrounds, as presented in Reference 1, and one incorporates Option 2. Figure 6, Sheet 1 of 2 shows Option 1 and Figure 6, Sheet 2 of 2 shows Option 2. To avoid clutter, the corresponding floodplain overlays only show the outline or footprint of the proposed improvements. Figure 7 shows Option 1 under shallow-sheet flow conditions (Sheet 1 of 2) and where the depths of flow are greater than one foot (Sheet 2 of 2). Figure 8 shows Option 2 under the same two flow conditions (Sheets 1 of 2 and 2 of 2, respectively).

Floodplain map follows on the next page.

NOTE: the entire report is available upon request for the Department of Economic Development & Tourism

JE Fuller/Hydrology & Geomorphology, Inc.

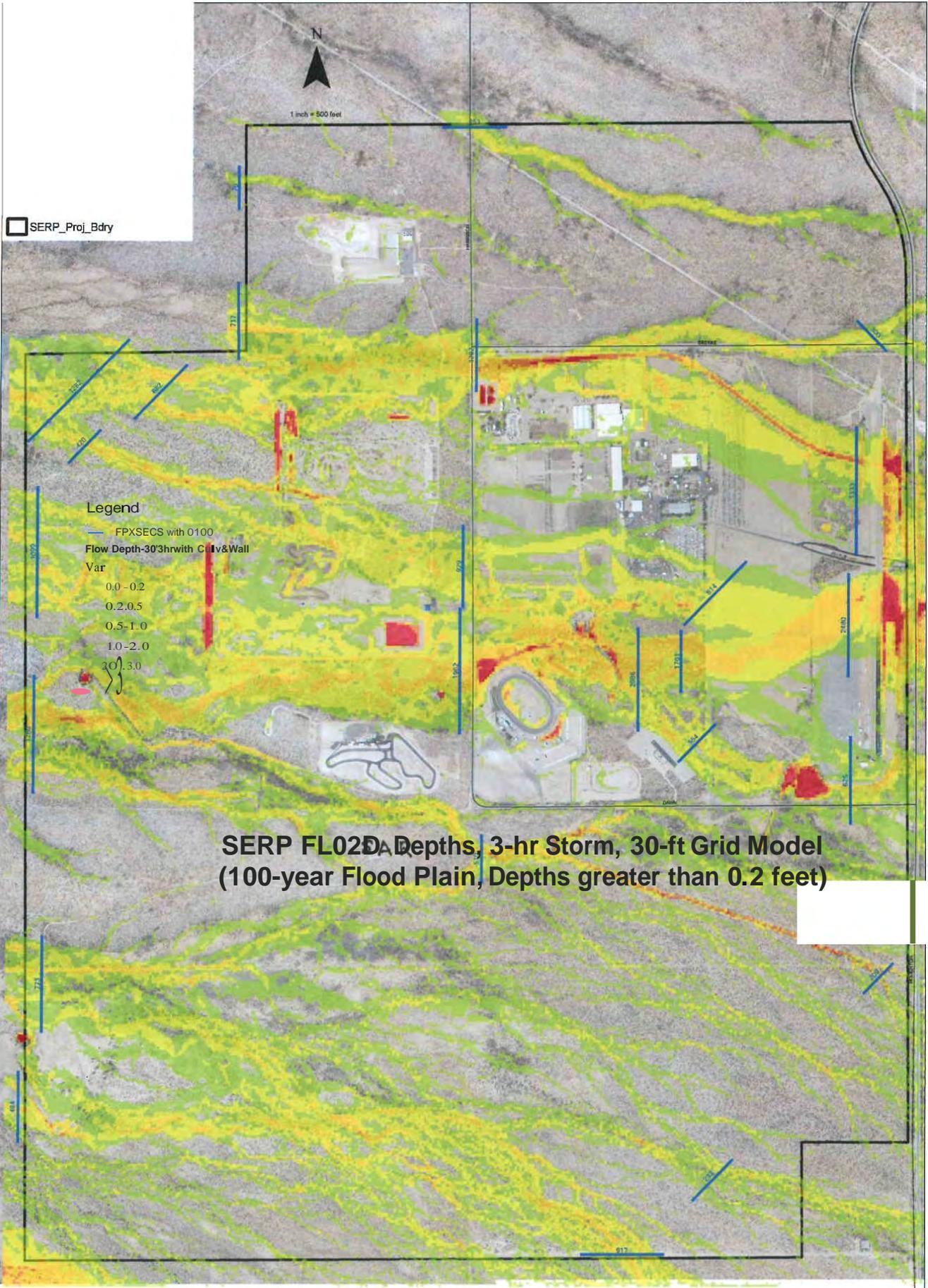


EXHIBIT E

Pima County Profile

Population

Pima County has a population of nearly one million residents. American Community Survey data from 2011 placed Pima County's population at 989,569.

Age

Arizona is the nation's seventh-youngest state. The median age in the City of Tucson is 32.5 and in Pima County it is 37.1, according to the 2010 American Community Survey.

Workforce

There are more than 475,000 people in Tucson's civilian labor force. It is estimated there are more than 1,200 high-tech businesses employing 50,000 people, and growth in the high-tech and "clean" manufacturing continues. This represents just one of the trends that will positively affect the Tucson region's workforce by educating current inhabitants and training an influx of new young, educated workers. The majority of the population lives in the eastern half of the county, which contains all of the five incorporated jurisdictions, two Native American tribal reservation areas and a large, urbanized unincorporated area. Approximately 85 percent of the county's land is federal, state or Native American owned. (U.S. 2010 Census)

County Size

Pima County consists of 9,189 square miles in south central Arizona ranging in elevation from 1,200 feet to the 9,185 foot peak of Mount Lemmon.

Location

Pima County is one of the larger counties in Southern Arizona bordering Mexico.

Quality of Life Overview

The greater Tucson region offers an unparalleled quality of life for today's young professionals. With about 1 million people living in an expansive stretch of awe-inspiring and lush desert landscape, Tucson is accomplishing a goal that many growing cities have abandoned -- an ecologically sound and culturally sophisticated approach to growth and development.

In Tucson, opportunities abound for local businesses as well as for those looking to build new futures. Tucson's quality of life only enhances its regional business climate.

With so many mountains, canyons, lakes, golf courses, and other natural and man-made recreational amenities, the region is a great place to enjoy year-round hiking, biking,

boating, camping, golf, tennis - and even snow skiing in season! It's not surprising that Tucson has been named the No. 1 Adventure City by Men's Journal.

Tucson is often called a “real cycling Mecca..., for the United States.” With its growing multi-use trails, including a 55 miles continuous scenic loop of low-stress river ways and greenways around the periphery of Tucson the Loop is just over half complete with 23 miles of continuous path from downtown on the Santa Cruz River up to the Rillito River, which extends as far east as Craycroft Road. Connections to the Pantano Wash, the Harrison Greenway, Julian Wash and back to the Santa Cruz are in the works. Visitors on foot, bikes, skates and horses are all welcome. If it doesn't have a motor, it's good to go on The Loop! Good infrastructure with roads, good climbs and nice flats has earned a Gold certification from the League of American Bicyclists. The creation of bikes lanes is integrated into almost every major road project, which is helpful and creates a safe environment for both the cyclist and motorist.

The area offers a full range of other activities, too, from culture to casinos to Cats -- that is, the Pac-12 University of Arizona Wildcats, and its newest addition, Professional Soccer. Tucson is also an ideal springboard to all kinds of other adventure and exploration. Just a day trip away are deep-sea fishing in the Sea of Cortes, San Diego's major attractions, Phoenix, and the grandest of them all, the Grand Canyon.

Learn more about the region's Desert Adventure Lifestyle by going to www.visitucson.org.

Community Landmarks

Pima County has many distinctive natural and cultural landmarks. It lies at an ecological crossroad where habitats and species from the neo-tropics meet the Rocky Mountains and the Sonoran Desert. The diversity in flora, fauna, and geology is spectacular. The area encompasses five impressive mountain ranges—the Catalina, Rincon, Santa Catalina, Tucson, and Tortilla Mountains. It contains one of North America's longest inhabited areas - the Santa Cruz River valley. It is rich in pre-Columbian archeology, history and historic routes such as the De Anza Trail, as well as the living cultures of Native American tribes. Just south of Tucson is the Mission of San Xavier del Bac, founded in 1697 by Father Kino and still in use today. Within Pima County are two cactus forests—Saguaro National Park to the northeast and Organ Pipe Cactus National Monument in the southwestern portion. The San Xavier, Pascua Yaqui and Tohono O’odham reservations make up a large portion of the county.

Transportation-related Highlights

Pima County is completing transportation projects that were approved as part of the \$2.1 billion Regional Transportation Authority 20-year plan. The RTA is in its 7th year and has completed

more than 500 projects across the region. Projects include roadway, safety, transit, and environmental and economic improvements.

Completions:

- 11 roadway projects
- 123 intersection improvements
- 46 pedestrian crossings
- 63 bus pullouts
- 58 signalization improvements
- 105 miles of sidewalks
- 180 miles of bikeways

Roadway projects under construction:

- Magee Road, Mona Lisa – La Cañada
- Magee/Cortaro Farms, Mona Lisa – Thornydale
- Sahuarita Road, Phase II
- La Cañada, Ina to River
- Grant Road at Oracle
- 22nd & Kino Overpass
- Downtown Links: St. Mary's section
- Houghton Road, Irvington to Valencia
- La Cholla Blvd, Magee to Overton (Cañada del Oro wash bridge)

Working with the Arizona Department of Transportation (ADOT) Pima County has also been involved in a multi-year I-10 Widening Project that is three-quarters done and on schedule. Substantial progress has also been made in widening I-10 from Tucson to Phoenix and back.

Economy:

A variety of activities help drive Pima County's economy. Foremost among these are high-technology activities, the federal government, tourism, retail trade and other service operations. Pima County is the home to a major military installation, Davis-Monthan Air Force Base, prominent companies in the high tech and aerospace industries and major medical and research facilities. The University of Arizona, ranked among the top 20 public research universities nationwide, is located in Pima County as well as one of the largest community colleges in the nation—Pima Community College. In 2012, The University of Arizona was one of the largest public sector employers with 10,681 employees. The University is an integral part of the

local economy and receives almost a half billion dollars in research grants each year.

The remaining large employers represent a balanced mix of health care, retail trade, education, government, and military entities with Raytheon Missile Systems being the county's largest private employer.

Pima County is committed to responsible growth. The county's Sonoran Desert Conservation Plan is mindful of the factual correlation between growth and the consumption of natural resources, giving high priority to preserving and protecting the county's most important natural resources.

Recently the Pima County Board of Supervisors adopted a new Economic Development Action Plan for the entire county that creates new transportation infrastructure as well as revitalizes our tourism promotion efforts through the development of one-of-kind education programming through capital investment. All of these projects have a central theme that will create catalysis to new job creation. This plan is an action agenda that avoids the long-term strategic planning platitudes and broad generalizations that sound good but do not achieve a great deal.

This report also recommends fostering a collaborative environment in which the private sector, local governments, educational institutions and nonprofit agencies work together to stabilize and expand the local economy. To read the entire action plan passed by the Board of Supervisors please go to:

http://www.pima.gov/administration/documents/pdfs/PC_ED_Action_Plan_2012-10-17.pdf.

EXHIBIT F

SERP Archaeology Sensitivity Zone



EXHIBIT G

SERP Habitat Model - Plant (Pineapple Cactus)

