



INTERGOVERNMENTAL TRANSPORTATION FUNDING AGREEMENT  
BETWEEN  
THE PINAL REGIONAL TRANSPORTATION AUTHORITY  
AND  
THE CITY OF MARICOPA  
FOR  
PUBLIC TRANSPORTATION ELEMENT EXPENSES

This Agreement (hereinafter "**Agreement**") is entered into pursuant to A.R.S. § 11-952 by and between the Pinal Regional Transportation Authority ("**PRTA**" or "**Authority**"), a special taxing district formed pursuant to Title 48 Chapter 30 of the Arizona Revised Statutes, and the City of Maricopa, a body politic and political subdivision of the State of Arizona ("**Maricopa**").

RECITALS

- A. A.R.S. § 48-5301, *et seq.*, ("**PRTA Enabling Legislation**") authorizes the Authority to act as a regional taxing authority for the purpose of funding multi-modal transportation operations and improvements identified in the Pinal Regional Transportation Plan ("**Plan**") that was approved by the voters at a special election held in Pinal County, Arizona, on November 7, 2017 ("**Special Election**"). The Special Election also authorized a sales tax to fund the Plan ("**Voter Approved Sales Tax**"). Under the Plan, the voters approved several Plan Elements. This Agreement implements a component of one Plan Element, the Maricopa public transit services component ("**Maricopa Transit Services**") of the Public Transportation Element. Capitalized terms used in this Agreement and not defined herein shall have the meaning ascribed to such terms in the Publicity Pamphlet and Sample Ballot, Special Election, November 7, 2017, Pinal County Regional Transportation Plan Propositions 416 and 417 ("**Voter Pamphlet**").
- B. A.R.S. § 48-5302 provides that the County Board of Supervisors may establish a regional transportation authority, and the County Board of Supervisors has done so pursuant to Resolution #080515-RD15-018, dated August 5, 2015.
- C. The governing board of the Authority ("**PRTA Board**") is composed of Pinal County members of the regional council of governments in accordance with A.R.S. § 48-5303.
- D. Pursuant to A.R.S. § 48-5304 (12), the PRTA Board has sole authority to implement the elements of the Plan.
- E. Pursuant to A.R.S. § 48-5304 (13), the PRTA Board shall coordinate the implementation of the Plan among the local jurisdictions.
- F. A Regional Transportation Fund was authorized by the Arizona Legislature per A.R.S. § 48-5307 to be the repository for the Voter Approved Sales Tax proceeds collected for the purpose of funding the Elements identified in the Plan.

- 1 G. Following the Special Election, litigation ensued (the “**Tax Challenge**”) challenging the tax that was  
2 authorized at the Special Election. The Arizona Supreme Court has yet to render an opinion (“**Supreme**  
3 **Court Opinion**”) regarding the Tax Challenge.  
4  
5 H. The PRTA Enabling Legislation requires the PRTA to implement the Plan following voter approval, but the  
6 funding source contemplated by the Enabling Legislation has been unavailable due to the Tax Challenge.  
7 I. Maricopa has paid operating and administrative costs for Maricopa Transit Services prior to the date hereof  
8 and will continue to incur such expenses during the term of the Plan (collectively, the “**Maricopa Transit**  
9 **Services Expenses**”). Maricopa will be reimbursed for certain Maricopa Transit Services Expenses  
10 (“**Reimbursed Maricopa Transit Services Expenses**”) paid prior to the Tax Receipt Notice Date (defined  
11 below) and will be advanced certain Maricopa Transit Services Expenses (“**Estimated Maricopa Transit**  
12 **Services Expenses**”) paid on and after the Tax Receipt Notice Date, as set forth in this Agreement.  
13  
14 J. The amount that the PRTA shall distribute to Maricopa on an annual basis for Maricopa Transit Services  
15 (operating and administrative expenses, not capital) is \$100,000 as will be determined by the PRTA Board  
16 in its annual Transportation Improvement Plan (“**TIP**”) (the “**Maricopa Annual Transit Expense Amount.**”)  
17  
18 K. A.R.S. §11-952 provides that Maricopa and the Authority may enter into an IGA for joint or cooperative  
19 action, and pursuant to that statute Maricopa and the Authority are entering into this Agreement to  
20 reimburse Maricopa for the Maricopa Transit Services Expenses.  
21

22 NOW, THEREFORE, the Maricopa and the PRTA, pursuant to the recitals set forth above and in consideration  
23 of the matters and things set forth herein, do mutually agree as follows:  
24

## 25 **AGREEMENT**

26  
27 **1. Purpose.** The purpose of this Agreement is to establish a process for reimbursing Maricopa for Maricopa Transit  
28 Services Expenses (operating and administrative only, not capital costs).  
29

30 **2. Effective Date and Term.** This Agreement shall become effective as of the date the PRTA Chairman signs the  
31 Agreement (“**Effective Date**”). The initial “**Term**” of this Agreement shall be five (5) years commencing on the  
32 Effective Date and shall be subject to renewal for additional five (5) year terms with the parties’ mutual consent.  
33 This Agreement is subject to termination pursuant to Section 5.  
34

### 35 **3. Responsibilities of Maricopa.**

- 36  
37 a. Upon the receipt of Voter Approved Tax proceeds following the date of the Supreme Court Opinion  
38 (“**Supreme Court Approval Date**”) affirming the validity of the Voter Approved Sales Tax, the PRTA will notify  
39 Maricopa of such receipt (the “**Tax Receipt Notice Date**”). Within ten (10) days following the Tax Receipt  
40 Notice Date, Maricopa shall submit to the Authority an invoice (“**Invoice**”) for all Maricopa Transit Services  
41 Expenses paid during the period from April 1, 2018 through and including the Supreme Court Approval Date.  
42 b. The Invoice shall be accompanied with such documents and back up materials as may be reasonably  
43 requested by the Authority. Maricopa must document amounts spent as the local operational and  
44 administrative match (excluding expenditures funded with CARES Act assistance, comparable federal funds  
45 and funds from third parties) for Maricopa Transit Services.  
46 c. Commencing with the fiscal year during which the Supreme Court Approval Date occurs, and continuing  
47 thereafter during the term of the Plan, thirty (30) days prior to the commencement of the next fiscal year  
48 Maricopa shall submit an annual Regional Public Transit Report and Work Plan describing how funds during  
49 the current fiscal year have been used to support regional connectivity and documenting expenditures for  
50 Maricopa Express Transit (“**MET**”) transit services and identifying goals and actions for MET to accomplish  
51 greater county-wide operational transit capabilities for the forthcoming fiscal year(s).  
52 d. Thirty (30) days after the Supreme Court Approval Date, Maricopa shall submit to the PRTA a request for  
53 disbursement of an amount for Estimated Maricopa Transit Services Expenses for the remainder of the fiscal

1 year, together with a description of the expenses included in the estimate. Thereafter, thirty (30) days prior  
2 to the commencement of the next fiscal year, Maricopa shall submit to the PRTA a request for disbursement  
3 of an amount for Estimated Maricopa Transit Services for the following fiscal year, together with such  
4 documents and back up materials as may be reasonably requested by the Authority.

- 5 e. Any amounts unspent from the Maricopa Annual Transit Expense Amount and held by Maricopa must be  
6 spent on Maricopa Transit Services in future fiscal years, with the specific intent to enable MET to achieve  
7 greater county-wide operational transit capabilities for the forthcoming fiscal year(s).

8  
9 **4. Responsibilities of Authority.**

- 10 a. For Reimbursed Maricopa Transit Services Expenses, upon receipt of the Invoice for such expenses and the  
11 other documents required by Section 3 of this Agreement, the PRTA shall review the Invoice and supporting  
12 documents and submit relevant comments to the Lead Agency within ten (10) days following submission of  
13 the Reimbursement Request. If the Reimbursement Request requires correction, or if the PRTA requires  
14 additional information, the PRTA shall notify the Lead Agency to provide additional information or initiate  
15 needed revisions.

16  
17 Once the Reimbursement Request is determined to be complete and accurate, the PRTA will process the  
18 Reimbursement Request for payment, and within twenty-one (21) days the PRTA shall pay Maricopa the lesser  
19 of the Maricopa Annual Transit Expense Amount or the amount of the Invoice if Maricopa has elected to leave  
20 unspent funds from the Maricopa Annual Transit Expense Amount at the PRTA.

- 21  
22 b. For Estimated Maricopa Transit Services Expenses, upon receipt of any request for disbursement of an amount  
23 for Estimated Maricopa Transit Services Expenses, the PRTA shall review the request and, if necessary, request  
24 additional documents and back materials. If all documentation has been provided:

- 25  
26 (i) in the case of the request made thirty (30) days after the Supreme Court Approval Date, no later  
27 than twenty-one (21) days following the submission of the request and additional documents, if  
28 necessary, the PRTA shall pay Maricopa an amount equal to the lesser of the Maricopa Annual  
29 Transit Expense Amount or the amount of the request if Maricopa has elected to leave unspent  
30 funds from the Maricopa Annual Transit Expense Amount at the PRTA.  
31 (ii) in the case of all other requests, no later than twenty-one (21) days following the commencement  
32 of the next fiscal year, the PRTA shall pay Maricopa an amount equal to the lesser of the Maricopa  
33 Annual Transit Expense Amount or the amount of the request if Maricopa has elected to leave  
34 unspent funds from the Maricopa Annual Transit Expense Amount at the PRTA.  
35

36 **5. Termination.** In addition to any other right or remedy, either party may terminate this Agreement for material  
37 breach of the Agreement by the other party. Prior to any termination under this Section 5, the party allegedly in  
38 default shall be given written notice by the other party of the nature of the alleged default. The party said to be in  
39 default shall have forty-five days to cure the default. If the default is not cured within that time, the other party may  
40 terminate this Agreement. Otherwise, this Agreement shall terminate upon the expiration of the Term.

41  
42 **6. Non-assignment.** Neither party to this Agreement shall assign its rights under this Agreement to any other party  
43 without written permission from the other party to this Agreement.  
44

45 **7. Construction of Agreement.**

- 46  
47 a. Entire agreement. This instrument constitutes the entire agreement between the parties pertaining to  
48 the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or  
49 written, are hereby superseded and merged herein. Any exhibits and the Recitals to this Agreement  
50 are incorporated herein by this reference.  
51

- 1 b. Amendment. This Agreement may be modified, amended, altered or changed only by written  
2 agreement signed by both parties.  
3  
4 c. Construction and interpretation. All provisions of this Agreement shall be construed to be consistent  
5 with the intention of the parties as expressed in the Recitals hereof.  
6  
7 d. Captions and headings. The headings used in this Agreement are for convenience only and are not  
8 intended to affect the meaning of any provision of this Agreement.  
9  
10 e. Severability. In the event that any provision of this Agreement or the application thereof is declared  
11 invalid or void by statute or judicial decision, such action shall have no effect on other provisions and  
12 their application, which can be given effect without the invalid or void provision or application, and to  
13 this extent the provisions of the Agreement are severable. In the event that any provision of this  
14 Agreement is declared invalid or void, the parties agree to meet promptly upon request of the other  
15 party in an attempt to reach an agreement on a substitute provision.  
16  
17 f. Statutory Required Provision. This Agreement is subject to cancellation pursuant to the provisions of  
18 A.R.S. § 38-511.  
19

20 **8. No Joint Venture.** It is not intended by this Agreement to, and nothing contained in this Agreement shall be  
21 construed to, create any partnership, joint venture or employment relationship between the parties or create any  
22 employer-employee relationship between Maricopa and any Authority employees, or between Authority and any  
23 Maricopa employees. Neither party shall be liable for any debts, accounts, obligations nor other liabilities  
24 whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and  
25 income taxes for itself or any of its employees.  
26

27 **9. No Third-Party Beneficiaries.** Nothing in the provisions of this Agreement is intended to create duties or  
28 obligations to or rights in third parties that are not parties to this Agreement or affect the legal liability of either  
29 party to the Agreement by imposing any standard of care different from the standard of care imposed by law.  
30

31 **10. Compliance with Laws.** The parties shall comply with all applicable federal, state and local laws, rules,  
32 regulations, standards and executive orders, without limitation to those designated within this Agreement.  
33

- 34 a. Anti-Discrimination. Neither party shall discriminate against any employee or client of either party or  
35 any other individual in any way because of that person's age, race, creed, color, religion, sex, sexual  
36 orientation, familial status, political affiliation, disability or national origin in the course of carrying out  
37 the duties pursuant to this IGA. Both parties shall comply with applicable provisions of Executive Order  
38 75-5, as amended by Executive Order 2009-09 of the Governor of Arizona, which are incorporated into  
39 this IGA by reference as if set forth in full herein, including the provisions of A.R.S. § 41-1463.  
40  
41 b. Americans with Disabilities Act. This Agreement is subject to all applicable provisions of the Americans  
42 with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations  
43 under the Act, including 28 CFR Parts 35 and 36, as well as the Genetic Information Nondiscrimination  
44 Act of 2008.  
45  
46 c. Workers' Compensation. An employee of either party shall be deemed to be an "employee" of both  
47 public agencies, while performing pursuant to this Agreement, for purposes of A.R.S. § 23-1022 and  
48 the Arizona Workers' Compensation laws. The primary employer shall be solely liable for any workers'  
49 compensation benefits, which may accrue. Each party shall post a notice pursuant to the provisions of  
50 A.R.S. § 23-906 in substantially the following form:  
51

52 All employees are hereby further notified that they may be required to work under the

jurisdiction or control or within the jurisdictional boundaries of another public agency pursuant to an intergovernmental agreement or contract, and under such circumstances they are deemed by the laws of Arizona to be employees of both public agencies for the purposes of workers' compensation.

**11. Waiver.** Waiver by either party of any breach of any term, covenant or condition herein contained shall not be deemed a waiver of any other term, covenant or condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

**12. Force Majeure.** A party shall not be in default under this Agreement if it does not fulfill any of its obligations under this Agreement because it is prevented or delayed in doing so by reason of uncontrollable forces. The term "uncontrollable forces" shall mean, for the purpose of this Agreement, any cause beyond the control of the party affected, including but not limited to failure of facilities, breakage or accident to machinery or transmission facilities, weather conditions, flood, earthquake, lightning, fire, epidemic, war, riot, civil disturbance, sabotage, strike, lockout, labor dispute, boycott, material or energy shortage, casualty loss, acts of God, or action or non-action by governmental bodies in approving or failing to act upon applications for approvals or permits which are not due to the negligence or willful action of the parties, order of any government officer or court (excluding orders promulgated by the parties themselves), and declared local, state or national emergency, which, by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid. Either party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

**13. Notification.** All notices or demands upon any party to this Agreement shall be in writing, unless other forms are designated elsewhere, and shall be delivered in person or sent by mail addressed as follows:

The Authority:  
Ms. Andrea Robles  
Pinal Regional Transportation Authority  
2540 W. Apache Trail #108  
Apache Junction, AZ 85120

Maricopa:

**14. Remedies.** Either party may pursue any remedies provided by law for the breach of this Agreement. No right or remedy is intended to be exclusive of any other right or remedy and each shall be cumulative and in addition to any other right or remedy existing at law or in equity or by virtue of this Agreement.

**15. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterpart and attached to a single instrument.

In Witness Whereof, the Maricopa City Council has caused this Agreement to be executed by the Manager and the Authority has caused this Agreement to be executed by the Chairman of its Board.

1 Pinal Regional Transportation Authority

2  
3  
4 \_\_\_\_\_  
Mayor Craig McFarland  
Chairman, PRTA Board

\_\_\_\_\_  
Date

5 Maricopa

6  
7  
8 \_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

9  
10 Maricopa

11  
12  
13 \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Date

14  
15  
16 Attorney Certification

17  
18 The foregoing Agreement by and between the Pinal Regional Transportation Authority and Maricopa has been  
19 reviewed pursuant to A.R.S. § 11-952 by the undersigned who have determined that it is in proper form and is within  
20 the powers and authority granted under the laws of the State of Arizona to those parties to the Agreement.

21  
22 Pinal Regional Transportation Authority

23  
24  
25 \_\_\_\_\_  
William J. Sims, PRTA Attorney

\_\_\_\_\_  
Date

26  
27  
28 Maricopa

29  
30  
31 \_\_\_\_\_  
Denis Fitzgibbons, City Attorney

\_\_\_\_\_  
Date