

MINUTES OF THE REGULAR MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago Street, on Thursday, December 9, 2010, at 7:00 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR BOYD W. DUNN.

The following members answered roll call:

Boyd W. Dunn	Mayor
Bob Caccamo	Vice-Mayor
Trinity Donovan	Councilmember
Rick Heumann	Councilmember
Matt Orlando	Councilmember
Jack Sellers	Councilmember
Jeff Weninger	Councilmember

Also in attendance:

Rich Dlugas	Acting City Manager
Pat McDermott	Assistant City Manager
Mary Wade	City Attorney
Marla Paddock	City Clerk

INVOCATION: Mayor Dunn

PLEDGE OF ALLEGIANCE: Vice Mayor Caccamo

SCHEDULED PUBLIC APPEARANCES:

1. Service Recognitions:

MAYOR DUNN along with City Engineer Sheina Hughes recognized Building Inspector WILLIAM DANIEL for 10 years of service.

Mayor Dunn and Police Chief Sherry Kiyler recognized Police Officer CASSANDRA COCKING for 10 years of service.

2. Recognition: Chandler Fire Department Life Saving Award

MAYOR DUNN and Fire Chief JEFF CLARK presented the Chandler Fire Department Life Saving Award to Chandler Fire Captain MANNY DEL VALLE, Nurse MICHELLE CURTIS, and Tumbleweed Recreation staff members SHEILA PARKINSON and ALEX JAMES. Chief Clark announced that the award was being given to the group of individuals in recognition of performance of a willful act of outstanding public service by citizens of the community. Chief Clark stated that the group assisted HAL WISE after suffering cardiac arrest while playing racquetball at the Tumbleweed Recreation Center. The group used hands-only CPR and an automatic external defibrillator to revive Mr. Wise.

3. Recognition: Fall 2010 HOA Academy Graduates

MAYOR DUNN and Neighborhood Advisory Committee members DORSHA HALE, GEORGE URISH, and BEN SCHWATKIN recognized the Fall 2010 HOA Academy Graduates. Mayor Dunn stated that the City holds the Academy in partnership with the Leadership Center. Participants

attended six classes to better understand the inner workings of homeowners associations. He commended the individuals recognized for working to make their communities a better place for all Chandler residents.

Ms. Hale acknowledged the following individuals who were present:

Margaret De La Rosa  
Gary Howard  
Kathleen McKenzie  
Francis Perkins

Merlin Finn  
Darlene Kosman  
Roz Myers-Hawkins  
Marlene Scartozzi

Gayle Fraker  
Linda LeMond  
Mary Helen Parker  
Karen Woiton

Ms. Hale thanked the group for the hours they devoted.

COUNCILMEMBER HEUMANN thanked the HOA Academy Graduates. He announced that another academy would take place in the spring and urged those interested to contact the City's Neighborhood Advisory Committee.

4. Presentation: ICMA – Voice of the People Award

Communications and Public Affairs Director NACHIE MARQUEZ presented Mayor Dunn with the ICMA – Voice of the People Award. She stated the City of Chandler was recognized with the award for improvement in citizen satisfaction rating for parks. Chandler won the award by showing the most improvement in its customer satisfaction rating for City parks on the national citizen survey. The percentage of Chandler residents who rated their City parks as excellent or good, jumped by 11 points from 2007 to 2009. She indicated the percentage was the highest amongst the jurisdictions that conducted the surveys in 2009. She added that Chandler also improved its satisfaction levels for recreation programs, classes, centers and facilities.

5. Presentation: Intel Corporation

MAYOR DUNN accepted an award from Intel Corporation representative JASON BAGLEY. Mayor Dunn noted that Intel had been involved with the community for a number of years. He added that Intel had decided to stay in the City of Chandler and would be investing 7 billion in Oregon and in the City of Chandler.

Mr. Bagley thanked the Mayor and Council as well as the community for their support to the company. He announced that Intel would be investing billions of dollars in their Chandler facilities. He stated that 800-1,000 new jobs would be created, as well as 6,000-8,000 construction jobs. He added that Intel was also in the middle of a \$100 million dollar research and development investment at the factory on Chandler Boulevard and Rural Road.

Mayor Dunn noted that Intel gives back to the community in many different ways, including donating the computer lab equipment at the Boys and Girls Club.

UNSCHEDULED PUBLIC APPEARANCES:

None.

CONSENT:

MAYOR DUNN announced that Item No. 35 (Use Permit, ZUP10-0034, Desert Harmony Assisted Living) would be moved to the Action Agenda.

MAYOR DUNN noted there was an individual wishing to speak on Item 2. The item would remain on Consent.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY VICE-MAYOR CACCAMO, TO APPROVE THE CONSENT AGENDA AS PRESENTED, WITH ITEM NO. 35 (USE PERMIT, ZUP10-0034, DESERT HARMONY ASSISTED LIVING) MOVING TO THE ACTION AGENDA.

COUNCILMEMBER DONOVAN noted she would abstain from voting on Item No. 16 (Human Services Allocation) due to the fact that she works for a nonprofit organization that has received funding in the past.

WHEN THE VOTE WAS CALLED, THE MOTION CARRIED UNANIMOUSLY (7-0) with the exception noted.

1. CITY CODE AMENDMENT: Chapter 2 Ord. #4274

ADOPTED Ordinance No. 4274 amending Chapter 2 of the Chandler City Code by amending Sections 2-13.8 and 2-13.10 relating to the Meet and Confer process.

2. LEASE AUTHORIZATION: San Marcos Commons Phase II Development Agreement  
Ord. #4275

ADOPTED Ordinance No. 4275 authorizing leases 1, 2 and 3 subsequent to the San Marcos Commons Phase II Development Agreement.

MR. DAMON TESTA, 131 N. California Street, expressed concerns over the financial aspect of the project due to the shrinking CIP funds available for other projects such as parks, police and fire stations, road improvements and other projects. He believed the expense versus return over the project seemed unfair to the citizens of Chandler, while other projects for all Chandler residents are delayed. He understood that perhaps the San Marcos development funds came from a special budget not accessible to all City departments but believed that the Council had the power and ability to reconsider the special allocation.

Mr. Testa understood the item to state that the City would buy the land from the developer for a cost of \$800,000.00 and would then contribute up to \$7.7 million in construction costs to build the parking garage. He stated the City would then generate a payback of at least \$5,000.00 a year or \$416.00 a month. He added that the City's expense for the parking garage would be \$8.5 million dollars and would generate an annual income lease of \$5,000.00 per year. He stressed that the deal was great for the developer but bad for the City of Chandler. Mr. Testa stated that it would take 1700 years for the City to recover its costs from the parking garage. He added that he did not have all of the tax revenue information on the project but asked that the Council table the item and review the business case and expense for the project. He voiced other concerns over the project including: safety, loitering, use by skateboarders and use by Chandler High School students. He further stated that he did not believe there was a parking issue in Downtown Chandler that another parking garage would solve as there were several garages located at the

same distance from restaurants and retailers. He understood that the garage was for the forthcoming retail and commercial uses in the immediate area but recommended an economical phased approach to the coming parking requirements. He suggested that the phased approach start with a paved and striped lot in the location of the parking garage that could provide parking for future requirements at a fraction of the cost followed by more exploration of the finances associated with the garage.

MAYOR DUNN noted that the project was complex and would take a number of years to facilitate as part of the City's downtown redevelopment. He added that the project had been discussed for a number of years.

Downtown Redevelopment Manager TERI KILLGORE concurred and explained that the development agreement had been in terms of negotiation for about 6 years. The parking demand is driven by the new development. She stated that 540 would be provided that would support almost 140,000 square feet of new commercial space being brought on-line as part of the Phase II project. 165 of the spaces would be available for public use, while the rest would be dedicated to office tenants, retailers and restaurants that would go into the project that would be required to provide said parking to meet parking requirements through their planning processes. She noted that the garage was approved as part of the PAD zoning for the development as it went through a master development agreement.

Ms. Killgore told the Council that a financial analysis was done on the terms of the development agreement. She explained that the City's contribution was less than what was prescribed by the analysis done by Ernst and Young in terms of the gaps between the revenue the project is able to generate compared to the benefits City would derive. She added that she did not have those figures with her but she would be able to go over that analysis with Mr. Testa. She told the Council that the deal was not something that was entered to lightly but felt it was something that was deemed essential to bring forward the new commercial product.

MAYOR DUNN questioned what the approval of the Ordinance would do.

MS. KILLGORE responded that the approval would allow the building processes to begin. The project would bring on-line 75,000 new square feet of office space and an additional of almost 65,000 square feet of retail space. She mentioned that there were a number of retailers that were already interested in the space as well as office tenants that would bring new employment, shopping and dining opportunities downtown.

COUNCILMEMBER ORLANDO stated that the additional square footage of retail would serve as tax generation as tax dollars would come back to the City. He added that the office or residential would add intensity to the downtown. He stressed that the issue was something that the City had looked at for a long time and was part of the City's master plan. He believed that the issue did seem a little misrepresented but believed that if the intangibles and negotiations done behind the scenes then one could see how it would benefit the area.

MS. KILLGORE concurred. She believed if the item was taken out of the context of the entire 6 year process, it would seem that staff did not do their due diligence, but she assured everyone that the City had.

COUNCILMEMBER ORLANDO encouraged Ms. Killgore to work with Mr. Testa as he involved with the City. He asked that she provide him with additional details and facts.

MAYOR DUNN asked Ms. Killgore to discuss the plan and all of its phases to Mr. Testa.

3. ZONING: SWC Ocotillo Road & The Consolidated Canal Ord. #4271

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4271, DVR10-0022 Southwest Corner of Ocotillo Road & the Consolidated Canal, establishing initial City zoning of Planned Industrial (I-1) on approximately 43 acres. (Applicant: City of Chandler; Owner: Pine Lake Land Company, Inc.)

The subject site is located within the Southeast Chandler Area Plan (SECAP) and more specifically, the Southshore Area Plan and is land planned as Business Park allowing for uses such as high-tech office and research and development.

North, across Ocotillo Road, is vacant land designated as office and industrial business park and a mini-storage facility. West is vacant agricultural land. East, adjacent to the site, is the consolidated Canal. South is an SRP substation.

This request, initiated by Staff, serves to establish the site with a zoning designation of I-1 which allows industrial type uses such as: various manufacturing facilities, light mechanical, industrial research, building contractors and storage yards, etc. An Area Plan Amendment and rezoning application are currently being reviewed by Staff to amend and rezone the subject site along with the vacant properties to the west, to multi-family residential.

Consistent with State Statues, when a property is annexed into a municipality's jurisdiction, the municipality must grant a zoning designation equivalent to the zoning designation enjoyed in the County; the I-1 zoning designation meets this requirement. The approval of this zoning action insures that any future development on the site shall occur in conformance with City standards.

This request was noticed according to the provisions of the City of Chandler Zoning Code. Staff has received no correspondence in opposition to this request.

Upon finding consistency with the General Plan, the Planning Commission and Staff recommend approval.

4. ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE Res. #4473

ADOPTED Resolution No. 4473 adopting the 2010-2015 Analysis of Impediments to Fair Housing Choice.

The Analysis of Impediments to Fair Housing Choice is a U.S. Department of Housing and Urban Development mandated study of potential barriers to fair housing choice in the public and private sectors and activities to be undertaken by the City to address any identified barriers. The Analysis is required for the City of Chandler to receive federal housing and Community Development Block Grant (CDBG) funding.

The purpose of the Analysis is to investigate demographic, social, institutional and cultural impediments that block equal access to housing in the community. The report presents a demographic profile of the City of Chandler, assesses the extent of fair housing issues among specific groups and evaluates the availability of a range of housing choices for all residents. The

Analysis also analyzes the conditions in the private market and public sector that may limit the range of housing choices or impede a person's access to housing.

In developing the Analysis, the City engaged a consultant who worked with Staff, the Housing and Human Services Commission (HHSC) and the community to assess the needs of residents. The consultant also identified potential impediments to fair housing and suggested City activities to address each impediment. Included in the discussions were local non-profits, realtors associations, fair housing councils and the City's Planning Division and Housing and Redevelopment Division.

A survey was developed to identify specific fair housing issues in Chandler. City staff distributed the survey instrument at several meetings and City events. Surveys were also distributed directly to clients of three local non-profits, the HHSC, City boards and commissions, For Our City participants to the general public. These efforts resulted in a very strong response with over 270 completed surveys.

No substantial fair housing impediments within the City of Chandler were discovered thru the research, surveying and interviews conducted for the Analysis. The City has proactively encouraged fair housing education and funded activities to support and promote fair housing for over 15 years. These activities may be part of the reason why no substantial impediments were identified. The results of the Analysis show that public education needs to be ongoing.

Recommendations to address the impediments identified in the plan include:

- Maintaining a Fair Housing Officer for the City of Chandler;
- Ongoing education on fair housing issues for the public and specific segments of the housing industry;
- The track and collection of information on fair housing complaints in Chandler'
- Continuing to fund affordable housing and housing counseling services.

Staff will be studying the Analysis' recommendations and developing activities in response to the recommendations.

The Housing and Human Services Commission held a public hearing on the Analysis at their November 10, 2010, meeting. There were no public comments on the Analysis. The Commission discussed the Analysis and unanimously recommended approval.

5. AREA PLAN AMENDMENT / REZONING: Barcelona At Valencia II Res. #4478 & Ord. #4268

ADOPTED Resolution No. 4478, Area Plan Amendment, APL10-0002, Barcelona At Valencia II, Area Plan Amendment from Commercial to Single-Family Residential for property located at the SWC of Chandler Heights and Lindsay roads.

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4268, DVR10-0018/PPT10-0003 Barcelona At Valencia II rezoning from PAD zoning for Commercial to Single-Family Residential along with PDP and Preliminary Plat for a single-family residential subdivision located at the SWC of Chandler Heights and Lindsay roads.

6. CONSTRUCTION EASEMENT RELEASE: SWC of Arizona Ave. & Elliot Rd. Res. #4480

ADOPTED Resolution No. 4480 authorizing the release of a temporary construction easement that is no longer needed for the Arizona Avenue Bus Rapid Transit Stations Project located at the SWC of Arizona Avenue and Elliot Road.

Central Bank, a Minnesota banking corporation, is the successor in interest to Towne Bank of Arizona of a property located at the SEC of Arizona Avenue and Elliot Road. Central Bank has requested that the City of Chandler release the Temporary Construction Easement granted to the City by Towne Bank. Staff has confirmed that construction at this location has been completed and that the Temporary Construction Easement is no longer needed.

7. RED FLAG POLICY: Identity Theft Prevention Program Res. #4481

ADOPTED Resolution No. 4481 authorizing the adoption of a Red Flag Policy and establishing an Identity Theft Prevention Program.

To combat the growing problem of identity theft, the U.S. Congress passed the Fair and Accurate Credit Transactions Act of 2003 (FACTA) and charged the Federal Trade Commission (FTC) with promulgating rules regarding identity theft. The FTC issued "red flag" rules that require "creditors" and "financial institutions" to address the risk of identity theft. The resulting Red Flags Rule requires all such entities that have "covered accounts" to develop and implement written identity prevention programs. These programs must be designed to help identify, detect and respond to patterns, practices, or specific activities, known as "red flags", that could indicate identify theft.

In FACTA, the definition of "creditors" covers all entities, including local governments, which regularly permit deferred payments for goods and services. For the City, utility accounts for which payments are made after the service is provided are considered "covered accounts". The Red Flags Rule became effective on January 1, 2008, but at the request of Congress, the FTC delayed enforcement of the Rule until December 31, 2010. Although the City has long had procedures and practices in place to detect potential identify theft, adoption of this resolution formally adopts an identity theft program to ensure compliance with federal regulations.

8. CITY FEE SCHEDULE AMENDMENT: Police Department Res. #4483

ADOPTED Resolution No. 4483 amending Subsection 7.10 of Section 7 of the City Fee Schedule relating to the Police Department with changes becoming effective January 9, 2011.

Rising costs of providing extra-duty services have outpaced the fees charged by the Police Department to provide the service, Historical fee analysis showed that a substantial fee adjustment and/or a process overhaul was required to make extra-duty employment a cost-neutral program. Over the last several months, an extra-duty examination was conducted to explore aspects of different ways that this same service level could be provided while ensuring that costs were covered and fees kept competitive while continuing to provide appropriate City of Chandler oversight. Several departments were involved in assisting with this examination including Police, Transportation and Development, Human Resources, Law and Risk Management.

Expenses in FY 08-09 were \$1,216,962.00 compared to revenue in the same year of \$628,767.00. Last year, FY 09-10, expenses were \$953,014.00 compared to revenue in that year of \$537,302.00.

An analysis of job types was also conducted. Job types fall into two categories: (1) Security/Private Traffic Control (use of City facilities, churches, private events, mall, etc.) and (2) Contracted Traffic Control (construction). Transportation and Development, along with Law, have recently made appropriate changes to the Barricade Manual allowing Chandler Police Officers the first opportunity to staff extra-duty road construction work within the City of Chandler. This was important to both the Police and Transportation and Development Departments for the safety of the motoring public using Chandler roadways along with knowing a consistent traffic direction and control philosophy would be utilized.

The Risk Management Division was included to examine officer safety concerns. Worker's compensation was extensively reviewed to ensure that officers have full coverage in case of an injury while working extra-duty. It was determined that an additional fee would need to be added. Worker's compensation coverage costs equate to \$2/hour and would be added to the fee for direct hiring by an outside party. This payment will be made directly to the City of Chandler.

Discussion also took place regarding the use of a City vehicle for an extra-duty job. If utilized, an additional fee of \$6/hour will be assessed and paid directly to the City of Chandler. All traffic control in the roadway will require a vehicle and the additional expense will be added to the outside party's invoice.

The extra-duty fee would be paid at one and one-half times a top officer pay which equals \$52.70 per hour. In the rare circumstance when a sergeant works extra-duty in a supervisory capacity, the rate of pay would be one and one-half times a top sergeant pay which equals \$65.93 per hour.

9. DEVELOPMENT AGREEMENT: eBay, Inc. and Subsidiaries Res. #4484

ADOPTED Resolution No. 4484 authorizing a development agreement with eBay, Inc., and Subsidiaries.

The resolution authorizes the Mayor to execute a Development Agreement between the City of Chandler and eBay, Inc., which allows the City to reimburse eBay, Inc. all development impact, plan check, permit, site development, water/wastewater and other fees typically charged and previously paid, or to be paid in the future, by eBay, Inc. to City for development of the Property. The Development Agreement also allows the City to support a Job Creation/Training fund that will be paid to eBay, Inc. and its Subsidiaries after they create new jobs within the City of Chandler, and agree to maintain them within the City for a specified time.

eBay, Inc. and its Subsidiaries, including PayPal, intend to occupy the building known as Chandler Echelon located at 1240 South Price Road. eBay/PayPal has leased the entire building of approximately 190,000 square feet for a period of 10 years. Initial occupancy of the facility took place on November 1, 2010 on floors One and Two in an estimated 95,000 square feet. The balance of the building (floors Three and Four) are anticipated to start tenant improvements in early 2011. On or about July 1, 2011, eBay/PayPal will then occupy the second phase of an additional 95,000 square feet for a total occupancy of 190,000 square feet. The total employee count for this project is estimated at 2,000 new jobs to Chandler over the next several years as they continue to grow in this market.

The terms of the Development Agreement call for the City to pay the costs of building permits and impact fees for the existing structures and any future structures they may need for expansion on the site. City will reimburse eBay, Inc. after a Certificate of Occupancy is issued for any occupied space.

Furthermore, the City will create a Job Creation/Training fund to assist eBay/PayPal in creating new jobs in Chandler. It is anticipated that eBay/PayPal will have a cost incurred of greater than \$1,500 for training for each new job. The City shall reimburse eBay/PayPal in the following manner as jobs are created:

0-800 Staffed Positions - \$1,000 per position  
801-1,200 Staffed Positions - \$1,500 per position  
1,201-3,000 Staffed Positions - \$2,000 per position

The first payment will be made upon request of eBay, Inc. based on the initial employment. The City will then make payments to eBay, Inc. quarterly as eBay, Inc. submits reports to document the employment increase until December 31, 2015 or the total reimbursement amount has been met.

To ensure these jobs are kept in the market, the Agreement mandates a time of not less than five years to maintain these jobs in Chandler or a sliding scale of payback will be due from eBay, Inc. to the City.

To support the funds to be given to eBay, Inc. and its Subsidiaries, staff had an independent third party economic impact analysis completed on the Development Agreement to ensure that Chandler would receive greater benefit through this Agreement than it was offering to eBay. The analysis was created on up to 2,300 new jobs, which are what is believed can occupy the existing building. An additional analysis would be done if and when additional jobs above the 2,300 market are created by eBay in Chandler. This independent analysis shows that this project will bring significantly more direct and indirect revenue into the City than is being offered through this Agreement.

Discussion:

MAYOR DUNN stated that the company likened the company's significance to that of Intel.

Economic Development Director CHRIS MACKAY stated that eBay/Pay Pal would be going into the Price Corridor. She spoke with the company and was assured that in January 2011, signs would be going up in the area and would be visible from the 101. She indicated that staff worked with the eBay/PayPal group as they were looking for an expansion site in the United States to do a national customer care and operations center. She stated that eBay/PayPal had committed to Chandler to hire 2,000 new employees before December 31, 2011.

Ms. Mackay stated that only around 30 people were coming into the facility from other facilities. She noted that a job fair had been held by eBay/PayPal. She indicated that a third party independent economic impact analysis was done to determine what the value of the jobs was to Arizona. She stated that it was expected that over the 10-year lease period a \$3.4 billion dollar impact would come to Arizona from the 2,000 jobs. \$88.3 million dollars in direct and in-direct tax revenues would be brought in for State, County and City revenue. The 2,000 jobs will create \$4.4 million dollars in tax revenues. She stated that the 2,000 jobs would create an additional 1,000 jobs in the community that would act as a support to the eBay/PayPal positions. The jobs will

support 1600 residents in Chandler based on 25% of their workforce living in Chandler. She expressed excitement over the company conducting business in Chandler and told the Council that it was a national competition to land the project.

MAYOR DUNN thanked Ms. Mackay. He stated that no other City in the valley other than Phoenix had created more jobs than the City of Chandler. He believed Chandler brought many quality jobs that benefited Chandler and the region. He noted there would be room for expansion in the future.

MS. MACKAY noted that this year alone, the Economic Development team had created nearly 6,000 jobs in the community. She believed the Council had given policy and direction that enabled staff to help create the high quality jobs in Chandler. She thanked the Council for their work with staff. She further thanked Economic Development Specialist Lori Quan and the Acting City Manager and Assistant City Manager for working with her on the project. She noted that she particularly wished to thank City Attorney Mary Wade for her work ensuring that the City was well protected.

10. MUNICIPAL BANKING SERVICES AGREEMENT: JP Morgan Chase Res. #4485

ADOPTED Resolution No. 4485 authorizing the Municipal Banking Services Agreement between the City and JP Morgan Chase Bank, N.A. at an estimated maximum cost of \$97,582.00 per year for an initial term of four years with options to renew for three additional two-year periods.

This Agreement will provide the following types of services for the City: checking account maintenance, deposits, armored car service, electronic payments and deposits (ACH), wire transfers, credit card payment processing and on-line bank transactions and reporting.

Historically, credits based on the Fed Funds rate offset the cost of services provided. However, due to low interest rates in recent years, the City has not earned enough credits. Therefore, funds for the contract are from the General Fund, Non-departmental, Bank Fees account. Estimated maximum costs for the first four years of the contract are \$97,582.00 per year if the Fed Funds rate remains at its current low level. JP Morgan Chase has agreed to hold its initial pricing for a period of 48 months and will be applying a \$12,000.00 credit for the first year of the contract.

11. MUNICIPAL BANKING SERVICES AGREEMENT ADDENDUM: Chandler Health Care Benefits Trust Res. #4486

ADOPTED Resolution No. 4486 authorizing the addendum to the Municipal Banking Services Agreement between the City, the Chandler Health Care Benefits Trust and JP Morgan Chase Bank, N.A.

On August 16, 2010, in accordance with A.R.S. §11-981 and pursuant to Ordinance No. 4245, Chandler established a self-funded insurance program for health benefits for its employees, established the Trust Fund to manage and administer the program and established the Chandler Health Care Benefits Trust Board ("Trust Board") to serve as the Trustee and administer the Trust Fund. Concurrently, pursuant to Resolution No. 4447, the City also approved and executed a Trust Agreement to establish the terms and conditions of the Trust Fund and its administration by the Trust Board.

On September 20, 2010, the Trust Board approved its Resolution No. HB-0001 and thereby designated the Director of the City of Chandler Management Services Department (the "Director") to establish one or more bank accounts for the Trust Fund. Through Resolution No. 4485, the City will approve a four-year agreement with the Banks for banking services with three two-year optional extensions (the "Agreement" or "Banking Services Agreement"). This Addendum to the Agreement addresses the terms, conditions and provisions under which the Bank will provide banking services in connection with one or more accounts established with the Bank in the name of the Trust Board for the benefit of the Trust Fund.

This Addendum provides for the City of Chandler Management Services Department and the Director of the City of Chandler Human Resources Division or their designee(s) to establish one or more accounts with the Bank in order to accept contributions to the Trust, make payments by the Trust and invest Trust funds. Bank accounts to be established for the Trust at the Bank are separate from the accounts of the City of Chandler as is legally required under State law, the City's ordinances and the Trust Board's Resolution No. HB-0001.

12. CONTRACT: Presiding City Magistrate R. Michael Traynor

AUTHORIZED the Contract for Presiding City Magistrate R. Michael Traynor with an annual base salary of \$166,670.00 until June 30, 2012.

13. CONTRACT: City Magistrate Michael Morales

AUTHORIZED the Contract for City Magistrate Michael Morales with an annual base salary of \$136,119.00, until October 16, 2012.

14. CONTRACT: City Magistrate Gary LeFleur

AUTHORIZED the Contract for City Magistrate Gary LeFleur with an annual base salary of \$136,119.00, until October 16, 2012.

15. NO ITEM.

16. HUMAN SERVICES ALLOCATION PRIORITIES

AUTHORIZED (6-0) the Human Services Allocation priorities, criteria and process for FY 2011/2012.

COUNCILMEMBER DONOVAN abstained from voting on this item.

Over the past several years, the City has been working on improving its process for allocating funds for human services to maximize the use of the funds and more closely meet the evolving needs of the community. In 2007, as a first step in refining the allocations process, staff and the HHSC established and prioritized specific funding categories to create a more systematic approach for the allocation of funds. Based on the current funding sources, (Social Service, Acts of Kindness and Youth Enhancement Program funds) as well as the history of funded agencies and the populations they serve, six population groups were identified in the Human Services Needs Assessment as key funding populations. These populations were then prioritized base on need as identified by the funding priorities as a result of the Needs Assessment conducted in 2007: (1) families in crisis, (2) homeless, (3) elderly, (4) low to moderate income residents, (5) citizens with special needs, and (6) youth.

In June 2009, the HHSC participated in a retreat to start planning strategically for the future by reviewing and selecting recommendations from the 2007 Needs Assessment to implement and align with the City's current and long term needs. Based on this retreat, the Commission recommended changes to the annual funding priorities to align the City and HHSC's funding process for non-profits with the needs of Chandler's most vulnerable residents.

Notifications of the proposed changes were sent out to Chandler non-profits and several concerns with the potential changes were voiced by non-profit Executive Directors. In reviewing and addressing the concerns of the City's partner non-profits, it became clear to staff that additional discussion regarding the impact to non-profits due to change of funding was necessary. Based on staff recommendations, the HHSC reviewed the concerns raised by local non-profit Executive Directors, and voted to suspend making the proposed changes to the 2010/2011 Human Services allocation process. In addition, it was decided that staff would work closely with the HHSC and the non-profit agencies and seek technical assistance from other municipalities, professional charitable organizations, and organizations collecting research-based data on social service issues and needs to develop future changes and allocations process.

In the fall of this year, the City of Chandler contracted with Synergy Partners to assess the existing process and procedures for the allocation of funds to social service providers. To facilitate this effort, Synergy Partners and staff have met with the Executive Directors of the local non-profits on three occasions, with the Housing and Human Services Commission (HHSC) three times, and also held one meeting with the Neighborhood Resources Council Subcommittee. Representatives from the faith community were also invited to attend the meetings with the non-profit organizations.

In addition to feedback from stakeholders, Synergy Partners has reviewed the 2007 Chandler Needs Assessment and the 2010-2014 Chandler HUD Consolidated Plan, as well as a number of other regional assessments to determine funding priorities for FY 2011/2012. The team has conducted "best practice" interviews with a number of organizations that oversee similar annual funding processes including Valley of the Sun United Way, Pulliam Charitable Trust, and the Tempe Community Council.

Discussion:

MS. CHRISTY McCLENDON, 1291 W. LARK DRIVE, of the Chandler Non-Profit Coalition acknowledged the process the Housing and Human Services Commission applied this year to revising the City's funding priorities and allocation process. She was grateful that the Commission chose to include opportunities for the non-profits to be engaged and provide feedback to the recommendations. She stated that the Coalition supported the development of an evaluative scoring process for the application. She commended the work that has been done in the areas.

Ms. McClendon stated there were concerns over the role of presentations and their impact to the application scoring. She clarified that she believed those concerns had been heard and were reflective in the final recommendations. She added that the coalition supported the evaluation process for funding and believed that the commission's decision to host site visits to learn more about the organizations that are funded was a true partnership and collaboration to work together through the City funding sources and the agencies that carry out the funded services. She thanked the commission and the Mayor and Council for their leadership to ensure that the needs of the community are met.

17. GRANT: Green Valley Estates Neighborhood

AUTHORIZED a grant to the Green Valley Estates Neighborhood for traffic calming, block watch signs and neighborhood cleanup in an amount not to exceed \$5,000.00.

The Green Valley Estates Neighborhood is located north of Frye Road and east of Dobson Road along Boston Street. This 30-year old neighborhood is comprised of approximately 47 homes. The neighborhood is applying for grant funds to install two speed humps and four Block-Watch signs along Boston Street and provide two dumpsters to conduct a neighborhood cleanup. The primary concern of the Green Valley Estates Neighborhood residents is neighborhood maintenance and safety.

Traffic Engineering conducted a speed study and determined Boston Street met the City of Chandler's speed requirements to qualify for speed humps under the City's Traffic Calming Policy. The surveyed speeds showed at least 15% of motorists traveling in this area exceeded 32 miles per hour. The speed limit for this segment of Boston Street is 25 miles per hour. Upon Traffic Engineering's approval, the residents of the Green Valley Estates Neighborhood circulated a petition and received 100% support for the installation of the speed humps.

In an effort to increase public safety awareness, the Green Valley Estates Neighborhood conducted a Block-Watch meeting in June 2010 and participated in this year's G.A.I.N. event. Although the neighborhood is an official participant in the Block-Watch Program there is a need for funding in order to install four neighborhood Block-Watch signs. In addition to Block-Watch, the Green Valley Estates Neighborhood residents would like to conduct a neighborhood clean-up as a way to get neighbors out of their homes by working together to enhance the appearance of their neighborhood.

The funding request is based on cost estimates provided by Traffic Engineering for the installation of speed humps, the Police Department for the installation of Block-Watch signs and Neighborhood Programs for the rental of two dumpsters. City Staff will perform the installation of speed humps and Block-Watch signs in order to meet the City's installation requirements and guidelines. Based on the estimates provided by City Staff, the Green Valley Estates Neighborhood is requesting a grant in an amount not to exceed \$5,000 and no financial match is required.

18. AUCTION SERVICES: Sierra Auction

AUTHORIZED the use of the City of Mesa contract for auction services from Sierra Auction. The term of the contract is September 1, 2010, through August 31, 2013. The auction fee is 4.4% of the sale price for vehicles and 6.9% of the sale price on other items plus associated cost (decal removal, transportation, washing and associated services) will be deducted for the sale proceeds.

Sierra Auction conducts an off-site public auction every month and has the capability to sell vehicles and other miscellaneous surplus property. By using the off-site auction, the City benefits from faster turnaround of property and less space occupied by surplus property. In FY 09-10, the City utilized Sierra Auction to sell approximately \$75,000.00 of surplus property. Auction expenses of \$5,840.00 were deducted from those proceeds.

19. MANHOLE TREATMENT: Peoria Pest Control

AUTHORIZED the use of the City of Peoria contract for treatment of manholes from Peoria Pest Control in an amount not to exceed \$100,000.00.

The City has 16,566 sewer manholes and the insecticide paint used in manholes is warranted for two years. Wastewater Collection plans to paint one-half of the City-owned manholes each year.

20. AGREEMENT: Dibble and Associates Consulting Engineers, Inc.

APPROVED Agreement #WA0905-201 with Dibble and Associates Consulting Engineers, Inc., for water transmission jumper pipe design, pursuant to annual contract #EN0725-101, in an amount not to exceed \$41,425.00.

This project provides for the design of improvements to the City's water transmission main network to extend the water transmission main system to the Lindsay Water Production Facility located south of the Riggs Road and Lindsay Road intersection. This water transmission main system distributes water from the City's Pecos Surface Water Treatment Plant and the San Tan Vista Surface Water Treatment Plant to the City's Zone 2 storage reservoirs. The improvements will include implementation of recommendations listed in the Design Memorandum titled "Water Transmission Jumper Pipe Feasibility Study" dated December 23, 2009, by Dibble Engineering.

21. AGREEMENT AMENDMENT: Devau Human Resources

APPROVED Agreement #HR7-920-2354, Amendment No. 4, with Devau Human Resources for temporary contract employment services in an amount not to exceed \$1,400,000.00. This is the fourth and final one-year extension.

Contract employees are utilized by the Community Services Department and other City Departments to fill temporary positions such as class instructors, coaches, sign language interpreters, park maintenance workers, swim coaches, library aides, C.O.R.E. teachers and production assistants. A contract for temporary employees was originally established by the City in 1992 when the IRS determined that number of contract employees used by city departments should, in fact, be appointed temporary employees. It was determined that it be in the best interest of the City to contract with a temporary employment agency for the provision of those employee services.

22. CONSTRUCTION CONTRACT: EDGE Construction LLC

APPROVED Construction Contract #PR1001-401 to EDGE Construction LLC, for Shawnee Park improvements in an amount not to exceed \$462,256.39.

Shawnee Park is a 17.55-acre neighborhood park which serves the residents of the square mile bordered by Elliot and Warner roads and Dobson and Alma School roads and was built in 1983. Public meetings were held to solicit public comments for improvements to the park on September 3, 2009, and January 26, 2010. This project will not affect the Shawnee Dog Park.

23. AGREEMENT: Durkin + Durkin Architects, LLC

APPROVED Agreement #LI1002-2001 with Durkin + Durkin Architects, LLC, for design services for interior improvements of Sunset Library in an amount not to exceed \$78,727.00.

The purpose of this project is to renovate the recently purchased Sunset Library to include updating carpeting, furnishings and equipment. Early Learning Centers will be incorporated into the space, providing parents and preschoolers with interactive educational modules that will increase their children's pre-literacy skills and enhance their school readiness. A dedicated teen space will also be added to create a special area designed to provide a positive experience for teens engaging them in information and computer literacy activities. An enhanced computer commons will be designed for citizens who need access to PCs and the internet.

24. AGREEMENT: Braun Northwest, Inc.

APPROVED Agreement #PD1-998-2913 with Braun Northwest, Inc., for the purchase of a prisoner transport vehicle in the amount of \$174,256.96.

The Police Department contracts with Maricopa County for the housing of prisoners held on misdemeanor charges. This requires that prisoners be picked up in Phoenix for required morning City court appearances and returned in the afternoon. Current prisoner loading is in the area of 15-20 prisoners per day. Current jail transport vans each have a maximum capacity of 10 prisoners of which 4 may be transported in a segregated area (i.e. female prisoners). This requires a minimum of 2 vehicles per trip resulting in each vehicle accumulating about 40,000 miles per year. Within 3 years, the vehicles have about 120,000 miles and are no longer reliable. This proposal is for an upgraded replacement of a van to a diesel-powered transport vehicle capable of transporting 23 prisoners on one trip. Fleet Services estimates the chassis to have a service life of up to 15 years. This lifespan may be supported by the experience of the Tempe Police Department which is in the process of retiring a jail van that they purchased in 1977; a lifespan of 32 years. The proposed vehicle has a lifetime structural warranty on the transport box which may be replaced on a new chassis should the need arise.

25. AGREEMENT: Carollo Engineers, Inc.

APPROVED Agreement #WW0820-451 with Carollo Engineers, Inc., for construction management services for the Collection System Facility Improvements in an amount not to exceed \$229,295.00.

On July 31, 2008, Council approved a project agreement to Carollo Engineers, Inc. for design of Collection System Facility Improvement for five lift stations greater than fifteen years old. The design included routine rehabilitation and safety related improvements such as new electrical instrumentation and controls, discharge piping replacement, rehabilitation and recoating of the wet well structure, and installation of access hatches and equipment lifts at various facilities.

The contract is for supplementary design and construction management services. Additional design services include revising the existing construction documents to meet current constructions standards and designing rehabilitations and additional safety related improvements for two lift stations: at Pecos and McQueen and at the Golf Course. Construction management services include witness testing of start-up, post construction warranty, provide as-built drawings, and Maricopa County Approval of Construction permitting.

26. AGREEMENT: Engineering and Environmental Consultants, Inc.

APPROVED Agreement #WW0509-451 to Engineering and Environmental Consultants, Inc. (EEC) for construction management services of reclaimed water distribution lines infill in an amount not to exceed \$129,945.00.

On July 31, 2008 Council approved a project agreement to Engineering and Environmental Consultants, Inc. (EEC) for additional design and modifications to the 12-inch diameter reclaimed water distribution main throughout the City. The reclaimed water distribution system uses the City's effluent from wastewater treatment facilities for irrigation to turf and landscape areas constructed by developers.

27. AGREEMENTS: Vehicle Purchases

APPROVED an Agreement with Five Star Ford in the amount of \$71,851.44; Berge Ford in the amount of \$79,262.61; and Sanderson Ford in the amount of \$15,690.26; for the purchase of vehicles in a total amount not to exceed \$166,804.31.

The requested vehicles include three new SUV's that will be used as motor assist vehicles for the Police Department, two replacement medium duty trucks that will be used for water valve servicing and once replacement compact pickup truck that will be used for meter reading.

28. AGREEMENT: General Security Services Corporation

APPROVED Agreement #MG1-915-2921 with General Security Services Corporation for the Home Arrest Program for a two-year period with the option to renew for four additional one-year terms and authorizing the Acting City Manager/Designee to execute renewals.

The Chandler City Council adopted the Home Arrest program in March 1994 pursuant to A.R.S. §9-499.07. The program was established not only to help reduce jail costs, but to provide alternative sentencing for those defendants sentenced to confinement in jail to allow them to continue working, allow substance abuse screening, education and treatment to commence more promptly, to reduce failure to comply because of transportation issues and to allow them to be at home with their families. During fiscal year 2009-2010, a total of 12,382 days of home arrest were ordered for 347 defendants. The average number of days per order was 36. Cost to the participant for the recommended contract is \$14.00 per day.

29. PURCHASE: IKON Office Solutions

APPROVED the Purchase of five multi-function copiers (MFCs) in the amount of \$45,955.00, in addition to the Staff-approved purchase of five multi-function copiers (MFCs), from IKON Office Solutions, utilizing the State of Arizona contract, in a total amount not to exceed \$93,350.00.

Historically, City divisions purchase numerous copiers, printer, scanners, and fax machines to provide services to citizens. These devices are on individual annual maintenance contracts. Each of these devices consumes electricity, generates heat, and requires purchasing and maintaining an inventory of many different types of toner and ink. In addition, each printer requires different software drivers to be installed and maintained on city computers.

Multiple City divisions moved into City Hall and needed to share common document preparation areas on each floor. The City analyzed ways to gain efficiency and reduce costs by reducing the number of printers, copiers and fax machines. This review identified that the City could significantly reduce appropriated budget amounts by decreasing the number of maintenance contracts and the amount of toner purchased. The investment in consolidating reduces the number of devices and provides energy efficiency.

The monthly maintenance fee for the MFC provides free toner for unlimited black & white printing capability as well as a 37% reduction in color printing costs. In addition to the basic printing and copying functions, the MFC will provide audit capability on printing and copying. The MFC provides scanning to email or the City's Electronic Document Management System, faxing from the user's workstation and securely distributing incoming faxes electronically. The MFC will also allow the City to set printing on both sides of the paper as default setting. The MFC will securely store the document until the user releases it at the printer.

These improvements along with the scanning capabilities will reduce paper and energy consumption. Industry standards show that savings could be an additional 20% reduction in paper usage and a 3% reduction in power consumption annually. Unlike the many different printer models used throughout the City, the MFCs will reduce resource time in maintaining the older printers and result in fewer outages. The City piloted 2 MFCs over a 9 month period, which proved the functionality and savings potential. The City purchased 5 MFCs for shared areas within City Hall that replaced multiple copiers that were at the end of life.

30. PURCHASE: Vision Business Products

APPROVED the Purchase of laser printer cartridges, OEM/Remanufactured, from Vision Business Products, utilizing the State of Arizona contract, in an amount not to exceed \$100,000.00.

Vision Business Products offers laser printer cartridges in addition to facsimile supplies and copier supplies, allowing the City to purchase numerous items from one vendor. During the past 12-months, the City has spent approximately \$90,000 for laser printer cartridges, facsimile supplies and copier supplies, both OEM and remanufactured. Vision offers online ordering and next day delivery to the location ordering thereby saving Central Supply personnel approximately 8 hours per week in delivery time. Whenever possible, remanufactured cartridges are purchased at a deeply discounted price over original manufacturer cartridge prices. Because of increased discounts and environmental and sustainability concerns, the City is increasing the quantity of remanufactured supplies purchased, educating users on equal quality and price savings achieved. All supplies from Vision Business Products are used in printers and copiers throughout the City.

31. USE PERMIT: Tonic

APPROVED Use Permit LUP10-0039 Tonic, Series 6, to allow the addition of live music indoors and/or on the outdoor patio and games on the outdoor patio at an existing lounge/bar in conjunction with the sale of liquor for on-premise consumption only indoors and within an outdoor patio located at 3400 W. Chandler Blvd, Suite 5.

The lounge bar is located in an in-line shops building north of the Bank of America building off of Metro Boulevard. West of the building are additional retailers and restaurants including Baja Fresh and Stone Creek Furniture. A restaurant, Shabu Fondue, formerly occupied this tenant space. TONIC is a lounge bar which received Liquor Use Permit approval for a Series 6 Bar

License in December 2009. A Series 6 Bar License allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises. This lounge bar agrees to prohibit "To

Go" packaged liquor sales. Under a Series 6 Bar License, the establishment does not have a requirement for percentage of food versus alcohol sales.

The previous Liquor Use Permit included a zoning condition that restricted noise. The condition reads, "No noise indoors or outdoors shall be emitted beyond the boundaries of the building so as not to disturb adjacent businesses and residential areas." This condition was added to mitigate any noise that may emanate from the outdoor patio and indoor/outdoor bar area. At the time of this approval, the business represented that it did not intend to operate as a nightclub or sports bar in that there was no live music, DJ's, karaoke, dancing, or sports related games such as pool tables and dartboards. The lounge bar represented there are indoor and outdoor speakers to provide background music as well as televisions viewable internally and from outside bar seating.

This application requests approval to allow the addition of live music indoors and/or on the outdoor patio and games on the outdoor patio in conjunction with the sale of liquor (Series 6 Bar License). However, prior to the Planning & Zoning Commission hearing, the applicant advised Planning Staff that they would like to change their request and agree to limit amplified and non-amplified live music/entertainment indoors only. They will no longer have the live music outdoors so as not to disturb nearby residences.

The request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting held November 1, 2010. There were no attendees other than the applicant. The Police Department has been informed of the application and has responded with no issues or concerns.

Upon finding consistency with the General Plan and PAD zoning, Staff recommends approval of subject to the following conditions:

1. The Use Permit shall remain in effect for one (1) year from the date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.
2. The Use Permit is granted for a Series 6 Bar License only, and any change of license shall require reapplication and new Use Permit approval.
3. Expansion, modification, or relocation beyond the approved exhibits (Site Plan, Floor Plan, Narrative, and Neighborhood Meeting Notification Letter) shall void the Use Permit and require new Use Permit re-application and approval.
4. Any substantial change in the floor plan to include such items as, but not limited to, additional bar serving area or additional entertainment or sporting game related uses shall require re-application and approval of the Use Permit.
5. The Use Permit is non-transferable to other restaurant locations.
6. The site shall be maintained in a clean and orderly manner.
7. The patio shall be maintained in a clean and orderly manner.

8. The rear door to this business shall remain closed and not propped open during business hours and shall not be used as a customer entrance or exit.
9. Noise shall not exceed the general level of noise emitted by uses outside the premises of the business and further will not disturb adjacent businesses and residential areas.
10. Amplified or non-amplified live music is prohibited on the outdoor patio and shall only occur indoors.

32. USE PERMIT: Happy Tails Pet Resort

APPROVED Use Permit ZUP10-0018 Happy Tails Pet Resort, to allow overnight dog boarding and an outdoor area to occur in conjunction with a doggy daycare and pet grooming business located at 6125 W. Chandler Boulevard, Suite 1, in the commercial center at the SWC of Chandler Boulevard and Kyrene Road.

The subject site is located in the Kyrene Village commercial center, hard-zoned C-2 and there are no abutting tenants at this time.

This zoning district allows a variety of retail services and restaurant uses. Doggy daycare and dog grooming are permitted uses; however, overnight boarding of animals requires a Use Permit. The proposed business is primarily a doggy daycare. The facility accommodates 25 to 30 dogs Monday through Friday 7 a.m. to 6:30 p.m. The business is intended to cater to people who work and need a place for their dog(s) during the day. The business also offers dog grooming and overnight dog boarding. The dog boarding component is represented to occur on an as-needed basis and will occur indoors only. A staff member will stay overnight at the business to care for any overnight animals.

The tenant space is planned to include six kennels indoors at the back of the tenant space, a bathing area, a quiet sleep area and little dog area, and a play area for large dogs. The front of the tenant space is a reception area and small retail area along with a dog grooming area. In addition, an approximately 300 square foot freestanding outdoor dog area is proposed behind the tenant space, south of the building. This area is a dog restroom area as well as an area for some exercise and fresh air. Animal waste is managed by removing any solids first and then spraying the surface which drains to a new French drainage system. The outdoor dog area is covered by an 11-foot high fabric shade structure with support posts. The shade structure will be located within a fenced area constructed with concrete columns and low walls with wrought-iron fencing. The fence is 8-feet high. The outdoor structure's surface is designed with dirt fill covered with plastic, a sand layer covered in plastic, and then K9 grass on the top. The K9 grass allows for drainage of liquids which go to the French drain. The outdoor dog area is designed to match the building's paint colors and stucco. The fabric awning is a color that matches the building.

Upon finding consistency with the General Plan, Planning Commission and Planning Staff recommend approval subject to the following conditions:

1. The Use Permit shall remain in effect for two (2) years from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.

2. Expansion or modification beyond the approved exhibits, Development Packet Exhibit A, including the Site Plan, Floor Plan, and Narrative shall void the Use Permit and require new Use Permit application and approval.
  3. The site shall be maintained in a clean and orderly manner.
  4. Use Permit approval does not constitute Final Development Plan approval; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Use Permit shall apply including building permits and Certificate of Occupancy.
33. USE PERMIT: Jordan Elementary Wireless Facility

APPROVED Use Permit ZUP10-0025 Jordan Elementary Wireless Facility, to install a wireless communication facility on the campus of Jordan Elementary School, 3320 N. Carriage Lane, north and west of Elliot and Dobson roads.

Jordan Elementary School campus north and west of Elliot and Dobson Roads is bordered by a municipal park to the east, and is otherwise surrounded by single-family homes. A monopine is a cell tower disguised as a pine tree. The Zoning Code requires a Use Permit for wireless communication facilities in nonindustrial zoning districts that do not utilize existing poles or towers.

The proposed monopine and associated equipment would be located on the eastern end of the school property, adjacent to the city park, on a portion of the campus mostly dedicated to outdoor play uses. The facility and associated equipment do not encroach on the ballfields or playgrounds themselves, though some changes to the stormwater retention layout might be necessary to accommodate the subject request. The nearest school building is a classroom trailer approximately 375' to the west. The nearest residential properties are approximately 215' to the northeast across Carriage Lane and 250' to the south. The proposed location is surrounded by numerous mature pine trees, including several along the south property line shared with residential neighbors. Elevations of the proposed facility are among the memo attachments.

Within the immediate area, there are no other suitable alternatives for co-location of the wireless communication facility on existing poles or towers. According to information provided by the applicant as required by code, there are nine (9) verticalities of a height similar to or greater than the proposed monopine within one (1) mile. The applicant has analyzed these co-location possibilities and found them implausible. The two closest verticalities, a flag pole and a monopalm near the northwest corner of Elliot and Dobson Roads, are not co-locatable because Clearwire's technology does not fit inside flag pole canisters and would result in an aesthetically unpleasing (and uncamouflaged) attachment to the monopalm trunk. The other verticalities analyzed are all outside of the intended search area.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a Parent Teacher Organization meeting held on September 7, 2010. Thirteen (13) people attended with general questions. No opposition was stated. A neighborhood meeting was held on September 9, 2010 at the subject site. Three neighbors attended with general questions, one of whom had also attended the PTO meeting. No opposition was stated. Also, one neighbor contacted Staff with an alternate proposal that involves relocating the facility to the city park and providing the revenue to the school district on the condition that the school remain open. This same neighbor spoke in opposition to the request at the Planning Commission hearing.

Upon finding consistency with the General Plan, Planning Commission and Staff recommend approval of subject to the following conditions:

1. Development shall be in substantial conformance with approved exhibits except as modified by condition herein. Expansion or modification of the use beyond approved exhibits shall void the Use Permit and require new Use Permit application and approval.

34. USE PERMIT: Vien Minh Buddhist Temple

APPROVED Use Permit ZUP10-0031 Vien Minh Buddhist Temple, time extension to allow a place of worship in a single-family home zoned SF-8.5 (Single-Family District, located at 285 N. Comanche Drive, west of Alma School Road and north of Chandler Boulevard.

The home is part of a larger planned residential subdivision Arrowhead Meadows 3 zoned SF-8.5 (Single-Family District), which permits single-family dwellings and uses permitted by Use Permit that are compatible with other uses in the area and consistent with the General Plan. The property is surrounded by single-family residential homes to the north, south, and east. West of the property is the Saga Condos residential community.

The application requests re-approval to allow a place of worship, Vien Minh Buddhist Temple, on the single-family property. The temple has been conducting services at this home since approximately February 2006. The home was purchased in November 2005 and is the primary residence for the owner, who is a Buddhist nun, and two to three other nuns. A Use Permit was approved by City Council in September 2009 to allow a place of worship subject to conditions.

The single-family residence was constructed in 1968 and occupies an 8,250 square foot lot. The home's square footage, including livable and non-livable area, is approximately 1,953 square feet. The home's interior has been modified to function as a worship hall and community gathering space. Two of the three original bedrooms were removed and the space became a part of the worship area/shrine room, which is where Sunday services are held.

The temple provides worship services, religious education, and pastoral counseling. The temple is open seven days a week from 9 a.m. to 11 a.m. and from 5 p.m. to 7 p.m. Monday through Saturday. However, if persons need to meet with the nuns, they will help them at any time. There is one organized service per week on Sundays typically from 10 a.m. to 12 p.m. During the week there are a limited number of visitors who meet with the nuns. The temple does not expect weekly traffic to be any greater than what would be expected from the activities at a typical single-family residence. There are three major celebrations/holidays recognized each year that occur in January, May, and August. The celebrations are held on Sundays and become a part of the Sunday worship service.

On a typical Sunday there are 25 to 40 people attending worship. When there are celebrations/events, such as Buddha's birthday, the number of attendees can double or triple with persons coming and going throughout the day, not all attending at one time. However, building code occupancy will limit the maximum number of persons on site to forty-nine (49). There are no events that involve live music or entertainment related activities. There are no employees, no administrative office, or the like. The nuns receive no salary and have taken vows of poverty and celibacy. The nuns exist solely on donations from the temple's members and receive help for various tasks from volunteers.

In addition to the primary residence serving as the worship hall, there is a detached accessory building in the rear yard that serves as a memorial prayer room for the temple, which is approximately 320 square feet in size. The prayer hall allows members to post photographs for deceased members, family, and the like and they may offer incense and prayers to their ancestors. Next to the prayer hall is a storage shed used for storage.

The Use Permit review includes but is not limited to the examination of several factors, where applicable. Applicable factors related to this property include consistency with the General Plan, appropriate access to and from the property, general compatibility with adjacent property and property in the area, and site and building design for conformance with City codes, standards, and requirements. Furthermore, Use Permits may be granted upon finding that the request is in conformance with the General Plan and its policies, and the request will not be detrimental to persons residing or working in the vicinity, to adjacent property, to the neighborhood, or to the public welfare in general, and that the use will be in full conformity with the conditions, requirements, and standards prescribed by the Zoning Code or higher as may be deemed necessary by City Council in any one situation.

In reviewing the prior Use Permit request in 2009, there was an outstanding factor related to site and building design conformance with City codes, standards, and requirements. There were structures/buildings on the property that did not have a City building permit, and the addition of structures to the property created a compliance issue with maximum lot coverage. The property owner coordinated with City Staff to receive the proper building permits for the detached memorial building, removal of a shade awning on the memorial building, and reduce the size of the shade awning on the house to meet zoning and development codes. The outdoor kitchen structure and stoves were removed too. The two-car garage was split into two rooms, one as a bedroom and the other for storage. Inspections for the permits were completed in December 2009. The property owner was advised to take down the partition wall, remove the boards blocking the garage door from being opened, and maintain this space as a two-car garage.

Since the previous Use Permit's approval, Planning Staff has received telephone calls from several property owners in the area regarding parishioners parking along Comanche Drive, adjacent streets, and in the Central Real Estate commercial center. The complaints started in November 2009 after Thanksgiving. A nearby resident called to advise that there were approximately one-hundred (100) cars parking up and down the neighborhood streets including Comanche Drive, on the property itself, and in commercial centers. The resident conveyed the vehicles were parked for several hours. Planning Staff advised the temple that there is a building code occupancy restriction and no more than forty-nine (49) people are permitted on this property at any one time, and any large events would need to take place off-site. Another resident called about this same event and conveyed there were over forty (40) cars in the neighborhood. The resident took photographs to show the number of cars parked along Comanche Drive and Toledo Street and did not understand why the City cannot stop this.

Following these calls, a violation letter was issued to the temple advising of zoning conditions, building permit compliance issues, and a newly paved concrete area for vehicle parking not on the subject site but a neighbor's property. The temple responded with a plan of action to better ensure parishioners new and existing understand to park vehicles at the school but may have a handful of cars park on the street as would occur with a typical residence. The temple continues to have an agreement with Chandler Unified School District's Erie Elementary School to the north off of Galveston Street for parishioners to park vehicles.

In January 2010, Planning Staff received a call from an area resident stating that parking problems have gotten better; however, an A-frame sign was located on the City sidewalk blocking pedestrians. The temple was advised the sign cannot be on public right-of-way. In April 2010, a resident who contacted Staff in November called again to advise there are parishioner's cars parking on Comanche Drive and they are parking on the neighbor's property to the north, there's too much traffic going on, snuck a service in on a Saturday night, and wanted City Staff to patrol the area and monitor the parking on a regular basis. Staff did visit the site the following Sunday service; however, the service was cancelled that day. Staff observed several cars parked up and down Comanche Street which appeared to belong to the condominium and single-family home residents on the same street. Staff did not receive any other phone calls following this last incident.

Historically, the City has approved churches and places of worship in many residential neighborhood areas, subject to compliance with City codes and development standards. Schools and churches are encouraged within single-family residential areas and are an integral component of neighborhood design. The Zoning Code allows churches and places of worship within residential zoning districts subject to Use Permit approval. The request does not represent any negative land use impacts upon the surrounding area.

Planning Commission and Planning Staff is of the opinion that the use is compatible with the area's existing single-family residential, multi-family residential, and school uses. Planning Commission and Planning Staff recommend approval subject to conditions with particular conditions related to occupancy restrictions and parking. The outstanding concern that Planning Staff has been aware of with the proposed use is parking along Comanche Drive. Chandler Boulevard and Comanche Drive is a signalized intersection which generates traffic north on Comanche Drive to access Galveston Street, schools, and places of worship in the area. Speed humps have already been constructed along Comanche Drive to slow down drivers. Staff is of the opinion the private agreement for off-site parking is an appropriate solution to curb large amounts of vehicles parking along Comanche Street and other adjacent streets. The temple is permitted to have typical vehicle traffic that would be usual for any single-family residence; however, our concern is the worship services and events that generate more than normal traffic. Following a call from the property owner of the Central Real Estate commercial site down the street, Staff advised the temple to contact that owner about parishioners parking on the commercial property without permission.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting held on August 26, 2010. Eight area residents attended in support of this request. The property owner has submitted three signed neighborhood meeting letters from residents in support of the request. Staff received a call from the Central Real Estate property owner as discussed above. Staff has not received any other calls or correspondence from area property owners and is not aware of any concerns or opposition with this request.

Upon finding consistency with the General Plan, Planning Commission and Planning Staff recommend approval subject to the following conditions:

1. The Use Permit shall remain in effect for one (1) year from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.

2. Expansion or modification beyond the approved exhibits (Site Plan/Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
3. In accordance with the Building Code's maximum occupancy load, there shall be no more than 49 persons on-site at any time.
4. Parking for gatherings such as worship services, celebrations/events, and the like shall not occur on-site. Parking shall occur off-site at an appropriate location in accordance with Zoning Code.
5. Worship services shall occur only within the single-family residence and cannot occur outside. The outside area, the backyard, may be accessed during worship services pending compliance with all building codes, permits, and lot coverage requirements.
6. The site shall be maintained in a clean and orderly manner.

35. USE PERMIT: Desert Harmony Assisted Living

Moved to the Action Agenda.

36. CONTINUED USE PERMIT: United Methodist Church Wireless Facility

CONTINUED TO FEBRUARY 10, 2011, Use Permit ZUP10-0037 United Methodist Church Wireless Facility, to install a wireless communication facility on the campus of the United Methodist Church, 450 E. Chandler Heights Road, to allow the applicant to further pursue locating the wireless communication facility on the Bear Creek Golf Course site, south of Chandler Heights Road.

37. USE PERMIT: Elks Lodge Wireless Facility

APPROVED Use Permit ZUP10-0038 Elks Lodge Wireless Facility, to install a wireless communication facility on the Chandler Elks Lodge property at 1775 W. Chandler Boulevard. (Applicant: FM Group Inc. (for AT&T Mobility))

This applicant requests a new 55" monopalm (top antennas) wireless communications facility to be located along Chandler Boulevard on the Elks Lodge property approximately ¼ mile east of Dobson Road. The approximately 3-acre Elks Lodge property forms an L-shape wrapping around a car wash to the northeast. TO the east and west are more commercial uses. To the south are apartments, to the southeast are single-family homes, and to the northeast across Chandler Boulevard are patio homes. A monopalm is a cell tower disguised as a palm tree. The Zoning Code requires a Use Permit for wireless communication facilities in non-industrial zoning districts that do not utilize existing poles or towers.

The facility is proposed to be located on the northern end of the property, near Chandler Boulevard. The monopalm is set back approximately 67' from the Chandler Boulevard right-of-way and 85' from the existing curb. Two live palm trees of 25' and 30' heights are proposed to be planted adjacent to the monopalm to help create a "grove" effect.

The nearest residential property to the proposed monopalm is a patio home lot approximately 400' to the northeast, across Chandler Boulevard. The apartment property to the south is

approximately 545' away, and the single-family homes to the southeast are approximately 740' away from the monopalm. Though the subject site is zoned Agricultural District (AG-1), a district that allows single-family homes on minimum one-acre lots, the site is a single parcel owned by Elks Lodge and, given its location on an arterial street surrounded by commercial uses, is unlikely to develop for residential uses.

Within the immediate area, there are no other suitable alternatives for co-location of the wireless communication facilities on existing poles or towers. According to information provided by the applicant as required by code, there are five (5) verticalities of a height similar to or greater than the proposed monopine within one (1) mile. The applicant has analyzed these co-locations possibilities and found them implausible for a variety of reasons including unwilling landlords, location outside the search ring, and technical problems with "canister" types of facilities. An inventory of these verticalities is included within the attached Narrative.

Planning Commission and Staff find the proposed location to be appropriate for a wireless facility in the form of a 55'-high monopalm accompanied by two live palm trees. The location approximately 400' from the nearest residential uses is positive, and the 85' setback from the street is acceptable given the more natural setting afforded by the accompanying live palm trees.

The request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting held on October 4, 2010. The manager of the apartments to the southwest and a resident of the single-family neighborhood to the east attended the meeting and expressed support of the request.

Upon finding consistency with the General Plan, Planning Commission and Staff recommend approval subject to the following conditions:

1. Development shall be in substantial conformance with the approved exhibits as modified by condition herein. Expansion or medication of the use beyond approved exhibits shall void the Use Permit and require new Use Permit application and approval.
2. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
3. The monopalm shall be 55' in height to top of antennas.

38. USE PERMIT: Rock Taco Cantina

APPROVED Use Permit LUP10-0036 Rock Taco Cantina, Series 12, for the sale of liquor for on-premise consumption only within a new restaurant at 3111 W. Chandler Boulevard, Suite 2146. (Applicant: Patrick Flynn, Owner/General Manager)

The request is for Use Permit approval to sell liquor as permitted under a Series 12 (restaurant) liquor license for on-premise consumption only. Planning Commission and Staff, upon finding consistency with the General Plan and Planned Area Development (PAD) zoning, recommend approval with conditions.

The subject site is located at the Chandler Fashion Center, on the south side of the major portion of the mall. In the vicinity of the subject site is Kona Grill, The Old Spaghetti Factory, and the California Pizza Kitchen. The restaurant can be accessed either through the food court or outside the main valet area. The subject site is approximately 5,000 square feet indoors and provides seating for 125 patrons. An exterior patio is provided, and will seat 75 patrons. Live music and

dancing is proposed for the site with all activities taking place indoors. The floor plan indicates that the live music entertainment times will occur Wednesday through Sunday; the actual times live music/dancing will take place will be after 9:30 p.m. Monday through Thursday, and after 6 p.m. Friday through Sunday. In the event there is live music and/or dancing a portion of the seating area will be moved. Staff has no concerns with the request for live music and dancing citing the location of the restaurant and no surrounding residential areas. The restaurant will be open Monday through Friday 10 a.m. to 2 a.m., and Saturday and Sunday from 7 a.m. to 2 a.m. There will be approximately 30 employees.

The request was noticed in accordance with the requirements of the Chandler Zoning Code and a neighborhood meeting was held on October 28, 2010. There were no citizens in attendance. Staff has received no letters or telephone calls of opposition.

Upon finding consistency with the General Plan, Planning Commission and Staff recommend approval subject to the following conditions:

1. The Use Permit is granted for a Series 12 license only, and any change of license shall require reapplication and new Use Permit approval.
2. The Use Permit is non-transferable to other store locations.
3. The site shall be maintained in a clean and orderly manner.

39. LIQUOR LICENSE: Rock Taco Cantina

APPROVED a Series 12, Restaurant Liquor License (Chandler #130902 L12) for Patrick Gerard Flynn, Agent, F&F Restaurant Group Inc., dba Rock Taco Cantina, at 3111 W. Chandler Boulevard, Ste. 2146. A recommendation for approval of State Liquor License #12078448 will be forwarded to the State Department of Liquor Licenses and Control. The Police Department reports no objections to the issuance of the license and no written protests have been received. All licenses, permits, and fees have been paid and the applicant is in compliance with the City's Tax Code.

40. USE PERMIT: Chandler BBQ Co.

APPROVED Use Permit LUP10-0038 Chandler BBQ Co, Series 12, for the sale of liquor for on-premise consumption only within an existing restaurant and a newly enclosed outdoor patio at 2040 S. Alma School Road, Suite 12. (Applicant: Chandler BBQ Co.)

The request for Use Permit approval to sell all types of alcohol for on-premise consumption under a Series 12 Restaurant License. The subject suite is located within the shopping center anchored by Fry's at the southwest corner of Germann and Alma School Roads. The only existing alcohol sales in the shopping center are at the Fry's grocery store.

The subject restaurant has been in business for several months without alcohol service in a 1,200 square foot suite along the southern portion of the shopping center. As part of the addition of alcohol, the restaurant will enclose and adjacent existing seating area of approximately 500 square feet in size with a new 42" to 48" – high wrought iron fence. The adjacent seating area is not required as a community seating area by the shopping center's Preliminary Development Plan and its enclosure has been conceptually approved by the landlord. The seating area has a block wall behind it and it is not used as a pedestrian thoroughfare. There is indoor seating for 28 and outdoor seating for 42. Hours of operating will continue to be 11 a.m. to 9 p.m. daily. No live

entertainment is proposed. Two televisions are proposed for the patio, provided they can be shielded from the weather.

The request was noticed in accordance with the requirement of the Chandler Zoning Code with a neighborhood meeting held on October 25, 2010. No citizens were in attendance and staff has not received any opposition to the request.

Upon finding consistency with the General Plan, Planning Commission and Staff recommend approval subject to the following conditions:

1. The Use Permit granted is for a Series 12 license only, and any change of license, shall require reapplication and new Use Permit approval.
2. The Use Permit is non-transferable to any other location.
3. Expansion or medication beyond the approved exhibits (Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
4. The outdoor patio area shall be maintained in a clean and orderly manner.

41. LIQUOR LICENSE: Chandler BBQ Co.

APPROVED a Series 12, Restaurant Liquor License (Chandler #129657 L12) for Elena Montiel, Agent, Hope & Brenna LLC, dba Chandler BBQ Co., at 2040 S. Alma School Road, Suite 12. A recommendation for approval of State Liquor License #12078468 will be forwarded to the State Department of Liquor Licenses and Control. The Police Department reports no objections to the issuance of the license and no written protests have been received. All licenses, permits, and fees have been paid ad the applicant is in compliance with the City's Tax Code.

42. CONTINUED LIQUOR LICENSE: Oriental Jade

CONTINUED TO JANUARY 27, 2011, Liquor License, Series 12, for Dan Lu, Agent, Oriental Jade, Inc., dba Oriental Jade, 2950 S. Alma School Road, Suite 2 to allow the applicant time to complete the zoning requirements for their Use Permit.

43. LIQUOR LICENSE: The Boatzhouse

APPROVED a Series 12, Restaurant Liquor License for Robert Warwick Tomfohr, Agent, Tomfohr Mgmt LLC, dba The Boatzhouse at 5070 S. Gilbert Road, Suite 400.

A recommendation for approval of State Liquor License will be forwarded to the State Department of Liquor Licenses and Control. The Police Department reports no objections to the issuance of the license and no written protests have been received. All licenses, permits, and fees have been paid ad the applicant is in compliance with the City's Tax Code.

44. CONTINUED LIQUOR LICENSE: La Parilla Garden Restaurant

CONTINUED TO JANUARY 27, 2011, Liquor License, Series 12, for Irene Ramos, Agent, La Parilla Garden Restaurant, 474 W. Ray Road to allow the applicant time to complete the zoning requirements for their Use Permit.

45. LIQUOR LICENSE: D'Vine Bistro & Wine Bar

APPROVED a Series 12, Restaurant Liquor License (Chandler #131789 L12) for Ronald Stephen Lubarsky, Agent, MC Bistros, LLC, dba D'Vine Bistro & Wine Bar, at 3990 S. Alma School Rd. A recommendation for approval of State Liquor License #12078543 will be forwarded to the State Department of Liquor Licenses and Control. The Police Department reports no objections to the issuance of the license and no written protests have been received. All licenses, permits, and fees have been paid and the applicant is in compliance with the City's Tax Code.

Transportation and Development advises a new Use Permit is not required since this will be a continuation of the location's previous use as D'Vine Wine Bar & Bistro LLC dba D'Vine Wine Bar & Bistro.

46. SPECIAL EVENT LIQUOR LICENSE: Kyrene Community Schools Foundation

APPROVED a Special Event Liquor License for the Kyrene Community Schools Foundation for a Taste of Kyrene Dinner Auction on February 24, 2011, at the Ashley Manor, 1380 S. Price Road. A recommendation will be forwarded to the State Department of Liquor Licenses and Control. With a Special Event Liquor License the organization can sell alcoholic beverages within the confines of the event during the designated event periods. The Police Department has no objections to the license. As the applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid.

47. SPECIAL EVENT LIQUOR LICENSE: Coyotes Amateur Hockey Association

APPROVED a Special Event Liquor License for the Coyotes Amateur Hockey Association for a fundraiser on January 12, 2011, at Noah's Chandler Operations Event Center, 2100 E. Yaeger Drive. A recommendation will be forwarded to the State Department of Liquor Licenses and Control. With a Special Event Liquor License the organization can sell alcoholic beverages within the confines of the event during the designated event periods. The Police Department has no objections to the license. As the applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid.

48. WITHDREW SAMPLING PRIVILEGES LIQUOR LICENSE: Walgreen's #03727

WITHDREW an application for a Sampling Privileges Liquor License, Series 9, for Gary Martin, Agent, Walgreen Arizona Drug Company, dba Walgreen's #03727, 1919 N. Dobson Road to add sampling privileges to the existing Series 9, Liquor Restaurant Liquor License.

49. WITHDREW SAMPLING PRIVILEGES LIQUOR LICENSE: Walgreen's #03531

WITHDREW an application for a Sampling Privileges Liquor License, Series 9, for Joan Petrowski, Agent, Walgreen Arizona Drug Company, dba Walgreen's #03531, 4949 W. Chandler Boulevard to add sampling privileges to the existing Series 9, Liquor Store Liquor License.

50. TELE-TRACK WAGERING FACILITY SITE LICENSE: Sandstone Cafe

APPROVED a Tele-Track Wagering Facility Site License, within the Sandstone Cafe, for TP Racing LLLP, dba Turf Paradise, 4959 W. Ray Road, Suite 38. TP Racing LLLP currently holds two Tele-Track Wagering Facility Site licenses within the City of Chandler, the first one issued in 2001 and the second issued in 2010. The application represents a request to establish a third location at Sandstone Café, which began operation at the location in June 2008. No objections to the issuance of the license have been received from the Police, Fire or Planning and

Development Departments. The applicant has met all of the requirements of City Code Section 58-2.1-3 and all fees have been paid.

51. FINAL PLAT: East Valley Town Center

APPROVED Final Plat, FPT10-0012 East Valley Town Center, for a commercial subdivision at the NWC of Arizona Avenue and Warner Road. (Applicant: Vantage Engineering) The plat creates several lots as part of a larger commercial shopping center. The plat creates the lots, establishes the necessary easements, and dedicates the required rights-of-way.

**ACTION:**

35. USE PERMIT: Desert Harmony Assisted Living

DENIED Use Permit ZUP10-0031 Desert Harmony Assisted Living for an Assisted Living Home for up to seven residents in a single-family residential home located at 1510 W. Saragosa Street. (Applicant: Bright Eze)

The subject sit is located one half mile east of Dobson Road and one quarter mile north of Pecos Road, within the Blakeman Ranch single-family residential neighborhood. Directly west and south are single-family homes. North, adjacent to the site, is the Conley Elementary School; east is Arrowhead Drive, a residential collector street. The subject site is a corner lot with a stop sign directly across the street. Kitty-corner to the site is another assisted living home with five or fewer residents that is not required to operate with a Use Permit.

Assisted living homes are required to obtain a Use Permit when there are more than five residents living together in a single dwelling unit, excluding staff. The applicant has been operating an Assisted Living Home at this location for the past five years with five or fewer residents, thus not requiring a Use Permit. The maximum potential amount of residents allowed with a Use Permit is 10, excluding staff. The number of residents allowable is based upon area requirements provided by the State Health Department. The State Health Department requires that a single user bedroom shall be 80 sq. ft., and two residents may share a room if the room is 120 sq. ft. or more. On no occasion can a bedroom exceed more than two residents. The rooms for this application conform to these requirements, and allow a maximum of seven residents.

The home is just short of 2,200 square feet, and provides five bedrooms. Three bedrooms are 110 square feet and allow for one resident to occupy each room. The master bedroom is 220 square feet, and allows for up to two residents. What is labeled as Garage 2 on the floor plan was built as an optional bedroom by the home builder, and is approximately 180 square feet and allows for two residents. Staff has inspected the home, and the home meets the requirements outlined in the Zoning Code for assisted living homes. Two full bathrooms are provided. This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting was held on Monday, October 25, 2010. One neighbor was in attendance and was opposed to the request.

The neighbor expressed concerns with the number of residents proposed for the home, the amount of vehicles that park on Saragosa Street, and ongoing maintenance of the site. Staff explained that the number of residents allowed to be cared for is dictated by State requirements

and Council approval, and that the current request met both State and City requirements and is consistent with previous approvals. Due to the subject site being located at an intersection, on-street parking, though allowed, has the potential to create a bottleneck. Staff recommended to the applicant that they have their caregivers and visitors park either in the driveway or on Arrowhead Drive adjacent to the site's east side. Staff also discussed with the applicant and neighbor that the maximum allowed residents to be cared for is dictated by square footage requirements per resident, and based on the square footage provided the maximum number of residents allowed is seven. Staff has not received any other telephone calls or letters opposed to this application.

Planning Commission and Staff, upon finding consistency with the General Plan and PAD zoning, recommend approval subject to the following conditions:

1. The assisted living home shall have no more than seven (7) residents at any time.
2. Should the applicant sell the property, this Use Permit to operate an assisted living home shall be null and void.
3. This Use Permit shall remain in effect for one (1) year from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require reapplication to and approval by the City of Chandler.
4. The site shall be maintained in a clean and orderly manner.
5. Compliance with the details required by all applicable codes and conditions of the City of Chandler and this Use Permit shall apply.

Discussion:

MAYOR DUNN noted the item was a Use Permit for an assisted living home for up to 7 residents located at 1510 W. Saragosa Street.

City Planner ERIK SWANSON told the Council the use permit was to operate an assisted living home in a single family residential home for up to 7 residents. The home is located approximately one-half mile east of Dobson Road, a quarter mile north of Pecos Road, in the Blakeman Ranch single family residential subdivision. To the east, west and south are single family homes, while Conley Elementary School is directly north. The subject site has operated as an assisted living home for the past 5 years with 5 or fewer residents without any issues that staff has been aware of.

Mr. Swanson stated the current request was to increase the amount of residents up to 7. He noted that staff visited the home to ensure it met State and City requirements. Mr. Swanson went over the floor plan indicating that the home had three bedrooms, a master bedroom, and a garage, which was built into a bedroom. He explained that in order to exceed the number of residents, the applicant had to meet the minimum requirement of providing at least 120 square feet in a bedroom for two residents. He stated the two rooms that accomplished that were the master bedroom and the optional bedroom that was added. A neighborhood meeting was conducted where one neighbor attended and expressed concern. He added that the Planning Commission was recommending approval.

MR. BRIGHT EZE, the owner of the property stated he would address any issues after those wishing to speak on the item addressed the Council.

MR. KEVIN WALSH, 930 S. SEAN COURT, told the Council he lived in the Blakeman Ranch Community and served as the President of their HOA. He expressed concern over the owner of the residence due to the owner not making payments. He told the Council the homeowner's last payment was made in December of 2008 and did not make any contact with the HOA until September of 2009. He stated there was not any action the HOA could take.

Mr. Walsh told the Council that in September of 2009, Mr. Eze called the HOA and promised to pay \$100.00 towards the balance and make the monthly dues of \$42.00. He stated that Mr. Eze had not made any payments even though the HOA had accepted the terms. He added that in November a judgment had to be made against Mr. Eze to receive the fees that were due at that point. He told the Council that in May, June and October 2010, Mr. Eze contacted the HOA and promised to make a \$100.00 payment and make the monthly payment. He stated the HOA again agreed to the terms in order to move forward. Mr. Walsh stated that no payments had been made. He added that Mr. Eze was not keeping the property up and had 17 CC&R violations. He did not believe it was right to allow Mr. Eze to expand his business to increase his income while he has been a bad neighbor.

COUNCILMEMBER HEUMANN questioned if letters or fines had been sent to the property owner in regards to the upkeep of the property. MR. WALSH responded that the HOA had. He stated that of the 17 notices, 12 of them took 5 letters detailing the same violation to be resolved. He stated the issues were not resolved immediately, but took months to be resolved. He added that there were still issues pending.

COUNCILMEMBER HEUMANN questioned if Mr. Walsh believed that the home had been a detriment to the homes around it, in terms of upkeep. MR. WALSH stated that the home was noticeable.

MR. SARA ELCO, 1550 W. SARAGOSA COURT, stated she lived 4 houses west of the assisted living facility. She believed that Desert Harmony was a business and was incompatible to the residential character of the residential neighborhood. She noted that the area was not commercial nature but residential. She expressed concern that the increase in the number of assisted living facilities in the area would jeopardize the property value and the integrity of the neighborhood. She told the Council that there were currently 3 assisted living facilities with 5 or fewer residents within 1,000 feet of one another.

Ms. Elco then showed a map detailing the 3 assisted living facilities in the area. She told the Council that there were 4 assisted living facilities which consisted of 5 or fewer residents that did not require a use permit through the City of Chandler.

Ms. Elco read an excerpt from an ordinance stating:

*"No adult care home shall be located on a lot within 1200 feet measured by a straight line in any direction from another existing adult care home".*

Ms. Elco stated that the site was in violation of the ordinance because it was 1,158 feet from Pennington Gardens Assisted Living Facility. She added that there were parking issues in the area due to the assisted living facilities. She asked the Council to deny the increase based on the

incompatibility and the site being residential nature.

VICE-MAYOR CACCAMO questioned whether it would be considered residential living if someone moved into and put 5 people in a residential house, due to them not having to go before the Council for a land use permit.

MR. SWANSON concurred. He stated it would meet the City's definition of a family and would be determined a family. He stated there was a zoning process that the applicant would have to go through which requires them to inform the City of what they are doing. The applicant is then given information by staff and verifies the information with the State. He added it did not require a public hearing process.

In response to a series of questions from VICE-MAYOR CACCAMO, Mr. Swanson clarified that an assisted living facility would be considered once there are over 5-residents in facility. In addition, the measurement between the assisted living facilities is then looked at. He stated distance was not measured if there were two homes with five residents near one another.

VICE-MAYOR CACCAMO asked if the distance between the applicant's house and the other assisted living facility.

MR. SWANSON responded that the 1200 foot separation was not triggered in the specific instance. He explained that the 1200 foot separation specifically related to homes in the nature of Desert Harmony and another home that was 6-10. He stated it was strictly between a home with a use permit between 6-10 and another home requesting a use permit requesting 6-10.

VICE-MAYOR CACCAMO asked if staff at the facility was being increased to care for the elderly people since the number of residents would be increasing from 5-7.

MR. SWANSON believed that there were a number of caregivers on staff and the applicant himself that conduct regular circulation at the home.

VICE-MAYOR CACCAMO asked how many people were in the home 24 hours, 7 days a week.

MR. SWANSON stated that the 7 residents would be there 24/7. He added that there would be a floating staff of care givers which are on a working circuit of every 8 hours. He stated that the home could not operate without having care givers present. He stated that the property and business owners circulate the home.

VICE-MAYOR CACCAMO asked if there was somebody on staff 24 hours a day.

MR. SWANSON concurred. He stated the lowest amount of residence at the facility would be 8 people with the ability for staff to be there at the same time as they change shifts. He stated there was also a possibility of the two property owners being there. He added there would be 11 people total.

VICE-MAYOR CACCAMO asked if the facility was in violation of the State's bathroom ratio to persons when the owners where present assisting the staff.

MR. SWANSON responded that it was his understanding that it was for residents only as it was per a full-time residence basis. He stated it was not just for those who visited the facility and used the restroom. He added that he had called the State for clarification but had not received word

back from them.

VICE-MAYOR CACCAMO voiced his displeasure over the bathroom to person ratio in the facility. He believed the particular type of assisted living facility filled a niche for people who can't afford a regular facility. He questioned what the inside of the facility was like due to the neighbors describing the conditions of the outside of the facility.

MR. SWANSON told the Council that staff did inspect the area as part of the public hearing process to ensure it was meeting code requirements to ensure that the facility has grab handles or proper things in the bathroom,, a centralized kitchen, electrical appliances, etc.

MS. ELCO asked for clarification regarding the definition of an assisted living facility due to Pennington Garden being in Blakeman Ranch. She questioned if it was considered a home or an assisted living facility due their being more than 6 residents at the facility.

MR. SWANSON explained that a home was between 6-10 residents and would go through the City's processes. He stated an assisted living facility would exceed the 10 residents. He explained that if a commercial facility that had 11-20 residents would be considered a facility and would not require 1200 foot separation. He stated that strictly an assisted living home with 6-10 residents required a use permit that required the 1200 foot separation.

In a response to a question from MAYOR DUNN, Mr. Swanson stated that the home had been operating as an assisted care facility for 5 years with the 5 or fewer residents.

MAYOR DUNN questioned how many residents had been at the facility at any one time during the 5 years.

MR. SWANSON responded that the facility was allowed to have up to 5 residents.

MAYOR DUNN noted that the current use permit restricted the facility to 7 residents.

MR. SWANSON explained that by City and State requirements as well as square footage, the facility would only be allowed 7 residents. He added that the property owner would have to be built on to the house in order to have more residents.

MAYOR DUNN questioned then why had there been talk about 10 residents.

MR. SWANSON replied that the number of 10 residents was part of the use permit processes wide range of 6-10 residents.

MAYOR DUNN asked if only 2 additional people could be brought into the house if the use permit were approved.

MR. SWANSON concurred.

COUNCILMEMBER HEUMANN asked if staff had only conducted a site visit when the applicant had applied for the use permit to go to 7 residents.

MR. SWANSON concurred.

COUNCILMEMBER HEUMANN questioned the condition of the home.

MR. SWANSON likened the property to a typical home. He did not see anything which he felt was a huge issue. He did not see any reason to contact the City's Code Enforcement Division regarding illegal structure or poor landscaping.

COUNCILMEMBER HEUMANN questioned how many outside visitors such as nurses and doctors or calls from outside services such as Fire or paramedics there would be if the amount of residents changed from 5 to 7.

MR. SWANSON stated he did not have the specifics in regards to the information. He noted it would depend on the condition of the residents at the home. He explained some homes consist of residents that require more care which results in doctor's visiting the home on a regular basis. He stated it ranged from home to home.

Mr. Swanson pointed out Condition No. 4 of the Use Permit in regards to landscaping. He stated the condition stated that the site would be maintained in a clean and orderly manner. He added that the City could ask the owner to be in compliance with the use permit if the landscaping were to become an issue.

COUNCILMEMBER HEUMANN voiced concerns over the fact that the applicant had not been a good neighbor in that homeowner association. He stated he had a tough time approving the use permit after hearing the concerns from neighbors and homeowner associations. He added it was a compatibility and land use issue. In addition, he expressed concern over how the business might be run due to the owners not being able to pay their dues to the homeowners association.

COUNCILMEMBER WENINGER asked if the City could legally take into account the fact the owner had not paid his dues to the homeowners association.

CITY ATTORNEY MARY WADE stated the issue was not typically one of a land use decision. She stated it might tie in to the fact that the owner might be sighted a number of times due to the outside of the house. She reiterated it would not tie in to the unpaid dues.

COUNCILMEMBER WENINGER believed the Council should be careful because their decision could set precedence. He questioned if the City would check with every business' landlord to see if they were current with fees. He added that the Council did not know what violations the facility had from the HOA. He stated he was afraid that the Council would turn down the use permit based on the fact of non-paid fees because then the Council would have to do that with everything that had a governing body over them.

COUNCILMEMBER ORLANDO recalled times where the Council had to withhold permits from shopping centers that wanted to expand or do something different because they were not being good neighbors. He noted one shopping center near his home that did not have their permit approved due to not keeping up the parking structures.

MR. SWANSON told the Council that he had not heard from any other residents in the subdivision.

COUNCILMEMBER SELLERS expressed confusion over what level of authority the Council had over something that was technically permitted by the State. He noted that the recommended approval from staff was to have the use permit be in effect for a year. He added that if the Council approved the permit, the Council would review the issue next year and could take action at that

time if there were problems.

MR. SWANSON concurred.

COUNCILMEMBER DONOVAN asked to hear what violations the facility had from the HOA President.

MR. WALSH stated that some of the violations included: exposed plastic liner from underneath rocks, vertical blinds broken and down in the front window, yard maintenance that was needed, jeep Cherokee parked in gravel, dodge caravan parked in the gravel, weeds growing through the granite area in the yard, dead trees, and various other landscaping issues. He stated that the 17 violations were over a three year period.

MR. EZE addressed the Council regarding the violations that were spoken about. He told the Council that a landscaper visits the facility every two weeks. He stated that one of his employees had parked on the gravel and he instructed them not to do so anymore. He told the Council that at one time he had one resident for 2 years in the home. He stated that he and his wife work full-time and work to pay the mortgage so they can keep the business open. He reiterated that he had 2 years he had one resident at the facility. He credited that as being the reason he was late in paying his dues to the HOA. He added that he had mailed out a payment of \$750.00 to the HOA. Mr. Eze did not believe there was traffic issue in the area and believed the neighbors were personally attacking him. He stated that he met the requirements for an assisted living home and asked the Council to approve the Use Permit.

COUNCILMEMBER DONOVAN asked how many residents were currently present in the home. Mr. Eze responded that there were 4 people currently in the home. He stated he wanted to ask to be able to have 2 more residents in hopes to expand.

COUNCILMEMBER HEUMANN believed there seemed to be a pattern in terms of the violations. He stated that the Council could not get into the financial part of the violations. He did note that a few weeks prior the Council could have denied a Use Permit because the applicant owed the City money, but became current before the Council could vote. He explained that the compatibility, land use situation and maintenance of the property bothered him. He stated he would like the applicant to come back before the Council versus giving the applicant the one-year use permit.

MOVED BY COUNCILMEMBER HEUMANN, SECONDED BY VICE-MAYOR CACCAMO TO DENY ZUP10-0034 DESERT HARMONY ASSISTED LIVING.

COUNCILMEMBER WENINGER hoped that staff would let the HOA know that they could contact the City's Code Enforcement Division regarding any tall weeds.

In response to a question from COUNCILMEMBER WENINGER, City Attorney Wade stated that the Council should not take into consideration the fact the property owner has been behind on fees.

COUNCILMEMBER WENINGER asked if the number of bathrooms could be taken into consideration if they were within the State's guidelines.

CITY ATTORNEY WADE responded that the number of bathrooms should not be taken into consideration as long as the applicant was in compliance with the State.

COUNCILMEMBER WENINGER stated he would be voting "No". He expressed concern over the Council going down the wrong path and putting the City under jeopardy as part of the fair housing act. He did not believe it would be right to go against what the State statues are or what federal rules have been.

COUNCILMEMBER ORLANDO asked if the Council could deny the item based on parking issues.

CITY ATTORNEY WADE responded that the Council could deny the item based on land use issues which would be health, safety, parking issues, or too much traffic.

COUNCILMEMBER ORLANDO asked whether the item could be denied based on concern detriment to the community or appearance.

CITY ATTORNEY WADE responded it would be a questionable call.

VICE-MAYOR CACCAMO agreed with Councilmember Heumann and believed there were land use issues. He stated that the City could deny the item which could result in some motions being in place in the legislature.

COUNCILMEMBER DONOVAN noted that condition number 4 of the use permit stated that the site had to be maintained in a clean and orderly manner. She expressed concerns over the fact that it appeared it had not currently been maintained in a clean and orderly manner. She acknowledged that the Council had the ability to vote for a one-year use permit and see how the things go. However, she stated she wanted to see the applicant have a good relationship with the neighbors and the HOA. She added that the applicant had 4 residents in the facility and did not believe a hardship would be created by looking to have the applicant work at a better relationship with the neighbors over a year.

COUNCILMEMBER WENINGER stated that there was a "he said, she said" regarding the upkeep of the property. He asked what the parking issues were.

MR. SWANSON showed the Council an aerial photograph of the subject site. He stated that the site had additional parking in the driveway. Additionally, there was parking in front of the house, on the north side, closest to the home. He added there was the ability to park in the south side, but noted they should not park there due there being a stop sign at that location. In addition, to the right side of the home, is a residential collector which allows public parking. He stated that from staff and Planning and Zoning's perspective, there was sufficient parking. He added that Conley Elementary was also on the north side and he would encourage the applicant to work with the school to see if they could use the parking during the weekends.

COUNCILMEMBER ORLANDO clarified that he was basing his comments on parking on what a resident who lives there said regarding there being issues of parking due to the two care centers in the area. He stated that anyone who lived in the area would have a good testimony for saying that there was a parking issue. He stated that he basis his decision on what neighborhoods say.

MR. SWANSON stated the point was valid but clarified that he was stating where there could be potential parking.

WHEN THE VOTE WAS CALLED, THE MOTION TO DENY CARRIED BY MAJORITY (5-2) WITH COUNCILMEMBERS WENINGER AND SELLERS VOTING NAY.

52. ZONING EXTENSION: Vina Escondida

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4273 reverting the zoning of the parcel from PAD for single family residential to the former AG-1 zoning classification.

Discussion:

Planning Manager KEVIN MAYO told the Council the item was a request for zoning time extension for a 15 lot custom single family residential neighborhood located south and east of Germann and McQueen roads. North of the subject site is the City's equestrian link park linking the consolidated canal and Tumbleweed Park. South of the subject site is a rural County residential neighborhood. East of the consolidated canal is the Chandler Municipal Airport. The custom home gated single family residential subdivision would be on 13.2 acres. He explained that Vina Escondida went before the PAD and PDP process back in 2007 but has not developed which is why the applicant is asking for a time extension for the zoning.

Mr. Mayo told the Council that the General Plan designated the subject site and everything south of the subject site as rural very low density residential. The General Plan also identifies that the subject site falls within the 9-square mile of the Airpark Area Plan. The Airpark Area Plan also designates the subject site and the properties south of it as rural residential. Vina Escondida falls within the range and is consistent with the underlying land use identified within the Airpark Area Plan. The Airpark Area Plan also identifies the subject site as the northern boundary of a transitional overlay zone. He explained that the transitional overlay zone allowed for the consideration of transition from residential land uses to commercial land uses once the economics become favorable to do. He noted that there was a seven point guideline that was a necessity to consider transitioning from residential to a commercial in any non-residential land use. He highlighted two points: the requirement of a minimum of 40 contiguous acres before it can be considered transitioned out of residential land use, and that any non-residential development considered must provide adequate buffering and separation from the existing adjacent rural residential properties.

Mr. Mayo stated that based on the two guidelines, staff asked themselves if something else could be done with the land. He stated that the line was bound and constricted. He reiterated the areas surrounding the site and mentioned that there was not adjacent vacant land nearby that could be combined with the site to total 40-acres to then consider a transition. He added that there was also not enough room available to provide a separation or buffering for anything other than residential homes on the property. He stated that looking at the issue from an Airpark Area Plan compatibility standpoint, it was not appropriate to consider a transitioning out of residential to something else. He added that the many of the people in the County homes were not planning to go anywhere soon.

Mr. Mayo told the Council that the noise contours had changed in the area since 2007. He explained to the Council that on the City's Zoning Map, there was an area between the 55-dnl and 60-dnl noise contours known as the ANO-1 Zone. He told the Council the lines on the map were based on a maximum runway length of 6,800-feet. The length cannot be achieved today due to the alignment of Germann and Queen Creek roads. He clarified that the current runway length was 4,850-feet. He explained that the Vina Escondida site was not touched by the 60-dnl but a third of it was within the ANO-1 zone.

In 2007, the Council approved the 2007 Airport Master Plan Update which allowed staff to focus

on noise contour maps, including the 2005 and 2025 noise contour maps. The 2025 map was based on the maximum runway length that can be achieved which is 5,700-feet. He recalled that in 2007, the computer modeling was indicating that the contour lines would be tightening up against the runway and extending northeast and southwest of the runway. The maps indicated at the time that the subject site was no longer encumbered by the 55 and was outside the ANO-1 Zone now. He stated that there was reasonable assumption that that would be the case moving forward. He stated that regardless of where the contours landed, a condition was added requiring the homes be constructed to achieve of a maximum of 45-decibels interior noise level for a single event aircraft noise to be certified by a sound engineer after construction. He added that the condition was added to the ordinance that was attached to the case.

Mr. Mayo told the Council that the Part 150 Noise Study was approved by Council in August 2010 bringing the 2009, 2014 and the 2028 noise contour maps. He clarified that the Part 150 Noise Study was to be approved by the FAA. He showed the Council an aerial map of the subject site and the differences with the new contour maps. He told the Council that the ANO-1 Zone that was on a third of the property was now over the entire property. He told the Council that when staff questioned what happened between 2007 and 2009, between the Airport Master Plan Update and the Part 150 Noise Study, they were told that the FAA's computer modeling program had changed. He clarified that the input variables remained the same, but the model program changed which created the new contours. He hoped that the new contours are more accurate but could not say for sure.

Mr. Mayo explained that the Chandler Zoning Code could allow the consideration of residential homes to be built within the ANO-1 Zone. He stated there were requirements to have a maximum of an interior noise of 45-decibels like Vida Escondida's ordinance. He clarified that the item was for an extension of the timing condition. Council could consider the timing extension for an additional 3 years; new conditions cannot be added and homes cannot be removed. The timing condition could be removed if the Council felt it was no longer appropriate, compliance with the zoning could be determined indicating that it was no longer needed or through legislative action, or the Council could revert the property back to its former AG-1 Zoning. He noted that Planning Commission and staff were recommending the timing extension. He added that there was an alternative motion for Council to Introduce and Tentatively Adopt Ordinance No. 4273 in the event Council elects to have the property reverted back to AG-1 Zoning. Mr. Mayo clarified that AG-1 Zoning was the lowest density residential zoned district that allowed no more than one unit per acre. He added the Council the site could be under the AG-1 Zoning to develop into 13 homes.

MAYOR DUNN asked when the zoning timing officially ended.

MR. MAYO responded that the zoning timing expired in May of 2010.

MAYOR DUNN asked if the property would go back to AG-1 automatically if the Council did not give an extension.

MR. MAYO clarified that it would take legislative action to revert the area back to AG-1. He reiterated that the Council could adopt and tentatively introduce the ordinance to revert the property.

MAYOR DUNN questioned whether if homes could be built on the property as a matter of right should the property be reverted back to AG-1.

MR. MAYO stated that Vina Escondida was made up of 4 parcels, with only the large parcel

eligible to have a home built on it based on the AG-1 requirements of 43,000-square foot and various lot depth requirements. He stated that a permit could currently be pulled for one home and have it sit on the parcel. He explained to the Council that through a minor land division a lot line adjustment could be done that would take the 4 properties and readjust the property lines among the 4 and create 4 equal parcels. Permits could then be filed for 4 single family homes on the 4 equally size parcels divided out of the 13.2 acres. He clarified that the minor land division was done administratively and then recorded with the County. He explained that the State Statute would allow them to process the 4 parcels and have them reconfigured into 3 and end up with 12 parcels. He assumed there would be 12 one-acre parcels which would result in 12 permits for single family homes. He reiterated that all would be done administratively.

Mr. Mayo added that in order to get the 13th home, a preliminary and final plat would have to be brought forward to the Council. In regards to Vina Escondida, he clarified that it had been approved with the condition to remove Lot 16 to create a 130-foot landscape buffer on the eastern edge. He listed various reasons why they supported the solution including the benefit of having a properly designed water and sewer system and street system. In addition he added that there would be a park, fencing, a gated entrance, and the 130-foot separation. He stated there would also be a disclosure that would need to be signed by prospective homebuyer acknowledging that there would be noise issues due to the Airport.

MAYOR DUNN asked what the timing of the zoning would be. He questioned if the extension would need to be done five times over. He asked why it was required. He felt that the timing extensions were included to ensure the projects would go forward.

MR. MAYO clarified that the condition only applied to PAD Zoning. He explained that PAD was a custom zoning that is done at the time with the best intentions of the long term value of the City. He stated that the three year condition allow staff to reflect if land use was still appropriate. He stated that it would allow a reconsideration period.

MAYOR DUNN stated that due to the uniqueness of the narrow lot; residential development was the only plausible development on the lot. He stated that the tough issue was the fairness for the landowner in the sense that if residential was not built there; they would need to upgrade the quality of residential in the area. He stated that once the park was built any possibility going north would be cut off. He asked if there was any other type of development that would be plausible or practical project other than residential for the property.

MR. MAYO stated that he did not. He believed that the area would have to be some form of residential.

MAYOR DUNN noted that the applicant could build residential today with a lesser amount of homes.

In response to a question from COUNCILMEMBER HEUMANN, Mr. Mayo stated that the Airpark Area Plan did not prescribe that the homes have to achieve the 45 decibels interior noise level. He stated that anywhere between the 55-dnl and the 60-dnl required the 45. He clarified that the new noise contours encumbered almost the entire site that would require the zoning.

COUNCILMEMBER HEUMANN asked if there were standards in regards to building a house.

MR. MAYO responded that in AG-1, the City would not have the architectural design leverage that they would have through Vina Escondida.

In response to a question from COUNCILMEMBER HEUMANN, Mr. Mayo stated that if someone wanted to buy a home closest to the Paseo, someone would have to run the sewer line from McQueen if they were first in and would then have buy ins available to them from the rest of the lot.

COUNCILMEMBER SELLERS stated that it was his understanding about AG-1 was that it allowed one home per parcel.

MR. MAYO concurred.

COUNCILMEMBER SELLERS asked if a single owner could reconfigure the 4 parcels into 3 more, or if it had to be four separate owners.

MR. MAYO stated that the bank currently controlled all four parcels. He stated that one property owner could own all 12.

COUNCILMEMBER SELLERS recalled that the County tried to stop illegal subdivisions by requiring each of the parcels to be owned by separate owners.

MR. MAYO stated that he had reviewed the State regulations and could not find anything from doing that. He believed it would seem like an illegal subdivision but stated he could not find anything in the State statute that stated it could not be done.

COUNCILMEMBER SELLERS admitted to having concerns over there 55-dnl. He believed the 55-dnl would be a problem.

In a response to a question from COUNCILMEMBER ORLANDO, Mr. Mayo stated that the item had originally been approved by the Council in May of 2007. He clarified that it could have been done in the summer of 2007.

COUNCILMEMBER WENINGER asked if the land could revert back to County land in any way.

MR. MAYO responded that it would revert back to City AG-1.

MR. GREGORY BRYAN, 2166 W. ELLIS ROAD, GILBERT, AZ told the Council he was representing the bank. He admitted to there being much debate on whether they should continue with the project or whether they would have a better option of getting the parcel sold off if it reverted back to AG-1. He clarified that it would be better for the City of Chandler to continue forward with the restrictions because it would allow control over what product was put in. He believed it would be the best things and that it was how the bank would like to continue to market the site.

MAYOR DUNN noted that infrastructure improvements would still need to be done if individual lots were sold. He asked how long the bank had owned the property.

MR. BRYAN stated the bank had owned the lot for under a year.

MS. CHELLE DALY, 1710 E. REDWOOD PLACE, Chairman of the Chandler Airport Commission, stated that there had not been a chance to market the property. She felt that it would be a responsible opportunity for the Economic Development Team to market the property

and find something that was more compatible for the park, Paseo Trail, the homes and the airport. She expressed having concerns over noise issues. She addressed the helicopter cross over point by stating that the helicopters fly really low and would bisect the property. She asked the Council to deny the item and open the land up to more possibilities that would be more economically beneficial to the City. She asked the Council to question the Economic Development Team as to what they could do.

MR. JOHN WALKUP, 551 S. EVERGREEN ST., told the Council that he regularly promotes the Airport and its contributions to the community. He urged the Council to look over their options. He told the Council that three years ago, the developer had told him that he would build homes on the property and would not be stopped by the Council. He alleged that the developer had told him and others that he would sue the City if he was not allowed to build homes. He stated that the Council consequently approved the item to the developer's satisfaction. Mr. Walkup noted that the seller wanted to sell the property for residential set-up. He believed the Council had an option to continue the item for 3-years or allow the property revert back to AG-1. He believed that the Economic Development Department had insight on what could be done on any level. He noted that a house paid its building permit one time but that a business would pay property taxes over and over resulting in the taxes benefiting the City. He asked the Council to look over at all of their options.

MR. LEE BOLSTER, 2574 E. GRAND CANYON DRIVE, voiced his opposition to the item. He believed the idea was a failed concept due to their being a canal to the east, an Airport to the southeast, a dairy farm to the south and a landfill across the street. He did not believe anyone would want to build a house in that area. He asked the Council to listen to the voice of the people and look at their options.

MAYOR DUNN noted the amenities in the surrounding area, and stressed that some people are more bothered by the noise levels than others. He stated that the City would not build anything in the area but rather the private sector. He did not know if the land was large enough to put any sort of business or retail there. He stated that it would ultimately be single-lot residential.

MR. BOLSTER suggested that the City acquire the strip as an exist to the park strip that is already owned. He reiterated that he did not think anyone would want to live there.

MAYOR DUNN acknowledged that the City was trying to buy a lot of land in the area in terms of Tumbleweed Park. He stated that the purpose of buying the land was to have it connect to the Consolidated Canal.

MR. BOLSTER told the Council that it had been pointed out that the neighborhood was unique because it only had one entrance but noted that the Fire Department stated a neighborhood had to have at least two entrances.

MR. JIM ORMSBY, 3131 E. HORSEHOE DRIVE, voiced his opposition to the item. He told the Council that they needed to look at third choice. He recounted recent Airport history where active people who recently moved near to the Airport. He stated those individuals cost the City jobs and millions of dollars. He believed that more noise complaints would arise if homes were built in the Vina Escondida project. He believed that there would be high likelihood that some of the proposed new residents would become Airport detractors. He did not believe that the home builders would be worried about the after effects. He believed that every other valley Airport was doing better than Chandler's. He stressed that the area was not a place for homes but was an industrial zone.

MR. JERRY BROOKS, 2297 S. JAY PLACE questioned how the Council could extend the zoning period if it was expired. He believed the property should be reverted and that the process should start over.

MAYOR DUNN stated that the Council had to purposely set the property back to AG-1.

CITY ATTORNEY WADE concurred.

MR. BROOKS congratulated the Council and staff for the work that has been done in terms of Economic Development over the years. He stated that the Price Corridor was protected very well. He believed that the land use for the Price Corridor was established around the same time that the land use for the Airport was established. He did not believe that the original Airport Land Use Plan would never have allowed anything like the item to happen. He did not believe the extension did anything of value to the City. He believed that had the area been protected like the Price Corridor, the housing encroaching of the operations at the Airport would not have occurred. He believed that the development of the Airport had been detoured by those people who moved into the area who were not happy with the Airport. He added that he believed there were other uses for the property. He asked the Council to protect the viability of the Airport plan.

In a request from COUNCILMEMBER DONOVAN, Economic Development Director CHRIS MACKAY stated that the site was very narrow and would be challenging to develop regardless of what went out there. She explained that the parcel was landlocked when the connection of the Paseo Trail was put. She stated that she had worked with Planning and Development to look at alternative land uses for the area. Ideas that were brainstormed included there being a mini-storage, a connected recreation use to the park, or small buildings that housed recreation users in the area. She stated that staff had reached out to a number of recreation users to see if they would be interested in the area. She stated she was told that the area was too far off a main roadway and would be difficult to reach. She said that staff had discussed various other possibilities of what the area could be. She reiterated that the site would be difficult to develop regardless of what was put there.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER HEUMANN TO INTRODUCE AND TENTATIVELY ADOPT ORDINANCE NO. 4273 REVERTING THE PROPERTY FROM PAD TO THE FORMER AG-1 ZONING CLASSIFICATION.

COUNCILMEMBER ORLANDO stated that the case went before the Council on April 26, 2007. He stated that the Council had bent over backwards and added various elements to the site for the development. He noted that the property did not work. He believed that the property could not happen even if the economy was not in a downturn. He stated that the Council had tried to mitigate the project with the developer and did not think it could happen at a good time and did not believe it would happen anytime soon.

MAYOR DUNN questioned what the vote had been for the project.

COUNCILMEMBER ORLANDO stated that the vote was 6-1, with Mayor Dunn voting nay.

COUNCILMEMBER HEUMANN noted that he was part of the Planning & Zoning Commission when the case had gone through back in 2007. He felt at the time that it was not the right use for the land. He stated he did not vote for it then and could not support the timing extension.

WHEN THE VOTE WAS CALLED, THE MOTION CARRIED UNANIMOUSLY (7-0).

53. NOTICE OF INTENTION

AUTHORIZED the Notice of Intention to increase certain water, reclaimed water and sewer fees and set the date for the public hearing on January 27, 2011.

In 2007, a comprehensive rate study was performed resulting in changes to the water rates and rate structures as well as the sewer rates. Prior to the 2007 increase, rates had remained unchanged since October 1994, and the rate structures had been in place since the early 1980s. Additional changes in both the water and sewer rates and single family water rate structure went into effect October 1, 2009. The 2009 rate increase also included an adjustment to the single family block 3 thresholds to ease the burden on large-sized residential lots.

The current multi-year financial plan prepared by staff indicates that in the first year rate increases are not to exceed 11.5% for water revenues, 18% for sewer revenues and 18% for reclaimed water revenues. These increases cover higher debt service costs due to infrastructure needs and maintain the financial integrity of the water and sewer enterprises, including debt service coverage and cash reserve policy requirements over the next fiscal year. Rate increases are proposed to go into effect on April 1, 2011.

For the average household customer the average monthly combined water and wastewater bill would increase up to \$6.68. For two of the four rate increase options under consideration, the rate increase is higher because it is based on a rate increase every other year. The water and wastewater revenues increase will be accomplished by increasing all components (base and volume rates) across-the-board. Reclaimed water rates will increase by the same percentage as wastewater rates will increase.

Outside City rates will continue to be calculated using the same differentials calculated in the 2007 rate study: 1.4 times the Inside City rates for water and reclaimed water, and 1.6 times the Inside City rates for sewer.

When comparing the total monthly summer water and wastewater bill, Chandler is the lowest at 12,000 gallons per month water usage level (average monthly residential Chandler usage). At a higher level of 60,000 gallons per month summer water usage, both Chandler's existing and proposed total bills are the lowest of the major valley municipalities surveyed.

The Notice of Intention will be published in the Arizona Republic newspaper showing the date, time and place of the Public Hearing. In compliance with State Statutes, a copy of the documents supporting the revised water, reclaimed water and sewer fees will be filed with the City Clerk for public review. In addition, a notice will be included in monthly utility bills and posted on the City's website regarding the proposed rate increases before the scheduled public hearing and final adoption.

The financial plan shows that rate increases up to a maximum of 11.5% for water revenues, 18% for sewer revenues and 18% for reclaimed water revenues. These increases will cover higher debt service costs due to infrastructure needs and maintain the financial integrity of the water and sewer enterprises, including debt service coverage and cash reserve policy requirements over the next fiscal year.

Discussion:

Management Services Director DENNIS STRACHOTA informed the Council of the intent to increase the fees. He clarified that the Council was not voting on any of the options but rather indicating that there was intent to increase the fees. He stated the issue would return to the City Council on January 27, 2011 that would include a public hearing.

MAYOR DUNN stated that the item was the beginning of the process for the future Council to consider the possibilities of increasing fees but indicating to the public that that would occur.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER SELLERS TO ADOPT THE NOTICE OF INTENTION TO INCREASE CERTAIN WATER, RECLAIMED WATER AND SEWER FEES AND TO SET THE DATE FOR THE PUBLIC HEARING ON JANUARY 27, 2011.

MOTION CARRIED unanimously via roll call vote (7-0).

CURRENT EVENTS:

A. Mayor's Announcements

Vice-Mayor Caccamo reminded everyone to Shop Chandler this holiday season.

Vice-Mayor Caccamo wished everyone a Happy Hanukkah, Merry Christmas and Happy New Year.

Vice-Mayor Caccamo thanked John Walkup for conducting a toy drive at the Chandler Airport hangar.

Mayor Dunn announced that Hamilton High School would play Desert Ridge. He stated that he and the Mayor of Mesa made a bet stating that whoever lost would have to wear the winning team's jersey at a Council meeting.

Mayor Dunn announced the success of the Chandler Tree lighting and reported that it was one of the largest crowds in downtown.

B. Councilmembers' Announcements

Councilmember Heumann announced the Fire Department would be collecting toy donations at the Chandler Mall on December 11th, and would give rides on the Fire Engine for those who give donations.

C. City Manager's Announcements

None.

Adjournment: The meeting was adjourned at approximately 9:36 p.m.

ATTEST: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

Approved: January 13, 2011

#### CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of Chandler, Arizona, held on the 9th day of December 2010. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of January, 2011.

\_\_\_\_\_  
City Clerk