

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, May 26, 2011, at 7:02 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY

The following members answered roll call:

Jay Tibshraeny	Mayor
Trinity Donovan	Vice-Mayor
Kevin Hartke	Councilmember
Rick Heumann	Councilmember
Matt Orlando	Councilmember
Jack Sellers	Councilmember
Jeff Weninger	Councilmember

Also in attendance:

Rich Dlugas	City Manager
Mary Wade	City Attorney
Marla Paddock	City Clerk

INVOCATION: Councilmember Hartke

PLEDGE OF ALLEGIANCE: Junior Girl Scout Troop 1254

MAYOR TIBSHRAENY thanked Junior Girl Scout Troop for their attendance and recognized the troop for being the top selling group in Chandler. He recognized SHELBY COLSON, for being inducted in the Arizona Cactus Pine Girl Scout Council Prestigious 1000 Club for selling over 1,000 boxes of Girl Scout Cookies. In addition, he noted that the group was very active and had volunteered at the Chandler Senior Center, distributed water safety door hangars for the Fire Department, collected canned goods for the needy, and helped Chandler Recreation Sewing for Survivors Project.

UNSCHEDULED PUBLIC APPEARANCES:

None.

CONSENT:

MOVED BY COUNCILMEMBER SELLERS, SECONDED BY ORLANDO, to approve the Consent Agenda as presented.

MOTION CARRIED UNANIMOUSLY 7-0.

1. MINUTES:

APPROVED, as presented, Minutes of the Council Special Meetings of May 9 & 12, 2011, and Council Regular Meeting of May 12, 2011.

2. REZONING: Faith Community Church Education Building

Ord. #4301

ADOPTED Ordinance No. 4301 rezoning from PAD to PAD amended to allow a private school use in addition to the existing church use located at 1125 N. Dobson Road, north of Ray Road.

3. BUILDING CODES: Ord. #4303

ADOPTED Ordinance No. 4303 adopting the 2009 International Building Code, the 2008 National Electrical Code, the 2009 International Plumbing Code, the 2009 International Mechanical Code, the 2009 International Residential Code, the 2009 International Fuel Gas Code, the 2009 International Energy Conservation Code, and the 2009 International Existing Building Code.

4. LEASE AGREEMENT: 1440 Cable Factory, LLC Ord. #4307

ADOPTED Ordinance No. 4307 authorizing a lease with 1440 Cable Factory, LLC, for a portion of Tumbleweed Park located west of the intersection of Hamilton Street and Pioneer Parkway, for a cable wakeboard park.

5. PAD ZONING OVERLAY: Site 8 Parking Ord. #4299

CONTINUED TO JUNE 9, 2011, Ordinance No. 4299, DVR11-0002, Site 8 Parking, City initiated PAD zoning overlay concerning parking requirements for land bounded by Chicago Street, Arizona Avenue, Frye Road and Oregon Street.

6. CITY CODE AMENDMENT: Chapter 44 Ord. #4305

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4305 amending Chapter 44, subsection 44-5.4 of the Chandler City Code, in reference to time of placement of containers for collection provided by the City of Chandler.

In November 2005, staff proposed amendments to the Code of the City of Chandler, Chapter 44, subject to solid waste services provided within the City of Chandler. Staff proposed an amendment to Subsection 44-5.4, addressing time placement of containers with Council approving an amendment for removing containers after collection from 6:00 p.m. to 7:00 p.m.

Staff received numerous calls from residents concerned they were not able to meet the time stipulated for removing containers from the curb due to traffic, work schedules, evening meetings and school responsibilities. Staff conducted a comparison of other valley Cities to assess the City's time requirement for placement of containers at the curb prior to collection, and removal of containers following collection. The requirement for time of placement for collection was comparable. The time for removal of containers following collection varied. Other Valley Cities offer an extended time-period for removing containers following collection with most Cities requiring containers be removed early morning the next day following collection.

Based on comparison, staff believes it is reasonable and responsive to address resident concerns by amending the time for removing containers to 9:00 a.m., the following day after collection.

7. POWER DISTRIBUTION EASEMENT: SRP Ord. #4306

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4306 granting a no-cost power distribution power easement to Salt River Project (SRP) at the McQueen Road and Balsam Drive

intersection as part of the McQueen Road from Queen Creek Road to Riggs Road Improvement Project ST-0810.

8. CITY FEE SCHEDULE AMENDMENT: Res. #4505

ADOPTED Resolution No. 4505 amending the Citywide Fee Schedule relating to Transportation & Development – Development Services and Transportation & Development – Transportation Operations with changes becoming effective July 1, 2011.

Airport rates and fees are changed for use of the facility and are a primary revenue source for the Airport. They are used in the Airport's Operations Budget and for the local match to grants in the capital budget. These fees were last adjusted in August 2009 and implemented in October of that same year. This recommendation addresses only the upcoming fiscal year (FY 2011-12). Future changes are planned to be discussed on an annual basis.

Staff met with the Airport Commission Budget and Finance Subcommittee in January to discuss the proposed rates and fees. The full Airport Commission was briefed on the proposed rates and fees in their regular February meeting. There were no recommendations from the Commissioners at either of those meetings regarding the proposed changes. Staff additionally met three times with airport tenants and users in February and March to discuss the proposed adjustments to the rates and fees. No significant opposition to the proposed changes was expressed. There was however, significant discussion regarding reduction of the airport's expenses. The Airport Manager does not recommend further reductions to the airport's expenses. Reductions beyond the current budget levels will impact the safety and operational aspects of the airport.

On April 13, 2011, the Chandler Airport Commission voted 4-1 to not recommend the proposed adjustments of the rates and fees. The Commission also voted by the same margin to recommend approval of the FY 2011-12 Airport budget, which was acknowledged in the meeting to include the adjusted rates and fees.

Adoption of these recommended rates and fees are anticipated to generate approximately \$18,000 in additional revenue during FY 2011-12.

In addition to the changes in Airport rates and fees, fees were added and/or changed for the Transportation & Development Department. Fees were added to the schedule to cover plan review expenses on an hourly basis for work not specified elsewhere, a foundation-only building permit to allow for an early start of construction while final plan approvals are being obtained, a permit reinstatement fee for validating expired permits, and an annual update of the construction valuation tables, based upon a national publication.

9. GRANT APPLICATION: Gila River Indian Community Res. #4516

ADOPTED Resolution No. 4516 authorizing the submittal of a \$56,986.00 grant application to the Gila River Indian Community's (GRIC) State-Shared Revenue Program for fire crew based community education program and CPR training and authorize the Fire Chief to conduct all negotiations and execute and submit all documents in connection with such grant.

The Fire Department will apply for a GRIC State-Shared Revenue grant in the amount of \$56,986.00. Funds will support Fire Department's fire crew based community education program and fund CPR training for 1,280 Chandler citizens as part of the Department's drowning

awareness and prevention efforts. A requirement of the grant is for the City Council to approve the Resolution. Grant awards will be made in October 2011.

10. CONDEMNATION SETTLEMENT: Cindi Vong

APPROVED a Condemnation Settlement in the amount of \$24,000.00, plus statutory interest, in *City of Chandler v. Cindi Vong*.

The City submitted an offer to purchase right-of-way and a temporary construction easement for the Alma School Road and Ray Road Intersection Improvement Project ST-0704 to Ms. Cindi Vong in October of 2009. The City's original offer was rejected by Ms. Vong. Further negotiations were not successful and the City filed an eminent domain action and was granted an Order of Immediate Possession. The City has continued to negotiate with Ms. Vong. Both sides have supported their respective positions with appraisals from reputable and experienced appraisers.

Subject to Council approval, a settlement has been reached for the sum of \$24,000.00 plus accrued statutory interest. The settlement amount is less than the mid-point between the two competing appraiser's opinions of value. Staff recommends the settlement as a fair and reasonable compromise.

11. AGREEMENT AMENDMENT: Heinfeld, Meech and Co., P.C.

APPROVED Agreement #AC8-946-2581, Amendment No. 3, with Heinfeld, Meech and Co., P.C. for one year in an amount not to exceed \$96,544.00.

The City is required by City Charter and state statute to issue an annual audited financial report. In addition, federal law requires the City to undergo an annual single audit of federal financial assistance. On May 22, 2008, Council approved an agreement with Heinfeld, Meech and Co., P.C. with options of up to four (4) additional one-year extensions. This is the 3rd extension. The scope of services includes audit work for both the City and the Chandler Cultural Foundation. The extension will include an audit of FY 2010-11.

One June 14, 2010, Council approved an extension to the Agreement with Heinfeld, Meech and Co., for professional auditing services. City Staff has been satisfied with Heinfeld, Meech and Co.'s performance and is recommending approval for another year for the fixed price as stated in the agreement for year three. The term of the extension will be July 1, 2011 through June 30, 2012.

12. AGREEMENT: Catholic Healthcare West

APPROVED an agreement with Catholic Healthcare West for an Emergency Base Station for on-line medical supervision and administrative medical control for the Chandler Fire Department's emergency medical program.

By Arizona law and rule, all Certified Emergency Paramedics must work under license of a physician for on-line medical supervision. Administrative medical control must also be provided by a physician for the Department's emergency medical program. Since the inception of the paramedic program, the Chandler Fire Department has had agreements in place. Acceptance of the agreement satisfies the requirement for oversight and direction with regards to on-line medical supervision and administrative medical control.

13. AGREEMENT: SDB, Inc.

APPROVED a project agreement with SDB, Inc., for construction services to refurbish sand filter system at Ocotillo Water Reclamation Facility, in an amount not to exceed \$923,951.00.

The Ocotillo Water Reclamation Facility was constructed and began operation in 1987. An assessment of the facility was started in 2008 to determine the condition of the plant's infrastructure. Several rehabilitation projects were indicated to maximize the operational efficiency of the plant and extend the life of the facility. These projects have been prioritized and are included in the Municipal Utilities Department's capital improvement program for completion over the next several years.

The project will rebuild the under-drain system on all four filters and replace pumps at filters 1, 2, and 4.

14. AGREEMENT AMENDMENT: Waste Management of Arizona, Inc.

APPROVED Agreement #SW9-910-2760, Amendment No. 1, with Waste Management of Arizona, Inc., for City Facilities Refuse Collection in an amount not to exceed \$115,000.00.

The City of Chandler is required to collect waste generated at City facilities. The facilities include but are not limited to recreational parks, office buildings, and public housing locations.

In July 2009, staff awarded Agreement #SW9-910-2760 for City Facilities Refuse Collection. The agreement was awarded for a two-year period with provisions to extend three additional years; Amendment No. 1 will execute the first extension.

15. AGREEMENT AMENDMENT: Clean View Hydrovac Services

APPROVED Agreement #WW0-962-2759, Amendment No. 2 with Clean View Hydrovac Services for video inspection of sewer lines in an amount to exceed \$200,000.00.

The City of Chandler has approximately 862 miles of sewer lines. Sewer lines deteriorate as they age from corrosion caused by sewer gases. Using the recommended contract, Wastewater Collection will inspect older sewer lines, detect potential problems and make necessary repairs prior to street overlays. Additionally, Maricopa County requires videotaping of all new sanitary sewer lines. The agreement will provide for video inspections of new and existing sewer lines.

In August 2009, Council awarded Agreement #WW0-962-2759 for video inspection of sewer lines. The agreement was awarded for a one-year period with provisions to extend four additional periods; Amendment No. 2 will execute the second one-year extension.

16. AGREEMENT: Wilson Engineers

APPROVED Agreement #EN1003-101 with Wilson Engineers for permitting, study and design of water and wastewater facilities in an amount not to exceed \$750,000.00, with the option of four additional one-year extensions.

The Municipal Utilities Department is requesting Council's approval of the 2012 Capital Improvement Plan (CIP) for work related to permitting, assessment, and design of water and wastewater facilities. The City improved project delivery time and efficiency through the use of

annual contracts with established design firms. The Agreements provide consulting services for a broad range of projects including permitting, assessment, and design of water and wastewater facilities. Work will be rotated among the five firms based on availability and expertise.

Consultant selection was conducted in accordance with established City policies and procedures. One February 9, 2011, Staff received statements of qualifications from twenty (20) firms for water and wastewater facility design services. The selection committee reviewed the qualifications and chose 5 firms for recommendation, including Wilson Engineers.

Staff anticipates in excess of \$3 million per year spent on annual design services. The User Department will provide funding for each individual project requiring water/wastewater design services. Project agreements exceeding \$30,000.00 will require Council approval.

17. AGREEMENT: Dibble Engineering

APPROVED Agreement #EN1003-102 with Dibble Engineering for permitting, study and design of water and wastewater facilities in an amount not to exceed \$750,000.00, with the option of four additional one-year extensions.

The Municipal Utilities Department is requesting Council's approval of the 2012 Capital Improvement Plan (CIP) for work related to permitting, assessment, and design of water and wastewater facilities. The City improved project delivery time and efficiency through the use of annual contracts with established design firms. The Agreements provide consulting services for a broad range of projects including permitting, assessment, and design of water and wastewater facilities. Work will be rotated among the five firms based on availability and expertise.

Consultant selection was conducted in accordance with established City policies and procedures. One February 9, 2011, Staff received statements of qualifications from twenty (20) firms for water and wastewater facility design services. The selection committee reviewed the qualifications and chose 5 firms for recommendation, including Dibble Engineering.

Staff anticipates in excess of \$3 million per year spent on annual design services. The User Department will provide funding for each individual project requiring water/wastewater design services. Project agreements exceeding \$30,000.00 will require Council approval.

18. AGREEMENT: Black and Veatch Corporation

APPROVED Agreement #EN1003-103 with Black and Veatch Corporation for permitting, study and design of water and wastewater facilities in an amount not to exceed \$750,000.00, with the option of four additional one-year extensions.

The Municipal Utilities Department is requesting Council's approval of the 2012 Capital Improvement Plan (CIP) for work related to permitting, assessment, and design of water and wastewater facilities. The City improved project delivery time and efficiency through the use of annual contracts with established design firms. The Agreements provide consulting services for a broad range of projects including permitting, assessment, and design of water and wastewater facilities. Work will be rotated among the five firms based on availability and expertise.

Consultant selection was conducted in accordance with established City policies and procedures. One February 9, 2011, Staff received statements of qualifications from twenty (20) firms for water

and wastewater facility design services. The selection committee reviewed the qualifications and chose 5 firms for recommendation, including Black and Veatch.

Staff anticipates in excess of \$3 million per year spent on annual design services. The User Department will provide funding for each individual project requiring water/wastewater design services. Project agreements exceeding \$30,000.00 will require Council approval.

19. AGREEMENT: CH2m Hill Inc.

APPROVED Agreement #EN1003-104 with CH2m Hill, Inc., for permitting, study and design of water and wastewater facilities in an amount not to exceed \$750,000.00, with the option of four additional one-year extensions.

The Municipal Utilities Department is requesting Council's approval of the 2012 Capital Improvement Plan (CIP) for work related to permitting, assessment, and design of water and wastewater facilities. The City improved project delivery time and efficiency through the use of annual contracts with established design firms. The Agreements provide consulting services for a broad range of projects including permitting, assessment, and design of water and wastewater facilities. Work will be rotated among the five firms based on availability and expertise.

Consultant selection was conducted in accordance with established City policies and procedures. One February 9, 2011, Staff received statements of qualifications from twenty (20) firms for water and wastewater facility design services. The selection committee reviewed the qualifications and chose 5 firms for recommendation, including CH2m Hill Inc.

Staff anticipates in excess of \$3 million per year spent on annual design services. The User Department will provide funding for each individual project requiring water/wastewater design services. Project agreements exceeding \$30,000.00 will require Council approval.

20. AGREEMENT: Sunrise Engineering

APPROVED Agreement #EN1003-105 with Sunrise Engineering for permitting, study and design of water and wastewater facilities in an amount not to exceed \$750,000.00, with the option of four additional one-year extensions.

The Municipal Utilities Department is requesting Council's approval of the 2012 Capital Improvement Plan (CIP) for work related to permitting, assessment, and design of water and wastewater facilities. The City improved project delivery time and efficiency through the use of annual contracts with established design firms. The Agreements provide consulting services for a broad range of projects including permitting, assessment, and design of water and wastewater facilities. Work will be rotated among the five firms based on availability and expertise.

Consultant selection was conducted in accordance with established City policies and procedures. One February 9, 2011, Staff received statements of qualifications from twenty (20) firms for water and wastewater facility design services. The selection committee reviewed the qualifications and chose 5 firms for recommendation, including Sunrise Engineering.

Staff anticipates in excess of \$3 million per year spent on annual design services. The User Department will provide funding for each individual project requiring water/wastewater design services. Project agreements exceeding \$30,000.00 will require Council approval.

21. CONTRACT CHANGE ORDER: Standard Construction Company, Inc.

APPROVED Contract #ST0503-401, Change Order No. 7, in the amount of \$199,094.00 to the construction contract with Standard Construction Company, Inc., for the Chandler Boulevard/Dobson Road Intersection Improvements, for a revised contract price of \$5,531,710.08.

On March 25, 2010, Council approved a construction contract with Standard Construction Company, Inc., to construct three auxiliary through lanes in each direction, right turn lanes in each direction, bus bays in each direction, bike lanes in each direction, curb and gutter, sidewalks, water line, storm water drainage/retention, traffic signals, street lights, landscape and irrigation, sewer manhole rehabilitation and utility relocations. The project also included the addition of two auxiliary lanes on Dobson Road, median modifications, street light improvements, and a mill and overlay on Dobson Road from Chandler Boulevard to Frye Road.

At the October 28, 2010 Council meeting, Council accepted staff approved Change Orders No's. 1 through 3 and authorized Change Order No. 4. At the February 24, 2011 Council meeting, Council accepted staff approved Change Order No. 5 and authorized Change Order No. 6. The original contract total of \$4,369,967.15 after the October and February Council approvals resulted in a revised contract total of \$5,332,616.08.

Change Order No. 7 is the close out change order for the project. The change order reflects the final contract quantities. The total value of Change Order No. 7 is \$199,094.00 bringing the value of the original contract with all change orders to \$5,531,710.08. The original Engineer's estimate for the project was \$8,680,308.00.

City Staff verified the costs submitted by Standard Construction Company, Inc., and found them consistent with recent similar project work. In every instance possible, Standard Construction Company, Inc. extended the existing bid line items from the original hard bid price to accommodate the current changes.

22. CONTRACT: Salt River Project

APPROVED Contract #ST0806 to Salt River Project (SRP) for design and construction to accommodate the Chandler Boulevard and Price Road Loop 101 Intersection Improvements for Relocation of Existing Facilities in an amount not to exceed \$18,945.00, and Streetlight Relocation in an amount not to exceed \$11,688.00.

To accommodate the intersection project, SRP must relocate five pull boxes, remove five streetlights, adjust one electrical manhole, and one communication vault.

The project will design bicycle lanes in both eastbound and westbound direction to provide bicycle lane connectivity and a second left turn lane for westbound to southbound traffic movements under the Price Road Loop 101 Freeway at Chandler Boulevard to improve traffic circulation. The project will also include modifications to the 101 Freeway underpass bridge retaining wall, landscaping, street lighting, traffic signals, traffic signal interconnects, right-of-way acquisition and utility relocations.

SRP will be self-performing the construction work due to SRP having prior rights.

23. CONTRACTS: Salt River Project

APPROVED Contracts #ST0809 to Salt River Project (SRP) for design and construction to accommodate Phase I (Queen Creek Road to Ocotillo Road) of the Gilbert Road Improvements (Queen Creek Road to Hunt Highway) for Overhead Removals in an amount not to exceed \$74,355.00, Equipment Relocation of Existing Facilities in an amount not to exceed \$523,165.00, and Streetlight Relocations in an amount not to exceed \$53,097.00.

To accommodate the intersection project, SRP must install 22 pad mounted enclosures, pull 27,000 feet of conductor, install four pole risers, remove 21 poles, pull 9,000 feet of streetlight conductor, and install 41 streetlights.

Gilbert Road from Queen Creek Road to Ocotillo Road is a major arterial corridor that carries high volumes of traffic between the Santan Freeway and southeast Chandler. The current roadway section varies, consisting of both unimproved two lane segments as well as developed half street sections adjacent to commercial and residential development. The project will improve the entire corridor to full six lane arterial design standards, with a landscaped median, bike lanes, curb, gutter, and sidewalk, right and left turn lanes, bus pullouts, and extensive water, reclaimed water, and seer infill work. The project is slated to start construction in the Fall of 2011.

SRP will be self-performing the construction work. Since SRP has prior rights, the City is required to reimburse SRP for associated costs to relocate their utilities.

24. PURCHASE: Schwarze Industries, Inc.

APPROVED the Purchase of a street sweeper from Schwarze Industries, Inc., to be delivered by Balar Equipment Corporation of Phoenix, utilizing the Houston Galveston Area Cooperative, in an amount not to exceed \$248,605.88.

25. PURCHASE: Continental Flooring Company

APPROVED the Purchase of floor covering installation and removal from Continental Flooring Company, utilizing the Maricopa County contract, in an amount not to exceed \$85,000.00.

26. USE PERMIT: Chandler Valley Hope

APPROVED Use Permit, ZUP10-0050 Chandler Valley Hope, for two parking lots in a Multi-family (MF-1) zoned district in conjunction with a rehabilitation facility located at 501 N. Washington Street; NEC Washington and Oakland Streets. (Applicant: E.J. Sandoval, M3 Architecture)

The subject site is located at the northeast corner of Washington and Oakland streets and is surrounded by single-family homes. Chandler Valley Hope has operated at this location since 1986, receiving Use Permit approval in 1985, without major modifications occurring to the site. The previous use of the property and associated buildings were in conjunction with a church and residential homes. The initial Use Permit for facility had a condition stating that if expansion ever occurred a new Use Permit would be necessary.

The facility has six buildings associated with the use that provide administrative office space, dorm rooms, cafeteria, lecture/meeting areas, and a chapel. No new buildings are proposed for the site. The additional parking lots are located on the north end of the site. One of the lots is

currently vacant and is being parked on; the second lot currently has a vacant home on it that will be demolished. The lots will be designed according to City requirements.

The site generally has 40 patients receiving care at any one point in time, but has capacity for 56, and employs roughly 30 people during the weekday and roughly 10 during evenings and weekends. Per Zoning Code, one parking space is required per bed and one parking space per 200 square feet of office area. The facility has not expanded its operations from the initial Use Permit approval, but through the acquiring of the additional properties to the north, would like to provide additional parking area; the additional lots will also provide additional measures to secure the property. With the proposed parking areas the site will have 64 parking stalls. At maximum capacity with all buildings and beds occupied, per code 104 spaced would be needed. However, based on historical operation about 45 spaces are needed. Additionally, not all buildings are occupied at the same time. If additional parking is needed, all three public streets surrounding the site allow for on-street parking.

The request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting held on March 9, 2011. There were no neighbors were in attendance. Staff received two telephone calls regarding the request, with one caller opposing the request; however, that caller left a name but no contact number; the second caller supported the request.

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

1. 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.
2. 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 the Use Permit shall apply.
3. The site shall be maintained in a clean and orderly manner.

27. CONTINUED USE PERMIT: Cornerstone Christian Fellowship

CONTINUED TO JULY 28, 2011, Use Permit ZUP10-0054 Cornerstone Christian Fellowship, for the continued use of a temporary unpaved parking lot on approximately 8.5 acres located east of the SEC of Alma School and Willis roads, to allow the applicant and church additional time to meet with area property owners and to allow the case to be heard at the July 6, 2011 Planning Commission hearing.

28. USE PERMIT: Sandbar Mexican Grill

APPROVED Use Permit, LUP11-0003 Sandbar Mexican Grill, Series 6, to sell liquor as permitted for on-premise consumption only indoors and on an outdoor patio at an existing restaurant/bar located at 7200 West Ray Road.

The application requests liquor Use Permit approval to sell liquor as permitted under a Series 6 Bar License within an existing establishment with outdoor dining area. A Series 6 Bar License allows the on-site sale of beer, wine, and spirits for on-site consumption without a limitation on gross revenue from the sale of food. A Series 6 license also permits "To Go" packaged liquor sales; however, Planning Staff has included a condition and the applicant has agreed to prohibit "To Go" packaged liquor. Another restaurant within the commercial development with liquor is Red Lobster, which has a Series 12 Restaurant license.

A Series 6 Bar License allows the on-site sale of beer, wine, and spirits for on-site consumption. Under a Series 12 license, the establishment must derive at least forty (40) percent of its gross revenue from the sale of food. The initial liquor Use Permit was granted for a Series 12 in July 2009 with no time limit. The business has operated under a Series 12 since then; however, the business has determined they are close to not meeting the 40% requirement and would like to switch to a Series 6 license in case they do go below the 40% requirement. The Series 6 Bar License has no food sales requirement.

The subject property is located on the north side of Ray Road and east of 54th Street in the Lowe's Home Improvement anchored commercial center. The property is the former Bahama Breeze restaurant, which was converted to the Sandbar Mexican Grill. The business is approximately 12,704 square feet in size. The indoor dining area is approximately 3,645 square feet in size, which includes a dining area and a bar accommodating approximately 164 seats. The outdoor area is approximately 4,912 square feet in size which includes the outdoor beach sand seating area and the paved area which is also partially covered. This area includes its own bar, shade cabanas, and seating within a paved outdoor patio covered with sand and a water feature. The outdoor patio accommodates approximately 96 seats. The outdoor area will have heaters for use in cooler temperatures.

The restaurant will be open for business 7 days a week from 10 a.m. to 2 a.m. The restaurant includes live entertainment via a disc jockey 2-3 times a week allowing for an indoor dance floor area and will have 20 speakers for amplified music. There are 4 speakers on the outdoor patio. The remaining speakers are in the interior. The restaurant also has dancing on weekends. There are approximately 10 to 20 televisions both indoors and outdoors. Sandbar's weekend events include food and drink specials as well as dancing. Parking is provided on-site as well as shared parking with adjacent parking areas.

Planning Commission and Planning Staff are of the opinion that the sale of alcohol as a retail commodity ancillary or incidental to the sale of other retail products occurring in a commercially zoned area does not establish a land use conflict. The sale of alcohol from a land use compatibility analysis is a typical retail transaction in commercial districts throughout the City.

Planning Commission and Planning Staff recommend approval with no time limit to maintain consistency with other Series 6 liquor Use Permits approved for Dos Gringos, Iguana Mack's, and Tom Ryan's with no time limit condition given the establishments had no outstanding concerns, opposition, or violations.

The request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting held on April 6, 2011. There was no one in attendance other than the applicant.

The Police Department has been informed of the application and has responded with a summary of the calls for service since July 2009. Police Staff conveyed that the calls for service are at a reasonable level and there are no concerns.

Staff is not aware of any opposition to the request. Staff did receive a phone call from a nearby commercial property owner who supports the request.

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

1. Expansion, modification, or relocation beyond the approved exhibits (Site Plan, Floor Plan, and Narrative) shall void the Use Permit and require new liquor Use Permit re-application and approval.
2. The liquor Use Permit is granted for a Series 6 license only, and any change of licenses shall require re-application and new liquor Use Permit approval.
3. The liquor Use Permit is non-transferable to other restaurant locations.
4. The site shall be maintained in a clean and orderly manner.
5. The patio shall be maintained in a clean and orderly manner.
6. "To Go" packaged liquor sales are not permitted.

29. LIQUOR LICENSE: Sandbar Mexican Grill

APPROVED a Series 6, Bar Liquor License (Chandler #125366 L06) for Randy D. Nations, Agent, South Sand LLC, dba Sandbar Mexican Grill at 7200 W. Ray Road. A recommendation for approval of State Liquor License #06070188 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.

30. CONTINUED LIQUOR LICENSE: Genghis Grill

CONTINUED TO JUNE 23, 2011, Liquor License, Series 12, for Randy D. Nations, Agent, Chalak-MMT Chandler LLC, dba Genghis Grill at 900 N. 54th Street to allow the applicant time to complete the requirements for a new Use Permit through the Transportation & Development Department.

31. CONTINUED LIQUOR LICENSE: Hob Nob Sports Grill

CONTINUED TO JUNE 9, 2011, Liquor License, Series 6, Bar Liquor License, for Peter Ioannis Spentzos, Agent, Soztneps LLC, dba Hob Nob Sports Grill at 7200 W. Chandler Blvd., to allow the applicant time to complete the requirements for a new Use Permit through the Transportation & Development Department.

32. PRELIMINARY PLAT: Continuum at Price Corridor

APPROVED Preliminary Plat PPT10-0006 Continuum at Price Corridor, to create six separate parcels on approximately 152 acres located south of the SEC of Price and Germann roads. (Applicant: Hubbard Engineering)

The site received zoning approval for high-tech, multi-phased development in 2010, and is vacant except for an existing building. The plat creates lots, establishes the necessary easements, and dedicates the required rights-of-way.

Upon finding the request to be consistent with the General Plan and PAD zoning, The Planning Commission and Staff recommend approval subject to the following condition:

1. Approval by the City Engineer and Director of Transportation & Development with regard to the details of all submittals required by code or condition.

33. CONDOMINIUM PLAT: Ray Ranch Professional Plaza, Building D

APPROVED Condominium Plat CPT11-0001 Ray Ranch Professional Plaza, Building D, for an office condominium development consisting of 18 buildings for two units within Building D located at the NEC of Ray Road and Bullmoose Drive. (Applicant: SIG, Inc.)

The plat creates two units within Building D, which amends the existing plat for Ray Ranch Professional Plaza.

34. On action.

35. See Public Hearing.

36. BOARD AND COMMISSION APPOINTMENT:

APPROVED the appointment of Jim Smith to the Economic Development Advisory Board.

ACTION:

34. 2011-12 Tentative Budget

Res. #4507

ADOPTED Resolution No. 4507 adopting the 2011-12 Tentative Budget.

Background:

As required, by Arizona Revised Statutes 42-17101 and 42-17102, budget forms will be published as will a notice that the City Council will meet on June 9, 2011 at 7:00 p.m. for the purpose of a public hearing and for final adoption of the 2011-12 Budget, and will further meet for the purpose of setting the tax levies at 7:00 p.m., June 23, 2011. Any budget amendments that are approved at the special meeting held Monday, May 23rd will be incorporated into the attached Auditor General report prior to publication for the upcoming Budget hearings.

At the May 23, 2011, Special Council meeting, Council approved six amendments. The revised budget with these amendments is \$676,533,227 and includes a revised operating budget of \$256,876,029, capital expenses (non-grant) of \$228,756,840, funding for debt service of \$57,972,627, cost center interfund payments for capital replacement of \$3,728,975, grant expenses of \$51,056,250, plus a revised contingency and reserve in the amount of \$78,142,506. Included in the projected operating revenues of \$429,661,307 is a property tax levy of \$31,802,600 based on a rate of \$1.2714 per \$100 assessed property value. Also included in Capital Projects Funds appropriations is the \$2,622,000 approved by Council as an Infrastructure Maintenance Reserve.

Not included in the 2011-12 budget, are unappropriated reserves, including the \$2.6 million set aside by Council at its August 19, 2010 meeting for future purposes.

The tentative budget resolution with attached budget forms as required by Arizona Revised Statutes 42-17101 and 42-17102 will be available for public review and inspection on the City's official website www.chandleraz.gov and at the City of Chandler Libraries, City Clerk's office and the Management Services Administration office located in the Chandler City Hall on May 31, 2011.

Discussion:

MAYOR TIBSHRAENY remarked that the Council would be approving the Tentative Budget, with the Final Budget being adopted on June 9, 2011 and the Tax Levy being held on June 23, 2011.

Management Services Director DENNIS STRACHOTA told the Council that the Tentative Budget had been revised to include the budget amendments that had been approved, bringing the total to \$676,533,227.00. He noted the following items in the budget:

- Operating budget less than \$257 million
- Capital expenses of \$228.8 million
- Funding for debt service under \$58 million
- Grant expenses of \$51 million
- Revised Contingency Reserve of over \$78 million

MAYOR TIBSHRAENY reminded the audience that the Council had three prior budget workshops with staff, a budget amendment meeting and noted that the Council had also worked on the budget individually. In addition, he stated that there were three Citizen Budget Workshops throughout the community.

MR. MICHAEL KUHEL, 4th Grader from St. Mary Basha Catholic School addressed the Council expressing his support for the City's D.A.R.E. Program. He believed that the program helped kids make better choices. He believed that the program had helped kids in the past and asked the Council not to take the program away.

COUNCILMEMBER ORLANDO stated that the Council had saved the D.A.R.E. Program last year with one-time dollars. He noted that a subcommittee consisting of the Council, staff and community leaders was formed to think of ways they could meet the same goals of the D.A.R.E. program. He noted that a specific program was not established yet but stressed that the City was working on such a program.

MR. DAVID PARSONS addressed the Council regarding the D.A.R.E. program. He stated that the he had been involved in the community and had spent the last 10 years as the coordinator for the D.A.R.E. program for the State of Arizona. He noted that the program had become under fire as some people felt that the program was expendable. He believed that there were many families that were unable to teach values to children to make good choices in life. He added that children received mixed messages and believed that more needed to be done to educate children about drugs. He told the Council that the Chandler D.A.R.E. Program had been in existence for 22 years and noted the professionalism of the Officers who teach the program. He further noted comments of support that he has received over the years from students, school administrators and parents regarding the program and the officers. He hoped that additional funding could be found that could keep the D.A.R.E. program funded. He concluded by stating that he felt that a Chandler Police Officer should be kept on each of the Chandler elementary schools by teaching the D.A.R.E. program.

MAYOR TIBSHRAENY thanked Mr. Parsons for his work in the community.

Police Chief SHERRY KIYLER noted that difficult decisions had been made by every department in the City and by the Council in the last few years in terms of the budget. She stated that 29 positions had been eliminated from the Police Department over the last 2 years. She stated that

the D.A.R.E. Program as well as bicycle, training, crime prevention officers and park rangers had been eliminated. Council funded D.A.R.E. for one-year to allow staff to look at transitions where partnerships with the community could be done to address the needs of children. She added that the program had been in Chandler for many years and noted that there were only 2 other cities that still maintained the program. The Chandler Program serves the Chandler, Mesa and Kyrene School Districts where schools are in the Chandler area.

Chief Kiyler indicated that staff had been working on options with school district representatives, superintendents, curriculum personnel and nonprofits. She stated that it had become clear after their meetings that there would not be one program that would meet the needs of everyone. She explained that other programs had been looked at with different areas of effectiveness. She reiterated that the programs would be partnerships that would belong to everyone as a community. She noted that Councilmember Heumann had convened the Chandler Education Coalition. She stated she would be presenting ideas and recommendations that she had found to the Coalition. She believed great strides had been made in collaboration and stated that there could be use of video streaming programs and noted that crime prevention officers and beat officers could be used for the program as well.

Chief Kiyler did not dispute the popularity of the D.A.R.E. program but stressed that staff had difficult decisions and priorities to make. She stated that the core services had been focused on. She added that the D.A.R.E. officers had been provided reassignments. She thanked the Council for giving staff a year to look at transitions and reiterated that strides were being made.

COUNCILMEMBER ORLANDO questioned if there were any time frames for program aside from the presentation being made to the Education Coalition.

COUNCILMEMBER HEUMANN stated that the next meeting for Education Coalition would be on June 15. He stated that the coalition had received a lot of support and believed that a lot of the ideas that were to come forward would benefit the community.

MOVED BY COUNCILMEMBER HEUMANN, SECONDED BY COUNCILMEMBER ORLANDO TO ADOPT RESOLUTION NO. 4507 ADOPTING THE 2011-12 TENTATIVE BUDGET.

COUNCILMEMBER HEUMANN thanked City staff for their work on the budget and noted the long process. He stated that tough challenges would be faced in the next coming years but believed that many proactive things had been done to position Chandler for the future.

COUNCILMEMBER WENINGER also thanked staff for their work. He added that he disagreed with the raising of the secondary property tax rate which was included in the budget. As a result of that, he indicated that he would have to vote against the budget as the tax rate increase was included in the budget.

COUNCILMEMBER ORLANDO noted that he had worked through many budgets and believed that each year's budget stood alone. He stated that the City had done many cuts and that it was time to look at raising revenue streams. He believed that if the revenue stream was not raised then the City would default in its bonds. He noted that he had voted for the raise of the property tax rate as it would actually be a decrease to the overall program.

MAYOR TIBSHRAENY that the average household in Chandler would see a 7.5% decrease reflected in the property tax bill. He stressed that a decrease would be seen in the City portion of tax bills.

VICE-MAYOR DONOVAN stated she would be voting in support of the tentative budget. She indicated that even though property values were going down, the City was still looking out for the best interest of citizens.

COUNCILMEMBER HARTKE thanked staff for their work and stated that they would still continue to look at efficiencies. He believed that it had been a hard decision to raise rates on things. He stated he would commit to looking at keeping efficiencies in place and operating at a level that was needed to provide services for citizens. He stated that he would continue to look at ways to lower government costs.

COUNCILMEMBER HEUMANN recalled that the tax rate was lower in the late 1990's and early 2000's due to adjusting because home prices had gone up. He stated that the tax was a tax decrease and noted that people would be paying what they paid 11 years ago.

COUNCILMEMBER SELLERS stated that the Council did not want the secondary property tax rate to go up and noted that it had been an important piece of criteria during the budget discussions. He believed that staff had done an outstanding job at finding a way to satisfy the debt service without causing citizens to pay more in the future.

MAYOR TIBSHRAENY stated that the Council had worked hard on this year's budget. He compared Chandler's budget of approximately \$676 million to that of Scottsdale's budget which was \$1.2 billion. He noted that Scottsdale was a smaller community than Chandler. He also mentioned that the budget was Chandler's first budget in four years that did not include reductions in services.

WHEN THE VOTE WAS CALLED, THE MOTION CARRIED BY MAJORITY (6-1) WITH COUNCILMEMBER WENINGER VOTING NAY.

PUBLIC HEARING:

PH1: DOWNTOWN CHANDLER ENHANCED MUNICIPAL SERVICES DISTRICT ASSESSMENT FOR FISCAL YEAR 2011-12

Background:

On April 19, 2011, City Council approved Resolution No. 4499, which authorized modification of the Assessment Diagram, making a statement and estimate of expenses for the Downtown Chandler Enhanced Municipal Services District, completing the assessment, and setting the date for the Public Hearing on the assessments for the May 26, 2011 City Council meeting.

Subsequent to the April meeting, staff published notice of the date of the Public Hearing for five consecutive days in The Daily News Sun, Mesa Tribune and Chandler Tribune as required by Arizona Revised Statute. Enhanced Municipal Services District staff also sent a notice of the Public Hearing to all property owners in the District. The letter advised the property owners that they could file an objection with the City Clerk, should they desire to do so. To date, no objections have been received in the City Clerk's Office.

Upon completion of the Public Hearing and approval of this item, staff will forward the calculated Assessment Roll to the Maricopa County Assessor's Office. The first assessments for the District will be mailed to property owners with their tax bill in the Fall of this year.

Assessments in the District will be based on three factors including assessed value (one-third of the assessment), building square footage (one-third of the assessment) and land square footage (one-third of the assessment). All properties will be assessed at the same rate with the exception of buildings along the Historic Square which will be assessed double the building square footage rate.

Assessments for privately owned property in the District total \$139,647. In addition, the assessment for City owned property totals \$118,804, which is the same as the prior year's contribution and represents 46% of the total District operating funds for FY2011-2012. Funds to provide for the City's contribution to the District have been requested in the Downtown Redevelopment's operating budget for 2011-2012.

DISCUSSION:

MAYOR TIBSHRAENY OPENED THE PUBLIC HEARING AT 7:37 P.M.

Downtown Redevelopment Manager TERI KILLGORE addressed the Council regarding the Enhanced Municipal Services District. She explained that the District enabled property owners to contribute to the district by promoting the downtown through better marketing and by increasing the beautification and safety of the neighborhoods.

Ms. Killgore stated that the assessment had been requested by private property owners. She stated that 100% of assessment proceeds were paid through the City on to the district which was managed by the DCCP. She indicated that the district had 10 year terms with annual renewals. She noted that the DCCP decided not to increase the rate assessed to property owners in the next year.

Ms. Killgore stated that district covered 61.5 acres and included over 800,000 square feet of commercial space. She mentioned that the district had improved the visibility of Downtown Chandler. She noted the construction that went on in the last year and stressed that there were partnerships between the DCCP and the City in marketing the businesses during that time.

Ms. Killgore added that FY2011/12 would be a year of implementation. She indicated that a signage package would come before the Council that would have a kiosk element that would help promote businesses and local events. She added that they would also be hiring an executive director.

MAYOR TIBSHRAENY asked for the boundaries that were affected by the assessment.

MS. KILLGORE responded that the boundaries were Chandler Boulevard to the north, Frye Road to the south, the railroad east, and Dakota Street/Palm Lane on the west.

MAYOR TIBSHRAENY stated that the area had gone before the Council and asked for the financing district for Downtown. He stated that properties were only commercial, not residential and was based on the assessment.

MAYOR TIBSHRAENY CLOSED THE PUBLIC HEARING AT 7:44 P.M.

35. FY 2011/12 ANNUAL ASSESSMENT: Enhanced Municipal Services District
Res. #4510

ADOPTED Resolution No. 4510 approving the FY 2011-12 Annual Assessment for the City of Chandler Downtown Chandler Enhanced Municipal Services District.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY VICE-MAYOR DONOVAN TO ADOPT RESOLUTION NO. 4510 APPROVING THE FY 2011-12 ANNUAL ASSESSMENT FOR THE CITY OF CHANDLER DOWNTOWN CHANDLER ENHANCED MUNICIPAL SERVICES DISTRICT. MOTION CARRIED UNANIMOUSLY (7-0).

CURRENT EVENTS:

A. Mayor's Announcements

Mayor Tibshraeny thanked the Council and Staff for working collectively on the budget. He reminded everyone of the May Food Drive Challenge. He stated that a "Bag Off" event had taken place in Gilbert that ended in a tie. He stated that the food would be distributed to food banks in Mesa.

Mayor Tibshraeny thanked the Council and staff for their work and attendance at his State of the City Address.

Mayor Tibshraeny wished everyone a safe weekend and asked everyone to remember our troops and those who sacrificed themselves for our country.

B. Councilmembers' Announcements

Councilmember Heumann acknowledged Vice-Mayor Donovan's upcoming marriage.

Councilmember Orlando stated that there would a Memorial Day service in Sun Lakes taking place.

Councilmember Hartke congratulated the Graduating classes of 2011. He announced that his daughter would be graduating from Chandler High School. He also announced a Memorial Day Event taking place at Valley of the Sun.

C. City Manager's Announcements

Adjournment: The meeting was adjourned at approximately 7:49 p.m.

ATTEST: _____
City Clerk

Mayor

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 26 day of May 2011. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of June 2010.

City Clerk