



MEMORANDUM **Transportation & Development – CC Memo No. 12-088d**

DATE: OCTOBER 17, 2012

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 PATRICK MCDERMOTT, ASSISTANT CITY MANAGER *PM*
 R.J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR *RJ*
 JEFF KURTZ, PLANNING ADMINISTRATOR *RJ for*
 KEVIN MAYO, PLANNING MANAGER *KM*

FROM: JODIE M. NOVAK, MEP, SENIOR CITY PLANNER *JMN*

SUBJECT: ZUP12-0013 CHAMBERLAIN DEVELOPMENT

Request: Use Permit approval to allow automobile sales

Location: 6948 W. Chandler Boulevard, north of the northeast corner of
 Chandler Boulevard and 56th Street

Applicant: Mike Forst with Sun State Builders

Owners: James Chamberlain with Chamberlain Holdings/Sun State Builders
 Inc. & Carol Lindsay with Auto Shop Holdings LLC

Planning Staff requested an additional continuance from the September 13, 2012 City Council hearing to allow further discussion with the property owners in regards to their tenant’s concerns with the proposed Use Permit including site management issues relating to vehicles and parking. As a result of the concerns raised at the City Council hearing, Planning Staff began random site inspections and was made aware of several Zoning Code violations occurring by tenants. The property owners have been working diligently with their tenants and taking action to bring the site into compliance. Staff continues to work with the property owners on the violations and long term site management. Further details about the violations are provided in the memo. As of the date of this memo, violations have been corrected.

RECOMMENDATION
 Planning Commission and Planning Staff, finding consistency with the General Plan, recommends approval of the request subject to conditions.

BACKGROUND

The application requests Use Permit approval to allow automobile sales in an existing building approximately 22,700 square feet in size. The development is zoned to allow uses including light industrial, warehouse, showroom, automotive repair, and automotive accessory sales. Current tenants are all auto-related including auto window tinting/glass repair, auto repair, auto dent repair, and one auto/truck sales business. The Use Permit is intended to make legal an existing automobile and truck sales tenant with outside storage and display of inventory and allow automobile and truck sales with outside storage and display as a permitted use for the entire building.

The multi-tenant building has customer entrances on its south side and overhead warehouse doors on the north side. The abutting parcels to the south are commercial uses including an automotive repair business and a gas station with convenience store. To the east is a 60-foot wide underground gas pipeline easement that separates the subject site from Universal Forest Products and the access drive for Ergon Asphalt. North of the site is a City owned retention basin and Crafcoco.

The subject site has had its allowed uses adjusted several times over the years. This property was zoned PAD (Planned Area Development) for commercial uses, a hotel and restaurant since 1998. After a couple of zoning extensions and no development interest for hotel development, the property owners requested the PAD zoning be reverted back to the original I-1 (Planned Industrial District). The I-1 zoning was approved in 2006. I-1 zoning allows light industrial manufacturing, warehousing, distribution type uses.

In 2007, a Use Permit was approved allowing automotive repair and automotive accessory sales. In 2008, the site was rezoned to PAD specifically for freestanding monument signage that exceeded Sign Code regulations. In 2009, a Use Permit was approved to remove a maximum percentage of showroom use in the building thus showroom use is now only limited by parking availability. The existing automobile sales tenant includes a showroom use. In 2010, the City approved a building permit for "CanAm-Intellifilm". The approved plans represented interior building work for two tenant spaces, Suites 1 and 2. Suite 1 included a window tinting business with a product display showroom, an installation area, and an office area. The other tenant space represented an administrative office, a showroom, and indoor vehicle storage.

The proposed uses were in conformance with the site's Use Permit approval allowing showroom use and the PAD zoning allowing I-1 uses such as warehousing and indoor storage. A business with a showroom could have products and merchandise displayed indoors with inventory stored in the warehouse. This could include, for example, a 4x4 truck customization business or a tire and wheels business with a showroom and the warehouse has servicing and installation. A light industrial use that primarily warehouses, distributes, and/or manufactures can have a showroom such as a home/business alarm system company, plumbing contractor/fixture business, and a spa manufacturer. The current use of the property as an auto dealership with outdoor activity is not permitted.

Auto and truck sales businesses vary in business style and intensity. The State licenses different types of auto sales including “broker”, “new motor vehicle dealer”, and “used motor vehicle dealer”. Typically, Use Permits have been granted for “brokers” and they have less than a dozen vehicles on site. Brokers are defined as persons helping others find and purchase a car for a fee or commission and are not a new or used motor vehicle dealer. They tend to be small operations based solely on internet websites, acquire vehicles from auctions or operate as personal shoppers for prospective vehicle owners.

CanAm is a State licensed “used motor vehicle dealer” which is defined as “a person, other than a new motor vehicle dealer, who buys, sells, auctions, exchanges or offers or attempts to negotiate a sale or exchange of any interest in, or who is engaged in the business of selling, four or more used motor vehicles in a continuous 12 month period...with sufficient space to display two or more vehicles. The established place of business must be devoted principally to the business of a dealer.”

CanAm specializes in Audi, BMW, Land Rover and Mercedes-Benz models and offers broker services on other makes and models. Recently, there was an inventory of several Cadillac Escalades, Chevy Tahoe’s, and Chevy Camaros. CanAm conveyed to Staff that they are an auto dealership, they need outdoor vehicle storage and display to handle the inventory they maintain for their customers, and they are also renting two warehouses off-site to accommodate additional inventory. Their customers come to the site to look at and test drive vehicles, and the sales contracts are completed on site. The business has a website and lists the current inventory online. At the subject site, Staff has seen 10 or more vehicles displayed in the warehouse and 15 or more vehicles displayed outside. Vehicles do not have sales stickers or price tags, no flags or signs are used to advertise sales. There are currently no other auto sales businesses in operation at this site; however, an existing tenant is interested in operating an auto sales use as well if this Use Permit is granted for the entire building.

PARKING

The request to allow automobile sales, including trucks, for the entire building raised concerns and questions as to whether or not the site has enough parking to accommodate this use. The site currently has 89 parking spaces. The site was originally parked per Zoning Code based off of 3.5 parking spaces per service bay plus 1 space for each 200 square feet of office/customer waiting area, which yielded a required 86 parking spaces. The addition of showroom uses requires parking at 1 space per each 250 square feet of building area. The Zoning Code’s parking regulations does not specify the amount of on-site inventory allowed by an auto dealership. Typically, existing parking delineates the number of vehicles stored and displayed on the lot. Most auto dealerships in Chandler are on their own parcel with no other uses. This request is unique in that an auto dealership is operating with a mix of other commercial and light industrial uses on the same property.

The property owner has agreed to assign the existing parking spaces to each tenant space, which limits the number of vehicles the automobile sales uses can display and store on the site. The spaces are used by employees, customer’s vehicles, or automobiles sales businesses’ outdoor display and storage of vehicles. See attached parking allocation plan. If a tenant is not using their

designated spaces, they can allow another tenant to use them. For example, CanAm is assigned 15 parking spaces. Adjacent to CanAm's suite are 10 parking spaces for use by two other tenant spaces. However, they are allowing CanAm to use these spaces to display and store vehicles.

The use and allocation of tenant's parking spaces for this building is the responsibility of the property owners. The building itself and its allowed uses meet Zoning Code for the required number of parking spaces delineated on the property. Zoning Code does not regulate how many parking spaces a car dealership can have; it is based on available parking.

DISCUSSION

This application was continued from the August 16, 2012 City Council meeting to the September 13, 2012 Council meeting in order to allow the applicant time to address parking concerns from one of the tenants who spoke at the Council meeting. The property owner worked with each tenant creating a parking allocation plan prior to the September meeting. This plan was signed by all of the tenants including the concerned tenant. The plan represents the allocated number of parking spaces for each tenant with business names painted on each parking space. However, the tenant who spoke at the hearing still had concerns with site management and parking enforcement as well as auto sales businesses further expanding on this site. Following discussions with the tenant and property owner, Planning Staff began site visits and random inspections to observe firsthand any violations. Staff observed several violations occurring by each tenant, thus Planning Staff requested a continuance of this case from the September meeting to the October 25th meeting to address these issues.

Planning Staff issued written notices of violation to each tenant including the two property owners. Staff met with one of the property owners, who also represents the other owner, regarding the violations and assured Staff the site would be managed and violations removed. However, upon continued random inspections violations were observed and continuing. The violations included:

1. Vehicle for sale parked over a landscape tract adjacent to the building.
2. Vehicle for sale parked over a landscape planter island in between parking spaces.
3. Employee vehicles parking on unimproved dirt areas which include a City owned retention parcel.
4. Parking in fire lanes/drive aisles; vehicles parking along building's north side blocking signed fire lane, vehicles being repaired in signed fire lane.
5. Abandoned/inoperable vehicles not in designated parking spaces in fire lane/drive aisle on building's north side.
6. Employee vehicles not parked in parking spaces but on an angle into fire lane.
7. An inoperable vehicle unable to safely be operated with two flat tires stored in a parking space for several months or more.
8. A-frame sign in City right-of-way along Chandler Boulevard.

Planning Staff contacted the Fire Marshall to assist in the fire lane violations. Fire Prevention Staff inspected the site and issued notice to tenants and approved additional fire lane signage and demarcations which were recently installed.

The property owners had their tenants sign an agreement for the parking allocation plan and abiding by parking and site regulations. Planning Commission and Planning Staff find the proposed automobile sales use on this property to be compatible and complementary with the existing uses as long as there is property owner on-site management, enforcement, and an agreement with existing and future tenants to specified parking spaces related to their tenant space. If other tenants want to share parking with each other, that is managed solely by the property owners. The violations on the property took some time to correct, requiring the property owners to speak with their tenants and explain these violations cannot occur at any time. The property owners conveyed that tenants were taking advantage of the site and seemed unconcerned about the violations until the City issued individual violation notices and contacted the property owners to further enforce these matters with each tenant.

Additional parking spaces can be provided where there are existing gravel landscape tracts. These tracts cannot be landscaped due to utility easement restrictions. There can be approximately 5 more spaces added. The attached site plan was modified slightly during construction plan review and an area of parking spaces north of the Firestone/Bridgestone building were not installed in order to meet fire access requirements. The parking allocation plan exhibits the current parking.

While the site seems to be clear of violations as of this memo, time will tell if the property owners and tenants ensure on-going compliance. Planning Staff is recommending a one (1) year time limit to allow on-going site inspections and ensure the addition of automobile sales with outside display and storage is compatible long term.

Planning Staff is recommending additional and modified zoning conditions beyond what was recommended by Planning & Zoning Commission. Planning Staff learned that the proposed use was more intense than represented by Staff and the applicant after the Planning Commission hearing. The underlying proposed use of automobile sales on the entire property remains the same; however, due to more information and analysis on what is occurring on the property Planning Staff recommends conditions to address site management and updated representations by the applicant.

PUBLIC/NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting was held June 28, 2012 at the subject site. No citizens attended.
- The site's AAMCO tenant spoke at the August 16, 2012 City Council meeting with parking concerns. This tenant has since expressed he is not opposed to this Use Permit and appreciates the recent enforcement and efforts to get the site into compliance including his own violations.

PLANNING COMMISSION VOTE REPORT

Motion to approve:

In Favor: 4 Opposed: 0 Absent: 3 (Baron, Cunningham, Donaldson)

RECOMMENDED ACTION

Planning Commission and Planning Staff, upon finding consistency with the General Plan, recommend approval of ZUP12-0013 CHAMBERLAIN DEVELOPMENT subject to the following conditions:

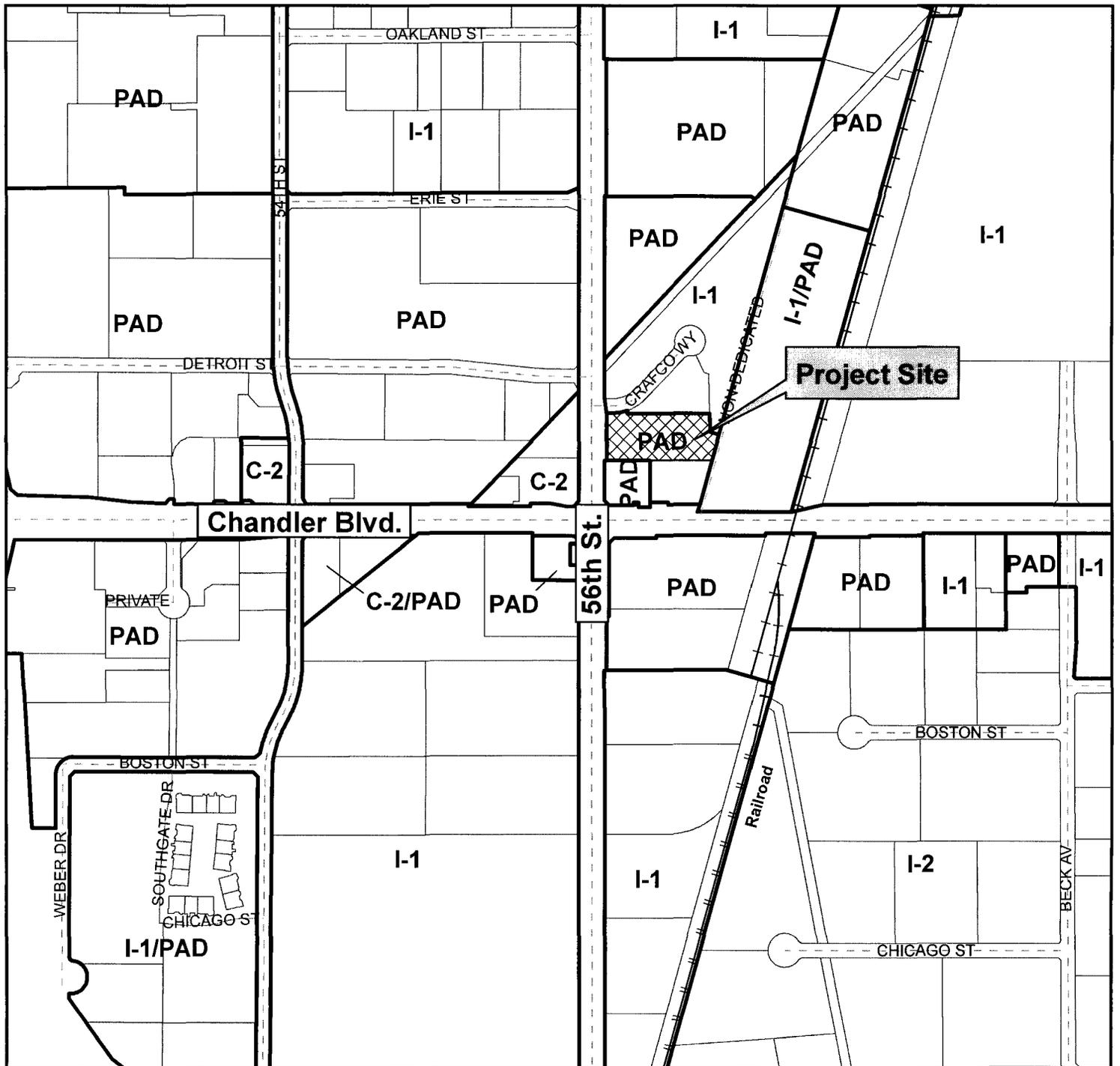
1. The Use Permit shall remain in effect for one (1) year from the date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.
2. Compliance with all applicable codes and conditions of the City of Chandler and this Use Permit shall apply.
3. Expansion or modification beyond the approved exhibits and representations (Narrative, Letter dated 9/20/12 & 10/11/12, Site Plan, Parking Allocation Plan, and Tenant Parking Agreement) shall void the Use Permit and require new Use Permit application and approval.
4. Signage shall be in conformance with City of Chandler's Zoning and Sign Codes except as specifically modified through case DVR08-0006 AAMCO PLAZA, except as modified by condition herein
5. There shall be no business advertising, sales stickers, pricing, banners, flags, or the like on vehicles. Sale of commercial trucks and trailers is prohibited.
6. There shall be no outside vehicle servicing, repair, detailing, washing, cleaning, or the like, which can occur only indoors.
7. The Use Permit is non-transferable to other site locations.
8. The site shall be maintained in a clean and orderly manner.

PROPOSED MOTION

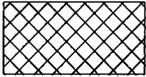
Move to approve ZUP12-0013 CHAMBERLAIN DEVELOPMENT subject to the conditions recommended by Planning Commission and Planning Staff.

Attachments

1. Vicinity Maps
2. Site Plan
3. Original Narrative
4. Letter dated 9/20/12 from Applicant
5. Follow up to letter dated 10/11/2012
6. Tenants agreement to parking allocation plan

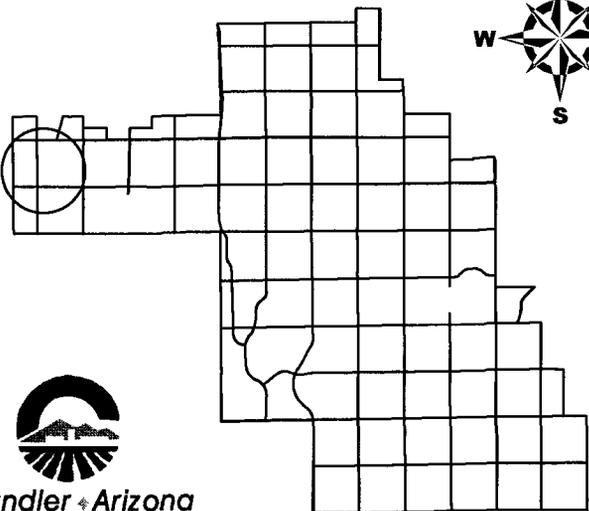


Vicinity Map

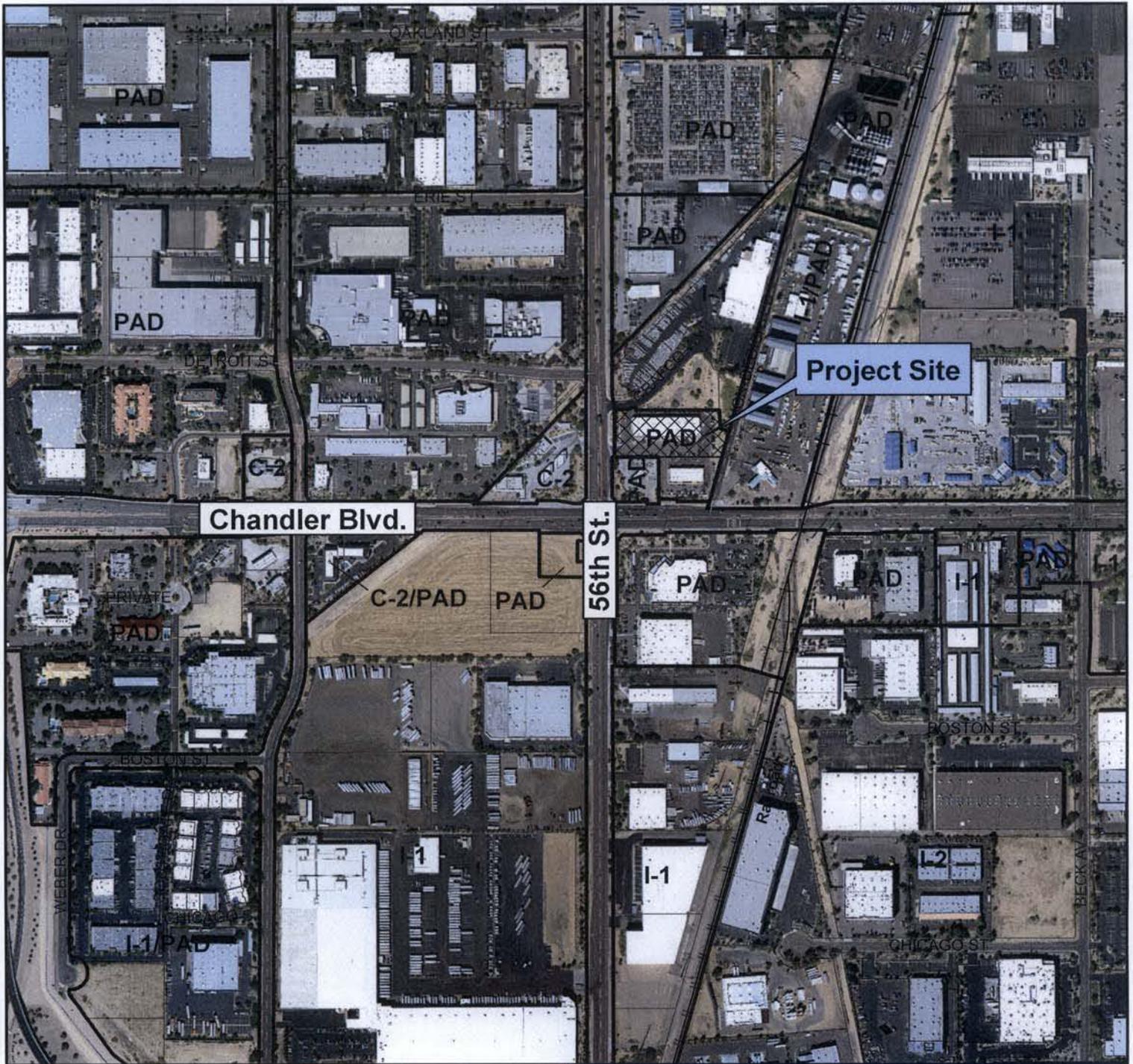


ZUP12-0013

Chamberlain Development, LLC



Chandler Arizona
Where Values Make The Difference



Chandler Blvd.

56th St.

Project Site

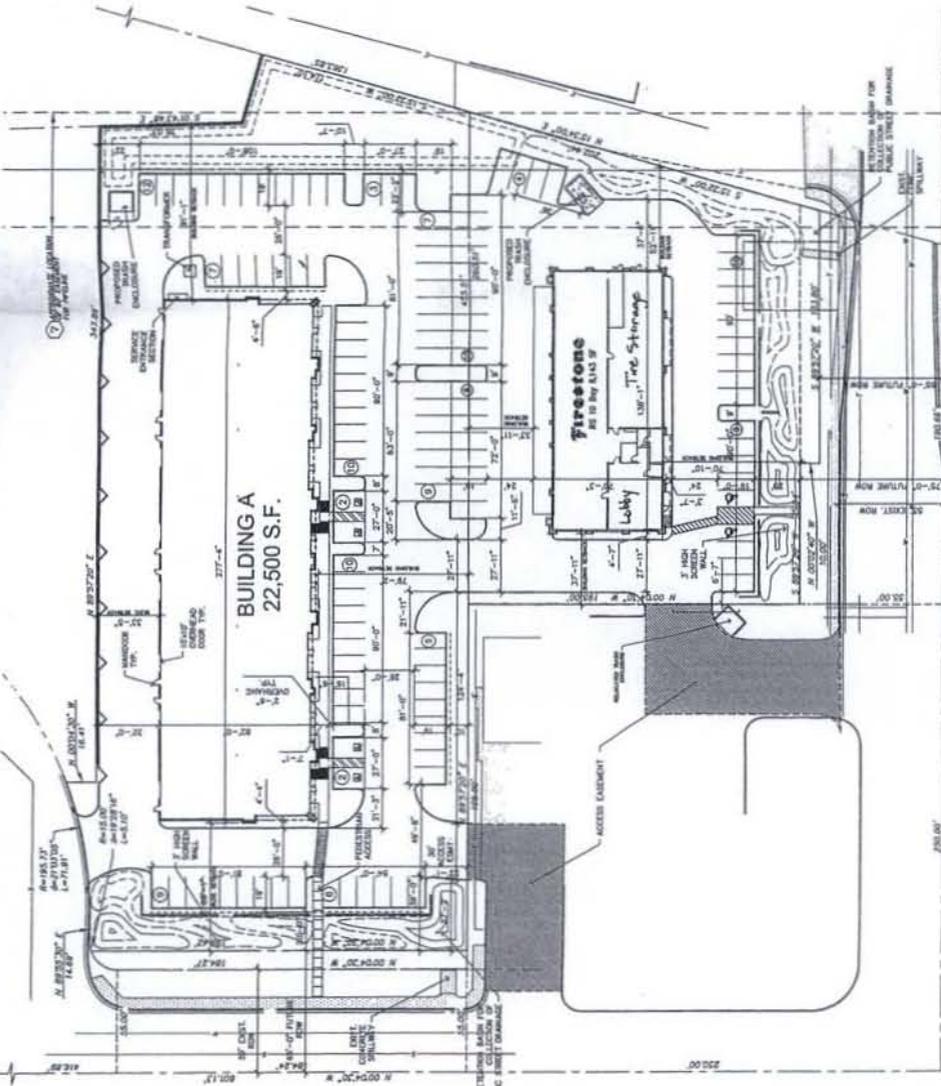
Vicinity Map



ZUP12-0013

Chamberlain Development, LLC





CHANDLER BOULEVARD

SITE PLAN
SCALE: 1" = 60'

Site Plan

UP07-0032

PROJECT TEAM

DESIGNER:	DAVE BUCKLEY ARCHITECTS, LLC	PHONE: 941-1188
ARCHITECT:	DAVE BUCKLEY ARCHITECTS, LLC	PHONE: 941-1188
ENGINEER:	DAVE BUCKLEY ARCHITECTS, LLC	PHONE: 941-1188
LANDSCAPE ARCHITECT:	DAVE BUCKLEY ARCHITECTS, LLC	PHONE: 941-1188
PLANNING:	DAVE BUCKLEY ARCHITECTS, LLC	PHONE: 941-1188

PROJECT NARRATIVE

THIS IS THE DEVELOPMENT OF A NEW 22,500 S.F. OFFICE BUILDING LOCATED WITHIN THE FRONT CHANDLER BARBERS PARK. THE BUILDING WILL BE OF 1.5 FLOOR SCREEN WALLS AND PROVIDES LANDSCAPE PLANTINGS AND HARDSCAPE FINISH DEVELOPMENTS. LANDSCAPE FRONTAGE PLANTINGS WILL CONSIST OF WARDER POND IN THE NATURAL ENVIRONMENT. (SEE DEVELOPMENT IN ADJACENT COMMUNITY)

PROJECT DATA (301-68-006Y)

CITY:	CHANDLER
APN:	301-68-006Y
ACREAGE:	1.5 ACRES
NET BLDG AREA:	22,500 SF
CONSTRUCTION TYPE:	1.5
OFFICE @ 100' x 100' S.F.:	22 SPACES
MANUFACTURE @ 100' x 100' S.F.:	0 SPACES
TOTAL PARKING SPACES:	48
INCLUDED ACCESSIBLE SPACES:	4

PROJECT DATA (301-68-006V)

CITY:	CHANDLER
APN:	301-68-006V
ACREAGE:	1.5 ACRES
NET BLDG AREA:	22,500 SF
CONSTRUCTION TYPE:	1.5
OFFICE @ 100' x 100' S.F.:	22 SPACES
MANUFACTURE @ 100' x 100' S.F.:	0 SPACES
TOTAL PARKING SPACES:	48
INCLUDED ACCESSIBLE SPACES:	4

- SITE NOTES**
- NOTE ALL REQUIREMENTS INCLUDES LANDSCAPE AND USE PLANS AS SET BY THE COMPLETED PERMITS TO INDICATE OF OCCUPANCY FOR ANY BUILDING WITHIN A PERMITS.
 - ALL THE HARDWARE SHALL BE FINISHED WITH EQUIPMENT AND FINISH LANDSCAPE OR WALLS SHALL BE FINISHED TO MATCH THE BUILDING COLOR.
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56TH STREET & CHANDLER BOULEVARD
CHANDLER, ARIZONA

PROJECT NO. 200102-27
DATE: 10/20/11
DRAWN BY: LARRY L. NICHOLS
CHECKED BY: LARRY L. NICHOLS
SCALE: AS NOTED
FLOOR PLAN

SA-1.0

CHAMBERLAIN DEVELOPMENT, L.L.C.

1050 W. Washington Street, Suite 214

Tempe, Arizona 85281-1494

(480) 894-1286 Fax (480) 968-4826

May 15, 2012

CITY OF CHANDLER PLANNING AND DEVELOPMENT DEPARTMENT

215 E. Buffalo Street

Chandler, AZ 85244

**Re: Use Permit Application to allow the Auto Broker/Dealer use as an allowed use
AAMCO Plaza, 6948 W. Chandler Blvd**

Dear Staff:

The above referenced building is 22,714 square feet and was completed in November 2008 by Sun State Builders/Chamberlain Development. The property is zoned I-1 with a Use Permit in place for auto repair and accessory sales (UP07-0032). A subsequent Use Permit was granted in 2009 to increase the allowed showroom percentage from 10% allowed in I-1 zoning to the maximum the property will support with its parking ratio (UP09-0015). This was done to better reflect reasonable showroom expectations for an auto repair and accessory sales plaza. Ownership processed a condominium plat in 2009 (Maricopa County Rec 2009-0210073) to allow flexibility in unit sizes and to be able to offer them for sale.

This Use Permit Application requests the added use of an Auto Broker/Dealer who buys and sells wholesale vehicles. This use is already in the park in Canam Imports. Canam was permitted in 2010 and staff allowed the use under the existing zoning. When another tenant submitted a sign package for the same use, staff commented that the use is not technically approved under the previous auto use permit and requested that we process a new use permit.

This Use Permit would cover the entire building so it would bring Canam into compliance along with covering any tenant expansions. This use would not be a conventional retail "dealer" with a large sales lot and cars with stickers and window paint for sale. Sales for these users will be primarily online. Cars parked in the lot will be limited to the parking spaces already allocated to a tenant's suite, and the vehicles will appear like any other vehicle, without "for sale" types of markings on them. If a user does have a showroom for vehicles (like Canam), then vehicles will be kept out of the elements inside of the building.

Thank you for your consideration.

Cordially,

CHAMBERLAIN DEVELOPMENT



Mike Forst

Original Narrative

CHAMBERLAIN DEVELOPMENT, L.L.C.

1050 W. Washington Street, Suite 214
Tempe, Arizona 85281-1494
(480) 894-1286 Fax (480) 968-4826

September 20, 2012

Ms. Jodie Novak
Senior City Planner
CITY OF CHANDLER TRANSPORTATION AND DEVELOPMENT DEPARTMENT
215 E. Buffalo Street
Chandler, AZ 85244

Re: ZUP12-0013 CHAMBERLAIN DEVELOPMENT
Use Permit to allow wholesale automobile sales
6948 W. Chandler Blvd

Dear Jodie:

Our case was continued at the Aug 16 City Council meeting to allow us to address the concerns brought by Mr. Paul Holste, the AAMCO tenant in the building. Mr. Holste purchased the business from Carol Lindsay and moved in this summer. His comments at City Council concerned parking. This letter summarizes our actions in terms of addressing his concerns.

As property manager of the building, we were informed of the parking concern on August 13 and began immediate steps to mitigate it. We have managed this property since 2008, and this summer is the first time we have seen any pressure on parking available. The reasons are that we finally have a full building with all space leased, and the majority of our tenants are doing well business-wise. The parking issue is a problem of prosperity and we are pleased to see this real example of economic turnaround. We have ample parking in the center with a 3.92 per thousand ratio, not including space inside the building for the auto-related services that our tenants provide.

In response to Mr. Holste's concern, we decided it was appropriate to assign parking spaces. We consulted with all of our tenants and drafted a Memorandum of Agreement Between Tenants and Property Management regarding parking assignments. All tenants have signed the agreement and a copy has been provided to staff. We physically striped the names of the tenants on the spaces over the weekend of Sept 1. I won't repeat the agreement as staff has been provided a copy, but it outlines some great statements that provide a commitment from each tenant and property management to be good neighbors and respect others' parking rights.

City staff has also made site visits and noted parking violations. The two property owners and tenants received violation notices from the City on 9/7/12. Elizabeth, our property manager with Chamberlain Enterprises, and I met with City staff to review the violations regarding illegal parking in landscape areas, unimproved surfaces, and in fire lanes as well as inoperable vehicles parked on the site. We are working to ensure that all tenants abide by City regulations and the property is brought up to code with replacement of landscape materials, no parking signs, and fire lane demarcations. We have also contracted a towing company to randomly patrol the lot and tow any non-complying vehicles.

We would like to reiterate that this use permit would not grant any tenant more spaces than allowed without the use permit. Cars parked in the lot will be limited to the parking spaces already allocated to a tenant's suite, and the vehicles will appear like any other vehicle, without "for sale" types of markings on them. If a tenant is selling vehicles, they can keep many of them inside of the building out of the

letter

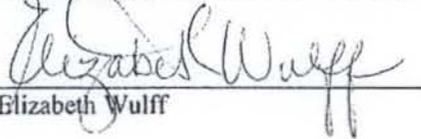
elements. Staff has been provided with a chart quantifying the approximate number of vehicles that can be kept inside of each suite.

The undersigned Property Management and Building Ownership support this Use Permit case and commit to monitor the parking situation and enforce the Memorandum of Agreement. We will ensure that tenants are utilizing only the designated legal parking spaces on the lot. We will not tolerate double-parking, parking off of the pavement, or parking in driveways. We have been managing commercial properties for decades. This concern is not new and we know how to handle it to make sure that all of our tenants respect each others' right to free enjoyment of their place of business.

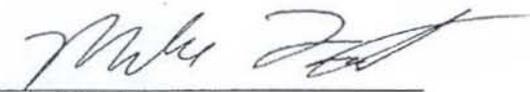
Thank you for your consideration.

Cordially,

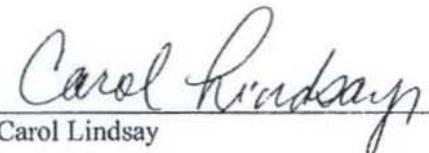
**PROPERTY MANAGEMENT
CHAMBERLAIN ENTERPRISES, LLC**


Elizabeth Wulff

**BUILDING OWNERSHIP – EAST HALF
CHAMBERLAIN DEVELOPMENT, LLC**


Mike Forst

**BUILDING OWNERSHIP – WEST HALF
AUTO SHOP HOLDINGS, LLC**


Carol Lindsay

letter



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Use Permit Letter of Authorization

Please accept an application for a Use Permit for property located at:

6948 W. Chandler Blvd.

Assessor Parcel Number(s):

301-85-811 through 301-85-824

Said property is owned by (provide the Maricopa County recorded Property Owner information):

Chamberlain Development, LLC & Auto Shop Holdings, LLC

who hereby authorizes me to file this application on his/her behalf.

I certify that the above information is correct, and that I am authorized to file an application on said property on behalf of the owner.

Mike Forst 8/30/12
Applicant Signature Date

Mike Forst 8/30/12
Property Owner Name Printed Date

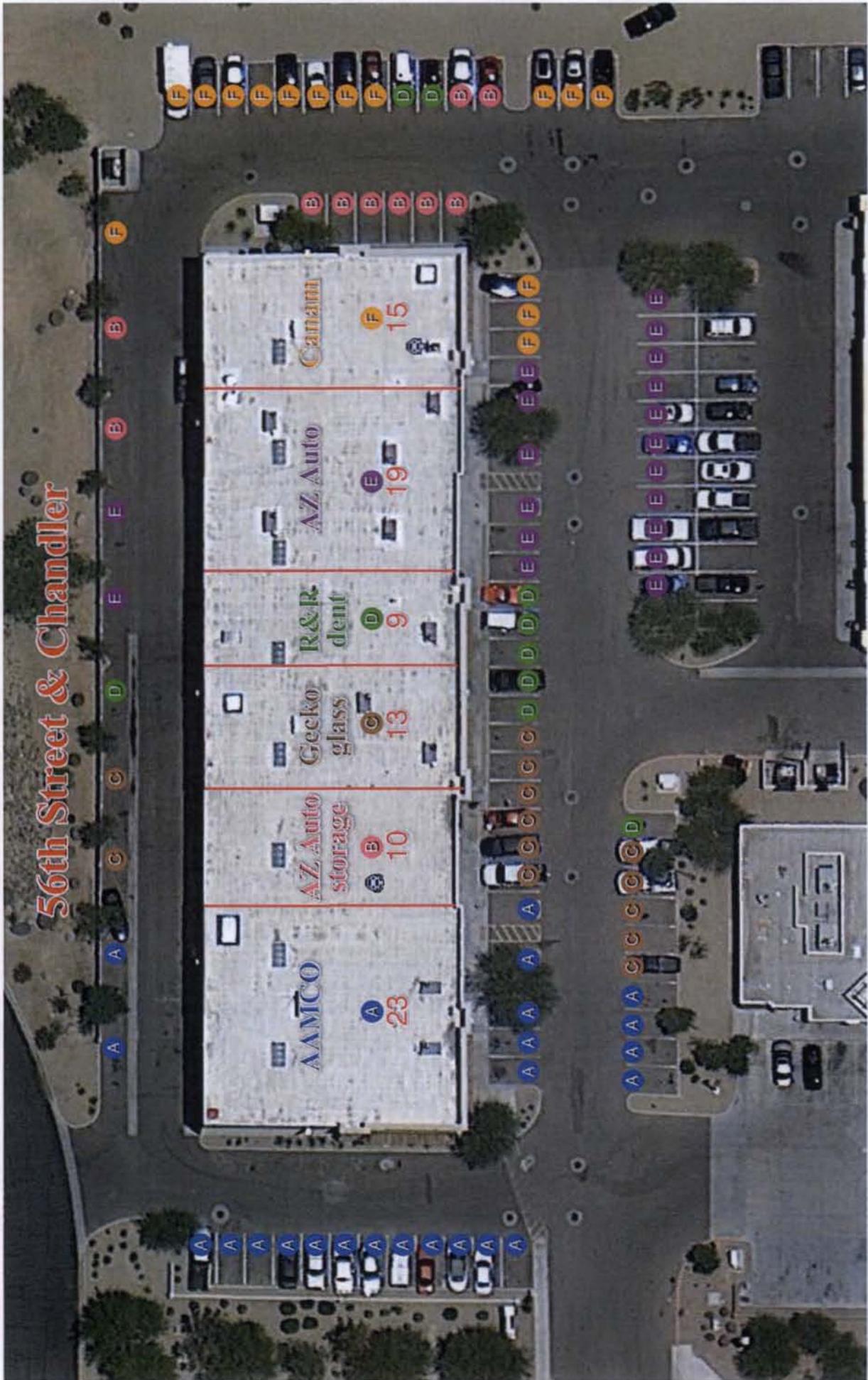
Mike Forst
Property Owner Signature Date

Carol Lindsay
Property Owner Name Printed Date

Carol Lindsay 9/20/12
Property Owner Signature Date

letter

56th Street & Chandler



letter
row
8-22-12
row
10-1-12



ZUP12-0013 Sun State/Chamberlain Development

Mike Forst to: 'KEVIN.MAYO@CHANDLERAZ.GOV',
'Jodie.Novak@chandleraz.gov'

10/11/2012 05:24 PM

From: Mike Forst <mforst@SunStateBuilders.com>
To: ""KEVIN.MAYO@CHANDLERAZ.GOV"" <KEVIN.MAYO@CHANDLERAZ.GOV>,
""Jodie.Novak@chandleraz.gov"" <Jodie.Novak@chandleraz.gov>

History: This message has been replied to.

Hi Kevin and Jodie,

Thanks for your time today. At one point you asked for a bullet point list of what measures we have taken since the council meeting. It's summarized in my revised narrative and follow-up memo, but just in case this is helpful here is a list:

1. Met with all tenants and devised a parking plan agreed and signed by all parties
2. Physically painted the tenant names on the spaces to which they are entitled per the agreement
3. Responded to code violation notifications by Planning and Fire with the following:
 - a. Ongoing discussions, emails, and meetings with tenants to inform them of the rules and compel them to comply
 - b. Changing the fire lane signs on the back of the building from flat signs against the wall to perpendicular signs to increase the visibility
 - c. Added firelane striping (over and above code required) in the back of the building
 - d. Added "no parking" pole signage at landscaping areas where vehicles have been found off of the paved surface and parked on landscaped areas.
 - e. Hired a towing company to randomly patrol the parking lot and immediately tow any vehicles in violation.
 - f. Our property management has increased visits to the site to monitor compliance and will immediately correct any parking violations.
 - g. AAMCO's jeep has been towed away that the City felt was abandoned and inoperable (even though AAMCO said they use it to push inoperable cars around).
 - h. Have surveyed the landscaping and compared to the original approved landscape plan, and are in process of hiring a landscaper to replant the exact quantities or the original plan (due to whatever plant loss we've had since the original development).

We've complied with every request and have trained our tenants to follow the parking agreement. While it has taken time, it was not an easy process to break habits and we have made great strides. The AAMCO owner who originally requested that our Consent Item be continued is satisfied and no longer opposes our Use Permit case. We will ask him to sign a letter saying this and we will also get letters from all of the tenants regarding cooperating with the parking agreement.

Thanks again,

Mike Forst

Follow up letter

AMENDMENT #1 TO:

MEMORANDUM OF AGREEMENT BETWEEN TENANTS AND PROPERTY MANAGEMENT
RE: PARKING ASSIGNMENTS AT 6948 W. CHANDLER BLVD

This Amendment is made to the above referenced agreement dated August 17, 2012. The amendment was requested by Canam Imports and relates only to the following Suites:

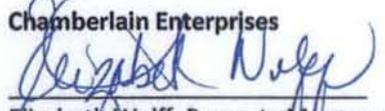
1. AZ Auto Storage
2. Gecko Glass
3. R&R Dent Removal
4. AZ Auto
5. Canam

The tenants desire to rearrange the assignments in the original agreement for striping purposes. This amendment excepts AAMCO as AAMCO spaces are unchanged by this amendment.

It is agreed that the re-arranging of spaces in this amendment is made for the convenience of the tenants in the east half of the building. The resulting parking spaces do not necessarily correlate geographically with the tenants' physical locations in the building. Specifically, this amendment seeks to re-allocate the AZ Auto storage spaces (noted in a red "B" on the exhibit) over to the east portion of the property. This concept results in Gecko Glass being assigned a higher portion of the parking in front of the building than in the original agreement. The layout works for the tenants in the spaces today, given their respective suite locations and sizes. It is agreed that these assignments are temporary. As Lessee locations or space sizes change, it may be appropriate to re-allocate spaces at the sole discretion of the property manager. Such future re-allocation shall not reduce the number of spaces available to any particular party to this agreement. Further, shall any question or disagreement result from a future re-allocation, the space allocations will revert to those shown in the original agreement dated 8/17/12, as the spaces in the original agreement were allocated appropriately with respect to the physical location of the suites.

Agreed this 22nd day of August, 2012.

Chamberlain Enterprises


Elizabeth Wulff, Property Manager

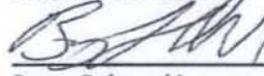
Gecko Glass


Steve Bachmann, owner

AZ Auto Air


Steve O'Brien, owner

R&R Dent Removal


Bryan Rakowski, owner

No Paint Necessary
R&R

Canam Imports


Brian Ogurchak, owner

rcvd 10-12-12
again
dated 8/20/12
Tenants agreement



56th Street & Chandler

AAMCO
23

AZ Auto
storage
10

Gecko
glass
13

R&R
dent
9

AZ Auto
19

Canam
15

tenants agreement

attached with
8/22/12 letter