

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, February 12, 2015.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY at 7:00 p.m.

The following members answered roll call:

Jay Tibshraeny	Mayor
Kevin Hartke	Vice-Mayor
Nora Ellen	Councilmember
Rick Heumann	Councilmember
René Lopez	Councilmember
Terry Roe	Councilmember
Jack Sellers	Councilmember

Also in attendance:

Rich Dlugas	City Manager
Nachie Marquez	Assistant City Manager
Marsha Reed	Assistant City Manager
Kay Bigelow	City Attorney
Marla Paddock	City Clerk

INVOCATION: Kishan Raja – Chandler Bahá’i Community

PLEDGE OF ALLEGIANCE: Mason Davis Boy Scout with Troop 172 led the Pledge of Allegiance.

CONSENT:

MOVED BY COUNCILMEMBER SELLERS, SECONDED BY COUNCILMEMBER ROE, TO APPROVE THE CONSENT AGENDA AS PRESENTED.

MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED the minutes of the Chandler City Council Regular Meeting of January 22, 2015.

2. REZONING: Kindred Chandler Physical Rehabilitation Ord. #4599

ADOPTED Ordinance No. 4599, DVR14-0033 Kindred Chandler Physical Rehabilitation, rezoning from Planned Area Development (PAD) to PAD for healthcare/physical therapy including a Mid-Rise Overlay for buildings up to 60 feet in height on approximately 3.7 acres located at the SWC of Chandler Boulevard and Arrowhead Drive.

3. REZONING: Cornerstone Christian Fellowship Ord. #4601

ADOPTED Ordinance No. 4601, DVR14-0039, Cornerstone Christian Fellowship, rezoning from Agricultural (AG-1) to Planned Area Development for church uses on a remnant 0.22-acre site

located east of the NEC of Alma School Road and Maplewood Street, along the Maplewood Street frontage.

4. POWER DISTRIBUTION EASEMENT: Salt River Project Ord. #4592

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4592 granting a no-cost power distribution easement to Salt River Project (SRP) for the Hatch Hangar project located at the Chandler Municipal Airport on the east side of Airport Boulevard between Germann and Queen Creek roads.

5. CITY CODE AMENDMENT: Chapter 10 Ord. #4602

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4602 amending Chapter 10, Section 10-12, of the Chandler City Code relating to property and firearms obtained by the Police Department.

BACKGROUND/DISCUSSION

In 2012, Senate Bill 1241 amended A.R.S. §12-945, Sales of Property, and A.R.S. §13-3105, Forfeiture of Weapons and Explosives, to provide for the sale of firearms. In 2013, House Bill 2455 amended A.R.S. §12-940 through 12-945 relating to unclaimed property in the possession of governmental agencies. Chandler City Council adopted changes to Chapter 10, Section 10-12, of the Chandler City Code in August 2013 to conform with the changes to state law. Further review of Chandler's policies and practices, by both Police and Court Staff, requires additional changes to the Chandler City Code.

The proposed changes include:

- 1). Allowing an owner to authorize a third party to take possession of firearm(s) and/or ammunition, if the owner cannot take possession of these items.
- 2). Identifying the limitations that prevent an owner from authorizing a third party to take possession of the firearm(s) and/or ammunition.
- 3). Clarifying the process of determining ownership of property, firearms and/or ammunition when any of these items are claimed by more than one person.

These changes will codify the current departmental policy and current practices in regards to releasing firearms to an owner or authorized third party and how an individual(s) may file for a hearing should releasing their property be disputed.

6. FORMATION OF CITIZEN'S ADVISORY COMMITTEE: General Plan Ord. #4603

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4603 forming a Citizen's Advisory Committee to guide Planning Staff and consultants in updating the Chandler General Plan.

BACKGROUND

The Charter of the City of Chandler establishes that Council has the exclusive power, by ordinance, to create boards, commissions or citizens' committees that in the judgment of Council, are necessary. The Citizen Advisory Committee will guide the update to the City's General Plan and will play a very important role in the Public Participation Plan, a larger strategic effort to encourage citizen engagement in the General Plan update process. Should Council adopt the

formation of the Committee, all Committee meetings will be subject to the Arizona Open Meeting Law and will be conducted accordingly.

The Committee will meet as needed to provide continual guidance to the General Plan update.

7. On Action Agenda

8. ANNEXATION: Chandler Heights and Cooper Roads Ord. #4605

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4605, the annexation of three parcels totaling approximately 9.53 acres located south of the SEC of Chandler Heights and Cooper roads. (Applicant: Michael Cronin, Terra West Communities.)

BACKGROUND

The subject site consists of three rural residential properties currently zoned RU-43 in the County. Two of the properties have existing single family homes and ancillary structures and the third is undeveloped. The site is bordered by rural residential properties to the north, east and west, and abuts the Circle G at Riggs Homestead Ranch neighborhood to the south.

On March 28, 2013, the City approved the annexation of 25 acres adjoining the north and east sides of the subject site. The applicant intends to develop a low-density residential neighborhood on the subject properties together with the previously annexed 25 acres. A rezoning application and preliminary development plans are currently being reviewed and will be forth coming to Mayor and Council. The Chandler Land Use Element of the General Plan designates the site as Residential and the southeast Chandler Area Plan designates the more specific land use category of Rural/Agrarian Character, supporting low-density residential development.

Council held a public hearing for this annexation on January 22, 2015. Planning Staff has not received any comments from residents or other members of the public regarding this annexation. Planning Staff circulated this request among City Departments and received no negative comments relative to the property's annexation.

RECOMMENDATION

Planning Staff recommends approval.

9. ANNEXATION: Gilbert and Brooks Farm roads Ord. #4606

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4606, the annexation of approximately 5 acres located at the NWC of Gilbert and Brooks Farm roads. (Applicant: Stephen C. Earl; Earl, Curley & Lagarde, P.C.)

BACKGROUND

The subject site is an approximately 5-acre undeveloped parcel and adjacent right-of-way adjoining the north side of the Roosevelt Water Conservation District's reservoir that wraps around the Basha's shopping center at the northwest corner of Chandler Heights and Gilbert roads. The site, currently zoned RU-43 in the County, is bordered by the Eastern Canal on the west, an undeveloped and unincorporated parcel on the north and Gilbert Road on the east.

The property owner would like to develop a self-storage facility on the site and intends to follow the annexation with a request for rezoning and preliminary development plan approval. The

Chandler Land Use Element of the General Plan designates the site as Residential, for which self-storage facilities can be considered to serve the needs of residential areas.

Council held a public hearing for this annexation on January 22, 2015. Planning Staff has not received any comments from residents or other members of the public regarding this annexation. Planning Staff circulated this request among City Departments and received no negative comments relative to the property's annexation.

#### RECOMMENDATION

Planning Staff recommends approval.

10. ANNEXATION: McQueen and Ocotillo roads Ord. #4607

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4607, the annexation of approximately 4.18 acres located south of the SWC of McQueen and Ocotillo roads. (Applicant: Tim Klontz, Family Bible Church.)

#### BACKGROUND

The subject site is currently zoned RU-43 within the County. It contains a mobile home with ancillary buildings used for agriculture. The site is bordered by County land zoned RU-43 to the west and north with McQueen Village Square commercial plaza north of the County land. McQueen Road is located to the east, and south of the property is the subdivision Estates at McQueen. The Chandler Land Use Element of the General Plan designates the site as Residential and the Southeast Chandler Area Plan designates a more specific land use category of Rural/Agrarian Character. The property owner has submitted a rezoning application and preliminary development plans to allow the development of a church on the subject site.

#### UTILITY SERVICES

Existing municipal water service, waste water service and reclaimed water are available in McQueen Road.

#### STAFF COMMENTS

A public hearing for this annexation was held at the January 22, 2015, City Council meeting. Planning Staff has not received any comments from residents or other members of the public regarding this annexation. Planning Staff circulated this request among City Departments and received no negative comments relative to the property's annexation.

#### RECOMMENDATION

Planning Staff recommends approval.

11. GROUND LEASE: Chandler Municipal airport Ord. #4609

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4609 authorizing a ground lease at the Chandler Municipal Airport with WingSpan Business Investments LLC; and authorizing the Mayor to sign the lease and City Manager to sign all related documents.

#### BACKGROUND/DISCUSSION

Airport Staff have long identified a key factor in economic development on the airport is available building space for which to locate companies interested in expanding or relocating to the

Chandler Municipal Airport. As part of this business strategy, Staff focused on attracting a developer who would construct speculative commercial space, as currently none exists. On October 29, 2014, a direct lease application package was submitted by WingSpan Business Investments, LLC, to construct such a development on the remaining available land on the north side of the airport.

This 16-acre master planned development will be constructed in phases and is projected to total more than 250,000 square feet of space. WingSpan executives estimate the total capital investment will exceed \$40 million. Phase 1, depicted as Area 4 in the submittals, will consist of approximately 80,000 square feet of hangar/office space built on 4.79 acres. The timing for subsequent phases is contingent upon the construction of the North Terminal Area taxilane. Currently, these parcels are of no value to aeronautical users due to the lack of connectivity to the runway environment. The taxilane is a grant-eligible project that is anticipated in the five-year Airport Capital Improvement Program (ACIP); however, Arizona Department of Transportation or Federal Aviation Administration funds have yet to be allocated. Staff will continue to work with granting agencies to ensure the taxilane is prioritized.

#### KEY POINTS

- Lease Payments for Area 4 (209,028 SF or 4.79 acres) will commence upon Certificate of Occupancy and construction must start within 9 months of lease start date;
- Lease Payments for Area 3 (approximately 487,000 SF or approximately 11 acres) will begin payment upon completion of the future taxilane and construction must start within 9 months of taxilane completion;
- Initial lease term: Due to the unprecedented level of capital investment and the uncertainty of grant funding for the future taxilane, Staff is comfortable with 50-year initial term, with two(2) options to extend for additional 10-year terms;
- Lease rates: \$0.29/SF, subject to Annual CPI adjustments;
- Activities: Hangar/office complex will house aviation-related businesses and corporate aviation activities only.

#### AIRPORT COMMISSION

The Airport Commission met on December 10, 2014, and voted unanimously (7-0) to recommend approval.

12. DEVELOPMENT AGREEMENT: SWVP Ocotillo Land LLC Res. #4810

ADOPTED Resolution No. 4810 authorizing the execution of a Development Agreement with SWVP Ocotillo Land LLC for Continuum Phase 2 for property located at the NWC of Queen Creek and Dobson roads.

#### BACKGROUND/DISCUSSION

Southwest Value Partners (SWVP) is in the process of developing an expansion to the Continuum Science and Technology Park located at the northwest corner of Queen Creek and Dobson roads. The existing portion of Continuum is covered by a companion Development Agreement as part of that project's development entitlements. Since the Continuum project is being expanded, this Development Agreement duplicates a portion of the original project's Development Agreement provisions in order to have the two parcels operate under the same development entitlements.

The Development Agreement has no monetary provisions as a part of the agreement. The City obligations under the Development Agreement include the cooperation, but not an obligation, to possibly help cause the project to be designated as part of the Foreign Trade Zone as a means of attracting businesses to the project. Additionally, the Development Agreement includes a provision for an expedited Plan Review process and not requiring any additional dedications or exactions not otherwise a part of the property's PAD zoning. Lastly, the Development Agreement reinforces the planned good faith mutual work efforts to ensure, if it were to occur, the review of all State of Arizona Enterprise Zone applications related to the property.

13. INFILL INCENTIVE PROGRAM AGREEMENT: NexMetro Development LLC Res. #4833

ADOPTED Resolution No. 4833 authorizing an Infill Incentive Program Agreement with NexMetro Development, LLC, for a portion of the East Valley Mall located west of the NWC of Arizona Avenue and Warner Road (former Food for Less/SwapSmart and current Spot Free Carwash), in an amount not to exceed \$182,242.00.

BACKGROUND

This resolution authorizes the Mayor to execute an Infill Incentive Plan Agreement between the City of Chandler and NexMetro Development, LLC, to provide financial assistance for the demolition of commercial buildings and other existing infrastructure in preparation for a multi-family housing development. The subject site is a portion of the East Valley Mall located west of the northwest corner of Arizona Avenue and Warner Road. This funding will assist the Developer in removing 66,000 square feet from the commercial market.

This item was originally agendized for consideration at the January 22, 2015, City Council meeting but ultimately withdrawn at the request of NexMetro. The concerns necessitating withdrawal have been resolved.

DISCUSSION

The Infill Incentive Plan was implemented in 2009 to encourage private redevelopment or reinvestment in older existing retail centers within designated areas of the City that exhibit high vacancy rates and/or are facilities that were constructed at least 15 years ago.

The subject commercial site has struggled in recent years, largely due to the opening of the Loop 101 Price Freeway and the Loop 202 Santan Freeway, which have changed traffic patterns in the area. Also contributing to the issues in this area, were the relocation of national tenants to Chandler Fashion Center and its surrounding power centers as well as the development of additional power centers along the freeways. Together, these issues have resulted in a supply of commercial space that exceeds what is currently viable in the area resulting in high vacancy rates at existing shopping centers.

The subject site currently consists of a former Food for Less/SwapSmart building and a self-service car wash. This "big box" building has been vacant for several years with few options for commercial reuse due to both its size and the amount of available space in this area. This building does not fit well with the typical footprint of existing grocers or new smaller format stores. Also, because the Wal-Mart one mile west of this site expanded to add groceries several years ago, it is unlikely to be reused for this purpose. In addition, the availability of office space, particularly along the City's freeway corridors, has limited the ability of owners to reuse the space for call center-type operations as has happened with other "big boxes". There is limited potential for an educational use of the building as there is an existing charter school in the center as well

as another one mile west of the site. The former Target store that was located at this center, closed in February 2014, leaving another “big box” building of over 100,000 square feet vacant.

The proposed demolition and redevelopment of the property is consistent with the intent of the Infill Incentive Plan. The proposed project will eliminate over 66,000 square feet from the market, bring 194 new multi-family housing units to the identified Infill Incentive Plan area, and provide additional residents that will help support retail users and additional densities along a rapid transit corridor. The demolition work is expected to commence in late February or early March after the Developer closes on the property.

NexMetro Development’s total investment in the project is estimated to be approximately \$30.8 million, including the purchase of the land and existing buildings, demolition of the existing structures and infrastructure and the redevelopment of the site as a multi-family project. The total cost of the demolition is estimated to be \$364,485.00 and the City’s maximum participation in the project will be \$182,242.00, representing half of these costs.

The basic terms of this Agreement provide funding to assist NexMetro bring the subject site to a state where it can be redeveloped into a multi-family project including:

- demolishing the existing structures, including the former Food for Less/SwapSmart and the Spot Free Carwash,
- removing parking lot asphalt and concrete, landscaping and screen walls,
- abandoning the existing drywells,
- removing the private street (Mariposa Street) at the northwest portion of the site, which is no longer necessary for access to this development or the adjacent housing development, and
- eliminating the existing Warner Road driveway to the site, as the primary access to this development will be at two entrances on Grace Boulevard.

The anticipated benefits to the City of Chandler by participating in this project include:

- increasing the long-term viability of the surrounding commercial properties and businesses due to the introduction of approximately 290 and 390 new residents (1.5 to 2.0 residents per unit). Actual data from the Developer’s previous projects in the Phoenix and Tucson areas have shown average annual household incomes to be in the \$75,000 - \$85,000 range.
- bringing additional residential density along a present and potentially expanding rapid transit corridor,
- removing a significant amount of underperforming commercial space from the market, which may increase demand for remaining buildings of a similar size,
- providing a dramatic improvement to the property and streetscape, which may spur further reinvestment to the surrounding commercial properties.

#### FINANCIAL IMPLICATIONS

The City of Chandler will contribute \$177,067.00 for demolition costs and \$5,175.00 for development fees for a total of \$182,242.00. Funding is available in the FY 14-15 Economic Development Division Capital Budget for the proposed amount.

14. HOME FUNDS APPLICATION: Newtown Community Development Corporation  
Res. #4834

ADOPTED Resolution No. 4834 certifying compliance with the Consolidated Plan and administrative commitment in support of an application for Federal HOME funds by Newtown Community Development Corporation, an Arizona Non-Profit Corporation, to the Maricopa HOME Consortium.

**BACKGROUND**

The City of Chandler, along with seven other local municipalities and Maricopa County, formed the Maricopa HOME Consortium for purposes of administering the federal HOME Investment Partnerships Program (HOME). The HOME Program is funded by the U.S. Department of Housing and Urban Development (HUD). Of the total funds allocated to the Consortium under the HOME Program, 15% must be reserved for specific types of nonprofit organizations known as Community Housing Development Organizations (CHDOs). CHDO funds may be used to provide incentives to develop and support affordable rental housing and homeownership opportunities through activities such as acquisition, construction, reconstruction, rehabilitation, and/or various housing subsidies.

**DISCUSSION**

Newtown Community Development Corporation is a nonprofit that provides first time homebuyer programs to individuals and families in Tempe, Scottsdale, Glendale and Chandler. Newtown first began providing its Community Land Trust (CLT) program in Chandler in 2009 when it received its first allocation of HUD Neighborhood Stabilization Program (NSP) funds. Since that time, the City has awarded an additional allocation of NSP funds, as well as City of Chandler HOME funds, to Newtown. Currently, Newtown has assisted a total of 46 first time homebuyers in Chandler.

This request is seeking support of Newtown’s application to the Maricopa HOME Consortium for HOME CHDO funding. If Newtown is awarded funding from the County, Newtown will acquire and rehabilitate four additional single family scattered site homes in the City of Chandler. These homes will be made available to low to moderate income first time homebuyers. Newtown’s application to the Maricopa County Consortium is for \$400,000.00 or 40% of the total projected development costs for the project. Other resources that will support the project include conventional loan sources, Federal Home Loan Bank funds and Individual Development Account (IDA) funds. All properties acquired and rehabilitated with HOME funds will be placed in the Newtown Community Land Trust Program.

As part of their application, Newtown must submit a resolution of support from the governmental jurisdiction where the project is to be located. Approval of this resolution would meet that requirement and certify compliance with the City of Chandler’s Consolidated Plan. The City of Chandler is willing to administer the contract in support of Newtown’s application for federal HOME funds to the Maricopa County Consortium, if the application is funded.

**FINANCIAL IMPLICATIONS**

All costs associated with the HOME program will be paid by HUD and do not require repayment on the part of the City of Chandler.

15. **ESTABLISHING WRITTEN PROCEDURES:** General Plan Update Res. #4837

ADOPTED Resolution No. 4837 establishing written procedures for public participation in the Chandler General Plan update process.

## BACKGROUND

On December 11, 2014, the Mayor and Council approved a contract with Partners for Strategic Action, Inc., to assist Planning Staff in updating the General Plan. One of the first steps in the updating process, is for Council to “adopt written procedures to provide effective, early and continuous public participation in the development and major amendment of general plans from all geographic, ethnic and economic areas of the municipality” as required by Arizona Revised Statutes (A.R.S.) §9-461.06.C.1. According to the A.R.S., the procedures shall provide for:

- The broad dissemination of proposals and alternatives,
- The opportunity for written comments,
- Public hearings after effective notice,
- Open discussions, communications programs and information services, and
- Consideration of public comments.

The Public Participation Plan not only complies with these requirements, but goes beyond the requirements by offering a variety of additional opportunities and methods for input such as a Planning Lab, multi-event Chandler VisionFest, online feedback and communication through a number of social media platforms including Facebook, Twitter and Pinterest. A City webpage for the General Plan update is currently being prepared that will provide all of the information such as a general overview describing what the General Plan is and why it is important; links to documents such as drafts, committee meeting minutes and survey results; upcoming events and other ways to get involved; and contact information. Staff is also exploring creating short videos that will generate interest and lead viewers to more information about the General Plan update.

The Public Participation Plan is intentionally broad to allow flexibility in determining details such as specific dates and locations at the appropriate times. The Schedule by Phase/Task (last page) provides a general timeline for when the events will occur. The schedule is not exclusive, meaning that additional events such as presentations to civic organizations or the Chamber of Commerce may be added to the schedule as needed.

The Public Participation Plan was discussed with the Planning/Transportation and Development/Municipal Utilities Department City Council Subcommittee at their meeting held on January 28, 2015.

16. MEMORANDUM OF AGREEMENT & CONTINGENCY TRANSFER: The U.S. Census Bureau Res. #4838

ADOPTED Resolution No. 4838 authorizing a Memorandum of Agreement with The U.S. Census Bureau to participate in the 2015 Special Census.

APPROVED a Contingency transfer in the amount of \$4,068,800.00 from General Fund Non-Departmental Contingency to the General Fund Non-Departmental Operating Budget for expenses relating to the 2015 Special Census.

## BACKGROUND

The State of Arizona distributes shared revenues in proportion with each city's population size according to the most recent decennial census. State statutes allow cities to conduct a Special Census, mid-decade, to update the population used for state shared revenue distribution. Because there is a finite amount of funds available for the distribution of state shared revenue, if one city's population increases, the amount of shared revenue decreases proportionally for all the

other cities. Staff is aware of a handful of cities that will be conducting a Special Census in 2015, or are likely to conduct a Special Census, based on information received from the Maricopa Association of Governments (MAG).

### COST BENEFIT ANALYSIS

Planning Staff prepared an analysis by revising a spreadsheet that was prepared by MAG using 2013 population estimates. MAG's spreadsheet assumes that all of the cities in the MAG region will update their populations for state shared revenue purposes. Planning Staff revised the spreadsheet into four scenarios. The first scenario assumes only five cities will update their populations; Gilbert, Buckeye, Goodyear, Maricopa and Queen Creek. According to information received from MAG and from contacting these cities directly, Gilbert, Goodyear and Queen Creek have approved the agreements with the U.S. Census Bureau to conduct a special census. Buckeye and Maricopa have submitted requests for cost estimates and are very likely to participate in a special census according to these sources. The second scenario expands the list of participating cities to a total of nine. The expanded list is based on information received from MAG that those cities have expressed interest and might be considering participating in a special census. Staff believes that the number of cities participating in a special census is more likely to be smaller as shown in scenario 1. The third and fourth scenarios are the same as the first two except that scenarios 1 & 2 assume that the City of Chandler will not participate in updating its population for state shared revenue distribution and scenarios 3 & 4 assume that the City of Chandler will.

The cost benefit analysis summary finds that it would be financially beneficial for Chandler to update its population by participating in the 2015 mid-decade Special Census. In scenarios 1 & 2, which assume that Chandler does not update its population, Chandler would lose \$2.8 - \$6.2 million over a period of 5 years. Scenarios 3 & 4 show that Chandler could gain \$3.9 - \$7.5 million over a 5-year period by conducting a Special Census in 2015.

Planning Staff received a cost estimate of just over \$4 million from the U.S. Census Bureau for conducting a Special Census in 2015. The four scenarios in the cost benefit analysis take this cost into account.

If approved, the entire process is anticipated to take 7 months. If the Census Bureau receives the payment and signed Memorandum of Agreement from the City by February 26<sup>th</sup>, the 3-month preparation for the Special Census is expected to begin in April, with a target of mailing census surveys to residents in July. Data processing is expected to take another 3 months and the final population count should be provided to the City by September of this year. In order to be used for state shared revenue distribution, the final population count must be delivered to the state by March 2016.

It is also worth noting that the U.S. Census Bureau will separately be conducting a census test beginning in March of this year and will be conducted in Chandler's City limits located south of Pecos Road, and the area located north of Pecos Road and east of Cooper Road. The test, which will use new technology, could last until August, depending on how responsive residents are to the test. Thus, there could be an overlap between the Special Census mailings and the Census test mailings. If approved, Staff will work with the Census Bureau to inform residents about the two different census efforts through the City's Web page, and social media among other avenues, to encourage participation and help avoid confusion.

### FINANCIAL IMPLICATIONS

Since this is an opportunity that was not planned for in the FY 2014-15 budget, Council approval is needed to transfer \$4,068,800.00 from the General Fund Non-Departmental Cost Center, Contingency account to the Non-Departmental Cost Center, Other Expense account for payment to the U.S. Census Bureau and for payment of local persons who work on the Special Census.

17. GENERAL PLAN CITIZEN'S ADVISORY COMMITTEE APPOINTMENTS

APPROVED the following appointments to the General Plan Citizen's Advisory Committee:

Trinity Donovan, Chair	Garry Hays
Dr. Matthew Strom	Bob Brocks
Robert Sharman	Ken Frisard
Rebecca Turnblade	Sherry Koshiol
Michael Flanders	Rob Sty
Carol Elias	Gary Davis
Jeff Edgett	Terri Kimble
Sky McCorkle	Dale Steiner
Lloyd Harrell	Tim Bricker
Michelle Chang	Greg Rodriguez
Eshe Pickett	Spike Lawrence
Carlos Contreras	

18. PAYMENT: City of Phoenix

APPROVED payment of operations and maintenance costs, system upgrade agreement and narrow banding for FY 2014-15 to the City of Phoenix for participation in the Regional Wireless Cooperative in the amount of \$997,751.73.

On October 22, 2009, City Council approved an agreement with the City of Phoenix and Motorola Solutions, Inc., for the City's participation in the Regional Wireless Cooperative (RWC) Governance. This regionally based radio network provides seamless interoperable radio communications for multiple public safety and government agencies operating within the greater Phoenix metropolitan area.

The agreement provides for an annual operations and maintenance (O&M) fee for the maintenance of approximately 1,000 City of Chandler portable and vehicle radios used by Police; Fire, Health and Medical and other City departments. Quarterly payments in the amount of \$105,680.40 will be made to the City of Phoenix for a total annual amount of \$422,721.60. Quarterly payments fiscal year to date were delayed pending resolution of an audit conducted by the City of Phoenix. With the audit now complete, Staff is requesting approval for the payment.

Additionally, this agreement also includes an annual system upgrade assessment (SUA) of \$134,940.13 to provide ongoing software updates to ensure system compatibility. The total for O&M and SUA is \$557,661.73.

In addition, the Federal Communications Commission (FCC) has mandated a reduction in the amount of spectrum "space" utilized by public safety radio communications by December 31, 2016. This narrow banding mandate requires a change in communications technology that includes radios and infrastructure by the RWC. The expense of converting the RWC system to meet this requirement is spread out over a four-year plan. This is the second year of payments and Chandler's assessed portion of the payment is \$440,090.00.

19. MATCHING GRANT: Haciendas Improvement Homeowners Association

APPROVED a matching grant in an amount not to exceed \$3,225.00 to Haciendas Improvement Homeowners Association for tree maintenance and removal.

BACKGROUND

The Hacienda Improvement HOA is located south of Galveston Street, west of Pleasant Street, east of Alma School Road and north of Chandler Boulevard. The community is applying for grant funds to remove six trees and trim 16 trees along the perimeter and entrance of their community to enhance the public appearance.

The Hacienda Improvement HOA is a 43-year old community. Currently, the community has 22 aging trees along the perimeter of their property. Six trees are diseased and need to be removed. The remaining 16 trees need trimming due to their height. The residents are requesting grant funds to alleviate future concerns of damage caused by falling tree limbs and to enhance the area of their community that is visible to the public.

STANDARD CONDITIONS

Applicants for the HOA Matching Grant must meet four required conditions of the grant. The conditions address neighborhood safety, outreach, education and a final presentation to the Neighborhood Advisory Committee (NAC). The Hacienda Improvement HOA residents have agreed to implement several community activities to address the grant requirements.

1. **Neighborhood Safety:** To address neighborhood safety, the community held a neighborhood Block Watch presentation in September. Since then, residents have volunteered to research how the community can participate in 2015 GAIN. The Board also implemented the use of Nextdoor as a way to enhance their newly formed Block Watch and keep residents informed.
2. **Neighborhood Outreach:** The Hacienda Improvement HOA Board has agreed to implement a newsletter to keep residents informed on events and important HOA issues. Additionally, the community has traditionally held an annual "Neighborhood Cook-Out" and is looking to continue the tradition while integrating GAIN in 2015. Additionally, this past fall, the HOA held a successful neighborhood cleanup. The Board takes pride in engaging their residents and will continue to explore and support activities designed to bring neighbors together.
3. **Neighborhood Education:** The Hacienda Improvement HOA is self-managed and obtaining HOA education is important to the Board members. Board members have attended many of the City's HOA Academies and they plan to continue attending through 2015. In addition, the Board members, as well as residents, have attended the Mayor's Listening Tour and plan to attend the upcoming HOA Summit and the State of the City Address.
4. **Final Presentation to the NAC:** The Hacienda Improvement HOA residents fully intend to provide the NAC with a final presentation upon completion of the grant and its requirements.

NEIGHBORHOOD ADVISORY COMMITTEE VOTE

The motion to approve passed 5 – 0 with two committee members absent.

FINANCIAL IMPLICATIONS

The overall goal of the Hacienda Improvement HOA is to address the visual and safety issues the trees along the perimeter of their community are causing. The grant funds will allow the community the ability to also enhance the trees within the interior of their community.

In 2015, the Board implemented an increase of \$10.00 in their monthly dues as permitted by State law. These additional funds will be dedicated solely to a reserve fund to cover the ongoing maintenance of trees and common walls.

The Hacienda Improvement HOA has provided three bids and estimated the total project cost to be approximately \$5,375.00. The HOA is requesting City of Chandler grant funds in the amount of \$2,688.00. The HOA will be contributing approximately \$2,688.00 to complete the project. Additionally, Staff is providing a 20% contingency to cover unforeseen costs related to the project. The HOA provided two-year financial information for the Grant Committee to review and establish the need for the grant.

The HOA Matching Grant Funds have been budgeted in the Neighborhood Resources operating budget and are available to fund the Hacienda Improvement HOA grant request.

20. PROJECT AGREEMENT: Dibble Engineering

APPROVED Project Agreement No. AI1401-201 with Dibble Engineering for the design of Airport Drainage Improvements, pursuant to Annual Engineering Services Contract No. EN1005-101, in an amount not to exceed \$249,511.00.

Following significant precipitation events, standing water persists beyond 36 hours at Chandler Municipal Airport's west retention basin. The standing water attracts wildlife (i.e. birds), which present hazards to flight operations at CHD. The Airport intends to install infrastructure across Queen Creek Road to drain storm water to the regional retention basin and permanently mitigate the wildlife attractant caused by poor drainage. As part of the 2005 Airport Drainage Master Plan and the recently completed 2013 Drainage Study, several options were explored to drain the standing water in the airport's west retention basin. Alternatives included adding numerous dry wells, changing the drainage pattern by pumping water to the north basin and adding dry wells, or by pumping the water to the north basin and adding dry wells. These alternatives were significantly higher in capital cost and would require ongoing maintenance. The preferred alternative of the 2005 Airport Storm Drain Master Plan was to grade the west basin to a culvert that is to be constructed under Queen Creek Road and gravity flow the water to a City-owned basin that currently exists on the south side of the road. This alternative was validated in the 2013 Drainage Study.

21. No item.

22. AGREEMENT: Cholla Pavement Maintenance, Inc.

APPROVED Agreement No. ST5-745-3477 with Cholla Pavement Maintenance, Inc., for tire rubber modified surface seal, in an amount not to exceed \$268,840.00, for one year with the option of four additional one-year extensions.

Recycled Tire Rubber Modified Surface Seal (TRMSS) is a surface treatment that is used to maintain City streets. The City of Chandler and neighboring cities have used TRMSS with excellent results and success. By utilizing discarded tires in the asphalt sealant, the streets retain their appearance and longevity. By recycling this rubber material, the City is maintaining its

streets using a “green” technology. Informational door hangers were used to notify citizens and businesses when work is to be completed. City streets will not be closed as only half a street will be sealed at a time.

23. AGREEMENT: M.R. Tanner Development & Construction, Inc.

APPROVED Agreement No. ST5-745-3478 with M.R. Tanner Development & Construction, Inc., for street replacement asphalt mill and inlay services in an amount not to exceed \$5,278,000.00 for one year with the option of four additional one-year extensions.

24. AGREEMENT AMENDMENT: Cutler Repaving, Inc.

APPROVED Agreement No. ST4-745-3339, Amendment No. 1, with Cutler Repaving, Inc., for hot-in-place asphalt recycling, in an amount not to exceed \$620,000.00. This is the first of 3 one-year optional extensions.

25. AGREEMENT AMENDMENT: Univar USA, Inc.

APPROVED Agreement No. MU4-885-3350, Amendment No. 1, with Univar USA, Inc., for water/wastewater treatment and pool chemicals in a total amount not to exceed \$237,325.75.

The City of Chandler’s Ocotillo Brine Reduction Facility (OBRF) uses lime softening as one of their processes. Lime is a mined product that is baked at high temperatures to eliminate carbon dioxide and is then crushed. The process requires lime purity of greater than 96% calcium hydroxide, free of any grit or foreign materials that could clog pumps or lines. Only two lime sources have this high grade of line: Mississippi Lime and Lhoist Lime.

Mississippi Lime was originally used at the OBRF. In July 2014, chemicals went out to bid and Lhoist Lime was chosen due to Lhoist Lime stating they could meet all the criteria for purity and grit, at approximately half the cost.

After initial use of Lhoist Lime, pumps and pipes began clogging due to the impurity and grit in the lime product. Staff removed the lime, cleaned the silo, batch tank and slurry tank. The same problems occurred with the next Lhoist Lime delivery. It was determined by the contractor, engineering firm and lime feed equipment maker that Lhoist Lime would not be acceptable for the OBRF. Intel is requesting that the City return to using the original Mississippi Lime product.

On June 26, 2014, City Council approved an agreement for Water/Wastewater Treatment and Pool Chemicals for 12 firms with one being Univar USA, Inc., for the purchase of lime in an amount not to exceed \$126,139.00.

Univar was the only bidder for Mississippi Lime in response to the Request for Proposal. Staff is recommending that the agreement be amended to change the product to Mississippi Lime for an additional amount of \$111,186.75 amending their total contract amount to \$237,325.75.

26. AGREEMENT AMENDMENT: Polydyne, Inc.

APPROVED Agreement No. MU4-885-3350, Amendment No. 1, with Polydyne, Inc., for water/wastewater treatment and pool chemicals in a total amount not to exceed \$209,428.00.

On June 26, 2014, City Council approved an agreement for water/wastewater treatment and pool chemicals with 12 firms in a total amount not to exceed \$7,164,000.00. One of the 12 agreements was awarded to another contractor for the purchase of the particular polymer that is necessary for the operation at the AWRF. The product from this vendor, however, caused operational problems for Staff. The only other bidder that offers the necessary polymer for the AWRF is Polydyne, Inc., which has a current agreement in place with the City that was awarded in the amount of \$59,728.00.

As a result of the operational problems with the prior vendor, Staff is recommending that the City's current agreement with Polydyne, Inc., be amended to include the polymer necessary for the AWRF, for an additional amount of \$149,700.00, amending their total contract amount to \$209,428.00.

27. AGREEMENT AMENDMENT: Laboratory Testing Services

APPROVED Agreement No. MU3-962-3169, Amendment No. 1, with TestAmerica Laboratories, Inc., Trans West Analytical Services, LLC, dba Xenco Laboratories, Legend Technical Services of Arizona, Inc., and Eurofins Eaton Analytical, Inc., for laboratory testing services for a one-year term in a total amount not to exceed \$379,000.00. This is the first of 4 optional one-year extensions.

28. AGREEMENT: Diamond Services

APPROVED Agreement No. MU5-830-3493 with Diamond Services for repair and recoating of hypochlorite tanks at the Pecos Surface Water Treatment Plant, 1475 E. Pecos Road, in an amount not to exceed \$76,087.00.

29. SUBORDINATION: San Tan Tech Center

APPROVED Subordination, Non-Disturbance and Attornment Agreement for the property located at the San Tan Tech Center, 145 S. 79<sup>th</sup> Street.

BACKGROUND

In April 2010, the City entered into a 10-year lease for 38,146 square feet of space with CCI-B Chandler I, LLC. In April 2012, the City entered into a 12-year lease for an additional 25,297 square feet of space with CCI-B Chandler I, LLC, and amended the Phase I lease to terminate on the same date as the Phase II lease in 2024. In December 2013, CCI-B Chandler I, LLC, sold the property to CCMVMP San Tan Tech, LLC.

CCMVMP San Tan Tech, LLC, has requested new financing with Western Alliance Bank.

Per the terms of the lease, in order for the owners to acquire new financing, the City is required to approve and execute a Subordination, Non-disturbance and Attornment Agreement.

FINANCIAL IMPLICATIONS

There are no financial implications for the City. The terms of the lease, as approved by City Council, are still in effect and do not change with this Agreement.

30. PERFORMANCE GUARANTEE AGREEMENT AMENDMENT AND SOLAR SERVICES AGREEMENT AMENDMENT: City Hall Parking Garage

APPROVED a Performance Guarantee Agreement Amendment and Solar Services Agreement Amendment for the City Hall parking garage.

BACKGROUND

In November 2012, Council approved the Performance Guarantee Agreement and Solar Service Agreement for the solar array at the City Hall parking garage. The Agreements detail the size of the solar array, the detailed components to be utilized in the array, the amount of solar that is guaranteed to be produced by the solar array, the cost per kilowatt hour (kWh) of power produced, as well as general terms and conditions of the contract.

In the original agreement, the City agreed to purchase the solar power upfront for the specified cost of \$0.039283 per kWh, which is less than the average APS charge of \$0.051 per kWh. By purchasing the solar power up front, the City locked in the cost per kWh. The Agreement also guaranteed that the array would produce 7,537,625 kWh during the duration of the 20-year agreement. This total kWh is broken out for each of the 20 years since there is a slight reduction in production over time. According to the agreement, if the solar array does not produce the designated guarantee, SolarCity will reimburse the City for the amount of kWh that was not produced.

Since construction has been completed, SolarCity has presented these Amendments to the Performance Guarantee and Solar Services Agreements. These amendments are based on the actual installed solar array. The as-built solar array will produce 6,621,537 kWh over the 20-year agreement. This reduction in expected solar production will result in an initial refund to the City of \$35,987.00. Over the 20-year agreement, the projected savings to the City for the overall cost of electric services will remain virtually unchanged. It should be noted that if the solar production is over the guaranteed minimum, there is no additional cost to the City.

FINANCIAL IMPLICATIONS

These amendments will result in a refund to the City of \$35,987.00. All other terms of the lease, as approved by City Council, are still in effect and do not change with this Amendment.

31. PERFORMANCE GUARANTEE AGREEMENT AMENDMENT AND SOLAR SERVICES AGREEMENT AMENDMENT: Downtown Chandler Library

APPROVED a Performance Guarantee Agreement Amendment and Solar Services Agreement Amendment for the Downtown Chandler Library.

BACKGROUND

In April 2014, Council approved the Performance Guarantee Agreement and Solar Service Agreement for the solar array at the Downtown Chandler Library.

The Agreements detail the size of the solar array, the detailed components to be utilized in the array, the amount of solar that is guaranteed to be produced by the solar array, the cost per kilowatt hour (kWh) of power produced, as well as general terms and conditions of the contract.

In the original agreement, the City agreed to purchase the solar power upfront for the specified cost of \$0.035 per kWh, which is less than the average APS charge of \$0.051 per kWh. By purchasing the solar power up front, the City locked in the cost per kWh. The Agreement also guaranteed that the array would produce 12,110,679 kWh during the duration of the 20-year agreement. This total kWh is broken out for each of the 20 years since there is a slight reduction in production over time. According to the agreement, if the solar array does not produce the

designated guarantee, SolarCity will reimburse the City for the amount of kWh that was not produced.

During construction, SolarCity adjusted the expected solar output and invoiced the City based on the reduced output. This resulted in a reduced payment of \$9,177.70. Since construction has been completed, SolarCity has presented these Amendments to the Performance Guarantee and Solar Services Agreements. The as-built solar array will produce 11,526,695 kWh over the 20-year agreement. This additional reduction in expected solar production will result in an initial refund to the City of \$6,454.98. Over the 20-year agreement, the projected savings to the City for the overall cost of electric services will remain virtually unchanged. It should be noted that if the solar production is over the guaranteed minimum, there is no additional cost to the City.

#### FINANCIAL IMPLICATIONS

These amendments will result in a refund to the City of \$6,454.98. All other terms of the lease, as approved by City Council, are still in effect and do not change with this Amendment.

#### 32. PERFORMANCE GUARANTEE AGREEMENT AMENDMENT AND SOLAR SERVICES AGREEMENT AMENDMENT: Police Property and Evidence Building

APPROVED a Performance Guarantee Agreement Amendment and Solar Services Agreement Amendment for the Police Property and Evidence Building.

#### BACKGROUND

In March 2014, Council approved the Performance Guarantee Agreement and Solar Service Agreement for the solar array at the Police Property and Evidence Building. The Agreements detail the size of the solar array, the detailed components to be utilized in the array, the amount of solar that is guaranteed to be produced by the solar array, the cost per kilowatt hour (kWh) of power produced, as well as general terms and conditions of the contract.

In the original agreement, the City agreed to purchase the solar power upfront for the specified cost of \$0.03434 per kWh, which is less than the average APS charge of \$0.051 per kWh. By purchasing the solar power up front, the City locked in the cost per kWh. The Agreement also guaranteed that the array would produce 6,322,505 kWh during the duration of the 20-year agreement. This total kWh is broken out for each of the 20 years since there is a slight reduction in production over time. According to the agreement, if the solar array does not produce the designated guarantee, SolarCity will reimburse the City for the amount of kWh that was not produced.

Since construction has been completed, SolarCity has presented these Amendments to the Performance Guarantee and Solar Services Agreements.

These amendments are based on the actual installed solar array. The as-built solar array will produce 5,951,048 kWh over the 20-year agreement. This reduction in expected solar production will result in an initial refund to the City of \$12,842.46. Over the 20-year agreement, the projected savings to the City for the overall cost of electric services will remain virtually unchanged. It should be noted that if the solar production is over the guaranteed minimum, there is no additional cost to the City.

#### FINANCIAL IMPLICATIONS

These amendments will result in a refund to the City of \$12,842.46. All other terms of the lease, as approved by City Council, are still in effect and do not change with this Amendment.

33. CONSTRUCTION CONTRACT: DNG Construction, LLC

APPROVED Construction Contract No. PR1408.401 with DNG Construction, LLC, for Folley Park Improvements, in an amount not to exceed \$857,463.42.

34. PURCHASE: Printer Cartridges

APPROVED the purchase of laser and inkjet printer cartridges, OEM and remanufactured, utilizing State of Arizona Contract No. ADSPO14-0003441, with Vision Business Products and Wist Office Products, in a total amount not to exceed \$70,000.00.

35. USE PERMIT: America's Taco Shop

APPROVED Use Permit LUP14-0020 America's Taco Shop, Series 12 Restaurant License, to continue to sell and serve liquor s permitted for on-premise consumption indoors and within the patio and continue live music indoors and within the patio at an existing restaurant located at 3235 W. Ray Road, Suite 1, SWC of Ray Road and the Loop 101. (Applicant: Michael Moore.)

BACKGROUND

America's Taco Shop is an existing restaurant located at 3235 W. Ray Road, Suite 1, at the southwest corner of Ray Road and the Loop 101 within The Park at San Tan. The Park at San Tan includes Alliance Bank, several restaurants, a salon and office buildings. D'Arcy Ranch single family subdivision is located west and Parkside East single family subdivision is northwest, across Ray Road.

The request is for Liquor Use Permit approval to continue to sell and serve liquor as permitted under a Series 12 Restaurant License for on-premise consumption indoors and within the patio and continue occasional live music indoors and within the patio. The restaurant received Liquor Use Permit approval in September 2013, with a time condition of one year. The current request is for an extension of the Liquor Use Permit without any further time condition.

The restaurant's operational plan remains the same. The restaurant is open from 9 a.m. until 8 p.m., seven days a week. Acoustic music may occasionally occur from 4 p.m. until closing on Thursdays, Fridays, Saturdays and major holidays.

DISCUSSION

Planning Staff supports the request finding that the restaurant with occasional live music indoors and within the patio is appropriate at this location if the live acoustic music continues to be controlled so as to not unreasonably disturb the surrounding businesses and residents.

There have been no complaints filed with the Police Department or opposition during the neighborhood notification and public notification processes. Planning Staff is not recommending a time condition on the Liquor Use Permit due to the success of the business's operation.

PUBLIC/NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on December 23, 2014. There were no neighbors in attendance. Planning Staff has received no correspondence in opposition.

PLANNING COMMISSION VOTE REPORT

The motion to approve passed 4-0 with Commissioners Baron, Donaldson and Foley absent.

### RECOMMENDED ACTION

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

1. The Liquor Use Permit granted is for a Series 12 license only and any change of license shall require reapplication and new Liquor Use Permit approval.
  2. The Liquor Use Permit is non-transferable to any other location.
  3. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Liquor Use Permit and require new Liquor Use Permit application and approval.
  4. The patio shall be maintained in a clean and orderly manner.
  5. Live music within the outdoor patio area shall not occur past 8 p.m. and shall be limited to acoustic music without amplification.
  6. The house speaker system shall not be utilized to amplify live music.
  7. Music shall be controlled so as to not unreasonably disturb area residents and businesses and shall not exceed the ambient noise level as measured at the commercial property line.
  8. No noise shall be emitted from the live music occurring outdoors that exceeds the general level of noise emitted by uses outside the premises of the business and further will not disturb adjacent businesses and residential areas.
  9. The site shall be maintained in a clean and orderly manner.
  10. The establishment shall provide a contact phone number of a responsible person (owner and/or manager) to interested neighbors to resolve noise complaints quickly and directly.
36. USE PERMIT: Verizon Wireless – Alma School and Germann

APPROVED Use Permit ZUP14-0020 Verizon Wireless – Alma School and Germann, to install a 60-foot monopalm wireless communication facility at 964 W. Germann Road, east of the NEC of Alma School and Germann roads. (Applicant: Rob Jones, Wavelength Management.)

### BACKGROUND

The request is for Use Permit approval to install a monopalm wireless communication facility at 964 W. Germann Road, east of the northeast corner of Alma School and Germann roads. The proposed monopalm is 60 ft. in height, measured to the top of antennas and placed within the north section of the agricultural property. Agricultural properties containing single family residences are a minimum of 540 ft. from the proposed monopalm. Chandler Christian Church campus is to the north and east. Greulichs Auto and other commercial retail businesses are to the west.

The Zoning Code requires a Use Permit for wireless communication facilities in non-industrial zoning districts that do not utilize existing poles or towers.

A monopalm is a cell tower disguised as a palm tree. The monopalm design resembles a Mexican Fan Palm having a minimum of 65 fronds, with the antennas painted to match the fronds.

A 10 ft. tall, state approved pre-fabricated equipment shelter containing a back-up generator would be constructed adjacent to the monopalm. A new 16 ft. wide gravel access driveway is proposed along the west edge of the property. The existing iron rolling gate at the front of the property is replaced with a 24-hour access gate. Several palms exist in proximity to the site. Two 30 ft. live palm trees would be planted adjacent to the facility to create a palm grove effect.

An inventory of existing facilities, vertical towers and structures located within an approximate one mile radius was prepared by the applicant to assess alternative locations. Within the immediate area, no other suitable alternative for co-location of the wireless communication facility on existing poles or towers was found.

Photographic simulations of the wireless communication facility illustrating existing views and proposed views were provided by the applicant. The simulations depict the equipment shelter and monopalm viewed from several locations.

### DISCUSSION

Planning Staff supports the request. The proposed location is appropriate for a wireless communication facility in the form of a 60 ft. monopalm, measured to the top of antennas. The monopalm design is appropriate at this location given the presence of palms in the area and the addition of two 30 ft. live palm trees. The separation from the single family homes on agricultural properties is greater than the 160 ft. distance of recently approved wireless communication facilities. Planning Staff is of the opinion that permitting the monopalm at this specific location is consistent with the review factors examined as part of the Use Permit process.

### PUBLIC/NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on September 17, 2014. There were 3 property owners in attendance with concerns regarding radiation. Planning Staff received one phone call from one of the property owners who attended the neighborhood meeting inquiring about the Use Permit process. Staff has received no correspondence in opposition.

### PLANNING COMMISSION VOTE REPORT

The motion to approve passed 4 – 0 with Commissioners Baron, Cunningham and Foley absent.

### RECOMMENDED ACTION

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

1. Development shall be in substantial conformance with approved exhibits. Expansion or modification of the use beyond approved exhibits shall void the Use Permit and require new Use Permit application and approval.
2. The two live palms shall be maintained at a level consistent with or better than at the time of planting.

### 37. SPECIAL EVENT LIQUOR LICENSE: American Service Animal Society

APPROVED a Special Event Liquor License for the American Service Animal Society for the 12<sup>th</sup> Annual Chandler Classic Car & Hot Rod Show, February 28, 2015, at Dr. A.J. Chandler Park, 3 S. Arizona Avenue. A recommendation for approval will be forwarded to the State Department of Liquor Licenses and Control. With a Special Event Liquor License, the organization can sell all alcoholic beverages within the confines of the event during the designated event periods. The Police Department reports no objections to the issuance of this license. The special event liquor fee has been paid; however, as this applicant is a non-profit organization, no sales tax license is required.

**ACTION:**

7. **REZONING/PRELIMINARY DEVELOPMENT PLAN:** First Electronics Ord. #4604

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4604, DVR14-0023, First Electronics, rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for office/industrial. (Applicant: Andy Pulsipher, Andy Pulsipher Architects.)

APPROVED a PRELIMINARY DEVELOPMENT PLAN (PDP) for site layout and building design for an electronics manufacturer on approximately 3.5 acres located north of the NWC of Price and Willis roads.

**MEMO BACKGROUND**

The approximately 3.5-acre subject site is located north of the northwest corner of Price and Willis roads. The property is surrounded by the Gila River Indian Community to the west, Chandler Echelon with PayPal/eBay to the north, The Castle at Ashley Manor to the south and undeveloped land to the east within Allred Park Place.

The request is to rezone the site from Agricultural (AG-1) to Planned Area Development (PAD) for office/industrial along with Preliminary Development Plan (PDP) for site layout and building design for an electronics manufacturer. First Electronics specializes in the assembly of printed circuit board, cable and wire harnesses, and electromechanical box builds. Services include the automated and manual insertion of surface-mount and thru-hole components.

The development includes approximately 34,341 square feet of building area which includes 29,941 square feet of light industrial space for a circuit board assembly facility and a second floor of 4,400 square feet with support general office. The building height ranges from approximately 30 to 36 feet.

The building is designed to accommodate a light industrial facility that has a production area for receiving, shipping, assembly and testing as well as administrative office space. The building's front elevation along Price Road features a rounded two-story glass wall capped with a cedar plank ceiling. The entrance canopy's corner is supported by an accent wall with brushed stainless steel. The building incorporates four-sided architecture with a multi-level painted metal trellis element with stucco-veneered columns. The building walls are stucco finish with split-face block as a wainscot.

The landscape frontage includes a 100-foot deep landscape area characteristic of properties along Price Road. The west side of the property has a landscape/retention area which can be converted for future development. Vehicular access is provided off of Price Road. The site has appropriate parking at 80 spaces. One freestanding monument sign is proposed along Price Road which is architecturally designed to match the building.

At the northwest corner of the subject site, lies a narrow, rectangular parcel approximately 0.10 acres. This parcel is separately owned and not a part of the proposed development. The development will provide a 20-foot wide vehicular access from the parcel to Price Road. This parcel will have access to water and sewer services.

**DESIGN REVIEW COMMITTEE**

Planning Staff forwarded the request to the Design Review Committee (DRC) prior to the Planning Commission hearing. The DRC reviewed the project's architectural design elements

and was complimentary of the building design. There was one minor change requested regarding the seam joints/grid design to change from 8-feet by 8-feet to 4-feet by 4-feet which will better show the block's texture grid design.

#### GENERAL PLAN CONFORMANCE BACKGROUND

The General Plan designates this property as Employment. The Employment category targets knowledge-intensive industries like high technology and information technology such as First Electronics. Additionally, the General Plan identifies the subject site as adjacent to, but not a part of, the South Price Road Employment Corridor (SPREC). Visually, the corridor starts at the southern edge of the Loop 101/202 freeway interchange; however, historically, the City has recognized Willis Road as the northern border as the majority of property located north of Willis Road received zoning approval prior to the General Plan's SPREC designation. The subject property is located north of Willis Road, therefore, not subject to the corridor guidelines.

Planning Staff finds the office/industrial use as compatible land use adjacent to existing and planned Employment businesses including general offices, event facility and hotels. The site and building design is consistent with the design quality expectations along Price Road including a prominent front entrance element. While the subject property does not fall within the area generally accepted as the start of the SPREC corridor, it is a compatible land use appropriate amongst property within the SPREC vicinity.

#### PUBLIC/NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on October 22, 2014. There were no neighbors in attendance. Planning Staff is aware of concerns from the landowner immediately north of the proposed development. Staff received a letter of opposition from the 0.10-acre adjacent parcel owner abutting the northwest corner of the subject site.

#### PLANNING COMMISSION VOTE REPORT

The motion to approve passed 4 – 0 with Commissioners Baron, Donaldson and Foley absent.

The Planning Commission asked if the relocation of the building from the north to the south side was due to a request from the northern property owner. The applicant responded that a concern was expressed by that owner thus he decided to go ahead and flip the building which also aided in providing required site standards. The Planning Commission asked if the future second phase development requires a PDP. Planning Staff responded that a new PDP case would be required. A zoning condition has been added regarding the separate PDP for phase two. The legal representative for the property north of the site spoke stating his client's concerns are with the use and the amount of utilization of the parcel.

#### RECOMMENDED ACTIONS

##### **Rezoning**

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

##### **Preliminary Development Plan**

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

1. Development shall be in substantial conformance with Exhibit A, Development Booklet entitled 'FIRST ELECTRONICS", kept on file in the City of Chandler Planning Division in File No. DVR14-0023, except as modified by condition herein.
2. Landscaping shall be in compliance with current Commercial Design Standards.
3. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
4. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or association.
5. Sign packages, including free-standing signs as well as wall-mounted signs, shall be designed in coordination with landscape plans, planting materials, storm water retention requirements, and utility pedestals, so as not to create problems with sign visibility or prompt the removal of required landscape materials.

DISCUSSION:

MS. JODIE NOVAK, SENIOR PLANNER recapitulated the rezoning request. The property is approximately 3.5-acres, and the preliminary planned development includes approximately 34,341 square feet of building area which includes 29,941 square feet of light industrial space for a circuit board assembly facility and a second floor of 4,400 square feet with support general office. The building height ranges from approximately 30 to 36 feet.

She stated there was a neighborhood meeting held, however there were no attendees at that meeting. Staff is aware of the concerns brought forward by neighboring properties and a filing of a legal protest of the adjacent property owner. Staff is in receipt another letter of opposition from another property owner holding a .10 acre parcel on the immediate northwest corner, however; it does not trigger a legal protest. She said today an e-mail was received by a tenant of the Bella Rose facility that is two parcels south of the subject site. This opposition is also outside of the legal protest area.

The case had been heard by the Design Review Committee and the Planning and Zoning Commission; both recommended approval. The recommended approval was based on the projects conformance with the City's General Plan and the area plan for both the rezoning request and the Plan Development Proposal for design and layout.

VICE MAYOR HARTKE asked the wages that would come with this type of manufacturing facility, not as a zoning issue, but as an element of the high tech corridor. Ms. Novak said she did not have that information.

COUNCILMEMBER HEUMANN asked how many jobs this would produce. Ms. Novak stated the proposed project has approximately 35 employees with an intent to expand to 70 or more.

Councilmember Heumann asked what the normal density is for other businesses in the Price corridor compared to this business. Ms. Novak replied while she does not have specific statistics on the businesses in the Corridor; however there are several businesses in the area that are light industrial, that have very few employees while other businesses like call centers which employ hundreds to thousands of people. There is a wide swing among the various businesses when looking at the number of its employees.

Councilmember Heumann asked what the current percentage of lot coverage is compared to others in the area. Ms. Novak responded of the 3.5 acres, the building cover roughly 21%, City Code could allow approximately 50-55%, and possible more depending on site standards.

COUNCILMEMBER SELLERS mentioned the Price Corridor Study the City had done a few years back, to help with the City's vision of what the Price Corridor would embody as far as the type of employment and number of jobs those businesses would bring in that area.

Ms. Novak stated the study does talk about high density and high density employment. But the definition of high density could be a large business on large acreage, 15 acres or more, which usually has a higher density of individuals per acre. However; at the same time there are data centers in the area which are very large structures, but only have a few people working due to the nature of that business. Another way to look at high density is to look at the mass of the building and use that is occurring at the facility. The current proposal is in an area that has been fragmented for many years. It has been agricultural land with many small parcels with several individual owners.

COUNCILMEMBER ELLEN asked if this was the only location this particular business could locate. Ms. Novak said there could be other areas, however this parcel is linear and allows the applicant a longer assembly type manufacturing and testing facility. Other parcels may not allow the same shape or sized building.

ROD JARVIS, 2575 E. Camelback Rd, Attorney for applicant, stated the current number of employees is 56, up from last year by four. The median salary is \$14.00 - \$15.00 per hour. In review of the rezoning request there are three key points to recommend approval of the request.

1. The General Plan calls for employment in the corridor, which has not changed since the land was purchased in 2004 by his client.
2. The Staff report after all the reviews and hearings is in support of the request.
3. The Planning and Zoning Commission report is also in approval of the rezoning request.
4. The final legal check is when the item is brought before the City Council.

The City Council received three different recommendations for approval of the project, along with letters of opposition. Mr. Jarvis addressed the issues.

1. A letter from Mr. Irish who owns a 1/10 acre parcel purchased at a tax sale. In Mr. Jarvis's expertise in planning, this parcel has no discernible use and his opposition bears the appearance of manipulation to the rezoning request.
2. A letter the Council received today from Ms. Beard. She is a tenant of a parcel south of this rezoning request. She sent her letter to Mr. Hays, the opposing Counsel who forwarded it to Staff this morning. Mr. Jarvis stated he had tried to call Ms. Beard, but was only able to leave a message she call him back, he has not heard from her.
3. Last letter received by Council is from Mr. Deutsch through his attorney Mr. Hays. Mr. Deutsch's parcel is much larger, housing PayPal and eBay. Efforts to discuss the proposal and options that would make Ms. Cho's rezoning request more palatable to Mr. Deutsch have yielded no meetings, since Mr. Deutsch's position is that he objects to the employment use of the property and his position is firm.

Mr. Jarvis stated the legal process and recommending bodies have all recommended approval of the proposed use and rezoning of the property. Mr. Jarvis then introduced Ms. Cho and provided a brief narrative of Ms. Cho's immigrant working history and business ideas which led her to purchasing the parcel along Price Road. Mr. Jarvis argued that Ms. Cho relied on the vision of the City when purchasing this property. She bought the site before Mr. Deutsch's property was

developed. Ms. Cho selected this location for its proximity to her customers and to her employees.

He urged Council to concur with the procedural process and findings and support the rezoning case.

Mr. Garry Hays, 1702 E. Highland, Phoenix, AZ Attorney for Delta Echelon LLC., owner of the eBay/PayPal building. His client is opposed to the rezoning request and use of the parcel. They had concerns regarding the request throughout the process, but it was not until after the Planning Commission's meeting did they hear from the tenants of the building and they expressed their opposition to the proposed use of the parcel. They do not want industrial next door. He then discussed the use of the property and the vision Chandler has for the Price Corridor which is captured in the Price Road Corridor Study conducted in 2014. The request to rezone to industrial is not conducive next to a \$50 million office complex, with one of the Valley's premier employers.

Mr. Hays reported the City has spent millions of dollars over the years to secure the Price Corridor as a premier stretch for high end employers. There is enhanced infrastructure and road widening projects specific for the vision of the Price Road Corridor. The land and use for the proposed rezoning is underutilized. The 3.5 acre parcel with an employment possibility of 35-75 employees, and right next door is a 12 acre parcel with 2000 jobs. This correlates to 166 jobs per acre.

He stated there has been a lot of discussion regarding the General Plan. The General Plan is a guideline, and each case is heard on its own standing on a case by case basis.

MR. JARVIS stated the General Plan is a guideline. Mr. Hays referenced the Price Road Corridor Study, which he believes this rezoning request meets those vision plans for the corridor. The General Plan states the guidelines as well, and is the same now, as it was when his client bought the property in 2004. There are different types of industrial, and Ms. Cho's business is light industrial, assembling computer components. They do have plans to grow, it may not be the 2000 employees as the neighboring property accommodates, but the use and location is a reasonable use and location for her business.

COUNCILMEMBER HEUMANN stated the Council has worked very hard over the years to keep the vision for the Price Road Corridor. He noted the number of employees and average salary of this business compared to the totality of what was occurring in the entire corridor, he has concerns. He mentioned the Airport area plan where this business might better be suited for. To him, the use being proposed does not meet what the Council has worked so hard for over the years for the Price Road Corridor.

COUNCILMEMBER LOPEZ also agreed that the proposed use is not the best fit for the Corridor considering the investment in infrastructure that has been put in place along the Corridor to support the high density vision Chandler has for that area.

VICE MAYOR HARTKE stated he too has an issue with the proposed use. The City spent considerable time and money to create the vision and direction of businesses along the Price Road Corridor and it is a sound plan. It would not be wise to deviate so much from the plan, which this proposal is requesting.

MOVED BY COUNCILMEMBER HEUMANN, SECONDED BY VICE MAYOR HARTKE, TO DENY DVR14-0023, FIRST ELECTRONICS, REZONING FROM AGRICULTURAL DISTRICT (AG-1) TO PLANNED AREA DEVELOPMENT (PAD) FOR OFFICE/INDUSTRIAL.

COUNCILMEMBER ROE stated he understood and appreciated the tough decisions the City Council has to make on the various issues brought before it, but he was disappointed that Ms. Cho went through the entire process, spent significant time and money, only to come to this point and be denied.

COUNCILMEMBER ELLEN stated she made a commitment to protect the vision of the Price Corridor, and this will be one of the most difficult decisions she will make in all her years on Council. The vision for the corridor is high density land use, high density employment, and high salaries.

THE MOTION TO DENY CARRIED BY MAJORITY (6-1) WITH COUNCILMEMBER ROE VOTING NAY.

UNSCHEDULED PUBLIC APPEARANCES:

Elaine Morris, 1182 N. Bogle Avenue, stated she lives across from Bell Steel. She stated the company starts very early in the morning and operates till around 7:30 p.m. The noise generated from that business disrupts the entire neighborhood and is unbearable. She was in her front yard on the phone with her daughter, and her daughter even commented about the loud noise she could hear in the background. There is screeching of steel as it is unloaded, or dropped in some cases is nerve wracking.

The long bed trucks loaded with steel beams in from Knox or Hamilton Roads, have to make a very hard turn to enter or exit the facility causing a safety issue. The lot that borders Hamilton used to have a chain link fence so they have ingress and egress but this is not paved, and the dirt that is disturbed is like a dust storm and there is dirt all along the roadway. Baylor Hudson used to come and blow the dirt off the street, but she has not seen them in months.

The steel is being stacked extremely high, she stated she would like to see a wall built to hide it, and keep all the dust the company creates contained within their premises.

Her last concerns deal with the garbage truck that services American Mini Storage, it cannot turn around on the premises, but has to back out into traffic, and there is a personal training facility in that area, and while they have installed several no parking signs, they do not deter people from parking on the street.

CURRENT EVENTS:

A. Mayor's Announcements

- **Free tax assistance**
  - Chandler's free tax assistance sites are now open
  - Chandler area working families have claimed more than \$10 million in tax refunds over the past 11 years thanks to Chandler's Volunteer Income Assistance – or VITA --program

- Those earning less than \$53,000 last year qualify for free tax preparation services at one of the seven Chandler VITA sites
- To learn more, visit [www.chandleraz.gov/vita](http://www.chandleraz.gov/vita)
- **The State of the City Address is Thursday, Feb. 19<sup>th</sup>**
  - 6 p.m. in the Council Chambers
  - He will announce the annual Neighborhood Excellence Awards Winners
- **Budget Connect**
  - Chandler's annual online budget discussion will take place on Thursday, February 26<sup>th</sup> before the Council meeting at 7:00 p.m.
  - Residents can log onto the website at [www.chandleraz.gov](http://www.chandleraz.gov) to join the conversation
  - Residents can also post questions on Twitter and Facebook
  - Send comments in via email

B. Councilmembers' Announcements

Vice Mayor Hartke noted President's Day on Monday, February 16<sup>th</sup>. He said it is a good time to reflect on our Nation, and all the people that have served our Country and worked to make it what it is today.

Councilmember Heumann announced the Sci-tech event on February 20<sup>th</sup> and Saturday the 21<sup>st</sup>.

Salt River Project and Gila River Indian Community have finalized the 202 Freeway alignment. It has been an issue of contention for many years.

Councilmember Ellen announced "Operation Welcome Home". This event will take place Monday February 23<sup>rd</sup> at 6:00 p.m. This event honors Veterans who have been away from home serving their Country, and those that will be deployed. The City gives these members of the armed services gift cards, and asked the public to continue with the tradition if they can and bring some gift cards, or give donations to the city website [www.chandleraz.gov/patriotism](http://www.chandleraz.gov/patriotism).

Councilmember Roe stated there are a tremendous amount of great events happening in Chandler and urged people to come out and participate in them. He encouraged people to volunteer in the community.

C. City Manager's Announcements

None.

Adjournment: The meeting was adjourned at approximately 8:01 p.m.

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

\_\_\_\_\_  
Mayor

Approved: February 26, 2015

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 12<sup>th</sup> day of February 2015. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

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