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MEMORANDUM Economic Development - Memo No. ED16-16

DATE: OCTOBER 22, 2015
TO: MAYOR AND CITY COUNCIL
THRU: MARSHA REED, ACTING CITY MANAGER *MR*
FROM: MICAH MIRANDA, ECONOMIC DEVELOPMENT DIRECTOR *MM*

SUBJECT: RESOLUTION NO. 4907 AUTHORIZING A SECOND AMENDED DEVELOPMENT AGREEMENT WITH WELLS FARGO FOR THE DEVELOPMENT AND OPERATION OF A MAJOR OFFICE CENTER AT THE NORTHWEST CORNER OF QUEEN CREEK AND PRICE ROADS

RECOMMENDATION: Staff recommends City Council pass and adopt Resolution No. 4907 authorizing a Second Amended Development Agreement with Wells Fargo National Association, for property located at the northwest corner of Queen Creek and Price roads.

BACKGROUND/DISCUSSION: In 2002, the City of Chandler approved the rezoning and entered into a Development Agreement with Wells Fargo for development of the Wells Fargo campus. In September of 2008, City Council approved amendments to the Development Agreement as a result of an updated Preliminary Development Plan (PDP) that generally increased the amount of square footage to be developed. The basic amended terms of the 2008 agreement included the following:

- Allowed Wells Fargo to modify the 2002 Development Agreement to construct a Service Center, as well as future building
- Provided an assured supply of reclaimed water or other sources in the event reclaimed is not available
- Provided for the coordination of public and private roadway improvements at Old Price and Queen Creek roads
- Sought increased transit service along Price Road

This Second Amended Agreement is entered into by and between for the purpose of:

- Amending the Original Agreement and Amended Agreement
- Affirming the Second Development Plan approved in October 2013
- Incorporating the 2015 Rezoning PAD Overlay Amendment and PDP Master Development Plan for the Property approved by the City Council concurrently with the approval of this Second Amended Agreement

- Confirming the respective rights and obligations of the parties, including the City's obligation to complete the installation of a traffic signal at Price Road and Wells Fargo's northernmost driveway when necessary, as well as an extended reimbursement period

FINANCIAL IMPLICATIONS: At such time the results of a traffic signal warrant study is approved by the City, the City at no cost or expense to Wells Fargo will install a signalized intersection where the northernmost driveway of the Wells Fargo campus connects to Price Road.

PROPOSED MOTION: Staff recommends City Council pass and adopt Resolution No. 4907 authorizing a Second Amended Development Agreement with Wells Fargo National Association, for property located at the northwest Corner of Queen Creek and Price roads.

ATTACHMENTS:

- Resolution No. 4907
- City of Chandler and Wells Fargo National Association Second Amended Development Agreement

- Confirming the respective rights and obligations of the parties, including the City's obligation to complete the installation of a traffic signal at Price Road and Wells Fargo's northernmost driveway when necessary, as well as an extended reimbursement period

FINANCIAL IMPLICATIONS: At such time the results of a traffic signal warrant study is approved by the City, the City at no cost or expense to Wells Fargo will install a signalized intersection where the northernmost driveway of the Wells Fargo campus connects to Price Road.

PROPOSED MOTION: Staff recommends City Council pass and adopt Resolution No. 4907 authorizing a Second Amended Development Agreement with Wells Fargo National Association, for property located at the northwest Corner of Queen Creek and Price roads.

ATTACHMENTS:

- Resolution No. 4907
- City of Chandler and Wells Fargo National Association Second Amended Development Agreement

RESOLUTION NO. 4907

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING A SECOND AMENDED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF CHANDLER AND WELLS FARGO FOR THE DEVELOPMENT AND OPERATION OF A MAJOR OFFICE CENTER AT THE NORTHWEST CORNER OF QUEEN CREEK ROAD AND PRICE ROAD IN CHANDLER.

WHEREAS, on August 22, 2002, the Chandler City Council passed and adopted Resolution No. 3558 approving a Development Agreement between City and Wells Fargo in connection with property at the northwest corner of Queen Creek Road and Price Road, which Development Agreement was fully executed and then recorded with the Maricopa County Recorder on September 6, 2002 as Document No. 2002-0915649; and

WHEREAS, the Development Agreement was entered for the purpose of furthering the development of said property in accordance with the zoning and development approvals indicated in Ordinance No. 3389, which was introduced and tentatively approved by Council on August 22, 2002, and which received final approval on September 12, 2002; and

WHEREAS, the original plan of development for the property was modified by the Preliminary Development Plan approved by Council at its meeting of September 11, 2008, in order to allow construction of a data service center; and

WHEREAS, on September 11, 2008, the City Council passed and adopted Resolution No. 4228 approving amendments to the development agreement (the "Amended Agreement") that among other things reflected the modified Preliminary Development Plan approval, and the Amended Agreement was fully-executed in January, 2009, but has not been recorded; and

WHEREAS, Wells Fargo elected not to develop the Property as modified by the Preliminary Development Plan approval; and

WHEREAS, on November 7, 2013, the City Council approved the Wells Fargo Phase II Expansion Preliminary Development Plan application, which provided for construction of additional office buildings totaling 400,000 square feet located south of the Phase I Buildings (the "Phase II Buildings") and a 4-level parking structure located along the Property's west boundary (the "Second Development Plan"); and

WHEREAS, on October 22, 2015, the City Council passed and adopted Ordinance No. 4660 approving the rezoning and PAD Overlay Amendment modifying the Original Development Plan for the Property ("2015 Amendment"); and

WHEREAS, the City believes that the development of the Wells Fargo consistent with the 2015 Amendment will enhance the economic viability of the City by increasing real

property tax revenues based on the improvements to the property and by creating jobs to be located within the development.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chandler, Arizona, hereby approves the Second Amended Development Agreement between the City of Chandler and Wells Fargo, National Association, in substantially the form as presented by staff, and authorizes the Mayor to execute the Second Amended Development Agreement.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this ____ day of _____, 2015.

ATTEST:

CITY CLERK

MAYOR

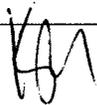
CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4907 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of _____, 2015, and that a quorum was present thereat.

City Clerk

APPROVED AS TO FORM:

City Attorney



WHEN RECORDED, RETURN TO:

**Ms. Kay Bigelow, Esq.
Chandler City Attorney
CITY OF CHANDLER
P.O. Box 4008, Mail Stop 602
Chandler, Arizona**

CITY OF CHANDLER

AND

WELLS FARGO BANK, NATIONAL ASSOCIATION

SECOND AMENDED DEVELOPMENT AGREEMENT

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**CITY OF CHANDLER AND WELLS FARGO BANK, NATIONAL ASSOCIATION
SECOND AMENDED DEVELOPMENT AGREEMENT**

This SECOND AMENDED DEVELOPMENT AGREEMENT (the "**Second Amended Agreement**") is made as of the ___ day of October, 2015, by and between the CITY OF CHANDLER, ARIZONA, an Arizona municipal corporation (the "**City**"), and WELLS FARGO BANK, National Association ("**Wells Fargo**") (collectively referred to as the "**Parties**").

AMENDED RECITALS

A. Arizona Revised Statutes (A.R.S.) § 9-500.05 authorizes the City to enter into a development agreement with a landowner or any other person having an interest in real property located in the City. The City and Wells Fargo understand and acknowledge that this Second Amended Agreement is a development agreement within the meaning of and entered into pursuant to the terms of A.R.S. § 9-500.05.

B. The City and Wells Fargo entered into a Development Agreement adopted by the Chandler City Council pursuant to Resolution No. 3558 on August 22, 2002 and recorded September 6, 2002 at Recording No. 2002-0915649, Official Records of the Recorder of Maricopa County, Arizona (the "**Original Agreement**"), as modified by the Amended Development Agreement adopted by the Chandler City Council pursuant to Resolution No. 4228 on September 11, 2008 and signed by the Parties in January of 2009 (the "**Amended Agreement**").

C. The Original Agreement and Amended Agreement pertain to approximately 63 acres of real property owned by Wells Fargo located at the northwest corner of Price Road and Queen Creek Road in Chandler, Arizona, the legal description of which is attached hereto as **Exhibit "A"** (the "**Property**").

D. The initial desire and intention of Wells Fargo under the Original Agreement was to construct on the Property a project consisting of approximately 1,200,000 square feet of office buildings and approximately 50,000 square feet of retail space (the "**Original Development Plan**"). The Original Development Plan is reflected in the Zoning Application Booklet for the Property prepared by DLR Group Architects dated July 29, 2002, which is referred to in the Exhibit "C" Phasing Plan to the Original Agreement and is on file with the City under Case No. DVR02-0021.

E. Pursuant to the Original Development Plan, Wells Fargo Preliminary Development Plan Case No. PDP02-0025, and the Original Agreement, in 2004, Wells Fargo completed construction of Phase I consisting of Buildings "A" and "B" containing approximately 400,000 square feet of office space located on the north half of the Property (the "**Phase I Buildings**"), together with certain offsite and onsite improvements as described in the Original Agreement.

F. In 2008, Wells Fargo designed an alternative plan of development for the Property, which provided for the construction of 1,000,000 square feet of office buildings, an operations center consisting of approximately 430,000 square feet to be built in 2 phases, and 50,000 square feet of retail space (the “**Alternative Development Plan**”). The Alternative Development Plan is reflected in the Preliminary Development Plan (“**PDP**”) booklet prepared by RSP Architects dated June 27, 2008, which was approved by the Chandler City Council on September 11, 2008 and is on file with the City under Case No. PDP08-0020.

G. Wells Fargo elected not to develop the Property under the Alternative Development Plan.

H. In 2013, Wells Fargo obtained City Council approval of its Phase II Expansion Preliminary Development Plan application, which provided for construction of additional office Buildings “D” and “E” totaling 400,000 square feet located south of the Phase I Buildings (the “**Phase II Buildings**”) and a 4-level parking structure located along the Property’s west boundary, as depicted on the Wells Fargo Chandler Campus Expansion PDP booklet prepared by SmithGroupJJR dated October 10, 2013 attached hereto as **Exhibit “B”** and on file with the City under Case No. PDP13-0015 (the “**Second Development Plan**”).

I. As of the date of this Second Amended Agreement, Wells Fargo has constructed and currently occupies the Phase I Buildings and the Phase II Buildings on the Property comprised of 4 office buildings totaling approximately 800,000 square feet together with a 4-level parking structure and attendant surface parking.

J. This Second Amended Agreement is entered into by and between the Parties for the purpose of (i) amending the Original Agreement and Amended Agreement, (ii) affirming the Second Development Plan, (iii) incorporating the 2015 Rezoning, PAD Overlay Amendment and PDP Master Development Plan for the Property approved by the City Council concurrently with the approval of this Second Amended Agreement and (iv) confirming the respective rights and obligations of the Parties hereunder.

K. The 2015 Rezoning, PAD Overlay Amendment and PDP Master Development Plan applications modify the Original Development Plan for the Property by (i) establishing uniform zoning for the entire Property, (ii) deleting the 50,000 square feet of retail space previously approved under the Original Development Plan, (iii) deleting the 430,000 square-foot operations center previously approved under the Alternative Development Plan, (iv) increasing the maximum allowable building heights as allowed by the City of Chandler’s Mid-Rise Development Policy, (v) adopting a Master Sign Plan, (vi) establishing development standards for the Property consistent with the PDP Master Development Plan, and (vii) increasing the total allowable office space to 1,745,000 square feet, which includes a 5,000 square-foot retail branch bank located along the Price Road frontage (hereinafter the “**Project**”).

L. The City believes that the development of the Project in accordance with this Second Amended Agreement will enhance the economic viability of the City of Chandler by:

- (i) increasing tax revenues;
- (ii) creating jobs; and
- (iii) causing other desirable economic benefits for the City and its citizens.

M. The City acknowledges and agrees that Wells Fargo shall continue to be entitled to enjoy the benefits of the City's approval of the Original Development Plan, as modified by the Second Development Plan and the 2015 Rezoning, PAD Overlay Amendment and PDP Master Development Plan, in accordance with the terms and conditions of this Second Amended Agreement, and that Wells Fargo shall be entitled to rely upon the assurances of the City under the Original Agreement and Amended Agreement and as amended herein.

N. Wells Fargo presently intends to continue to develop the Property, or that certain parts of the Property may be developed by other developers, consistent with (i) the change of zoning approved by the City Council on August 22, 2002 under Zoning Ordinance No. 3389, a copy of which, together with all conditions and stipulations imposed by the City in connection with its approval thereof, is attached to the Original Agreement as Exhibit "B" (the "**Project Zoning**") and (ii) the 2015 Rezoning and PAD Overlay Amendment and in substantial conformance with the PDP Master Development Plan as approved by the Chandler City Council on October 19, 2015 under Zoning Ordinance No. 4660, a copy of which, together with all conditions and stipulations imposed by the City in connection with its approval thereof, is attached hereto as **Exhibit "C"** and is on file with the City under Case No. DVR15-0015 (the "**Amended Project Zoning**").

O. The Property is located within the South Price Road Employment Corridor with an Employment land use designation as set forth in the City's General Plan.

P. This Second Amended Agreement is consistent with the City's General Plan.

SECOND AMENDED AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Amended Recitals, representations and mutual promises set forth herein, the Parties hereby agree to amend the Original Agreement and Amended Agreement as set forth below. Except as expressly amended hereby, the Original Agreement and Amended Agreement shall remain in full force and effect as heretofore existing. The Amended Recitals set forth above are

acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

1.0 **DEFINITIONS.**

The following definitions are added or substituted for any defined terms in the Original Agreement and the Amended Agreement as follows:

1.1 **Agreement, Amended** -“Amended Agreement” is defined in Recital B.

1.2 **Agreement, Original** –“Original Agreement” is defined in Recital B.

1.3 **Agreement, Second Amended** –“Second Amended Agreement” shall mean this Second Amended Development Agreement entered into by and between the City and Wells Fargo.

1.4 **“Alternative Development Plan”** is defined in Recital F.

1.5 **“Amended Project Zoning”** is identified in Recital N.

1.6 **“Effective Date”** shall mean August 22, 2002, the date on which the Original Agreement was approved by the City Council.

1.7 **“Effective Date of the Second Amended Agreement”** shall mean the date on which the Second Amended Agreement was approved the City Council.

1.8 **“Original Development Plan”** is defined in Recital D and shall have the same meaning as “Development Booklet” defined in Section 1.2 of the Original Agreement.

1.9 **“PAD Overlay Amendment”** shall mean the amendment of the Planned Area Development (PAD) Overlay District applicable to the entire Property so as to increase the maximum allowable building heights from 65 feet to 200 feet, approved by the Chandler City Council on October 19, 2015 under Zoning Ordinance No. 4660, a copy of which, together with all conditions and stipulations imposed by the City in connection with its approval thereof, is attached hereto as **Exhibit “C.”**

1.10 **“PDP”** shall mean Preliminary Development Plan.

1.11 **“PDP Master Development Plan”** shall mean the “Wells Fargo Master Plan” booklet prepared by SmithGroupJJR dated September 2, 2015 and approved by the City Council for the Property, a copy of which is on file with the City under Case No. DVR15-0015 and is attached hereto as **Exhibit “D”**.

1.12 **“Phase I Buildings”** are defined in Recital E.

1.13 **"Phase II Buildings"** are defined in Recital H.

1.14 **"Project"** is defined in Recital K.

1.15 **"Project Zoning"** is defined in Recital N.

1.16 **"Property"** is defined in Recital C and legally described in **Exhibit "A"** attached hereto.

1.17 **"Second Development Plan"** is defined in Recital H.

1.18 **"2015 Rezoning"** shall mean the rezoning of approximately 15.5 acres located in the southerly area of the Property, designated as "PAD" at the southwest corner of the official City Zoning Map Grid 25 dated October 13, 2014, from Planned Area Development (PAD) district to Planned Commercial Office (PCO) district with a PAD Overlay as approved by the Chandler City Council on October 19, 2015 under Zoning Ordinance No. 4660, a copy of which, together with all conditions and stipulations imposed by the City in connection with its approval thereof, is on file with the City of Chandler under Case No. DVR15-0015 and is attached hereto as **Exhibit "C."**

2.0 **PLANS AND SPECIFICATIONS.** Sections 2.1 through 2.4 of the Amended Agreement are hereby deleted in their entirety and replaced by the following sections in lieu thereof:

2.1 **Scope of Development.** As set forth in the Amended Project Zoning, Wells Fargo presently intends to develop approximately 1,745,000 square feet of commercial office space on the Property in a campus-type setting. Approximately 5,000 square feet thereof may be used for a retail branch bank to be located along the Price Road frontage and south of the main Price Road signalized entrance to the Property.

2.2 **Phase I.** Phase I of the Project consists of Buildings "A" and "B" containing approximately 400,000 square feet of office space as depicted as Phase IA on the Phasing Plan attached to the Original Agreement as Exhibit "C". The Phase I Buildings have been constructed and are being occupied by Wells Fargo.

2.3 **Phase II.** Phase II of the Project consists of additional office Buildings "D" and "E" totaling approximately 400,000 square feet located south of the Phase I Buildings and a 4-level parking structure located along the west boundary of the Property. The Phase II Buildings and parking structure have been built and are being occupied by Wells Fargo. At the end of Phase II, a total of 4 office buildings (Buildings "A", "B", "D" and "E") with a combined area of approximately 800,000 square feet of commercial office space and a 4-level parking structure, together with attendant surface parking areas, have been constructed by Wells Fargo, being designated as "existing" structures on the PDP Master Development Plan attached hereto as **Exhibit "D."**

2.4 **Future Phases of Development.** Future phases of the Project are generally depicted on the PDP Master Development Plan as set forth in **Exhibit “D”** attached hereto, which consists of a single plan depicting existing Phase I and Phase II development as well as future development phases, consisting of approximately 945,000 square feet of office space buildings, two additional parking structures, and additional surface parking for approximately 5,030 vehicles.

3.0 **ZONING, PRELIMINARY DEVELOPMENT PLAN (PDP) AND FINAL DEVELOPMENT PLAN.**

3.1 **Zoning.** Section 3.1 of the Amended Agreement is amended and restated as follows: The Property is zoned Planned Commercial Office (PCO) district with a Planned Area Development (PAD) overlay as set forth in the Project Zoning and Amended Project Zoning.

3.1.1 **Parking.** Subsection 3.1.1 of the Amended Agreement is amended and restated as follows: Parking required for the property shall be at a ratio of 5 spaces per 1,000 gross square feet of office space. Wells Fargo may provide more spaces than the minimum requirement.

3.2 **Internal Setbacks.** Section 3.2 of the Original Agreement is amended by replacing the term “PDP” with “PDP Master Development Plan” in lieu thereof.

3.3 **Preliminary Development Plan.** Section 3.3 of the Original Agreement is amended by replacing the term “PDP” in 2 places with “PDP Master Development Plan” in lieu thereof.

3.4 **Conclusive Effect of City’s Approval of Agreement.** Subsection 3.4(i) of the Original Agreement is amended by adding “Amended Project Zoning” at the end of the subsection.

3.5 **Approval of Final Site Development Plans.** Section 3.5 of the Amended Agreement is amended and restated as follows: Wells Fargo may, at its discretion, submit plans and specifications in various phases to City for approval. As Wells Fargo prepares to construct improvements in future phases, the location, design, height, square footage and number of signs, buildings, parking structures and surface parking areas shown on the PDP Master Development Plan may be modified by Wells Fargo requiring only administrative approvals from the City Planning and Development Director, provided that the modifications are in substantial conformance with the PDP Master Development Plan. The PDP Master Development Plan will guide the development of future phases, ensuring that Wells Fargo maintains a campus identity with unifying architectural themes and design elements. Simultaneously, the PDP Master Development Plan must be flexible to accommodate Wells Fargo’s future office space and parking demands as well as adjustments to the site layout and design which will enhance the Campus environment. The City’s failure to administratively approve final plans and specifications which are in

substantial conformance with the approved PDP Master Development Plan, Project Zoning and Amended Project Zoning, shall be an event of default by City under this Second Amended Agreement; provided, however, that nothing herein shall preclude City from the reasonable exercise of its normal administrative review and approval processes, to be administered under the expedited review procedures set forth in the Original Agreement, and City shall not act in an unreasonable manner. In the event of an impasse, the parties shall proceed to resolve the impasse under Section 5.5.

3.5.1 **Subsection 3.5.1** of the Original Agreement is amended to replace the term "Development Booklet" with "PDP Master Development Plan" in lieu thereof.

3.5.2 **Subsection 3.5.2** of the Original Agreement is amended to replace the former citation to "Sections 35-1903(6)(d) and (e)" of the City's Zoning Code with "Sections 35-1903(6)(e) and (f)" in lieu thereof.

3.5.3 **Subsection 3.5.3** of the Amended Agreement is hereby deleted in its entirety.

3.6 **Vesting; Estoppel.** **Section 3.6** of the Original Agreement and Amended Agreement is amended and restated as follows: Effective on the date the Original Agreement was executed by the City, in consideration of the substantial investment made by Wells Fargo to acquire and develop Phase I and Phase II on the Property to date, the Project Zoning, Amended Project Zoning, and entitlements to develop the Property with the land uses as set forth in the Project Zoning and Amended Project Zoning and under the Existing Regulations are vested as a matter of contract and common law, and the City and any other governmental agency having authority over the Property shall be estopped from changing, restricting or limiting the rights of Wells Fargo or its successors and assigns to develop the Property as provided in the Project Zoning and Amended Project Zoning and under this Second Amended Agreement and/or the Property's permitted uses, heights, densities and intensity of uses, location of uses and other standards of design applicable to the Property for the duration of this Second Amended Agreement without the consent of Wells Fargo, provided that compliance with the applicable Existing Regulations shall in all events be required, unless modified herein.

4.0 **WELLS FARGO OBLIGATIONS.**

4.1 **Construction of Phase I.** **Section 4.1** of the Original Agreement is amended by adding at the end thereof the following: The Parties acknowledge that Wells Fargo began construction of Phase I by January 1, 2005 and completed construction by January 1, 2007.

4.2 **Offsite and Onsite Improvements.** The Parties acknowledge that Wells Fargo has performed and completed all offsite and onsite improvements set forth in

Subsections 4.2.1 through 4.2.5 of the Original Agreement and that said improvements have been accepted by the City. Furthermore, **Section 4.2** of the Original Agreement is amended by adding at the end thereof the following subsections:

4.2.9 The City has constructed on Queen Creek Road a median separation, a right-turn deceleration lane and a driveway entrance to the Property at approximately the mid-point lying between the Old Price Road and Price Road intersections. Wells Fargo shall have no obligation to install a driveway connecting to the Queen Creek Road driveway entrance until such time as the results of a traffic study, commissioned by Wells Fargo and performed consistent with prevailing traffic engineering standards, recommends the installation of such driveway. In the event that Wells Fargo has not connected a functioning driveway to the Queen Creek Road driveway entrance within ten (10) years after the Effective Date of the Second Amended Agreement, the City, upon giving ninety (90) days prior written notice to Wells Fargo, may remove the median separation, deceleration lane and driveway entrance.

4.2.10 Not later than December 31, 2016, Wells Fargo shall modify the median separating ingress and egress traffic lanes along the Property's main entry drive connecting to Price Road in order to lengthen the dual left-turn egress lanes to provide approximately 325 lineal feet of vehicle storage for each lane.

4.3 **Fees and Taxes.** The additional paragraphs added to **Section 4.3** by the Amended Agreement are hereby deleted.

4.5 **Reimbursement Agreements and Buy-In Assessments.**

4.5.1 **Wells Fargo Improvements Subject to Reimbursement Agreements.** **Section 4.5.1** of the Original Agreement is amended and restated as follows: The following improvements constructed by Wells Fargo shall be subject to reimbursements from adjoining property owners pursuant to City ordinances and policies. Promptly after the execution of this Second Amended Agreement, the City shall enter into reimbursement agreement(s) with Wells Fargo for a term of 15 years for:

1. Twelve (12) inch reclaimed water line extended within the Queen Creek Road right-of-way along the entire south property line of the Property;
2. Sixteen (16) inch water line extended within the Queen Creek Road right-of-way along the entire south property line of the Property; and
3. A portion of the twelve (12) inch public water loop through the Property adjacent to the north property line that will benefit other properties.

5.0 **CITY OBLIGATIONS.**

5.2 **Intersection of Queen Creek Road and Old Price Road Alignment.**

The parties acknowledge that the consolidation of the Queen Creek Road and Old Price Road intersection into a single signalized intersection, as set forth in **Section 5.2** of the Original Agreement, has been completed by the City. Therefore, **Section 5.2** of the Original Agreement and Amended Agreement is deleted and replaced by the following:

Intersection of Price Road and Wells Fargo Northernmost Driveway. At such time as the results of a traffic warrant study, commissioned by Wells Fargo and performed in accordance with the Uniform Manual on Uniform Traffic Control Devices (MUTCD) and City Policy on signal warrant analysis, and subject to approval of the City Transportation Engineer, recommends the installation of a signalized intersection on Price Road at the point where the Property's northernmost driveway connects to Price Road, the City, at no cost or expense to Wells Fargo, shall complete the installation of the signalized intersection within eighteen (18) months of the City's approval of the traffic study that demonstrates a traffic control at the subject intersection is warranted. The City shall design and install this signalized intersection on Price Road to (i) align the Property's northernmost driveway and the Continuum southernmost driveway located on the east side of Price Road so as to allow full 4-way turning movements, (ii) accommodate northbound dual left-turn lanes for vehicles exiting the Property at this northernmost driveway, and (iii) construct a Price Road northbound left-turn lane into the Property with approximately 300 lineal feet of storage. In the event that the traffic warrant study satisfies the MUTCD standards and the City Policy, but is not approved by the City Transportation Engineer, then the matter shall be treated as an impasse and shall be subjected to resolution under Section 5.5.

5.4 **Appointment of Representative.** **Section 5.4** of the Original Agreement is amended by adding at the end thereof the following sentences: The City's initial representative, Douglas A. Ballard, AICP, is no longer employed by the City of Chandler. Therefore, the Chandler City Manager is hereby designated as the City's representative.

5.5 **Impasse.** **Section 5.5** of the Original Agreement is amended by deleting the fifth (5th) sentence which states as follows: Thereafter, in the event of an adverse determination by the City representative, Wells Fargo may appeal the matter to the City Manager, who shall also issue a final decision within six (6) business days after the appeal is filed with the City Manager.

5.6 **Services.**

5.6.2 **Water; City Service and Assured Supply.** **Subsection 5.6.2** of the Original Agreement is amended to replace the term "Project Zoning" with the phrase

“Project Zoning and Amended Project Zoning” in the first sentence of the subsection.

5.6.3 Assurances of Sufficient Capacity. **Subsection 5.6.3** of the Original Agreement is amended for the sole purpose of deleting the description of the Property at full build-out as being “(1,250,000 square feet of office building and retail space)” and replacing this description with, “(1,745,000 square feet of office building and retail bank branch space)”.

5.6.4 Assurance of Sufficient Capacity of Reclaimed Water Services. **Subsection 5.6.4** of the Amended Agreement is deleted in its entirety.

6.0 MISCELLANEOUS.

6.1 Notices. **Section 6.1** of the Original Agreement is amended to provide updated contact information for the Parties as follows: Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered upon personal delivery or as of the second business day after mailing by United States mail, postage prepaid, by certified mail, return receipt requested, addressed as follows:

TO WELLS FARGO: WELLS FARGO BANK, NATIONAL ASSOCIATION
Corporate Properties Group
100 West Washington Street, 14th Floor
MAC No. S4101-140
Phoenix, Arizona 85003
Attn: Leo J. Bauman, Vice President

Copy to: Francis J. Slavin, Esq.
FRANCIS J. SLAVIN, P.C.
2198 East Camelback Road, Suite 285
Phoenix, Arizona 85016

TO CITY: City Manager
CITY OF CHANDLER
P.O. Box 4008, Mail Stop 605
Chandler, Arizona 85244-4008

Copy to: Kay Bigelow, Esq.
CITY OF CHANDLER
City Attorney’s Office
P.O. Box 4008, Mail Stop 602
Chandler, Arizona 85244-4008

6.17 **Assignment and Transfer.** Section 6.17 of the Original Agreement is deleted in its entirety.

6.20 **Anti-Moratorium.** The first sentence of Section 6.20 of the Original Agreement is amended to replace the term "Project Zoning" with the phrase "Project Zoning and Amended Project Zoning." The last sentence of Section 6.20 of the Original Agreement is also amended to replace the phrase "the Plan and the PAD" with the phrase "the PDP Master Development Plan, the Project Zoning and Amended Project Zoning."

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

ATTEST:

CITY OF CHANDLER, ARIZONA
an Arizona Municipal Corporation

CITY CLERK

MAYOR

APPROVED AS TO FORM:

CITY ATTORNEY *K. S.*

WELLS FARGO BANK, National Association

By: 
Leo J. Bauman, Vice President

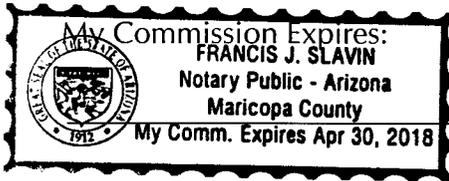
By: 
Chad Carter, Lease Negotiator

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 12th day of October, 2015, by Leo J. Bauman, Vice President of Wells Fargo Bank, National Association, for and on behalf thereof.

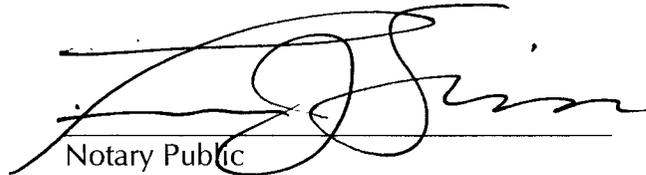


Notary Public

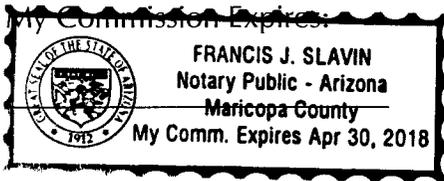


STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 12th day of October, 2015, by Chad Carter, Lease Negotiator of Wells Fargo Bank, National Association, for and on behalf thereof.



Notary Public



ATTACHMENTS

- Exhibit A** Legal Description of the Property
- Exhibit B** Second Development Plan and Conditions of Approval
- Exhibit C** Zoning Ordinance No. 4660
- Exhibit D** PDP Master Development Plan

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

LOT 1 OF THE MINOR LAND DIVISION MAP COMBINING LOTS 1 AND 2 OF THE MINOR LAND DIVISION MAP OF OCOTILLO CORPORATE CENTER, ACCORDING TO BOOK 1221 OF MAPS, PAGE 44, OFFICIAL RECORDS OF MARICOPA COUNTY RECORDER'S OFFICE.

EXHIBIT "B"

SECOND DEVELOPMENT PLAN AND CONDITIONS OF APPROVAL

Wells Fargo / Chandler Campus Expansion

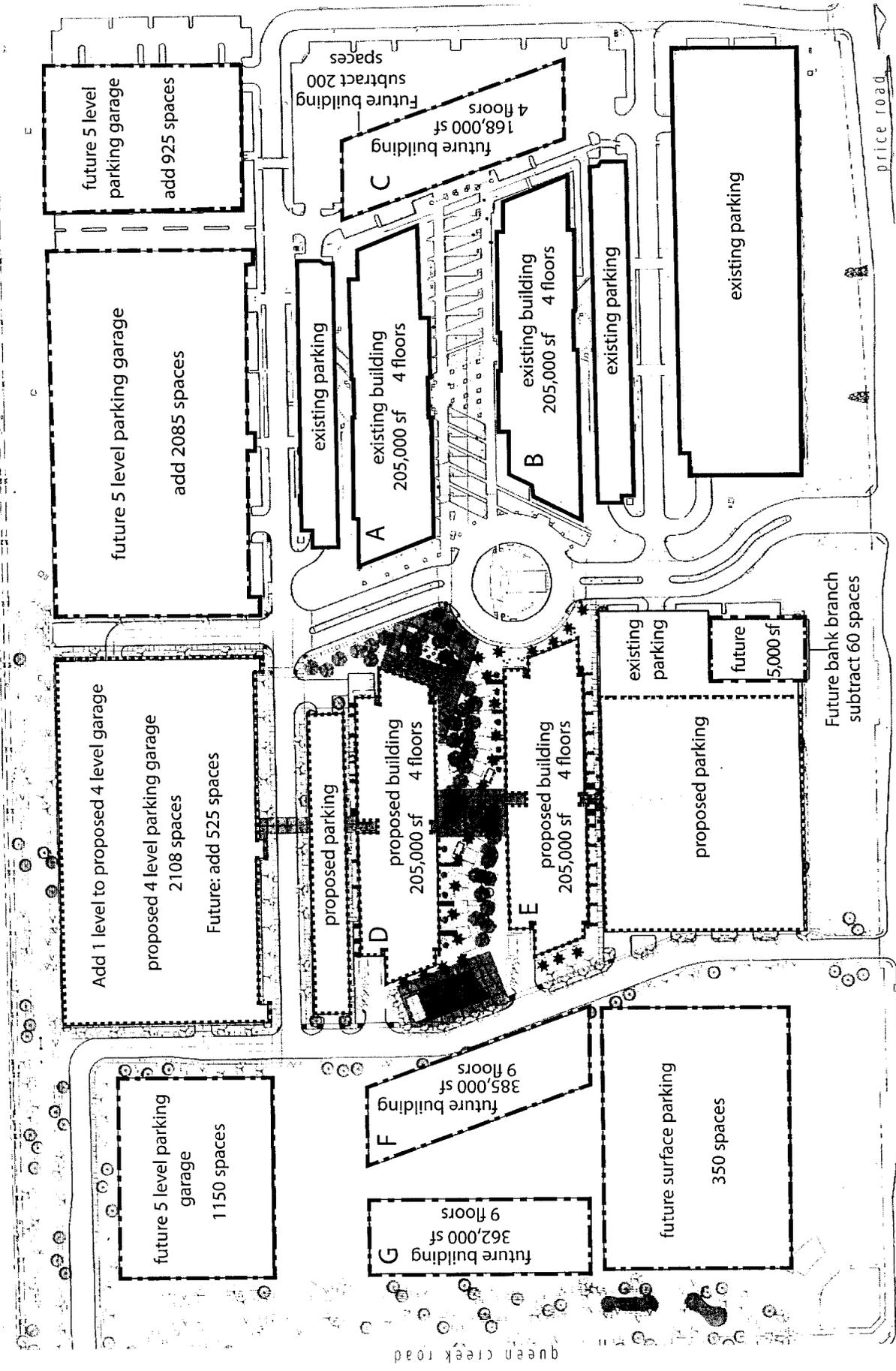
Master Plan

Revision: October 10, 2013
(miscellaneous changes to text, labels, background)

-  Existing
-  Current Proposal
-  Future



Building Area	Parking Spaces	Parking Ratio
Existing: 410,000sf	included below	5.2
Current Proposal: 410,000sf	4,270	5.2
Future: 920,000sf	4,775	5.2
Total: 1,740,000sf	9,045	5.2
Lot Intensity:		30.65%



On November 7, 2013, the Chandler City Council approved Preliminary Development Plan PDP13-0015 Wells Fargo Chandler Campus Phase II, subject to the following conditions:

1. Development shall be in substantial conformance with Exhibit A, Development Booklet, entitled "Wells Fargo Chandler Campus Expansion" kept on file in the City of Chandler Planning Services Division, in File No. PDP13-0015, except as modified by condition herein.
2. Compliance with the original stipulations adopted by the City Council as Ordinance No. 3389, case DVR02-0021 Wells Fargo Ocotillo Corporate Campus, except as modified by condition herein.
3. Compliance with the original stipulations adopted by City Council in case PDP02-0025 Wells Fargo Ocotillo Center, except as modified by condition herein.
4. Completion of the construction of all required off-site street improvements including but not limited to paving, landscaping, curb, gutter and sidewalks, median improvements and street lighting to achieve conformance with City codes, standard details and design manuals.
5. The developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.
6. Future median openings shall be located and designed in compliance with City adopted design standards (Technical Design Manual #4).
7. Undergrounding of all overhead electric (less than 69kV), communication, and television lines and any open irrigation ditches or canals located on the site or within adjacent rights-of-way and/or easements. Any 69kV or larger electric lines that must stay overhead shall be located in accordance with the City's adopted design and engineering standards. The aboveground utility poles, boxes, cabinets or similar appurtenances shall be located outside of the ultimate right-of-way and within a specific utility easement.
8. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
9. Approval by the Director of Transportation & Development of plans for landscaping (open spaces and rights-of-way) and perimeter walls and the Director of Transportation & Development for arterial street median landscaping.

ORDINANCE NO. 4660

AN ORDINANCE OF THE CITY OF CHANDLER, ARIZONA, AMENDING THE ZONING CODE AND MAP ATTACHED THERETO, BY REZONING A PARCEL FROM PLANNED AREA DEVELOPMENT (PAD) AND PLANNED COMMERCIAL OFFICE (PCO) WITH A PAD OVERLAY TO PLANNED COMMERCIAL OFFICE (PCO) WITH A PAD MID-RISE OVERLAY FOR BUILDINGS UP TO 200 FEET IN HEIGHT IN CASE (DVR15-0015 WELLS FARGO CHANDLER CAMPUS) LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF CHANDLER, ARIZONA.

WHEREAS, application for rezoning involving certain property within the corporate limits of Chandler, Arizona, has been filed in accordance with Article XXVI of the Chandler Zoning Code; and

WHEREAS, the application has been published in a local newspaper with general circulation in the City of Chandler, giving fifteen (15) days notice of time, place and date of public hearing; and

WHEREAS, a notice of such hearing was posted on the property at least seven (7) days prior to said public hearing; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission as required by the Zoning Code.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

SECTION I. Legal Description of Property:

Lot 1 of the Minor Land Division Map Combining Lots 1 and 2 of the Minor Land Division Map of Ocotillo Corporate Center, according to Book 1221 of Maps, Page 44, Official Records of the Maricopa County Recorder's Office.

Said parcel is hereby rezoned from Planned Area Development (PAD) for office retail and data center uses, and Planned Commercial Office (PCO) with a PAD Overlay, to Planned Commercial Office (PCO) with a Planned Area Development (PAD) Mid-Rise Overlay for buildings up to 200-feet in height, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled "Wells Fargo Chandler Campus" and kept on file in the City of Chandler Planning Division, in File No. DVR15-0015, modified by such conditions included at the time the Booklet was approved by the Chandler City Council and/or as thereafter amended, modified or supplemented by the Chandler City Council.
2. Compliance with the following original stipulations adopted by the City Council as Ordinance No. 3389, case DVR02-0021 WELLS FARGO OCOTILLO CORPORATE CAMPUS. Any stipulation originally adopted with Ordinance No. 3389 not specifically referenced below is hereby deleted.

A. Future median openings shall be located and designed in compliance with City adopted design standards (Technical Design Manual # 4).

B. The developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.

C. Development shall be in substantial conformance with Exhibit A, Development Booklet, entitled Wells Fargo Ocotillo Corporate Center, kept on file in the City of Chandler Planning Services Division, in File No. DVR02-0021, except as modified by condition herein.

D. The landscaping, exclusive of the medians, in all site open-spaces and adjacent rights-of-way shall be maintained by the property owner.

E. The source of water that shall be used on the open space, common areas, and landscape tracts shall be reclaimed water (effluent). If reclaimed water is not available at the time of construction, landscape tracts may be irrigated and supplied with water by or through the use of potable water provided by the City of Chandler. However, when the City of Chandler has effluent of sufficient quantity and quality which meets the requirements of the Arizona Department of Environmental Quality for the purposes intended available to the property to support the open space, common areas, and landscape tracts available, Chandler effluent shall be used to irrigate these areas.

In the event the owner sells or otherwise transfers the development to another person or entity, the owner will also sell or transfer to the buyer of

the development, at the buyer's option, the water rights and permits then applicable to the development. The Public Report, Purchase Contracts, and Final Plats shall include a disclosure statement outlining that the Wells Fargo Ocotillo Corporate Center development shall use treated effluent to maintain open space, common areas, and landscape tracts.

F. The landscaping design shall include turf in areas visible from the adjacent streets, such as along the frontages or on berms or slopes. Along the 50-foot setback for the Queen Creek Road street frontage there shall be 100 percent turf.

3. Undergrounding of all overhead electric (less than 69kv), communication, and television lines and any open irrigation ditches or canals located on the site or within adjacent right-of-ways and/or easements. Any 69kv or larger electric lines that must stay overhead shall be located in accordance with the City's adopted design and engineering standards. The aboveground utility poles, boxes, cabinets, or similar appurtenances shall be located outside of the ultimate right-of-way and within a specific utility easement.
4. Completion of the construction of all required off-site street improvements including but not limited to paving, landscaping, curb, gutter and sidewalks, median improvements and street lighting to achieve conformance with City codes, standard details, and design manuals or as otherwise approved in a development agreement.
5. Unless otherwise included as part of the City's Capital Improvement Program, the developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.
6. Building heights shall be limited to a maximum of 200-feet in height.

SECTION II. Except where provided, nothing contained herein shall be construed to be an abridgment of any other ordinance of the City of Chandler.

SECTION III. The Planning Division of the City of Chandler is hereby directed to enter such changes and amendments as may be necessary upon the Zoning Map of said Zoning Code in compliance with this ordinance.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Maricopa County, Arizona, this ____ day of _____, 2015.

Wells Fargo / Chandler Campus Expansion

Master Plan

September 2, 2015



Existing
Future

New Buildings number of stories:
Minimum - 4
Maximum - 13

Open Space percentage : 33%

Ratio

5.3

5.3

Building Area

945,000 sf

1,745,000 sf

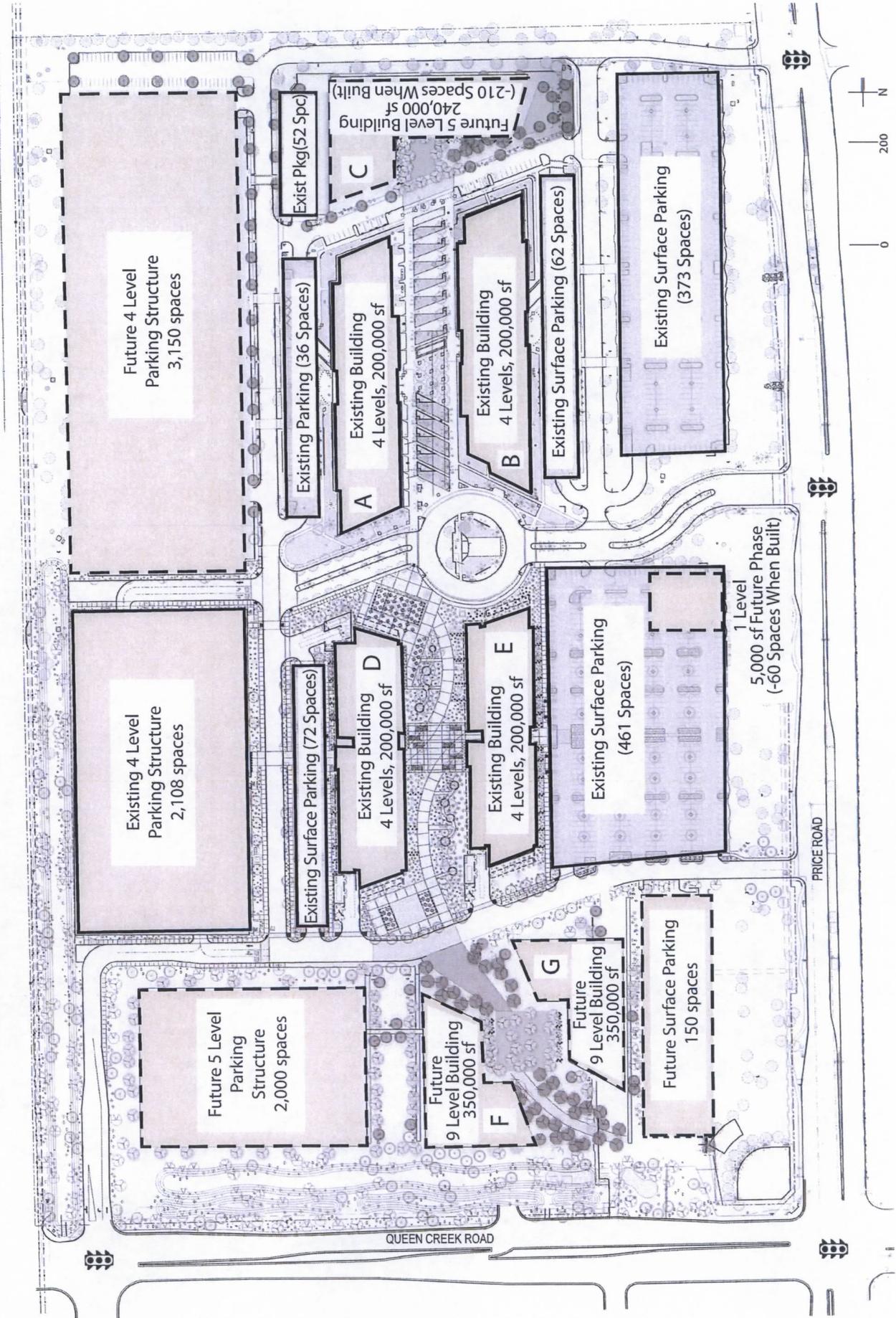
Future

At Build-out

Parking

5,030 sp.

9,250 sp.



200
0

PRICE ROAD

QUEEN CREEK ROAD

1 Level
5,000 sf Future Phase
(-60 Spaces When Built)