

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, January 14, 2016.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY at 7:01 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

Councilmembers Heumann and Sellers participated telephonically.

Also in attendance:

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

INVOCATION: Pastor Roy Cheriyan - International Assembly of God led the invocation.

PLEDGE OF ALLEGIANCE: Mayor Tibshraeny led the Pledge of Allegiance.

CONSENT:

MOVED BY VICE MAYOR HARTKE, SECONDED BY COUNCILMEMBER ELLEN, to approve the Consent Agenda as presented.

Councilmember Heumann inquired on Item 15 and asked if the school district voted to approve the Downtown Chandler Entertainment District. The Mayor confirmed there is a memo indicating they did.

Councilmember Roe stated he would be voting no on Item 5.

MOTION CARRIED UNANIMOUSLY (7-0), noting the exception.

1. MINUTES:

APPROVED the following Chandler City Council Meeting Minutes:

- 1a. Micro Retreat (Airport) of November 19, 2015
- 1b. Regular Meeting of December 7, 2015
- 1c. Regular Meeting of December 10, 2015

2. CITY CODE AMENDMENTS: Chapter 43 Ord. #4676

ADOPTED Ordinance No. 4676 adopting updated Public Works design and construction standards and amending Chapter 43, Section 43-5, Subsections 43-4.5.A, 43-4.5.B, 43-4.5.C, 43-4.5.D, 43-4.5.E, 43-4.5.G and 43-4.5.I of the Code of the City of Chandler.

3. REZONING: Bogle House Ord. #4677

ADOPTED Ordinance No. 4677, DVR15-0023 Bogle House, rezoning from Single-Family District (SF-10) to Planned Area Development (PAD) for Single-Family Residential with a bed and breakfast.

4. PLANNED AREA DEVELOPMENT ZONING STIPULATION AMENDMENT: Allred Chandler Airport Center Ord. #4678

ADOPTED Ordinance No. 4678, DVR15-0036 Allred Chandler Airport Center, amending Planned Area Development (PAD) zoning Stipulation No. 3 to allow athletic training facilities and/or recreation/instructional uses to locate within Building B and modify Stipulation No. 4 for adjacency of uses in suites where "H" occupancy related businesses locate. The existing development is located at the northeast corner of Germann Road and Piper Drive, east of Cooper Road and south of the Loop 202 Santan Freeway.

5. CITY CODE AMENDMENT: Chapter 2 Ord. #4679

COUNCILMEMBER ROE VOTED NAY.

ADOPTED (6-1 Roe) Ordinance No. 4679 amending Chandler City Code, Chapter 2, Section 2-2, relating to compensation of Mayor, Vice Mayor and Council Members.

6. CONTINUED REZONING/PRELIMINARY DEVELOPMENT PLAN: RMB Business Park Ord. #4653

CONTINUED TO MARCH 31, 2016, INTRODUCTION of Ordinance No. 4653, DVR15-0010 RMB Business Park, rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for Light Industrial and Commercial to allow the applicant additional time to address project issues related to the floodplain, grading and drainage.

CONTINUED TO MARCH 31, 2016, Preliminary Development Plan (PDP) for site layout and building architecture located north of the NEC of Ryan Road and Arizona Avenue to allow the applicant additional time to address project issues related to the floodplain, grading and drainage.

7. CITY CODE AMENDMENT: Chapter 2 Ord. #4674

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4674, amending Chapter 2, Section 2.8, of the Chandler City Code authorizing the City Manager to administratively approve and execute certain grant agreements.

BACKGROUND

The City of Chandler Grant Management Policy provides, among other things, policy guidance on the approval, acceptance and administration of grant opportunities available to the City.

Specifically, the Grant Management Policy establishes a process for consideration and approval of grant opportunities with the aim of promoting transparency and efficiency in the administration and management of grant opportunities. One important component of the Grant Management Policy relates to the processes and procedures to follow in order to have grant opportunities considered and approved based on the value of the grant as it relates to the City's commitment of City resources.

Chapter 2, Section 2.8 of the Code, establishes the powers and duties of the City Manager. Currently, Section 2.8 does not specifically authorize the City Manager to approve, administer or execute grants and grant documents on behalf of the City.

In order to effect the policy considerations relating to the approval and administration of grants reflected in the Grant Management Policy, an amendment to Section 2.8 of the Code authorizing the City Manager to approve, administer and execute grants and grant documents on behalf of the City is necessary. Furthermore, in keeping with the policy directives of the Grant Management Policy, Section 2.8, as amended, limits the City Manager's authority to approve and administer grants to those grants whose total value grant amount plus any commitment of City resources, does not exceed \$30,000.00 or that otherwise require City Council approval such as Intergovernmental Agreements or grants that specifically require approval by the Mayor and City Council.

8. POWER DISTRIBUTION EASEMENTS: Salt River Project Ord. #4675

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4675 granting two no-cost power distribution easements to Salt River Project (SRP) for street light and traffic signal facilities installed as part of the Old Price Road/Queen Creek Road Intersection Improvements.

BACKGROUND/DISCUSSION

As part of the Old Price Road/Queen Creek Road Intersection Improvements, it was necessary to relocate, upgrade and install new electrical facilities for City owned traffic signal and street light equipment. As a result, Salt River Project (SRP) has requested two power distribution easements for the new electrical facilities over a portion of City property at the southwest and southeast corners of Old Price Road and Queen Creek road. The new power distribution easements will be at no cost to SRP as the work is for City facilities and benefits the public.

Staff has reviewed and approved the legal descriptions for the requested easements.

9. REZONING/PRELIMINARY DEVELOPMENT PLAN: Parkland Memory Care Ord. #4682

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4682, DVR15-0025, Parkland Memory Care, rezoning from Planned Area Development (PAD) for Office to PAD (Office/Medical Related Uses) for a memory care facility and other associated uses. (Applicant: Raymond Poe.) APPROVED a Preliminary Development Plan (PDP) for approximately 4.5 acres located at the NWC of Arizona Avenue and Appleby Road.

BACKGROUND

The approximate 4.5-acre site is located at the northwest corner of Arizona Avenue and Appleby Road. The subject site was designated for Office as a part of the Section 16 Area Plan adopted by the adjacent Dobson Crossing and Hamilton Heights residential subdivisions. The property has been used for farming and agricultural uses. Arizona Avenue abuts the site's east side; Hamilton High School is south of the property; west of the site is a place of worship and to the

west and north are single-family residential homes as part of the Dobson Crossing and Hamilton Heights subdivisions.

The request is for rezoning from PAD (Office/Medical Related Uses) with Preliminary Development Plan (PDP) approval for the site layout and building design for a memory care facility and other associated uses related to general office and medical uses. The proposed development includes a 36,377 square foot building accommodating 56 rooms with 72 beds for a long term memory care facility. The one-story building includes a two-story height element in the middle for an interior clerestory air space. The development also includes two 2,250 square foot office buildings along Appleby Road. These office buildings are proposed for future general/medical/dental offices and other related medical uses.

The memory care facility is sited at the north end of the property. An enhanced entrance drive from Appleby Road is decorated with patterned pavers, a landscape median, and Date Palm trees leading to the memory care facility's porte-cochere. A landscape buffer runs along the west and north property lines adjacent to single-family residential. The office buildings are sited in a landscape setting along Appleby Road. The development intends to be phased with the memory care facility occurring first and the offices in later phases. The office pads will be landscaped as citrus groves in the interim.

The project is accessed from both Arizona Avenue and Appleby Road with the primary entrance and exit from Appleby Road. A looped drive aisle surrounds the memory care building providing parking areas on three sides. The office pads will provide parking on-site in addition to some shared parking spaces along the looped drive.

The memory care facility architecture incorporates four-sided architecture with use of stone veneer, stucco, columns, arch elements, varied rooflines, roof dormers with faux windows, gable and hip roofs, and cedar trellises. The front elevation is designed with a porte-cochere enhanced with stone columns and decorative light creating a sense of arrival. The architectural materials, colors and forms along with four-sided architecture are replicated on the two office buildings.

Two freestanding monument signs are included in the proposal. One sign is along Arizona Avenue and the other at the intersection of Arizona Avenue and Appleby Road. Both signs incorporate raised flower bed planters, brick veneer and recessed tile sign.

Planning Staff finds the proposed development to be in conformance with the General Plan and Section 16 Area Plan. The memory care facility use and associated office buildings are compatible with the adjacent place of worship, high school and single-family residential. The project's site and building design are integrated well with the surrounding area and provides a compatible transition to existing uses.

PUBLIC/NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 19, 2015. There were three area property owners in attendance with questions regarding the building height, site lighting and landscaping. The applicant responded to questions and presented the proposed plans. No additional questions followed. Planning Staff has received no correspondence in opposition. A resident living on the immediate west side of the site contacted Staff for information on the proposed development. Plans were emailed to the homeowner who had no further questions or comments.

PLANNING COMMISSION VOTE REPORT

The motion to approve passed 5 – 0 with Commissioner Donaldson absent and Commissioner Ryan abstaining.

RECOMMENDED ACTIONS

Rezoning

The Planning Commission and Planning Staff recommend approval subject to the conditions listed in the ordinance.

Preliminary Development 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 "PARKLAND MEMORY CARE", kept on file in the City of Chandler Planning Division, in File No. DVR15-0025, except as modified by condition herein.
2. The site shall be maintained in a clean and orderly manner
3. Landscaping shall be in compliance with current Commercial Design Standards.
4. Approval by the Planning Administrator of plans for landscaping (open spaces and rights-of-way) and perimeter walls, and the Transportation & Development Director for arterial street median landscaping.
5. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
6. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or property owners' association.
7. 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.
8. Preliminary Development Plan approval does not constitute Final Development Plan approval; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Preliminary Development Plan shall apply.
10. CONTINUED REZONING/PRELIMINARY DEVELOPMENT PLAN/PRELIMINARY PLAT :
Mainstreet Transitional Care Facility Ord. #4684

CONTINUED TO FEBRUARY 11, 2016, introduction of Ordinance No. 4684, DVR15-0035 Mainstreet Transitional Care Facility, rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for Commercial/Medical Related Uses.

CONTINUED TO FEBRUARY 11, 2016, Preliminary Development Plan (PDP) for a transitional health care facility and other associated uses.

CONTINUED TO FEBRUARY 11, 2016, Preliminary Plat (PPT), PPT15-0015, for approximately 8 acres located at the SEC of Arizona Avenue and Queen Creek Road.

Continuance was requested by the applicant, Ralph Pew, Pew & Lake, PLC, to allow their client time to explore a one-story facility versus the proposed two-story building design.

11. CITY CODE AMENDMENT: Chapter 35 Ord. #4685

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4685, ZCA15-0001, Adaptive Reuse Overlay District, City initiative to adopt Article XXXIII A.R.O.D. – Adaptive Reuse Overlay District of Chapter 35 (Land Use and Zoning) of the Chandler City Code.

BACKGROUND

Following the economic downturn, business owners and developers began focusing on underutilized buildings within infill areas. The Adaptive Reuse concept was a Mayor-led initiative to investigate how Chandler could facilitate and capitalize on this evolving development trend. Winter and Company was retained in 2014 tasked with the evaluation of Chandler's current codes and development environment, including an analysis of community 'best practices' as they relate to the concept of Adaptive Reuse. Public outreach meetings, stakeholder interviews and presentations to various groups were conducted. Winter and Company produced a comprehensive report that included a series of development related issues often faced by perspective users that can be grouped into areas such as building setbacks, parking requirements, mechanical equipment screening, landscaping and Building Code compliance, as well as recommendations for possible code revisions. The proposed Article XXXIII Adaptive Reuse Overlay District (AROD) is the culmination of these efforts and recommendations. The goal of the proposed district is to facilitate the reuse of existing underperforming and/or underutilized retail buildings/properties which will ultimately stimulate reinvestment within established areas and facilitate the locating of new and unique local businesses.

The proposed AROD is a zoning district that modifies certain regulations of the existing commercial zoning districts within the overlay boundary. The proposed AROD does not modify the applicable property's underlying zoning, meaning land uses are neither added nor removed. The overlay zoning district modifies the Site Development standards within the Zoning Code that often make the reuse of existing buildings, structures and sites economically unfeasible. The AROD applies to any building located wholly or partially within the boundaries of the attached map, for properties zoned either C-1-Neighborhood Commercial District, C-2-Community Commercial District, C-3-Regional Commercial District, or any property permitting commercial uses through a Conditional Use Permit, provided the building was constructed prior to 1990 and the building is less than 15,000 square feet and/or constructed on a lot no greater than 30,000 square feet. The AROD does encompass an area that includes parcels not currently zoned for commercial uses such as residential homes. The AROD is not applicable to these parcels not having commercial zoning; however, the standards contained within the AROD can be applied provided City Council approves a zoning district change to allow said commercial uses.

The Adaptive Reuse Overlay District includes modifications to the Site Development standards by increasing the maximum lot coverage to 100%, eliminating the front, side and rear building setbacks, eliminating the parking setbacks from adjacent rights-of-way and property lines and increasing the potential parking reduction waiver from 40% to 60%. Additionally, the AROD reduces the mechanical equipment screening requirements to an effective 'net zero' meaning no additional mechanical equipment screening is necessary if equipment is simply being replaced or updated, or the total number of proposed mechanical units is equal to or less than the original number of units. The proposed AROD Site Development standards are intended to eliminate the 'one-size-fits-all' development standards contained within the underlying zoning districts and allow a case-by-case site approach that will maximize each unique site's development potential.

PUBLIC/NEIGHBORHOOD NOTIFICATION

- As required by Arizona Revised Statutes, hearing dates for the Planning Commission and City Council, as well as the complete text of the draft Adaptive Reuse Overlay District have been published in an eighth-page newspaper ad at least fifteen (15) days prior to the first required public hearing.
- Notices containing a website link to view and print the proposed Adaptive Reuse Overlay District were mailed to approximately 1540 property owners within the proposed boundary.

- Two neighborhood meetings were held on October 15, 2015, and October 20, 2015, at the City Council Chambers. Approximately 65 property owners attended the first meeting and an additional 25 attended the second. The attendees were very engaged asking many questions such as how this applies to their specific property, if the City was offering any incentives, how/if this applied to residential homes and when this will become effective. No opposition was offered at either neighborhood meeting with many offering support and excitement for the overlay.
- Planning Staff has received approximately 35 phone calls from property owners within the proposed boundary seeking additional information.
- This request was continued from the November 4th Planning Commission hearing to allow additional time to accommodate the including of two small expansions of the proposed district boundary in response to public input. The two expansions include the area south of the San Marcos Hotel property as well as the area encompassing and surrounding the Alta Steel Yard urban multifamily residential development currently under construction.
- As of the writing of this memo, Planning Staff is not aware of any formal opposition to this request.

PLANNING COMMISSION VOTE REPORT

The motion to approve passed 6 – 0 with Commissioner Donaldson absent.

RECOMMENDED ACTION

The Planning Commission and Planning Staff recommend approval.

12. CITY FINANCIAL POLICIES UPDATE

Res. #4902

ADOPTED Resolution No. 4902 updating the City Financial Policies.

BACKGROUND

The City of Chandler developed strong Financial Policies many years ago that have been and continue to be, the high standards set for stewardship over Chandler's financial resources. They are also a guide for sound fiscal planning and budgeting, while maintaining fiscal integrity. Each year, the Financial Policies are reviewed and adopted as part of the annual budget.

An Action Plan item in the 2015 Strategic Policy Goal set by Council was to continue adherence to and improve upon fiscal policies. Additionally, the issue of Public Safety Personnel Retirement System unfunded liabilities was a topic of deliberation, which led to a recommended update to the Reserve Policy. Therefore, on October 19th and December 7th, 2015, Micro Retreats were held with Mayor and Council to discuss the updated City Financial Policies after an intense review of existing policies and incorporating the Government Finance Officers Association (GFOA) best practices.

This resulted in City Financial Policies to be divided into eight categories including, Operating Management, Capital Management, Reserves, Debt Management, Long-Range Financial Planning, Grants Management, Investment, and Accounting, Auditing and Financial Reporting. The updates included rationale added to each policy to clarify its purpose, reorganizing and restructuring of policy components, some new components added and the addition of a new Grants Management Policy. The new Grants Management Policy requires an update to City Code to clarify grant agreement approval authority which is included as item #7 on this agenda.

13. MUNICIPAL AESTHETICS PROGRAM FUNDING AGREEMENTS: SRP Res. #4913

ADOPTED Resolution No. 4913 consenting to Municipal Aesthetics Program Funding Agreements with Salt River Project (SRP) and authorizing the City Manager or designee to execute the necessary documents.

BACKGROUND

In 1989, SRP implemented the Municipal Aesthetics Program to encourage partnerships with local municipalities. The Municipal Aesthetics Program provides municipalities with the opportunity to conduct aesthetic improvements to existing SRP water and power distribution facilities. Annual allotments of Aesthetics Funds to municipalities are based upon: irrigation water acreage, the percentage of Salt River Valley Water Users Association Membership within the municipality, the municipality's percentage share of total electric facilities revenue and the total cost of electric system work accomplished during SRP's prior fiscal year period. The City of Chandler has received \$40,611,182.00 in aesthetic funds since the program's inception.

On June 4, 2014, members of the City Council Planning, Municipal Utilities and Transportation & Development Subcommittee were briefed regarding a number of proposed aesthetic projects that had been identified and prioritized by Staff. At the regular City Council meeting of September 11, 2014, seven projects were authorized with an approximate cost of \$6,019,000.00.

On December 10, 2015, members of the City Council Planning, Municipal Utilities, and Transportation & Development Subcommittee were briefed regarding eight proposed aesthetic projects that had been identified and prioritized by Staff. Based on discussion from the Subcommittee, a proposed project on Warner Road between Arizona Avenue and McQueen Road has been removed since a future developer may be responsible for undergrounding those facilities. Staff now recommends moving forward with seven projects with an approximate cost of \$7,137,000.00 which will result in the removal of 15 poles and 59,388 feet (11.24 miles) of conductor Citywide. Of this, \$6,067,800.00 must be assigned to projects in order to meet SRP's schedule for allocations for this fiscal year or the funds will be forfeited. The proposed projects are detailed in the Municipal Aesthetic Program Funding Agreements.

FINANCIAL IMPLICATIONS

SRP has provided Conceptual Job Estimates of \$7,137,000.00 for the relocation of the existing SRP overhead facilities at seven locations. These funds will be appropriated from the City's available SRP Aesthetics funds balance which is currently at approximately \$7,450,200.00. SRP will submit a final account summary to the City after the agreements are approved so that final engineering design can be completed. Historically, the Conceptual Job Estimates tend to be below the actual contract amount so that no additional funds are required.

14. STREET NAME CHANGE: Columbine Drive to Sabrina Drive Res. #4915

ADOPTED Resolution No. 4915 authorizing the change of the street name from Columbine Drive to Sabrina Drive in the Monterey Bay at Ocotillo subdivision.

BACKGROUND/DISCUSSION

The homeowners of the property at 3870 S. Columbine Drive in the Monterey Bay at Ocotillo subdivision have requested the City change their street name. This is the only property with that street name. The new street that extended the alignment of Columbine Drive to the south did not

continue that street name. Instead, it is named Sabrina Drive in the Echelon at Ocotillo subdivision.

It is the desire of the City to promote a uniform and consistent street naming and numbering system, adhering to the adopted Street Naming and Addressing Procedures. Also, it is in the best interest of public safety to eliminate confusing and duplicate street names in the City. Therefore, Staff recommends a street name change.

The homeowners have been made aware of the implications that may come with an address change such as notifications required for their personal and business needs and are willing to proceed.

15. DOWNTOWN CHANDLER ENTERTAINMENT DISTRICT EXPANSION Res. #4925

ADOPTED Resolution No. 4925 authorizing the expansion of the Downton Chandler entertainment district in accordance with Arizona Revised Statute Section 4-207(C)(4).

BACKGROUND/DISCUSSION

In December 2014, Mayor and Council adopted Resolution No. 4819 implementing an Entertainment District in Downtown Chandler. The Entertainment District allows a municipality's governing body to approve an exemption from the 300' distance restriction applicable to churches/schools and certain liquor licenses. These liquor licenses must be approved by Mayor and Council on a case-by-case basis after receiving public input.

State Statute defines an Entertainment District as an area that contains a "significant number of entertainment, artistic and cultural venues, including music halls, concert facilities, theaters, arenas, stadiums, museums, studios, galleries, restaurants, bars and other related facilities".

On November 19, 2015, Mayor and Council adopted Ordinance No. 4668 authorizing the provisions of a development and option agreement between VPK The Row, LLC, and the City of Chandler for redevelopment of Site 3 and option to purchase Sites 1 and 2 for redevelopment. As part of the agreement, Phase 1, The Row, will consist of a two-story retail/entertainment development, including an approximate 30,000 square foot, 6-screen, Red's Draffhouse Cinema on the second level. The Row, at the southwest corner of Chandler Boulevard and Arizona Avenue, is within the current Entertainment District.

Red's Draffhouse Cinema is required to purchase a Series 6 Liquor License. Although within the Entertainment District, the City Council is unable to waive the 300' restriction because Chandler High School sits outside the current Entertainment District boundaries.

City Staff, along with VPK The Row, LLC, attended the December 9, 2015, Chandler Unified School District (CUSD) Board of Directors Study Session to discuss the expansion of the Entertainment District to include a section of the school property up to, and including, the Chandler Center for the Arts. A formal vote to support the expansion of the Entertainment District will be taken at the January 13, 2016, CUSD Board meeting.

The expansion of the Entertainment District to the north accomplishes two objectives; first, giving City Council the ability to waive the 300' restriction permitting Red's Draffhouse Cinema to obtain a Series 6 Liquor License needed for the project; second, adding the Chandler Center for the Arts to the Entertainment District will increase the inventory of entertainment, artistic and cultural venues within the previously established district.

16. AGREEMENT: Zoolikins, LLC

Res. #4926

ADOPTED Resolution No. 4926 authorizing an agreement with Zoolikins, LLC, for mutual termination of a lease and mutual releases, for the premises at 51 E. Boston Street in Chandler, Arizona; and authorizing the City Manager to execute the agreement.

BACKGROUND/DISCUSSION

In May 2013, City Council approved Ordinance No. 4660 authorizing and approving a lease agreement between Zoolikins, LLC, and the City of Chandler at 51 E. Boston Street for a term of 5 years. Zoolikins opened in the fall of 2013 and has been punctual with lease payments.

Zoolikins put a tremendous amount of marketing into their Downtown Chandler location, including spearheading special events such as the Diaper Challenge. In spite of these efforts, Zoolikins has been unable to make this location viable. Over the past 18 months, City of Chandler Staff and the Downtown Chandler Community partnership (DCCP) spent time evaluating Zoolikins' business model and assisting in marketing efforts.

Zoolikins, LLC, has requested an early termination of their lease.

FINANCIAL IMPLICATIONS

The original monthly lease payment was \$2,437. Approximate loss of rent revenue over the next 30 months is \$73,110. Staff is evaluating options for future use of the property to minimize financial impacts.

17. ZONING EXTENSION: Pollack Business Park South

APPROVED a three-year timing extension on the existing Planned Area Development (PAD) zoning for commercial retail, office, industrial and showroom uses along with Preliminary Development Plan (PDP) approval for site layout and building architecture for an approximate 3-acre site located at the SEC of Arizona Avenue and Elliot Road. (Applicant: Stephen Earl; Earl, Curley & Lagarde.)

BACKGROUND

The request is for action on the existing 16-acre (gross) parcel located at the southeast corner of Arizona Avenue and Elliot Road. In 1981, the site, as part of a larger industrial development, received zoning approval for an I-1/PAD zoning designation; the zoning was vested due to construction occurring within the larger development. In early 2006, the site received zoning and Preliminary Development Plan approval to include retail uses. The zoning was conditioned to start construction within three (3) years of Council approval, causing the expiration to occur on April 23, 2009. The site received an extension of the zoning in 2009, and again in 2012, causing expiration to occur earlier this year. The current request is to extend the zoning for a third time for an additional three years. The proposed three-year extension would be in effect, pending City Council approval, until April 23, 2018, as the time limit is calculated from the initial zoning approval's expiration.

The City has the following options when a zoning district's timing condition expires. The City could, through administrative action, extend the timing condition for another period of time, eliminate the timing condition, determine compliance with the three-year schedule for development, or by legislative action, revert the zoning to its former zoning classification. If the City should approve the timing condition extension, all other conditions in the original approval would remain in effect.

The currently approved PDP provides for retail shops space, a restaurant drive-thru and bank drive-thru on the western 4.24 acres (net) of the site and office/showroom/industrial uses on the eastern 9.25 acres of the site.

PRELIMINARY DEVELOPMENT PLAN

The second component of the request is for PDP approval for site layout and building architecture. The applicant seeks to maintain the existing PDP, as well as provide a second option. The second option is for an 80,000 square foot office building located on the site's eastern 9.4 acres. The commercial parcel will be maintained at the intersection corner, but will be reduced from 4.24 acres to 3.5 acres.

The office will operate as a location for the Arizona Department of Economic Security. The single-story building will utilize concrete tilt as the predominant building material with elements of masonry block and metal paneling to provide additional interest. The entrance is offset and the ends of the building incorporate different design elements to break-up the symmetry of the rectangular building. A large pedestrian gathering area for the public is provided at the main entrance with low seat walls and planter boxes.

DISCUSSION

Due to the nature of the operator, the parking provided exceeds 125% of the required amount of parking. Provisions are provided in the Zoning Code which allows for exceeding the required amount of parking so long as design elements are incorporated to offset the heat island effect. The provisions include parking within the building footprint or within a structure, providing alternative paving materials, shade provided by structures that can support plant growth, or additional shade provided by landscape materials resulting in coverage of 50% within five years. Diamond planter islands have been doubled from code requirements to meet the shade requirement and islands have been increased in width to provide additional shade to meet the 50% coverage requirement. It should be noted that 50-60 of the parking stalls will be utilized for state vehicles, where employees will drive their personal vehicle and park it at the site and utilize their state vehicle during the day.

Planning Staff finds that the underlying land-use is still appropriate in the area and with the proposed plans in place, development will maintain consistency with the surrounding area. The request for simultaneous PDPs is atypical, but not unwarranted. Both plans are consistent with design requirements and could be supported individually; however, based on contract negotiations, concerns were expressed by the existing and potential owner resulting in the request for both plans to be considered.

Due to the involvement of the State, timelines are strict with an anticipated construction start time by early 2016.

PUBLIC/NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 30, 2015. There was one neighbor from the management team of a nearby apartment complex in attendance in support of the request. Planning Staff has received no correspondence in opposition.

PLANNING COMMISSION VOTE REPORT

The motion to approve passed 6 – 0 with Commissioner Donaldson absent.

RECOMMENDED ACTIONS

Zoning Time Extension

The Planning Commission and Planning Staff recommend approval of a three-year timing extension with all of the conditions in the original approval remaining in effect.

Preliminary Development Plan

The Planning Commission and Planning Staff recommend approval subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled "Pollack Business Park South" and kept on file in the City of Chandler Planning Division, in File No. DVR15-0040, or in substantial conformance with the Development Booklet entitled "Pollack Business Park South" and kept on file in the City of Chandler Planning Division in File No. DVR05-0057, 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 property owners' association.
18. CONTINGENCY TRANSFER: Health Benefits Trust Fund Personnel Account

APPROVED a contingency transfer in the amount of \$42,000.00 from the General Fund Non-Departmental Contingency appropriation to the Human Resources Division, Health Benefits Trust Fund Personnel Account to allow revenue received from Blue Cross/Blue Shield (BC/BS) to be spent towards a new Wellness Coordinator beginning FY 2015-2016.

BACKGROUND

City Staff concluded a Request for Proposal (RFP) process in September 2015, for a healthcare provider and third party administrator for the City's self-insured medical plan. BC/BS of Arizona was selected and the new contract was approved by Council to be in effect on January 1, 2016. As part of the negotiations, BC/BS agreed to fund a fulltime Wellness Coordinator position that will be responsible for managing the City-wide wellness program. This funding, which is \$100,000 per year for each year of the seven (7)-year contract term, will be available in January of 2016. Staff was unable to recommend the addition of this position for the FY 2015/2016 budget as the contract negotiation was completed after the City's budget was approved. City Staff recommends that this position be filled mid-year FY 2015-2016 using funds provided by BC/BS.

19. CLAIMS REPORT

APPROVED the Claims Report for the Accounts Payable payments for the quarter ended December 31, 2015.

20. AGREEMENT AMENDMENT: PFM Asset Management, L.L.C.

APPROVED Agreement No. 2140, Amendment No. 4, with PFM Asset Management, L.L.C., for investment management services to extend for a period of two years. This is the final extension of this agreement.

The City engages two investment management firms to invest City funds that are not immediately expended. Each firm manages approximately half of the City's portfolio. The firms invest according to the City's investment policy to ensure safety, liquidity and yield objectives and maintain conformance with Arizona Revised Statutes. City Staff meets quarterly with investment managers to review performance of the portfolios, discuss short and long-term investment strategies and review cash-flow projections.

In addition to the City's general portfolio, PFM Asset Management manages investments for the City's Industrial Development Authority (IDA), Health Care Benefits Trust and Worker's Compensation and Employer Liability Trust. PFM has been one of the City's investment managers since 2005 and Staff is pleased with the continued high level of customer service and online report services.

21. AGREEMENT AMENDMENT: Wells Capital Management Services, Inc.

APPROVED Agreement No. 2042, Amendment No. 2, with Wells Capital Management Services, Inc., for investment management services to extend for a period of two years. This is the final extension of the agreement.

The City engages two investment management firms to invest City funds that are not immediately expended. Each firm manages approximately half of the City's portfolio. The firms invest according to the City's investment policy to ensure safety, liquidity and yield objectives and maintain conformance with Arizona Revised Statutes. City Staff meets quarterly with investment managers to review performance of the portfolios, discuss short and long-term investment strategies and review cash-flow projections. Wells Capital Management, Inc., has been one of the City's investment managers since 2003 and Staff is pleased with the continued high level of customer service and online report services.

22. AGREEMENT: R Entertainment Co.

APPROVED an agreement with R Entertainment Co., utilizing the City of Peoria Contract No. ACON33412B, for 4th of July event production services in the amount of \$50,000.00 for the term January 15, 2016, through January 14, 2017, with the option of up to four additional one-year extensions.

The City of Chandler has held its 4th of July celebration for the community since 2000. During this time, the City has partnered with community non-profit organizations to produce, manage and represent the City as the organizer of this event. The event previously took place in Downtown Chandler, but due to the growth of the event, it was moved to its current location at Tumbleweed Park in 2003. Since then, the event has grown to an average of 45,000 guests.

R Entertainment Co., as the event producer for the 2016 event, will be responsible for providing a free gathering with music, concessions, vendor sales, beer sales, bike parade, water inflatables, inflatables, small amusement rides and fireworks. The event is scheduled for July 4th from 4:00 p.m. to 10:30 p.m.

23. PROJECT AGREEMENT: Perlman Architects of Arizona, Inc.

APPROVED Project Agreement No. FI1503.451 with Perlman Architects of Arizona, Inc., for construction administration services for Fire Training Center Expansion – Burn Building, pursuant

to Annual Architectural Services Contract No. EN1504.101, in an amount not to exceed \$65,294.00.

24. AGREEMENT AMENDMENT: Parts and Services

APPROVED Agreement No. FD4-060-3317, Amendment No. 1, with Courtesy Chevrolet, Earnhardt Chandler Cadillac, Earnhardt Ford Sales Company, Berge Ford, Earnhardt Gilbert Chrysler Dodge Jeep Ram, and Earnhardt Toyota Scion, for original equipment manufacturer parts and service (GM, Ford, Toyota and Chrysler), in an amount not to exceed \$550,000.00 from April 1, 2016, through March 31, 2018. This is the first of two optional 2-year extensions.

25. AGREEMENT: Diamond Services

APPROVED Agreement No. MU6-830-3637 with Diamond Services for repair and recoating of hypochlorite tanks in an amount of \$63,087.00.

26. PROJECT AGREEMENT: Wilson Engineers, LLC

APPROVED Project Agreement No. WA1301.452 with Wilson Engineers, LLC, for construction management services, for the Pecos Well Equipping, pursuant to Annual Water and Wastewater Services Contract No. EN1517.101, in an amount not to exceed \$125,240.00.

27. AGREEMENT AMENDMENT: MR Tanner Development & Construction, Inc.

APPROVED Agreement No. ST5-745-3478, Amendment No. 1, with MR Tanner Development & Construction, Inc., for street replacement asphalt mill and inlay services, in an amount not to exceed \$7,106,480.00 for one year. This is the first of four optional one-year extensions.

28. CITY PARTICIPATION AGREEMENT: LGE Corporation

APPROVED City Participation Agreement No. CP15-001 with LGE Corporation for the design and realignment of the Roosevelt Water Conservation District facility on Stearman Road, in excess of their offsite improvement obligation, at a cost to the City in an amount not to exceed \$69,330.00.

BACKGROUND/DISCUSSION

The Bellman offsite/industrial project is being constructed by LGE Corporation (LGE) within the Chandler Airport Business Park at the southeast corner of Germann and Stearman roads. Along the north side of this project, there is an existing Roosevelt Water Conservation District (RWCD) irrigation line that crosses Stearman Road. That section of Stearman Road was reconstructed by the City of Chandler over 10 years ago as part of the Germann Road reconstruction. At that time, the RWCD crossing of Stearman Road was designed with the best information available from RWCD based on the then planned development in that area. When the Bellman project was in the early design stages in 2014, it was determined by RWCD that the pipe that crosses Stearman Road was installed by the City at an elevation that now has a negative impact on the RWCD irrigation system. RWCD required the City to reconstruct the crossing at the revised elevation and a slightly different alignment. This reconstruction was determined to be the City's responsibility to correct.

Because reconstruction of the RWCD irrigation line across Stearman Road by the City would have likely delayed the Bellman project, LGE agreed to do the work as part of their project subject

to a reimbursement from the City. The cost of design and reconstruction of the portion of the RWCD irrigation system is \$69,330.00. In order to reimburse LGE, the City needs to enter into a City Participation Agreement with LGE.

29. MASTER SERVICES AGREEMENT: Accela

APPROVED Master Services Agreement (MSA) No. 3547 with Accela for an electronic document review system in the amount of \$162,675.00.

The purpose of the MSA is to serve as the governing document for the City's requirements for various information technology consulting and professional services from Accela. The MSA contains the terms, conditions, and pricing under which individual engagements for these services will be performed and as needs arise; the City and the consultant will agree on a statement of work for each project. The City utilizes the Accela Civic Platform for permitting and inspection processes as well as code enforcement.

Currently, the City's development plan review process is manual and requires multiple paper copies of plans. The existing process does not take advantage of today's plan review technology and does not offer electronic plan submittal options for customers (with the exception of sign permits which may be requested electronically).

Providing an option for on-line plan submission and plan review will reduce the need for paper plans, lower overall submission costs, and help to streamline the overall plan review process. Currently, customers submit plans to the City which are marked up and returned to the customer for correction. The electronic document review system will give customers the option of submitting their plans on-line and receiving comments from City Staff electronically. The interactive voice response (IVR) system will remain in place to schedule inspections by telephone along with the existing option to schedule inspections on-line.

An electronic document review module will be added to the existing Accela Civic Platform for integration with the electronic plan review solution (ePlanCheck) that also integrates with the existing electronic document management system where all plans and supporting documents will be stored.

An internal work team from Transportation & Development, Planning, and Information Technology has been working since the summer of 2015 on the framework of this project which included reducing the number of permit categories to streamline the process, selecting a proposed vendor for the plan mark-up software (ePlanCheck), and preparing the necessary contract documents. Additionally, external stakeholders have been identified and surveyed to provide feedback on their experience with electronic document submittal. The external stakeholders have also been asked to participate in a pre-launch pilot program in the fall of 2016 prior to full implementation. The project plan calls for a public launch in December 2016.

30. CONSTRUCTION CONTRACT: M.A. Mortenson Company

APPROVED Construction Contract No. WA1301.402 to M.A. Mortenson Company for the Pecos Well Equipping in an amount not to exceed \$756,513.11.

31. CONSTRUCTION CONTRACT: Danson Construction, LLC

APPROVED Construction Contract No. FI1503.401 to Danson Construction, LLC, for Fire Training Center Expansion – Burn Building in an amount not to exceed \$2,878,998.00.

32. PURCHASE: Toter, LLC

APPROVED the purchase of refuse and recycling containers and parts from Toter, LLC, utilizing the National Intergovernmental Purchasing Alliance (NIPA) Contract No. 120576, in an amount not to exceed \$350,000.00 for the term January 31, 2016, through January 30, 2017.

33. PURCHASE: Dimension Data North America, Inc.

APPROVED the purchase of annual maintenance and support of Citywide Cisco network equipment from Dimension Data North America, Inc., utilizing State of Arizona Contract No. ADSPO16-117850, in the amount of \$63,526.00.

This purchase will provide Cisco Smartnet Services for support and maintenance of the City's Cisco network infrastructure software and equipment. This equipment includes switches, routers and connectivity equipment. These are annual recurring costs that cover hardware technical support, repair or replacement in the event of failure. In addition to the hardware maintenance and repair/replacement, the vendor also provides software patches and upgrades for the City's network hardware. The equipment must be kept up to date with these patches in order for the City's network to remain secure and reliable. This agreement also allows for access to technical support resources to escalate issues and obtain resolution to technical problems with the Cisco network equipment.

34. PURCHASE: Printer Cartridges

APPROVED the purchase of OEM and remanufactured laser and inkjet printer cartridges from Vision Business Products and Wist Office Products, utilizing the State of Arizona contracts, in a total amount not to exceed \$75,000.00, for the period January 1, 2016, through December 31, 2016.

35. USE PERMIT/PRELIMINARY DEVELOPMENT PLAN: Extra Space Storage

APPROVED Use Permit ZUP15-0011 Extra Space Storage, for an indoor mini-storage facility located within a Planned Area Development zoning district.

APPROVED Preliminary Development Plan (PDP), PDP15-0008, for site layout and building architecture located south of the SWC of Dobson and Germann roads. (Applicant: Brennan Ray; Burch & Cracchiolo, P.A.)

BACKGROUND

The subject site is located south of the southwest corner of Dobson and Germann roads, within the Chuparosas commercial development. The subject site shares access with a CVS Pharmacy that is located north and vacant land west of the site. South and southwest of the site are the Chuparosas multi-family apartments.

The 40-acre Chuparosas master-planned community was approved in 2003, encompassing the subject site, the adjoining Chuparosas apartments and the Tri-City Baptist Church campus. At the time of approval, the master-plan was designed to provide pedestrian connections between all three components creating a live-work-play development. The existing pharmacy at the intersection corner was the first component to develop in 2005, with the apartment complex and

portion of the church campus commencing construction in 2006. The remaining 3.1 acres of planned retail land remains undeveloped and will require separate PDP submittal and approval.

The request is to develop an indoor mini-storage facility on the 3.7-acre site south of the existing pharmacy. Access to the site utilizes two existing drives along Dobson Road. Main access into the building is provided along the Dobson Road frontage; customer access points for loading and unloading along the north, south and west elevations. Pedestrian connections, as designed for with the original development, are provided along the south of the site connecting the apartment complex with access into the commercial development.

Architecturally, the building incorporates the Spanish Mission style architecture that is throughout the Chuparasas master-plan, incorporating Spanish tile, archways, sand finish stucco, arched parapets and reveals, corbels and a color palette consistent with Spanish Mission design. Massing of the 30-foot, two-story building is broken-up through the use of arched, full-height pop-outs and covered walkway along the north elevation. Generous faux windows, scoring and iron details are provided along the second-story for all elevations. Building mounted and monument signage shall be consistent with the provisions provided in the original development.

DISCUSSION

Planning Staff supports the Use Permit and PDP requests. The underlying zoning of the commercial component was approved with a PAD zoning designation for Community Commercial (C-2) uses. Based on the Zoning Code, mini-storage facilities are considerable in C-2 districts with Use Permit approval. Planning Staff supports the Use Permit finding that with the surrounding residential areas, the use provides an amenity that is not currently provided for in the immediate area.

Since Use Permits are utilized specifically for land uses and not design, a PDP is required to establish the site layout and building architecture. Planning Staff supports the PDP citing that the development team has provided a product that is architecturally integrated with the overall Spanish Mission architectural style prescribed for the Chuparasas development. Furthermore, with the two-story design, vacant land remains for future commercial development. Future development will require PDP approval.

PUBLIC/NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on August 25, 2015. A husband and wife were in attendance in support of the project. Planning Staff has received four phone calls from nearby residents. Three neighbors expressed opposition citing incompatibility with the use and surrounding area; a fourth neighbor was undecided and sought more information.

PLANNING COMMISSION VOTE REPORT

The motion to approve passed 6 – 0 with Commissioner Donaldson absent.

RECOMMENDED ACTIONS

Use Permit

The Planning Commission and Planning Staff recommend approval subject to the following conditions:

1. Compliance with original stipulations adopted by the City Council as Ordinance No. 3472, case DVR02-0026 CHUPAROSAS, except as modified by condition herein.

2. Development shall be in substantial conformance with Exhibit A, Development Booklet, entitled "Extra Space Storage", kept on file in the City of Chandler Planning Division, in File No. PDP15-0008, except as modified by condition herein.

Preliminary Development 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 "Extra Space Storage", kept on file in the City of Chandler Planning Division, in File No. PDP15-0008, except as modified by condition herein.
2. Landscaping shall be in compliance with current Commercial Design Standards.
3. The site shall be maintained in a clean and orderly manner.
4. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
5. Preliminary Development Plan approval does not constitute Final Development Plan approval; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Preliminary Development Plan shall apply.

36. CONTINUED USE PERMIT: Verizon – Hunt Highway

CONTINUED TO FEBRUARY 11, 2016, Use Permit ZU15-0017 Verizon – Hunt Highway, to install a monopalm wireless communication facility on property located east of the NEC of Cooper Road and Hunt Highway to allow the applicant to address last minute issues with the neighborhood.

37. SPECIAL EVENT LIQUOR LICENSE: The Chandler Emergency Relief Fund

APPROVED a Special Event Liquor License for The Chandler Emergency Relief Fund for the Big Red Rage Radio Show January 21, 2016, at Majerle's Sports Grill, 3095 W. Chandler Boulevard. A recommendation for approval will be forward 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 has no objections to this event and the applicant has applied for a Temporary Sales and Promotional Event Permit through Community and Neighborhood Services.

38. SPECIAL EVENT LIQUOR LICENSE: St. Andrew the Apostle Catholic Church

APPROVED a Special Event Liquor License for St. Andrew the Apostle Catholic Church for the St. Andrew Catholic Community Bottled Wine Silent Auction on February 10, 2016, at St. Andrew the Apostle Catholic Church, 3450 W. Ray Road. A recommendation for approval will be forward 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.

39. SPECIAL EVENT LIQUOR LICENSE: Chandler Cultural Foundation

APPROVED a Special Event Liquor License for the Chandler Cultural Foundation for the Lee Ann Womack concert, February 21, 2016, at the Chandler Center for the Arts, 250 N. Arizona Avenue.

A recommendation for approval will be forward 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.

40. SPECIAL EVENT LIQUOR LICENSE: Chandler Cultural Foundation

APPROVED a Special Event Liquor License for the Chandler Cultural Foundation for the Second City sketch and improve comedy event, March 4, 2016, at the Chandler Center for the Arts, 250 N. Arizona Avenue. A recommendation for approval will be forward 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.

41. SPECIAL EVENT LIQUOR LICENSE: Chandler Cultural Foundation

APPROVED a Special Event Liquor License for the Chandler Cultural Foundation for Tony 'n Tina's Wedding, March 11 & 12, 2016, at the Chandler Center for the Arts, 250 N. Arizona Avenue. A recommendation for approval will be forward 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.

42. CONTINUED LIQUOR LICENSE: Starbucks Coffee #15746

CONTINUED TO February 26, 2016, Liquor License, Series 12, for Andrea Dahlman Lewkowitz, Agent, Coffee House Holdings Inc., dba Starbucks Coffee #15746, located at 4985 W. Ray Road, to allow the applicant time to complete the requirements for a new Use Permit.

ACTION:

43. ELECTION of Vice Mayor for a one-year term from January 15, 2016, through January 12, 2017.

MOVED BY MAYOR TIBSHRAENY SECONDED BY COUNCILMEMBER HEUMANN TO NOMINATE COUNCILMEMBER JACK SELLERS FOR THE ONE YEAR TERM.

THE MOTION CARRIED UNANIMOUSLY (7-0).

44. AIRPARK AREA PLAN AMENDMENT/REZONING/PRELIMINARY DEVELOPMENT PLAN/PRELIMINARY PLAT: Enclave at Hamilton Res. #4924 & Ord. #4683

RESOLUTION NO. 4924, APL15-0004 Chandler Airpark Area Plan Amendment, Area Plan amendment from Neighborhood Commercial and Commercial/Office/Business Park with a Light Rail Corridor Overlay to Low-Medium Density Residential.

INTRODUCTION OF ORDINANCE NO. 4683, DVR15-0028, Enclave At Hamilton Ranch, rezoning from Agricultural District (AG-1) and Planned Area Development (PAD) for Offices to PAD for Residential.

PRELIMINARY DEVELOPMENT PLAN (PDP) for subdivision layout and housing product.

PRELIMINARY PLAT (PPT), PPT14-0012 for approximately 28 acres located south and east of the SEC of Arizona Avenue and Queen Creek Road. (Applicant: Mike Withey, Withey Morris PLC.)

BACKGROUND

The proposed Area Plan amendment, Rezoning with PDP and Preliminary Plat (PPT) came before City Council on March 26, 2015, as zoning cases APL14-0007 and DVR14-0019. The requests were denied. The current application requests remain essentially the same; however, minor changes have occurred with the PDP component. The development has been reduced from 132 lots to 128 lots. The four removed lots were previously located at the ends of four streets. The landscape tract near the east property line/railroad right-of-way remains the same with some enlarged tracts in place of the four lots. While some landscape tracts got wider, the separation width between lots and the railroad right-of-way/east property line is not greater than other subdivisions built or developing along the railroad track.

In addition, the applicant has provided studies on noise attenuation, an airport influence area analysis and an office market analysis responding to concerns that arose with their initial application request in March 2015. The noise study concludes that potential noise impact from the Chandler Municipal Airport and Union Pacific Railroad activity are well below (quieter than) Housing and Urban Development (HUD) "acceptable" standards. Noise attenuation is achieved through site walls and home construction materials. The airport influence area analysis compares the differences between the proposed residential development and a recently approved residential development along McQueen Road (Avalon) as well as the airport potential impacts from each project. The analysis concludes both developments are within acceptable parameters for impacts from the airport. The proposed development is further away from the airport than Avalon, thus subject to less overflight and related airport operational activity and will not be a detriment to present and future airport operations. Lastly, the office market analysis concludes that commercial/office/business park development on the subject site as designated by the CAAP, would be a disruption to emerging neighborhoods and detrimentally impact the area by generating commercial traffic and posing safety concerns for children on their way to school. Further, the presence of existing and proposed office developments in Chandler combined with the proposed residential development's lack of proximity to a major freeway and business amenities, the best land use for the property is this residential proposal.

The subject site is located south and east of the southeast corner of Arizona Avenue and Queen Creek Road. The property is approximately 28 acres and a portion of the site was annexed in February 2015 and given initial City zoning of Agricultural District (AG-1). The balance of the site received PAD zoning for office in 2009 on 9 acres which never commenced. The PAD zoning was extended for an additional 3 years expiring in 2012. The subject property primarily surrounds an undeveloped 8-acre parcel located at the immediate intersection corner of Arizona Avenue and Queen Creek Road. This parcel was annexed in December 2015 and given initial City zoning of AG-1. This corner parcel has a current zoning case in process for a proposed post-operation transitional care medical facility. East of the site are the Union Pacific Railroad tracks and land zoned PAD for office/warehouse/industrial type uses. To the south is vacant land zoned Neighborhood Commercial (C-1) and developed land zoned PAD for a veterinary office/pet resort and a church along with 30 acres of undeveloped land owned by the church.

North of the site is Queen Creek Road. North of Queen Creek Road is land zoned PAD for a single-family residential development and a multi-family residential development both under construction. To the west is Arizona Avenue, vacant land zoned PAD for commercial and a multi-family residential development.

GENERAL PLAN CONFORMANCE / AREA PLAN BACKGROUND

The General Plan designates the subject site as Employment and a Commercial Node, as within the Chandler Airpark Area Plan (CAAP), and as a Large Tract Growth Area. The General Plan's Employment designation includes light industrial parks, corporate offices, manufacturing, knowledge-intensive employers and a compatible mix of industrial support uses and residential densities as an integral component of a planned mixed-use development. The Commercial Nodes category denotes intersections appropriate for neighborhood or community commercial retail, office, commercial services and institutional uses, as well as residential or employment where appropriate when allowed by the underlying land use, in this case Employment.

The CAAP denotes the parcel as Commercial/Office/Business Park for major, campus-like employment centers including retail services, research and development, or office/showroom development type uses. In addition, the entire parcel is within the Light Rail Corridor Overlay allowing the development of residential densities of 12.1 to 18.0 dwelling units per acre. The CAAP also identifies Neighborhood Commercial at the intersection corner for neighborhood-based commercial uses such as retail, personal services, restaurants and the like. The subject site is not part of a larger single-family residential neighborhood. Under the guidelines of the General Plan and CAAP, single-family residential is not a land use recognized in the Employment, Neighborhood Commercial, or Commercial/Office/Business Park categories.

Planning Staff finds the subject site is not appropriate to consider for single-family residential land use based on the existing established CAAP land uses.

AREA PLAN AMENDMENT

The request is to amend the CAAP from Neighborhood Commercial and Commercial/Office/Business Park with a Light Rail Corridor Overlay to Low-Medium Density Residential. The single-family residential use is not part of the current land use categories and is incompatible with planned commercial/office/business park development including industrial uses to the east and planned commercial/office/business park uses to the south.

REZONING

The request is for Rezoning from Agricultural District (AG-1) and Planned Area Development (PAD) for offices to PAD for Residential (Low-Medium Density). The property has been farmed for many years. Mattamy Homes proposes to develop a single-family residential community that includes 128 single-family residential units at approximately 4.61 du/ac.

SUBDIVISION DIVERSITY

The Rezoning request includes PDP approval for a single-family subdivision layout with one- and two-story housing products. The gated development includes private streets. There is a full-movement entry/exit off of both arterial streets which will be shared with adjacent parcels when developed. The Arizona Avenue entry landscape median is highlighted with a Date Palm tree-lined entry leading to the community's gates. A central curvilinear street meanders north connecting to the Queen Creek Road entry/exit gate. The entries are designed with an agrarian accent including gates with decorative metal and faux roughhewn wood accent. The main entry off of Arizona Avenue is further enhanced with a stone veneer pier with lighting and faux wood light poles.

The lots are designed as a traditional subdivision layout for individual detached homes. Lot sizes are minimum 52'x97' (5,044 sq. ft.) providing minimum front yard setbacks of 18 feet and/or 10 feet, rear yard setbacks of 10 feet and side yard setbacks of 7 feet and 5 feet. Front yard setbacks will be staggered to enhance the streetscape. It is important to note there is no restriction for corner lots being limited to 1-story homes or a limit on the number of 2-story homes along arterial streets.

Since all of the lots are less than 7,000 square feet, all of the Residential Development Standards (RDS) for subdivision diversity would be required. However, it is realized that this type of subdivision cannot meet all of the subdivision diversity standards due to the parcel's configuration. The conventional lot layout incorporates diversity elements such as curvilinear streets, looped streets, a cul-de-sac, and open spaces. A centralized active open space and playground area includes custom amenities integrated amongst shade trees and ramadas. Unique features are a tree house platform, play stream with bridge, a tunnel, climbing rope ladder and climbing blocks. The subdivision design meets the intent of the RDS subdivision diversity elements as outlined in the Development Booklet.

HOUSING PRODUCT

The housing plans include two 1-story and three 2-story homes ranging in size from 1,916 to 2,827 livable square feet with a variety of architectural styles. Each housing plan includes 3 elevation styles providing a total of 12 housing plan options.

The lot sizes are not practical for deeper rear yard setbacks and rear yard vehicle access. The homes have forward facing garages both recessed and at livable space. The housing product design meets the intent of the RDS architectural diversity elements as outlined in the Development Booklet.

AIRPORT COMMISSION RECOMMENDATION

The Airport Commission reviewed the request in accordance with the Airport Conflicts Evaluation Process at their November 18, 2015, meeting. The Airport Manager has issued a conflicts evaluation report indicating that the Airport Commission determined that the proposed development does constitute a conflict with existing or planned airport uses. While a non-residential use is preferred, various physical and administrative corrective actions were recommended for mitigation.

Physical corrective actions included noise attenuation construction within the homes, a roadway style sign indicating the presence of aircraft, and incorporation of 'Chandler Airpark' into the development's name.

Administrative corrective actions included the requirement of significant disclosure statements to be signed by prospective home buyers indicating the proximity to the airport, heliport, and the potential impact from aviation noise and vibrations. Additionally, an aviation easement shall be dedicated to the City of Chandler. Finally, a large map shall be displayed within the sales office identifying the proximity of the subdivision to the airport including the noise contours and over flight patterns.

As discussed at the meeting, the goal was to create a physical and administrative 'net' to catch prospective home buyers that may not want to necessarily live near an active airport, acknowledging that certain home buyers do enjoy living in that environment.

Planning Staff finds the proposed development is not in conformance with the General Plan and CAAP. The single-family residential use is incompatible with planned industrial and commercial surrounding the subject parcel including future industrial and light industrial development to the east as part of the CAAP. Land uses as identified within the CAAP, are more appropriate including commercial, office, flex industrial, warehouse, business park, and like uses. These uses are compatible and provide a transition into commercial/office/business park and light industrial uses planned for the area. Residential land uses can be considered; however, the CAAP identifies the need for lighter density multi-family residential to support the CAAP in addition to commercial, office and business park type uses.

Additionally, the intersection is a designated Commercial Node and currently the northwest and southwest corners are zoned PAD for commercial use and the northeast corner is zoned and developing with multi-family residential and single-family residential. An evaluation of this intersection and surrounding area from a land use and economic development standpoint, considered the potential growth at this intersection and what is sustainable for the future. Staff concluded that the subject site remains viable for neighborhood commercial and commercial/office/business park uses.

While Planning Staff does not support the requested Area Plan amendment and Rezoning, the PDP for subdivision layout and housing product are consistent with the intent of the RDS. The curvilinear street system and unique recreational amenity creates a pedestrian-oriented neighborhood environment amongst 128 homes.

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 29, 2015. There were no neighbors in attendance. Planning Staff received a letter of support from the Carino Estates Homeowners Association. Following the Planning Commission, the applicant submitted over 200 letters of support. Planning Staff has received no correspondence in opposition.

PLANNING COMMISSION VOTE REPORT

The motion to approve passed 6 – 0 with Commissioner Donaldson absent.

The Planning Commission unanimously approved the request. Commissioner Cunningham opposed this project in March 2015 finding it was not appropriate to take commercial to residential; however, she now likes how the corner has turned out with the other residential development under construction and supports this case. The Commission commented that the Airport Commission's proposed airpark signage is not necessary; this project is far away from the airport and no other developments along Arizona Avenue have an airpark sign. The addition of sound walls for the perimeter walls is a good addition to the project.

PLANNING COMMISSION RECOMMENDED ACTIONS

Area Plan

The Planning Commission recommends approval.

Rezoning

The Planning Commission recommends approval along with the Planned Area Development subject to the conditions listed in the ordinance.

Preliminary Development Plan

The Planning Commission recommends approval subject to the following conditions:

1. Development shall be in substantial conformance with Exhibit A, Development Booklet, entitled "Enclave at Hamilton Ranch", kept on file in the City of Chandler Planning Division, in File No. DVR15-0028, except as modified by condition herein.
2. No more than two identical side-by-side roof slopes should be constructed along arterial streets or public open space.
3. The same floor plan and elevation shall not be built side-by-side or directly across the street from one another.
4. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
5. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or homeowners' association.
6. 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.
7. Preliminary Development Plan approval does not constitute Final Development Plan approval; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Preliminary Development Plan shall apply.

Preliminary Plat

The Planning Commission recommends approval subject to the following condition:

1. Approval by the City Engineer and Planning Administrator with regard to the details of all submittals required by code or condition.

PLANNING STAFF RECOMMENDED DENIAL FOR ALL ACTIONS

DISCUSSION:

SENIOR CITY PLANNER, JODIE NOVAK, summarized the requests by the developer. The three requests include an Area Plan Amendment, changing the land use; a Rezoning request from a current Agriculture and PAD for commercial offices to a PAD for residential, and a Preliminary Development Plan, approval of the subdivision layout and the proposed housing product and the preliminary Plat.

She stated the proposal is similar to the one presented in March of 2015 with some adjustments to the site and landscape plan.

The applicant has since performed several studies and those findings were presented in the Council packet. The reviews, evaluations and recommendations by the Airport Commission, the Planning Commission and City Staff are also included.

COUNCILMEMBER LOPEZ inquired if the applicant, after the first rejection from the Airport Commission, had gone back through the process with their new changes and if so, what was the outcome.

MS. NOVAK replied the applicant did go back through the process and while the Airport Commission still made the same findings, they felt that if the requests were approved by Council, the applicant had included various administrative corrective measures and physical corrective actions they preferred be included, being it is right next to an airport.

COUNCILMEMBER ELLEN inquired as to what the changes were from their last application in March of 2015.

MS. NOVAK stated that when the project originally was presented, it had a very nice layout for the site, a quality housing product, and Planning Staff had no fundamental concerns on the design. In this new proposal, one of the major changes that occurred is the removal of 4 lots, at the eastern end of the streets, and by removing them, they removed some lots that may have been closer to the airports, as well as allowing more open space allowing for a greater buffer from the railroad tracks. The overall scope and design of the project remains the same. The developer did agree to add additional noise attenuation within the construction of the homes, and upgraded the type of wall on the east and south perimeter.

VICE MAYOR HARTKE inquired what, if any, changes in the General Plan might have been made because of this development to the Airpark area, along Arizona Avenue.

Ms. Novak stated the new General Plan being considered, which still needs a vote of the Council and of the voters, would provide for a mix of uses along the corridor. This could include some form of residential use.

In response to a question from Councilmember Lopez, Ms. Novak said the immediate corner that this subdivision would wrap around is a case that is currently in process called Main Street Transitional Care Facility. It's an acute care facility for post-operative care. That case is scheduled before Council on February 11th. She said that particular use is an office use that is akin to a hospital / medical use facility that falls under a commercial land use.

COUNCILMEMBER HEUMANN inquired if there was a disclosure in the deed for the railroad and the power lines.

Ms. Novak stated that within the ordinance for the development and zoning of the site, disclosure must be made regarding the proximity of the airport area and the railroad. There is not a separate stipulation for utilities.

He said it was important with the general nature of the corridor that also is spelled out. He said he would also like to see an increase in the tree plantings to make a natural border along the railroad line.

Mr. Mike Withey, of Withey Morris PLC, representing the applicant, reiterated the project has unanimous recommendation of the Planning Commission. He noted a year ago, the applicant was asked to consider modifications to the project and he believes they have done what Council has asked. He said they had received wide support from the neighborhood. Mr. Withey addressed the changes Ms. Novak mentioned - the elimination of the 4 lots, which increased the setback along Arizona Avenue; the sound attenuation features the homes will have, and the perimeter wall being build more for another sound attenuation feature. Also agreed to was the additional trees in the east landscape area. There are some limitations along the SRP easement on the types and height of trees allowed. He recapped the studies the developer performed and what the results showed. He reported there is much more broad base and clear support from the neighborhoods. Mr. Withey stated over 250 petitions in support were submitted including support from Carino Estates, Fox Crossing and other home owner associations.

Mayor Tibshraeny acknowledged the 6 comment cards in support of the case as well as the following speakers:

Jon Willis, designated broker of Willis Property Company, representing the seller of the 9 acre parcel. He said there is no demand south of Germann Road as it relates to office in this area due to the developments occurring near the Airpark, Mercy Gilbert and Chandler Regional. That is where the main focus of office is occurring now. He stated his clients are in full support of this project.

Pat Aritz, President of Carino Estates Homeowners Association representing 721 homes, said the support for this project was close to unanimous. The thought was a single family community would be the best for property values, aesthetics of the area, as well as the fit seems better with the surrounding area.

Earl Sales, Carino Estates resident, stated his support for the project. He said there are quite a few apartment complexes in the area and he would like to see more homes in the area.

Robert Sty, Hamilton Heights Homeowners Association President, and a member of the Citizen Advisory Committee for the General Plan update voiced his support for the project.

Carolyn Urish, resident of Carino Estates, said she feels there is more than enough commercial development in the area and she would prefer to see homes.

Ralph Pew, land use attorney representing the developer of the Main Street project at the immediate intersection of Arizona Avenue and Queen Creek Road, expressed the support for the project. He said the residential use is very compatible with the Main Street use. Mr. Pew explained the project he represents (Main Street) is a national, real estate development and investment and health solutions company. Currently, in the Phoenix and Tucson areas, there are 4 or 5 projects underway. He explained he had hoped the Main Street project would be on tonight's agenda, but will be delayed. Main Street is a post-acute care transitional facility.

COUNCILMEMBER ELLEN asked if the petition signers knew the Chandler Airpark Area Plan would need to be changed from Neighborhood Commercial and Commercial Office Business Park. Mr. Withey said he doesn't believe the signers were given a copy of the Area Plan or a copy of the proposed General Plan. He said the discussion was going from agricultural to the proposed plan. Mr. Withey said after full discussion, the homeowners were very knowledgeable.

MOVED BY COUNCILMEMBER LOPEZ TO APPROVE RESOLUTION NO. 4924, APL15-0004 CHANDLER AIRPARK AREA PLAN AMENDMENT, TO INTRODUCE AND TENTATIVELY APPROVE ORDINANCE NO. 4683, DVR15-0028, ENCLAVE AT HAMILTON RANCH, PAD FOR RESIDENTIAL, APPROVE PRELIMINARY DEVELOPMENT PLAN (PDP) FOR SUBDIVISION LAYOUT AND HOUSING PRODUCT, AND PRELIMINARY PLAT (PPT), PPT14-0012 FOR APPROXIMATELY 28 ACRES LOCATED SOUTH AND EAST OF THE SEC OF ARIZONA AVENUE AND QUEEN CREEK ROAD.

COUNCILMEMBER HEUMANN SECONDED THE MOTION BUT ASKED THE MOTIONMAKER TO INCLUDE ON STIPULATION NO. 13 TO ADD THE LANGUAGE ABOUT THE HIGH CAPACITY TRANSMISSION LINE CORRIDOR. IN ADDITION, A STIPULATION TO WORK

WITH STAFF TO PUT ADDITIONAL TREES ON THE EAST BORDER OF THE PROPERTY FOR A 20' ON CENTER BUFFER. COUNCILMEMBER LOPEZ ACCEPTED.

COUNCILMEMBER SELLERS asked if the applicant accepted the amendments. Mr. Withey said they would accept the amendments.

COUNCILMEMBER ELLEN said she likes the project and appreciates the additional notification for the public report. She stated in her experience as a realtor, most buyers do not pay attention to the public report. She said this projects borders two major roads, has major power lines and close to the railroad, and experiences low flying aircraft. She said her desire is to hold out for a better and higher use. She said she is not anxious to get this area developed and believes it is possible to have some nice neighborhood commercial/office business park.

COUNCILMEMBER HEUMANN said while he voted against this project last time mainly due to the 9 acre parcel being an out parcel. He expressed his appreciation to Mr. Pew in explaining their project. He said another concern was the desire for additional landscaping and now feels he can support this project.

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

UNSCHEDULED PUBLIC APPEARANCES:

Mr. Victor Hardy announced the 16th anniversary of the Celebration of Unity event this weekend. Mr. Hardy said he is the Pastor of the Congregational Church of the Valley, President of the Chandler Men of Action, and Musical Director for C4. He extended the invitation to attend the Black Violin performance at the Center for the Arts. The annual Multi-Cultural Festival will be held on Saturday at the Chandler Fashion Mall. The 16th annual Creative Expression Competition is underway and winners will be recognized at the festival as well as a future Council meeting in conjunction with the City of Chandler Diversity Office.

CURRENT EVENTS:

A. Mayor's Announcements

The Mayor also reminded attendees that voting is still available for the annual Mayor's Neighborhood Excellence Awards finalists. Voting runs through Friday, Jan. 22, and you can cast your ballot at chandleraz.gov/connect. Winners will be announced in April during the Mayor's next Listening Tour at the Knox Gifted Academy.

The Mayor introduced the City's new Intergovernmental Affairs Coordinator Ryan Peters and wished him well in his position. He explained that his position is very important to the City to protect the interests of Chandler residents.

Mayor Tibshraeny also mentioned House Bill 2026, which has been re-introduced by Rep. Darren Mitchell after being defeated during the last legislative session. HB2026 is a residential tax bill that would significantly harm the City's budget. If passed, any city or town with a population of more than 100,000 could not collect taxes on those renting or leasing residential units. Sales tax is very important to the City as it's used to provide residents with public safety services (police and fire), parks, libraries, community centers

and more. The City will proactively fight this bill and the Mayor finds it concerning that it's back after being rejected. The Mayor asked the City Attorney to inform the Council of what they will be able to do with future or pending multi-family zoning cases and how a development agreement may come into use.

B. Councilmembers' Announcements

Councilmember Lopez announced that the Chandler Symphony Orchestra's last winter performance (Winter Romance) will be at 3 p.m., Sunday, Jan. 31. More information is available at chandlersymphony.com.

Vice Mayor Kevin Hartke shared how much he enjoyed serving as the Vice Mayor during the past year, especially meeting with constituents and developers. He expressed that Councilmember Sellers will serve the City well in his new role. Councilmember Hartke shared that the naturalization ceremony, as part of the Festival, is an amazing experience to see new citizens being sworn in. It reminds him of how blessed we are and to not take things for granted. He encouraged residents to attend and see 200 new citizens from across the world become U.S. citizens.

Vice Mayor Hartke also wished both his wife and son happy birthdays.

Councilmember Ellen thanked Vice Mayor Hartke for his wonderful service as Vice Mayor and looks forward to Councilmember Sellers taking on this new role. She encouraged the public to attend Helicopter Days at Chandler Municipal Airport at 9 a.m., Saturday, Feb. 20. She also shared that she's a grandmother as her daughter gave birth to a healthy girl on Dec. 12. Councilmember Ellen publicly thanked Victor and Cynthia Hardy for their work in our community.

Councilmember Roe also thanked Vice Mayor Hartke for his service as Vice Mayor. Mr. Roe announced his 35th wedding anniversary. He mentioned that earlier in the day, he attended a breakfast with Gov. Doug Ducey and other leadership. He gave kudos to the Chandler Chamber of Commerce for its efforts to support businesses and encourage new business opportunities in Chandler.

C. City Manager's Announcements

None.

Adjournment: The meeting was adjourned at approximately 8:25 p.m.

ATTEST: _____
City Clerk

Mayor

Approved: January 28, 2016

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 14th day of January 2016. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of _____, 2016.

City Clerk