

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, June 9, 2016.

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

The following members answered roll call:

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

Also in attendance:

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

INVOCATION: Pastor Ken Endean – Tri City Baptist Church

PLEDGE OF ALLEGIANCE: Councilmember Lopez led the Pledge of Allegiance.

CONSENT:

MOVED BY VICE MAYOR SELLERS, SECONDED BY COUNCILMEMBER LOPEZ TO APPROVE THE CONSENT AGENDA AS SUBMITTED.

MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED the following Chandler City Council Meeting Minutes:

- 1a. MINUTES of the Chandler City Council Study Session of May 23, 2016.
- 1b. MINUTES of the Chandler City Council Regular Meeting of May 26, 2016.

2. DEVELOPMENT AGREEMENT Government Property Lease Excise Tax (GPLET)
Ord. #4705

ADOPTED Ordinance No. 4705 authorizing a Government Property Lease Excise Tax (GPLET) Lease with PR III/Wood Chandler Apartments, LLC, for improved real property located within the Chandler Central Business District for the use and operation of a multi-family residential development.

BACKGROUND/DISCUSSION: On July 10, 2014, the Chandler City Council, by Resolution No. 4785, approved a development agreement with PR III/Wood Chandler Apartments, LLC to further a multi-family residential development within the City's Central Business District on property generally located at the southeast corner of Frye Road and Washington Street, the site of a former steel yard. The development agreement was recorded as Instrument No. 2014-0559337. It included an agreement for a sale and leaseback arrangement in order to allow the developer to receive certain GPLET benefits allowed under state statute, and it included exhibits showing the form of the special warranty deed to the City from the developer, and the form of the GPLET lease back to the developer, which were to be completed once a certificate of occupancy had issued.

The improvements are near completion and a certificate of occupancy is ready to be issued. While the resolution did approve the GPLET leaseback arrangement, the Chandler City Charter requires that the approval of or authorization to lease city property for three or more years must be done by ordinance. Thus, approval of Ordinance No. 4705 is necessary for the City to fulfill one of the commitments stated in the development agreement.

Approval of this ordinance is a routine matter, but the GPLET statutes do require that ordinance approval be done "without the use of a consent calendar." Therefore, this item is presented to you as an action item.

FINANCIAL IMPLICATIONS: There is no additional financial impact to the City beyond the impacts associated with the prior resolution approving the development agreement.

3. **2016-17 GENERAL FUND ALLOCATIONS:**

ADOPTED Resolution No. 4958 authorizing the allocation of FY 2016-2017 General Fund dollars in the amount of \$1,115,392.00 in accordance with the recommendations of the Chandler Housing and Human Services Commission (HHSC) and staff; separately approving the use of Council Contingency funds from FY 2015-2016, in the amount of \$11,000.00 to be transferred to the Community Development Cost Center for appropriation beginning July 1, 2016, to be allocated to Chandler Christian Community Center for its Community Action Program assisting homeless persons for a total general fund allocation amount of \$1,126,392.00; and authorizing the City Manager or designee to enter into agreements and suspend or terminate as needed pursuant to this Resolution.

BACKGROUND: The City of Chandler annually allocates General Fund dollars from the Social Services Fund (SSP) and the Youth Enhancement Program (YEP). In addition, funds from the utility bill donations are allocated from the Acts of Kindness (A-OK) program. These and Veterans Transportation Services funds are granted to qualifying nonprofit agencies and programs for the purpose of providing human services to Chandler residents.

In April, Council and staff learned that the U.S. Department of Housing and Urban Development (HUD) would be making funding cuts to programs that provide transitional housing to homeless individuals and families. The House of Refuge is one of the programs impacted by the HUD cuts and will be forced to evict all of their families in the next few weeks. The motion to approve funding includes \$11,000 in one-time Council contingency funding to be allocated to Chandler Christian Community Center for the Community Action Program in order to assist homeless Chandler families impacted by the HUD cuts.

For FY 2016-2017, allocations are divided into four funding population groups. Funding from the General Fund is used for three of these groups: Families in Crisis, Special Populations, and Youth. The fourth group is comprised of Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) requests, which have already been approved.

DISCUSSION: The City received 63 applications totaling \$1,773,248 for the FY 2016-2017 General Fund Allocations. Each application received through the Human Services Funding Allocations Process was assigned to a subcommittee review team of the HHSC. Each team met at least twice to review and discuss the applications. Comments were captured during these review sessions that can be sent at a later date to the agencies along with the application scores.

Based on the stated funding amounts for FY 2016-2017 Human Services General Funding, initial allocations were made for each funding population and source. On May 5, 2016, the initial funding recommendations from HHSC were sent to the nonprofit organizations that applied for funding. These recommendations were then finalized by the HHSC on May 11, 2016, following a Public Hearing.

FINANCIAL IMPLICATIONS: All costs associated with the General Fund Human Services Allocations will be paid by the City of Chandler General Funds as part of the FY 2016-2017 Operating Budget and the City Manager or designee is authorized to enter into the agreements pursuant to this resolution.

4. TEMPORARY DRAINAGE EASEMENT: RES. # 4961

APPROVED Resolution No. 4961 authorizing the extinguishment of a temporary drainage easement no longer needed for public use located north of the northeast corner of Gilbert Road and the 202 Freeway and authorizing the Mayor to execute and deliver all documents necessary to effect the extinguishment of the drainage easement.

BACKGROUND/DISCUSSION: In 2014, the owner of the Rivulon - Phase I development ("Rivulon") granted a temporary drainage easement (the "Easement") to the City of Chandler. The Easement was granted as part of the Gilbert Road improvements constructed by Rivulon from the 202 Freeway to Pecos Road. Rivulon is incorporating permanent drainage facilities into their development. As a result, the Easement is no longer required and can be extinguished. Rivulon has requested that the City extinguish this Easement in order to clear up their title. Staff reviewed the request and concurs that the Easement can be extinguished.

5. AREA PLAN AMENDMENT / REZONING / PRELIMINARY DEVELOPMENT PLAN:

CONTINUED TO JUNE 23, 2016 ZONING, APL16-0002 PETERSON FARMS AREA PLAN AMENDMENT, Area Plan Amendment to the Peterson Farms (Section 7) Area Plan from Low-Density Residential to Commercial.

ZONING, DVR16-0010 QUIKTRIP, rezoning from Agricultural to Planned Area Development for commercial uses including a fuel station.

PRELIMINARY DEVELOPMENT PLAN (PDP) for site layout and building architecture for a fuel station located at the NEC of Gilbert and Queen Creek roads.

6. PRELIMINARY DEVELOPMENT PLAN: FIRST CREDIT UNION PLAZA

APPROVED Preliminary Development Plan, PDP15-0017 First Credit Union Plaza, for building mounted signage located at 25 S. Arizona Place, east of the NEC of Arizona Avenue and Boston Street.

BACKGROUND:

The request was heard at February 17, 2016, Planning Commission hearing at which it was continued so the request could be reviewed by the Design Review Committee (DRC). The request has been continued a number of times as the design team has worked through modification stemming from the comments received from the DRC. Most recently, the request was continued from the May 12, 2016, City Council meeting in order to finalize design details and for the request to be reviewed by the Planning Commission.

The five-story, 102,700 square foot building received zoning and PDP approval in 1986, as part of the City's downtown redevelopment process. Criteria for building mounted signage was not included with the initial request and a comprehensive plan was not approved until May of 1998.

The existing sign plan provides sign parameters for major and minor tenants depending on square footage of the tenant. Major tenants that exceed 25,000 square feet were approved for a sign band with a maximum height of 24" with allowance for letter ascenders and descenders an additional 12" with a restriction that any letter or logo could not exceed 36". Square footage of the sign was limited to 50 square feet and allowed a maximum of one sign per 25,000 square feet, with a maximum of two signs per tenant. Minor tenants have similar band restrictions with approval for ascenders and descenders limited to 8" and an overall square footage of 60 feet, with one sign per tenant.

The request is to modify the building mounted signage by providing guidelines for major, minor, and retail tenants. The request maintains relative consistency with the approved plan with minor deviations. Square footage for defining major and minor tenants has been eliminated and left to the determination of the building owner, allowing for flexibility in those instances where a tenant may be just below the defining threshold. Major tenants will have a sign band limited to the fourth floor, with a general sign height of five feet and square footage of 100 feet within the designated sign band area and provide a sign copy of reverse pan channel lettering. Minor tenants will be limited to a sign band area on the third floor with a general sign height of three feet and square footage of 65 feet. Sign copy shall be limited to dark bronze reverse pan channel letters.

While currently the site does not have any retail tenants, provisions are provided for retail users in the event that users occupy space on the ground floor.

Retail tenants will be limited to a general sign height of two feet, and square footage area of 40 feet. Due to the potential of retail development to have frontage along Arizona Place and Commonwealth Avenue, consideration is provided for both signage on the colonnade and on the building.

Building mounted signage for the retail users will only be limited to the north side of the building along Commonwealth Avenue. To provide architectural interest, signage for the retail users will be located along the colonnade that runs the length of the building frontage. Historically, raceway signs have been restricted when attached to buildings, as it creates a design that is not integrated with the overall building; however, in this case, due to the colonnade, the raceway element will be hidden from view creating standing letters on the colonnade. Sign copy will carry

the reverse pan-channel consistent with the office tenants. Retail tenants are also allowed one under canopy non- illuminated blade sign.

Additionally, at the entry of the building along Arizona Place, the building name will be added. The design has changed from the original proposal to a more contemporary metal design. To establish a sense of place and a location easily identifiable, the property owner has opted to designate the building as Plaza 25. A tasteful addressing logo has designed and is located just above the main building entry that will be illuminated using reverse pan channel halo illumination. The building name is provided on top of the entry arch and will also utilize reverse pan channel halo illuminated lettering. Two tenant directory signs are provided on the columns that flank the entry. Tenant signs are routed out metal panels. The panels will not be illuminated.

7. PRELIMINARY DEVELOPMENT PLAN: Wildhorse

APPROVED Preliminary Development Plan PDP16-0002/PPT16-0005 WILDHORSE, for subdivision layout for a nine lot single-family custom subdivision on approximately five acres located north of the NWC of Willis Road and El Dorado Drive.

BACKGROUND:

The subject site is located north of the northwest corner of Willis Road and El Dorado Drive. North and west, adjacent to the site is the Allred Park Place development. East are developed residential lots zoned AG-1. South is the Vintage Villas single-family residential subdivision.

The subject site is located within the Dobson/Germann Area Plan that encompasses the area between the Loop 202 Santan Freeway, Germann, Dobson, and Price roads. The area plan designates the site for minimum 10,000 sq. ft. residential lots. The request is consistent with the area plan.

The subject site was zoned in late 2014, from Agricultural to PAD for a 15-lot single-family residential subdivision, with lot sizes exceeding the 10,000 sq. ft. requirement in the area plan.

At the time of approval, housing product was included. The property has since been sold, and was acquired by an adjacent property owner.

The request seeks to amend the site plan and number of residential lots reducing the lot count from 15 lots to 9 lots. At the time of approval in 2014, the density was approved 2.97 units per acre; the current request reduces the density to 1.7 units per acre. Setbacks remain consistent with the previous approval and the adjacent Vintage Villas subdivision to the south.

During the 2014 approval process, housing product was included. Product included one and two story homes; however, based on concerns expressed by an adjacent owner to the east, the developer restricted lots 2, 14, and 15 to single-story plans. The current owner is maintaining the restriction to the respective lot locations since the lots have now changed due to the reduction in count. Single-story homes will be restricted to the current lots of 2, 8 and 9 respectively. Lot sizes have been increased to between 15,000 up to 22,000 sq. ft. While the retention basin and entry landscaping maintains the same location as the initial approval, the areas have been increased in area.

Housing product is no longer proposed as the owner's intention is to develop a custom home subdivision. While housing product is not included, design criteria has been included in the

development booklet requiring deemphasized garage fronts, four-sided architecture, minimum home square footage, and restriction the amount of two-story homes.

Planning Staff finds the request maintains consistency with the General Plan and Dobson/Germann Area Plan. Furthermore, the reduction in lot count and density provides housing options in the area that are no longer common place, offering diversity in the area.

PUBLIC I NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code. A neighborhood meeting was held on Thursday, April 7, 2016; eleven neighbors attended. As of the writing of this memo, Planning Staff is not aware opposition to the request; however, Planning Staff has received one email requesting that home along the southern end adjacent to the Vintage Villas subdivision be limited to single-story homes. Planning Staff has received one phone call in support of the request.

PLANNING COMMISSION VOTE REPORT

Motion to Approve:

In Favor: 6 Opposed: 0 Absent: 1 (Foley)

Planning Commission and Planning Staff recommend City Council approve the Preliminary Development Plan, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled "WILDHORSE" and kept on file in the City of Chandler Planning Division, in File No. PDP16-0002, 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. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or homeowners' association.
3. 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

Planning Commission and Planning Staff recommend City Council approve the Preliminary Plat, subject to the following condition:

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

8. BOARD AND COMMISSION APPOINTMENTS:

APPROVED the following Board and Commission appointments:

Domestic Violence Commission

Tiffany Jones

Neighborhood Advisory Committee

Ryan Kading

9. BROKER SERVICES: Arthur J Gallagher

APPROVED Agreement No. RM2-953-3096, Amendment No. 2, with Arthur J. Gallagher Risk Management Services for broker services for the term of July 1, 2016, through June 30, 2017, in an amount not to exceed \$37,000.00, for one year.

BACKGROUND/DISCUSSION:

The City requires the services of an insurance broker for purchase of the City's liability and excess workers' compensation coverage's. Broker services include: meeting with the City Attorney staff and the Human Resources staff tri-annually to discuss loss control issues, changes in exposure, and general administrative issues; developing action plans on behalf of the City for each year of service; and submitting them for review and approval by the City Attorney and Human Resources no later than January 30¹ of each year.

On April 12, 2012, City Council approved an agreement with Arthur J. Gallagher Risk Management Services for Broker Services for a three year period with the option of up to two one-year extensions. Arthur J. Gallagher Risk Management Services has agreed to extend for one additional year at the same terms, conditions and pricing. This is the second and final extension.

10. RISK MANAGEMENT SERVICES: Arthur J. Gallagher

APPROVED purchase of insurance contracts (policies) to protect the City against financial loss in an aggregate amount not to exceed \$1,241,433.53.

BACKGROUND/DISCUSSION: The City has a contract with Arthur J. Gallagher Risk Management Services which acts as the Insurance Broker of Record for the City's public entity liability, property, and vehicle insurance coverage. The broker advises and coordinates with Human Resources and the Risk Management division about the types and coverage amounts the City should purchase to protect it. Earlier this calendar year, the broker obtained quotes from insurers and negotiated the best terms and coverage for the various exposure areas.

The City self-insures and usually keeps a \$2,000,000 retention for public entity liability but this year with our broker's advice, the broker shopped other carriers and was able to not only provide very beneficial quotes but they were also low enough that the City could switch to a lower self-insurance retention of \$1,750,000.00 for public entity liability rather than the normal \$2,000,000.

We also carry excess coverage in other areas of liability and at the levels indicated below. We had been warned that premiums may increase by 10-20% for various coverage's so our broker's advice proved to be a very successful strategy. The aggregate premium cost of recommended coverage through commercial carriers for FY 2016-2017 is \$1,241,433.53 compared to FY 2015-16, which was \$1,237,212.44. The difference between last fiscal year and this fiscal year is less than 0.35% overall even though the Worker Compensation excess liability coverage rose by 20%.

11. TRANSPORTATION CONSULTING SERVICES: Jeff Martin Consulting, LLC.

APPROVED Amendment No. 2 to Agreement No. 3387, with Jeff Martin Consulting, LLC, for transportation consulting services, in an amount not to exceed \$45,000, for one year. This new term is as of June 16, 2016, through June 15, 2017. This is the second extension of the agreement.

BACKGROUND/DISCUSSION: The City first entered into an agreement with the consultant in 2009 and has continued each year for the purpose of representing the City of Chandler in various regional transportation issues. These issues included the Valley Metro Transit Life Cycle Program (TLCP), reviewing and coordinating the City's Five (5) Year Transit Operating and Capital Budget with the TLCP, representing the City on various transit committees at Valley Metro and the Maricopa Association of Governments (MAG), intergovernmental coordination on transit issues, and other transit functions as assigned by the Transportation & Development Director. The Consultant will assist and attend meetings for the City in the following:

- The completion of the Fiesta Downtown Chandler Transit Corridor Study
- The alternatives analysis for the Arizona Avenue high capacity transit corridor anticipated to begin in early 2017

The update to the MAG Transit Framework Study anticipated to begin in late 2016. The rebalancing of the MAG Freeway Program, including the acceleration of the Price Freeway general purpose lanes as well as the additional general purpose lanes on the Santan Freeway, Val Vista to Loop 202.

Safety crossing on improvements at the Western Canal bike/pedestrian crossing of the Union Pacific Railroad (UPRR).

Other transportation issues under consideration at Regional Public Transportation Authority (RPTA), MAG, Arizona Department of Transportation (ADOT) and Maricopa County Department of Transportation (MCDOT) including collaborating with other cities in the MAG region on such issues.

12. AGREEMENT AMENDMENT: Artistic Land Management, Inc.

APPROVED Amendment No. 1 to Agreement No. ST5-988-3510 with Artistic Land Management, Inc., for Landscaping Services of Maintenance Areas 1, 2, 3 and 4, in an amount not to exceed \$1,468,044.14, for the term of June 1, 2016, through June 30, 2017.

13. AGREEMENT AMENDMENT: Balar Equipment Corporation

APPROVED Amendment No. 1 to Agreement No. FD5-060-3485, with Balar Equipment Corporation, for Schwarze street sweeper parts and service, in an amount not to exceed \$100,000, for one year.

14. AGREEMENT AMENDMENT: Piper Jaffray & Co.

APPROVED Amendment No. 1 to Agreement No. MS4-946-3357, with Piper Jaffray & Co., for financial advisor services.

15. AGREEMENT: Calgon Carbon Corporation

APPROVED Agreement No. MU6-885-3693, with Calgon Carbon Corporation, for the sole source purchase of powdered activated carbon, for a two-year term, in an amount not to exceed \$360,000.00 per year, with the option of two additional one-year extensions.

16. PROJECT AGREEMENT: Wilson Engineers, LLC.

APPROVED Project Agreement No. WW1504.451, with Wilson Engineers, LLC, for construction management services, for the Manganaro Lift Station Improvements, pursuant to Annual Water and Wastewater Services Contract No. EN1517.101, in an amount not to exceed \$156,430.00.

17. CONSTRUCTION CONTRACT: Walsh Construction Group

APPROVED Construction Manager At Risk Contract No. WW1504.401, to Walsh Construction Group, an Illinois company dba Archer Western Construction, LLC, for the Manganaro Lift Station Improvements, in an amount not to exceed \$1,734,570.00.

18. PURCHASE: Norcon Industries, Inc

APPROVED Purchase of modern fold partition doors from Norcon Industries, Inc., utilizing the Mohave Educational Services Cooperative contract, in an amount not to exceed \$56,108.83.

19. PURCHASE: Veterans Oasis Park

APPROVED the purchase and installation of a pavilion structure for Veterans Oasis Park from Landscape Structures, Inc., utilizing The Cooperative Purchasing Network (TCPN) Contract No. R5202 in the amount of \$67,935.25.

20. PURCHASE: Server Software Licenses

APPROVED Purchase of BizTalk Server software licenses, utilizing the National Association of State Procurement Officials (NASPO), formerly Western States Contracting Alliance (WSCA), Contract No. ADSPO11-007500, with SHI International, in the amount of \$84,355.00.

21. PURCHASE: IBM Notes Annual Support and Maintenance Services

APPROVED Purchase of IBM Notes Annual Support and Maintenance Services from SHI International, utilizing the National Association of State Procurement Officials (NASPO) Contract No. ADSPO11-007500, in the amount of \$92,311.00.

22. USE PERMIT: FIESTA MEXICANA

APPROVED LUP16-0006 FIESTA MEXICANA, Series 12 Restaurant License to sell and serve liquor as permitted for on-premise consumption indoors and within an outdoor patio with the addition of live music indoors at an existing restaurant located at 4949 S. Alma School Road, NEC of Alma School and Chandler Heights roads. (Applicant: Francisco Preciado)

BACKGROUND:

The subject site is located at the northeast corner of Alma School and Chandler Heights roads within the Fulton Ranch Promenade, fronting along Alma School Road. The Fulton Ranch Promenade is a mix of retail and restaurants with offices located north of the plaza. Fiesta Mexicana is an existing restaurant that's been serving authentic Mexican food since 2014, operating under a Series 12 Restaurant License. The current request is to add live music and entertainment to enhance the dining experience.

The 6,967 square foot restaurant seats 150 persons and includes an 864 square foot outdoor patio that seats 42 persons, located at the southeast corner of the building. The restaurant's hours of operation are 11 a.m. to 2 a.m. daily. Fiesta Mexicana represents live music with dancing will be added primarily Wednesday through Saturday until 2 a.m. and Sunday from 11 a.m. until early evenings. All live music and entertainment will be indoors and not on the outdoor patio. The patio area has speakers that will be kept at a reasonable level. The live music will be centered indoors along the north wall adjacent to the kitchen with the music facing to the south. Some dining room tables will be removed for dancing. The main entrance and patio doors are located along the south side of the building, which will be closed during times of live music.

Under a typical Series 12 License, the establishment must derive at least 40 percent of its gross revenue from the sale of food and non-alcoholic beverages.

Planning Staff supports the request, finding the restaurant with live music indoors is appropriate at this location if controlled so as to not unreasonably disturb the surrounding businesses and residents. The one-year time condition allows evaluation of the compatibility of the live entertainment.

PUBLIC / NEIGHBORHOOD NOTIFICATION:

This request was noticed in accordance with the requirements of the Chandler Zoning Code. A neighborhood meeting was held on May 9, 2016. Four residents from Serenity Shores Condominiums at Fulton Ranch attended the meeting. Concerns included the hours of operation and security provided during evenings of live music. The applicant has represented additional security will be provided on nights live music occurs. The additional security will be placed within the restaurant, at the front door, and in the parking lot. As of the writing of this memo, Planning Staff is not aware of any opposition to the request.

PLANNING COMMISSION VOTE REPORT:

Motion to Approve.

In Favor: 6 Opposed: 0 Absent: 1 (Foley)

RECOMMENDED ACTION:

Upon finding consistency with the General Plan, Planning Commission and Planning Staff recommend City Council approve the Liquor Use Permit, LUP16-0006 FIESTA MEXICANA, subject to the following conditions:

1. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Liquor Use Permit and require new Liquor Use Permit application and approval.
2. The Liquor Use Permit is granted for a Series 12 Restaurant license only, and any change of license shall require reapplication and new Liquor Use Permit approval.

3. The Liquor Use Permit is non-transferable to other store locations.
4. Music shall be controlled so as to not unreasonably disturb area residents and shall not exceed the ambient noise level as measured at the commercial property line.
5. The site shall be maintained in a clean and orderly manner.
6. The Liquor Use Permit shall remain in effect for one (1) year from the date of City Council approval. Continuation of the Liquor Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.

23. USE PERMIT: QuikTrip

CONTINUED TO JUNE 23, 2016 USE PERMIT, LUP16-0013 QUIKTRIP, Series 10 Beer and Wine Store License to sell beer and wine as permitted for off-premise consumption at a new convenience store located at the NEC of Gilbert and Queen Creek roads.

24. SPECIAL EVENT LIQUOR LICENSE: Chandler Lions Club Foundation

APPROVED application for a Special Event Liquor License has been submitted by Chandler Lions Club Foundation for the Chandler's 4th of July Fireworks Spectacular on Monday, July 4, 2016 at Tumbleweed Park, 2250 S. McQueen Road. A recommendation for approval will be forwarded to the State Department of Liquor Licenses and Control. With a Special Event Liquor License, the organization can sell all alcoholic beverages within the confines of the event during the designated event periods.

The Police Department reports no objections to the issuance of this license. The special event liquor fee has been paid; however, as this applicant is a non-profit organization, no sales tax license is required

25. LIQUOR LICENSE: NISHIKAWA RAMEN

APPROVED a Series 12 Restaurant Liquor License (Chandler No. 163343 L12) for Tengxi Zhang, Agent, Nishikawa Inc., dba Nishikawa Ramen, located at 1909 E. Ray Road, Suite 10. A recommendation for approval of State Liquor License No. 1207A645 will be forwarded to the State Department of Liquor Licenses and Control. The Police Department reports no objections to the issuance of this license. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code. The Planning Division advises a new Use Permit is not required since this will be a continuation of the location's previous use as Taiko International Inc., dba Taiko Japanese restaurant

26. LIQUOR LICENSE: Zesty Zzeeks Pizza and Wings

CONTINUED TO JULY 28, 2016 a Series 12, for Jody Lynn Pectol, Agent, Boss Jax Pizza LLC, dba Zesty Zzeeks Pizza and Wings, located at 960 E. Warner Road, Suite 1.

27. LIQUOR LICENSE: Pieology Pizzeria

CONTINUED TO JULY 28, 2016 a Series 12, for Kristopher David Ora Olson, Agent, Arizona Front Stars LLC, dba Pieology Pizzeria, located at 3450 W. Chandler Boulevard, Suite 5.

28. TEMPORARY EXTENSION OF PREMISES, LIQUOR LICENSE: Hangar 9 Bar and Grill

APPROVED a Temporary Extension Of Premises Liquor License (Chandler No. 156300 L18) for a Series 18, held by The Pink Gardenia LLC, dba Hangar 9 Bar and Grill, for a 1st Year Anniversary Party, on Saturday, June 25, 2016, located at 980 E. Pecos Road, Suite 5. A recommendation for approval of a temporary extension of premises for State Liquor License No. 1207A112 will be forwarded to the State Department of Liquor Licenses and Control. The Police Department has no objections to this extension and the applicant has applied for a Temporary Sales and Promotional Event Permit through Neighborhood Resources.

29. WATER AND SEWER REVENUE REFUNDING BONDS: Res. #4962

ADOPTED Resolution No. 4962 authorizing the early redemption of the July 1, 2017, Maturity, Water and Sewer Revenue Refunding Bonds, Series 2005, in the amount of \$5,725,000.00 and approval of the transfer of Non-Department Water Operating Fund contingency to the Water Fund Debt Service cost center in the amount of \$2,070,000 and Non-Departmental Wastewater Operating Fund contingency appropriation to the Wastewater Fund Debt Service cost center in the amount of \$3,655,000.

BACKGROUND:

The City of Chandler periodically issues various types of debt to support capital construction of infrastructure and other facilities.

City staff and the City's Financial Advisor regularly review outstanding bond issues for refunding or redemption opportunities that will result in saving to debt expense.

Among the existing debt issues is the Water and Sewer Revenue Refunding Bonds, Series 2005, which has been identified for potential early redemption.

Action:

PUBLIC HEARING:

PH1. FISCAL YEAR (FY) 2016-17 FINAL BUDGET, 2017-2026 CAPITAL IMPROVEMENT PROGRAM

Mayor Tibshraeny opened the public hearing at 7:03 p.m.

GREG WESTRUM, Budget Manager recapped the Tentative Budget. He stated there are three public hearings for the evening. The 2016-17 Budget, the 2017-2026 Capital Improvement Program, which Council tentatively adopted May 26, 2016 and the 2016-17 Property Tax Levy which will be on the agenda for action on June 23rd. The City has a balanced budget of \$971,250,607.00.

Mr. Westrum stated there are several revenue resources for the City, but he would address only the four largest. These included:

1. Current Revenues – Revenues from Local taxes and licenses, State Shared Revenue, Enterprise Revenues, System Development fees, charges for services, miscellaneous revenues, property tax and interfund charges
2. Sale of Bonds
3. Grants – most are in Public Housing and Capital Programs; other Operating Grants within departments like Fire and Police and others with grants to support their programs

4. Fund Balances – the use of funds accumulated from previous years; these could include bonds sold in previous years, collected impact fees, and accumulated general fund dollars

He stated the City is on an every other year cycle to sell bonds, this year they are not planning on selling any bonds. They are monitoring the debt service of existing bonds and at this time they are expecting to refund some in the fall, this will save the City significant interest.

Capital Budget: for Capital Improvement projects:

The City has a 10-year CIP, but only funds for the first year can be appropriated by Council. The Fiscal Year 2016-17 has \$451,349,224.00 for the budget. Mr. Westrum recapped a few of the notable Capital Improvement Projects. He stated there is a new appropriation for projects in the amount of \$139,000,000.00, and there are more funds available in the Capital Carry Forward fund due to projects that have been started yet not completed.

Proposed Property Tax Rate Reduction for FY 2016-17:

Mr. Westrum stated the City is looking at decreasing the City's property tax rates from \$1.1792 to \$1.16 on every \$100.00 of assessed value. He stated the primary and secondary property taxes have decreases in them. However because of the increase in property values and State legislation related to property taxes, there will be an increase overall for Chandler homeowner's around 3.3%. The vote to adopt the Property Tax Levy will take place at the June 23rd Council meeting.

Mayor Tibshraeny asked about the relationship between the Full Cash Value and Limited Property Value. Mr. Westrum said he would provide a follow-up.

Mr. Westrum gave the reminder that the City's share of the tax bill is about 10% of the total bill. He noted the majority goes to the school district and community colleges, and another sizable share to the County and its agencies.

BACKGROUND:

On May 26, 2016, Council adopted Resolution No. 4954 which approved the FY 2016-17 Tentative Budget in the amount of \$971,250,607 and set June 9, 2016, as the date for a public hearing to allow taxpayers to comment and provide input on the budget, CIP and tax levy. A Notice of Public Hearing for "Adoption of the FY 2016-17 Annual Budget and 2017-2026 Capital Improvement Program and Setting of Property Tax Levies" has been posted on the official City website since June 1, 2016, and published in the Arizona Republic on June 1 and June 8, 2016, as required by State statute. The notice includes a summary of the Tentative Budget, with State Auditor General forms (Budget forms) attached, and provides a general description of the ten year CIP. Council action on the budget and CIP is scheduled immediately following tonight's Public Hearing on the Budget, CIP and Tax Levy. Action on the tax levy is scheduled for June 23, 2016.

FY 2016-17 BUDGET AND PROPERTY TAX LEVY:

Arizona Revised Statutes provide that the total amounts proposed to be spent in the final budget shall not exceed the total amounts that were proposed for expenditure in the published tentative estimates. The Tentative Budget of \$971,250,607 includes funding for departmental operating budgets of \$349,567,696; funding for debt service of \$59,454,061; budget for equipment, technology, and vehicle replacement purchases of \$8,858,918; and contingencies and reserves in the amount of \$102,020,708 in various funds. The capital budget includes \$139,328,539 in new appropriation; \$310,470,685 in capital carry forward, and contingency and reserve funding of \$1,550,000.

Included in the projected operating revenues of \$452,065,390 is a property tax levy of \$29,165,484 based on a rate of \$1.1600 per \$100 of assessed property value plus \$460,536 for Salt River Project's payment to the City in lieu of property tax for a total of \$29,626,020. Arizona Revised Statutes Truth in Taxation requirements do not apply for FY 2016-17 as the Primary Property Tax Rate is being reduced to at \$0.2900 per \$100 of assessed value, which is less than the Truth in Taxation maximum rate of \$0.2978 per \$100 of assessed value as determined by the Property Tax Oversight Commission.

2017-2026 CAPITAL IMPROVEMENT PROGRAM:

City Charter requires the City Manager to present a (minimum) 5-Year CIP for the City of Chandler to the City Council before June 15 of the current fiscal year. The proposed CIP is a 10-Year Program. Information regarding the various capital projects, cost estimates, methods of financing, recommended time schedules and estimated annual operating cost were distributed in the proposed budget which is posted on-line and discussed at the Budget Briefing on April 29, 2016. The 2017-2026 CIP totals \$1,051,672,927.

Mayor Tibshraeny closed the Public Hearing at 7:27 p.m.

UNSCHEDULED PUBLIC APPEARANCES:

Ms. Jennifer Alvey, 1154 E. Grand Canyon Dr., Chandler, stated she and her family have lived in Chandler for 13 years and their children attend Chandler schools. She requested the Council assure parents that existing City ordinances prohibit opposite biological sex anatomy individuals from sharing restrooms, locker rooms, and changing rooms, while providing accommodations for those needing them. If a policy does not exist she requested that a policy be enacted immediately.

Ms. Jody Corbett, 1193 E Zion Way, Chandler, stated she is a civil rights attorney and has four young children in Chandler schools. She also expressed concern over the recent Obama directive. She asked the Council to consider passing an ordinance prohibiting individuals with opposite biological sex anatomy from sharing restrooms and other facilities that children use, while providing accommodations for those needing them. She stated while it is a directive and not a Federal law, under Arizona law, it is a class 6 felony for indecent exposure to a child under 15.

Ms. Alison Lund, 4723 S Pearl Dr., Chandler, stated she too has children in the Chandler school district. She would like Chandler to pass an ordinance to protect the privacy of children. She also highlighted the world wide rise in human trafficking especially in children. She mentioned a local child rescue group called; "Angels Go to Work" that cited internet searches conducted in Arizona, over a 24 hour period had in excess of 10,000 people searching on how to buy a child in human trafficking or sex slavery. Human trafficking is just as prevalent here in the United States as it is in any other country.

Ms. Heather Hunter, 1354 E Grand Canyon Dr., Chandler, stated that within the Obama directive, it states that local laws will trump the directive of transgender facilities. She requested Chandler City Council adopt an ordinance prohibiting individuals with opposite biological sex anatomy from sharing restrooms, changing rooms, and other such facilities that are gender specific, while providing accommodations for those needing them. She addressed the email she sent each of the Council members regarding the discrimination that occurs. She stated this is not only unfair, it is a violation of her son's civil rights and those policies as outlined by the U.N. and UNICEF. She urged Council to adopt an ordinance to protect the children and their rights.

CURRENT EVENTS:

A. Mayor's Announcements

Mayor Tibshraeny stated the City recently received the results for Chandler's Volunteer Income Tax Assistance Program (VITA). There were five tax preparation sites in 2016 that generated refunds of approximately \$2.5 million for 1,860 low- to moderate-income residents. There were 60 volunteers who invested more than 4,500 hours assisting residents with their returns. He thanked everyone who participates in this program

He stated a few weeks ago they held the dedication ceremony of the Veterans Memorial and had a significant turnout. The Veterans Memorial honors all who have served our country and is a great asset to the Southeast Valley. He thanked the Gila River Indian Community and everyone else who provided the financial support to make it happen; and all those who were involved in the event and its planning.

This morning he welcomed those attending the 96th annual Veterans of Foreign Wars Conference being held here in Chandler. He stated the group has been doing many great things for the Veterans over the decades and he was appreciative they chose Chandler for this event and enjoyed seeing so many in attendance.

B. Councilmembers' Announcements

COUNCILMEMBER HARTKE thanked the Chandler Chamber for sponsoring the Council candidate forum last night. He invited everyone out for an event this Friday. Members of the South Chandler Self Help Foundation are celebrating freedom through the joy of art at the East Valley Juneteenth Celebration at 7 p.m. Friday, June 13, at the Chandler Center for the Arts, 250 N. Arizona Ave., will include spoken-word and musical performances that encompass gospel, jazz, blues and rap artists.

He announced Chandler has launched its Water Drive this year and asked everyone to make cash donations so they can purchase and supply water to those in need this summer.

VICE MAYOR SELLERS stated he joined Fox 10 news for a publicity kick off. The fundraising event was for the Arizona Myeloma outrace cancer event taking place at Wild Horse Pass. There will be a free cancer care givers education program on June 18th at the Hampton Hilton Hotel in Chandler.

He announced his participation on the Intel Community Advisory Panel. Recently there was a presentation by Joanne Floth on "Read on Chandler". The program is designed to better prepare children for school and has significant community support. Ms. Floth recognized Councilmember Heumann for getting this program in Chandler and his help in acquiring the support it needed to get up and running.

Mr. Sellers said he attended the Chandler Chamber of Commerce Annual Awards dinner, and his past employer received the Mayor's Choice Award for the GM IT Innovations Center, right here in Chandler. It was a proud moment for him.

COUNCILMEMBER HEUMANN mentioned the reading program. It is for children up to age 5 and encouraged parents to read to their children regardless of age.

He highlighted the City's water drive, and mentioned that as summer temperatures increase, to watch kids around pools. It only takes a moment for a child or adult to drown. He wished all the fathers a happy Father's Day.

COUNCILMEMBER ELLEN wished Councilmember Lopez and Heumann Happy Birthdays. She attended the Council Candidate forum last night, and stated it was a good forum. She wished all the fathers a Happy Father's Day, and asked people to please watch children around water.

COUNCILMEMBER ROE reminded everyone to not only watch your children, but take care of your pets. He wished a Happy Birthday to Councilmember Heumann and Lopez.

C. City Manager's Announcements

None.

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

ATTEST: _____
City Clerk

Mayor

Approved: June 23, 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 9th day of June 2016. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of June, 2016.

City Clerk