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JUL 28 2016



MEMORANDUM **Planning Division – CC Memo No. 16-088**

DATE: JULY 28, 2016

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, CITY MANAGER *MR*
 JEFF KURTZ, PLANNING ADMINISTRATOR *R*

FROM: KEVIN MAYO, PLANNING MANAGER *KM*

SUBJECT: DVR05-0036 TSYS WESTERN OPERATIONS CENTER
 Introduction of Ordinance No. 4641

Request: Action on the existing Planned Area Development (PAD) zoning to take administrative action on DVR05-0036 TSYS WESTERN OPERATIONS CENTER to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification

Location: West side of Price Road one-half mile north of Queen Creek Road

Project info: 15.6-acre parcel; 102,000 sq. ft. data center; 60,000 sq. ft. 2-story office building

BACKGROUND

The subject 15.6-acre site received zoning approval from Agricultural District (AG-1) to Planned Area Development (PAD) in November 2005 under Ordinance No. 3740. The current PAD zoning and subsequent Preliminary Development Plan (PDP) permits a single-user campus that includes an approximate 102,000 sq. ft. data center, and an approximate 60,000 sq. ft. 2-story office building.

Ordinance No. 3740 included the three-year time limit condition no. 6 which expired on January 12, 2009. Council approved a three (3) year time extension in 2009 which expired in January 2012, and again in January 2013, which expired in January 2015. On July 14, 2014, the Applicant filed an application to extend the time limit condition but withdrew the application to extend on March 9, 2015, and prior to Council consideration of the request.

July 28, 2016

On July 9, 2015, City Council approved a continuance of this matter to the October 22, 2015, City Council meeting in order to allow staff and the property owner time to consider alternatives to the current zoning approvals for the property. On October 22, 2015, City Council approved a continuance of this matter to the December 10, 2015, City Council meeting in order to allow staff and the property owner time to consider alternatives to the current zoning approvals for the property. On December 10, 2015, the City Council approved a continuance to the February 11, 2016, City Council meeting to allow staff and the property owner to continue discussions regarding alternative zoning designations for the property. On February 11, 2016, City Council approved a continuance to the March 17, 2016, Council meeting to afford Planning Staff the opportunity to review the PAD zoning application. On March 17, 2016, City Council approved a continuance to the July 28, 2016, Council meeting to allow Planning Staff and the property owner the necessary time to complete the PAD zoning application process.

From the initial zoning approval in 2005 through the present, there have not been any applications requesting the City approve any building plans, site design plans or any other submittal evidencing an intent to comply with the Conditions of Approval contained in Ordinance No. 3740.

Notice of the time, place and date of the public hearing has been sent by certified mail to the owners and applicants of the Property in accordance with Arizona Revised Statutes §9-462.01(E) and Article XXVI of the Chandler Zoning Code.

STAFF COMMENTS

Following the most recent time extension approval, the City of Chandler commissioned The Maguire Company to study the South Price Road Employment Corridor. A final report was issued in October 2013 which outlined the historical development policies, identified a basic inventory of available land for development within the corridor, and provided a series of recommendations to guide future policy decisions.

A key theme found within the recommendations was the ‘high value employment’ reputation and employment density within the Corridor should be actively preserved and enhanced. As an example, stand-alone data centers were identified as not generating the desired employment density or high value employment environment envisioned for the Corridor, and that the inclusion of future data centers should be limited within the Corridor.

The City has the following options when a zoning district’s timing condition expires. The City could, by administrative action, extend the timing condition for another period of time, eliminate or determine compliance with the schedule for development, or by legislative action revert the zoning to its former zoning classification. If an additional time extension is granted, all other conditions in the original approval would remain in effect. If the timing condition is not extended, the Zoning of PAD remains in effect without any limits for development to occur.

Since the October 22, 2015, continuance, staff and the property owner met to discuss the types of land uses and details for submittal of a rezoning application to change the zoning designations applicable to the property and agreed to pursue the rezoning of the property by way of a formal

zoning application seeking to modify the zoning designations applicable to the property that are agreeable to both the City and Owner.

Since the December 10, 2015, continuance, staff and the property owner have discussed zoning designations that may be acceptable to the City and encouraged the property owner to submit a rezoning application for consideration.

Since the February 11, 2016, continuance, staff has reviewed the PAD rezoning application submitted by the property owner and provided staff comments on the PAD applications to the property owner. Additionally, staff met with the property owner and its representatives on March 7th to review staff comments to the PAD applications. Based on that meeting, the property owner submitted a revised PAD rezoning application for Planning Staff review and, the application proceeded to a hearing before the Planning Commission on July 6, 2016. The PAD application is scheduled for the July 28, 2016, Council meeting.

RECOMMENDATION

Per Arizona Revised Statutes, the City Council must hold a Public Hearing to address condition no. 6 of Ordinance No. 3740. Upon finding the PAD zoning to no longer be consistent with the strategic growth policies for the South Price Road Employment Corridor, and therefore not consistent with the General Plan, Planning Staff recommends the property revert to its former zoning classification of AG-1. Alternate motions are provided as well for the extension, elimination, or determination of compliance with the schedule for development.

MAYOR'S STATEMENT

The Public Hearing regarding the time condition is now open for comment.

ACTION

Council may select one of the following actions.

Zoning Extension:

Move to approve extending the timing condition for case DVR05-0036 TSYS WESTERN OPERATIONS CENTER for an additional three (3) years, in which the zoning would be in effect until January 12, 2018, and with all of the conditions in the original approval remaining in effect.

Elimination of time condition:

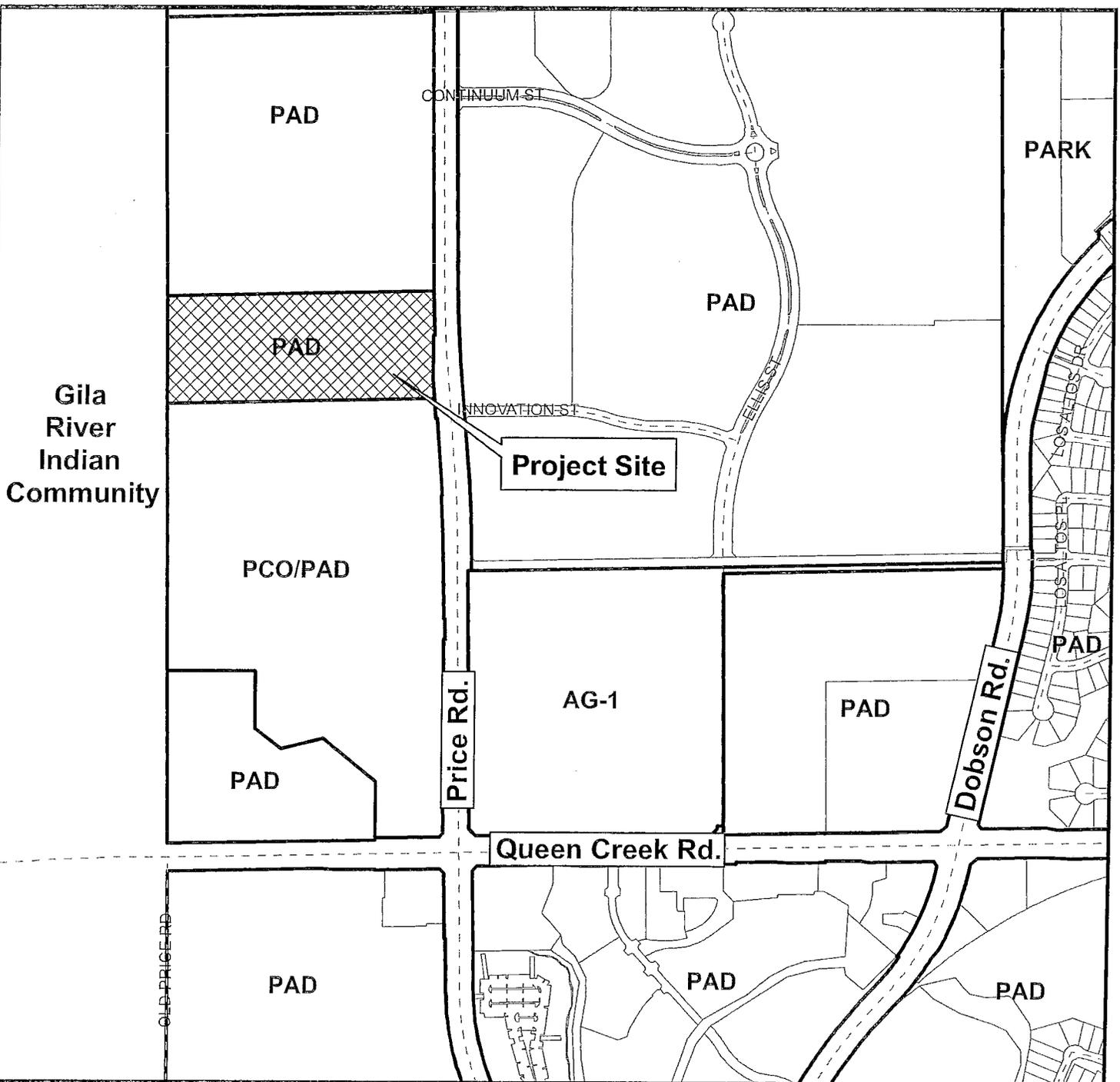
Move to eliminate time condition no. 6 of Ordinance No. 3740.

Determination of Compliance:

Move to determine compliance with the schedule for development for time condition no. 6 of Ordinance No. 3740.

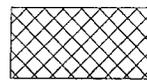
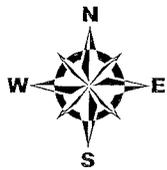
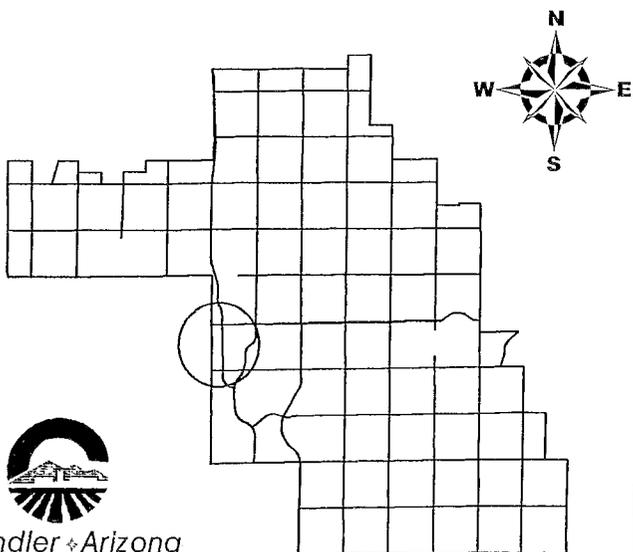
Zoning Reversion:

Move to introduce and tentatively adopt Ordinance No. 4641 reverting the zoning of the property described in Ordinance No. 3740 and as set forth in legal description attached thereto as Exhibit A from PAD to AG-1 as recommended by Planning Staff.



Gila River Indian Community

Vicinity Map

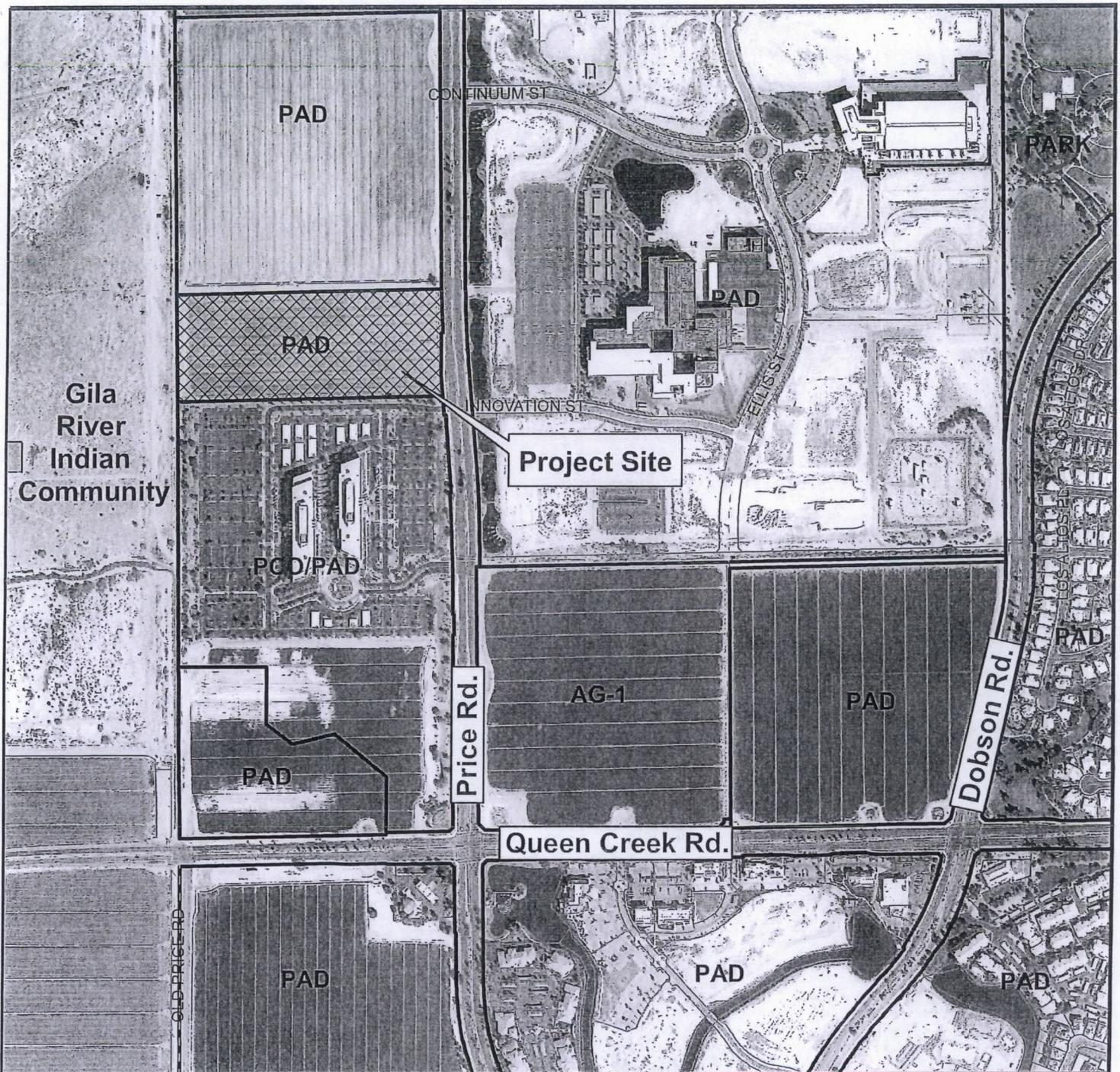


DVR05-0036

TSYS Western Operations Center



Chandler, Arizona
Where Values Make The Difference



Vicinity Map



DVR05-0036

TSYS Western Operations Center



Project Site

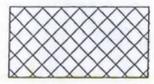
Gila River Indian Community

Price Rd.

Dobson Rd.

Queen Creek Rd.

Vicinity Map



DVR05-0036

TSYS Western Operations Center



APPROVED BY
CHANDLER CITY COUNCIL

DEC 12 2005

CITY CLERK'S OFFICE

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DEC 12 2005

ORDINANCE NO. 3740

AN ORDINANCE OF THE CITY OF CHANDLER, ARIZONA, AMENDING THE ZONING CODE AND MAP ATTACHED THERETO, BY REZONING A PARCEL FROM AG-1 TO PAD (DVR05-0036 T-SYS WESTERN OPERATIONS CENTER) LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF CHANDLER, ARIZONA.

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

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

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

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

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

SECTION I. Legal Description of Property:

SEE ATTACHMENT 'A'

Said parcel is hereby rezoned from AG-1 to PAD, subject to the following conditions:

1. Right-of-way dedications to achieve full half-widths, including turn lanes and deceleration lanes, per the standards of the Chandler Transportation Plan.
2. Undergrounding of all overhead electric (less than 69kv), communication, and television lines and any open irrigation ditches or canals located on the site or within adjacent right-of-ways and/or easements. Any 69kv or larger electric lines that must stay overhead shall be located in accordance with the City's adopted design and engineering standards. The

aboveground utility poles, boxes, cabinets, or similar appurtenances shall be located outside of the ultimate right-of-way and within a specific utility easement.

3. Future median openings shall be located and designed in compliance with City adopted design standards (Technical Design Manual # 4).
4. Completion of the construction of all required off-site street improvements including but not limited to paving, landscaping, curb, gutter and sidewalks, median improvements and street lighting to achieve conformance with City codes, standard details, and design manuals.
5. The developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.
6. Construction shall commence above foundation walls within three (3) years of the effective date of the ordinance granting this rezoning or the City shall schedule a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification.
7. Development shall be in substantial conformance with Exhibit A, Development Booklet, entitled "T-SYS Western Operations Center", kept on file in the City of Chandler Planning Services Division, in File No. DVR05-0036, except as modified by condition herein.
8. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner.
9. Approval by the Director of Planning and Development of plans for landscaping (open spaces and rights-of-way) and perimeter walls and the Director of Public Works for arterial street median landscaping.
10. 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.

11. The source of water that shall be used on the open space, common areas, and landscape tracts shall be reclaimed water (effluent). If reclaimed water is not available at the time of construction, and the total landscapable area is 10 acres in size or greater, these areas will be irrigated and supplied with water, other than surface water from any irrigation district, by the owner of the development through sources consistent with the laws of the State of Arizona and the rules and regulations of the Arizona Department of Water Resources. If the total landscapable area is less than 10 acres in size, the open space common areas, and landscape tracts may be irrigated and supplied with water by or through the use of potable water provided by the City of Chandler or any other source that will not otherwise interfere with, impede, diminish, reduce, limit or otherwise adversely affect the City of Chandler's municipal water service area nor shall such provision of water cause a credit or charge to be made against the City of Chandler's gallons per capita per day (GPCD) allotment or allocation. However, when the City of Chandler has effluent of sufficient quantity and quality which meets the requirements of the Arizona Department of Environmental Quality for the purposes intended available to the property to support the open space, common areas, and landscape tracts available, Chandler effluent shall be used to irrigate these areas. In the event the owner sells or otherwise transfers the development to another person or entity, the owner will also sell or transfer to the buyer of the development, at the buyer's option, the water rights and permits then applicable to the development. The limitation that the water for the development is to be owner-provided and the restriction provided for in the preceding sentence shall be stated on the final plat governing the development, so as to provide notice to any future owners. The Public Report, Purchase Contracts, and Final Plats shall include a disclosure statement outlining that the development shall use treated effluent to maintain open space, common areas, and landscape tracts.
12. The north driveway shall be centered on the property line (coinciding with the existing median break) to be shared with the adjacent proposed development to the north.
13. The south driveway shall have a continuous deceleration lane as an extension of the existing deceleration lane for the Wells Fargo driveway to the south.
14. Pedestrian seating areas with interest features shall be provided in the open space.
15. Paving features shall be provided at the entry driveways and the pedestrian walkway areas in the parking lot.

EXHIBIT "A"

LEGAL DESCRIPTION

BEGINNING at the West quarter corner of Section 7, Township 2 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

Thence East (assumed bearing), along the East-West mid-section line of said Section 7, (also being the North line of Lot 3 of said Section 7), a distance of 1278.04 feet, to a point from which the Northeast corner of said Lot 3 bears East 50.00 feet, distant therefrom, said point also marking the beginning of a curve Southerly and being concave Easterly and from which the center of said curve bears South 89 degrees 30 minutes 20 seconds East 5702.22 feet distance therefrom;

Thence Southerly along the arc of said curve and along the Westerly right-of-way line of realigned Price Road, a distance of 402.93 (402.96 feet record);

Thence South 03 degrees 33 minutes 15 seconds East 105.77 feet;

Thence West leaving said right of way, being parallel with the said North line of Lot 3, a distance of 1299.76 feet, to a point on the Westerly line of said Section 7, and from which the Southwest corner of said Lot 3 bears South 0 degrees 29 minutes 45 seconds West 808.91 feet distant therefrom;

Thence North 0 degrees 29 minutes 45 seconds East 508.29 feet to the TRUE POINT OF BEGINNING.

LESS AND EXCEPT that certain 0.1076-acre parcel pursuant to the Final Order of Condemnation in favor of the City of Chandler filed June 3, 2003 in the Superior Court of the State of Arizona, County of Maricopa, recorded June 11, 2003 as Instrument 20030757693, Maricopa County Recorder's Office.

ORDINANCE NO. 4641

AN ORDINANCE OF THE CITY OF CHANDLER, ARIZONA, CAUSING THE ZONING OF A PARCEL OF LAND ON THE WEST SIDE OF SOUTH PRICE ROAD ONE-HALF MILE NORTH OF QUEEN CREEK ROAD TO REVERT FROM PAD TO AG-1 AGRICULTURE DISTRICT.

WHEREAS, an application for rezoning involving certain property within the corporate limits of Chandler, Arizona, having been filed and subsequently approved on the 12th day of December, 2005, (Ordinance No. 3740) in accordance with Article XXVI of the Chandler Zoning Code; and

WHEREAS, pursuant to Arizona Revised Statutes §9-462.01(E) and Article XXVI of the Chandler Zoning Code, Ordinance No. 3740 contained Condition No. 6, a condition of approval (“Condition of Approval”), relating to the timing of the development of the property which stated “[c]onstruction shall commence above foundation walls within three (3) years of the effective date of the ordinance granting this rezoning or the City shall schedule a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification”; and

WHEREAS, an application to extend the Condition of Approval for an additional three (3) years was filed and subsequently approved on May 28, 2009, extending the expiration of the condition to January 12, 2012; and

WHEREAS, an application to extend the Condition of Approval for an additional three (3) years was filed and subsequently approved on January 24, 2013, extending the expiration of the condition to January 12, 2015; and

WHEREAS, an application to extend the Condition of Approval for an additional three (3) years was filed on July 14, 2014, and subsequently withdrawn by the applicant on March 9, 2015; and

WHEREAS, at no time from the December 12, 2005, approval of Ordinance No. 3740 through the present have the owner or applicant requested City approval of any building plans, site design plans or any other submittal evidencing an intent to comply with the Condition of Approval contained in Ordinance No. 3740 nor have they otherwise satisfied the Condition of Approval;

WHEREAS, due to the inability of the applicant to satisfy the Condition of Approval contained in Ordinance No. 3740, and the subsequent extensions thereto, the City, pursuant to Arizona Revised Statutes §9-462.01(E) and Article XXVI of the Chandler Zoning Code, has scheduled a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or to take legislative action to cause the property to revert to its former zoning classification of Agriculture District (“AG-1”); and

WHEREAS, notice of the time, place and date of the public hearing has been sent by certified mail to the owners and applicants in accordance with Arizona Revised Statutes §9-462.01(E) and Article XXVI of the Chandler Zoning Code; and

CERTIFICATION

I, HEREBY CERTIFY, that the above and foregoing Ordinance No. 4641 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the _____ day of _____, 2016, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY (*kb*)

PUBLISHED: