

MINUTES OF THE REGULAR MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers in the Chandler Library, 22 S. Delaware, on Thursday, March 22, 2007 at 7:00 p.m.

THE MEETING WAS CALLED TO ORDER BY VICE-MAYOR LOWELL HUGGINS.

The following members answered roll call:

Lowell Huggins	Vice-Mayor
Bob Caccamo	Councilmember
Trinity Donovan	Councilmember
Matt Orlando	Councilmember
Martin Sepulveda	Councilmember
Jeff Weninger	Councilmember

Absent & Excused: Boyd W. Dunn Mayor

Also in attendance:

Pat McDermott	Acting City Manager
Rich Dlugas	Assistant City Manager
Michael D. House	City Attorney
Marla Paddock	City Clerk

INVOCATION: The invocation was given by Deacon Bruce Bennett – St. Mary’s Catholic Church

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

SCHEDULED PUBLIC APPEARANCES:

1. Service Recognition:

VICE-MAYOR HUGGINS was joined by Commander Gaylord in recognizing Jesse Boggs for 20 years of service with the Police Department. Sgt. Boggs’ first assignment was to work undercover and assess the drug problems at Chandler High leading to the arrest and conviction of 23 people. He was awarded the Hispanic Peace Officer of the Year Award by the Latino Police Officers Association. He joined the narcotic unit where he participated in numerous undercover operations resulting in the arrest of hundreds of drug dealers and seizure of millions of dollars of property, drugs and currency. Sgt. Boggs then transferred to the person crimes unit where he was instrumental in two crucial arrests and convictions. Sgt. Boggs is a certified translator and certified to conduct forensic interviews with children involved in sexual or physical abuse cases.

2. Special Recognition - Local Youth Organizations

VICE-MAYOR HUGGINS introduced District 20 Representative Bob Robson who presented checks in the amount of \$10,000.00 each on behalf of Western Union to Dr. Susan Horan representing the San Marcos Resource Center; and Ramon Elias and Garry Hays representing the Chandler Boys and Girls Club.

Dr. Horan thanked the community for its support. The new San Marcos Family Resource Center is currently in the planning stage. They are close to receiving the necessary funding to construct a facility and this check will move them closer to their goal.

Mr. Elias also gave his thanks and said the funds would also help them move closer to planning a new building.

3. Chandler Municipal Airport – John Walkup

JOHN WALKUP, 551 S. Evergreen Street, owner Chandler Air Service, addressed a future situation at the airport and how to best handle it. The City of Chandler is his landlord. Everything they build at the airport is built on City ground and after the lease expires, whatever is built reverts back to the City. He leases property for the ground, pays sales tax on the income, sells fuel and pays fuel-flow fees to the City creating an income base and contribution to the airport. The primary source of income from the airport is through leases and fuel-flow fees. The lease-process at any airport is a very long process making it hard to bring in new lease tenants. Approximately 2 ½ years ago, a Request for Proposal was issued for lease-tenants at the airport. After approximately 6 months, there were several agreements drawn up with one tenant wanting to put in 94 hangars. It took almost one year after the agreements were drawn up for the City and developer to meet in early 2006. Now, in early 2007, the leases still have not been signed. It is very important to the City that those leases be completed as there would be an additional \$82,800.00 in airport revenue coming in to the City which would cover more than 70% of any deficits paid by the City to support the airport. Currently, all sales taxes paid by airport tenants are going into the general fund and are not allocated to the airport.

COUNCILMEMBER ORLANDO asked Mr. Walkup if the timing for the lease of 94 hangars is normal? Mr. Walkup responded that it is at airports.

VICE-MAYOR HUGGINS directed the City Manager's staff to meet with the airport and discuss the current situation in more detail.

4. Earth: Planet of Woman – Tony DiBonito

Mr. DiBonito spoke regarding destruction of the earth by men. More women should be in government.

UNSCHEDULED PUBLIC APPEARANCES:

SHARMAN HAGEMAN, thanked Staff for addressing some of her previous concerns. However, she does not feel that grandfathered rights are fair regarding parking. There are some areas on Tulsa, California and Erie Streets where the asphalt, curbs and sidewalks are in bad disrepair. Ms. Hageman also addressed the issue of a lack of day care in the area.

Laurent Wyvill, 988 E. Libra Place, Paseo Crossing, was present with her mother and addressed Council on the recent announcement that the casino will be moving to Gilbert and Hunt Highway. They are concerned with noise pollution, increases in crime, traffic and property valuation. She understands that the City has no jurisdiction over tribal lands, but she read that the City would be meeting with the tribe to discuss traffic concerns. There are more concerns than just traffic. Can the casino be moved to a different location? Her daughter will be attending Hull Elementary soon and she does not want her to attend a school 3 blocks from a casino.

COUNCILMEMBER ORLANDO directed Staff to review the process used by the Gila River Indians regarding citizen notification and whether or not citizens can become involved in the process.

CONSENT:

COUNCILMEMBER SEPULVEDA asked what the size of the parcel is in item #60 (property purchase SEC Arizona / Chicago Street) and if there is any environmental remediation necessary. Real Estate Manager Sharon Joyce responded that the parcel is 20,500 square feet and a phase I environmental study has been conducted showing a small amount of asbestos which was quantified. There are funds available to remove the asbestos in the concrete. There is no reason to believe there is anything else, but it is difficult to tell what is under the slab until it is removed. COUNCILMEMBER SEPULVEDA asked that future updates also include any environmental concerns.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER CACCAMO, to approve the Consent Agenda as presented. Motion carried unanimously 6-0.

1. MINUTES:

APPROVED, as presented, Minutes of the Special and Regular meetings of March 5, 2007.

2. EASEMENTS: SRP Ord. #3871

ADOPTED Ordinance No. 3871 granting a no-cost transmission and aerial easement to Salt River Project (SRP) to accommodate the relocation of 69 kilovolt (kV) electrical facilities located at the intersection of Gilbert and Queen Creek roads.

3. ANNEXATION: SWC Appleby / Consolidated Canal Ord. #3894

ADOPTED Ordinance No. 3894 annexation of approximately 35 acres at the SWC of Appleby Road and the Consolidated Canal north of the NWC of Ocotillo and McQueen roads.

4. REZONING: Willis Road Property Ord. #3895

ADOPTED Ordinance No. 3895, DVR06-0056 Willis Road Property, rezoning from AG-1 to PAD on approximately 6.4 acres to allow for future multi-family development at the SEC of Willis Road and the Consolidated Canal.

5. REZONING: Southshore Town Center – Phase II Ord. #3896

ADOPTED Ordinance No. 3896, DVR06-0060 Southshore Town Center – Phase II, rezoning amendment from PAD to PAD to allow the addition of a condominium storage business for items such as, but not limited to, recreational vehicles/motor coaches (RV's, cars, boats, file storage, off-road vehicles, office furniture and business equipment for a condo storage business, a self-storage warehouse business, and a future pad on approximately 12 acres at the SWC of Ocotillo Road and the Union Pacific Railroad tracks.

6. REZONING: Food City Monument Sign Ord. #3897

ADOPTED Ordinance No. 3897 DVR07-004 Food City Monument Sign, rezoning from Regional Commercial (C-3) to Regional Commercial with a Planned Area Development overlay (C-3/PAD) for new monument signage at the NEC of Ray Road and Arizona Avenue.

7. REZONING: Magnum Medical Office Ord. #3898

ADOPTED Ordinance No. 3898, DVR06-0026 Magnum Medical Office, rezoning from AG-1 to PAD on approximately 4.22 acres for the construction of a general/medical office development south of the SEC of Chandler Boulevard and Dobson Road.

8. POWER DISTRIBUTION EASEMENTS: SRP Ord. #3808

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3808 granting two power distribution easements to Salt River Project (SRP). One easement will be at no cost and SRP will reimburse the City \$14,502.43 for the second easement to construct an underground 12 kilovolt (kV) facility, located on the south side of Warner Road from Pennington Drive to Arrowhead Drive.

As part of the aesthetics program agreement for this area between the City of Chandler and SRP dated August 25, 2004, it is necessary for SRP to bury their 12-kilovolt (kV) lines along the south side of Warner Road from Pennington to Arrowhead Drive.

The City agrees that SRP has prior rights to poles 1 through 5 located within Tract A, Knoell East Unit Six. However, SRP agrees that they do not have prior rights for poles 6 through 9 located within Tract A, Brooks Crossing Unit One and agrees to reimburse the City for the cost of this easement.

9. POWER DISTRIBUTION EASEMENT: SRP Ord. #3892

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3892 granting a no-cost power distribution easement to Salt River Project for the purpose of installing and maintaining electrical facilities to a new building containing private hangars constructed on City-owned property as part of the development of Chandler Municipal Airport.

F&G Enterprises LLC has constructed a new building containing private hangars at the Chandler Municipal Airport on property leased from the City. In order to accommodate the installation and maintenance of electric power to the newly constructed private hangars, an easement is required from the City to Salt River Project. The easement is at no cost to SRP as electrical service is needed at the new private hangars.

10. IRRIGATION EASEMENT: SRP Ord. #3899

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3899 granting a no-cost, non-exclusive irrigation easement to Salt River Project (SRP) to relocate irrigation facilities on Germann Road west of Arrowhead Drive.

The Germann Road Improvement Project from Dobson Road to Arizona Avenue requires relocation of certain Salt River Project irrigation facilities. SRP has requested that the City provide a non-exclusive irrigation easement to accommodate the SRP facilities being replaced or relocated due to the project.

The replacement and/or relocation of the SRP irrigation facilities are necessary to construct the road improvements. The project will improve traffic flows and the public will benefit from this road improvement.

11. ANNEXATION: McQueen / Pecos

Ord. #3900

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3900 annexing approximately 5.4 acres east of the SEC of McQueen and Pecos roads. (Applicant: David and Magda Kassel.)

The site is approximately ¼ mile east of the SEC of McQueen and Pecos roads and is zoned R-43 Rural Residential within the County. The Chandler Airpark Area Plan, an element of the Chandler General Plan, designates the area for “Public/Semi-Public Facilities”. The applicant will be seeking rezoning to Planned Area Development (PAD) for townhouse or condominium residential.

The property is vacant and bordered on the north and west by existing single-family residential and on the south and east by a City of Chandler water treatment plant. The property is not under an aircraft noise contour or within a designated flood plain.

12. REZONING: The Metropolitan Of Chandler

Ord. #3904

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3904, DVR06-0011 The Metropolitan Of Chandler, rezoning from I-1 with a PAD Overlay to PAD Amended Mixed Use with a Mid-Rise Overlay for additional building height with PDP for a residential and commercial office/retail development on an approximate 12-acre site at the SEC of Chandler Boulevard and Hearthstone Way. (Applicant: Jason Morris, Withey, Anderson & Morris.)

The site is bounded by Chandler Boulevard to the north and Chandler Village Drive to the east, with the site wrapping around the existing Windmill Suites Hotel. Hearthstone Way abuts the site’s west side. West of Hearthstone Way is vacant land zoned I-1/PAD as well as a recently constructed children’s gymnastics facility. To the southeast is the existing woman’s health facility, Remuda Ranch. East of Chandler Village Drive is the Chandler Fashion Center regional mall.

The General Plan identifies the subject site as within one of the six Growth Areas as defined in the Growth Area Element. The area surrounding the intersection of the Loop 202 Santan Freeway and Price Road, including the Chandler Fashion Center regional mall, is generally described as an area “targeted for more intensive development”. This identified Growth Area allows for the consideration of additional mixed-use opportunities that can accommodate higher intensity concentrated development or re-development with a mixture of land uses. The proposed rezoning is consistent with the General Plan.

The application requests approval of a mid-rise overlay to construct buildings over 45’ in height. The proposed buildings range from one to six stories, with the five story buildings averaging 55 feet in height and the six story buildings peaking at 69 feet. Mechanical equipment or architectural embellishments such as the cylindrical screening elements are not counted toward the overall building height. For reference, the maximum height of the mechanical screening is 78 feet.

This site is eligible for mid-rise consideration given its adjacency to the Chandler Fashion Center regional mall, as prescribed within the Mid-Rise Development Policy. Although this application was filed prior to the approval of the 2006 revised Mid-Rise Development Policy, the proposal does adhere to the location criteria and performance characteristics as defined within the revised Policy. All buildings within the site, regardless of height, are greater than 300-feet away from the nearest existing or planned residential property line.

This request was noticed according to the provisions of the City of Chandler Zoning Code with three neighborhood meetings being held on January 31, 2006, February 3, 2006 and September 26, 2006. Staff has received no correspondence in opposition to this request.

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

JOHN KANMANS, 3895 W. Denver St., President of the Hearthstone Unit I Homeowners Association, thanked Mr. Mayo for providing him with a packet of information on this item. He did not know about the project until he saw the developer's sign. He reads the East Valley Tribune and not the Arizona Republic, which is where the City advertises. The association supports the underground parking and entrance gate and several other aspects of the development. However, they do not like the height. Currently, the highest building in the area is the Windmill Inn, which is three stories and 39 feet. Residents are being asked to accept a 6-story building as high as 75 feet. It is too high and will dwarf the existing buildings. The layout and architecture are acceptable.

COUNCILMEMBER SEPULVEDA asked Staff if there is a mid-rise overlay on this parcel? Kevin Mayo said there is a proposed mid-rise included with the rezoning. Mr. Mayo continued that at the neighborhood meetings, the neighbors expressed surprise at the height, but were pleased with the design. With regard to the lack of notification Mr. Kanmans mentioned, there is a registered neighborhood organizations program and Hearthstone was not registered at that time. However, homeowners within the 600' notification area in Hearthstone were notified.

COUNCILMEMBER SEPULVEDA added that this project has been written about in all of the newspapers. He asked Mr. Mayo about density of the project. It is an urban development, which comes with intensity. It is adjacent to the regional mall and is located in a growth area per the General Plan. COUNCILMEMBER SEPULVEDA commented that as the City grows, there would be changes making development denser. As part of the discussion at neighborhood meetings, urbanization should be discussed to make neighbors aware of the density.

Doug Ballard said that there are certain growth nodes for denser development. Staff will make a point of including the changing nature of development into the neighborhood meetings. He added that this applicant has held a number of meetings and some of the initial comments were that it was higher than expected, but everyone was impressed with the caliber and quality of the project.

Mr. Mayo described the site layout through overheads at the request of COUNCILMEMBER ORLANDO. COUNCILMEMBER ORLANDO asked why the lower buildings were not put closer to the neighborhood and the higher ones closer to Chandler Boulevard. Mr. Mayo responded that the plan has evolved from having the six-story buildings on the end; however, there was concern expressed by the neighbors with the location of the Remuda Ranch Women's Health Facility and the six-story building was moved to eliminate windows directly over the back yards of the neighbors. There are no homes directly visible from the six-story building. The gymnastics facility blocks the views toward Hearthstone Unit I.

COUNCILMEMBER WENINGER said that he respects the neighbor's comments, but the developer has mitigated a lot of the other problems that residents had. The quality of the project is unsurpassed in Chandler. There will continue to be the debate, but we are transitioning to a more urban community and height will be necessary.

13. CITY PROPERTY USE CHANGE: NEC Arrowhead Drive & Erie Street Res. #3954

ADOPTED Resolution No. 3954 changing the use of City-owned property at the NEC of Arrowhead Drive and Erie Street to another public use, road right-of-way. A deed was recorded on August 3, 1977 transferring property to the City; the Maricopa County Assessor's office does not show the parcel as road right-of-way at this location. As a result, the County Assessor's office is requiring the City to approve a resolution changing the use of the property to road right-of-way.

14. VALLEY METRO RAIL, INC. Res. #4050

ADOPTED Resolution No. 4050 authorizing the City to apply to join Valley Metro Rail, Inc (METRO); AUTHORIZED payment of not more than \$15,000.00 in membership fees for the remainder of fiscal year 2006-07 and \$50,000.00 in annual membership fees for fiscal year 2007/08; and AUTHORIZED the Mayor to sign the "Additional Party to Joint Powers Agreement".

In 2002, the cities of Phoenix, Glendale, Mesa and Tempe executed a Joint Powers Agreement to establish METRO as an Arizona non-profit corporation for the purpose of planning, designing, constructing and operating a light rail transit system. The 20-mile initial operating segment of the light rail system is currently under construction and expected to begin operations in December 2008. Additional high capacity transit corridors and light rail extensions are identified and funded in the Maricopa Association of Governments Regional Transportation Plan approved by Maricopa County voters in 2004 (Proposition 400). The funded light rail extensions are located in the cities of Phoenix, Tempe and Glendale.

Regional, high-capacity transportation systems such as light rail require years of advance planning and coordination with participating communities, as well as regional, state and federal agencies. In 2003, the City of Chandler completed a High Capacity Transit Major Investment Study, which designated the Rural Road, Chandler Boulevard and Arizona Avenue/Union Pacific Railroad Chandler Branch Line corridors for future development of high capacity transit systems. By joining METRO, the City will have the opportunity to participate in the planning and design of the regional light rail system and future light rail extensions that could serve Chandler.

The Joint Powers Agreement, By Laws and Articles of Incorporation for METRO provide for the admission of new members. The City would be required to name a representative to the METRO Board of Directors and contribute \$50,000.00 per year towards the Corporation's operating costs.

The Transportation Commission unanimously recommends approval.

15. EASEMENT ACQUISITION: NEC of Pecos / Dobson Road Res. #4051

ADOPTED Resolution No. 4051 determining that acquisition of a public sewer easement located near the NEC of Pecos and Dobson roads is a matter of public necessity and needed for the extension of the public sewer system to serve the affected site and additional land north of the affected site; APPROVED an agreement to fund acquisition of said easement; and AUTHORIZED condemnation proceedings to acquire said easement and to obtain immediate possession of the easement area.

SEVG ASSOCIATES PROPERTIES, LLC (Developer) desires to commence construction of a medical/office building on Pecos Road east of Dobson Road. As a condition of receiving necessary permits, the Developer must provide for the extension of the public sewer line from a point on Pecos Road east of Dobson Road and without cutting into Dobson Road, which was

already improved within the last two years. In order to meet this requirement, a public sewer easement must be obtained from undeveloped property that surrounds the northeast corner of Pecos and Dobson roads. The Developer has been unable to purchase the easement from the owner of the affected property. The Developer is willing to fund the costs incurred if the City acquires the land needed for the public sewer easement. This public sewer easement needs to be acquired as soon as possible and immediate possession of the property obtained so that the installation of the public sewer line can proceed in a prompt and reasonable manner and as part of the construction pending on the Developer's property. The City is authorized by law to acquire through condemnation, such real property as needed for utility purposes, including public sewer service.

This resolution authorizes the City to proceed with acquisition of the public sewer easement through means of condemnation. Before any such action is filed, the City will tender a written offer accompanied by an appraisal and the matter will be placed in escrow.

This resolution also approves a written agreement for full funding of the cost of the acquisition. The agreement is a prerequisite to the City proceeding with the acquisition since it provides the source of funds needed for the acquisition of the public sewer easement. The funding is necessary for acquisition/condemnation of the public sewer easement, which is needed so that the public sewer line can be extended within the next six months. Notwithstanding the funding source, the City will be the easement holder and the sewer line will be maintained as a public facility of the City.

16. WITHDREW PRELIMINARY DEVELOPMENT PLAN: LMA Mixed-Use

WITHDREW Preliminary Development Plan, PDP06-0044, LMA Mixed-Use, for site layout and building architecture for an office development on approximately 19 acres at the SEC of the Loop 202 Santan Freeway and Price Road for the purpose of re-advertising for the April 12, 2007 City Council meeting.

17. PRELIMINARY DEVELOPMENT PLAN: Panattoni Chandler Airport Center

APPROVED Preliminary Development Plan, PDP06-0057 Panattoni Chandler Airport Center, for site layout, landscaping, and building architecture for up to three office/light industrial/showroom buildings on 11 acres at the NWC of Wright Drive and Germann Road. (Applicant: Balmer Architectural Group, Wes Balmer.)

The subject site is part of a 245-acre master planned employment center, Chandler Airport Center, which flanks both sides of Cooper Road south of the Santan Freeway (Loop 202) and received zoning approval in 2005. The master plan established the subject site for office, showroom and light industrial uses. To the east and northeast are other sites with the same zoning designation. South, across Germann Road, is vacant land designated for office, light industrial, and hangar uses. To the west, adjacent to Cooper Road, is vacant land designated for hotel, office, service retail and freeway-related retail uses.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on March 1, 2007. There were no citizens in attendance. Staff has received no correspondence in opposition to this request.

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

1. Completion of the construction of all required off-site 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.
 2. Development shall be in substantial conformance with the Development Booklet entitled "Panattoni C.A.C." kept on file in the City of Chandler Current Planning Division, in file No. PDP06-0057, except as modified by condition herein.
 3. The landscaping in all open spaces and rights-of-way shall be maintained by the adjacent property owner or property owners association.
 4. The landscaping shall be maintained at a level consistent with or better than at the time of planting. The site shall be maintained in a clean and orderly manner.
 5. 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.
 6. All raceway signage shall be prohibited within the development.
 7. Tree planters shall be added to achieve the design guideline of one tree planter minimum per 10 parking spaces.
 8. If Building 3 is constructed, its architecture shall be consistent with that of Buildings 1 and 2.
 9. The development shall contribute a proportionate amount to the design plus construction cost for a traffic signal at Germann Road/Wright Drive, as determined by Traffic Engineering staff. The second development to receive building permit approval at the north intersection corners will be required to design and install the traffic signal.
 10. The development shall provide additional trees adjacent to the buildings.
 11. All parking space canopies shall incorporate building materials, forms and colors to match the development.
 12. Pedestrian features shall be added along the north side of Building One.
18. PRELIMINARY DEVELOPMENT PLAN: Chandler BMW

APPROVED Preliminary Development Plan, PDP06-0058 Chandler BMW, for site layout and building architecture for an automotive sales and service development on approximately 6.5 acres west of the SWC of 54th Street and Orchid Lane. (Applicant: Barry Barcus, Barry R. Barcus Architect, Inc.)

Interstate 10 borders the site to the west. Orchid Lane abuts the property's north side, with the Mercedes Benz, Lexus and Earnhardt Ford automobile dealerships located north of Orchid Lane. East of the subject site is the Chapman Chevrolet automobile dealership. South of the subject site is the existing Chandler Gateway West retail development.

The subject site received conceptual PAD zoning for automotive sales in May 1986. Construction of the Chapman Chevrolet automobile dealership began in 1998 on the eastern 10.5 acres of the 17-acre site, leaving the western 6.5 acres (subject site) for the future development of another dealership. A Salt River Project (SRP) underground irrigation pipe presently bi-sects the site diagonally. The easement prohibits any building construction above the pipe. The applicant is currently working with SRP to relocate the irrigation pipe and easement to the western side of the subject site.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held on November 1, 2006. Two neighboring business owners

attended and offered support of the project. Staff has received no correspondence in opposition to this request.

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

1. Development shall be in substantial conformance with exhibits submitted as part of this application and shall be kept on file in the City of Chandler Planning Services Division, in File No. PDP06-0058 Chandler BMW.
2. The landscaping in all open spaces and rights-of-way shall be maintained by the adjacent property owner or property owners association.
3. Approval by the Director of Planning and Development of plans for landscaping (open spaces and rights-of-way) and perimeter walls.
4. 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.
5. All future signage shall be consistent with the signage contained within the exhibits with regards to sign type and quality. Any deviations shall require separate Preliminary Development Plan approval.
6. The landscaping shall be maintained at a level consistent with or better than at the time of planting. The site shall be maintained in a clean and orderly manner.
7. All raceway signage shall be prohibited within the development.
8. The landscaping shall comply with the Commercial Design Standards.

19. CONTINUE ZONING / PRELIMINARY PLAT : Vina Escondida

CONTINUED TO APRIL 26, 2007, Zoning, DVR06-0010 Vina Escondida, rezoning from AG-1 to PAD with Preliminary Development Plan on approximately 12.23 acres for a 16-lot custom single-family residential subdivision.

CONTINUED TO APRIL 26, 2007, Preliminary Plat #PPT06-0016 Vina Escondida, for a subdivision layout and development standards on approximately 12.23 acres located approximately one-quarter mile south of the SEC of McQueen and Germann roads to allow the applicant additional time to allow the consideration of suggestions made during the Planning Commission hearing and to accommodate a scheduling conflict with the applicant's legal representation.

20. CONTINUED REZONING: Circle K at Carmel Village Plaza

CONTINUED TO APRIL 12, 2007, Rezoning DVR06-0049, Circle K At Carmel Village Plaza, rezoning from PAD to PAD Amended to allow the sale of gasoline, with PDP approval for the construction of a gasoline station on approximately 2 acres of a 12.48-acre site at the SWC of Gilbert and Queen Creek roads to allow the applicant time to post the site with the Notice of Public Hearing sign.

21. APPOINTMENT: City Magistrate Ronald I. Karp

APPROVED the Appointment of City Magistrate Ronald I. Karp for an annual base salary of \$125,733.00 for October 17, 2006 to October 16, 2007 and \$132,019.00 for October 17, 2007 to October 16, 2008.

22. APPOINTMENT: City Magistrate Michael Morales

APPROVED the Appointment of City Magistrate Michael Morales for an annual base salary of \$125,733.00 for October 17, 2006 to October 16, 2007 and \$132,019.00 for October 17, 2007 to October 16, 2008.

23. APPOINTMENT: City Magistrate Ray Addington

APPROVED the Appointment of City Magistrate Ray Addington for an annual base salary of \$125,733.00 for October 17, 2006 to October 16, 2007, and \$132,019.00 for October 17, 2007 to October 16, 2008.

24. AGREEMENT: Specialized Surfacing Utility Paving and Construction, LLC

APPROVED a 3-year Agreement with Specialized Surfacing Utility and Construction, LLC, for the installation of traffic calming devices (speed humps) in an amount not to exceed \$60,000.00 per year.

Asphalt speed humps are part of the traffic-calming program and have proven to be an effective tool to reduce speeding on residential streets. This program continues to be very popular with residents and the responses to the installations have been positive. Speed humps are only used if traffic studies indicate they are warranted and the residents have successfully met the petition requirements outlined in the City's traffic calming policy. In FY 04/05, 19 speed humps were installed; 15 were 100% City funded, three were cost shared with the City (50%) and residents (50%), and one speed hump was funded entirely by the residents. In FY 05/06, 29 speed humps were installed; 24 were 100% City funded, three were cost shared between the City (50%) and two were funded entirely by the residents.

25. AGREEMENT EXTENSION: Scott Reprographics

APPROVED a one-year Agreement extension with Scott Reprographics for blueprinting services in an amount not to exceed \$50,000.00.

26. AGREEMENT: Century Graphics

APPROVED an Agreement with Century Graphics for the printing/distribution of Break Time Magazine in an amount not to exceed \$60,000.00.

The Break Time Magazine contains information about the recreational and cultural programs, classes and events offered to the general public by the Community Services Department. Effective January 2007, distribution of the magazine was changed to a free subscription based process, posting on the City's website and hard copies being made available at key City facilities. Incorporating the subscription based distribution process allowed Staff to reduce the number of issues printed per quarter in previous years (80,000) and use a portion of those savings to offset the cost increase that would occur from adding pages as a result of incorporating programs, classes and events from new facilities currently under construction. The net annual savings of this contract over previous contracts is \$20,000.00.

27. AGREEMENT: Aquatic Consulting & Testing, Inc.

APPROVED a two-year Agreement with Aquatic Consulting & Testing, Inc. for lake maintenance service in an amount not to exceed \$50,000.00. Services include the monitoring and treatment of water to control algae, filamentous moss and other aquatic weeds. The contractor will provide perimeter cleaning of the lakes to ensure they are free of trash and debris and keep accurate reports that will be submitted to the City and Arizona Game and Fish Department on a monthly basis.

28. AGREEMENT: Architekton

APPROVED an Agreement with Architekton for the Chandler Center for the Arts Facility Review and Expansion Feasibility Study in an amount not to exceed \$139,650.00 for Phases I and II of the project.

Much of the infrastructure and technology at the Chandler Center for the Art was installed as part of the original construction that was completed in 1989 and is due for replacement in the near future. Demand for performance space has grown over the years to the point that requests for performance space are frequently turned away. A Cultural Planning Committee was developed in the spring of 2006 to examine growth issues, the Center's aging infrastructure and options for expansion. The committee was comprised of City of Chandler and Chandler Unified school District staff and representatives from the Chandler Cultural Foundation Board. The committee concluded that a thorough analysis was necessary in order to assess the Center's capacity to meet current and future arts and cultural needs in Chandler. Accordingly, the committee developed a scope of work for a Facility Review and Expansion Feasibility Study. That scope of work was incorporated into a Request for Proposals that was issued on November 13, 2006.

The scope of work also includes Phase III, which may be proposed to Council in the future depending on the outcome of Phases I & II. Phase III involves site planning and preliminary concept plans for expansion, at a cost not to exceed \$99,960.00. This would result in a total project cost not exceed \$239,610.00. However, Staff proposes moving forward only with Phase I and Phase II at this time. Following evaluation of Phase I and II, Staff may come forward with a recommendation for approval of Phase III.

29. AGREEMENT EXTENSION: Electrical Supplies

APPROVED a one-year Agreement extension with Summit Electrical Supply, Border States Electric Supply and Axiom Southwest, Inc. for electrical supplies for a combined total amount not to exceed \$425,000.00.

The Water and Wastewater Divisions require an ongoing contract to provide equipment not stocked in Central Supply. The equipment is used at the Surface Water Treatment Plant, Water Production Wells, Airport Water Reclamation Facility, Lone Butte Water Reclamation facility, Aquifer Storage and Recovery Wells and Wastewater Collection Lift Stations.

30. CONTRACT: 3D International, Inc.

APPROVED Contract #PR0421-401, Change Order No. 1, with 3D International, Inc for Chuckwalla Park in the amount of \$136,678.00 for a revised total contract amount of \$858,400.00.

Chuckwalla Park is a 5.5-acre site located in the square mile bounded by Val Vista Drive, Riggs Road, Hunt Highway and Lindsay Road. This park site is also adjacent to Navarrette Elementary

School. The City purchased the park site in 2004. Public input regarding the design of this park was solicited and on September 7, 2005, the Parks and Recreation Board approved the conceptual master plan. Construction commenced in February 2007 and completion is anticipated in July 2007.

31. CONTRACT: Camp Dresser & McKee, Inc.

APPROVED Contract #ST0708-201 with Camp Dresser & McKee, Inc. for engineering design services for the Pump Station at Thude Park in an amount not to exceed \$43,856.00.

The western area of the drainage basin at Thude Park, near Galveston and Price roads, has an area that does not drain, creating standing water. To address health concerns associated with standing water, a pump station will need to be designed. The pump station will automatically operate when water is present and return to standby once water has been removed.

32. CONTRACT: Salt River Project

APPROVED Contract #ST0605-306 with Salt River Project (SRP) for the relocation of the irrigation system for the Germann Road – Dobson Road to Arizona Avenue Improvement Project in an amount not to exceed \$114,395.00.

Salt River Project will incur costs to relocate the irrigation system to accommodate the Germann Road (Dobson to Arizona) Improvements. Since Salt River Project has prior rights, the City is required to reimburse Salt River Project for all associated costs to relocate their irrigation system. This project is scheduled to start construction in the summer of 2007 with completion in the spring of 2008.

33. CONTRACT: Rural Electric, Inc.

APPROVED Contract #AI0403-401 to Rural Electric, Inc. for construction services for the Airport Airfield Signage Modifications in an amount not to exceed \$376,980.52.

The Airport Airfield Signage Modifications project is the result of a Federal Aviation Administration (FAA) runway safety inspection. The inspector comments noted concern for potential runway incursions necessitating improvements of the airfield signage. This work will service to reduce the potential for unauthorized movements on the airfield runway/taxiway system, thereby increasing safety.

34. CONTRACT: Kimley-Horn and Associates

APPROVED Contract #AI0403-201, Amendment No. 2, to Kimley-Horn and Associates for design services for Airfield Signage Modifications in an amount not to exceed \$72,126.00.

The Airport Airfield Signage Modifications project is the result of a Federal Aviation Administration (FAA) runway safety inspection. The inspector comments noted concern for potential runway incursions necessitating improvements of the airfield signage. This work will serve to reduce the potential for unauthorized movements on the airfield runway/taxiway system, thereby increasing safety.

35. CONTRACT: Builder's Guild, Inc.

APPROVED Contract #SW0609-401 to Builder's Guild, Inc. for construction of Recycling Solid Waste Collection Center site improvements, pursuant to Job Order Contract No. 07-05, in an amount not to exceed \$492,693.00.

The Recycling Solid Waste Collection Center has been operating and serving residents since October 2005. During this period, Solid Waste Services Staff has worked with other City Staff in the Traffic Division, Fire Department and Environmental Management Division to assess areas related to traffic flow, storm water run-off and emergency response.

As a result, Staff made recommendations for site improvements including adding additional curb and gutter, asphalt and concrete onsite to mitigate concerns related to safe traffic flow; installing one additional fire hydrant at the residential tipping area for emergency response (recommended by the Fire Department); installing water service to the residential tipping slab area; constructing a storm water management system (stormceptors) in the residential tipping slab and scrap metal processing areas to address any potential for storm water run off issues, and enhance protection of the west and south retention basins.

While operations are compliant with regulatory agencies, Staff believes the site improvements mentioned will further support the City's efforts to ensure safety and environmental compliance now and in the future.

36. CONTRACT: Western Slope Utilities

APPROVED Contract #WW0606-401 to Western Slope Utilities for construction services for McQueen Road Sewer and Manhole Rehabilitation in an amount not to exceed \$940,270.00.

The Wastewater Master Plan identified an on-going need to evaluate, prioritize and repair sewer lines and manholes within the City's collection system. In November 2005, the first phase of an on-going sewer system assessment study was completed, which identified several sections of sewer pipeline and manholes that need repair or replacement. This contract provides for the rehabilitation of the 30-inch diameter sewer main on McQueen Road from Chandler Boulevard to Pecos Road, as well as repair of nineteen sewer manholes contiguous to the sewer being rehabilitated. The sewer rehabilitation will be completed using an in-place or trenchless technology.

37. CONTRACT: Haydon Building Corp.

APPROVED Contract #PR0506-402, formerly #WW0506-401, to Haydon Building Corp. for construction manager at risk for the Germann Sewer and Lift Station in an amount not to exceed \$2,950,000.00.

The area south of Willis Road, east of the Union Pacific Railroad right-of-way and north of Ryan Road requires the lift station for properly functioning sewer with the exception of a small area parallel to McQueen Road.

38. CONTRACT: Layton Construction

APPROVED Contract #FI0606-251 to Layton Construction for pre-construction services for the construction manager at risk project for Fire Station No. 10 at 5211 S. McQueen Road, in an amount not to exceed \$45,800.00.

The pre-construction services contract award is the first step in the construction manager at risk process for construction. During the pre-construction services phase, the contractor will develop and manage the schedule, provide value analysis, constructability reviews, subcontractor coordination and prepare the guaranteed maximum price.

A temporary fire station, housing one engine and 15 personnel is currently in place on this site and is serving the community. This contract is to design the permanent station. This station is answering the increasing demands for fire and emergency medical services created by explosive growth in this area of the City. A fire station planning study conducted by the Fire Department indicated that the area surrounding this location has a sufficient number of homes and volume of emergency calls to require this fire station. Design is to begin in March 2007 with completion in approximately September 2007. Construction will begin in September 2007 with completion in April 2008.

39. CONTRACT CHANGE ORDER: Hunter Construction

APPROVED Contract #WA0320-402, notice to Council of emergency approval by the City Manager of change order no. 2 to Hunter Construction for the water treatment plant expansion in the amount not to exceed \$100,000.00, for a revised contract total of \$44,763,205.34.

This construction contract was awarded at the November 17, 2005 Council meeting and provides for the expansion of the City's water treatment plant on Pecos and McQueen roads.

During the first week of March, City Staff noticed a water leak in the center of the intersection of Pecos and Dobson roads. Staff monitored the leak and made preparation to excavate the area to determine the cause. It appeared that the leak was from the 40-inch potable water transmission main which conveys water from the City's water treatment plant at Pecos and McQueen roads to the distribution system. Staff does not have the equipment to excavate and repair a large main at the depth of the main. With the pavement rapidly beginning to fail, Staff negotiated a change order with the contractor for the adjacent water treatment plant expansion project, Hunter Construction. Hunter Construction has the resources to perform the work and was already mobilized to the site so they could begin work immediately.

Pavement failure began to occur on March 7th. Due to the leak's location, it represented a public safety issue for the traveling public as well as a potential threat to the delivery of water to the City's system. Arizona Revised Statute §34-604 provides for the procurement of emergency services in the event of a public health or safety concern. City Code §3-13.3 provides for City Manager approval of emergency procurement of services if a situation exists that makes it contrary to the public interest to utilize normal procurement procedures and approval of City Council. Staff found that this situation was an emergency and required immediate attention and, therefore, recommended that the City Manager approve the change order in an amount of \$100,000.00. This report is to advise Council of the need to procure emergency services in excess of the \$50,000.00 in construction services as required by City Code.

40. PURCHASE: Peak Media

APPROVED the Purchase and installation of audio-visual systems for the Police substation facility and Environmental Educational Facility in the Chandler Heights community facility project from Peak Media, utilizing the State of Arizona contract, in an amount not to exceed \$86,671.31.

41. PURCHASE: APL Access & Security

APPROVED the Purchase of Checkpoint access control system and closed circuit surveillance and TV system for the Chandler Heights Police Substation building and secure parking area from APL Access & Security, sole source, in an amount not to exceed \$75,988.22.

In August 1997, an administrative regulation (60-1) was approved making the Checkpoint access system the proprietary provider for the City of Chandler. Because APL Access & Security is the only authorized Threshold NT client server Checkpoint dealer in Arizona, Checkpoint has agreed to give the City a 15% discount on all Checkpoint hardware and software through APL Access & Security. Although there are four Checkpoint distributors in the valley, APL is the only distributor certified to work on Threshold NT, the Microsoft based operating system. Checkpoint will only warranty products that have been installed or serviced by a certified NT distributor.

APL Access & Security has the necessary security clearance and ability to install and maintain this high tech/high security system, which is a continuation of the closed circuit surveillance and TV system they are installing as part of access and security for the police building.

42. PURCHASE: American Telephone

APPROVED the Purchase of a telephone system and related equipment for the Chandler Police substation, Environmental Education Center and onsite maintenance building at the Chandler Heights Community Facility Project from American Telephone in an amount not to exceed \$55,605.42.

43. PURCHASE: Vehicles

APPROVED the Purchase of vehicles for various departments, utilizing the State of Arizona contract, in an amount not to exceed \$108,468.96.

44. PURCHASE: Global Data Specialists

APPROVED the Purchase of Motorola radio equipment from Global Data Specialists, utilizing the Arizona Department of Transportation contract, in an amount not to exceed \$87,000.00.

The Parks Division currently uses a Motorola Computerized Irrigation System to control all irrigation and lighting in the city parks. The system uses an 800 mhz radio system to control remote field satellites in the parks and was initially installed in 1989. Motorola Communication Division in September 2005 discontinued the 800 mhz radio for use in their irrigation systems. This change required that for new parks being built, a digital or conventional radio had to be installed. The software for the existing control system would not allow for a dual radio system. The conversion to digital radios in all existing controllers was estimated to cost \$780,000.00. Staff decided the conversion to a UHF radio to all existing and future controllers was the practical and most efficient choice to continue communication to the field satellites. Global Data Specialist is the sole source provider for the Motorola Irrigation System.

45. USE PERMIT: San Tan Brewing Company

APPROVED Use Permit UP06-0093, San Tan Brewing Company, Series 12, for the sale of all spirituous liquor for on-premise consumption only and a Series 3 for the sale of beer manufactured on the premises for on and off-premise consumption within a new restaurant at 8 S. San Marcos Place. (Applicant: Anthony Canecchi.)

The subject site is located at the SWC of San Marcos Place and Commonwealth Avenue within Historic Downtown Chandler. The building, originally a bank, is currently undergoing exterior and interior renovations. The front entrance is covered by a pedestrian colonnade as part of the downtown square on San Marcos Place. The building is connected to the south with an office building and a series of in-line retail shops and restaurants. Directly to the east is public street parking and A. J. Chandler Park. To the north is the San Marcos Resort Hotel. Images Salon will occupy the other space within the building at the site's west end.

San Tan Brewing Company features a restaurant space, bar area, kitchen, brewing tanks, office and storage and outdoor patio. Tanks for beer production are displayed behind glass panels. There will be an outdoor patio area at the building's north side along Commonwealth Avenue. The patio is currently not included in the Use Permit for alcohol sales. A roll up door provides open-air access from the restaurant to the patio. Since the patio will be located in the current City right-of-way, alcohol sales are prohibited, however, a City initiated code amendment is currently being pursued to allow liquor sales in the Downtown public areas. Alcohol sales may potentially be allowed in the future if either the right-of-way is vacated and becomes private property or a permit is granted. After such time, the Use Permit will have to be amended for an extension of premises to include the patio and allow alcohol sales. The patio improvement will have to comply with minimum pedestrian circulation clearances and any other requirements from the code amendment.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on January 30, 2007. Four neighboring business owners were in attendance in support of the application. The Downtown Chandler Community Partnership (DCCP) was briefed about the new business at their meeting on February 23, 2007. A Downtown Merchant's meeting was held on January 18, 2007, where local shop merchants expressed support of the application. Staff has received no correspondence in opposition to this request.

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

1. The Use Permit is granted for a Series 3 and Series 12 license only and any change of license shall require reapplication and new Use Permit approval.
2. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
3. The Use Permit is non-transferable to other store locations.
4. Alcohol sales shall be prohibited on the patio.

46. LIQUOR LICENSE: San Tan Brewing Company

APPROVED a Series 3, Domestic Microbrewery License (Chandler #111265 L03) for Anthony Alfred Canecchia, Agent, San Tan Brewing Company, LLC, dba San Tan Brewing Company, 8 S. San Marcos Place. A recommendation for approval of State Liquor License #03073045 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code. With a Series 3, the business may manufacture or produce at least 10,000 gallons but less than 310,000 gallons of beer annually.

47. LIQUOR LICENSE: San Tan Brewing Company

APPROVED a Series 12 Restaurant Liquor License (Chandler #111265 L12) for Anthony Alfred Canecchia, Agent, San Tan Brewing Company, LLC, dba San Tan Brewing Company, 8 S. San Marcos Place. A recommendation for approval of State Liquor License #12076999 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

48. CONTINUED LIQUOR LICENSE: Whole Foods Market

CONTINUED to APRIL 12, 2007, Liquor License, Series 7, for J. J. Lewkowitz, Agent, Mrs. Gooch's Natural Food Markets, Inc., dba Whole Foods Market at 2955 W. Ray Road to allow the applicant time to complete the requirements for a new Use Permit.

49. WITHDREW LIQUOR LICENSE: Tesco

WITHDREW, at the request of the Applicant, Liquor License, Series 10, for Randy D. Nations, Agent, Tesco Stores West, Inc., dba Tesco at the SWC of Dobson and Queen Creek roads.

50. LIQUOR LICENSE: D'Vine Wine Bar & Bistro

APPROVED a Series 12 Restaurant Liquor License (Chandler #112252 L12) for Randy D. Nations, Agent, D'Vine Wine Bar Bistro LLC, dba D'Vine Wine Bar & Bistro, 3990 S. Alma School Road. A recommendation for approval of State Liquor License #12076969 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code. The applicant's Use Permit will be heard at the April 12, 2007 Council meeting. Until such time, no alcohol may be served.

51. CONTINUED LIQUOR LICENSE: Benihana

CONTINUED to APRIL 12, 2007 Liquor License, Series 12, for Ajay Kapur, Agent, Benihana Chandler Corp., dba Benihana at 3025 W. Chandler Boulevard to allow the applicant time to complete the requirements for a new Use Permit.

52. CONTINUED LIQUOR LICENSE: Bella Vino Ristorante

CONTINUED to APRIL 12, 2007 Liquor License Series 12 for Anthony Gilbert Serrano, Agent, Bella Vino Ristorante, Inc., dba Bella Vino Ristorante at 985 W. Chandler Heights Road, Building B, Suites 4-8, to allow the applicant time to complete the requirements for a new Use Permit.

53. LIQUOR LICENSE: Z Pizza

APPROVED a Series 12 Restaurant Liquor License (Chandler #112226 L12) for John Michael Von Der Ahe, Agent, ZP-1, LLC, dba Z Pizza, 7137 W. Ray Road, Suite 9. A recommendation for approval of State Liquor License #12076985 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

54. LIQUOR LICENSE: Villalpando's Mexican Restaurant

APPROVED a Series 12 Restaurant Liquor License (Chandler #110798 L12) for Mario Fernandez Villalpando, Agent, Villalpando's Mexican Restaurant, LLC, dba Villalpando's Mexican Restaurant, 7450 W. Chandler Boulevard. A recommendation for approval of State Liquor License #12077011 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

55. LIQUOR LICENSE: Dos Gringos Grille

APPROVED a Series 12 Restaurant Liquor License (Chandler #105853 L12) for Brian Christopher Roehrich, Agent, 1361 N. Alma School Rd., Inc., dba Dos Gringos Grille, 1361 N. Alma School Road. A recommendation for approval of State Liquor License #12076997 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

COUNCILMEMBER ORLANDO thanked the applicant for developing the site. He asked about an incident with another of the applicant's establishments in another city. John Redicci, representing the applicant, said that Sugar Daddy's in Scottsdale is being audited, but they have not been shut down and it does not affect any of the Dos Gringo's establishments. This was approximately 7 weeks ago and they have not been cited and there have been no allegations or indictments.

COUNCILMEMBER WENINGER said that Mr. Roehrich is known for quality establishments and intends the restaurants to have more of a family-style venue during the day.

COUNCILMEMBER ORLANDO asked Staff to describe the liquor license process. MS. RODENBECK explained that when an application is filed with the State, they immediately send two copies to the City. One has to be posted at the site for 20 days for public review. During that time, anyone within a 1-mile radius of the location is permitted to submit to the City Clerk in writing, any complaints or problems they may have. At the same time, Staff notifies the applicant of all City processes and procedures, fees and whether or not a Use Permit is required. A full copy of the application is submitted to the Police Department for the background check and they make a recommendation to the City's Licensing Department. Licensing reviews the application and maps to ensure they are accurate. After the recommendation is submitted by the Police Department, Licensing thoroughly reviews the application and brings a recommendation forward to Council. She stated that staff does not routinely contact other cities where the applicant may have another license.

COUNCILMEMBER ORLANDO asked what weight the State Liquor Board places on a City's recommendation. MS. RODENBECK said that both the City and State do background checks. The State depends on the City to let them know if the applicant meets all of the City requirements while also meeting the State requirements. Applicants are required by the State to go through an educational process regarding liquor laws and have to prove that they have completed the classes. They also conduct a more extensive criminal background check than is done at the local level. A financial background is also conducted. If everything looks acceptable at the State level, they wait for the City to make their recommendation. If it is for approval, they are required by law

to hold the application for an additional 15 days allowing for any public comment not previously made. After the 15 days, the license will be issued.

56. SPECIAL EVENT LIQUOR LICENSE: St. Mary-Basha Catholic School

APPROVED a Special Event Liquor License for St. Mary-Basha Catholic School for "Stayin Alive – The 70's" Dinner and Auction on April 21, 2007, at Seton Catholic High School, 1150 N. Dobson Road. The Police Department reports no objections to the issuance of this license. As this applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid. A recommendation for approval will be forwarded to the State Department of Liquor Licenses and Control.

57. FINAL PLAT: Artisan Village at Gila Springs

APPROVED Final Plat, FPT06-0045 Artisan Village at Gila Springs for a 6.99 acres 2.58-acre, 85-unit residential condominium development and 2.58 acre commercial development, north and west of the NWC of Chandler and Gila Springs Boulevards. (Applicant: Brian Konderik, Engle Homes.) The plat creates the lots and tracts, construction-phasing lines, establishes the necessary easements, and dedicates the required rights-of-way.

58. FINAL PLAT: Airpark South Professional Village

APPROVED Final Plat, FPT06-0032 Airpark South Professional Village, for a 20-acre subdivision with the Airpark Area Plan and includes an office and commercial development located at the SWC of Cooper and Queen Creek roads. (Applicant: UTAZ Development.) The western portion will be developed in the upcoming months with an office project and the eastern portion will be developed in the future with commercial retail uses. The plat creates the lots, establishes the necessary easements and dedicates the required rights-of-way.

59. On Action.

60. PROPERTY ACQUISITION: SEC Arizona Ave / Chicago St. Res. #4052

ADOPTED Resolution No. 4052 authorizing the purchase of a vacant parcel of land located near the SEC of Arizona Avenue and Chicago Street for the new City Hall Complex at a cost, including closing and associated costs, in an amount not to exceed \$415,500.00.

On July 27, 2006, the City Council approved Resolution No. 3996 authorizing the purchase of approximately 23 parcels of real property located at and near Arizona Avenue and Chicago Street for the future development of the new City Hall complex.

The owners, Rakesh Patel, Paulomi Patel, Paula Mehta and Gaurav Mehta have agreed to sell the property to the City for \$410,000.00, which is between their original counteroffer of \$440,000.00 and the City's offer at the appraised value of \$315,000.00. The owners have provided support for the valuation of their interests, leading Staff to conclude that this is a fair and reasonable settlement for this property.

ACTION:

59. LIQUOR LICENSE: Zorba's Restaurant

DENIED a Series 12 Restaurant Liquor License (Chandler #122412 L12) for Eric James Perrin, Agent, Cajun Specialty Foods, LLC, dba Zorba's Restaurant, 1964 N. Alma School Road, Suite 10. A recommendation for denial of State Liquor License #12077000 will be forwarded to the State Liquor Department. The Police Department recommended denial, citing objection to the issuance of this license based on the qualifications of the applicant. Review of the applicant's background has shown that the applicant does not have the capability, qualifications and reliability to operate a liquor establishment. No written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

Sandi Rodenbeck, Customer Service Manager, provided background information on this application. The applicant purchased an existing business February 1, 2007, and has been operating on an interim permit until they obtain their own license. There are two members of the LLC, with each holding 50% ownership, Eric James Perrin and Bryan Keith Olson. Both members indicated on the State application that they would be present and operating the business 10-12 hours per day.

Upon receipt of a liquor license application from the Department of Liquor License and Control, the City Licensing Department sends a full copy of the application to the Police Department for review, background check and their recommendation.

POLICE LT. VANCE LUNT said that they conduct a criminal history check on an applicant, but not as in-depth as the State. In checking on Bryan Olson, they believe he provided misleading information on the liquor license application questions #15 & 17 and do not feel a recommendation for approval should be provided to the Licensing Department.

COUNCILMEMBER ORLANDO asked Lt. Lunt to explain what "misleading information" entailed. LT. LUNT responded that question #15 asks about "violation of any law or ordinance, regardless of the disposition, even if dismissed or expunged. For traffic violations, include only those that related to alcohol and/or drugs". Question #17 asks "are there any administrative law citations compliance action or consents, criminal arrests, indictments or summons pending against you or any entity in which you are now involved". The applicant responded that on 09/29/06, as taken from his application, that he was arrested for a DUI to the slightest degree in Gilbert and on 07/12/05, he was arrested for being in physical control of a vehicle while impaired in the City of Chandler. Staff did not believe the applicant's response completely and accurately described what took place and felt it was misleading.

COUNCILMEMBER ORLANDO asked specifically how the applicant's response was misleading. LT. LUNT said that the Gilbert case is still pending and he could not comment on it. There are five charges attached to it and the applicant said the charge was DUI to the slightest degree. COUNCILMEMBER ORLANDO asked if the charges were settled before or after the applicant completed the application. Lt. Lunt said that the applicant completed the application in January 2007 and the DUI in Gilbert was issued in September 2006 giving adequate time for the applicant to be aware of all charges.

LT. LUNT explained there are three degrees of DUI. DUI in the slightest degree, over .08 and extreme DUI.

LT. LUNT said that the charges made by Gilbert PD are extreme DUI with a blood alcohol level of over .15, false reporting to law enforcement, DUI impaired to the slightest degree, DUI with a blood alcohol content of over .08 and criminal damage.

COUNCILMEMBER WENINGER asked how someone could be ticketed for extreme DUI and to the slightest degree at the same time. LT. LUNT said that if someone is charged with extreme DUI, they are charged for all three.

BRYAN OLSON, applicant, said they have owned Zorba's for over a month and reported that the business is doing well. The liquor license is required because they sell Greek wine with meals. He explained that this is the first business they have bought as a corporation. They had a broker/agent help them buy this existing business instead of building a business from the ground up. He said the day after he was arrested in September, he retained an attorney and gave him the paperwork. He explained that when he was filling out the paper work for the State liquor application, he called his attorney's office to see what charges were filed by Gilbert and was told that he was charged with DUI to the slightest degree and there was no charge for criminal damage and that is how he proceeded to fill out the form. According to the State, the pending DUI was not an issue. Mr. Olson asked the State if they wanted the file faxed to them and was told no, that they would find it when the background check was conducted. He felt everything had been taken care of and the application would be processed accordingly. When he was notified the recommendation was for denial, he thought it was because of the pending DUI. He then contacted his attorney and discovered there was a misunderstanding between what he had asked his attorney and the information he was given. He said he felt he made every effort to report the charges that he was aware of and was not trying to mislead anyone.

COUNCILMEMBER ORLANDO asked the City Attorney if a DUI would disqualify someone from obtaining a liquor license. MR. HOUSE said it would not be an automatic disqualification, but could be taken into consideration as to whether the applicant has made a satisfactory showing of capability, qualifications and reliability to properly manage a liquor establishment and can be taken into consideration by the Council when making a recommendation to the State Liquor Board.

COUNCILMEMBER ORLANDO asked if the City had approved a license in the past for someone with a DUI. MS. RODENBECK responded she does not have that information at this time, but added they rely heavily on the Police Department's recommendation in the area of criminal background. LT. LUNT said they took into consideration a DUI in 2005 and another in 2006, which is a short pattern. He noted when he talked to the State Liquor Board, they said they would perform a closer review if the DUI was more recent or if there were multiple ones.

COUNCILMEMBER CACCAMO asked if the Chandler DUI was reported on Mr. Olson's form and accurately. LT. LUNT said it was.

COUNCILMEMBER SEPULVEDA asked the applicant how long he has been in the restaurant business. MR. OLSON responded that he has been in the business for 1½ months and previously worked for a high-tech company in Chandler. COUNCILMEMBER SEPULVEDA commented that he feels a trend is present and expressed his concern of the lack of experience operating in the restaurant business. MR. OLSON responded that because of his experience, he is more cognizant of those who may be drinking too much and can help keep it under control. He added that the previous owner is still employed to help.

COUNCILMEMBER WENINGER asked if Mr. Olson and Mr. Perrin have specific duties at the business. Mr. Perrin said that when they started the business, their intent was to both be on the floor at all times, but have found that not to be feasible. Mr. Olson is "behind the scenes" while Mr. Perrin is on the floor. Mr. Olson will not be serving drinks, but will assist in the kitchen if needed and will mostly be doing the office work.

In response to a question from COUNCILMEMBER WENINGER, Mr. House stated that Council is only permitted to recommend approval or denial to the State Liquor Board and does not have the authority to impose stipulations on a liquor license. COUNCILMEMBER WENINGER commented that he is having a hard time with a decision because everyone makes mistakes, but in this instance it is the same mistake twice. He prefers to error on the side of side of public safety. MR. PERRIN stated that he couldn't operate the business without Mr. Olson.

COUNCILMEMBER WENINGER asked if the business could operate without a liquor license. MR. OLSON replied that alcohol is approximately 30% of the business and they have a full bar. COUNCILMEMBER WENINGER asked Mr. House if there are any liability issues for the City if the license is approved and something were to happen at a later date. MR. HOUSE said there are not and Council is only making a recommendation to the State Liquor Board. It is ultimately up to the State to make the final decision on issuing the license.

MOTION BY COUNCILMEMBER SEPULVEDA, SECONDED BY COUNCILMEMBER CACCAMO, FOR A RECOMMENDATION FOR DISAPPROVAL TO THE STATE LIQUOR BOARD OF A SERIES 12 RESTAURANT LIQUOR LICENSE FOR CAJUN SPECIALTY FOODS, LLC, DBA ZORBA'S RESTAURANT, 1964 N. ALMA SCHOOL ROAD, SUITE 10; AND DENIAL OF THE CITY OF CHANDLER LIQUOR LICENSE #112413 L12 BASED ON LACK OF SATISFACTORY SHOWING OF THE CAPABILITY, QUALIFICATIONS AND RELIABILITY OF THE APPLICANT THEREBY SHOWING INABILITY TO MANAGE A LIQUOR ESTABLISHMENT.

COUNCILMEMBER ORLANDO asked when the applicant's time frame runs out. Ms. Rodenbeck responded that the 60-day window for the City is up on March 31st. COUNCILMEMBER ORLANDO asked if Mr. Olson has to be on the application. Ms. Rodenbeck said that the applicant is the LLC which is an "artificial person" so Mr. Olson has to be on the application as an LLC.

MOTION CARRIED BY MAJORITY (5-1) WITH COUNCILMEMBER WENINGER VOTING NAY.

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

VICE-MAYOR HUGGINS announced that the Chandler Police Department will host an open house on Saturday, March 24th, from 10:00 a.m. to 2:00 p.m. at 250 E. Chicago Street and encouraged families to attend.

B. Councilmembers' Announcements:

COUNCILMEMBER CACCAMO announced a Cars Against Cancer Car Show, April 1st, at Joe's Crab Shack at McClintock and Southern in Tempe.

COUNCILMEMBER CACCAMO also announced that the annual Family Easter Celebration would be held on March 31st, from 9:00 a.m. to noon at Snedigar Sportsplex, 4500 S. Basha Road.

COUNCILMEMBER CACCAMO announced that St. Mary's Stayin' Alive With the 70's dance and dinner on April 21st. Volunteer services will be provided by City employees.

