

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, May 24, 2007 at 7:00 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR BOYD W. DUNN.

The following members answered roll call:

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

Also in attendance:

W. Mark Pentz	City Manager
Rich Dlugas	Assistant City Manager
Pat McDermott	Assistant City Manager
Michael D. House	City Attorney
Marla Paddock	City Clerk

INVOCATION: The invocation was given by Pastor Mike Sproul – Tri-City Baptist Church.

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

SCHEDULED PUBLIC APPEARANCES:

1. Service Recognitions

MAYOR DUNN was joined by Police Chief Sherry Kiyler in recognizing Sergeant Kenny Thatcher for 25 years of service with the Police Department. He began his career as a reserve officer and was soon certified as a full authority peace officer. Sgt. Thatcher has served as a Spanish translator, crime scene officer, property crimes detective, narcotics detective, bike team supervisor and police lab supervisor and his current position as Sergeant over the firearms training unit. Chief Kiyler also recognized Sgt. Thatcher for his involvement in the community as an assistant scoutmaster with the Boy Scouts.

MAYOR DUNN was joined by Planning & Development Director Doug Ballard in recognizing Flora Ligi for 10 years of service in the Planning & Development Department. Mr. Ballard recognized Flora, who serves as Senior Executive Assistant, for creating and managing the telephone reception program and administrative internship program for the department in addition to acting as the principal coordinator of the City's Architectural Excellence Award Program. Mr. Ballard said that Flora excels in customer service by not only providing the highest level of attention to public inquires, but also insures that this same attention is provided by the reception staff. In addition to her numerous duties, Flora has also been awarded a Master's Degree in educational leadership from Northern Arizona University.

2. Retirement Recognition

MAYOR DUNN was joined by Police Chief Sherry Kiyler in recognizing Cynthia West on her retirement from the City after 26 years of service. Officer West began her career in Chandler as a

dispatcher and became an officer two years later. Chief Kiyler stated Ms. West has had numerous assignments including person crimes detective, field training officer, teleserve officer and patrol officer. She praised her for her skill in dealing with people in an exceptionally caring and professional manner and noted that she had received numerous commendations and values alerts as well as various citizen calls and e-mails thanking her for her professionalism and compassion. Early in her career, Officer West responded to a medical call for a possible heart attack. Due to her quick thinking and reaction, the subject survived and she is credited with saving the subject's life.

3. Proclamation – Hunger Awareness Day

MAYOR DUNN was joined by Donna Rogers, Director of Resource Development, United Food Bank as he read a proclamation proclaiming June 5, 2007, as Hunger Awareness Day, and thanked the United Food Bank for their commitment to the region and citizens of Chandler.

Ms. Rogers thanked the Mayor and Council for this proclamation and encouraged everyone to reach out to those who are in need.

4. Proclamation – National Public Works Week

MAYOR DUNN was joined by Gregg Capps, Water Resources Manager, and Russ Slotnick, Engineering Assistant and Public Works Employee of the Year for the Engineering Division, as he read a proclamation proclaiming May 20-26, 2007, as Public Works Week.

UNSCHEDULED PUBLIC APPEARANCES:

There were no unscheduled public appearances.

CONSENT:

MAYOR DUNN stated that Item #15 (Real Property Acquisition) would be continued to June 14, 2007. A request for continuance to June 28, 2007, has been submitted by the unsuccessful bidder on Item #30 (Cactus Towing Amendment).

COUNCILMEMBER WENINGER requested that Item #42 (Iguana Mack's Use Permit) be moved to the Action Agenda.

COUNCILMEMBER ORLANDO asked why Item #30 is being requested for continuance simply because counsel for the unsuccessful bidder could not be present. CITY ATTORNEY HOUSE explained that the request was from the attorney for Auto Citi Towing, which was the unsuccessful bidder when the contract was originally awarded. They are asking for a continuance because they are making allegations regarding the ownership of this company and asking for an audit of police tows that have been done by All City Towing for Chandler.

COUNCILMEMBER SEPULVEDA asked if the audit would be performed by the City whether or not this contract extension is awarded. Mr. House said that there may be no reason for the City to audit the contract. PURCHASING MANAGER ROBERT COMBS responded that nothing substantial was presented that would warrant an audit. Staff's recommendation is to extend the contract.

MAYOR DUNN said that the reasons indicated for counsel not being present are personal. Allegations are also being made, but it is not clear if there is anything to substantiate those claims. He questioned if the extension were to be awarded and some of these allegations were found to be true, how the contract would be affected. He asked Mr. Combs if he is aware of any truth to the accusations in terms of how Chandler citizens are being served. MR. COMBS responded that the first accusation deals with ownership, trade name designations and separate companies and would not affect the contract as currently written. The contract was originally awarded to ATC Towing, LLC dba Cactus Towing. ACT Towing asked the City to change it to ATC Towing, LLC dba All Citi Towing which is a fairly common practice.

Mr. Combs continued that the letter also refers to over charges claimed by Cactus in the previous contract period. They then refer to over charging after the current contract was awarded in 2006. There is no reason to suspect that there have been over charges in Chandler and there have been no citizen complaints.

He commented that the final paragraph relates to an investigation into some of the principals of Cactus Towing by the Maricopa County Sheriff's Office, however, no indictment has been made.

COUNCILMEMBER WENINGER asked Staff if this would cause a delay if this item were continued for two weeks. MR. COMBS said it would not.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER WENINGER, TO APPROVE THE CONSENT AGENDA AS AMENDED WITH ITEM #15 CONTINUED TO JUNE 14<sup>TH</sup>, ITEM #30 CONTINUED TO JUNE 28<sup>TH</sup> AND THE PLACEMENT OF ITEM #42 ON ACTION.

COUNCILMEMBERS ORLANDO AND CACAMMO stated they would be voting nay on Item #29 (Allied Waste extension).

MOTION CARRIED UNANIMOUSLY (7-0) WITH THE EXCEPTIONS NOTED.

1. MINUTES:

APPROVED, as presented, minutes of the Chandler City Council Special Meeting of May 7, 2007, and the Regular Meeting of May 10, 2007.

2. RIGHT- OF- WAY VACATION: SWC Old Germann/Stearman Ord. #3810

ADOPTED Ordinance No. 3810 authorizing vacation of a portion of the Old Germann Road right-of-way alignment at the SWC of Old Germann Road at Stearman Drive for a fee of \$48,083.00.

3. REZONING: Chandler Airport Commerce Park Ord. #3869

ADOPTED Ordinance No. 3869, DVR05-0039 Chandler Airport Commerce Park, rezoning from AG-1 to PAD for a commercial office and industrial business park development on approximately 80-acres south of the SEC of McQueen and Queen Creek roads.

4. POWER DISTRIBUTION EASEMENT: SRP Ord. #3902

ADOPTED Ordinance No. 3902 granting a no-cost power distribution easement to Salt River Project (SRP) for electrical service to the new recreation center at Tumbleweed Park at Germann and McQueen roads.

5. AERIAL EASEMENTS: SRP Ord. #3909

ADOPTED Ordinance No. 3909 authorizing the assignment to Salt River Project (SRP) of certain aerial easements acquired by the City of Chandler for the Riggs Road (Arizona Avenue to Gilbert Road) improvement project.

6. LAND EXCHANGE: SEC Queen Creek / McQueen Ord. #3913

ADOPTED Ordinance No. 3913 authorizing the exchange of approximately 44.48 acres of land between the City of Chandler and Chandler Airport Property Investors Limited Partnership at the SEC of Queen Creek and McQueen roads and authorized an amount not to exceed \$75,000.00 for expenses related to this agreement.

7. TRANSMISSION / AERIAL EASEMENT: SRP Ord. #3918

ADOPTED Ordinance No. 3918 granting no-cost transmission and aerial easements to Salt River Project (SRP) to accommodate the relocation of 69 kilovolt (kV) electrical facilities along Pecos Road for the Cooper Road/Pecos Road Improvement Project.

8. REZONING: The Serrano Building Ord. #3919

ADOPTED Ordinance No. 3919 DVR07-0008 The Serrano Building, rezoning from City Center District (CCD) to CCD with a PAD overlay for additional building height for a new building at the SWC of Boston and Washington streets.

9. ANNEXATION: Germann / Arizona / Hamilton Ord. #3923

ADOPTED Ordinance No. 3923 annexing portions of the Germann Road right-of-way between Arizona Avenue and Hamilton Street.

10. ANNEXATION: Queen Creek / Lindsay / Eastern Canal Ord. #3911

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3911 annexing the north half of the Queen Creek Road right-of-way between Lindsay Road and the Eastern Canal.

ARS §9-471(N) allows county right-of-way with no taxable real property to be annexed to an adjacent city by mutual consent of the city's governing body and the county's board of supervisors.

The Queen Creek Road right-of-way, running east from the Eastern Canal to Lindsay Road, is partly within Chandler's city limits (south half) and partly within the jurisdiction of Maricopa County (north half). The subject property consists of a single parcel that constitutes the north half of the right-of-way between the Eastern Canal and Lindsay Road and is adjacent to the City of Chandler along its entire length. The annexation of this parcel will result in the inclusion of the full right-of-way of Queen Creek Road between the two referenced points within Chandler's control and responsibility.

The annexation process available under ARS §9-471(N) requires that the City adopt an "ordinance of intent" to annex the right-of-way. If approved by the City, a request for annexation, together with a copy of the ordinance, will appear as a published agenda item at a regular meeting of the Maricopa County Board of Supervisors. If the County approves annexation, the right-of-way parcel will be annexed into the City.

11. REZONING: Gateway Office Park Signage

Ord. #3926

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3926, DVR07-0011 Gateway Office Park Signage, rezoning from Community Commercial (C-2) to PAD with PDP for new monument signage at the SWC of Chandler Boulevard and McClintock Drive. (Applicant: Young Electric Sign Co., James Carpentier; Owner: McChandler, Inc., Mahmood Arirrezvanj.)

The request is to place a 10' high monument sign with four tenant panels on the northern half of the parcel along Chandler Boulevard just west of the main driveway entrance. Since code permits only two tenant panels per sign on C-2 zoned property, the parcel must be rezoned so that it is all PAD in order to approve a signage PDP that includes a four-panel monument sign.

The proposed monument sign is in accordance with the Sign Code in all aspects except the number of panels. In order to justify the number of panels, the sign is designed to be only 10' in height, to be non-illuminated (code allows one illuminated sign of up to 14' in height at this location), and to be constructed of quality materials including individually mounted letters that draw on the building architecture. The application also proposes additional ground cover landscaping to be installed around the base.

The Gateway Office Park is an existing office development with an atypical zoning history. Though only one parcel today, its northern half (formerly a separate parcel) was zoned C-2 in 1974. The parcel's southern half was zoned Planned Industrial District (I-1) along with the Stellar Industrial Park in 1979. In 1986, both halves of the parcel were zoned PAD for an office and retail development, but after a couple of extensions, the zoning lapsed and reverted to its former C-1 and I-1 designations. Office construction began on the C-2 zoned northern half in 2004, while in the same year, the southern half received PAD zoning and PDP approval in order to complete Phase II of the complex. The sign plan, approved in 2004 with the PDP, did not exceed Sign Code regulations.

This rezoning and PDP request addresses that office park monument signage and is not intended to affect the land uses. Building signage is not part of the request. Office uses will continue to be permitted throughout the complex.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on April 12, 2007. 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.

12. INTERGOVERNMENTAL AGREEMENT: ADOT

Res. #4068

ADOPTED Resolution No. 4068 authorizing an Intergovernmental Agreement with the Arizona Department of Transportation (ADOT) for the design and installation of dynamic message signs in the amount of \$400,000.00.

The City has received a Federal Congestion Mitigation and Air Quality (CMAQ) grant to design and install two dynamic message signs and link them to the City's Traffic Management Center, the Fire Department's Emergency Operations Center and ADOT's Traffic Operations Center. The dynamic message signs will provide drivers with real-time advisory notices on traffic congestion, accident information, detour information, Amber alerts and other information that will help them avoid trouble locations on the arterial and freeway system.

The project will relocate one existing dynamic message sign on Chandler Boulevard, east of Kyrene Road to a new location on northbound Arizona Avenue, south of the Loop 202. The exact location for these signs will be determined during the design phase and will fit with the design of new commercial developments and planned capital improvement projects on Price Road.

The total cost of the project (including design construction) is \$400,000.00 with 94.3% coming from a Federal CMAQ grant and 5.7% City funds.

The City is doing the design of the signs and ADOT will reimburse the City 94.3% of the cost with Federal CMAQ funds, up to a maximum amount of \$94,250.00. Once design is completed, ADOT will bid and award a construction contract to install the signs and connect them to the City's Traffic Management Center, Fire Department Emergency Operations Center, and ADOT's Traffic Operations Center. ADOT will use the remaining Federal funds for the construction, with the City being responsible for a minimum 5.7% match.

13. PROJECTS SUBMISSION: 2008 Highway Safety Plan Res. #4075

ADOPTED Resolution No. 4075 pertaining to the submission of projects for consideration in Arizona's 2008 Highway Safety plan.

The Governor's Office of Highway Safety (GOHS) has notified the Police Department that they are requesting submission of proposals related to all aspects of highway safety for the 2008 Federal Fiscal Year, which commences on October 1, 2007.

In the past, the Police Department has been successful in obtaining awards from GOHS including two awards under the FY 2006 program for traffic laser equipment and motorcycle helmets with communications equipment. In FY 2007, the Department received an award to purchase portable breath testing equipment

14. AGREEMENT: Commercial Reinvestment Res. #4076

ADOPTED Resolution No. 4076 authorizing a Commercial Reinvestment Program Agreement between the City of Chandler and Ethan Christopher AZ, L.L.C. for renovation assistance at 2031 N. Arizona Avenue in an amount not to exceed \$325,000.00 to renovate and replace the former Kmart Garden Center space with small retail shops and enhance the appearance of the building and property.

Arizona Avenue is an aging commercial corridor that has lost major tenants as new retail developments such as Chandler Fashion Center have become major magnets for new tenants and other ancillary uses. Older existing shopping centers have begun to experience rising

vacancy rates caused by increased competition, tenant relocations, small business closures and greater costs to upgrade older building facilities to meet market standards. To that end, the intent of the Commercial Reinvestment Program was created to encourage private reinvestment in older existing retail centers within designated areas of the City that exhibit greater vacancy rates higher than city-wide averages and/or buildings that were constructed at least 15 years ago.

The former Kmart building has been vacant since the Spring of 2002 and at times the center has suffered with a vacancy rate in excess of 70% since Kmart closed. Currently, the old Kmart space is 100% vacant.

The proposed improvements to the building and property are compatible with the intent of the Commercial Investment Program. The project will dramatically change the appearance of the property with completely renovating the façade facing Warner Road replacing the 2,893 sq. ft. former garden center with 9,179 sq. ft. of small retail shops.

Basic terms of the Agreement are:

- ❑ Ethan Christopher AZ, LLC, will invest approximately \$651,962.00 in the renovation of the building façade and creating the small retail shops.
- ❑ Complete renovation of one of the older shopping centers on north Arizona Avenue will help ensure long-term viability of the shopping center by attracting a high-quality anchor tenant and encouraging reinvestment in surrounding properties.
- ❑ The City of Chandler Commercial Reinvestment Program funds up to 50% of renovation costs. The City's investment in the renovation of and replacement of the former garden center space at 2031 N. Arizona Avenue as a percentage of estimated project costs is 50%.
- ❑ The City of Chandler will contribute up to \$325,000.00 to the project to assist with the costs of improvements.

15. CONTINUE PROPERTY ACQUISITION: SWC Chicago / Washington Res. #4077

CONTINUED TO JUNE 14, 2007, Resolution No. 4077 determining that the acquisition of real property at and near the SWC of E. Chicago Street and S. Washington Street for the construction and development of a new City Hall complex and related off-street parking is a matter of public necessity; authorizing condemnation proceedings to acquire said real property and to obtain immediate possession thereof, and authorizing such relocation assistance as may be required by law.

16. CONTINUE PRELIMINARY DEVELOPMENT PLAN: Holiday Inn / T-Mobile

CONTINUED TO JUNE 14, 2007, Preliminary Development Plan PDP06-0061 Holiday Inn / T-Mobile for a wireless communications facility located on top of an existing hotel at 1200 W. Ocotillo Road to allow provision of additional information regarding design for the proposed facility. (Applicant: Steve Ciolek, T-Mobile; Owner: North Face Investments, LLC.)

17. PRELIMINARY DEVELOPMENT PLAN: Sunbelt Equipment Rentals

APPROVED Preliminary Development Plan PDP06-0062 Sunbelt Equipment Rentals, for site layout and building architecture for an equipment rental facility on approximately 2.8 acres at the

NWC of Pecos Road and Hamilton Street within the Bogle Business Park. (Applicant: Jeffrey Wogan, Gentec Architects & Engineers.)

The site is bordered by Pecos Road to the south. Existing residential subdivisions are located south of Pecos Road. To the north, east and west are vacant properties zoned for business park uses as part of the Bogle Business Park.

The site received conceptual PAD zoning for business park uses in October 1987 as part of the approximate 52-acre Bogle Business Park. Various parcels within the business park have developed including the Old Castle pre-cast concrete vault manufacturer located west of the subject site. The majority of parcels within the Bogle Business Park are planned for industrial business park uses with the potential for compatible commercial uses located along the Pecos Road and Hamilton Street intersection. The majority of parcels along the business park's perimeter are vacant.

The proposed equipment rental facility will be open Monday through Saturday 8 a.m. to 6 p.m.. The business provides construction equipment rentals for the construction contractor community as well as the general public. The applicant represents the majority of business is conducted over the phone through equipment orders with minimal rental clientele needing to visit the site. The company provides off-site delivery services for the equipment or allows renters to pick up the equipment themselves.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held April 11, 2007. There were no neighbors 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. 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. PDP06-0062, Sunbelt Equipment Rentals.
  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. Equipment storage shall occur no higher than the screen wall.
  6. All equipment servicing shall occur within the enclosed building
  7. 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.
  8. The landscaping shall comply with the Commercial Design Standards.
  9. The storage and/or staging of the equipment taller than the height of the screen wall for the purposes of display is prohibited.
18. CONSTRUCTION BOND TERMINATION: Cox Communications

APPROVED Termination of the construction bond for Cox Communications, Inc. related to its cable television system building.

On May 15, 1995, the City Council approved a cable television license agreement with American Cable Television, Inc. dba Dimension Cable Services, which subsequently became Cox Communications, Inc. (Cox). This agreement called for the reconstruction or rebuilding of the existing cable network in order to provide an upgraded redundant system that used fiber optic transmissions in anticipation of digital, telecommunication and interactive services. It also called for a construction bond to be in place during this construction so the City might recover any damages, losses or costs suffered by the City resulting from the failure to complete the construction.

The construction of the rebuilt system is complete and any additional construction is to expand the cable television system rather than rebuild it. Cox has requested that they be allowed to terminate the related construction bond. The license agreement allows for such termination upon City Council approval per Section 7.05C of its license agreement. The City still holds a Letter of Credit if there is a need to recover any funds for acts or defaults for any penalties, liquidated damages, claims, liens and taxes due to the City that arise from the construction, operation or maintenance of the cable system.

19. BOARD AND COMMISSION APPOINTMENTS

APPROVED the following board and commission appointments:

Airport Commission: Chelle Daly, Patrick McCorkle

Architectural Excellence Award Committee: Carolyn Rhinehart, Steve Venker

Architectural Review Committee: Ross Robb

Arts Commission: Carolyn Rhinehart, Mary Lou Stewart

Board of Adjustment: Kristian Kelley, Carl Nelson, Pat Olson, Steve Rittmanic

Citizens' Panel for Review of Police Complaints and Use of Force: Stephen Barnes, George Bressler, Lupe Deihl, Steve Greenhalgh, Chris Manzo, Fred Pilon, Les Bartlett

Cultural Foundation Management Board: Jessica Blanco, Bernadette DeAngelis, Mark Knight, Ernie Serrano

Domestic Violence Commission: Robert Blatz, Don Colvin, Jami Cornish, Anthony Vidale

Economic Development Advisory Board: Camille Casteel (ED), Karen Cupps (CCC), Garry Hays (AL), Maria Hesse (ED), Heidi Schaefer (UT), Pete Wentis (RE)

Housing and Human Services Commission: Rob Barney, Ross Lemire, Sharon Rosner, David Soletski, Kelly Vickrey

Human Relations Commission: Lisa Butters, Myles Lynk, Kay McDonald, Zarreen Saleem

Library Board: Kimberly Pope, Shashi Rao Karpur, Jessie Reed

Mayor's Committee for People with Disabilities: Kim Foy, Mary Travis, Henry Watkins

Mayor's Committee for the Aging: Barbara Bradley, Virginia Tells

Merit System Board: Anne Garbayo, Darrel Guynes

Museums Advisory Board: Jim Ryan, Jay Tibshraeny

Neighborhood Advisory Committee: Tony Horn, Sanjay Sangani

Parks and Recreation Board: Michael Buscaglia, Dana Butler, Rick Heumann

Planning and Zoning Commission: Leigh Rivers

Public Safety Personnel Retirement Boards Fire and Police: Larry Roberts

Transportation Commission: Jim Fordemwalt, Jack Sellers, David White

## 20. WATER/WASTEWATER RATE DESIGN COMMITTEE RECOMMENDATIONS

ACCEPTED the Water/Wastewater Rate Design Committee Recommendations. During the last several years' budget presentations, Staff has been briefing the Mayor and Council that a water and wastewater rate increase would be needed in FY 07/08. Two distinct and separate actions will be required to increase these rates. The first action is acceptance of the rate structure recommendation. The second action is preparing a rate increase using the Council recommended rate structure. It is anticipated that the notice of intention to increase rates would be brought to Council for approval at the June 14, 2007, Council meeting and that the rate increase would be effective for all billings on and after October 1, 2007.

On November 16, 2006, the Council approved the formation of a Water/Wastewater Rate Design Committee and appointed eight citizens to serve on the committee. Their responsibilities were to:

- become familiar with the Utility's financial and rate structures;
- examine proposed rate design alternatives;
- identify issues and concerns likely to be raised by affected community interests;
- ensure that community values and concerns are reflected in developing recommended water and wastewater rate structures; and
- make a recommendation to the Mayor and Council on rate design.

The Committee met four times from December 2006 to March 2007 to examine and discuss rate design alternatives and formulate recommendations. Red Oak Consulting presented information and facilitated each of the meetings and Management Services and Municipal Utilities Staff were present to address specific questions and concerns raised by the Committee.

The current water rate has been in place since November 1, 1984, and the current rates within that structure have been in place since October 1, 2004. The current wastewater rate structure has been in place since November 1, 1983, with the exception of the differential between the flat fee for single and multi-family dwelling units and the current rates within that structure have been in place since October 1, 1997.

The proposed water and wastewater rate designs were prepared assuming that the proposed water and wastewater rates would recover the same revenues as expected to be generated using the current water and wastewater rates – the structures are revenue neutral overall to the City. The proposed rate designs are intended to result in varying impacts to individual customers.

21. PROGRAM RENEWAL: Commercial Insurance Coverage

APPROVED Program Renewal for commercial insurance coverage and services for FY 2007/08 to various firms for a combined total of \$876,534.00.

For the past 30 months, commercial property and casualty insurance rates have been flat. Factors influencing the insurance market include, but are not limited to:

- Number of insurers with underwriting capacity willing to insure large entities;
- Pressure brought on Underwriters by Risk Managers;
- Downward insurance cycle, brought on by fewer catastrophic losses.

Property: For the City of Chandler, total property values continue to increase because of the relentless increase in building cost, pushing replacement values up, and in turn, causing premium increases. Based on our pro-active approach to managing the risk, including regular safety audits of our facilities and loss control measures taken, there were no property losses. The property deductible is \$50,000.00.

The property insurance policy is rather broad covering buildings, contents, vehicles valued in excess of \$50,000.00, and equipment, as well as boiler and machinery coverage. As in previous years, there is a \$50,000.00 deductible for all perils, not including earth movement and flood with a \$100,000.00 deductible.

Liability: The City is extremely active in defending claims and lawsuits. During the past 12 months, our excess insurers made no payments on behalf of the City; all settlements made were part of our \$2 million self-insured retention (SIR) for liability losses. Active safety and loss control programs, risk avoidance and other programs helped eliminate and mitigate losses.

The City's current liability program includes:

- Insurance Co of the State of PA, \$10 million excess of \$2 million
- Lexington, \$20 million excess of \$12 million.

Workers' Compensation: The City is self-insured for the first \$500,000.00 of loss for workers' compensation. Excess of our retention, there is a policy to protect the City against catastrophic loss. The City continues to focus on loss control and safety measures to mitigate losses.

In comparing recommended coverage and associated premium for fiscal year 2007-08, the previous year total premium decreased from \$935,662.00 to \$886,534.00 for a \$59,128.00 reduction. The property and liability premiums decreased for several reasons including excellent loss experience and competition among insurers.

For fiscal year 2007-08, the City requested up to four insurance underwriters to provide quotations for each line of insurance.

Staff recommends obtaining property insurance coverage from Allianz with a premium of \$257,871.00, including terrorism risk insurance. Several insurers provided quotations; the recommendation goes to Allianz with the broadest coverage. The property rate decreased from .088 to .068 per \$100.00 of value from the last fiscal year. Terms and conditions on average with Allianz were slightly better than other property insurers. This is the second year of the Allianz program.

A review of the financial implication associated with adjusting the deductible level does not warrant a change in the retained risk for property coverage at this time.

For fiscal year 2007-08, Staff recommends no change in limits or structure of the program. Even though the limits remain the same, premiums will decrease from \$543,967.00 to \$476,052.00. Staff recommends the following insurers:

- ❑ Insurance Co. of the State of PA, \$10 million excess of \$2 million
- ❑ St. Paul Surplus Liens, \$20 million excess of \$12 million

Last year, Council approved a \$30 million liability insurance program excess of \$2 million self-insured retention. A review of the financial implication associated with adjust the SIR level does not merit a change in the attachment point of excess insurance.

Staff recommends placing the Crime policy with Fidelity & Deposit of Maryland (Zurich) with an A.M. Best rating of Axv for \$5,965.00, slightly less than the previous year. Coverage included state required bonds for the Management Services Director and Accounting Manager.

Staff recommends renewing the Underground Storage Tank Liability policy with Illinois Union Insurance Company (a subsidiary of ACE) for \$24,258.00, including terrorism coverage. The premium decreased slightly from the previous year. Policy limits are \$1 million per tank, with a \$25,000.00 per incident deductible. Coverage complies with the financial responsibility mandates of the Environmental Protection Agency. The coverage includes Airport fueling facilities and various water production facilities.

Staff recommends maintaining \$50 million coverage limit under the Airport Owners and Operators liability insurance for \$38,213.00 with ACE, USA. The premium includes commissions with identical terms and conditions as the previous year. Premium funding is through the Airport budget. Airport Staff is aware of the coverage and anticipated premium.

Staff recommends renewing the Excess Workers Compensation insurance coverage with Midwest Employers Casualty (A.M. Best rating A), with a deposit premium of \$74,175.00 including terrorism coverage. The rate for this program has decreased slightly over the previous year from .0786 to .0770. Based on an increase in payroll from the previous year, even with a reduced rate, the premium is slightly greater than last year. Coverage is excess over our \$500,000.00 self-insured retention, with statutory limits for workers' compensation, and a \$2 million limit for employers' liability.

Staff, in conjunction with our new broker, Willis of Arizona, negotiated the 2007-08 insurance program. The team assigned to the City account specializes in Arizona public entities. Premiums are net of commissions with the exception of the airport coverage. The total cost to insure the City decreased \$59,128.00 from the previous year.

22. AGREEMENT: The Arizona Republic

APPROVED an Agreement with The Arizona Republic for employment advertising, utilizing Maricopa County's contract, in an amount not to exceed \$85,000.00.

In order to meet growing and significant needs of the citizens of Chandler, it is imperative that the City aggressively seeks out the best-qualified candidates to fill vacant positions. Advertising must reach the potential candidates both in and out of state and must be able to entice candidates to apply for City of Chandler positions. Current data indicates that most of our applicants are initially attracted to the City's open positions by reviewing Chandler's weekly ads in The Arizona Republic. The contract with Maricopa County will allow the City to continue to publish ads in The Republic at a significantly reduced cost.

23. AGREEMENT INCREASE: Allied Waste

APPROVED a \$15,000.00 Agreement increase for City facilities refuse collection with Allied Waste Transportation, Inc. for a total amount not to exceed \$85,214.00.

In June 2006, the City Council awarded a contract for City facilities refuse collection to Allied Waste Transportation, Inc. in an amount of \$70,214.00. Staff has estimated an additional \$15,000.00 will be required for the remainder of the contract, which expires July 31, 2007. The increase is due to additional City facility openings, unscheduled collections and an increase in container size and frequency at several existing City locations.

24. AGREEMENT AMENDMENT: Freightliner Sterling Western Star of Arizona

APPROVED an Agreement amendment with Freightliner Sterling Western Star of Arizona upgrading to the Cummins engines from Mercedes engines at no-cost to the City.

On March 5, 2007, Council approved the purchase of six trucks from Freightliner Sterling Western Star of Arizona in an amount of \$628,780.00. The contractor has requested to substitute Cummins engines for the Mercedes engines that were awarded. The reason for the substitution is that there are delays in obtaining the 2007 emission certification on the Mercedes engine. Staff concurs with the substitution.

25. AGREEMENT AMENDMENT: Abitibi Consolidated

APPROVED Agreement Amendment No. 2 with Abitibi Consolidated for the recycling material recovery facility.

In May 2000, the City Council awarded an agreement for Recycling Material Recovery Facility to Abitibi Consolidated. The contract included a five-year term beginning July 1, 2000, through June 30, 2005. In May 2005, the Mayor and Council approved Amendment 1 extending the contract through June 30, 2009, continuing the education supplement of \$0.25 per ton and increasing the minimum payment to the City from \$6.50 to \$18.00 per ton for recyclables collected.

Amendment II increases the education supplement from \$0.25 per ton to \$1.00 per ton. The education supplement will increase to \$2.00 per ton upon the City achieving a contamination rate less than fifteen (15) percent.

26. AGREEMENT: Sanborn Map Company

APPROVED an Agreement with Sanborn Map Company for Digital Elevation Model (DEM) and planimetric update mapping in an amount not to exceed \$60,736.00.

The City currently has planimetric linework (back-of-curb, front and back of sidewalk and edge-of-pavement) that was professionally digitized from October 2002 aerial photography. This data serves many purposes including APWA accreditation, landscape median designs and Council map exhibits. This update will bring the linework up to date. The work will include updating the existing digital elevation model and generating the linework from the new aerials. Updating is necessary to ensure horizontal accuracy in the City's GIS system.

27. AGREEMENT EXTENSION: Safeway Signs Co. and Zumar Industries, Inc. of Arizona

APPROVED a one-year Agreement extension with Safeway Signs Co. and Zumar Industries, Inc. of Arizona for the purchase of traffic signs and related hardware material in an amount not to exceed \$55,000.00.

Annually, Traffic Engineering's preventive maintenance program replaces approximately 1000 traffic signs and posts due to damage, age and new requirements. A term contract is necessary to compensate for the long lead times by carrying an inventory of materials and to establish firm pricing for the historically high use items for the required traffic signs and related hardware. The City will purchase the needed materials from the vendor with the lowest price.

28. AGREEMENT EXTENSION: Artistic Land Management

APPROVED a one-year Agreement extension with Artistic Land Management for Municipal Utilities facilities landscape maintenance in an amount not to exceed \$148,867.00. This extension reflects a five percent increase due to labor increases and fuel costs.

29. AGREEMENT EXTENSION: Allied Waste Transportation, Inc.

APPROVED a one-year Agreement extension with Allied Waste Transportation, Inc. for City facilities refuse collection in an amount not to exceed \$90,000.00. The extension reflects a three percent price increase which Staff feels is reasonable.

COUNCILMEMBERS ORLANDO AND CACCAMO voted nay on this item.

30. CONTINUE AGREEMENT AMENDMENT: Cactus Towing / ACT Towing / All City Towing

CONTINUED to JUNE 28, 2007, a one-year Agreement extension (Amendment No. 1) to Cactus Towing for Police towing service and assignment of the contract to ACT Towing LLC dba All City Towing at the request of the attorney for the unsuccessful bidder on the original contract.

31. AGREEMENT: West Valley Uniforms, Inc. dba East Valley Uniforms

APPROVED an Agreement with West Valley Uniforms, Inc., dba East Valley Uniforms in an amount not to exceed \$130,000.00. This contract supplies the Police Department's annual needs for uniforms for all patrol officers (excluding reserves), motor officers, park rangers, explorers, motorist assist volunteers, detention officers as well as some uniform-related accessories such as baseball caps and campaign hats. This contract will also allow for replacement of worn or damaged uniforms, alterations, etc.

32. AGREEMENT: Nickle Contracting, LLC

APPROVED Agreement #PR0707-401 with Nickle Contracting, LLC, for design services and construction of Desert Breeze Park Improvements in an amount not to exceed \$499,304.00 and AUTHORIZED a one-year extension to annual contract #JOC05-05 through April 18, 2008.

This project is for improvements to the undeveloped area of Desert Breeze Park north of area developed with the Desert Breeze Community Facilities. Completion of this project will connect the recently constructed portion of the park with the existing Desert Breeze Park. Improvements to this 3.5-acre parcel will include landscaping, irrigation, paths, lighting and ramadas. Construction should begin in late summer of 2007 with completion in late 2007.

33. AGREEMENT: Builder's Guild, Inc.

APPROVED Agreement #WW0707-401 with Builder's Guild, Inc. for roof replacement on the Ocotillo Water Reclamation Facility administration building in an amount not to exceed \$223,050.00.

The Ocotillo Water Reclamation Facility Administration Building, built in 1985, is in need of structural roof rehabilitation for the purpose of preventing water damage to the interior of the facility. The existing roof will be replaced with the new Met-Tile system similar to the new roofing system that was installed on the Headworks Building during the Ocotillo Odor Control Phase II project.

This contract provides for the installation of the new metal tile system, removal and disposal of existing clay tiles, roof evaluation, wood deck replacement where necessary including provisions for the treatment of wood roof structure for element exposure damage, wood fascia replacement touchup painting and removal and reinstallation of HVAC systems. Roof replacement is expected to be complete in the fall of 2007.

34. AGREEMENT AMENDMENTS: Damon S. Williams Associates LLC

APPROVED Agreement #WW044-202 report of Staff approved Amendment No. 1 in an amount not to exceed \$63,565.00 and Amendment No. 2 in an amount of \$300,000.00 to Damon S. Williams Associates LLC for arsenic treatment systems for a revised contract total of \$2,855,605.00.

Damon S. Williams Associates LLC (DSWA) was selected to provide Design and Construction Services for the City's arsenic treatment systems project. The total project budget for design and construction was \$17,702,250.00. At the onset, the engineering budget was estimated in excess of \$4,000,000.00. However, by limiting the scope, design fees were reduced for a total design effort of \$3,016,280.00 over two contracts. Given that arsenic treatment is "leading edge" technology, Staff recognized that future design efforts may be necessary, but it was prudent to deal with unknown circumstances as they arose. Two contracts were awarded; a contract for pilot testing in the amount of \$524,240.00 on February 12, 2004, and a design and construction management contract in the amount of \$2,492,040.00 on July 22, 2004.

During the course of the project, additional services were required to optimize well flows and system hydraulics. This optimization effort resulted in equipment cost savings of \$1,230,000.00

per the engineer's estimate. Staff approved Contract Amendment No. 1 for \$63,565.00 for well flow optimization in July 2004.

Contract Amendment No. 2 will compensate DDSWA for additional construction services associated with the EPA's approved compliance time extension, modifications to the equipment procurement method, and additional survey services. DSWA initially requested additional fees in the amount of \$525,000.00 for this amendment. Staff believes this negotiated values of \$300,000.00 is fair and equitable compensation and DSWA agreed to submit no further claims for additional fees. Construction services are 100% complete and eight new arsenic treatment systems are operational.

35. AGREEMENT: Carollo Engineers

APPROVED Agreement #WA0710-101 with Carollo Engineers for professional services for development of the Integrated Water, Wastewater and Reclaimed Water System Master Plans in an amount not to exceed \$612,720.00.

The 2004 Water, Wastewater and Reclaimed Water System Master Plans were updated and accepted by Council on May 13, 2004. The Master Plans govern "build-out and build-up" expansion of the City water, wastewater and reclaimed water systems infrastructure. A reliable, well-planned utility system is essential to the City successfully serving its residential, commercial and industrial customers. The Master Plans are updated every three to five years in order to stay current with growth, new regulations and technologies. This update will incorporate the City's planning direction as identified in the General Plan Update being performed concurrently with these Master Plans. The Wastewater and Reclaimed Water Master Plans also will identify technically feasible options for managing future wastewater and reclaimed water flows.

The information provided from this contract will be utilized as input to future West Chandler wastewater management planning strategies. An implementation plan and final reports will be submitted upon completion of the project.

36. No Item.

37. AGREEMENT AMENDMENT: AMEC Infrastructures

APPROVED Agreement #ST0504-201 Amendment No. 1 to AMEC Infrastructure, Inc. for the Price Road/Germann Road Improvements in an amount not to exceed \$180,221.00 for a revised contract total of \$462,932.00.

During the design phase of the Price Road/Germann Road project, a number of items were added to the scope of the contract. These additional tasks were the result of unforeseen conditions, as well as more extensive design and coordination requirements than were originally anticipated during the scoping phase.

Residents in the Germann Country Estates subdivision asked City Staff to help remediate a storm water ponding problem caused by an incorrect configuration in the neighborhood's retention basins, which were outside the City right-of-way. AMEC was tasked with additional survey, drainage analysis and design to fix this existing condition. City Staff also asked AMEC to extend their Germann Road survey, geotechnical study and design limits to the east of Dobson Road to accommodate a private development at the northeast corner of Dobson and Germann. (The

preliminary work that AMEC accomplished under this task was completed by Entellus under a separate contract.)

On Price Road, AMEC spent additional time coordinating with the Spectrum and Mammoth developments and revising their design to accommodate the private improvements. AMEC's scope was also increased in order to design a "gateway" landscaping concept for the Price Road corridor. Finally, AMEC has been asked to assist the City in preparing a submittal package for ADOT permits at the north end of the project limits, along the Loop 202 right-of-way.

Common to both Price and Germann roads was the need for considerable utility coordination beyond what was included in the original scope. Also, additional progress meetings with City Staff and stakeholder meetings with the public were necessary due to the extended duration of the design phase.

38. AGREEMENT: EMS Consulting, Inc.

APPROVED Agreement #EN0713-101 with EMS Consulting, Inc. for as-built database mapping in an amount not to exceed \$48,400.00.

The City of Chandler Engineering Division maintains an extensive file of "as-built drawings" which depict the City's infrastructure as it was constructed. The files consist of over 52,000 records representing around 8,000 plan sets. These records are available to homeowners, engineers, contractors, City Staff and other customers. However, finding a specific document can only be accomplished through a time-consuming manual review of microfilm records and logs.

Because of the difficulty in retrieving this microfilmed information for customers, Staff has been scanning all 52,000 images over the last five years. The images are now all computerized; however, they are only static images and cannot be readily accessed by the public. To make the scanned imagery easier to access and utilize, EMS Consulting, Inc will review all records, organize the images by geographic areas and link them to an internet-accessible map so they can be accessed quicker and easier. This represents a great benefit and convenience for City customers in obtaining the records they need to locate utilities, identify information on their property or design and construct new improvements.

39. AGREEMENT: SDB, Inc.

APPROVED Agreement #JOC07-04 to SDB, Inc. for restroom remodeling on the second floor of the Main Library and the second floor of Police Headquarters in an amount not to exceed \$86,683.00.

The restroom at the Main Library will undergo a full remodel including removal and replacement of existing stalls, mirrors, fixtures and countertops. The restroom at the Police Headquarters requires only a re-plumb of the water lines in the men's room.

40. USE PERMIT: Applebee's Neighborhood Bar & Grill

APPROVED Use Permit UP06-0009 Applebee's Neighborhood Bar & Grill, Series 12, for an extension of premises to sell liquor for on-premise consumption only within an outdoor patio at 1245 W. Chandler Boulevard. (Applicant: Ralph Coldiron, Thomas & King, Inc.)

The site is located west of the southwest corner of Alma School Road and Chandler Boulevard within the Park Development commercial center. North, across Chandler Boulevard is the Arrowhead Meadows single-family residential neighborhood. West, across Parklane Boulevard is an additional phase of the Park Development commercial center. South of the site, within the shopping center, is a Safeway, Staples and Home Depot. South, beyond the shopping center is the Towers Apartments at the Park Development. East of the site, within the shopping center, is a Wendy's restaurant.

The applicant is requesting Use Permit approval to allow for an extension of premises for an outdoor patio. The extension will be located on the existing building's eastside in a landscaped setting with a pedestrian walkway. Currently, there are approximately six shrubs and one tree existing that will be displaced where the patio is proposed. All of the landscaping will be replaced. The patio will not prevent pedestrian access around the site's east side or eliminate any parking spaces.

A wrought iron fence will border the patio approximately three feet in height. The patio will be approximately 452 square feet and provide seating for 34 patrons. To allow for smoking on the patio, the owner will need to install an air curtain or blower to prevent smoke from going in the establishment. The patio is located more than 20 feet from the main entrance.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on April 18, 2007. There were no neighbors 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. The Use Permit is granted for a 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. At the time of patio construction, the landscaping being removed shall be replaced with landscaping similar in size and caliber.

41. CONTINUED USE PERMIT: 84 Lumber Company

CONTINUED TO JUNE 28, 2007, Use Permit UP06-0089 84 Lumber Company, for a 1,000-gallon fuel storage tank on an industrial site at 275 E. Willis Road to accommodate the travel schedule of corporate personnel from Pennsylvania.

42. Moved to Action.

43. USE PERMIT: Dakota Duplex

APPROVED Use Permit UP07-0022 Percival – Dakota Duplex for construction of a new residential duplex on a vacant lot zoned Multiple Family Residential (MF-2) at 131 S. Dakota Street. (Applicant: Melody P. Hulse; Owner: Mike & Stephanie Percival.)

The subject site is vacant and surrounded by single-family homes and duplexes built primarily in the 1950's, 60's and 70's. The City Center District (CCD) is located one block to the east. The MF-2 zoning district requires a Use Permit for new single family homes and duplexes and the lot size does not allow for a triplex that meets density and site development requirements.

The property falls within an area designated by the Redevelopment Area Plan for Commercial/Residential. This category encourages neighborhood preservation in the short term with the possibility of high-density housing and commercial uses that support the San Marcos Hotel and City Center in the future. The South Arizona Entry Corridor Study, which has not yet been adopted, designates the subject site and surrounding area for Single Family Residential Infill with the possibility for accommodating expansion of the Cultural Entertainment Area as market demand warrants.

The application proposes to construct an approximately 1,780 square foot duplex with equally sized one-story, two-bedroom units. The duplex features frame and stucco construction, a pair of two-car enclosed carports for off-street parking and outdoor patio spaces. The building is oriented toward the north with the living spaces at the center of the structure and the carports providing the bookends on the east and west. Each unit has a 95 square foot enclosed, uncovered patio space accessed through the carport. Each carport features two windows. The side and rear property lines are to be bounded by a new 6-foot masonry wall that replaces the existing chain-link fence.

The project meets or exceeds all site development standards for duplexes, including those pertaining to minimum setbacks and covered parking spaces.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on April 30, 2007. There was one neighbor in attendance with general questions. Staff has received no correspondence in opposition to this request.

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

1. Development shall be in substantial conformance with the exhibits and representations.
2. Approval by the Zoning Administrator of all project details required by Code or condition.
3. Base landscaping shall be installed along the northern walls of the building adjacent to the driveway. Details to be worked out with Staff.
4. There shall be a landscaped strip installed along the northern property line of at least 30" in width.
5. The two front yard trees shall be shade trees rather than palm trees. The trees shall be at least 36" box in size at the time of planting.

44. USE PERMIT: Famous Sam's

APPROVED Use Permit UP07-0017 Famous Sam's, Series 6, for an extension of premises to sell liquor for on-premise consumption only within an outdoor patio area at 940 N. Alma School Road, Suites 106-109. (Applicant: Tom and Amalia Dickerson, owners.)

Famous Sam's opened this location in March 1995. The bar originally operated under a Series 12 Restaurant License until 2004 at which time a new Use Permit was filed and approved for a

Series 6 Bar License with a two-year time limit condition. The Use Permit was extended for an additional five (5) years in January 2007.

This application requests Use Permit approval for an extension of premises to sell liquor under a Series 6 Bar License for on-premise consumption within an outdoor patio. The applicant proposes a new outdoor patio to provide a smoking area in response to the new Smoke-Free Arizona Act (Proposition 201).

Famous Sam's is located at the southwest corner of Alma School and Ray roads within the Alma Ray Plaza shopping center. There are a variety of businesses in the center including a check cashing company, cell phone store, tax company and a 99-cent store. North, across Ray Road, is a commercial center formerly anchored by an Albertson's. East, across Alma School Road, is a variety of businesses located with the C-2 Community Commercial center. In-line retail shops are located immediately south of the bar.

Famous Sam's employs approximately 15-20 persons and is open seven days a week 11 a.m. to 2 a.m. and 9 a.m. to 2 a.m. during football season. The site has a fully operational kitchen and serves American food. The bar has karaoke and live music indoors during the week and on weekends. The business owners propose approximately 40 seats on the patio.

The proposed patio is located on the building's north side toward Ray Road. The patio addition replaces seven existing parking spaces. It includes a 42" high metal fence railing along its perimeter. A portion of the colonnade along the commercial center's north side along Famous Sam's is within the fenced area. However, a new 5' wide sidewalk is proposed on the patio's north and east sides along with a landscape planter. The existing colonnade, which is a covered walkway, is narrow and will not have any tables.

The applicant has agreed not to provide speakers or music on the patio, per area resident's request. However, the applicant requests to have one or more televisions with sound. The television(s) would allow patrons to watch games or play an interactive trivia game. The business owners have agreed to monitor and regulate the sound levels by turning off the sound at 10:30 p.m. Staff received one phone call from a resident requesting no televisions with sound on the patio.

The business has two primary entrances, one on the north side and the other on the east side. The patio is accessed from the bar's north entrance. The north entrance is restricted for use by smoking customers only in conformance with the Smoke Free Arizona Act. All other customers will enter/exit through the eastern entrance, which is more than 20 feet from the fenced patio area.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on March 26, 2007. There were two neighbors in attendance stating opposition to any outdoor noise. Staff received phone calls from residents supporting the patio but opposed to any televisions, speakers or music on the patio. The Police Department has been informed of the request and has no issues.

Upon finding consistency with the General Plan and C-2 zoning, the Planning Commission and Staff recommend approval subject to the following conditions:

1. The Use Permit is for a Series 6 liquor license only and any change in type 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. Any substantial change in the floor plan to include such items as, but not limited to, additional seating, patio area, or additional entertainment related uses beyond those proposed shall require reapplication and approval of a Use Permit.
4. The Use Permit is non-transferable to any other store location.
5. Landscaping in the new landscape planters is required to meet commercial design standards.
6. Speakers and music are prohibited on the outdoor patio. Televisions are allowed on the patio and must be muted with no volume at 10:30 p.m.
7. The landscaping in all open spaces shall be maintained by the adjacent business owner or property owner.
8. 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.

45. LIQUOR LICENSE EXTENSION OF PREMISES: Famous Sam's

APPROVED a permanent extension of premise for a Series 6 Bar Liquor License (Chandler #25418L06) held by Cantinas Inc., dba Famous Sam's at 940 N. Alma School Road, Suite 6. A recommendation for approval of a permanent extension of premises for State Liquor License #06070517 will be forwarded to the State Liquor Department. The Police Department has no objections and all fees have been paid and the business is in compliance with the City's Sales and Use Tax Code.

Cantinas, Inc. dba Famous Sam's at 940 N. Alma School Road, Suite 106, has been at this location since November 1995 where they originally obtained a Series 12 Restaurant Liquor License. In January 2005, they were approved for a Series 6 Bar Liquor License. To comply with the new smoking law, they are requesting a permanent extension of their alcohol serving area to include outside seating.

46. CONTINUED LIQUOR LICENSE: Fresh & Easy Neighborhood Market

CONTINUED to JUNE 14, 2007, Liquor License, Series 10, for Randy Nations, Fresh & Easy Neighborhood Markets, Inc., dba Fresh & Easy Neighborhood Market at 5805 W. Ray Road, Pad A, to allow the applicant time to complete the requirements for a new Use Permit.

47. WITHDREW LIQUOR LICENSE: My Big Fat Greek Restaurant

WITHDREW, as requested by the Applicant, Liquor License, Series 12, for Lauren Kay Merrett, Agent, My Big Fat Greek Restaurant 400 LLC, dba My Big Fat Greek Restaurant at 3305 W. Chandler Boulevard #8.

48. WITHDREW LIQUOR LICENSE: My Big Fat Greek Restaurant

WITHDREW, as requested by the Applicant, Liquor License, Series 12, for Lauren Kay Merrett, Agent, My Big Fat Greek Restaurant 100 LLC, dba My Big Fat Greek Restaurant at 900 N. 54<sup>th</sup> Street.

49. LIQUOR LICENSE: Darkhorse Sports Bar and Grill

APPROVED a Series 12 Restaurant Liquor License (Chandler #113641L12) for Ron Gordon Campbell, Agent, Darkhorse Sports Bar and Grill LLC, dba Darkhorse Sports Bar and Grill, 4020 W. Ray Road. A recommendation for approval of State Liquor License #12077082 will be forwarded to the State Liquor Department. This application reflects a change in ownership. A new Use Permit is not required as this will be a continuation of the location's previous use as Long Wong's. The Police Department reports no objections to the issuance of this license and no written protests have been received. All license, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

50. CONTINUED LIQUOR LICENSE: Tu Suong

CONTINUED TO JUNE 28, 2007, Liquor License, Series 12, for Viet Hoang Nguyen, Agent, Tu Suong, 2055 N. Dobson Road, Suites 3 & 4 to allow the applicant time to complete the requirements for a new Use Permit.

51. LIQUOR LICENSE PERMANENT EXTENSION OF PREMISE: Tom Ryan's Lounge

APPROVED a permanent extension of premise for a Series 6 Bar Liquor License (Chandler #110619L06) held by Makk Enterprises LLC, dba Tom Ryan's Lounge, 70 W. Warner Road, Suite 105. A recommendation for approval of a permanent extension of premises for State Liquor License #06070623 will be forwarded to the State Liquor Department. The Police Department has no objections and all fees have been paid and the business is in compliance with the City's Sales and Use Tax Code.

Makk Enterprises LLC, dba Tom Ryan's Lounge, 70 W. Warner Road, Suite 105, has been at this location since June 2000 when they obtained a Series 6 Bar Liquor License. To comply with the new smoking law, they are requesting a permanent extension of their alcohol serving area to include outside seating.

52. PRELIMINARY PLAT: Pollack Business Park North III Lots 1 thru 5

APPROVED Preliminary Plat PPT07-0003 Pollack Business Park North III Lots 1 thru 5, for a retail, showroom retail and light industrial development at the NEC of Arizona Avenue and Elliot Road. (Applicant: Pollack Investments.) The plat creates the lots and tracts, construction phasing lines, establishes the necessary easements and dedicates the required right-of-way.

53. PRELIMINARY PLAT: Marketplace Plaza At Fulton Ranch

APPROVED Preliminary Plat, PPT07-0004 Marketplace Plaza At Fulton Ranch, for a 17.2-acre commercial retail and office development at the NWC of Chandler Heights Road and Arizona Avenue. (Applicant: Champion Marketplace.) The plat creates the lots and tracts, construction phasing lines, establishes the necessary easements and dedicates the required right-of-way.

54. PRELIMINARY / FINAL PLAT: Dobson Town Place

APPROVED Preliminary Plat PPT07-0013 and Final Plat FPT07-0018 Dobson Town Place, for an office development on 6.4-acres in south Chandler adjacent to the Las Tiendas shopping center north of the NEC of Alma School and Queen Creek roads. (Applicant: Rick Engineering.) The plat establishes a single lot that will contain five separated buildings.

55. FINAL PLAT: Arboleda Estates

APPROVED Final Plat FPT06-0053 Arboleda Estates, for six custom homes on approximately 4 acres west of the SWC of Alma School and Germann roads.

56. On Action.

57. CONTINUE AREA PLAN / REZONING: Pinelake Condominiums Res. #4071 & Ord. #3925

CONTINUED to JUNE 14, 2007, Resolution No. 4071, Area Plan AP05-0003 Pinelake Condominiums, amendment from business park to multi-family residential land use at the SEC of Pinelake Way and Ocotillo Road AND INTRODUCTION AND TENTATIVE APPROVAL of Ordinance No. 3925 DVR05-0040 Pinelake Condominiums rezoning from PAD for business park and AG-1 to PAD for residential condominiums with PDP for a residential condominium development for property at the SEC of Pinelake Way and Ocotillo Road. The applicant is coordinating with area residents who support the project to attend the Council meeting.

58. On Action.

59. On Action.

60. On Action.

61. INITIAL CITY ZONING: SEC Chandler Heights and McQueen Roads Ord. #3927

ADOPTED Ordinance No. 3927 DVR07-0016 Southeast Corner of Chandler Heights and McQueen Roads for the establishment of initial City zoning of Agricultural District (AG-1) on an approximately 23-acre site at the SEC of Chandler Heights and McQueen roads.

62. INITIAL CITY ZONING: NWC Lindsay and Ocotillo Roads Ord. #3928

ADOPTED Ordinance No. 3928 DVR07-0017 Northwest Corner of Lindsay and Ocotillo roads for the establishment of initial City zoning of Agricultural District (AG-1) on an approximately 42-acre site at the NWC of Lindsay and Ocotillo roads.

63. INITIAL CITY ZONING: North of NWC Germann and the Union Pacific RR Ord. #3929

ADOPTED Ordinance No. 3929 DVR07-0019 North of the NWC of Germann Road and the Union Pacific Railroad for the establishment of initial City zoning of Agricultural District (AG-1) on an approximately 3.5-acre site north of the NWC of Germann Road and the Union Pacific Railroad.

64. INITIAL CITY ZONING: South of SWC of Cooper and Queen Creek Roads Ord. #3930

ADOPTED Ordinance No. 3930 DVR07-0019 South of the SWC of Cooper and Queen Creek roads for the establishment of initial city zoning of Agricultural District (AG-1) on an approximately 10-acre site south of the SWC of Cooper and Queen Creek roads.

ACTION:

42. USE PERMIT: Iguana Mack's

SENIOR PLANNER JODIE NOVAK explained that this item is for a Use Permit UP06-0092 Iguana Mack's, Series 6, for a two-year time extension to sell liquor within existing interior and exterior dining areas at 1371 N. Alma School Road. (Applicant: Amy Nations, Arizona Liquor Industry Consultants; Owner: M & M Properties, Mike Lopercio.)

The site was the original location of Chops-Classic Steak and Seafood Grill. In 2004, the business owner changed the restaurant's concept to a modern Mexican-American restaurant, Iguana Mack's. The restaurant originally operated under a Series 12 Restaurant License for approximately 17 years. In 2002, a Use Permit for a patio extension was approved. In January 2006, a Use Permit for a Series 6 Bar License was approved for service of liquor indoors and within an outdoor patio with conditions. One of the conditions included a time limit of one (1) year.

This request is for a Use Permit time extension to maintain a Series 6 Bar License for a period of three (3) years. However, the applicant has agreed to a two (2) year time period per Planning Commission's recommendation. The restaurant includes an indoor bar and restaurant dining area as well as an outdoor patio area. Some changes have occurred on the patio including an outdoor bar top with bar stools, which replaced couches, and relocation of the entryway. The bar top area includes an enclosed serving station for supplies.

The applicant has provided a summary of the security measures taken place over the past year. In the evenings, security personnel checks identification for everyone that enters and security walks the establishment. The bar employed a system that reports bar operations and generates a staff performance report once a month. This allows the owner to review identification checking, any over-serving of patrons and meeting State liquor laws. All service staff is trained prior to working at Iguana Mack's by a professional liquor consulting company. Staff is educated about state liquor laws and how to identify customer problems.

The patio's perimeter has been improved with decorative view fence and solid block walls in certain areas. The fencing allows for security to observe the perimeter from anywhere on the patio. Additional lighting and a relocated entryway for patrons allow for easier management. The owner installed a surveillance system and a hands-free communication system for staff and management. The owner and staff have a working relationship with on-duty police officers and do not hesitate to call police for minor issues. The owner and staff have weekly security meetings and review any incidents that have happened during the week and how to respond to them. The business has an internal police department call logbook to keep record of any police calls.

The request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on April 17, 2007. There were no neighbors in attendance. Staff has not received any correspondence in opposition to this request.

The Police Department has been informed of the application and has responded with no comments. The Police Department provided a call summary report for the past year. The business owner has talked with the Police Department and determined some of the calls were not related to the business; however, if people stopped in the parking lot or made a police call from that area, the business address was used as the nearest address point.

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

COUNCILMEMBER WENINGER asked when the additional security changes were made. MS. NOVAK responded that it was completed over the last year since their last Use Permit was approved. There have been no complaints from residents or businesses in the area.

COUNCILMEMBER WENINGER asked what other businesses are located in the area. Ms. Novak said that this is a single free-standing pad surrounded to the north by a strip-building containing a Chinese restaurant; to the south is another restaurant under construction and further south are office buildings. When the Use Permit was previously before Council, the previous owners of the Chinese restaurant had complaints, but that property owner is no longer there and there have been no complaints from the current owner.

COUNCILMEMBER WENINGER asked what types of businesses city-wide have the most calls for service. COMMANDER CHRISTENSEN responded that Iguana Mack's has the highest calls for service of 134 from May 1, 2006, to May 1, 2007. There is another center with the same number of calls, but there are numerous businesses sharing a large parking lot. Cmdr. Christensen said that the memo presented to Council depicts the Series 12 top 10 locations in the City and there are four in the same parking lot, so the calls count for the same.

Cmdr. Christensen continued that he spoke with the owner and there are some aspects as to the way he is operating his business where the employees feel free to call the police for any reason. When looking at the information provided in the memo, it shows such things as an attempt to locate, which means someone is looking for someone. Even though it is not a crime, it does qualify as a call for service. It cannot be equated to service of liquor at Iguana Mack's. The applicant will be meeting with a representative from the Police Department next week to work on additional security measures.

COUNCILMEMBER WENINGER asked if there is a discernable difference in the number of calls for service between the last 5 months and the 5 months prior to that. Cmdr. Christensen stated the number of calls has remained fairly consistent.

COUNCILMEMBER DONOVAN clarified that some of the calls for service could have been handled by Iguana Mack's employees. Cmdr. Christensen concurred. COUNCILMEMBER DONOVAN commented that she would not want employees to be hesitant in calling the police because of a concern with increasing their number of calls for service. How would the police department know if disorderly conduct or fight in progress calls were handled directly by the employees rather than calling the police. Cmdr. Christensen responded that they wouldn't. They would prefer to receive calls for service for disorderly conduct before it escalates to a fight.

DUIs are reported by where the vehicle was stopped. The way the business is situated, if it is on the roadway in front of the business on Alma School, the closest location is chosen. Each report would have to be pulled to determine which of the reported DUIs in the summary was for someone coming directly from Iguana Mack's or just going north on Alma School.

COUNCILMEMBER DONOVAN asked if the police department is comfortable with extending the Use Permit. CMDR. CHRISTENSEN replied yes. The owner is concerned and willing to work with the police to address the issue of public safety. The police department could contact the State Liquor Board if the owner were not being cooperative and possibly have the class 6 liquor license revoked.

COUNCILMEMBER ORLANDO asked if some of the calls of service could generate more than one statistic such as a disorderly conduct, which was also a DUI. CMDR. CHRISTENSEN responded that there are some instances where a separate report is required such as DUIs and accidents. There can be an accident involving a DUI that would show twice on the stats. If there were a disorderly conduct call that escalates to a fight, it would be one report.

COUNCILMEMBER WENINGER asked Cmdr. Christensen about limiting the extension to one year. Cmdr. Christensen responded that the length of time for the Use Permit does not effect the police department.

MIKE LOPERCIO, 1605 E. Citation Lane, Tempe, applicant, said that he did not realize the number of police calls would be an issue. He explained that because of the great working relationship they have with the Chandler Police Department, he encouraged his employees to call the police anytime they felt there was a need. There were probably times when it was not necessary. When it was discovered that the number of calls was an issue, he made changes whereby the need for calls was re-evaluated. Many of their calls are due to people who have had too much to drink and refuse to call a cab or get another ride home and restaurant personnel do not want them driving while intoxicated, so they call the police. He stated he has been in business in Chandler for 18 years and has proven himself to be responsible and willing to work with the City.

COUNCILMEMBER WENINGER commented that he still has a concern with a 2-year extension because of the high number of calls for service, even though there may be some legitimate reasons for the inflation. The City has no recourse if the Use Permit is granted for 2 years and things do not improve over the next year.

MR. LOPERCIO stated he feels that the amount of years he has worked in the City he feels he has proven himself and a one-year extension would not be fair.

COUNCILMEMBER WENINGER said he has said that he would treat all of the citizens the same and while Mr. Lopercio's service to the community has been notable, it doesn't take away from the amount of calls for service. He does not view it as punitive.

MOVED BY COUNCILMEMBER WENINGER TO APPROVE USE PERMIT, UP06-0067, IGUANA MACK'S, SUBJECT TO THE CONDITIONS RECOMMENDED BY THE PLANNING COMMISSION AND STAFF WITH THE EXCEPTION OF STIPULATION #1 CHANGING THE EFFECTIVE DATE TO ONE YEAR FROM THE EFFECTIVE DATE OF CITY COUNCIL APPROVAL. CONTINUATION OF THIS USE PERMIT BEYOND THE EXPIRATION DATE SHALL REQUIRE RE-APPLICATION TO AND APPROVAL BY THE CITY OF CHANDLER.

MOTION DIED FOR LACK OF A SECOND.

COUNCILMEMBER ORLANDO asked Mr. Lopercio about security measures taken at another of his establishment, Rigatony's, a few years ago when there were problems with vandalism. Mr. Lopercio said that they worked with the Police Department and organized a block watch-type program by meeting with neighbors in the area. COUNCILMEMBER ORLANDO reiterated that Mr. Lopercio took it upon himself to take a proactive approach before conditions became more serious.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER SEPULVEDA, TO APPROVE USE PERMIT UP06-0092, IGUANA MACK'S, SUBJECT TO CONDITIONS RECOMMENDED BY THE PLANNING COMMISSION AND STAFF.

1. The Use Permit shall remain in effect for two (2) years from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.
2. Expansion, modification or relocation beyond the approved exhibits for interior and exterior areas (Floor Plan, Site Plan and Narrative) shall void the Use Permit and require re-application and approval of a new Use Permit.
3. The Use Permit is granted for a Series 6 license only and any change of licenses shall require re-application and approval of a new Use Permit.
4. The Use Permit is non-transferable to other store locations.
5. Any substantial change in the floor plan to include such items as, but not limited to, additional bar serving area or additional entertainment related uses beyond outdoor speakers and live music shall require reapplication of the Use Permit.
6. The Use Permit is approved for the current business owner only. In the event the business is sold with the Series 6 license, the business shall require re-application and new Use Permit approval.

COUNCILMEMBER SEPULVEDA said he appreciates the questions tonight and acknowledged Mr. Lopercio's involvement in the community and his proactiveness to address issues.

COUNCILMEMBER WENINGER stated that he is shocked that there was not a second to his motion changing the time to one year. The applicant said it was an inconvenience for him to have to post the meetings and go through the process every year, but it is also an inconvenience to the Police Department to respond 134 times to the same location that lies next to a gang zone. He stated it sends a bad message that Council treats businesses differently. Council tends to closely scrutinize applications going from a 12 to a 6 saying that it is much more dangerous to have a 6 because food is not served.

MAYOR DUNN said that Mr. Lopercio's history in the City and community, speaks for him. He suggested that Council get a report every six months on the number of calls at the establishment or any other issues. MR. HOUSE said that if the Use Permit is granted for 2 years, there could be a review every six months, but there would be no grounds to revoke the permit based on the results of the report. There is a revocation procedure in the Zoning Code based on violations of Use Permit stipulations. MR. LOPERCIO said he would be happy to report every six months. Mayor Dunn said he appreciates Councilmember Weninger's concerns.

THE MAYOR DIRECTED THE CITY MANAGER AND POLICE CHIEF TO SUBMIT A REPORT TO COUNCIL AND MR. LOPERCIO FOR HIS RESPONSE IF HE FEELS IT IS NECESSARY.

COUNCILMEMBER CACCAMO said that he hopes Mr. Lopercio or his employees are not hesitant in calling the police when they feel it is necessary because of having to submit a report of calls more frequently.

COUNCILMEMBER WENINGER said that a uniformed off-duty police officer could be hired at the off-duty rate which could be a deterrent. Mr. Lopercio said they do that for special occasions and is an option for full-time.

RANDY NATIONS, Arizona Liquor Industry Consultants, 1811 S. Alma School Road, Mesa, commented that Mr. Lopercio said that in this industry, if the police are called, it is a mark against you. If you don't call the police, you get sued. He worked with Mr. Lopercio and told him he needs to be more discriminatory on the types of calls made. He said Mr. Lopercio is concerned about his patrons, as he should be. Mr. Nations said that the number of calls for service is partially his fault because he should have educated Mr. Lopercio more on what those calls involve.

COUNCILMEMBER WENINGER asked if the motion maker would be agreeable to 18 months. COUNCILMEMBER ORLANDO said he would not and he has learned from his time on Council, to treat each case separately. Mayor Dunn noted that the 6-month report would help to monitor the situation.

MOTION CARRIED BY MAJORITY (6-1) WITH COUNCILMEMBER WENINGER VOTING NAY.

56. 2007-08 TENTATIVE BUDGET

Res. #4073

ADOPTED Resolution No. 4073 approving the 2007-08 Tentative Budget. Budget Manager Dennis Strachota said that at the May 21, 2007, Special Council meeting, various one-time and on-going amendments were approved. The revised budget with these amendments is \$1,159,274,204.00 and includes a revised operating budget of \$257,926,051.00, capital expenses (non-grant) of \$654,236,182.00, funding for debt service of \$50,294,497.00, cost center interfund payment for capital replacement of \$4,240,539.00, grant expenses of \$49,967,156.00, plus a revised contingency and reserve in the amount of \$142,609,779.00. Included in the projected operation revenues of \$376,556,563.00 is a property tax levy based on a rate of \$1.20 per \$100 assessed property value.

The tentative budget and resolution with the revised budget forms as required by Arizona Revised Statutes will be available for public review and inspection at the Library, City Clerk's office and the Management Services Administration office in the Chandler Office Center on May 23, 2007.

As required, these budget forms will be published as well as a notice that the City Council will meet for the purpose of public hearing and for final adoption of the 2007-08 Budget at 7:00 p.m., June 14, 2007, and will further meet for the purpose of making tax levies at 7:00 p.m., June 28, 2007.

MAYOR DUNN complimented Mr. Strachota and his staff on the successful completion of the first billion-dollar budget.

COUNCILMEMBER ORLANDO commented that this is the first budget attempt at trying to align the priorities and goals Council has set to meet citizen expectations.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER CACCAMO, TO ADOPT RESOLUTION NO. 4073 ADOPTING THE 2007-08 TENTATIVE BUDGET.

COUNCILMEMBER WENINGER commented that after the budget amendment meeting, Pat Tyrell suggested that the study of the Chandler Non Profit Coalition might be a duplication of efforts with a study being conducted internally by the City. PLANNING DIRECTOR DOUG BALLARD said he was not familiar enough with the studies to provide a definitive answer. COUNCILMEMBER WENINGER asked what happens to the money appropriated for the

Coalition if it is a duplication of efforts. CITY MANAGER PENTZ said the money could be held in reserve or reallocated.

COUNCILMEMBER WENINGER asked if any type of accounting is provided regarding how allocated budget amendment funds are spent. MR. PENTZ responded that it has not been done in the past. COUNCILMEMBER WENINGER also suggested that at future budget amendment sessions, representatives from the requesting agencies be present to answer questions to avoid an awkward situation with Staff trying to provide information they do not have. Mr. Pentz said he and the City Attorney have reviewed the contracts for the various organizations and there are reporting requirements. He does not recall whether that information has been forwarded to Council and could possibly forward summaries to the Council.

COUNCILMEMBER ORLANDO suggested that the Budget Committee review these requests.

COUNCILMEMBER ORLANDO referred to COUNCILMEMBER CACCAMO'S budget request for adding traffic calming devices on Hunt Highway and said that it is a good idea. He directed Staff to develop some type of policy with criteria to be reviewed when these types of requests are made. MAYOR DUNN added that this would be the first time traffic calming has been used on a major arterial street.

COUNCILMEMBER DONOVAN stated that she will be voting to approve the budget, but will not be voting on the amendment for the Chandler Non Profit Coalition due to a conflict of interest.

MOTION CARRIED UNANIMOUSLY (7-0).

THE MEETING RECESSED AT 8:30 P.M. AND RECONVENED AT 8:50 P.M.

58. USE PERMIT: Music Masters Music Academy

PLANNER BILL DERMODY said that this request is for a Use Permit UP06-0079 Music Masters Music Academy to operate a music instruction business in a General Industrial (I-1) zoning district at 344 N. McKemy Avenue, Suite 1. (Applicant: Music Masters Music Academy; Owner: JGZ Properties, LLC.)

The site is located within the Southpark Business Center northwest of the intersection of Chandler Boulevard and Kyrene Road. The Southpark Business Center was zoned I-1 in 1981 and is designated by the General Plan for employment. Typical uses in the industrial portion of this business park include manufacturing, distribution, office/warehouse, and contractor operations. Heraeus has several buildings in the park and other major businesses include Crane Aerospace and Odyssey Ware.

The southeastern end of the business park is a PAD overlay district that allows office and assembly uses such as churches, day care centers and gymnastics academies in addition to the previously allow I-1 uses, but restricts the amount and placement of hazardous materials. The PAD overlay, approved in 1997, created a transitional "buffer" district between the industrial properties and retail/office uses to the southeast that could accommodate increasing demand for assembly uses in a relatively safe manner without the need for isolated Use Permits throughout the park.

North of the subject site across McKemy Avenue are the Townes at Southpark residential condominiums. Southeast of the condominiums are two buildings that received Use Permits for

office and auto glass repair uses, though the auto glass business has since relocated. Street signs prohibiting commercial traffic are posted along McKemy Avenue approximately 270 feet west of the subject site near where the road turns north.

Music Masters Music Academy, a.k.a. Life Ventures, is currently leasing the office portion of the suite in an office/warehouse building located along the south side of McKemy Avenue. Parking is located in front of the suite entrance along the McKemy frontage east of the property (McKemy Avenue forms both the eastern and northern property lines) and in the building's rear adjacent to the truck docks. The entire warehouse portion of the building (both suites) is occupied by Sound Packaging, a packaging materials business that is unrelated to music. The other office suite in the building is currently vacant. Music Masters Music Academy has operated at this location since September 21, 2006. The business owners were informed of the need for a Use Permit the next week and informed of Staff's inclination to recommend denial in November 2006, three weeks after the Use Permit application was filed. The application requests that the Use Permit be granted through at least the end of their current lease in September 2010.

Music instruction is conducted by 10 employees and contractors on a variety of instruments for students ages 4 through adult. Hours of operation for music lessons are 9:00 a.m. – 8:00 p.m. Monday through Friday, 10:00 a.m. – 2:00 p.m. Saturday and closed Sundays. Computer recording classes are also held for adults on weekday and weekend evenings. There are currently about 93 lessons per week. There are no recitals or other large gatherings held on-site in conjunction with this use. Parents wait inside for their children to finish lessons-children do not wait for rides outdoors.

The site has approximately 70 striped off-street parking spaces compared to a code requirement of approximately 178 spaces. The rear of the building, currently used for outdoor storage and truck docking, could potentially accommodate close to the 108-space shortage if it were converted to parking. There is also on-street parking available on the surrounding streets, though on-street parking is not allowed on the north side of McKemy Avenue adjacent to the condominiums. Given the office vacancy and Sound Packaging's low employee count, parking is not currently a problem.

Many of the businesses in the immediate area utilize hazardous materials, including activities such as electronics plating, chemical storage and auto body painting. Approximately seven buildings in the I-1 zoning district register hazardous materials information with the Chandler Fire Department. The subject site received a permit for a 500-gallon propane tank in 2001, but the tank has since been removed due to change in warehouse tenants.

The Fire Marshall has authority under the Uniform Fire Code to restrict businesses with hazardous materials from locating within 1,000 feet from any residence, church, school, hospital, or similar facility. This provision could prevent new industrial businesses that would normally be allowed in the I-1 zoning district from locating within 1,000 feet of the subject business depending on the Fire Marshall's evaluation.

This type of building occupancy might require additional interior improvements, including fire-rated walls, not required of industrial occupancies.

The proposed music instruction use is located within an industrial district. Recreational facilities such as music schools, dance schools, health clubs, skating rinks and gymnasiums are typically located in commercial zoning district such as Community Commercial (C-2) and Planned Area Development (PAD) for retail where they are allowed by rights. The Planning Commission and

Staff believe the proposed use is not compatible with the adjacent industrial uses and limits the potential for this area to host industrial businesses in the future.

Inherent in many industrial uses, is the potential for generating noise, odor, truck traffic, and some chemical use/storage, which are generally considered incompatible with uses such as churches, schools and recreational facilities. The incompatibilities can be safety concerns given the potential for explosions and leaks in proximity to uses that involve public congregation, especially involving children. The existing residential condominiums to the north raise similar concerns, but granting of this Use Permit would extend the incompatible uses another several hundred feet into the business park, thereby exacerbating the effect on existing and future industrial businesses.

Uses similar to the subject business have been approved by City Council in other industrial areas where they were found compatible with surrounding uses. A variety of uses have been found compatible within industrial zoning districts in Chandler including churches, gymnasiums, offices, auto sales and training centers, given the proper conditions. These conditions have included a safe and defined pick up/drop off area, prohibition of hazardous uses nearby and location near an arterial and away from much of the industrial truck traffic.

Allowing a music school to locate in the industrial park would limit the potential for this area to host industrial businesses in the future. If the requested Use Permit were granted, concerns for safety would necessitate restricting the types of occupancies immediately surrounding the subject site. With limited space for users of hazardous materials elsewhere in Chandler, it is appropriate that the industrial park containing the subject site be reserved for I-1 industrial businesses, without extra restrictions on those using hazardous materials.

The music school could operate in many other locations throughout the City, including retail centers and certain industrial areas. A PAD overlay area for office and assembly uses was previously set aside within this same business park to accommodate this type of use in a safe manner while limiting the impact on hazardous uses in the rest of the park. To grant this Use Permit would effectively extend a second transitional buffer area within the business park, further restricting the ability of this I-1 district to accommodate hazardous materials.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on April 16, 2007. There were no neighbors in attendance. Staff has received no correspondence in opposition to this request.

The applicants have obtained letters of support and signatures from many of their students and parents as well as several industrial neighbors. Several of the students write that they feel safe in the area and question the negative effect on neighboring industrial businesses, also noting that the music academy is a valuable business to the community given the lack of music education in public schools.

The Planning Commission recommends denial and found that the business is incompatible with its surroundings and would also inappropriately encumber existing and future industrial users in a "pure" industrial area. Prior to the denial motion, the Commission considered several ideas that would provide adequate time for the business to relocate, including a temporary Use Permit or direction to Staff to delay the prosecution. Ultimately, the Commission concluded that a finding of incompatibility should result in a denial recommendation due to the inability to limit future Use Permit extensions. Commissioners also commented that a temporary Use Permit would only delay the inconvenience of moving.

Tangential to the recommendation, the Commission also expressed disappointment in the lessor for allowing this business to move into a zoning district where it is not allowed and they praised the service this business provides to the community.

Upon finding inconsistency with the General Plan and Planned Industrial (I-1) zoning, the Planning Commission and Staff recommend denial. Staff does not have consent for conditions waiver signed by the property owner because they do not know what the conditions are. If Council recommends approval, there should be a condition whereby the waiver be provided to the City within two weeks.

MAYOR DUNN commented that there were a number of uses going into the area that the City felt were potential conflicts with the intended industrial use and the transitional area was developed to create an opportunity for these types of uses. Mr. Dermody added that three use permits went through before the buffer district was enacted.

COUNCILMEMBER DONOVAN asked what buildings would fall within the 1000 feet that the Fire Marshall has authority to prevent hazardous materials from being located. Mr. Dermody explained that the difference is that between the closest wall of the condo to the fall wall of the music business is approximately 340' which would be extended 340' into the park. It affects 4 buildings, some of which contain hazardous materials. The overlay district specifically forbids any new outdoor hazardous chemicals from being placed regardless of the type of business. The zoning did not have any effect on anything outside of the district. The Fire Marshall could decide to not allow hazardous materials within 1000 feet of the buildings. Mr. Dermody noted that the Fire Marshall handles these situations on a case-by-case basis and distance is taken into consideration.

COUNCILMEMBER DONOVAN referred to street signs in this residential area that prohibit commercial traffic 270' west of the site on McKemy and asked what defines commercial traffic. Mr. Dermody responded that he assumes it means trucks coming from the industrial park.

COUNCILMEMBER DONOVAN asked about a statement in Staff's memo that this type of business occupancy might require additional interior improvements. Mr. Dermody stated that the building code is different than the land use issue. Industrial properties are typically not built to the same specifications as this type of use. Sharing a building with a warehouse may present a concern. Building Code administration is handled by Staff and does not require Council approval.

COUNCILMEMBER WENINGER said that the proximity of the day care center and gymnastic business appear to be closer than the required 1000 feet from hazardous materials. Mr. Dermody explained that the Planning Commission and Staff have recognized that there are hazardous materials in immediate proximity to the church uses, but this decision is separate from the overlay district. The building the music business is located in contains a packaging materials company that does not have hazardous materials.

LANI KUBAN, 15802 S. 13<sup>th</sup> Place, Phoenix, applicant/owner, stated that Music Masters provides private music lessons to students of all ages. They opened in September 2006 with no students and no lessons. Approximately 180 days later, they teach over 100 lessons per week. Their site is located on the northwestern edge of the industrial park and the residential area is directly across the street. They believe a precedent has been set by rezoning the southeastern edge and are not asking for rezoning; just a Use Permit to continue their business. They are twice as far from any hazardous material than any building in the rezoned southeastern edge. Regarding the parking space shortage of 100 spaces, at any given time, they can teach 7 lessons which

would be a maximum of 17 cars or half of their allotted space. As shown from the rapid growth of their business, it is evident that they are providing a much-needed service during a time when arts and music are being cut from school budgets. They are members of the Chandler Chamber of Commerce and active board members in the Kyrene Music and Fine Arts Association.

COUNCILMEMBER ORLANDO asked Ms. Kuban if she is concerned about the hazardous materials in the area. Ms. Kuban said they were not aware of the zoning requirements or the hazardous materials when they chose this location. They saw the churches, day care center and karate studio and saw a vacant space attached to a warehouse. She explained a music school could not be located next to a retail space because of the noise. They have had no complaints about noise. When they were informed by the City that they had to get a Use Permit, they were made to think it was similar to a tax permit – fill out a form and get a Use Permit. Eight months later, they are still trying to get the Use Permit as their business grows.

MAYOR DUNN asked how long they intend to stay at this location. Ms. Kuban responded that they have a four-year lease and how long they stay depends on the results of this decision. They would be willing to accept a shorter term to have time to look for another suitable location. There are buildings available, but they are very expensive and it would be a financial hardship on them to move at this time.

MAYOR DUNN asked if the building owner indicated to them that this area was for industrial use. Ms. Kuban said they had a commercial real estate agent and a master of leasing agent working with them and neither indicated to them that they needed a Use Permit because of the industrial zoning.

COUNCILMEMBER WENINGER asked Ms. Kuban if they are asking for a Use Permit for the 4 years of their lease. Ms. Kuban said they have a little over 3 years remaining. COUNCILMEMBER WENINGER asked if a compromise would be acceptable if the Use Permit were approved for the remainder of their lease with the understanding that once the lease has expired, they would be expected to move to a properly zoned location. Ms. Kuban said that would be acceptable.

COUNCILMEMBER WENINGER asked the City Attorney if City's have requirements disclosing zoning similar to residential agents having to make disclosures of such things as airport noise. MR. HOUSE said he was not aware of any ordinance requiring a property owner to disclose to tenants what the zoning is. It is incumbent on the lessee to find out what the zoning is for their property.

MAYOR DUNN asked the City Attorney what the City's liability would be if the Use Permit were to be approved. MR. HOUSE responded that if the City were to tell a property owner whose property is properly zoned that they could no longer operate, there could be some potential liability. MAYOR DUNN said that it is his understanding that if businesses continues to operate in this location, the Fire Marshall could deny any hazardous materials to be located within 1000 feet. MR. DERMODY said the Fire Marshall has not indicated whether he would or would not approve hazardous uses but that he will consider everything on a case-by-case basis.

COUNCILMEMBER CACCAMO asked if the buildings housing the church, karate and childcare are industrial or transitional. MR. DERMODY replied that he believes they are built to industrial standards as this was initially planned as an industrial park. The issue in this case is that there are two different types of uses in the same building which is not the case with the church, day care or karate as they each have their own building.

COUNCILMEMBER SEPULVEDA commented that it is not anyone's intent to create a hardship for the business, but the overriding issue is safety and there are hazardous material situations in the area. He is not aware of an ordinance requirement, but there is a liability for those real estate agents to ensure that the lessee is a conforming use. He asked about hiring a commercial real estate agent, explain the zoning requirements to them, and have the agent find a suitable location. MS. KUBAN said that they had a commercial agent and looked for nearly a year for a suitable location. The locations they found were either undesirable or very expensive. A lot of the locations available were shells with four walls and a dirt floor to be completed by the lessee. This building was built out and suited their needs.

MIKE ABRAMS, 3430 E. Hazelwood Street, Phoenix, said that he works in Chandler and goes to this music academy because it is convenient. His son attends 3 classes at this school. He is concerned with the interruption of and quality of service if the business has to relocate.

COUNCILMEMBER ORLANDO asked Mr. Abrams if he was aware before this process began that there were hazardous materials in the area. Mr. Abrams responded that he was not aware and does not have concerns.

BRUCE READ, 6181 W. Linda Lane, Chandler, spoke in support of the business. He understood the issue is that Music Masters does not fit into an industrial park. He questioned if anyone was at great risk because of the location and asked how to compare any perceived risk with the loss of any benefit as he felt Chandler needs a business such as this. It is not feasible to move a business and expect the clientele to follow.

RENALDO HARSTON, 6152 W. Oakland St., Chandler, spoke in support of the request. He did not know about the hazardous materials in the area, but is not concerned.

KATHY THOMAS, 6280 W. Erie, Chandler, who owns a business in the area, was happy to see the vacant buildings beginning to be occupied. Her son is also a student at the academy. When they purchased their building, they were not told that it was a hazardous material area and it does not concern them.

JEFF HAYES, 15412 S. 16<sup>th</sup> Street, Phoenix, spoke in support of the application. They provide a good service and care about their customers.

TROY GALE, 1041 W. Palo Verde Street, Gilbert, one of the owners of Sound Packaging at 260 N. Roosevelt Avenue, Chandler, said that their business was expanding in 2004 so they leased half of a building at 344 N. McKemy to store their finished products. In January of 2006 when a business closed, they leased the other half of the building. They engaged Collier's International to lease out the office space, which was leased to Heraus who did modifications to the office and remained there for one year until they moved to another building. Collier's then found Music Masters and began subleasing the office space from Sound Packaging. They have two employees and two forklifts in this building and do not use any hazardous materials. At the time, they were unaware of any zoning concerns as their business is packaging and not real estate. They were surprised when they were informed that Music Masters was having a problem with a Use Permit.

COUNCILMEMBER SEPULVEDA asked Mr. Gale if there is anything in the subleased building that is combustible. MR. GALE responded only paper and noted the warehouse is sprinklered. COUNCILMEMBER SEPULVEDA spoke about the possible necessity for a firewall separating

the warehouse space from the office space. After the Fire Marshall makes the inspection, it may be determined that other improvements be made.

MAYOR DUNN asked whose responsibility it would be if the Fire Marshall determined more improvements needed to be made. MR. BALLARD responded that it would be worked out between the owner and the tenant. COUNCILMEMBER SEPULVEDA said that whoever leases the space is typically responsible for tenant improvements. MR. HOUSE added that if there were not the required separation, the tenant would not be able to occupy the space until it is provided. MR. DERMODY said that costs could be incurred by the applicant after the Use Permit is granted, which is typical. MAYOR DUNN said that if there are safety requirements, they have to be met in spite of what action is taken regarding the Use Permit. Mr. Ballard concurred and said Staff should have raised the issue sooner with the applicant so they understood the ramifications. Staff will be more proactive in the future.

RHONDA CLARK, 6180 W. Post Road, Chandler, spoke in support of the application. Her 3-year old son is a student taking drum lessons. Other centers she called would not take children under 8. She was not aware of any hazardous materials or safety concerns and feels a compromise can be made with the Fire Marshall to allow the lease to continue for another 3 years.

JERRY RIDDLE, 7050 W. Chandler #1, Chandler, owns a business at 56<sup>th</sup> Street and Chandler Boulevard around the corner from Music Masters. He is taking lessons from Music Masters and is playing and singing in his church and supports the request. If there is such concern, he noted there is a church and a daycare in closer proximity.

JERRY ELAM, 16823 S. 8<sup>th</sup> Street, Phoenix, spoke in support of the application. The building is not fully occupied at any one time and the safety concerns may be overstated.

MS. KUBAN thanked everyone for their time and support and hopes that the community value is recognized. She state they are agreeable to the stipulations should the Use Permit be granted. Because there were previous tenants at this location, everything should be up to code. MAYOR DUNN pointed out that there might be additional code requirements as determined by the Fire Marshall. Ms. Kuban acknowledged Mayor's comments.

COUNCILMEMBER CACCAMO asked Ms. Kuban what type of permanent improvements have been made to her business. Ms. Kuban responded that they did not make any. When asked what happens if a firewall is required, Ms. Kuban said that at this point, it is all hearsay. COUNCILMEMBER CACCAMO said that the Building Code Inspector has said it is not up to code for this use, so it is not hearsay.

COUNCILMEMBER CACCAMO asked if Ms. Kuban would be amenable to a possible continuance and work with the City's Economic Development Department in finding a more suitable location. MS. KUBAN said they are currently working with a real estate agent and have contact with the Economic Development Department. The buildings in the area are either leased or are unsuitable because it would cost too much to finish them out. The building they are in is perfect and it would be a financial hardship to have to move.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY MAYOR DUNN, TO APPROVE UP06-0079 MUSIC MASTERS MUSIC ACADEMY USE PERMIT FOR A MUSIC INSTRUCTION BUSINESS WITHIN A PLANNED INDUSTRIAL (I-1) ZONING DISTRICT WITH THE FOLLOWING STIPULATIONS:

1. A TIME LIMIT IS IMPOSED OF THREE YEARS AND THREE MONTHS. AT THE END OF THIS TERM, IT IS UNDERSTOOD BY ALL PARTIES THAT MUSIC MASTERS WILL VACATE THE PREMISES.
2. MUSIC MASTERS IS GIVEN TWO WEEKS TO GIVE A CONSENT TO CONDITIONS WAIVER, SIGNED BY THE PROPERTY OWNER, TO THE PLANNING DEPARTMENT. IF THIS CONDITION IS NOT SATISFIED, THE USE PERMIT IS NOT APPROVED.
3. THE APPLICANT SHALL COMPLY WITH ALL APPLICABLE CITY CODES AND AN INSPECTION IS TO BE CONDUCTED TO DETERMINE COMPLIANCE.

COUNCILMEMBER SEPULVEDA clarified that the motion includes the Fire Marshall inspecting the site soon to let the applicant know what costs may be incurred over and above the tenant improvements that are there. MR. BALLARD confirmed that that is his understanding. MR. HOUSE added that there might also be other building codes that will need to be complied with such as ADA compliant restrooms.

In response to a question from Mayor Dunn, Mr. House said this motion would not prevent a future Council from granting another Use Permit.

COUNCILMEMBER SEPULVEDA recalled a case when the church that is there was supposed to have a temporary Use Permit for a lot of these same reasons. Mr. Dermody said the church originally received a five-year, non-renewable Use Permit. The overlay district was created before the five years lapsed.

MOTION CARRIED UNANIMOUSLY (7-0).

59. MOTION for reconsideration of weight limits on Germann Road.

COUNCILMEMBER WENINGER said that he regretted his vote to approve the weight limits, although he respected the intention of it. He did not realize how the decision would affect numerous businesses in the area.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER SEPULVEDA, TO RECONSIDER THE WEIGHT LIMITS ON GERMANN ROAD.

COUNCILMEMBER CACCAMO said that since this item was approved, many things have changed and he will support the reconsideration and vote against the weight limits. The County Board of Supervisors imposed a stipulation on Allied Waste which took 700 + trucks off of the road in front of Playtopia and the fitness center which solved half of the problem. Supervisors Fulton Brock and Mary Rose Wilcox asked Allied if they would accept another stipulation to form an improvement district with the City and County. Allied refused the stipulation but said they would consider talking about it if it was not a stipulation. Their attorneys have contacted the County and would like to meet with the City to consider a stipulation providing another exit to the north from Hamilton. Both of those issues have mitigated the traffic problem.

COUNCILMEMBER CACCAMO clarified that the minutes approved this evening of the last Council meeting stated that the approval of a 40,000 pound weight restriction not be implemented until the City mitigated entrance and exit for the businesses so they are not impacted. It was never the intent of this Council to have any negative impact on area businesses. However, if 700 trucks were added to the traffic count of those going to Playtopia and the fitness center, there

would have been a traffic problem, which would have impacted the citizens of Chandler and those going to the park.

COUNCILMEMBER CACCAMO added that if all of the things approved at the County Board of Supervisors meeting are not complied with, the issue could be revisited. While he supports the removing of the weight restrictions now, if 700 trucks are going in front of the park, creating unsafe conditions, he will bring the issue back. It is premature to impose a weight limit without knowing what the traffic pattern will be.

COUNCILMEMBER SEPULVEDA commended COUNCILMEMBER WENINGER for bringing this forward as there is a need to move forward and work with Allied. He asked that County businesses be included in the notification area. MR. PENTZ responded that legal notification is provided on land use issues and this is not a land use issue. This issue moved quickly and there was not enough time for notification.

MAYOR DUNN also thanked COUNCILMEMBER WENINGER for bringing this forward. He also commended Allied for being willing to accept a stipulation to have their trucks moving to and from the west because of the concerns of the Chandler City Council. The City has received a letter from Allied expressing their willingness to discuss having truck traffic go north.

COUNCILMEMBER CACCAMO acknowledged the Council and Councilmember Orlando for leading the charge to looking at a weight restriction and believes that weighed heavily at the Board of Supervisors meeting.

COUNCILMEMBER WENINGER said the discussions have been helpful. He acknowledged the work of all involved.

MOTION CARRIED UNANIMOUSLY (7-0).

60. WEIGHT RESTRICTION ON GERMANN ROAD

COUNCILMEMBER CACCAMO and COUNCILMEMBER WENINGER asked for direction from the City Attorney as to how to proceed with this item. MR. HOUSE said that the passing of the motion for reconsideration rescinded the previous action so there is no direction to Staff to explore weight restrictions. If Council does not wish to impose weight restrictions, no further action is necessary.

COUNCILMEMBER ORLANDO recognized Councilmember Caccamo for looking at this issue and working with the neighbors and trying to work this out for the community. Councilmember Orlando said he would not have seconded the motion (approving weight restrictions) if it were not for the last stipulation added to work with the individual businesses impacted.

PUBLIC HEARING:

P. H. #1. Downtown Chandler Enhanced Municipal Services District.

Mayor Dunn opened the public hearing at 10:27 p.m.

DOWNTOWN REDEVELOPMENT MANAGER TERI KILLGORE said that on April 26, 2007, the City Council approved Resolution No. 4054 authorizing modification of the Assessment Diagram, making a statement and estimate of expenses for the Downtown Chandler Enhanced Municipal Services District, completing the assessment and setting the date for the Public Hearing on the assessments for May 24, 2007.

Subsequent to the April 26, 2007, meeting, Staff published notice of the date of the Public Hearing for five consecutive days in the Arizona Republic as required by Arizona Revised Statute. Staff also sent a notice of the Public Hearing to all property owners in the District. The letter advised the property owners that they could file an objection with the City Clerk. To date, one objection letter relating to six parcels has been received in the City Clerk's office.

Assessment in the District will be based on three factors including assessed value (one-third of the assessment), building square footage (one-third of the assessment) and land square footage (one-third of the assessment). All properties will be assessed at the same rate with the exception of buildings along the Historic Square which will be assessed double the building square footage rate.

Assessments for privately owned property in the District total \$259,201.00. In addition, the City will voluntarily pay an additional \$117,200.00 in a contribution to the District. Funds to provide for the City's contribution to the District have been requested in the Downtown Redevelopment budget request for 2007-08.

The intent of the protest is that the protestor, Lloyd's Auto, felt it was unfair that the City is trying to acquire their property as part of the proposed City Hall complex. It is unfair to both assess their property and try to acquire it at the same time. The assessment is instituted by Council but is actually assessed by the Enhanced Municipal Services District. If the City were to acquire the property, the City would also acquire the responsibility to pay the assessment.

COUNCILMEMBER ORLANDO clarified that if the company is still in business and owns the property, they would be assessed. If the City were to acquire the property, the City would be responsible. It would be prorated as long as they are doing business in the district. MR. HOUSE said that the assessment would come out in the fall with the property tax assessment. The assumption is that we will have acquired the property by then, but if we have not acquired the property by that time, the assessment would be handled through the negotiations for the purchase of the property. If the City is not able to purchase the property and Council authorized condemnation, it would be handled through that process. COUNCILMEMBER ORLANDO asked that be relayed to the applicant.

COUNCILMEMBER WENINGER asked when the assessment starts. Ms. Killgore said it begins July 1, 2007, and ends June 30, 2008 (FY 2007-08), payable with the property tax in the fall and spring. The assessment for all of the parcels combined is \$3,189.00. COUNCILMEMBER WENINGER asked what would happen if they were assessed and charged August 1<sup>st</sup> and the City acquires the property August 5<sup>th</sup>. – if the owner would be reimbursed for the time they did not occupy the property they were charged for. Ms. Killgore said it could be considered in the terms of the acquisition. Mr. Pentz added that it would be treated as property taxes whereby the owner would pay for the time they owned it within the tax year and the City would pay for the portion they owned it.

The Mayor closed the public hearing at 10:33 p.m.

65. FY 2007-08 ANNUAL ASSESSMENT

Res. #4078

Resolution No. 4078 authorizing the FY 2007/08 annual assessment for the City's Downtown Chandler Enhanced Municipal Services District.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY VICE-MAYOR HUGGINS, TO ADOPT RESOLUTION NO. 4978 AUTHORIZING THE FY 2007-08 ANNUAL ASSESSMENT FOR THE CITY'S DOWNTOWN CHANDLER ENHANCED MUNICIPAL SERVICES DISTRICT.

MOTION CARRIED UNANIMOUSLY (7-0).

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

MAYOR DUNN announced that the Neighborhood's Arizona Conference was held this past weekend and was very beneficial for all attendees. He thanked the Leadership Center for their support of neighborhoods and City Staff for their coordination efforts.

THE MAYOR announced that the Price House dedication would be held on Wednesday, May 30, at 4:00 p.m. The Price House will serve as Chandler's official visitor center and house history exhibits. The grand opening for the public will be held Friday, June 8<sup>th</sup>.

THE MAYOR thanked those citizens who voted in the successful bond election and the members of the bond committees.

MAYOR DUNN congratulated Communications and Public Affairs Director Nachie Marquez as being named an honoree in the 17<sup>th</sup> annual Profiles of Success Hispanic Leadership Awards. This is a significant award and well deserved by Ms. Marquez. She will receive the Exemplary Leadership Award for her professional accomplishments as well as her community leadership.

MAYOR DUNN encouraged everyone to think about the sacrifices made for our country on Memorial Day.

B. Councilmembers' Announcements:

C. City Manager's Announcement:

There were no City Manager announcements at this time.

Adjournment: The meeting was adjourned at approximately 10:38 p.m.

ATTEST: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
MAYOR

Approved: June 14, 2007

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of Chandler, Arizona, held on the 24<sup>th</sup> day of May 2007. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

---

City Clerk