

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, June 14, 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
(telephonically) 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

THE MAYOR announced the loss of Sgt. Caleb Christopher who was killed in action in Iraq on Sunday. Sgt. Christopher served with the First Calvary Division out of Fort Hood, Texas and was a Hamilton High School graduate. He asked for a moment of silence in honor.

MAYOR DUNN welcomed the attendance of Scout Troop 611.

INVOCATION: The invocation was given by Rabbi Mendy Deitsch – Chabad of the East Valley

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

SCHEDULED PUBLIC APPEARANCES:

None.

UNSCHEDULED PUBLIC APPEARANCES:

Ms. Erin Maupin, 1970 S. Hartford Street, Chandler, expressed her continued concern with Covance and asked how Chandler would respond to an outbreak of TB or Ebola and how the residents would be notified of the outbreak. Ms. Maupin also asked about the disposal of animals and questioned the pre-treatment of water as it exits the Covance facility. She asked that responses be sent to her.

Ms. Judith Garner, 662 W. Nolan Way, Chandler, said that the Mayor noted in his State of the City address that Chandler will develop a life science center attracting biomedical industry jobs. She stated she is uneasy with the current zoning code, as it does not include an article for bioscience districting that has delineated bioscience use definitions. The mixed-use nature of the bioscience industry warrants scrutiny of Chandler's current zoning policy. She said that similar to what other major U.S. cities have done with their zoning code, bioscience could be distinguished as a land use district and given its own unique set of zoning controls. It appears that Chandler

will now have to legally allow other animal laboratories and biological laboratories to build anywhere there is a light industrial use district in the city. She asked the City Council to review the zoning code and set a policy to begin a zoning code update process.

CONSENT:

Mr. James Kame, 4609 E. Augusta Avenue, Chandler, President of SEIU, Chandler Chapter, thanked the Council for their support of the newest memorandum of understanding (Item 23). In conjunction with management the process has been successful in increasing employee involvement resulting in a better working relationship between management and staff and increased productivity. He stated they looked forward to making Chandler a high performance organization and improving the quality of service to the residents of Chandler.

MOVED BY VICE MAYOR HUGGINS, SECONDED BY COUNCILMEMBER ORLANDO, TO APPROVE THE CONSENT AGENDA AS PRESENTED. MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED, as presented, minutes of the Council Special meetings of May 21 & 24, 2007, and the Regular Meeting of May 24, 2007.

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

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

3. REZONING: Gateway Office Park Signage Ord. #3926

ADOPTED Ordinance No. 3926, DVR07-0011, Gateway Office Park Signage, rezoning from Community Commercial (C-2) to PAD for new monument signage at the SWC of Chandler Boulevard and McClintock Drive.

4. RIGHT-OF-WAY VACATION: Flint / Evergreen / Holy Trinity Church Ord. #3915

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3915 vacating a portion of public right-of-way abutting the northerly limits of W. Flint Street east of N. Evergreen Street to Holy Trinity Church.

In March of 1990, Holy Trinity Lutheran Church dedicated certain rights-of-way to the City of Chandler "at no cost" for road purposes. The church has requested that the City vacate a portion of the originally dedicated right-of-way lying north of West Flint Street containing a dumpster enclosure currently utilized by the church. In conjunction with the vacation of this area, the City shall repair the gate at an estimated cost of \$1,395.00 and the church shall be responsible for all future maintenance and liability of the area.

The public will benefit since the City will no longer have any liability and/or maintenance responsibilities for this 420-square foot dumpster area.

5. AGREEMENT AMENDMENT: Verizon Ord. #3917

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3917 amending a Wireless Telecommunications Use Agreement with Verizon Wireless LLC, dba Verizon Wireless for wireless telecommunications facilities at Snedigar Sportsplex.

This item was originally introduced and received tentative approval at the April 26, 2007, Council meeting. After the meeting, Verizon's legal department requested that some additional clarifications be made in the amendment such as referring to the company as VZW instead of Verizon, clarification to the start date of the rent change, and the signature block for the company. The remaining language and terms remains the same as what was originally presented to Council.

Ordinance 3917 amends Ordinance 3353 by extending the agreement an additional five years and raises the new base rate to \$1,626.00 per month. The parties will also enter into a letter agreement which authorizes modifications to existing facilities, primarily related to the width of the top portion of the pole and the length of the flat mounted antenna. The Police and Fire Departments have determined that the modifications will not cause any interference to the City's public safety communication systems and the City's Planning Staff has found the modifications to be within City zoning standards. The Community Services Park Staff has also agreed that the modifications will not inhibit the City's operations or property. Staff has concluded that the proposed Amendment would be in the best interests of the City of Chandler and its citizens and would satisfy the license provisions.

The Company will pay permit, inspection and pavement damage fees if applicable. Verizon will also pay \$1,626.00 per month rent for the Snedigar site with provisions for rent increases detailed in the Agreement. There will also be a 2.75% privilege tax applied on any non-interstate telecommunication services.

6. POWER DISTRIBUTION EASEMENT: SRP Ord. #3920

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3920 granting a no-cost power distribution easement to Salt River Project for electrical power service to City facilities, Alamosa Well site, near the SWC of Ocotillo and Gilbert roads beginning July 1, 2007.

7. AGREEMENT: AboveNet Ord. #3936

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3936 authorizing an agreement between AboveNet Communications, Inc. and the City of Chandler for the use of City right-of-way and public places to establish a communication system.

AboveNet Communications, Inc. has filed for an application with the City to install, operate and maintain a communications system that will provide both telecommunications and non-telecommunications services. This agreement provided terms and fees for both service deliveries. The company also holds agreements in the cities of Phoenix and Tempe to provide a similar system. This is a five-year nonexclusive agreement for three renewable five-year terms under specified conditions as outlined in the agreement.

The City has received a \$2,000.00 application fee, which should cover the City's cost for processing this application and a 2.75% privilege tax will be paid on any non-interstate telecommunication services. As dictated by federal and state law, there will be no right-of-way use fee for the telecommunications portions of the system and its operation, but there is a

detailed fee structure established in Section 4.2 of the agreement for any services that are not exempted by federal or state law. The company will also pay permit, inspection and pavement damage fees, as well as pay for additional plan review/inspection staff to accommodate this project.

8. LAND PURCHASE: Artesian Ranch Res. #4020

ADOPTED Resolution No. 4020 authorizing and approving the purchase of a .29-acre parcel of land in the Artesian Ranch subdivision for a future planned well site at Gilbert and Ocotillo roads at a cost of \$151,925.00 plus closing costs of approximately \$4,000.00.

The City's Municipal Utilities department has determined that the parcel identified as Tract V of the Final Plat of the Artesian Ranch subdivision will be needed for a future well site to serve the southeast Chandler area. The seller of the property, Artesian 186 L.L.C., an Arizona limited liability company, is agreeable to selling their property to the City of Chandler for compensation that includes the developer's acquisition basis plus developer's offsite improvements, total costs of \$151,925.00 plus estimated closing costs of \$4,000.00. An appraisal and environmental assessment have been completed. The City's Environmental Management office has issued its recommendation to proceed with acquiring this parcel. The land gross area to be acquired is approximately 13,253 square feet or 0.29 acres. Acquiring this property now will enable the City to avoid future price increases and a diminishing availability.

9. DRAINAGE EASEMENTS RELEASE: Countrywide Home Loans, Inc. Res. #4066

ADOPTED Resolution No. 4066 authorizing the release of two drainage easements that are no longer needed for Countrywide Home Loans, Inc.'s expansion project at the NWC of Frye Road at Ellis Street.

Countrywide Home Loans, Inc. has requested that the City of Chandler extinguish two drainage easements with a gross surface area of 15,325 square feet for a portion of its Frye Road campus. These drainage easements are no longer required because the approved design plans for this expansion provides for adequate retention and drainage reconfigured under a new design. This site is currently undergoing expansion along with new development. The planned onsite improvements provide for the half-street runoff from both Frye Road and Ellis Street and will direct storm water to new onsite retention basins and underground tanks.

The requestor has paid a \$500.00 processing fee and Staff has confirmed these drainage easements are no longer needed for the new civil design. City Staff has also verified that the extinguishment of these drainage easements will not impact any utilities.

10. INTERGOVERNMENTAL AGREEMENT: City of Phoenix Res. #4067

ADOPTED Resolution No. 4067 authorizing an Intergovernmental Agreement (IGA) with the City of Phoenix to accept a Federal Transit Administration Grant in the amount of \$300,000.00 for design of a regional park & ride lot.

The City of Phoenix administers grant funds in the local area on behalf of the Federal Transit Administration (FTA). In 2006, the Public Works Department applied for and was awarded federal funds for design of the regional park & ride facility located at Germann Road and Hamilton Street, adjacent to Tumbleweed Park. The grant requires a 20% local match of \$75,000.00. An

Intergovernmental Agreement is required to reimburse the City of Chandler with the federal grant funds.

The park & ride facility is in design and will provide approximately 430 parking spaces for commuters that carpool or use express bus service to downtown Phoenix, Tempe and the Scottsdale Airpark. The facility will feature covered parking and passenger waiting areas, a security building and landscaping. Design will be completed this fall with construction scheduled to begin in late 2007. The facility is scheduled to open in June of 2008.

Transportation Commission unanimously recommended approval at their May 17th meeting.

11. INTERGOVERNMENTAL AGREEMENT: Maricopa County Res. #4069

ADOPTED Resolution No. 4069 authorizing an Intergovernmental Agreement (IGA) with Maricopa County Animal Care and Control Services (ACCA) to provide animal control services to the City of Chandler until June 30, 2010.

12. LEASE AGREEMENT RENEWALS: First Credit Union Res. #4070

ADOPTED Resolution No. 4070 authorizing the renewal of lease agreements with First Credit Union for leased office space at 25 S. Arizona Place, Suites 300, 302, 305 and 330.

The City of Chandler has been leasing 5,989 square feet of space at 25 S. Arizona Place (Rocky Mountain Building) for the past 5 years at a cost of \$15.71 per square foot plus a prorated share of operating costs. This lease will expire June 30, 2007. Risk Management and Safety, Environmental Management, Licensing, and the Tax Auditing Divisions occupy this space. In addition, another 3,807 square feet are currently occupied by the City's Real Estate Department at a rate of \$15.73 per square foot, plus a prorated share of operating costs. This lease will expire October 31, 2007.

First Credit Union has agreed to renew the two leases to December 31, 2010, and provide two one-year renewal options. The new lease rate for each lease will begin at \$18.00 per square foot in year one, \$19.00 per square foot for year two, \$20.00 per square foot for year three and \$21.00 per square foot for the balance of the lease term. In consideration for renewing the leases, First Credit Union has agreed to a payment of one-half of the monthly lease rate for the first four (4) months of each lease. In addition, First Credit Union has agreed to grant two one-year renewal options at the then current market rate. The leases also provide for a total of 40 parking spaces at no additional cost.

For suites 300, 302 and 305 (the 5,989 square foot space), the City would incur an annual cost of \$89,835.00 for the first twelve months, \$113,791.00 for the second twelve months, \$119,780.00 for the third twelve months, and \$62,885.00 for the remaining six months, plus applicable taxes and common area maintenance fees. For suite 330 (the 3,807 square foot space), the City would incur an annual cost of \$57,105.00 for the first twelve months, \$72,333.00 for the second twelve months, \$88,830.00 for the remaining 14 months, plus applicable taxes and common area maintenance fees.

13. CONTINUED REAL PROPERTY ACQUISITION: Chicago / Washington Res. #4077

CONTINUED TO JULY 23, 2007, Resolution No. 4077 determining that the acquisition of real property located 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.

Since this matter was first placed on the City Council's agenda for consideration, there have been additional discussions with the landowner's legal representative, which Legal Staff believes has resulted in some positive movement toward resolving this matter. As a result of the discussions, Legal Staff believes additional direction from Council is needed with respect to the City's position in negotiating the purchase of the subject property. Staff requests that this matter be continued to allow time to discuss the matter with Council at a time when all members will be available.

14. PROJECT SUBMISSION: Arizona 2008 Highway Safety Plan Res. #4079

ADOPTED Resolution No. 4079 authorizing the submission of projects for consideration in the Arizona 2008 Highway Safety Plan and authorized the Fire Chief to execute all documents in connection with such grant.

The Fire Department has applied for a National Highway Traffic Safety Grant in the area of Occupant Protection/Child Safety Seats in the amount of \$46,634.18. The grant requests funding for conducting Child Car Seat Safety Clinics, purchasing and distributing child safety seats, sending three (3) child safety seat technicians to the National Conference on Highway Safety Priorities and public education on vehicle occupant safety for children including a video production.

15. PUBLIC PARTICIPATION PROCEDURES: General Plan Update Res. #4084

ADOPTED Resolution No. 4084 adopting a written statement of purpose and procedures for public participation in the Chandler General Plan Update.

As adopted by the State Legislature in 2000 and 2001, the "Growing Smarter" and "Growing Smarter Plus" legislation requires each municipality in Arizona to adopt written procedures to provide effective, early and continuous public participation in the development of its General Plan, from all geographic, ethnic and economic areas of the city. These procedures will apply exclusively to the forthcoming General Plan update; the process for amending the General Plan (minor and major amendments) will be drafted as part of the plan document itself.

At the April 26th meeting, Council approved a contract award to Community Sciences, Inc. to conduct the update. The first key step is Council adoption of the written procedures for public participation.

The written procedures enable "participation among a broad base of residents, business people and persons representing a range of cultural, ethnic, economic, and generational interests". Accordingly, the procedures include a citizens advisory committee that will represent those various interests. Citywide participation activities will include a series of community-based public briefings, workshops, and other forums to present and discuss fundamental values, visions, and goals for the City's future development. Citizens will be able to discuss opportunities and concerns, sustainability issues, regeneration and quality of living objectives for the entire municipal planning area (71.5 square miles), as the City approaches its various stages of build-out. Communication methods will include feedback questionnaires, database papers, evaluation

exercises, interviews, and public media to present information and receive comments (e.g. print media, City webpage, e-mail access, etc.). The procedures also call for close coordination with all municipal, county and state public agencies, along with other stakeholder interests including school districts, service organizations, business partnerships and other organizations.

The official "kick-off" for the public participation process will be a series of meetings to be held with the City's registered neighborhood organizations in coming weeks.

16. GRANT AGREEMENT: ADOT

Res. #4085

ADOPTED Resolution No. 4085 authorizing the City to enter into a grant agreement with the Arizona Department of Transportation (ADOT) accepting a grant in the amount of \$7,175.00 to conduct a Federal Aviation Regulation (FAR) Part 150 Noise Compatibility Study.

The City received notification of a state grant offer in the amount of \$7,175.00 to conduct a FAR Part 150 Noise Compatibility Study.

The Federal Aviation Administration requires airports to update Airport Master Plans and FAR Part 150 Noise Compatibility Studies when the airport grows beyond certain parameters of the previous studies. The Chandler Municipal Airport use statistics have reached the point that updates to these studies were necessary. The Airport Master Plan was recently updated and the FAA awarded a grant to update the FAR Part 150 Noise Compatibility Study. This study update is scheduled to begin in August 2007 and will require approximately 12 months to complete. This ADOT grant represents the State's local matching share to the FAA grant.

The FAR Part 150 Noise Compatibility Study is included in the Capital Improvement Program. Staff identified the City's local matching share of \$7,175.00 with acceptance of the FAA grant.

At the May 9, 2007 regular meeting, the Airport Commission voted unanimously to recommend acceptance.

17. PRELIMINARY DEVELOPMENT PLAN: Holiday Inn / T-Mobile

APPROVED 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. (Applicant: Steve Ciolek, T-Mobile; Owner: North Face Investments, LLC.)

The application is requesting to locate a wireless communications facility on the rooftop of an existing Holiday Inn hotel. The hotel is located west of the northwest corner of Alma School and Ocotillo roads and is currently zoned PAD. The proposal is to locate a wireless communication facility and necessary equipment within a 400-square foot leased area. The wireless communication facility is essential in order to extend the network coverage to provide greater customer service for T-Mobile.

Located north of the site are the Fountains of Ocotillo office complex and the Spy Glass Bay single-family residential subdivision. East of the subject site, within the same vicinity is a vacant retail/restaurant pad. East, across Alma School Road is the Village at Ocotillo Senior Living Facility. South, across Ocotillo Road is a vacant PAD zoned parcel. Directly west of the site is a golf course and the Cantabria Shores multi-family residential development.

The applicant is proposing to locate a total of six antennae (three sectors with two antennae each) on the rooftop of the existing Holiday Inn. The proposed wireless communication facility will be located within the angle of the hotel rooftop at the southeast portion of the rooftop. The associated mechanical equipment is located approximately 41' west of the eastern parapet spanning a total of 42' westward and approximately 22' north of the southern parapet, spanning a total of 18'-6" northward.

In addition to the antennae, there would be support equipment consisting of an 18'-6" by 10'-6" metal walk deck approximately two feet above the roof. The metal walk deck will be surrounded by a metal handrail approximately 4'-8" above the roof height. Lighting for the maintenance of the equipment will be located on three inch galvanized steel pipes and will extend 6'-7" above the roof, approximately two feet above the parapet line. The lighting will have shrouds to prevent light pollution and will be on a motion sensor and have an override switch. The associated mechanical equipment will occupy approximately 400 square feet of leaseable area; the antennas are not included in the leaseable area. General maintenance for the wireless communication facility will occur approximately once a month and will happen during regular business hours.

The proposed height for the equipment from the rooftop height is approximately 10'. The existing building height from top to parapet is 44' and the top of roof is at 39'-4". The antennas will extend an additional 5' above the 44' parapet and will require screening according to code. The associated mechanical equipment is approximately one foot in height above the existing parapet.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 20, 2006. Two neighbors were in attendance with general questions. Concerns expressed at the meeting involved the visibility of the antennas from the residential neighborhood and whether or not the facility could be located closer to the Alma School Road portion of the site. The applicant stated that the facility would not be visible from the site and that location options are being reviewed. Staff has received an e-mail and telephone call in opposition due to visibility.

Upon finding consistency with the General Plan, Planned Area Development (PAD) zoning and the approved Preliminary Development Plan (PDP), the Planning Commission and Staff recommend approval subject to the following conditions:

1. Development shall be in substantial conformance with the exhibits kept on file in the City of Chandler Planning Services Division, in File No. PDP06-0061, Holiday Inn/T-Mobile, except as modified by condition herein.
2. Any substantial change to the approved exhibits shall require reapplication and approval of a Use Permit by City Council.
3. The mechanical screen wall will match the same color and cornice detail as the hotel.
4. The mechanical screen wall shall be maintained at a level consistent with the time of construction.

18. CONTINUED ZONING AMENDMENT: Pollack Dobson Plaza

CONTINUED TO JUNE 28, 2007, Zoning Amendment DVR06-0048 Pollack Dobson Plaza, of existing PAD zoning to allow a car rental use on approximately 8.5 acres at the NWC of Dobson and Elliot roads to allow proper posting of the site after orange public hearing signs were initially placed on the wrong property.

19. MATCHING GRANT: Mission Manor at Ray Ranch Homeowners Association

APPROVED a Matching Grant to the Mission Manor at Ray Ranch Homeowners Association for river rock and decomposed granite in the amount of \$2,500.00.

Mission Manor at Ray Ranch HOA is located south of Ray Road and west of Dobson Road. The 18-year old association has been experiencing severe drainage problems in their retention basin that is easily viewable from Dobson Road. Most of the association funding went to correct the drainage problem and left little money to complete the project. Mission Manor at Ray Ranch HOA has applied for grant funds to purchase river rock and decomposed granite to fill in the bare spots around the basin and reduce the propensity for future erosion.

The total budget for the project is \$6,900.00. The HOA will pay the remaining \$4,400.00 to complete the project. Residents will contribute 250 volunteer hours by installing the rock and making the project a weekend volunteer event. The application has met all the requirements of the HOA Grant Program guidelines and members of the Grant Review Committee and Neighborhood Advisory Committee have reviewed the grant application and recommend approval.

20. MATCHING GRANT: Bordeaux Homeowners Association

APPROVED a Matching Grant to the Bordeaux Homeowners Association for new xeriscape landscaping in the amount of \$2,500.00.

Bordeaux HOA is located north of Ray Road and west of McClintock Drive. The 15-year old subdivision has walkways along the perimeter that are rarely used because of their current deteriorated condition. Most of the walkway areas contain old, unhealthy oleanders and minimal ground covering. Bordeaux HOA has applied for grant funds to install new xeriscape landscaping along these walkways, which will beautify the community and encourage residents' use of Bordeaux' pedestrian friendly assets.

The total budget for the project of \$9,604.00. The HOA will pay the remaining \$7,104.00 to complete the project. Residents will contribute 250 hours by installing many of the plants themselves as well as undertaking various clean-up projects throughout the year. Members of the Grant Review Committee and Neighborhood Advisory Committee have reviewed the grant application and recommend approval.

21. MATCHING GRANT: SunBird Golf Resort Homeowners Association

APPROVED a Matching Grant to the SunBird Golf Resort Homeowners Association for low water use plants, shrubs and trees in the amount of \$2,500.00.

SunBird Golf Resort HOA has applied for grant funds to enhance the perimeter of their subdivision along Riggs Road and Hunt Highway, by installing low water use plants, shrubs and trees. Many of the plants were destroyed due to winter frost. The residents will be installing the plants themselves thus securing 250 hours of neighborhood involvement. They are also planning to approach local businesses to provide water and refreshments for the resident volunteers.

The total budget for the project is \$6,000.00. The HOA will pay the remaining \$3,500.00 to complete the project. The application has met all the requirements of the HOA Grant Program

guidelines and members of the Grant Review Committee and Neighborhood Advisory Committee have reviewed the grant application and recommend approval.

22. MEMORANDUM OF UNDERSTANDING: International Firefighters Association

APPROVED a Memorandum of Understanding with the International Firefighters Association (I.A.F.F) Local 493 Chandler Chapter.

The membership of the International Association of Firefighters (I.A.F.F.) Local 493 Chandler Chapter ratified the Memorandum of Understanding. The non-economic terms of the M.O.U. begin on July 1, 2007, and the economic terms go into effect the beginning of the 1st pay period in July (7/08/07). The M.O.U. will expire on June 30, 2009.

As a result of the Meet and Confer Ordinance #3619 approved on October 28, 2004, the City of Chandler entered into meet and confer discussions in January 2007 with three employee organizations, which were recognized by the City after the bargaining unit employees selected these organizations in three separate elections. The meet and confer process was concluded in April 2007 and the membership of all three employee organizations ratified the tentative meet and confer agreements.

23. MEMORANDUM OF UNDERSTANDING: Service Employees International Union

APPROVED a Memorandum of Understanding with the Service Employees International Union (S.E.I.U.) Local 5.

The membership of the Service Employees International Union (S.E.I.U.) Local 5 Chandler Chapter ratified the Memorandum of Understanding. The non-economic terms of the M.O.U. begin on July 1, 2007, and the economic terms go into effect the beginning of the 1st pay period in July (7/08/07). The M.O.U. will expire on June 30, 2009.

As a result of the Meet and Confer Ordinance #3619 approved on October 28, 2004, the City of Chandler entered into meet and confer discussions in January 2007 with three employee organizations, which were recognized by the City after the bargaining unit employees selected these organizations in three separate elections. The meet and confer process was concluded in April 2007 and the membership of all three employee organizations ratified the tentative meet and confer agreements.

24. MEMORANDUM OF UNDERSTANDING: Police Sergeants Bargaining Unit

APPROVED a Memorandum of Understanding with the Police Sergeants Bargaining Unit (C.L.A.S.A.).

The membership of the Police Sergeants Bargaining Unit ratified the Memorandum of Understanding. The non-economic terms of the M.O.U. begin on July 1, 2007, and the economic terms go into effect the beginning of the 1st pay period in July (7/08/07). The M.O.U. will expire on June 30, 2008

As a result of Ordinance #3835, approved by Council on September 28, 2006, which amends the Meet and Confer Ordinance #3619, the City of Chandler entered into meet and confer

discussions in January of 2007 with the Sergeants Bargaining Unit. The meet and confer process was concluded in April 2007 and the membership of the Sergeants Bargaining Unit ratified the tentative meet and confer agreement.

25. INTERGOVERNMENTAL AGREEMENT AMENDMENT: Maricopa County Library District

APPROVED an Intergovernmental Agreement Amendment No. 2 with the Maricopa County Library District for the Reciprocal Borrowing Program through FY 2008/09.

On January 12, 2006, Council approved the first amendment to the renewal of the IGA between the Maricopa County Library District and the City of Chandler for participation in the Reciprocal Borrowing Program, which extended the agreement to June 30, 2007, and increased the reimbursable rate to \$24.50 for FY 2005/06 and \$29.00 in FY 2006/07.

Under provisions of the agreement, residents of Chandler who have Chandler library cards may obtain library cards free of charge from any other library in Maricopa County. In return, the Chandler Library also issues cards free of charge to all Maricopa County residents who are from unincorporated areas of the county or who have library cards from their local jurisdictions. The County Library administers the program and reimburses all libraries that are "net lenders" (i.e. have more nonresident users using the library than resident users using other libraries) at the per-person rate specified in the current agreement.

This second amendment:

1. changes the effective date for services to July 1, 2007 thru June 30, 2009.
2. changes the expiration date of the original agreement to June 30, 2009
3. continues the reimbursable rate of \$29.00 thru June 30, 2009.

26. AGREEMENT AMENDMENT: Snider Sports & Apparel

APPROVED a one-year Agreement Amendment with Snider Sports & Apparel, LLC for recreation program shirts for the Community Services Department in an amount not to exceed \$52,500.00.

The Community Services Department orders approximately 5,700 t-shirts per year for various programs offered by the Recreation and Aquatics Divisions. The cost of approximately 3,000 of those shirts is recovered through registration fees paid by participants in adult sports leagues. The actual cost for shirts depends on a variety of factors including t-shirt type, size, color, quantities per order, screen artwork and number of colors or screens required in the artwork. In 2005, special UVB shirts with a sun protective factor of 50 (SPF) were purchased through the contract and issued to all aquatic staff as part of their prescribed uniform to provide additional protection from the sun.

The original contract was awarded to Lamb's Sportswear, however they sold the business to Snider Sports & Apparel in January 2007.

27. AGREEMENT EXTENSION: Arizona Behavioral Counseling

APPROVED a one-year Agreement Extension with Arizona Behavioral Counseling (ABC) for the operation of Alcohol/Substance Abuse and Domestic Violence Screening Facilities.

Pursuant to A.R.S. §28-1381 et seq. a defendant convicted of an offense of A.R.S. §28-1381 shall be required to attend an alcohol abuse screening session at the defendant's expense. Defendants convicted of violations of other statutes may be ordered to be screened for substance abuse, domestic violence, and/or behavioral issues at their expense.

28. AGREEMENT EXTENSION: Spiker Sports

APPROVED a one-year Agreement Extension with Spiker Sports for various sports official services in an amount not to exceed \$36,000.00.

These services are required to operate the adult sports programs. The contractor provides sport officials for flag football, basketball and volleyball leagues/tournaments totaling approximately 757 games per year. This is the final extension for this contract. The costs of this contract are recovered through registration fees paid by participants in the adult sports leagues.

29. AGREEMENT EXTENSION: The Great Arizona Trading Co.

APPROVED a one-year Agreement Extension with The Great Arizona Trading Co. for t-shirts and sweatshirts in an amount not to exceed \$20,000.00 to be stocked in the City's Central Supply and used by several departments.

30. AGREEMENT AMENDMENT: MACRO Corporation

APPROVED an Agreement Amendment with MACRO Corporation for consultant services for a police computer aided dispatch system in an amount not to exceed \$78,061.00.

The Records Management System needed by the City would integrate various current methods of completing, indexing and categorizing police reports. Police reports are currently entered into one system, indexed and categorized by another system, hard copies are scanned in via a third system, and completed reports are retrieved by a fourth system. These systems are integrated by various methods to attempt to produce coherent outputs. Integration is difficult, expensive and unreliable. In addition, beginning January 1, 2009, the Chandler Police Department will be required to electronically report crime data in the National Incident Based Reporting System (NIBRS). The current crime reporting system is done manually and does not support NIBRS; any new Records Management System will report data in NIBRS format and will keep the Police Department in compliance. It is the goal of the City to purchase a Report Management System that would integrate all of these functions into one system. A new system will also need to integrate with the Computer Aided Dispatch system and Field Reporting systems in order to achieve this goal.

The Computer Aided Dispatch (CAD) system currently in use was originally purchased in 1990. There have been three upgrades to the system with the last in 2004 that has a life expectancy of approximately 5 years. Police Emergency Call Takers and Police Dispatchers use the Computer Aided Dispatch system to provide emergency and non-emergency police services to the public. The Computer Aided Dispatch System assists with the efficient handling of requests for emergency services. When telephone calls are received in the Police Communications Center via 9-1-1 or on a non-emergency line, the emergency call taker or dispatcher enters the information into the CAD system. This information is then prioritized for dispatch to police officers. The CAD system makes a recommendation for unit assignment based on availability of patrol units. The system recognizes different call types that require higher dispatch propriety or

the dispatch of special equipment, such as injury accidents where the dispatch of a motorcycle officer is needed. All information related to the call for service is documented and tracked in the CAD system. The CAD system is also used to track daily activity of patrol officers, identification technicians, and park rangers. This information is used to generate numerous statistical reports to assist management in the proper allocation and scheduling of public safety personnel. In calendar year 2006, 156,563 incidents were tracked utilizing the CAD system.

This system relieves the dispatcher and emergency call takers of many tedious and time-consuming tasks, allowing them to concentrate more on citizens calling for service and ensuring the rapid dispatch of emergency calls. This system is linked directly to the 9-1-1 system, the Department of Public Safety (DPS) computer system that allows rapid and accurate license and wanted checks and provides links to the FBI computers and other states police and motor vehicle databases.

MACRO Corporation is nearing completion of the first phase of this project, the Needs Analysis and Requirements Analysis. This phase assesses the current and future needs for the computerized Records Management System; examines any additional department functions such as case management and crime analysis; best practices which will benchmark Chandler's Records Management Process versus other agencies; record management system software which will identify and describe available record management system software; records automation which will examine databases currently in use and determine the format, necessity and viability of data conversion of each; report development which will provide options for the record management system, provide a conceptual design and recommendations. As a result of this analysis, it has become apparent that our current Computer Aided Dispatch system will not allow for the enhanced capabilities needed in the new Records Management System.

It was originally estimated that Phase I would be completed in FY 2006-07, Phase II in FY 2007-08 and Phase III in FY 2007-08. The requested amount is to amend Phase 1 to include a Needs Analysis and Requirements Analysis for a new Computer Aided Dispatch system that will fully integrate with the new Records Management System. It is estimated that this analysis will add approximately an additional seven weeks to Phase I of the project.

31. AGREEMENT AMENDMENT: Carollo Engineers

APPROVED Agreement #WA0524-202 Amendment No. 1 to Carollo Engineers for Price South well in the amount of \$125,516.00 for a revised contract total amount of \$234,516.00. The original design contract did not include construction management services. This amendment provides for site visits, preparation of responses to Requests for Information, review of Shop Drawings, certification of progress payments, completion of record drawings and field inspection services.

The proposed well site is located at the existing Price South Water Production Facility on South Price Road and will provide for the equipment outfitting of a new water production well to replace the existing well which is nearing the end of its service life.

32. AGREEMENT AMENDMENT: Tri-Core Engineering

APPROVED Agreement #WA0401-451 Amendment No. 2 to Tri-Core Engineering for construction management of water main replacements phase 1 in the amount of \$13,800.20 for a revised contract total amount of \$161,550.20.

Some of the existing water mains in the older sections of the City are undersized and/or deteriorating. The result has been a high number of repairs to broken water mains, interrupted water service, numerous citizen complaints and property damage. City Staff has prioritized the areas for replacement based on the number of repairs made and complaints received. Council approved a construction contract for the first phase of water main replacements on April 27, 2006. At that time, Council also approved a contract with the design engineer to provide construction management services.

Additional time is required for construction management services due to field design conflicts, unforeseen underground conditions, redesign of the pipeline alignment, and increased inspection time relating to the conflicts. This contract amendment will provide for the additional construction management time. Construction work on the water main replacement is 95% complete. Council approved Amendment No. 1, extending the contract time and adding material testing services to the project scope on June 22, 2006.

33. AGREEMENT: Valley Rain Construction Corporation

APPROVED Agreement #PR0710-401 with Valley Rain Construction Corporation for neighborhood park improvements, pursuant to JOC05-06, in an amount not to exceed \$217,742.00.

Each year citizens make requests to the Community Services Department for improvements in many of the City's existing neighborhood parks. This project is for improvements at existing neighborhood park sites, Harter Park and Windmills Park, and includes removal and replacement of landscaping and irrigation system renovations at each site.

Harter Park is a 9.4-acre neighborhood park in the square mile bounded by Price Road, McClintock Drive, Ray Road and Chandler Boulevard originally constructed in 1993. Existing amenities include sports courts, playground, ramada and walking paths.

Windmills Park is a 6.5-acre neighborhood park in the square mile bounded by Price Road, McClintock Drive, Ray Road and the City limits construction in 1990. Existing amenities include sports courts, playground and walking paths.

34. AGREEMENT: Brycon Construction

APPROVED Agreement #FI0702-401 with Brycon Construction for the Fire Station No. 5 Remodel Project, pursuant to JOC07-06, in an amount not to exceed \$81,097.00.

This agreement is for remodeling of the bunkrooms at Fire Station No. 5. The current bunkroom configuration is semiprivate with two beds in each of three rooms and curtains in place of doors. The renovations will create private bunkrooms with doors and will add a seventh bunkroom for a new Captain's quarters. The cost includes renovations to the heating and cooling ductwork and electrical modifications.

35. AGREEMENT: Southwest Slurry Seal

APPROVED Agreement #SS07-001 with Southwest Slurry Seal for asphalt emulsion slurry seal and micro seal to local, collector and arterial streets throughout the City, pursuant to annual contract #ST6-745-2260, in an amount not to exceed \$1,050,000.00.

36. AGREEMENT: G & G Construction

APPROVED Agreement #A08-01 with G & G Construction for asphalt repair and minor construction, pursuant to annual contract #ST4-745-2093, in an amount not to exceed \$85,223.00.

37. AGREEMENT: Architectural Resource Team, Inc.

APPROVED Agreement #PR0701-201 with Architectural Resource Team, Inc. for the Tumbleweed Park Maintenance Facility in an amount not to exceed \$398,588.00.

This contract is for architectural design services for a 15,000 square foot park and facility service center at Tumbleweed Park. The facility will house approximately 80 park and building and facilities administrative and maintenance staff, the majority of who are currently housed in the old city yard at 249 E. Chicago Street. With the planned relocation of purchasing and administrative services to the new city hall, this site has a higher economic benefit in the downtown development area than a maintenance facility. One central service center will consolidate the administrative resources of two divisions, which will reduce the redundancy of work processes. The Construction Manager At Risk project is planned for design beginning in June 2007.

38. AGREEMENT: Dobson Village Investors, LLC

APPROVED Agreement #OA407-001 with Dobson Village Investors, LLC deferring a left turn lane and full median landscape upgrade in Dobson Road across the frontage of the Dobson Village development and accepting a lump sum payment of \$34,341.00.

Dobson Village commercial development is being constructed at the NEC of Dobson and Frye roads. Associated with this development is a requirement to construct certain offsite improvements to Dobson Road, including a southbound left turn lane into the property and a full median landscape upgrade across the frontage of the property. The City has a planned capital improvement project (ST0503-201) that will include this portion of Dobson Road. In order to minimize the need for coordination between two contractors and to prevent having traffic on Dobson Road disrupted twice, an agreement has been prepared with the intent of incorporating this work into the City project.

Under this agreement, the developer will make a lump sum payment to cover his obligation for these improvements, and in exchange for this lump sum payment, the developer will be relieved of any further responsibility for this work.

39. AGREEMENT: WIJOMI Development, LLC

APPROVED Agreement #OA07-008 with WIJOMI Development, LLC deferring a full median in Cooper Road across the frontage of the Vina Solana – Phase 2 development and accepting a lump sum payment of \$21,803.00.

A residential subdivision, Vina Solana – Phase 2, is being developed on the east side of Cooper Road. As part of this project, the developer has an obligation for construction of a full median in Cooper road across the frontage of the property.

Immediately south of this development is a parcel of land that has not been annexed into the City and across the frontage of that parcel is insufficient right-of-way to allow for a smooth transition for traffic if this median were constructed. Rather than require completion of the work now, an agreement has been prepared that will allow for deferral of construction to sometime in the future when conditions are more favorable for completing the installation.

Under this agreement, the developer will make a lump sum payment to cover his obligation for construction of the full median and in exchange for this lump sum payment, the developer will be relieved of any further responsibility for this improvement.

40. AGREEMENT: Stantec Consulting

APPROVED Agreement #EN0714-101 with Stantec Consulting for Survey Benchmark Verification and Restoration in an amount not to exceed \$38,448.00.

This contract will provide for visits to all 56 published benchmark locations, verification of those currently described as destroyed or not found, and setting of new benchmarks per city standards as required. Horizontal and vertical locations will be tied to current City of Chandler datum and all new benchmark information will be updated in the City's Horizontal and Vertical Control Base List. The City's base list was last updated in May 2003. This project is important to ensure the horizontal (coordinate) and vertical (elevation) data shown in plans is accurate; all improvement plans submitted to the City must reference an approved City benchmark. Missing or disturbed benchmarks have caused design and field issues and additional survey costs for projects.

41. AGREEMENT: PinnacleOne

APPROVED Agreement #GG0604-101 with PinnacleOne for utility coordination of the AGL Networks Fiber Project in an amount not to exceed \$47,190.00.

On April 16, council approved Ordinance No. 3786 authorizing the approval of an Agreement For the Use of Public Property with AGL Networks to install, operate and maintain approximately 25 miles of underground optical fiber-based communications network in the city in areas of public right-of-way. As a condition of that agreement, AGL Networks has committed to install 18 miles of conduit and fiber for the City's traffic engineering system. AGL Networks will also prepay the City for the utility coordination staff to accommodate this project.

Due to the size of the fiber network project, City Staff will require supplemental utility coordination. This contract will supplement City staff. The consultant will provide utility coordination services for the City and operate under the supervision of the City's Development Project Administrator.

42. AGREEMENT: Motorola, Inc.

APPROVED an Agreement with Motorola, Inc. for communication equipment maintenance, sole source, in an amount not to exceed \$108,000.00.

In December 1987, Council approved Motorola, Inc. as a sole source vendor for radio equipment to replace the existing radio system at that time. Because of the proprietary of the software infrastructure, Motorola Inc. is the only authorized service center to provide service and maintenance on the equipment and software. It is essential that maintenance be provided by

Motorola, Inc. to ensure the equipment is maintained at the highest level possible because of the critical nature of public safety.

43. AGREEMENT EXTENSION: Vulcan Materials and Mesa Materials

APPROVED a one-year Agreement Extension with Vulcan Materials and Mesa Materials for hot mix asphalt material in a combined amount not to exceed \$60,000.00.

44. AGREEMENT: Pulice Construction, Inc.

APPROVED an Agreement (ST6-745-2272) with Pulice Construction, Inc. for roadway improvements on Queen Creek Road – Arizona Avenue to Price Road in an amount not to exceed \$53,595.00.

The pre-construction services Construction Manager at Risk contract award is the first step in the Construction Manager at Risk process for construction. During the pre-construction services phase, the contractor will develop and manage the design schedule, provide value engineering, perform utility investigations and prepare the guaranteed maximum price.

Queen Creek Road (Arizona Avenue to Price Road) will be improved to a six-lane roadway by adding the fifth and sixth lanes in the median. The roadway improvements will have minimal impact to the existing sidewalks/curbing and any existing landscaping in the median that will be impacted will be replaced and enhanced. The additional fifth and sixth lane roadway improvements will proceed in conjunction with the installation of a 24" reclaimed water transmission main from McQueen Road to the Ocotillo Water Reclamation Facility and the roadway reconstruction on Queen Creek Road from McQueen Road to Arizona Avenue which includes the installation of a sanitary sewer main and potable water line. Construction is expected to begin in September 2007 and will be completed in approximately 12-15 months.

45. AGREEMENT: Binary Office, Inc.

APPROVED an Agreement with Binary Office, Inc. for annual support, software upgrade and maintenance for the Cardiff Teleforms component of the Electronic Data Management System (EDMS) in an amount not to exceed \$54,020.00.

The Cardiff Teleforms component of the Electronic Data Management System (EDMS) is in use in critical document management solutions in the City. It enables documents such as sales tax returns to be scanned and data to be recognized and automatically processed into software applications.

46. AGREEMENT: Mountaineer Consulting

APPROVED an Agreement with Mountaineer Consulting for consultant services in an amount not to exceed \$40,000.00.

The City of Chandler GIS group requires assistance with testing the City's GIS applications with the new 9.2 version of ESRI software. It is expected that due to changes and enhancements by ESRI, the City's applications will need adjustments made to continue to operate with the new version to take advantage of the additional functionality provided by ESRI. Mountaineer

Consulting employees are very familiar with GIS applications at the City of Chandler and experienced with the new version of ESRI products.

Mountaineer Consulting will also assist with enhancements to the City of Chandler GIS applications and make recommendations for future development.

Mountaineer Consulting was the original developer of the City's GIS applications and it was deemed in the best interest of the City to use the same consultant to perform these modifications and enhancements.

47. AGREEMENT: Red Oak Consulting and Duncan Associates

APPROVED an Agreement with Red Oak Consulting for a System Development Fees Study Consulting services in an amount not to exceed \$71,795.00 for year one for utility fees and with Duncan Associates in an amount not to exceed \$54,360.00 for year one for non-utility fees.

According to the provisions of the Chandler City Code, system development fees are to be updated annually. It has been the City's practice to have consultants review the fees every other year and make an internal adjustment in the interim years. Since the 2006 update (effective in 2007) was performed internally, consultants should be hired to perform the 2007 update. In the City's 10-year history of the current system development fee program, the City has hired one firm to calculate the utility system development fees (Rick Giardina & Associates, which is now part of Red Oak Consulting) and another firm to calculate the non-utility system development fees (BBC Research & Consulting).

48. AGREEMENT: Simon Family Enterprises, Inc.

APPROVED an Agreement with Simon Family Enterprises, Inc. for sludge press rental in an amount not to exceed \$86,000.00.

Due to high solids in the raw water received at the Chandler Water Treatment Plant from the Salt River Project canal system, there is an excessive amount of sludge production within the plant's treatment process. As the plant begins to increase in production for the summer months, mobile sludge dewatering equipment is required to meet this increased demand. In the past twelve months, the City has paid approximately \$39,889.00 for the sludge belt press.

49. AGREEMENT: Accela

APPROVED an Agreement with Accela for annual maintenance on the Permit Plus system, sole source, in an amount not to exceed \$42,800.00. Because the software is proprietary to Accela, there are no other providers available for the maintenance services. This software is used to issue development-related permits and collect fees as well as to monitor and track plan review.

50. AGREEMENT: Safety Shoes

APPROVED an Agreement with Red Wing Shoe Store, JR's Shoes & Boots, Lehigh Safety Shoes, Industrial Shoes of Arizona and American Safety Shoe Company for safety shoes in a total amount not to exceed \$35,000.00 for one year.

51. CONTRACT: PCL Construction

APPROVED Contract #WA0524-402 to PCL Construction, Inc. for Price South Well Equipping in an amount not to exceed \$775,770.00. The proposed well site is located at the existing Price South Water Production Facility on South Price Road and will provide for the equipment outfitting of a new water production well to replace the existing well which is nearing the end of its service life.

52. CONTRACT: SRP

APPROVED Contract #ST0613-301 to Salt River Project (SRP) for removal and placement of Salt River Project 69 kilovolt (kV) transmission poles for the Riggs Road Improvements – Gilbert to Val Vista roads, in an amount not to exceed \$280,000.00. SRP must remove 19 existing 69 kV transmission poles and install 14 new 69 kV transmission poles to accommodate the Riggs Road Improvements (Gilbert to Val Vista). SRP has prior rights so the City must reimburse the relocation costs. Pole relocation will commence in the fall of 2008.

53. PURCHASE: Kidde Fire Trainers, Inc.

APPROVED the purchase of repair parts and materials from Kidde Fire Trainers, Inc. for the Fire Department's Training Burn Simulator in an amount not to exceed \$15,000.00.

In October 2006, the Fire Department entered into a service agreement with Kidde Fire Trainers, Inc. This agreement is in effect until October 2007. Kidde Fire Trainers, Inc. has provided preventive maintenance and repairs to the Burn Prop Simulator at the Fire Department's Training Facility. The most recent service resulted in \$6,500.00 in parts and materials, which were not part of the original service agreement. Due to the amount, it is necessary to bring this forward to Council as a sole source purchase of these necessary parts and materials.

54. PURCHASE: Dunn-Edwards Corporation

APPROVED an increase in the purchase for paint and paint supplies from Dunn-Edwards Corporation from \$30,000.00 to \$100,000.00 per year for a total three-year amount not to exceed \$300,000.00.

The City currently purchases paint and paint supplies for Neighborhood Programs, Building and Facilities, Public Housing maintenance and capital projects and other City Departments. In February 2007, City Council approved the purchase of paint from Dunn-Edwards Corporation for a three-year period utilizing the Maricopa County contract for \$30,000.00 per year, not to exceed \$90,000.00 over a three-year period. Subsequent to this action, Neighborhood Programs implemented a significant neighborhood painting program that is expected to use over \$30,000.00 in paint and paint supplies annually. The Housing Division typically uses between \$20,000.00 to \$30,000.00 annually in paint and paint supplies. This year, Housing Staff is painting more apartment and home exteriors and may exceed the \$30,000.00 limit.

55. PURCHASE: Toter Incorporated

APPROVED the Purchase of refuse and recycling containers from Toter Incorporated, utilizing the City of Scottsdale contract, in an amount not to exceed \$389,398.00.

The City of Chandler has an ongoing need for approximately 3,822 refuse and 3,822 recycling plastic rollout containers annually. These containers are needed for new home construction as well as replacement containers that are no longer under warranty.

56. PURCHASE: Oracle Corporation

APPROVED the Purchase of maintenance and support from Oracle Corporation, utilizing the State of Arizona contract, in an amount not to exceed \$182,000.00. This contract covers the City's Financial System, Payroll/HR System, Sales Tax System, Work Order Management System (MP2), Permits System and the GIS System software. Oracle maintenance and support provides technical support issues, software fixes, and system and application upgrades necessary to operate the keep these systems current. Maintenance is renewed on an annual basis.

57. PURCHASE: ASAP Software

APPROVED the Purchase of various software licenses and support renewal maintenance from ASAP Software, utilizing the State of Arizona contract, in an amount not to exceed \$187,000.00. This purchase covers annual maintenance of all of the City's Lotus Domino servers (processor maintenance renewal), Lotus Notes clients (license maintenance renewal & upgrades), Novell Netware and Zenworks clients (user maintenance, Winzip (user maintenance & upgrades). These are annual recurring costs to cover upgrades, maintenance and technical support for these applications.

58. USE PERMIT: 418 S. Delaware Street

APPROVED Use Permit UP07-0011 418 S. Delaware Street, for a single-family home within a multi-family zoning district for property at 418 S. Delaware Street. (Applicant: Tana Nichols, Habitat for Humanity.)

The lot is located south of the SWC of Delaware and Elgin Streets. Single-family homes surround the site to the north, west and south. Directly east of the subject site, across Delaware Street, are vacant lots.

Habitat for Humanity is a national non-profit organization that helps provide affordable housing to low-income families. The organization plans to construct a single-family home on a vacant lot located in a MF-2 (Multiple Family Residential) zoning district. Use Permit approval for a single-family home is required in MF-2 zoning districts.

The property falls within an area designated by the Redevelopment Area Plan for Residential-Medium Density. This category encourages new single-family infill, rehabilitation, and medium density housing, with a target density of 6-12 dwelling units per acre.

This is one of three current applications submitted by Habitat for Humanity to construct new homes in a transitioning neighborhood. Some of the properties in this vicinity are homes that have not been very well maintained. It is anticipated that the development of these new homes will enhance the existing neighborhood as an improvement over what currently exists.

The applicant is pursuing funds from the City's Residential Infill Program. Eligibility for the Residential Infill Program requires two 15-gallon trees and six 5-gallon shrubs in the front yard, a

6-foot masonry wall enclosing the back yard, a 120-square foot storage enclosure and demonstration of financial need, among other requirements.

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 was one neighbor in attendance with general questions. Staff has received no correspondence in opposition.

Upon finding consistency with the General 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

59. AGREEMENT: Habitat for Humanity, 418 S. Delaware Street

APPROVED an Agreement with Habitat for Humanity – Valley of the Sun authorizing \$5,000.00 per dwelling unit for new construction of a single-family, owner-occupied dwelling at 418 S. Delaware Street. (Applicant: Tana Nichols, Habitat for Humanity.)

The Residential In-fill Program was adopted by Council in December 2001 and subsequently amended in December 2004 to encourage new construction of owner-occupied single-family dwellings on small parcels located within the northeastern section of the City. Initially, the program enabled a qualifying in-fill development to receive \$2,500.00 per dwelling unit to recoup the cost of such items as development fees and other charges paid at the time of taking out building permits. The 2004 amendment increased the award to \$5,000/du and offered an additional \$5,000/du for the demolition of existing substandard dwelling(s).

This application is one of three submitted by Habitat for Humanity requesting awards for the construction of three single-family homes, one along S. Delaware street and two along W. Fairview Street. In 2006, Council approved Residential In-fill Agreements to assist in the construction of seven new homes (four of which were Habitat for Humanity homes) and the demolition of one existing substandard dwelling. Prior to 2006, the City issued \$2500.00 awards for 85 dwelling units before the 2004 amendment.

The home meets all of the qualification criteria and general requirements as set forth in Section I of the Residential In-Fill Program (parcel size, location, existing infrastructure), as well as the development standards contained in Section III (front yard landscaping, two car garage, etc.).

Council approved \$250,000.00 in funding for the program for the current fiscal year. In order to receive the financial incentive, all requests are subject to approval by Council through an agreement.

Upon finding consistency with the Chandler General Plan and the Residential In-Fill Program, Staff recommends approval of the agreement.

60. USE PERMIT: 130 W. Fairview Street

APPROVED Use Permit UP07-0012 130 W. Fairview Street, for a single-family home within a multi-family zoning district for property at 130 W. Fairview Street. (Applicant: Tana Nichols, Habitat for Humanity.)

Single-family homes surround the site to the north and west across California Street. Directly east of the subject site is a mini-storage facility. South across Fairview Street, is a mobile home park. Adjacent to the subject site's west is the site for a proposed Habitat for Humanity home.

Habitat for Humanity is a national non-profit organization that helps provide affordable housing to low-income families. The organization plans to construct a single-family home on a vacant lot located in MF-1 (Multiple Family Residential) zoning district. Use Permit approval for a single-family home is required in MF-1 zoning districts. The property falls within an area designated by the Redevelopment Area Plan for Residential-Medium Density. This category encourages new single-family infill, rehabilitation and medium density housing, with a target density of 6-12 dwelling units per acre.

This is one of three current applications submitted by Habitat for Humanity to construct new homes in a transitioning neighborhood. Some of the properties in this vicinity have older homes, which have not been very well maintained. It is anticipated that the development of these new homes will enhance the existing neighborhood as an improvement over what currently exists.

The applicant is pursuing funds from the City's Residential In-fill Program. Eligibility for the Residential In-fill Program requires two 15-gallon trees and six 5-gallon shrubs in the front yard, a 6-foot masonry wall enclosing the back yard, a 120 square foot storage enclosure and demonstration of financial need, among other requirements.

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 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, 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.

61. AGREEMENT: Habitat for Humanity, 130 W. Fairview Street

APPROVED an Agreement with Habitat for Humanity – Valley of the Sun authorizing \$5,000.00 for the demolition and removal of an existing substandard dwelling unit, and \$5,000.00 per dwelling unit for new construction of a single-family, owner-occupied dwelling at 130 W. Fairview Street. (Applicant: Tana Nichols, Habitat for Humanity.)

The Residential In-fill Program was adopted by Council in December 2001 and subsequently amended in December 2004 to encourage new construction of owner-occupied single-family dwellings on small parcels located within the northeastern section of the City. Initially, the program enabled a qualifying in-fill development to receive \$2,500.00 per dwelling unit to recoup the cost of such items as development fees and other charges paid at the time of taking out

building permits. The 2004 amendment increased the award to \$5,000/du and offered an additional \$5,000/du for the demolition of existing substandard dwelling(s).

This application is one of three submitted by Habitat for Humanity requesting awards for the construction of three single-family homes, one along S. Delaware Street and two along W. Fairview Street. In 2006, Council approved Residential In-fill Agreements to assist in the construction of seven new homes (four of which were Habitat for Humanity homes) and the demolition of one existing substandard dwelling. Prior to 2006, the City issued \$2,500.00 awards for 85 dwelling units before the 2004 amendment.

The home meets all of the qualification criteria and general requirements as set forth in Section I of the Residential In-Fill Program (parcel size, location, existing infrastructure), as well as the development standards contained in Section III (front yard landscaping, two car garage, etc.).

Council approved \$250,000.00 in funding for the program for the current fiscal year. In order to receive the financial incentive, all requests are subject to approval by Council through an agreement.

Upon finding consistency with the Chandler General Plan and the Residential In-Fill Program, Staff recommends approval of the agreement.

62. USE PERMIT: 150 W. Fairview Street

APPROVED Use Permit UP07-0013 150 W. Fairview Street, for a single-family home within a multi-family zoning district for property at 150 W. Fairview Street. (Applicant: Tana Nichols, Habitat for Humanity.)

The lot is located at the NEC of Fairview and California streets and is surrounded to the north and west across California Street by single-family homes. Directly east of the site is a vacant lot that is being proposed as a location for a single-family home; beyond that is a mini-storage facility. South, across Fairview Street, is a mobile home park.

Habitat for Humanity is a national non-profit organization that helps provide affordable housing to low-income families. The organization plans to construct a single-family home on a vacant lot located in MF-1 (Multiple Family Residential) zoning district. Use Permit approval for a single-family home is required in MF-1 zoning districts. The property falls within an area designated by the Redevelopment Area Plan for Residential-Medium Density. This category encourages new single-family infill, rehabilitation and medium density housing, with a target density of 6-12 dwelling units per acre.

This is one of three current applications submitted by Habitat for Humanity to construct new homes in a transitioning neighborhood. Some of the properties in this vicinity have older homes, which have not been very well maintained. It is anticipated that the development of these new homes will enhance the existing neighborhood as an improvement over what currently exists.

Due to the potential for the widening and the placement of a roundabout at California and Fairview streets, the home has been placed along the northern portion of the site. In addition, a two-story home is being proposed to limit the possibility of having to demolish a single-story home in the event that one was constructed and the widening was to occur. Furthermore, due to site layout and the placement of the home, the Use Permit is requesting deviation from the rear setback requirement to allow for a rear patio to encroach into the rear setback. The required rear

setback is 10'. The patio will encroach approximately 2' into the rear setback. Staff has received one phone call and a faxed letter in opposition to the two-story home. The home will not have any windows located on the north side.

The applicant is pursuing funds from the City's Residential In-fill Program. Eligibility for the Residential In-fill Program requires two 15-gallon trees and six 5-gallon shrubs in the front yard, a 6-foot masonry wall enclosing the back yard, a 120 square foot storage enclosure and demonstration of financial need.

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 was one neighbor in attendance with general questions. Staff has received one telephone call and a faxed letter in opposition due to it being a two-story home.

Upon finding consistency with the General 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.

63. AGREEMENT: Habitat for Humanity, 150 W. Fairview Street

APPROVED an Agreement with Habitat for Humanity – Valley of the Sun authorizing \$5,000.00 per dwelling unit for new construction of a single-family, owner-occupied dwelling at 150 W. Fairview Street. (Applicant: Tana Nichols, Habitat for Humanity.)

The Residential In-fill Program was adopted by Council in December 2001 and subsequently amended in December 2004 to encourage new construction of owner-occupied single-family dwellings on small parcels located within the northeastern section of the City. Initially, the program enabled a qualifying in-fill development to receive \$2,500.00 per dwelling unit to recoup the cost of such items as development fees and other charges paid at the time of taking out building permits. The 2004 amendment increased the award to \$5,000/du and offered an additional \$5,000/du for the demolition of existing substandard dwelling(s).

This application is one of three submitted by Habitat for Humanity requesting awards for the construction of three single-family homes, one along S. Delaware Street and two along W. Fairview Street. In 2006, Council approved Residential Infill Agreements to assist in the construction of seven new homes (four of which were Habitat for Humanity homes) and the demolition of one existing substandard dwelling. Prior to 2006, the City issued \$2,500.00 awards for 85 dwelling units before the 2004 amendment.

The home meets all of the qualification criteria and general requirements as set forth in Section I of the Residential In-Fill Program (parcel size, location, existing infrastructure), as well as the development standards contained in Section III (front yard landscaping, two car garage, etc.).

Council approved \$250,000.00 in funding for the program for the current fiscal year. In order to receive the financial incentive, all requests are subject to approval by Council through an agreement.

Upon finding consistency with the Chandler General Plan and the Residential In-Fill Program, Staff recommends approval of the agreement.

64. CONTINUED USE PERMIT EXTENSION: Remuda Ranch

CONTINUED TO JUNE 28, 2007, Use Permit Extension UP06-0090 Remuda Ranch to allow for the use of a gravel parking lot for staff members at 111 S. Hearthstone Way to allow the applicant time to submit additional information.

65. USE PERMIT: Cathedral of Praise Christian Church

APPROVED Use Permit UP07-0014 Cathedral of Praise Christian Church to locate two single-family homes for pastoral use on an existing church property located at 2400 W. Warner Road. (Applicant: Greg Rodman, Senior Pastor.)

The site is located approximately ½ mile west of Dobson and Warner roads. Directly north of the site are single-family homes in an SF-33 zoned district. Directly east, across Bullmoose Drive is the Orangetree single-family residential neighborhood. South, across Warner Road is the Clearview Manor Unit I single-family residential neighborhood. West, adjacent to the subject site is county-zoned property, with a church and school for the blind along Warner Road, with residential homes north of the church and school for the blind.

The site was zoned SF-33 as part of the 149-acre, Orangetree single-family residential subdivision in 1978. The western portion of the subdivision, in which the subject site is located, was rezoned from AG-1 (agricultural) to SF-33. A Use Permit to locate a church on 5 acres of the 12-acre church property was granted in 1980.

The Senior Pastor has requested that a Use Permit be granted to allow for two, single-story, single-family residential homes to be located on the site. The homes will be used by the Senior Pastor and associated staff. Staff has added a condition that the homes will not be allowed to provide residency for church programs such as rehabilitation programs for the homeless or troubled teens, etc.

The homes will be built to meet current building code standards and located approximately 625 feet north of Warner Road just south of the existing retention basin. Home A will be approximately 60 feet east of the western property line. Home B will be located approximately 55 feet west of the eastern property line. There will be an approximate 20' separation between the two homes. Both homes will face northward towards the retention basin. An existing driveway along Bullmoose Drive will provide access to the homes.

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 six neighbors in attendance from the county-zoned neighborhood to the west of the subject property. They were all in support of the request for a single home, but expressed concern that the second home may be utilized for rehabilitation programs.

Upon finding consistency with the General Plan and the SF-33 zoning district, the Planning Commission and Staff recommend approval subject to the following conditions:

1. The homes shall be used by the Church Pastor and associated staff. Any change in the use or user of the home shall make the Use Permit null and void.
2. Any expansion or modifications beyond the approved exhibits shall void the Use Permit.
3. The applicant shall work with Staff to provide additional documentation for the site.
4. The landscaping and site improvements shall meet current City standards.
5. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
6. The site shall be maintained in a clean and orderly manner.

66. USE PERMIT: The Olive Garden

APPROVED Use Permit UP07-0030 The Olive Garden, Series 12, for on-premise consumption within a new restaurant at 2930 E. Germann Road within the Crossroads Towne Center. (Applicant: Stephen Anderson, Gammage & Burnham.)

In the vicinity of the site there is a T.G.I. Friday's to the north, Gilbert Road to the east, a vacant pad and Harkin's theater to the south, and parking to the west.

The Crossroads Towne Center received Council approval in 2003. As part of the requirements for the shopping center, all independent tenants are required to receive administrative approval for building architecture. The Olive Garden has received the administrative approval and is requesting their Use Permit in order to serve alcohol as a part of their restaurant.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on May 21, 2007. There were no neighbors in attendance. Staff has received no correspondence in opposition to this request.

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

1. The Use Permit is granted for a Series 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.

67. USE PERMIT: Benihana

APPROVED Use Permit UP07-0033 Benihana, Series 12, for on-premise consumption within a new restaurant at 3025 W. Chandler Boulevard within the Chandler Fashion Mall shopping center. (Applicant: Mary Rodriguez, Benihana Chandler Corporation.)

The site is located south of the SWC of Chandler Boulevard and the 101-Price Freeway frontage road. It is directly west of the frontage road and shares the same vicinity with a Chili's Restaurant to the north, a La-Z-Boy Furniture Gallery to the west and an access drive into the Chandler Fashion Mall directly south.

This request was noticed in accordance with the requirements of the Chandler Zoning Code. 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.

68. USE PERMIT: Fresh & Easy Neighborhood Market

APPROVED Use Permit UP07-0034 Fresh & Easy Neighborhood Market, Series 10, for off-premise consumption only for a new grocery store at 3000 N. Alma School Road. (Applicant: AZLIC, Amy Nations.)

The site is located at the NWC of Alma School and Elliot roads. Other stores in the shopping center are Leslie's Pool Supply, Hollywood Video and other vacant retail spaces. The Osco building has been vacant for approximately 10 months.

Directly north of the shopping center is a medical office and church and a vacant parcel beyond that. Surrounding the shopping center to the west and northwest are the Elliot Place Condominiums. South, across Elliot Road is a Mervyn's-anchored commercial shopping center. East, across Alma School Road is the Paseo del Oro shopping center. Southeast from the site is a gas station and Fry's grocery-anchored shopping center.

Fresh & Easy is a new concept grocery store that caters to serving the surrounding neighborhood by providing a convenient shopping experience by providing prepared meals as well as typical groceries. The Fresh & Easy grocery stores are generally larger than 10,000 square feet, which makes the grocery store ideal for the vacant pharmacy building. This particular location is approximately 17,592 square feet. The grocery store will be able to provide shoppers with a selection of beer and wine for off-premise consumption only. The current building has a drive-thru window, but it will not be used for the sale of alcohol.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on May 15, 2007. There were no neighbors in attendance. Staff has received three phone calls regarding this application. Two were in support and the third was opposed due to the number of liquor licenses in the area.

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

1. 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.
2. The Use Permit is granted for a Series 10 license only and any change of license shall require reapplication and new Use Permit approval.
3. The Use Permit is non-transferable to other store locations.

69. LIQUOR LICENSE: Fresh & Easy Neighborhood Market

APPROVED a Series 10 Beer and Wine Store Liquor License (Chandler # 113423 L10) for Randy Nations, Agent, Fresh & Easy Neighborhood Markets, Inc., dba Fresh & Easy Neighborhood Market at 3000 N. Alma School Road. A recommendation for approval of State Liquor License #10075384 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

70. LIQUOR LICENSE WITHDRAWAL: Arizona Discount Store

WITHDREW, at the request of the applicant, Liquor License, Series 10, for Herlinda Reyes, Agent, dba Arizona Discount Store at 701 S. Arizona Avenue.

71. CONTINUED LIQUOR LICENSE: Fresh & Easy Neighborhood Market

CONTINUED TO JUNE 28, 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 their Use Permit.

72. LIQUOR LICENSE: Juan Jaime's Taco & Tequila

APPROVED a Series 12 Restaurant Liquor License (Chandler #113974L12) for John Henry James III, Agent, Juan Jaimes LLC, dba Juan Jaime's Tacos and Tequila, 2510 W. Chandler Boulevard, Suite 1. A recommendation for approval of State Liquor License #12077121 will be forwarded to the State Liquor Department. A new Use Permit is not required as this will be a continuation of the location's previous use as Silk Road Asia Bistro. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

73. LIQUOR LICENSE PERMANENT EXTENSION OF PREMISES: Applebee's Neighborhood Grill & Bar

APPROVED a Permanent Extension of Premises for a Series 12 Restaurant Liquor License (Chandler #30223L12) held by Thomas and King, Inc., dba Applebee's Neighborhood Grill & Bar, 1245 W. Chandler Boulevard. A recommendation for approval of permanent extension of premises for State Liquor License #12073640 will be forwarded to the State Liquor Department. The permanent extension is being requested to comply with the new smoking law. The Police Department has no objections to the permanent extension of premises. All fees have been paid and the business is in compliance with the City's Sales and Use Tax Code.

74. SPECIAL EVENT LIQUOR LICENSE: Chandler Lions Club

APPROVED a Special Event Liquor License for the Chandler Lions Club for the Chandler 4th of July Celebration, July 4, 2007, at Tumbleweed Park, 2250 S. McQueen Road. The Police Department reports no objections to the issuance of this license. As the applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid.

75. FINAL PLAT: Centre Point Office Condominiums

APPROVED Final Plat, FPT06-0012 Centre Pointe Office Condominiums, for office and industrial-type uses on approximately 5.25 acres at the north side of Ocotillo Road east of Arizona Avenue at the Consolidated Canal. (Applicant: Armstrong Phoenix LLC.) The Centre Point Business Park is an office and industrial development on 11 lots. This plat is for office condominiums on lots 1,2 and 3. The plat establishes the necessary easements and dedicates the required rights-of-way.

76. FINAL PLAT: Westtech

APPROVED Final Plat FPT06-0054 Westtech, for Westtech Corporate Center Phase II for 11 lots located on 23 acres at the NEC of Arizona Avenue and Corporate Place north of the NWC of Arizona Avenue and Warner Road. (Applicant: Cottrell Engineering Group, Inc.) The plat creates the lots and tracts, construction phasing lines, establishes the necessary easements, and dedicates the required right-of-way.

77. FINAL PLAT: Pollack Business Park South Lots 1 thru 9

APPROVED Final Plat FPT07-0009 Pollack Business Park South Lots 1 thru 9, for a retail, office, showroom and light industrial development on 15.93 acres at the SEC of Arizona Avenue and Elliot Road. (Applicant: Glendale Plaza.) The plat creates the lots and tracts, construction phasing lines, establishes the necessary easements and dedicates the required right-of-way.

78. FINAL PLAT: Pollack Chandler Crossing Lots 1 thru 3

APPROVED Final Plat FPT07-0022 Pollack Chandler Crossing Lots 1 thru 3 for a commercial retail center on approximately 7 gross acres at the NEC of Chandler Boulevard and Cooper Road. (Applicant: Superior Surveying Services, Inc.) This request is for the master parcel map for the Pollack Chandler Crossing commercial retail center. The plat creates the lots, tracts and easements necessary for the property's development.

Staff recommends approval subject to the following condition:

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

79. FINAL PLAT: Lynn Haven Estates

APPROVED Final Plat FPT07-0010 Lynn Haven Estates, for a 50-lot single-family residential subdivision at the NEC of McClintock Drive and the Loop 202 Santan Freeway. (Applicant: Todd Nuttall, New Sun Homes.) The final plat creates the lots and tracts, establishes the necessary easements and dedicates the required rights-of-way.

ACTION:

80. NOTICE OF INTENTION

APPROVED the Notice of Intention to Increase Certain Water, Reclaimed Water and Sewer Fees and set the date for public hearing as to the proposed revisions on July 23, 2007.

MR. RICK GIARDINA, Red Oak Consulting, spoke regarding the underlying criteria or assumptions that are used to measure the financial viability of the City's water and sewer utilities and discuss the resulting revenue adjustments and the impact.

He stated that at the May 21st Study Session, there were two questions. One was regarding the industrial rates based on the rate restructuring recommended. He noted the rates compare favorably to other communities. He displayed a graph showing that Chandler fell about mid range for industrial rates.

He said the second question was regarding wastewater bills for an educational customer dealing with estimated flows of 30,000 gallons. He reported that with 30,000 gallons, under the new rate structure, the customer would pay virtually no change in their monthly bill; although a customer using less than 30,000 would actually see a decrease and more than 30,000 gallons would likely see an increase.

COUNCILMEMBER ORLANDO asked if the comparisons between the communities were equal. Mr. Giardina replied that in reference to the slide shown, they are comparing the absolute value of the bill paid. In many communities, there might be a different rate structure.

Mr. Giardina explained that there are two primary measures looked at when determining how much revenue is needed to maintain the financial viability of the City's utilities. First, the cash reserve ratio and second, a debt service coverage ratio.

The cash reserve ratio is a measure on how much working capital is available. To pay the bills from the time the city incurs the expense and the time the money is collected. There is a general rule of thumb in the industry that the ratio should be between 15% and 25%. That would generally represent about 45 to 60 days of operating capital. He explained that historically, we used 25% for both water and sewer operations. The recommendation is now 20% for water and 15% for wastewater. The reason is this is a mature utility system today. The reason for the decrease for the wastewater reserve is the reliability of the revenue stream.

COUNCILMEMBER SEPULVEDA asked if there was an optimal rate that was lower for the one recommended now based on a population of 250,000 and 5 years in the future. Mr. Giardina said indirectly he feels the population would help drive that, but as a general rule they would not recommend lower than 15% or 12.5%. He said the reason for even having the reserve was the lag time in incurring the expense and collecting the revenue.

VICE MAYOR HUGGINS asked if this would affect the bond rating. Acting Management Services Director O.D. Burr replied that it would enhance the bond rating.

Mr. Giardina explained the second measure is debt service coverage. This is a measure of the ability to repay the debt.

He reviewed the summary of the water revenue plan. In FY 2007-08, Council is being asked to consider this plan as part of the rate recommendation. For water, the recommendation is a 9% increase for 2007-08 and an 8% in 2009-2010. He noted the average winter bill is \$19.78 and would increase to \$21.56 under the new structure. A summer bill would be \$20.00 with a 9% increase up to \$22.00 in the first year.

The cash reserve requirement is a self-imposed policy, so there may be a year that number is dropped. The debt service coverage ratio is a legal requirement and is a minimal requirement of 1.2 times coverage.

COUNCILMEMBER DONOVAN asked about the reason for the percentages of the increases. Mr. Giardina said the recommendation is for increases every other year. He said these numbers are projections and these numbers may be wrong in two or three years due to changing regulations or customer demand for service. A two-year rate plan will provide some certainty however, and staff will review this yearly.

Mr. Giardina explained the rate schedule for the volumes of usage. Customers with more than 12,000 gallons of usage a month will start to see increases in their bills. Low volume users will benefit under this structure.

MAYOR DUNN asked if this unfairly punishes citizens who chose to put in grass or winter rye. Mr. Giardina said he feels this rate structure is about choices and fairness. Those who chose to have those kinds of amenities in an arid climate, understand there is a cost to maintaining those areas. Factors such as reasonableness to the size of the area and using water efficiently.

COUNCILMEMBER SEPULVEDA said that many HOA's have not made it mandatory to overseed the lawns which he believes is a step in the right direction. He commented that "paying for what you use" is usually a good tact to take. The city does incent citizens to convert their lawns to xeriscape. This might be a topic for policy discussion.

MR. KEVIN BURNETT, RED OAK CONSULTING, explained there is a 12% increase in the wastewater rates for FY2007-08 and a 13% in FY2009-10 and 13% in FY2011-12. One of the distinctions on the wastewater charge is that a single-family residence is a flat charge every month. Part of the study was a cost of service analysis determining cost responsibilities of each class. They saw a shifting in the multifamily class and the single family as the single-family class should be paying the higher cost burden. That coupled with the 12% increase, brings it from the existing rate to the proposed rate.

COUNCILMEMBER ORLANDO asked clarification of the recommendations for the debt reserve and the cash reserve. Mr. Giardina said those measures may govern each of the utilities different. He went on to explain that in the case of wastewater, if they did not have any rate increases, the cash reserve ratio would drop well below the 15% threshold, but the coverage may still be well above that. Because of the drop below the 15% threshold, the rate increases are necessary. The rate increases may get to the threshold, but in doing so, would put us well above the 1.2 requirement. By balancing the two, we might have to set one artificially high in order to achieve the minimum on the other one. He explained that the debt service coverage on a particular slide he was showing, is combined. On a combined basis, they are well above the 1.2, but if water and wastewater rates were set to achieve only 1.2, we would fall well below the cash flow ratios. By setting the ratios at the 20% for water and the 15% for wastewater, that generates revenues that produce coverage ratios well above the minimum. He commented that there was nothing wrong with that and is very healthy and this type of financial plan is viewed very favorably by the rating agencies. While they would like to set both measures at their minimums, rarely is that possible. One of those ratios usually governs.

Councilmember Orlando said hypothetically, there is potential of the cash reserve to build up because of usage or other factors and asked when this would be reviewed to analysis the rate increases. Mr. Giardina said this is annually reviewed by city staff.

Mr. Giardina stated a public hearing would be held on July 23, 2007 at which time public input would be received and at that time Council may adopt an ordinance. The ordinance would proceed with final adoption on August 9, 2007 and on October 1, 2007 the new rates would be effective.

MAYOR DUNN asked what was being done to notify the public of these increases. Mr. Giardina stated that required notices are being placed in the newspaper. In addition, notice is being given to the largest water users. Mr. Burr noted that notices would appear on all utility bills.

MOTION BY COUNCILMEMBER ORLANDO, SECONDED BY VICE MAYOR HUGGINS TO ADOPT A NOTICE OF INTENTION TO INCREASE CERTAIN WATER, RECLAIMED WATER AND SEWER FEES AND SET THE DATE FOR THE PUBLIC HEARING OF JULY 23, 2007. MOTION CARRIED UNANIMOUSLY (7-0)

RECESS: The meeting was recessed at 8:04 p.m. and was reconvened at 8:12 p.m.

81. AREA PLAN AMENDMENT / REZONING: Pinelake Condominiums Res. # 4071 & Ord. #3925

DENIED Resolution No. 4071, Area Plan, AP05-0003, amendment from business park to multi-family residential land use at the SEC of Pinelake Way and Ocotillo Road.

DENIED Ordinance No. 3925, DVR05-0040 Pinelake Condominiums, rezoning from PAD for business park and AG-1 to PAD for residential condominiums with PDP to allow a residential condominium development for property at the SEC of Pinelake Way and Ocotillo Road.

SENIOR PLANNER JODIE NOVAK said the property is located at the southeast corner of Pinelake Way and Ocotillo Road. The project is on 13.8 net acres and the Area Plan request is from business park to residential condos with 144 units residential community at a 10.39 dwelling units per acre. Both Commission and Staff recommend denial based on land use. The land use change is inconsistent with the adopted SECAP, General Plan and Southshore Area Plan. It is located in an area that already has property zoned and planned for business park, office, and light industrial and she explained that staff believes this parcel still has an opportunity to develop under an office type land use. There is a mix of residential, electrical facility and industrial business park bordering the project site. She commented that it was Commission and Staff's opinion that this property is at a prime location for that area to provide a business support use for that area.

She stated the project itself is designed very well and did meet most of the multi-family residential standards, the paseo canal interface standards and the Southeast Chandler Area Plan standards. She reported the applicant did hold many neighborhood meetings, and the residents of Pinelake Estates do support this project developing as residential.

COUNCILMEMBER ORLANDO asked if this area was where the airplanes approaching Chandler Airport would be making a turn. ACTING PUBLIC WORKS DIRECTOR DAN COOK responded that he believed that this was outside of the normal traffic pattern airspace although it was certainly possible for aircraft to be in a wider pattern and over this area.

Councilmember Orlando asked if the Southshore Area Plan was approved by the Council. MS. NOVAK responded that it was approved by Council, not by citizen vote, in 1988 although there have been changes to it. She noted that the Pinelake Estates development was originally planned for an industrial area, however there was a General Plan amendment that was approved.

MAYOR DUNN asked about the Southeast Chandler Area Plan. MS. NOVAK replied that from Arizona to the RR tracks there is commercial, retail and employment. East of the railroad track is traditional suburban character which is a residential designation however it does allow for other Area plans that may have been pre-approved to still be developed and does allow for non residential developments on a case by case basis.

In response to a question from the Mayor, Ms. Novak noted the zoning designations and developments in the area. Ms. Novak stated that if the project was approved, the parcel on the other side could develop as support business. It is more beneficial to the area, especially given that there is an SRP substation that is going to be expanding, and staff feels it is not compatible as the best land use with multifamily. A business park would then give a nice presence to that area.

COUNCILMEMBER SEPULVEDA clarified that the proposal would be a down zoning. Ms. Novak said that it could be viewed in that was in terms of general zoning. Councilmember Sepulveda asked when Ocotillo would be expanded. Dan Cook stated that this section is in the 5-year program and may be in the 3rd year out.

MR. RALPH PEW, 1930 E. Brown Road, Mesa. representing the property owners. Mr. Pew noted their long term work on the project through neighborhood outreach and through the PDP process. He believed the issue was land use. He asked the Council to consider the unique circumstances relating to this property. This parcel, in their opinion, is not a critical aspect to the economic and use balance in the community. He asked for consideration with the compatibility in the area and noted the plan was 20 years old. He noted that virtually every parcel, east of the canal and south of Ocotillo within the SouthShore Area Plan has been changed. The Pinelakes community was a combination of light industrial and garden office. He stated that within the SouthShore Area Plan there are three categories of employment uses. This site is planned for business park. Business park uses promote high tech uses, research and development. He concluded that business park uses are not the same as a garden office and for that reason it is important to consider the desire of the neighborhood and allow this change to occur so when entering the Pinelake community you have a well designed condo project.

Mr. Pew stated the condo project would generate one-third of the traffic as a business park would general at this location and said they have agreed to an access connection on Pinelake Way. It was also their opinion that the project would develop a better screen against the SRP station.

COUNCILMEMBER SEPULVEDA asked about the general plan update. MR. BALLARD said that while the process has started it would be a 12 month project and they were looking at a September 2008 election date. Councilmember Sepulveda acknowledged the work of the applicant. He noted that there had been many changes from the business park designation, but noted there is less of this type of land zoned today as previous.

MAYOR DUNN said he remembered when the mini storage was proposed that the comments from the neighbors were of wanting to preserve that as a business park. Mr. Pew said his view of the minutes were the comments were one resident's answer to a question on a mini storage vs. a business park, not necessarily residential.

COUNCILMEMBER ORLANDO asked from a market standpoint why the condo's. Mr. Pew said primarily the market is strong in this area for ownership units. He said they were aware of the City's view of apartments and the resident's view that is why the density was dropped. Councilmember Orlando asked about a market survey and stated his concern about trends showing condos are not being built, and apartment conversions have stopped. Mr. Pew said he has not seen the market study. Mr. Pew said they believe strongly in the condo project because of the high quality existing residential area.

COUNCILMEMBER DONOVAN asked if there was any reason for traffic to go through the neighborhood. Mr. Pew said there was really no reason to drive through the Pinelakes subdivision. Mr. Pew stated the condo project would generate an estimated 850 trips per day. A pure research park project would generate 1700, and an office project about 2200.

MAYOR DUNN questioned the traffic counts for the office project. Ms. Novak said it would be dependant on the number of units, and office condos. It is true that usually more commercial, retail or office would traditionally generate more traffic than a single-family residence, but project like the condominiums might be comparable in traffic. Mayor Dunn asked when the traffic light would be installed. Ms. Novak said she believed when there is a larger amount of development happening. Mr. Pew stated that the numbers he quoted are from a Task Engineering Traffic Study.

Lori Gallegos, Pinelake Estates, said that the condo project would be a much more desirable approach to her neighborhood coming off of Ocotillo Road and as a entryway into their subdivision. She stated the area was a residential area and provided many park areas in the area. The business park to the west of Pinelake Way would be acceptable. In response to a question from the Mayor, she said she would be in favor of the condominium project as she desires an ownership component.

COUNCILMEMBER SEPULVEDA asked about timing of the project. Mr. Pew said they have had multiple inquiries about the project and would expect the project to move forward quickly, despite the current market. Mr. Pew said the property owner is not the developer, so he could not speak with certainty on the timing.

Derek Logan, 445 E. Coconino, Vice President of the Pinelake Estates HOA provided a letter of support from the residents. He stated one of the primary reasons he opposed the storage facility is he thought there could be problems with customers exiting the property and going through the subdivision and not realizing what a maze it is to go through. The condominium residents will be more familiar with the area.

In response to questions from Councilmember Weninger, Ms. Novak said if Council was inclined to approve the project, there were stipulations attached to the ordinance. Councilmember Weninger said he has wrestled with his decision and noted that some of the Planning Commission members had stated that they would like the remaining southwest corner remain as office. He asked if the neighbors could agree.

Mr. Logan responded that he might have been the one responding that he would rather see business as opposed to storage. He said it would all depend on the proposal coming forward. He believed this project would be an attractive addition to the area especially as this part of Ocotillo Road has not been improved.

COUNCILMEMBER DONOVAN asked about the vitality or criticality aspect of the economic component.

MR. BALLARD replied that many of the conversions individually do not account for a catastrophic loss. However, looking at it collectively, there is a loss of economic development forever to the City. Regarding timing, Mr. Ballard said there is more interest beginning to develop in this part of the City.

MAYOR DUNN said at the time that Pinelake development was approved, it did bring at that time, a high quality development to that area. He saw the SRP facility as the dividing line as what to occur with employment and residential. He noted that substation would expand. He expressed his concern if this project approved, that it would be harder not to consider that for residential. Mayor stated that he lives along the Price Corridor and the design standards for employment based are the best in the valley. He stated that in the future for this proposed project area, he would insist on design standards to be compatible with a residential area.

COUNCILMEMBER ORLANDO said his issue for as long as he has been on Council is residential under an airport approach. He stated he was not convinced that more condominiums and multi-family was the answer until the study is done to inventory these types of uses.

MOTION MADE BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER CACCAMO TO DENY RESOLUTION NO. 4071 APPROVING THE SOUTHSORE AREA PLAN AMENDMENT, AP05-003 PINELAKE CONDOMINIUMS PER PLANNING COMMISSION AND STAFF RECOMMENDATION.

COUNCILMEMBER SEPULVEDA said it is understood what the neighbors desire is, but not having a developer with a timeframe in mind and without the results of the General Plan update, it is still an unknown how long if approved, the project could break ground.

THE MOTION CARRIED BY MAJORITY (6-1) with Councilmember Weninger voting nay.

MOTION MADE BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER SEPULVEDA TO DENY INTRODUCTION AND TENTATIVE ADOPTION OF ORDINANCE NO. 3925 APPROVING THE REZONING REQUEST WITH PRELIMINARY DEVELOPMENT PLAN IN CASE NUMBER DVR05-0040 PINELAKE CONDOMINIUMS PER PLANNING COMMISSION AND STAFF RECOMMENDATION.

MOTION CARRIED BY MAJORITY (6-1) with Councilmember Weninger voting nay.

PUBLIC HEARING:

2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program

Mayor Dunn opened the public hearing at 9:19 p.m.

Mr. Randall Greeley announced the City of Chandler, through the Police Department, has been awarded an Edward Byrne Memorial Justice Assistance Grant (JAG). This is the third year the City has been awarded this grant. Two previous grant programs were combined, the Edward

Byrne Memorial Formula Grant and the Local Law Enforcement Block Grant, into this one program. The application is due July 2, 2007. The application information was made available through the weekly Council packets on June 1, 2007. For 2007, the department has been awarded \$75,029.00. No local match is necessary.

The funds are proposed to be used to purchase equipment for law enforcement use in the areas of patrol, community services and criminal investigations.

Mr. Greeley displayed a list of uses and noted that it includes replacement of two canines that are due to retire in the next year, night vision binoculars, and various equipment throughout the department. Mr. Greeley said these funds might be received early in 2008.

The public hearing was closed at 9:23 p.m.

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

MAYOR DUNN announced that Patti Bruno would be replacing long serving president, Ernie Serrano for the DCCP (Downtown Chandler Community Partnership.)

MAYOR DUNN announced the lifeguard and swim lessons being offered through Community Services and reminded everyone to watch your kids around water.

MAYOR DUNN noted the recent groundbreaking of the Chandler - Gilbert \$100 million dollar water treatment facility. This facility will serve both communities and be a savings to both. He thanked Gilbert Mayor Berman and staff.

He reminded the Council of the Executive Session following adjournment.

B. Councilmembers' Announcements:

C. City Manager's Announcement:

There were no City Manager announcements at this time.

Adjournment: The meeting was adjourned at approximately 9:26 p.m.

ATTEST: _____
City Clerk

Mayor

Approved: June 28, 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 14th day of June 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