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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, September 20, 2007 at 7:00 p.m.

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

The following members answered roll call:

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

Also in attendance:

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

INVOCATION: The invocation was given by Pastor Bill May, First Baptist Church of Sun Lakes

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

SCHEDULED PUBLIC APPEARANCES:

1. Retirement Recognition

MAYOR DUNN was joined by Chief Kiyler in recognizing Gregory Carr for his retirement after 20 years in the Police Department. Greg began his law enforcement career with the City of Tempe, but was quickly hired by Chandler out of the academy where he preferred the small town atmosphere. He has held a diversity of assignments including a crime scene officer and field training officer and he was instrumental in the formation of a bike team. Since his promotion to Sergeant, Greg has served as a patrol sergeant, the bike team sergeant, park ranger sergeant and administrative sergeant. Sgt. Carr was also instrumental in helping write the policy and protocol for the Department's Sex Offender Notification Program and assisted in the implementation of the Victim's Rights procedures. Greg's latest assignment with the Police Department was supervising the Neighborhood Services Unit where he helped implement numerous programs and facilitated the Code Enforcement Ordinance rewrite. Greg has recently accepted the newly-created position of Code Enforcement Manager in the City Manager's office.

2. Service Recognition

MAYOR DUNN was joined by Community Services Director Mark Eynatten in recognizing David Palacios for 10 years of service with the City of Chandler. David's first assignment as a groundskeeper with the City was in the downtown campus area maintaining the landscaping for many areas. He showed an attention for detail and his attention to detail was at its best when in the fall and spring he was given the responsibility of installing beautiful displays of color. David is recognized for the quality and consistency of his work and his pleasant and kind manner. David now supports the care of Tumbleweed Park where his experience, attitude and attention to detail make the park even better.

3. Recognition – Babe Ruth World Series Champions

MAYOR DUNN was joined by Tony Valdez and Coach Dave Hitchcock and the National Championship Baseball Team. He congratulated the team on winning the Babe Ruth World Series and displaying a good representation of Chandler. Team members introduced themselves and were presented with a gift from the City.

Mr. Valdez thanked the Mayor and Council for taking the time to recognize the team from Hamilton High. He gave a brief background of the Babe Ruth League.

4. Arizona Parks and Recreation Association Awards

MAYOR DUNN was joined by Community Services Director Mark Eynatten who presented awards from the Arizona Parks and Recreation Association to Tyrone Allen for the Outstanding Community Special Event (50th Tumbleweed Tree Lighting Ceremony & Parade of Lights) and Donald Smith for the Outstanding Educational Program for City's Leaders In Training Program for Teens.

Mr. Eynatten added that the City's holiday festival was selected for the Special Event award because of the longevity of the Tumbleweed Tree Lighting and success of the 2006 event where there were over 15,000 attendees.

The 2007 Outstanding Educational Program award was presented in recognition of the innovative nature of the City's Leaders in Training Program. It was introduced in 2001 providing youths aged 14-16 an opportunity to explore career paths while gaining hands-on job experience. It is a voluntary 6-week summer program in which a City Staff member serves as a mentor to a student. Students are treated like a regular employee being held accountable for punctuality, attendance, attitude and performance. They must also attend success skill workshops and presentations by members of the business community.

5. Recognition – Chandler At Its Best

MAYOR DUNN asked City Manager Mark Pentz to give a brief description of the program and introduce the recipients. Mr. Pentz said that the Chandler At Its Best Committee was formed to identify stories that accurately depict the jobs by individual employees, City departments, divisions and teams are doing to provide services to the community and the organization. The committee recently recognized the following employees for their hard work, dedication and creativity they bring to their jobs: Jane Poston from Communications and Public Affairs, Stefanie Garcia from Neighborhood Resources, Ted Duhaime from Police and Neal Giger from Information Technology.

For the past two years, **Jane Poston** has accepted the demanding responsibility of filling out the application for the 100 Best Communities for Young People award and Chandler has won the award each year. Jane also formed the Coalition for Chandler Youth, which has been instrumental in coordinating youth activities in Chandler. She is leading the effort this year to celebrate Chandler's awards with a community event, The Day of Play, on October 20th.

Stefanie Garcia created the City of Chandler's first HOA Academy, a series of courses offered in conjunction with the Leadership Center aimed at providing Chandler citizens and HOA leaders with the tools and information necessary to better understand the various aspects of HOA membership. The first HOA Academy graduated 21 participants who were presented certificates at a City Council meeting. Six of the 21 graduates now serve on their HOA boards, which is proof that this program is having a positive impact on its participants.

Ted Duhaime has been with the City just over one year, but has made several suggestions that have helped streamline processes and procedures to make life easier for those working in the Police Department's detention facility. Sgt. Bryan Cox oversees the division and Staff acknowledges that efforts to implement the new processes is a team effort and notes that without Ted's insight and innovative thinking, the improvements may not have been introduced.

Computer Analyst **Neal Giger** began searching for a program that could help stop network server and other technical issues before the user knew they were there. Initial research showed that it might be a costly fix until he came upon free software that he was familiar with. Neal has been testing the system with different groups and once completed, his solution will give advanced notice of system problems telling IT Staff what the problem might be and where it is located even before it impacts City Staff.

6. Proclamation – Domestic Violence Awareness Month

MAYOR DUNN was joined by members of the Domestic Violence Commission, representatives from the Police and Fire Departments and the City Prosecutor's office. Domestic Violence Chair Tammy Clow-Kennedy introduced commissioners present: Ana Barzola, Yvonne Taylor and Susan Stevens-Clarke. She also introduced City Prosecutor Tom Zaworski, Tesha Hensley-Brown, Staff Liaison to the Commission, Police Chief Sherry Kiyler and Fire Chief Jim Roxburgh. MAYOR DUNN read a proclamation proclaiming October 2007 as Domestic Violence Awareness Month.

7. Proclamation – A Week Without Violence

MAYOR DUNN was joined by Dr. Ruth Tan-Lim and Susan Stevens-Clarke as he read a proclamation proclaiming October 7-13, 2007 as A Week Without Violence in conjunction with Domestic Violence Awareness Month.

Dr. Tan-Lim thanked the Council for their support.

8. Proclamation – Fire Prevention Month

MAYOR DUNN was joined by Fire Education Officer Martin Dangel as he read a proclamation proclaiming October 2007 as Fire Prevention Month.

Officer Dangel encouraged everyone to have a home fire exit plan showing two ways out of each room and a meeting place for everyone and to practice the plan often.

9. Chamber of Commerce Update – Business Retention and Expansion Program

MAYOR DUNN introduced Chamber of Commerce President and CEO Becky Jackson who gave an update on business retention and expansion.

MS. JACKSON said this will be first of future quarterly business community updates to the Council. She reinforced the importance of the Chamber to be included at the table now and in the future as work on business and economic development issues and projects take place. She reported the Chamber also looks forward in continuing to work cooperatively with City Staff on business retention and expansion programs. The Board of Directors and Chamber staff recently concluded a productive session where they developed a 5-year strategic plan and supporting initiatives to focus on the continued and relentless support of the Chandler business community. Over the past few years, the Chandler Chamber of Commerce and the City

of Chandler's Economic Development Division have worked hand in hand in a program title B3 which is Building Bridges to Business.

The B-3 Program was originally presented to the City and Chamber by APS who considered the program a wise and effective method for chambers and cities to retain and continue to attract quality core businesses to their areas. This program has been instrumental in doing that. She explained the Chamber's role over these past years has been the lead contact to the core local businesses by jointly mailing out signed letters of introduction by the Chamber President, the Mayor, and the Economic Development Director, followed by personal phone calls with the ultimate goal of setting person visitation appointments to conduct surveys about business in Chandler.

The Chamber's follow-up program has been to connect with City Staff on the appointment details and to enlist their participation in these personal visitations. This process has been very effective and fluid.

Once an appointment has been completed, Chamber staff submits the completed survey data to be condensed to a single document at which point it's sent to City Staff for entering into an electronic database. The ultimate goal is to assess the entered data for common denominators such as positive business programs and areas that may create obstacles and concerns to business.

Ms. Jackson stated the Chamber's goal each year is to complete 50 personal visits to local companies. They exceeded their goal by three during the last fiscal year. There were 50 personal invitations and three phone interviews, which represents 14, 299 employees and over 34 industries.

The following City services consistently received positive responses – Police, Fire, paramedic, utilities, water, city planning overall, the new freeway system and more shopping, hotels and restaurants to choose from. Negative responses were reported on the following – lack of mass transit system, City business sign regulations, planning and zoning challenges, and extended timelines to obtain some permits. Ms. Jackson commended City Staff for their decorum during these interviews.

She noted an area businesses felt there was not enough information relates to the community college and the availability of specialized business employee training and how to obtain work-training dollars through the State.

The Chamber Board of Directors believes that a retention and expansion program is a very essential element in building business for any city. The survey information gathered can be used as a diagnostic tool to assess the potential of a company as well as the risk. Although the information on each specific company is kept very confidential, it does help build and manage a detailed knowledge base on individual companies and identify any trends that might appear in a specific industry.

Ms. Jackson said they are fortunate to have developed a strong partnership between the Chamber and the City's Economic Development team to implement a strong and successful Building Bridges to Business Retention and Expansion Program and look forward to continuing that partnership.

MAYOR DUNN thanked the Chamber, on behalf of the Council, for their efforts in retention expansion. We have been fortunate over the years in bringing in new businesses in addition to retaining those that have been in Chandler for a long time and ensuring their needs are met.

UNSCHEDULED PUBLIC APPEARANCES:

JOAN DAVIS, 5433 W. Elgin Street, asked that the Council re-evaluate City Ordinance 30-11, Section 5, the barking dog ordinance. She stated the ordinance is open to a range of interpretations even to the

extreme where a person considers a dog barking, even once, a disturbance. She stated that it would be unrealistic to say that a dog should never bark. Ms. Davis said (Town of) Gilbert requires 2 complaining witnesses from separate households before the police will investigate. (City of) Peoria utilizes their animal control officers instead of their police department. They also have a neighborhood mediation program to provide a forum for neighbors to work through the conflict. She requested that Council consider changing the ordinance to include the following steps before a criminal citation is issued: 1) two or more complainants from separate households before a police investigation, 2) the dog owner should be given materials or directed to a link on the City's website describing how an animal could be considered a disturbance and measures they can take to train the dog, and 3) mediation should be required so the dog owner and complainant can discuss the situation. She said that if all of these steps are taken and the dog owner continues to allow their dog to bark, disturbing the neighborhood, then a criminal citation could be issued.

MAYOR DUNN directed Staff to report back to Council with a comparison of Chandler's code with other cities in the area.

CONSENT:

MAYOR DUNN thanked Staff for providing the information he requested on the Price Road design.

COUNCILMEMBER WENINGER requested that Item #13 (real property acquisition), Item #18 (real property acquisition) and Item #58 (Façade Conservation Easement) be moved to Action.

MAYOR DUNN said that he would not be voting on Item #77 (Cooper Commons Agreement) due to a conflict of interest.

VICE-MAYOR HUGGINS stated he would not be voting on Items #35 & #36 (Safe Star Construction) due to a conflict of interest.

COUNCILMEMBER ORLANDO noted that he would be voting nay on Item #39 (Pulice Construction) and Item #40 (Vanir Construction Management).

COUNCILMEMBER WENINGER stated he would be voting nay on Item #29 (Downtown Parking Study).

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY VICE-MAYOR HUGGINS, TO APPROVE THE CONSENT AGENDA AS AMENDED WITH ITEMS #13, 18 & 58 BEING MOVED TO ACTION. MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED, as presented, minutes of the Regular City Council Meeting of September 6, 2007.

2. GROUND LEASE: Arizona Pacific Aviation, LLC Ord. #3846
ADOPTED ORDINANCE NO. 3846 authorizing the City to enter into two, 30-year ground leases with two, 10-year options with Arizona Pacific Aviation, LLC for the purpose of constructing and managing hangar storage facilities at the Chandler Municipal Airport in an amount of \$29,265.00 for the first year.

3. POWER DISTRIBUTION EASEMENTS: Salt River Project Ord. #3884

ADOPTED ORDINANCE NO. 3884 granting two no-cost 69kV power distribution easements to Salt River Project (SRP) to relocate electrical facilities along the east side of Dobson Road north and south of Warner Road.

4. POWER EASEMENT: Salt River Project Ord. #3921

ADOPTED ORDINANCE NO. 3921 granting a no-cost power easement to Salt River Project (SRP) on the north side of Warner Road, west from the northwest corner of Alma School Road and Warner Road to Comanche Drive.

5. GROUND EASEMENT: Salt River Project Ord. #3922

ADOPTED ORDINANCE NO. 3922 granting a no-cost, non-exclusive ground easement to Salt River Project (SRP) to relocate electric facilities along Germann Road between Dobson Road and Arrowhead Drive.

6. TELECOMMUNICATIONS AGREEMENT AMENDMENT: Verizon Ord. #3937

ADOPTED ORDINANCE NO. 3937 amending a wireless telecommunications use agreement between Verizon Wireless LLC, dba Verizon Wireless, and the City of Chandler at Fire Station #2, 1911 N. Alma School Road.

7. REZONING: Villa Del Lago Ord. #3956

ADOPTED ORDINANCE NO. 3956, DVR07-0003 VILLA DEL LAGO, rezoning from PAD Commercial to PAD Multi-Family Residential along with PDP approval for a multi-family residential development located on approximately 14.6 acres at the SEC of Ocotillo and Dobson roads.

8. IRRIGATION EASEMENT: Salt River Project Ord. #3958

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3958 granting an irrigation easement to Salt River Project (SRP) to relocate irrigation facilities along Warner Road east and west of Dobson Road for the Dobson Road and Warner Road Intersection Improvements.

9. ZONING AMENDMENT: Parcland Crossing Ord. #3968

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3968, DVR07-0031, Parcland Crossing, amending the PAD zoning to allow a mixed-use development with office, commercial retail, and residential condominiums with a mid-rise overlay by deleting a zoning condition requiring "Perimeter landscaping, the greenbelt, and street improvements to occur in Phase One" at the NEC of Alma School and Willis roads. (Applicant: Withey, Anderson & Morris PLC, Jason Morris.)

In November 2006, an area plan amendment, rezoning and development plan were approved by City Council for Parcland Crossing to allow a mixed-use development. The project included office with a mid-rise overlay, retail, live/work units and multi-family residential condominiums and townhomes. The commercial and residential portions intended to construct simultaneously; however, market conditions and circumstances have required development of the commercial component, including offices and retail, to move ahead of the multi-family portion and the live/work buildings.

The commercial portion, including the office buildings and retail shop buildings, intends to commence construction in the fourth quarter of 2007. Portions of the commercial site would be completed by the third or fourth quarter of 2008. Development of the multi-family residential and live/work buildings is unknown at this time. Due to the change in development timing, the greenbelt will be constructed only in Phase One.

The greenbelt spans approximately 100 feet in width and runs from east to west through the commercial and residential portions. Due to the development's multi-family residential portion no longer a part of Phase One development, the construction of the greenbelt is not recommended for construction until that portion of the site builds. Phase One development includes the office buildings, retail shop buildings and associated off-site and on-site improvements.

While the greenbelt is a shared element between the commercial and residential portions, construction of the greenbelt on the multi-family residential parcel is not beneficial at this time. Staff is of the opinion that the amendment of Condition No. 32 to construct the greenbelt in Phase One only is practical given the residential development is not occurring as part of Phase One. At the time of Phase Two development, the greenbelt and pedestrian trail will connect into the commercial development as planned.

The new language for Condition No. 32 maintains the requirement for perimeter landscaping and off-site street improvements along the entire project site. The greenbelt will be constructed in Phase One; however, the live/work buildings will not be constructed adjacent to the greenbelt. The multi-family residential and live/work buildings are part of Phase Two development.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on July 24, 2007. There were no neighbors in attendance. Staff has received no correspondence in opposition to this request.

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

10. INITIAL CITY ZONING: East of the SEC of Pecos & McQueen Roads Ord. #3971

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3971, DVR07-0035 East of the SEC of Pecos and McQueen Roads, establishing initial City zoning of Agricultural District (AG-1) on approximately 4.37 acres located east of the SEC of Pecos and McQueen roads. (Applicant: City of Chandler; Owners: David M. Kassel/Magda Farag.)

Adoption of an annexation Ordinance authorizes the City to initiate a zoning action as required by State Statutes to adopt and establish an initial City zoning classification upon the newly annexed property. This request, initiated by Staff, serves to simply establish the site with a zoning designation of AG-1 (Agricultural District), which is most comparable to the site's previous county zoning designation of Rural-43. Approval of this action insures that any future development on the site shall occur in conformance with City standards.

This request was noticed according to the provisions of the City of Chandler Zoning Code. Staff has received no correspondence in opposition to this request.

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

11. ANNUAL IGA AMENDMENT: RPTA Res. #4082

ADOPTED Resolution No. 4082 approving an annual amendment to the Intergovernmental Agreement (IGA) with the Regional Public Transportation Authority (RPTA) to provide regional Dial-A-Ride services for senior citizens and persons with disabilities for FY 2007/08 in the amount of \$114,006.00.

The East Valley Dial-A-Ride (EVDAR) provides door-to-door, shared-ride public transportation services for senior citizens and persons with disabilities. Council approved an Intergovernmental Agreement with the RPTA in 2004 to provide Dial-A-Ride service for eight years to the City of Chandler in partnership with the Cities of Mesa, Tempe, Scottsdale and the Town of Gilbert. This is the third of eight annual amendments to adjust costs for changes in service levels, procurement of replacement vehicles, and inflation.

The agreement will provide approximately 13,549 hours of Dial-A-Ride service at a total cost of \$849,090.00. As part of Proposition 400, RPTA funds the cost of service for persons with disabilities in accordance with the Americans with Disabilities Act (ADA) in the amount of \$735,084.00. Service for senior citizens will be paid by the City at a cost of \$114,006.00. Last year's agreement included a new trial program for subsidized cap coupons. This year, the program will be a separate agreement to be presented in the near future.

After several years of rapid increases in the use of the Dial-A-Ride service, the usage has stabilized so forecasted trips are reduced for FY 07/08. The implementation of the cab voucher program, and use of the Maricopa Special Transportation Services bus system have helped take some of the demand from the Regional Dial-A-Ride system.

The Transportation Commission unanimously recommended approval.

12. ANNUAL TRANSIT SERVICE AMENDMENT: RPTA

Res. #4083

ADOPTED Resolution No. 4083 approving an annual amendment to the transit service agreement for fixed route bus service with the Regional Public Transportation Authority (RPTA) for FY 2007/08 in an amount of \$243,749.00.

In 2003, Council approved a five-year agreement with the RPTA (Valley Metro) for the provision of fixed route and express bus service through June 2008. This is the fourth of four annual amendments to adjust for changes in operating costs and service levels. This amendment covers Chandler's share of operating costs for fixed route and express bus service for FY 2007/08. This agreement will provide a total of 704,648 service miles in Chandler at a total cost of \$2,767,140.00. A total of 646,071 miles will be funded by Proposition 400 at a cost of \$2,523,391.00, and 58,577 miles will be funded by the City at a cost of \$243,749.00.

The only major scheduling change in the agreement is increased service on Route 156 (Chandler Blvd.). On July 23, 2007, the route expanded service operations to 11:00 p.m., increased frequency from 60 minutes to 30 minutes, added Sunday service and extended service to the Arizona State University Polytechnic campus at Williams Gateway Airport in Mesa. Effective with this contract, the entire cost of Route 156 service is being paid with Regional Transportation Program (Proposition 400) funds, at no cost to the City.

13. Moved to Action.

14. FEE SCHEDULE AMENDMENT: Section 3

Res. #4119

ADOPTED Resolution No. 4119 amending the Citywide Fee Schedule, Section 3, relating to fees for services for fire and emergency responses.

The Fire Department, along with Management Services, had updated the fee for services for fire and emergency responses contained in Chapters 27 & 28 of the City Code. The City updates all of their fees for services on a regular basis. In anticipation of an Intergovernmental Agreement (IGA) with Maricopa County to provide interim fire and medical services, the Fire Department did not submit a fee schedule with the other City fee changes and chose to wait until the IGA was approved by both parties. The IGA has now been approved by both parties. The recommended fees are those associated with the "per call" fees contained in the code.

This calculation is a reflection of the cost to have our entire system ready to respond to any one single incident. After this initial charge is billed, only labor costs for the time remaining on the scene are charged.

Also included in this request are two new fees the Fire Department has determined to be necessary. These fees are for "Emergency Medical Stand-by" and "Fire Prevention Stand-by". The Department often receives requests to "stand-by" for private events in the capacity of emergency medical and fire prevention. These fees reflect the charges that will be billed for these services.

The county islands included in this IGA will produce approximately 16 calls per month as indicated by Rural Metro. According to the IGA, Chandler will receive payment for all calls respond to on county islands. It is anticipated that the City would receive \$300,000.00 - \$350,000.00 for providing services on a per-response basis under the IGA. This sum should roughly correspond to the costs incurred by the department in providing these services. As such, the IGA should be revenue neutral.

15. GRANT AGREEMENTS: ADOT

Res. #4120

ADOPTED Resolution No. 4120 authorizing the City to enter into grant agreements with the Arizona Department of Transportation (ADOT) by accepting ADOT grants E8S45 for \$186,750.00 to design the Northwest Apron Project, E8S46 for \$886,500.00 to construct Phase 2 of the Terminal Area Storm Drain Project, and E8S47 for \$489,150.00 to design and reconstruct the Airport Lighting Vault.

The Airport Northwest Apron Project will consist of approximately 29,500 square yards of apron. This project will provide additional aircraft parking apron area north of the terminal area and west of the future Curtis Way alignment. However, a key element of this development will be to provide taxilane access to approximately 14 acres of airport property that can be leased for future aviation-related development such as aviation-related businesses and covered aircraft storage.

Phase 2 of the Terminal Area Storm Drainage Project will complete the storm drainage for the terminal area. Phase I was completed with the construction of the terminal building in 1996. Finishing this project will provide a storm water outlet from the terminal area ramp, to the retention area west of Airport Boulevard. This will eliminate standing water in the culverts beneath the existing apron and taxilanes, which have had a damaging impact on the pavement in these areas. Design of this project was completed in 2000 and Staff has consistently requested grant funding for this construction.

The grant identified for the Airport Lighting Vault upgrades will be used to supplement another ADOT grant recently received that also included this project. The light vault upgrades are needed to improve the existing lighting vault to modern equipment standards. It has become increasingly difficult and costly to acquire parts for the existing equipment.

These grants are the State's share (90% of the project total). The local match (10% of the project total) will be in the form of funds reserved in the Airport Enterprise Fund and prior approved Airport Bonds.

16. PROPERTY ACQUISITION: South Washington St.

Res. #4126

ADOPTED Resolution No. 4126 authorizing the purchase of property on the west side of Washington Street between Boston Street and Chicago Street for the new City Hall complex at a cost not to exceed \$2,015,000.00, including survey, closing and associated costs.

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

The owner of 7 parcels, Serrano Family Limited Partnership, an Arizona limited partnership, has agreed to sell their property to the City for \$2,000,250.00. The property currently serves as the business headquarters, warehouse, storage, maintenance facility and parking for the tenant of the property, Serrano's Mexican Restaurants. The property's improvements, which are situated on 37,500 square feet of land, consist of two buildings totaling approximately 19,872 square feet. The transaction is expected to close in approximately 30 days.

As an accommodation to the owner and tenant, the City is willing to temporarily lease the property back to the tenant to facilitate their relocation to another property for a monthly amount of \$2,000.00.

17. CENTRAL ARIZONA WATER CONSERVATION DIST V. UNITED STATES Res. #4125

ADOPTED Resolution No. 4125 authorizing the City Attorney to execute the "Stipulation of Intervenor Concurring in Joint Motion of Central Arizona Conservation District and the United States to Approve Amendment to the Revised Stipulation and for Entry of Stipulated Judgment" in Central Arizona Water Conservation District v. United States, CIV 95-625-TUC-WDB (EHC, No. CIV 95-1720-PHX-EHC (Consolated Action).

This litigation, which was filed in 1995, arose from disagreements regarding repayment obligations of the Central Arizona Water Conservation District (CAWCD) to the United States for the Central Arizona Project water delivery system. CAWCD and the United States entered into a Stipulation and Order for Judgment on May 9, 2000, to resolve this lawsuit. That stipulation provided for final resolution of the Central Arizona Project (CAP) financial litigation, if certain conditions were met by May 9, 2003. One of these conditions was the settlement of the Gila River Indian Community water rights (GRIC) claims. The parties agreed to extend that deadline when they realized that these conditions could not be met by that date. On February 27, 2003, the Chandler City Council authorized the City Attorney to sign a revised stipulation that extended the deadline to May 9, 2012, for the completion of all of these conditions.

Since that revised stipulation was filed in 2003, the parties to this litigation have made significant progress in completing the prerequisites to final resolution. However, the parties have determined that one of these prerequisites is no longer required for their amicable resolution of this matter. Therefore, the requirement that the Southern Arizona Water Rights Settlement Act of 1982 be fully enforceable has been removed. Also, several of the prerequisites that have been satisfied need not be recited in the Amendment to the Revised Stipulation and they have been removed as well.

CAWCD and the United States have requested that the other parties to this litigation, which includes the Cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix, Tempe and Tucson, sign the Stipulation of Intervenor Concurring in Joint Motion of Central Arizona Conservation District and the United States to Approve Amendment to the Revised Stipulation and for Entry of Stipulated Judgment.

Under the terms of this Amendment to the 2003 revised stipulation, Chandler can expect to enjoy the same benefits that were agreed to in that earlier stipulation. Resolution of this longstanding litigation avoids increases in Chandler's CAP Municipal and Industrial (M&I) water rates that would result if the United States were to prevail in its claims as to CAWCD's liability for capital repayment for the Central Arizona Project system. Public Works has estimated that these savings could be as much as \$800,000.00 annually. Additionally, as a result of this stipulated settlement, the capital repayment charges associated with the recent allocation to Chandler of an additional 4,986 acre-feet of water will be approximately \$115,000.00 less per year due to the reduction of capital repayment charges.

Resolution of this dispute also removes the potential that capital repayment may be increased due to action of the United States to either increase the unilateral repayment ceiling or change the cost allocation for the remainder of the repayment contract until 2043. Further, this settlement resolves various disputes regarding CAP operations, maintenance and repair (O,M&R) and thereby also provides the City with greater certainty as to its future obligations for O,M&R charges for CAP water.

18. Moved to Action.

19. PRELIMINARY DEVELOPMENT PLAN: Advantage Business Park

APPROVED Preliminary Development Plan, PDP07-0006 Advantage Business Park, to construct an office and retail development on approximately 13 acres at the SEC of Alma School and Pecos roads. (Applicant/Owner: Phone Jockey Land Partners #1, LLC – Mark De Michele.)

This case went before the Design Review Committee on June 18, 2007, to address building and site design. The Planning Commission had concerns with the building architecture stating the buildings need to create more of a statement at the intersection and requested additional shade and seating areas in interior areas. The application has been revised to address comments from both the initial Planning Commission meeting and the Design Review Committee meeting. The revised development plan was presented to the Planning Commission at their September 5, 2007, meeting.

The application requests PDP approval to allow an office and retail development. Uses for the office building are general office only; no medical or dental offices. The retail shops will provide uses appropriate to the office development such as hair stylists, deli/sandwich shops and insurance offices. The site is part of a specific Area Plan, which designated this site for commercial uses. It was originally zoned PAD for conceptual commercial in 1998 as part of a larger 30-acre development. The development included rezoning and a PDP specifically for a multi-family apartment project directly east of the subject site. The site's conceptual commercial zoning included a cluster of retail shops on the southern portion and a typical retail center with a major tenant and retail shops on the northern portion.

A 2.5-acre parcel, owned by ADOT, located at the commercial site's south side was not included with this zoning approval. A zoning amendment and PDP was approved in 2001 that included a "Big K-Mart" store-anchored retail center including shops, a gas station, car wash and a convenience store. The 2001, zoning action zoned the 2.5-acre southern parcel from AG-1 to PAD conceptual commercial. Construction did not commence for the retail development. In 2002, a zoning amendment and PDP application was filed for the corner gas station; however, this request was withdrawn prior to the public hearings.

The site's commercial zoning was extended in 2003 for three years and was again extended in 2006 for an additional three years following a PDP approval. A PDP was approved in August 2006 for an office and retail development. This plan did not include a gas station with a convenience store and car wash on the corner.

The current PDP application requests approval of a new planned office and retail development. The corner parcel owned by Exxon Mobil Corporation is not included with this request and is shown only in concept on the landscape plan.

The Late Hour Business Policy is not applicable to this site due to the site receiving zoning approval prior to the adoption of the Late Hour Business Policy in December 2004.

The development complies with the City's Commercial Design Standards including site design, landscaping, and parking requirements. The request includes a comprehensive sign package, which also meets the City's design standards.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on May 3, 2007. There were no neighbors in attendance. Staff has received no correspondence in opposition to the request.

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

1. Compliance with original stipulations adopted by the City Council as Ordinance No. 3260 in case DVR00-0005 Pecos Plaza, except as modified by condition herein.
2. Development shall be in substantial conformance with the Development Booklet entitled "Advantage Business Park – Preliminary Development Plan 8-22-07" kept on file in the City of Chandler Current Planning Division, in file number PDP07-0006, except as modified by condition herein.
3. No medical or dental office uses will be permitted unless a revised parking analysis is provided demonstrating that the center contains adequate parking per the Zoning Code requirements to accommodate the proposed uses.
4. The development shall be in conformance with the City's Commercial Design Standards including landscaping.
5. The design and construction of the upgraded perimeter theme wall along the southern property line shall be coordinated with ADOT.
6. A separate Preliminary Development Plan is required for the corner parcel planned for a gas station with a convenience store and carwash.
7. At the time of gas station PDP, the car wash's entrance and exit shall be oriented away from view of the arterial streets to provide further screening.
8. The landscaping shall be maintained at a level consistent with or better than at the time of planting. This stipulation shall apply to all phases of the site including the future gas station pad.
9. The entire site shall be maintained in a manner free of weeds, trash and debris. This stipulation shall apply to all phases of this site including the gas station.
10. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or property owners' association.
11. The parking space canopies shall incorporate building materials, forms and colors to match the development.
12. The future pad at the intersection corner shall carry an architectural level of detail similar to architectural design theme for the larger surrounding development.
13. Any future monument sign's for retail shops shall be in compliance with Sign Code and in conformance with the represented quality of this development. Sign panels shall have an integrated or decorative cover panel until a tenant name is added to the sign.

14. Sign packages, including free-standing signs as well as wall-mounted signs, shall be designed in coordination with landscape plans, planting materials, storm water retention requirements, and utility pedestals, so as not to create problems with sign visibility or prompt the removal of required landscape materials.
15. All raceway signage shall be prohibited within the development.
16. Building mounted signage for all office buildings shall occur on each façade in an orderly manner.
17. Landscaping planters shall be provided at the base of all freestanding monument signage.

20. PRELIMINARY DEVELOPMENT PLAN: TCF National Bank

APPROVED Preliminary Development Plan PDP07-0020 TCF National Bank, for a comprehensive sign package at 1990 E. Ray Road within the Cooper Crossing commercial center. (Applicant: Charly Carpenter, HTG Architects.)

North of the site is a proposed drive-thru retail with commercial retail buildings. North of the commercial center is the Countrywalk II single-family residential neighborhood. West of the subject site are parking spaces and office buildings. West of the commercial center is the Pelham Manor single-family residential neighborhood. South, across Ray Road is a Basha's-anchored retail center with a Chevron gas station located directly at the corner. East, across Cooper Road is a shopping center located within the Town of Gilbert.

The subject site was zoned PAD for commercial C-1 uses as part of the 1984 Provinces Master Plan. In January of 2005, Council approved a PDP that changed the site layout on the western portion, to include two, 2-story office buildings and five, 1-story garden office buildings. The PDP for Cooper Crossing Phase II (the eastern portion of the site) was approved in January of this year. The Cooper Crossing Phase II site layout included a total of seven buildings for commercial office, retail shops, a restaurant with drive-thru and a bank pad. This PDP request is specifically for the TCF Bank. Details of the TCF National Bank signage were not provided with the Cooper Crossing Phase II PDP.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on August 16, 2007. There were no neighbors in attendance. The meeting scheduled with the Province's Architectural Review Board was cancelled with no opposition against the proposal.

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

1. Development shall be in substantial conformance with the Development Booklet entitled "TCF National Bank" kept on file in the City of Chandler Planning Services Division, in File No. PDP07-0020, except as modified by condition herein.
2. Sign packages, including free-standing signs as well as wall-mounted signs, shall be designed in coordination with landscape plans, planting materials, storm water retention requirements, and utility pedestals, so as not to create problems with sign visibility or prompt the removal of required landscape materials.
3. All raceway signage shall be prohibited within the development.
4. All signage shall be reverse pan-channel halo-illuminated.
5. The applicant shall work with Staff to develop an internal translucent illumination with halo-illumination for the corporate 'swoosh' logo.

21. CONTINUED PRELIMINARY DEVELOPMENT PLAN: Full Circle Autowash

CONTINUED TO OCTOBER 25, 2007, Preliminary Development Plan PDP07-0021, Full Circle Autowash, amendment for the fuel station canopy at 2755 W. Chandler Boulevard to allow the applicant time to meet with Chevron regarding the proposed canopy.

22. CONTINUED ZONING: Stellar Airpark Estates II

CONTINUED TO DECEMBER 13, 2007, Zoning, DVR07-0022 / PPT07-0012 Stellar Airpark Estates II, rezoning from AG-1 and Planned Commercial Office District (PCO) to PAD for a two-lot custom single-family residential subdivision with aviation-related uses, with PDP and PPT approval for subdivision layout and development standards on approximately 14.5 acres at the SEC of Chandler Boulevard and Galaxy Drive to allow the applicant time to consider possible development alternatives.

23. REZONING: Warner Commerce Park

WITHDRAWN FOR PURPOSES OF RE-ADVERTISING DVR07-0025 Warner Commerce Park, rezoning from PAD to PAD Amended to expand the list of permitted uses within the zoning district on an approximately 16.9-acre business park development with commercial and industrial uses at the SEC of Warner Road and Delaware Street.

24. AGREEMENT: Germann Road Associates, LLC

APPROVED Offsite Improvement and Construction Easement Agreement #OA08-001 with Germann Road Associates, LLC, deferring the installation of a traffic signal at the intersection of Germann Road and Wright Drive and accepting a lump sum payment of \$62,500.00.

A commercial development, Redrock Business Plaza, is being constructed on the north side of Germann Road, immediately east of Wright Drive by Germann Road Associates, LLC. Associated with this development is a requirement for 25% participation in the installation of a traffic signal at the intersection of Germann Road and Wright Drive. The traffic generated by this development will not, by itself, create a need for this signal, but as the other corners develop, the need will be created.

Since the traffic signal will not be required until sometime in the future and is only the partial responsibility of this developer, City Staff came to the conclusion that the best approach would be to enter into an agreement under which the developer would make a lump sum payment to cover its portion of the cost and, in turn, be relieved of any further responsibility for this work. The funds received could then be held until an appropriate time for proceeding with construction.

The estimated total cost for completing the signal installation is \$250,000.00. This developer's portion of that cost is \$62,500.00, which will be held in an interest-bearing account until this improvement is installed. At that time, these funds plus interest will be applied to the cost of the installation.

25. AGREEMENT: G & G Construction

APPROVED Agreement #CM8-001 with G & G Construction for sidewalk removal and replacement along Tulsa Street in the Park Manor Neighborhood, pursuant to annual Contract #ST4-913-2100, in an amount not to exceed \$24,892.28.

The Park Manors Neighbors in Action (NIA) Neighborhood residents have identified a need for the replacement of old and broken sidewalk panels along Tulsa Street between Hartford Street and Arizona

Avenue. This project agreement will provide the removal and replacement of sidewalk panels along Tulsa Street. The sidewalks along the street were constructed sometime in the 1950's and are now showing deterioration, which present a tripping hazard for many of the residents along Tulsa Street.

26. AGREEMENT: Fulton Homes Corporation

APPROVED Agreement #CP07-004 with Fulton Homes Corporation for the construction of two northbound lanes on Arizona Avenue between Chandler Heights and Ocotillo roads near the Fulton Ranch subdivision in excess of their offsite improvement obligation at a cost to the City not to exceed \$771,781.94. The work covered by this agreement has been completed.

Fulton Homes Corporation is constructing a residential subdivision, Fulton Ranch, in the area bounded by Arizona Avenue on the east, Ocotillo Road on the north, Chandler Heights Road on the south and Alma School and Basha roads on the west. One requirement associated with this development was the improvement of Arizona Avenue between Chandler Heights and Ocotillo roads.

The normal obligation from improvement of an adjacent arterial street is to complete the three adjacent lanes, the median, and one opposing lane. However, in this case, one opposing lane would have been insufficient since there were already two northbound lanes in place, although those lanes needed to be rebuilt to meet City standards. The solution, as negotiated by City Staff, was to have the developer reconstruct the two northbound lanes with the City to reimburse the cost of that construction.

27. AGREEMENT: Defensive Driving Program

APPROVED an Agreement with Arizona Crash Course, Arizona Chapter National Safety Council and Arizona Traffic Schools, LLC, for the Defensive Driving Program for two years with three one-year renewal options.

Pursuant to A.R.S. §28-492, the Court shall select one or more providers of defensive driving classes. Chandler Municipal Court is recommending that a defensive driving contract be awarded to three defensive driving schools due to the expansion of photo enforcement in the City of Chandler. With the installation of "speed on green" at up to 12 intersections, an increase in the number of complaints processed is expected resulting in an increase in the number of individuals attending a defensive driving program.

28. No Item.

29. AGREEMENT: Carl Walker, Inc.

APPROVED an Agreement with Carl Walker, Inc., for a Downtown Parking Study in an amount not to exceed \$59,090.00.

This contract will provide the City with a comprehensive review and analysis of the downtown parking system, to help assess current and plan for future downtown parking availability. The study area for this project has been designated as the area bordered by Chandler Boulevard to the north, Frye Road to the south, Dakota Street to the west, and the railroad tracks to the east. During the 17-week study period, a complete parking inventory and periodic occupancy counts will be compiled. Additionally, parking duration and vehicle turnover surveys will be completed in several downtown parking lots. Finally, a series of public and stakeholder meetings will be held in order to gain additional insights about the downtown parking system.

COUNCILMEMBER WENINGER voted nay on this item.

30. AGREEMENT AMENDMENT: MACRO Corporation

APPROVED Agreement Amendment No. 2, with MACRO Corporation for consulting services for Phases II and III of the Police Records Management System and the Computer Aided Dispatch System, including the Centralized Power System, in an amount not to exceed \$475,597.00.

On November 16, 2006, council approved the Chandler Police Department's request to utilize the assistance of Macro Corporation to assist in fulfilling the City's operational needs and requirements regarding a Records Management System.

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 reports 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 these functions into one system. A new system will also need to integrate with the computer Aided Dispatch 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 upgrade 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 a higher dispatch priority 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 the 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 One would be completed in FY 2006-07, Phase II in FY 2007-08, and Phase III in FY 2007-08. The requested amount is for Phase II and III of the records management system and the computer aided dispatch system and includes the centralized power system.

31. AGREEMENT EXTENSION: Baker & Taylor

APPROVED an Agreement Extension with Baker & Taylor for library materials in an amount not to exceed \$750,000.00.

The library contracts with book and media vendors to obtain the best discount for library materials. The contract with Baker & Taylor enables the library to continue to receive the best prices for hardcover and paper cover materials. The items purchased from Baker & Taylor come preprocessed so they can quickly be made available to customers.

32. AGREEMENT: Wave Imaging Corporation

APPROVED an Agreement with Wave Imaging Corporation for one year with four one-year renewal options for Legato Software Support and Maintenance Services (EDMS) in an amount not to exceed \$32,827.00.

The City of Chandler piloted an Electronic Document Management System (EDMS) solution in the summer of 2001 with the City Clerk and Environmental Management. To date, the project has implemented solutions to quickly store, locate, view and edit documents.

This is an annual recurring cost to cover upgrades, maintenance and technical support for this application. EDMS now has more than 300 users in 14 departments.

33. AGREEMENT: The Frank Gates Service Company

APPROVED an Agreement with The Frank Gates Service Company for Workers' Compensation Third Party Claims Administration for one-year, with four one-year renewal options, in an amount of \$62,750.00.

Appropriate accounting and reporting controls have been established between the Third Party Administrator (TPA) and the City's Risk Management and Accounting Divisions to monitor transaction activity of the TPA. The TPA will pay medical providers and ensure that the City receives favorable discounts associated with existing fee schedules.

34. RECOMMENDATIONS: Architectural Excellence Awards

APPROVED the recommendations by the Architectural Excellence Award Committee for 2007 project awards. This is the fifth year for the award program. Last year, 15 projects received recognition. The Committee has continued their work in 2007 by meeting five times, reviewing over 48 projects and touring 28 of the sites. For 2007, there are 13 projects that will receive recognition.

The revised bylaws establish seven possible categories of projects and four levels of awards, the Hank Pluster Award, and the Benchmark, Excellence and Merit Awards. The bylaws also allow the Committee to choose up to three other categories of awards. This year, the Committee had added the categories of multi-family and restaurants. The other categories of projects the Committee is recommending awards for include commercial retail, commercial office, industrial and public/semi-public.

The following is a list of recommended projects:

Kovach, Inc.	Cooper Crossing
Yen-Li Chen Ballet School	Chuparosas Apartments
Riggs Landing	Centro De Alabanza Juda
Chandler Community Facilities	Countrywide Home Loans
The Villas at Savona	Old Chicago
Cachet Homes – Serenity Shores	The Castle at Ashley Manor
Ace Hardware at Chandler Heights Marketplace	

35. CONTRACT: Safe Star Construction – Park Manor

APPROVED Contract #DT0704-402 to Safe Star Construction in an amount of \$75,726.00 for the construction of alley site walls in the Park Manor Neighbors in Action neighborhood.

This project agreement provides for the installation of site walls in alleys in the Park Manor Neighbors in Action (NIA) area, which is bounded by Chandler Boulevard, Hartford Street, Galveston Street and Arizona Avenue. The installation will provide alley site walls for 24 homes in the neighborhood. The homes identified are owner occupied and qualify financially per HUD income guidelines. Park Manor is one of two contracts being awarded to Safe Star Construction for the installation of alley site walls, as requested by the Neighborhood Programs Division, improving the livability standards in the Neighbors In Action area. The alley site wall project was identified by the residents within the Park Manor (NIA) Neighborhood.

VICE-MAYOR HUGGINS abstained from voting on this item due to a conflict of interest.

36. CONTRACT: Safe Star Construction – Knox Neighborhood

APPROVED Contract #DT0704-401RB to Safe Star Construction in an amount of \$251,025.00 for the construction of alley site walls in the Knox Neighbors in Action neighborhood.

This project agreement provides for the installation of alley site walls in the Knox Neighbors in Action (NIA) area, which is bounded by Ray Road, Hartford Street, Knox Road and Arizona Avenue. The installation will provide alley site walls for 36 homes in the neighborhood. The homes identified are owner-occupied and qualify financially per HUD income guidelines. Knox (NIA) Neighborhood is one of two contracts being awarded to Safe Star Construction for the installation of alley site walls, as requested by the Neighborhood Programs Division, improving the livability standards in the Neighbors in Action area. The alley site wall project was identified by the residents within the Knox (NIA) Neighborhood.

VICE-MAYOR HUGGINS abstained from voting on this item due to a conflict of interest.

37. CONTRACT CHANGE ORDER: Haydon Building Corporation

APPROVED Contract #PR0506-402, Change Order No. 1, to Haydon Building Corporation to the construction manager at risk contract for the Germann Road Sewer and Lift Station in an amount not to exceed \$216,721.00.

The Construction Manager at Risk Contract for the Germann Sewer and Lift station is necessary for functioning of the restrooms at Tumbleweed Park and Recreation Center, which currently are under construction. Changes include adjustments to the final SRP design, which added more footage to the trenching work, changing the shelter design listed in the original bid and changes to the electrical gear for additional code requirements. Also, a reclaimed water line connection was added to tie the McQueen Road reclaimed main into the new Germann Road lines to complete the looped system. Costs will be included to reflect additional pavement quantities necessary to repave areas affected by the sewer line and force main work.

38. CONTRACT CHANGE ORDER: Hunter Contracting Company

APPROVED Contract #WA0320-402, Change Order No. 5, to Hunter Contracting Company for new construction at the Surface Water Treatment Plant in an amount not to exceed \$3,223,998.00.

In November 2005, Council awarded the Surface Water Treatment Plant (SWTP) Expansion to Hunter Contracting Company to expand the plant's capacity from 45 million gallons per day (mgd) to 60 mgd. The project currently is under construction. In May 2006, the City of Chandler entered into an IGA with the Town of Gilbert to construct a shared water treatment plant and piping to treat and deliver 12 mgd of drinking water to Chandler. A design study was conducted by Black & Veatch to determine the best way to deliver this new water supply to Chandler's system. The study recommended the new water supply be routed to several existing reservoirs within the City's system including those at the SWTP. The pipe work included in Change Order 5 will modify the existing transmission main piping within the SWTP site to allow filling of existing reservoirs with water from the Gilbert/Chandler shared water treatment plant. Also included in the GMP is the replacement of the existing finished water pumps with new pumps designed to fit the City's expanded two zone water distribution system and a needed upgrade to the site lighting to address safety issues.

39. CONTRACT: Pulice Construction Inc.

APPROVED Contract #ST0623-401 to Pulice Construction Incorporated for improvements to Queen Creek Road from Price Road to McQueen Road in an amount not to exceed \$24,840,504.55.

This agreement awards construction services for the Queen Creek Road project which includes the installation of a 24" reclaimed water transmission main within the road and median areas of Queen Creek Road from McQueen Road to Arizona Avenue to six lanes, including dual left turn lanes, dedicated right turn lanes and bike lanes. A fifth and sixth lane will be added within the existing median with minimal impact to the existing sidewalks/curbing from Arizona Avenue to Price road Improvements will adhere to the City's standard arterial street detail. The existing median landscaping will be replaced and upgraded. Construction is expected to begin in October 2007 and will be completed in approximately 15 months.

As part of the contract, the City is allowing the contractor to close Queen Creek Road between Arizona Avenue and McQueen Road, which is currently undeveloped, for 7 ½ months starting in January 2008. The closure will allow the contractor to work more efficiently providing not only a cost savings of approximately \$800,000.00, but will also reduce the overall length of the construction from 19 months down to 15 months. The road closure will require that the entrance to the solid waste drop-off facility on Queen Creek Road be closed during this period, and vehicles detoured to the McQueen Road entrance for

the 7 ½-month period. Prior to the road closure, Staff will mail and hand out information flyers, advertise the change in the newspapers and set-up variable message boards to notify the public.

The construction of Queen Creek Road from McQueen Road to Arizona Avenue is part of an intergovernmental agreement (IGA) with Maricopa County originally approved by Council in September of 2000 and amended in July of 2007 to design and construct the improvements. The County will fund 40% of the road construction cost for this one-mile segment.

COUNCILMEMBER ORLANDO voted nay on this item.

40. CONTRACT: Vanir Construction Management

APPROVED Contract #EN0703-101 to Vanir Construction Management Incorporated for construction administration inspection and project management services in an amount not to exceed \$5,000,000.00 for the first year with the option of four one-year extensions, and Agreement #ST0623-451 for Queen Creek Road construction management and inspection services in an amount not to exceed \$1,125,424.00.

This project agreement will also be for construction management and inspection support to City Staff to meet the required project oversight and inspections. Engineering Staff has reviewed the upcoming CIP projects and has estimated that contract services for construction management and inspection will allow us to meet our user department's needs for the required construction management and inspections.

The agreement also awards construction management and inspection services for the Queen Creek Road project which includes the installation of a 24" reclaimed water transmission main within the road and median areas of Queen Creek Road from McQueen Road to the Ocotillo Water Reclamation Facility, and widening Queen Creek Road from McQueen Road to Arizona Avenue to six lanes. The existing median landscaping will be replaced and upgraded. Construction is expected to begin in October 2007 and will be completed in approximately 15 months.

COUNCILMEMBER ORLANDO voted nay on this item.

41. CONTRACT: Stanley Consultants, Inc.

APPROVED Contract #ST0801-201 to Stanley Consultants, Inc. for engineering design services for the Galveston Street Bicycle and Pedestrian Bridge Project in an amount not to exceed \$99,978.00.

The Public Works Department has a future CIP project to construct a bicycle and pedestrian bridge over the Loop 101 Freeway at Galveston Street. This is a federally funded project using Congestion Mitigation and Air Quality (CMAQ) funds, and is currently programmed for construction in FY2010/11. The Arizona Department of Transportation (ADOT) has elected to accelerate the construction schedule for the High Occupancy Vehicle (HOV) lane along the Price Freeway (Loop 101) from 2010 to 2008. In preparation for the freeway HOV widening, the City must develop a preliminary design for the future Galveston Street Bicycle and Pedestrian Bridge planned for construction in 2010. This preliminary measure will prevent many future traffic disruptions along the freeway when the pedestrian bridge is constructed. Design will include identifying the bridge location, preliminary bridge aesthetic concepts and the center median pier design. The bridge pier is proposed to be included in the HOV widening project that is scheduled for construction by ADOT in 2008.

42. CONTRACT EXTENSION: Ernst & Young

APPROVED a Contract Extension with Ernst & Young in an amount not to exceed \$20,000.00 to provide continued financial analysis services in support of completing negotiations for the San Marcos Common – Phase II Development Agreement.

In April 2007, the City retained Ernst & Young to conduct an analysis of the cost of construction, appropriate lease rates and purchase prices for land involved in the San Marcos Commons Phase II (Sites 1,2,3) development agreement that is currently under negotiation. The cost of the initial phase of analysis was \$29,929.00.

On June 28, 2007, Council authorized an additional \$16,000.00 in contract services to complete a more extensive cost benefit analysis needed to proceed with negotiations. In late July 2007, Staff returned to Council in Executive Session to discuss proposed deal points. Based on feedback from this discussion, negotiations resumed with Desert Viking. In early August, Desert Viking, the developer on San Marcos Commons, retained a transactional analysis firm to further analyze the deal points.

The original analyses provided the City's negotiating team with a strong understanding of future revenue flows, taxes generated and developer cash flows, as well as the value of incentives being contemplated. Desert Viking's transactional analysis is almost complete and it is likely there will be material revisions to the current deal points under consideration. To this end, the City needs additional hours from Ernst & Young to review the results of Desert Viking's model and provide financial consultation as the options under review grow more complex. Under terms of this scope of work, Ernst & Young will provide their services on an hourly basis, with a total amount not to exceed \$20,000.00. If the full amount of this extension is used, the total value of services provided by Ernst & Young will be \$66,000.00.

43. No Item.

44. MEMBERSHIP DUES: Arizona Municipal Water Users Association

AUTHORIZED payment of membership dues to the Arizona Municipal Water Users Association (AMWUA) in an amount of \$85,662.00.

The Arizona Municipal Water Users Association (AMWUA) is a voluntary non-profit corporation established in 1969 to develop and advocate regional water resource management policies in the interest of its members, their citizens and rate-payers. The current members of AMWUA are the cities of Avondale, Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix, Tempe, Scottsdale and the Town of Gilbert. Chandler has been a member since 1984. The AMWUA Management Board is comprised of the city managers of each of its member cities. The AMWUA Board of Directors is comprised of its member's mayors.

AMWUA provides a forum for its member cities to meet and discuss water resource planning, legislation, conservation and management issues. This allows member cities to work together on regional projects such as drought response, groundwater management, groundwater recharge, augmentation, conservation, legislation and environmental issues affecting the members' water supply.

Member cities also work together to reach consensus and present a united response on issues affecting them. For example, AMWUA has assisted the cities in coordinating municipal response to the recent Assured Water Supply Rules and the Well Spacing Rules revisions. AMWUA also represents the cities in the on-going rural Arizona water supply discussion.

Each AMWUA cities' membership dues are a prorated share, based on population, of AMWUA's water operating budget. AMWUA's fiscal year 2007-08 water operating budget has increased 3.95% from fiscal

year 2006-07. Chandler's membership dues for fiscal year 2006-07 were \$82,404.00; dues for fiscal year 2007-08 are \$85,662.00.

45. PURCHASE: Traffic Signals

APPROVED the Purchase of 41 traffic signal cabinets and associated internal controller equipment from Phoenix Highway Products in the amount of \$777,296.74, and 3M in the amount of \$77,900.00, utilizing the Arizona Department of Transportation (ADOT) contracts, for a total amount of \$855,196.74, subject to obligation of \$422,700.00 in federal funds.

Traffic Engineering has a program to replace outdated "TS1" type traffic controller equipment with more current "TS2" type controller equipment. The TS2 equipment provides greater reliability in communications with the City's Traffic Management Center (TMC) and has more bandwidth capabilities for delivering video images. The City has an approved federal grant using Congestion Mitigation and Air Quality (CMAQ) funds in the amount of \$422,700.00 and work is being done through the Maricopa Association of Government's (MAG) 2007 Closeout process to have these funds obligated by the Federal Highway Administration (FHWA) in October.

Out of the 192 signalized intersections in the City, we currently have 40 outdated TS1 Type cabinets. This purchase will replace all 40 intersections with the newer equipment and bring the entire system inventory up to TS2 standards. This will also set the framework for allowing expansion of current capabilities to all parts of the City.

46. EXPENDITURE: Firefighter Physical Exams

AUTHORIZED the expenditure of an amount not to exceed \$164,000.00 for firefighter physical examinations pursuant to the current Intergovernmental Agreement with the City of Phoenix.

Annual medical exams are required for firefighters who wear breathing apparatus in order to enter hazardous atmospheres to perform their duties. The National Fire Protection Association (NFPA) has set standards for such exams, NFPA Standard 1582. The City of Chandler entered into an Intergovernmental Agreement with the Phoenix Fire Department Health Center in 2002 to perform these exams. These exams are performed by Occupational Physicians whose primary focus is firefighter health and wellness. All exams are done in accordance with the recognized national standard, NFPA 1582.

47. EXPENDITURE: Dispatch Services

AUTHORIZED the expenditure of an amount not to exceed \$821,266.56 for dispatch services pursuant to the current Intergovernmental Agreement with the City of Phoenix.

The current IGA with the Phoenix Fire Department has been in effect since 2003. This IGA provides for dispatch services, technical services and equipment maintenance. There is a \$45,045.00 increase over the 2006/07 appropriation for dispatch services. This increase is attributed to an increase in the number of dispatches, an increase to the per-call fee and two new mobile units for the Department's Special Operations vehicles. This increase was accounted for in the Fire Department's Budget requests that were approved for the 07/08 budget.

Southwest Ambulance and PMT Ambulance contract with the Fire Department to provide dispatch services for their ambulances through our IGA with the Phoenix Fire Department. Their combined portion of this \$821,266.00 is \$303,796.00. In accordance with their contract, this money is deposited on a monthly basis into the City's Ambulance Revenue Account.

48. PURCHASE: SW Services

APPROVED the purchase of non-pop valve box lids, valve box locking devices and debris caps to SW Services in an amount not to exceed \$138,036.00.

Water pressure and water quality problems have been experienced in the past due to unauthorized persons shutting off valves on water mains. The non-pop valve box lids, valve box locking devices and debris caps are a City of Chandler standard, a Maricopa Association of Governments (MAG) standard, and are installed on all waterline valves during valve maintenance.

49. PURCHASE: Norwood Equipment

APPROVED the purchase of a street sweeper from Norwood Equipment, utilizing the City of Tempe contract, in an amount not to exceed \$182,627.00.

On June 27, 2007, a City street sweeper was stuck by another vehicle while the City's operator was sweeping McQueen Road. The collision was a hit and run-type accident that the Police Department continues to investigate. The Fleet Services Division has advised that the sweeper is damaged beyond the possibility of successful repair and has recommended replacement.

The replacement Broom Bear sweeper meets all current MAG environmental requirements.

50. PURCHASE: Central Arizona Project

APPROVED the Purchase of Central Arizona Project (CAP) incentive recharge water for a cost of \$694,800.00.

The 1980 Groundwater Management Act requires that cities demonstrate they have an assured water supply (renewable water resource) for any proposed new development. To assist the city in maintaining its designation of assured water supply, the city purchases surface water from the Central Arizona Water Conservation District (CAWCD), when available, on a year to year basis. Each year in the Capital Improvement Program and Water Operating budget, Staff budgets funds to purchase water for new growth and development (system development fees) and to meet future demands during drought (water user fees).

CAWCD has offered to sell CAP incentive recharge water, when available, to cities to offset groundwater pumping. Council approved a Groundwater Savings Facility Agreement with New Magma Irrigation & Drainage District (NMIDD) on February 24, 2004, and with Salt River Project (SRP) on June 27, 1996. These agreements allow NMIDD and SRP to receive and use CAP incentive recharge water purchased by Chandler. In return, the City receives recharge credits for groundwater not pumped by NMIDD and SRP. Recharge credits are essential for Chandler to stay in compliance with the State's 1980 Groundwater Management Act. These credits will be used to: 1) support an assured water supply for future growth and development and 2) offset groundwater pumping required to meet demand during times of drought.

Purchase of CAP incentive recharge water is accomplished through a partnership with NMIDD and SRP. Under this partnership arrangement, CAP incentive recharge water is purchased at a reduced rate (\$51.00 per acre-foot) with NMIDD and SRP sharing in the cost. Cost sharing is based on what their cost would be to pump groundwater. NMIDD has the ability to cost share with Chandler on the purchase of 18,000 acre-feet of incentive recharge water. NMIDD will pay \$21.00 per acre-foot and Chandler will pay \$30.00 per acre-foot. The remaining funds will be used to cost share with SRP on the purchase of 4,300 acre-feet of incentive recharge water. SRP will pay \$15.00 per acre-foot and Chandler will pay \$36.00 per acre-foot.

51. PURCHASE: IBM

APPROVED the Purchase of network servers from International Business Machines Corporation (IBM), pursuant to the Western States Contracting Alliance (WSCA) Agreement, in an amount not to exceed \$490,000.00.

The City is in its tenth year of a technology refresh program that has provided departments with faster and more powerful network servers and improved computer security and network capabilities. Historically, the City has followed a three-year lifecycle replacement plan to insure standardized, stable, predictable and reliable server for excellent Staff productivity.

The cost savings in going to a four-year lifecycle will be approximately \$514,000.00 over four years. Staff recommends going to a four-year lifecycle; however, the systems will be designed for a longer period such as a faster Central Processing Unit, higher memory and faster hard drives.

In FY 2007/08, the City will be purchasing approximately 30 network servers, utilizing the WSCA Agreement with IBM. Under WSAC agreements, IBM will provide a parts and labor warranty for these network servers during the four-year period.

52. PURCHASE: Walsh Brothers

APPROVED the Purchase of furniture for the Tumbleweed Recreation Center workstations from Walsh Brothers, utilizing the Tri-University (Tri-U) contract and Maricopa County Community Colleges District (MCCCD) contract, in an amount not to exceed \$151,768.87.

53. PURCHASE: UAP Distribution, Inc.

APPROVED the Purchase of chemicals, fertilizers and pesticides for City parks and grounds from UAP Distribution, Inc., utilizing the City of Tempe contract, in an amount not to exceed \$65,000.00. . All fertilizers to be purchased are in a granular form and will be applied by a park staff member holding a Structural Pest control License from the State of Arizona.

54. PURCHASE: Empire Fence

APPROVED the Purchase of fencing service from Empire Fence, utilizing the Mesa Unified School District contract, in an amount not to exceed \$40,000.00. This contract provides for all chain-link and wrought iron fencing, gates and other component materials, including installation, throughout the City of Chandler parks on an as needed basis.

55. PURCHASE: Turner Tree Management

APPROVED the Purchase of tree maintenance service with Turner Tree Management, utilizing the Maricopa County contract, in an amount not to exceed \$40,000.00.

The Park Division currently performs maintenance to trees in parks and city facilities up to the height of thirteen feet. This contract will provide for the trimming, thinning of branches and crown reduction of large trees that park staff currently cannot perform. The service may be on a schedule or as required, depending on departmental needs.

56. PURCHASE: Police Vehicles

APPROVED the Purchase of 7 additional police vehicles for the Police Department's Criminal Investigations Section, utilizing the State of Arizona contract, in an amount not to exceed \$137,000.00.

57. PURCHASE: Batteries Plus

APPROVED the Purchase of batteries and related sundries from Batteries Plus, utilizing the City of Tempe contract, in an amount not to exceed \$30,000.00.

58. Moved to Action.

59. USE PERMIT: Fresh & Easy Market – Ray & Kyrene Roads

APPROVED Use Permit UP07-0035 Fresh & Easy Market – Ray & Kyrene Roads, Series 10, to sell beer and wine for off-premise consumption only within a new grocery store at 5805 W. Ray Road, Pad A, within the Laguna Village shopping center. (Applicant: Amy Nations, AZLIC.)

The subject grocery store will be a new building within the existing shopping center. North, across Ray Road, is the Warner Ranch single-family residential neighborhood. East, across Day Street, is the Village Court At Gila Springs single-family residential neighborhood. South of the subject site is a vacant building previously occupied by Madstone Theater. Beyond the vacant building is the Viewcrest single-family residential neighborhood. West of the subject site, within the shopping center, are parking spaces.

The Laguna Village commercial shopping center received PDP approval in 1986. As part of the approved site plan, a pad was proposed at the subject site location. The vacant pad was never developed and has been utilized for parking spaces until a tenant develops the vacant pad. Since the pad was shown on the original PDP, when the time came for development of the vacant pad, the architecture would be done on an administrative level. The building architecture and layout has met the design criteria established by the original PDP and was administratively approved.

Upon finding consistency with the General Plan, 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.

60. LIQUOR LICENSE: Fresh & Easy Neighborhood Market, Inc.

APPROVED a Series 10, Beer and Wine Store Liquor License (Chandler #113645 L10) for Randy D. Nations, Agent, Fresh & Easy Neighborhood Market, Inc., dba Fresh & Easy Neighborhood Market, 5805 W. Ray Road, Pad A. A recommendation for approval of State Liquor License #10075395 will be forwarded to the State Liquor Department. The Police Department has 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.

61. USE PERMIT: Fibber Magees Expansion

APPROVED Use Permit UP07-0056 Fibber Magees Expansion, Series 6, to sell and serve all spirituous liquor within an expanded restaurant that includes a new outdoor patio located at 1989 W. Elliot Rd., Suites #19-21. (Applicant: Fibber Magees, Trevor Kingston.)

Fibber Magees is an authentic Irish restaurant and pub that has operated under a Series 6 Bar License at this location since September 2005. The restaurant is located at the SEC of Dobson and Elliot roads within the Elliot Square shopping center. The business currently occupies approximately 4,000 square feet in Suites 19 and 20 and wishes to expand into the adjacent 1,200 square foot suite to the east (Suite 21) and add a new 350 square foot outdoor patio in front of Suite 21. A new Use Permit is required because of the proposed floor area expansion and patio addition.

The new suite will be connected to the existing facility by an opening through the mutual wall. The new patio will have public access only through the new suite. The new suite will accommodate a relocation of the pool table and dartboard entertainment as well as seating for 40 persons.

The request for alcohol service on the patio is driven by the new statewide smoking law that generally prohibits indoor smoking in bars and restaurants. The applicant indicates that a large proportion of their clientele smokes and so the ability to provide an outdoor smoking area is important to the business' success. A new patio bordered by a concrete fence topped with planters that will be constructed in an existing nook east of the current entrance. To accommodate the patio, mailboxes and bike racks will be relocated within the center and one parking space will be removed. An unencumbered 5' wide path will be left inward-facing speakers for ambient music. No live entertainment is proposed for the patio, and indoor music will not be broadcast on the outdoor speakers.

The restaurant previously held a Series 12 Restaurant License from March 2003 through September 2005, which required that a minimum of 40% of the total sales be in food and non-alcoholic beverages. A Series 6 Bar License was acquired in 2005 when the business no longer met the minimum food sales requirements for a Series 12 license. A Use Permit for a Series 6 was granted for one year in September 2005 and extended for three years in October 2006. The establishment continues to operate as a restaurant with the amount of food and non-alcoholic beverages sold averaging 33-34% of total sales.

At this intersection, two other liquor licenses exist; a Series 10 (Beer and Wine Store) at the Circle K within Elliot Square and a Series 6 (Bar License) at Priceless Primetime located on the northwest corner of the intersection. Due to the proximity of this establishment to a single-family neighborhood, the possibility of noise was discussed during the approval of the original Use Permit. A stipulation of approval was added that decibel levels be controlled so as to not create a nuisance beyond the center. There is a day care and a tutoring facility in the center. The tutoring facility (Kumon) is located two suites east of the subject business. The day care (Kindercare) is located near Dobson Road approximately 240 feet west of the subject business.

The restaurant holds an annual St. Patrick's Day party in their parking lot that has previously been the cause for noise complaints. The St. Patrick's Day party includes outdoor entertainment, as allowed by a special event license. The special event license is a separate approval for a one-time event and is not a part of this Use Permit.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on September 17, 2007. There were no neighbors in attendance. The Police Department has been informed of the application and has not responded with any issues. Staff has received one telephone call from a neighbor north of Elliot Road concerned about noise increasing with the addition of a patio.

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

1. The Use Permit is for a Series 6 license only and any change in type of license shall require reapplication and new Use Permit approval.
2. Expansion beyond the approved floor plan shall void the Use Permit and require new Use Permit application and approval.
3. Any substantial change in the floor plan to include such items as, but not limited to, additional bar serving area or the addition of entertainment-related uses shall require reapplication of the Use Permit.
4. The Use Permit is non-transferable to any other store location.
5. Decibel levels of recorded or live music shall be controlled so as not to present a nuisance to residential properties beyond the boundaries for the Elliot Square shopping center.
6. The Use Permit shall remain in effect for three (3) years from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require reapplication to and approval by the City of Chandler.
7. The patio shall be maintained in a clean and orderly manner.

62. LIQUOR LICENSE / PERMANENT EXTENSION OF PREMISES: Fibber Magees

APPROVED a Series 6, permanent extension of premises for Chandler Liquor License No. 45077 L06 held by T. W. Steves LLC, dba Fibber Magees, 1989 W. Elliot Road, Suite 19. Recommendation for approval of a permanent extension of premises for State Liquor License No. 06070661 will be forwarded to the State Liquor Department. The Police Department has no objections to the permanent extension. All fees have been paid and the business is in compliance with the City's Sales and Use Tax code. The permanent extension is being requested to comply with the new smoking law.

63. USE PERMIT: Sushi Eye in Motion

APPROVED Use Permit, UP07-0070 Sushi Eye in Motion, Series 12, to sell alcohol for on-site consumption in a new restaurant at 58 W. Buffalo Street, Suite #110. (Applicant: Supaul, Inc., Paul Cho.)

The subject business occupies the suite that formerly housed Cupid's Hot Dogs. This building and the one to the west will be surrounded by new retail development as part of the under-construction, mixed-use project, San Marcos Commons, whose commercial component was conceptually approved in December 2005. The application requests approval to sell alcohol in conjunction with a Series 12 Restaurant License so that the business can offer drinks to accompany on-premise dining. The suite fronts on Buffalo Street and has no outdoor patio.

This request was noticed in accordance with the requirements of the Chandler Zoning code with a neighborhood meeting being held on August 30, 2007. There were no citizens in attendance. The Police Department has been informed of the application and has not responded with any issues or concerns. Staff has received no correspondence in opposition.

Upon finding consistency with the General Plan and City Center District (CCD) zoning, the Planning Commission and Staff recommend approval subject to the following conditions:

1. The Use Permit granted is for a Series 12 license only and any change of license shall require reapplication and new Use Permit approval.
2. The Use Permit is non-transferable to any other location.

3. 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.
4. Any substantial change in the floor plan to include such items as, but not limited to, additional bar serving area or the addition of entertainment related uses shall require reapplication and approval of the Use Permit.

64. LIQUOR LICENSE: Sushi Eye

APPROVED a Series 12, Restaurant Liquor License (Chandler #114897 L12) for Pu Yon Cho, Agent, Supaul, Inc., dba Sushi Eye, at 58 W. Buffalo Street, Suite 110. A recommendation for approval of State Liquor License #12077228 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.

65. USE PERMIT: Sheila's Academy "Minds In Motion"

APPROVED Use Permit UP07-0045 Sheila's Academy "Minds In Motion", for a time extension to allow a residential childcare/academic training business within a PAD zoning district for single-family residential at 2735 W. Highland Street. (Applicant/Owner: Sheila Schmidt.)

The home serves as the primary residence for the business owner who has lived at this residence with her family for 22 years.

Sheila's Academy "Minds in Motion" was greatly involved in the creation of revised Zoning Code requirements for residential childcare as this business was one of those operating without a Use Permit at the time. The owner was a main point of contact for the City in the creation, review and adoption of new zoning standards to benefit Sheila's home and business as well as other residential childcare businesses.

Residential childcare is permitted in single-family residences as an accessory use to the primary residence allowing up to 4 children for compensation. A Use Permit is required for at least 5 up to a maximum of 10 children for compensation.

In May 2002, the subject site was granted a Use Permit for 5 years to operate a residential childcare use. The Use Permit expired in May 2007. The applicant requests approval for an addition 5 years. The business maintains a State licensing as a childcare group home.

The Montessori preschool kindergarten program is open Tuesday thru Friday 8:30 a.m. to 3 p.m.. There is no childcare or schooling Monday, Saturday or Sunday. There are three sessions offered which include a morning session from 8:30 a.m. to 12 p.m. and afternoon session from 12:30 to 3 p.m. and a full-day session from 8:30 a.m. to 3 p.m. The academic training program operates from mid-August through the end of May. The childcare school has operated at this location for the past 12 years.

The school's outdoor play area is located on the property's side yard on the east side of the home and is screened by a 6-foot high perimeter wall. The applicant is not requesting any building modifications or expansions of the property as part of this request. A fire-department approved third party monitored automatic smoke detection system has been installed. The home is not located within a homeowners association. The childcare occupies 2,100 square feet of the home's interior space.

The residential childcare/academic training for children business has not substantially changed since the initial Use Permit approval. Morning drop off times start and end earlier by about an hour and fifteen

minutes. The first session of the day begins twenty minutes earlier and the last session ends at 3 p.m. for full-day sessions. Planning Staff is not aware of any neighborhood complaints with this business.

This residential childcare business was one of the first approved since the City council adopted code amendments addressing in-home residential childcare within single-family homes. The code amendments addressed the number of children to be cared for and required a Use Permit to assess the use's compatibility on an individual basis. One measure of compatibility is the use's impact on neighborhood traffic.

This business mitigates the traffic impacts by having children dropped off between 7:30 and 8:15 a.m. Afternoon and full-day academic sessions end at 3 p.m. The traffic impact from this use occurs at an off-peak time. There are no reports from neighboring homeowners that the additional traffic creates conflict. The property is located near a neighborhood collector street as opposed to being in the middle of a subdivision. The property is easy to access from the collector street, thus traffic impacts could affect only a few neighboring properties.

Staff recommends an extension for an additional five years and is of the opinion that the proposed residential academic training for children business works well at this location and does not impact the surrounding neighborhood.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on August 8, 2007. One adjacent neighbor in support attended. Staff has received no correspondence in opposition.

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

1. Use Permit approval for operating residential childcare shall be applicable only to the applicant and location identified with this application and shall not be transferable to any other person or location.
2. The Use Permit shall remain in effect for five (5) years from the effective date of City Council approval. Operation of the business beyond the five-year period shall require reapplication to and approval by the City.
3. Expansion or modification beyond the approved exhibits (Site Plan/Floor Plan, Licensure, Narrative and Neighborhood Notice) shall require a new Use Permit application and approval.

66. USE PERMIT: San Tan Junior High/T-Mobile

WITHDRAWN, for the purpose of re-advertising, Use Permit UP07-0064 San Tan Junior High/T-Mobile, to install a 65-foot monopalm wireless communication facility on San Tan Junior High School property at 1550 E. Chandler Heights Road.

67. USE PERMIT: Potrero Bar and Grill

CONTINUED TO OCTOBER 25, 2007, Use Permit, UP07-0071 Potrero Bar and Grill, Series 6, to sell and serve all spirituous liquor within a restaurant and entertainment facility in the Chandler Mercado shopping center at the NEC of Warner Road and Arizona Avenue. This Use Permit request was heard and received a recommendation from the Planning Commission on September 5, 2007. However, due to delay on the part of the applicant in filing a liquor license application with the State, the City liquor license that accompanies this Use permit will not be on the agenda until at least October 25, 2007. Staff recommends a continuance to the October 25, 2007, City Council meeting in order to coordinate with the City liquor license request.

68. LIQUOR LICENSE: Qdoba Mexican Grille

CONTINUED TO OCTOBER 25, 2007, Liquor License, Series 12, for Adam Richard Stine, Stine Restaurant Group LLC, dba Qdoba Mexican Grill located at 2855 W. Ray Road, Suite 1, to allow the applicant time to complete the requirements for a new Use Permit.

69. LIQUOR LICENSE: Bongo's Grill

APPROVED a Series 12, Restaurant Liquor License (Chandler #115151 L12) for Randy Nations, Agent, Pops Place, LLC dba Bongos Grill at 4080 W. Ray Road, Suite 26. A recommendation for approval of State Liquor License #12077258 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. WINE FESTIVAL/WINE FAIR LICENSE: Kokopelli Winery

APPROVED a Wine Festival/Wine Fair Liquor License for Kokopelli Winery, Inc., dba Kokopelli Winery for their 6th Annual Kokopelli Krush Festival October 19-20, 2007, behind their location at 35 W. Boston Street, Suite 2. The Police Department reports no objections to the issuance of this license. The wine festival liquor license fees have been paid and the applicant's Special Event Permit application is being processed through the Community Services Department.

71. PRELIMINARY PLAT: Westech Lots 1-5

APPROVED Preliminary Plat, PPT07-0026, 0027, 0028, 0029, 0030 & 0031 Westech Lots 1-5, for a business park on 26.33 acres consisting of commercial and industrial land uses for property located at the SEC of Arizona Avenue and Palomino Drive. (Applicant: Nate Cottrell, Cottrell Engineering Group, Inc.) The plats create the lots and tracts, establish the necessary easements and dedicate the required rights-of-way.

72. PRELIMINARY PLAT: Walgreens

APPROVED Preliminary Plat, PPT07-0037 Walgreens, for a retail building in the Laguna Village shopping center at the SEC of Ray and Kyrene roads. (Applicant: Kimley Horn.) The plat would allow for the construction of a new building at the intersection corner. Planned building pads along Ray Road, east of the Walgreen's will be displaced with surface parking only. The plat creates the lots and tracts, establishes the necessary easements and dedicates the required rights-of-way.

73. FINAL CONDOMINIUM PLAT: Alma-Elliot Business Center

APPROVED Final Condominium Plat CPT07-0006 Alma-Elliot Business Center, for a commercial building on approximately 1.1 acres at the NWC of Elliot and Alma School roads. (Applicant: Survey Innovation Group, Inc.) The plat creates the lots and tracts, establishes the necessary easements and dedicates the required rights-of-way.

74. REPLAT: Lots 87, 88 and Tract "A" of Stonefield

APPROVED Replat FPT07-0043 Lots 87, 88 and Tract "A" of Stonefield for 199 single-family residential lots on approximately 46 acres east of the SEC of Germann and Dobson roads. (Applicant: Rick Engineering.) An existing cul-de-sac is being removed and a through street is being constructed connecting the Stonefield and Stonefield II subdivisions by Maracay Homes. This plat is to replat the affected lots and

tracts due to the new street design. The plat creates the lots and tracts, establishes the necessary easements and dedicates the required rights-of-way.

75. FINAL PLAT: The Villas At Lone Tree

APPROVED Final Plat FPT07-0035 The Villas At Lone Tree for condominiums on approximately 20 acres at the SWC of Lindsay and Riggs roads. (Applicant: Carter-Burgess.) The plat establishes property boundaries, necessary easements and dedicates the required rights-of-way.

76. FINAL PLAT: Opus Chandler Crossing

APPROVED Final Plat FPT06-0039 Opus Chandler Crossing for a commercial development on 21.8 acres within the Airpark Area Plan at the SWC of Gilbert and Germann roads. (Applicant: Southwest Gateway, Inc.; Exxon/Mobil Oil Corporation.) The property was zoned as part of the larger Chandler Airpark Center and will include commercial uses under the C-2 zoning district along with a gas station at the intersection corner. The plat creates the lots, establishes the necessary easements and dedicates the required rights-of-way.

77. AGREEMENT: Cooper Commons Office LLC

APPROVED Agreement #OA07-005 with Cooper Commons Office, LLC, deferring improvements to Pecos Road across the frontage of the Santan Crossing development, including turn lanes, a median break, concrete pavers, street lights, sidewalk, traffic signs, turn arrows, a reclaimed water stub-out and overhead power relocations, and accepting a lump sum payment of \$256,110.00.

Associated with this development are certain offsite improvements to Pecos Road. The City has a planned capital improvement project that will include the improvement of this portion of Pecos Road. In order to minimize the need for coordination between two contractors and to prevent having traffic on Pecos Road disrupted twice, it was concluded that the preferred approach was to obtain a lump sum payment from the developer and incorporate 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, will be relieved of any further responsibility for this work. The funds received will be held by the City in an appropriate account until the time when these improvements are constructed. At that time, these funds will be applied to the cost of the construction.

MAYOR DUNN abstained from voting on this item due to a conflict of interest.

ACTION:

13. PROPERTY ACQUISITION: Price Road Improvements

Res. #4095

ADOPTED Resolution No. 4095 authorizing the acquisition of real property needed for the Price Road Improvements; authorizing condemnation proceedings as needed to acquire said real property, and obtaining immediate possession thereof.

ACTING PUBLIC WORKS DIRECTOR DAN COOK said that the Price Road Improvements project is required to relieve congestion along this major arterial corridor and requires the acquisition of real property (road right-of-way and easements) from private property adjacent to, near or related to this project. At this time, six partial property acquisitions have been identified.

This resolution authorizes acquisition of the real property at fair market value either by purchase or by condemnation. A reasonable negotiation period will be allowed for property purchases, after which condemnation proceedings will be initiated as needed to acquire the real property and to obtain immediate possession.

Construction on Price Road should begin in the Fall of 2007 and be completed in approximately 10 months.

Mr. Cook reported that Staff has been working with the developer to acquire the properties through negotiated settlement, but as it is not moving forward expeditiously, and in order not to negatively impact the project, Staff is requesting condemnation authority if necessary.

COUNCILMEMBER WENINGER asked about setting back the sidewalk. Mr. Cook responded that the developers would be responsible for sidewalk construction as the projects develop. Through the planning and development stage, the sidewalks will be shown on their plans. He explained that typically, sidewalks are meandering away from the curb and gutter. The only place the City would be installing a sidewalk would be along existing developed properties. The City's goal is to install meandering sidewalks if there is room available.

COUNCILMEMBER WENINGER said that condemnation and possible use of eminent domain should be taken very seriously and is the reason that he asked these items be placed on action.

COUNCILMEMBER ORLANDO asked about the total square footage. MR. COOK said it was relatively small, but did not know the exact amount. COUNCILMEMBER ORLANDO confirmed that this is for a temporary right-of-way acquisition. Mr. Cook said it was, but the street light easement will most likely be permanent. When the properties redevelop, they will be dedicating the right-of-way.

MOVED BY COUNCILMEMBER CACCAMO, SECONDED BY COUNCILMEMBER ORLANDO, TO APPROVE RESOLUTION NO. 4095 AUTHORIZING THE ACQUISITION OF REAL PROPERTY NEEDED FOR THE PRICE ROAD IMPROVEMENTS; AUTHORIZING CONDEMNATION PROCEEDINGS AS NEEDED TO ACQUIRE SAID REAL PROPERTY, AND OBTAINING IMMEDIATE POSSESSION THEREOF.

MOTION CARRIED UNANIMOUSLY (7-0).

18. REAL PROPERTY ACQUISITION: 210 S. Washington Street Res. #4129

ADOPTED Resolution No. 4129 determining that acquisition of real property located at 210 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.

Memo Background: In May 2006, following a public hearing and submittal of a consultant report, Council approved the site location for a new City Hall complex and related off-street parking facility along both sides of Chicago Street between Arizona Avenue and Washington Street. In July 2006, Council approved Resolution No. 3996 authorizing the purchase of several lots and parcels to be assembled for the construction of the City Hall complex. Construction is expected to begin around June 1, 2008. The City Hall complex is supposed to be completed before the lease for City offices in the Boyer Building expires.

The owner of the property at 210 S. Washington Street received a written offer to purchase the property at fair market value and an appraisal report in or around November 2006. Thereafter, the owner, through his attorney, rejected the offer. Staff then brought forward a resolution authorizing condemnation. However,

when the landowner agreed to sell the property to the City for \$325,000.00, the resolution was withdrawn. A new resolution authorizing the purchase was presented and approved. A purchase agreement was executed and escrow opened. The purchase agreement gave the City a ten-day review period ending September 6, 2007, to inspect the property for any environmental problems.

During this period, the City identified two, unregistered, 1,000-gallon underground storage tanks on the property, one of which held a small amount of diesel fuel. The City requested that the property owner agree to extend the review period for 60 days and the closing for 75 days and to otherwise cooperate with the City to allow the tanks to be removed and the soil examined at the city's cost. The landowner's attorney advised that his client was unwilling to grant such time extensions. Because the environmental condition of the property was unknown, but it was reasonably suspected that there was some potential liability for environmental remediation and the utility of the site for development in the near future, was indeterminable, Staff file a timely notice of cancellation of the escrow.

The property is needed for the development of the proposed City Hall site. All of the property for the site needs to be assembled and cleared so construction can proceed in a timely fashion. Given the position of the landowner, Staff is recommending that condemnation proceedings be initiated to acquire the property at this location. This will allow the City to be able to adequately inspect the physical condition of the property to assure its utility and to better determine the land's value given its physical condition. Staff also recommends that immediate possession of the subject property be authorized since it may take several months to assure sufficient access to the site is available to meet the City's schedule for development of the City Hall complex.

COUNCILMEMBER WENINGER asked if this is the last acquisition necessary for the project. Real Estate Manager SHARON JOYCE said that if this action is approved, all of the parcels would have been acquired either by voluntary acquisition or condemnation. COUNCILMEMBER WENINGER asked if an impasse had occurred in negotiations. MS. JOYCE responded that the City Attorney's office would continue to negotiate through the parcel, but there are some issues on this property that require further environmental testing.

COUNCILMEMBER WENINGER asked for a definition of "immediate possession" as recommended in the proposed motion. CITY ATTORNEY MIKE HOUSE explained that after a condemnation case is filed, an application for immediate possession would be filed with the court to be able to take possession of the property at the outset instead of waiting until the end of proceedings. The City would post the amount of our appraisal with the court and then could take possession of the property and commence using it.

COUNCILMEMBER WENINGER asked what kind of business is located on this property. MS. JOYCE responded that in this situation, the owner has a land lease with a business. It will not affect the owner because there is a tenant on the property. The tenant happens to be in the process of acquiring another piece of property and plans to move within the next 30-45 days.

Ms. Joyce said that in the normal re-location process, a 90-day notice is given. In the case of an immediate possession process, the City would give another 30-day notice in addition to the 90 days. She explained they had not given the 90-day notice on any of these properties because it is felt there is still time before the property is needed to start construction.

MR. HOUSE added that in an immediate possession hearing, if there is an existing business on the property, the court will typically give that business some time to relocate.

COUNCILMEMBER DONOVAN clarified that this action is giving the authority to proceed with condemnation if negotiations fail. Ms. Joyce reiterated that Staff is still actively working with the parties involved.

MAYOR DUNN commented that this is an action that would be avoided if could. He noted there have been numerous voluntary acquisitions that have occurred with one being the Serrano's headquarters. He thanked Staff and the Serrano Corporation for working out something that is fair to both sides and being able to reach an agreement.

VICE-MAYOR HUGGINS said that the owners of the relocated Muscle Car Garage said that it was easy to work with Staff and have reported doing better in their new business. All of the acquisitions are not all negative.

MOVED BY COUNCILMEMBER CACCAMO, SECONDED BY VICE-MAYOR HUGGINS, TO APPROVE RESOLUTION NO. 4129 DETERMINING THAT ACQUISITION OF REAL PROPERTY LOCATED AT 210 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.

MOTION (4-3) CARRIED BY MAJORITY WITH COUNCILMEMBERS SEPULVEDA, WENINGER AND ORLANDO VOTING NAY.

58. PURCHASE: PSCI Investments, LLC

APPROVED the Purchase of a Façade Conservation Easement from PSCI Investments, LLC, in the amount of \$180,000.00 for the purpose of restoring the façade at 91 and 95 W. Boston Street.

ECONOMIC DEVELOPMENT DIRECTOR DICK MULLIGAN said that the City has set aside funding for Downtown Redevelopment for the purpose of restoring commercial buildings in the Downtown Historic District. PSCI Investments, LLC, which owns the buildings at 91 and 95 W. Boston Street, has approached the City for funds to be utilized to renovate the façade of the building. In addition to the façade of the building, PSCI also intends to do structural work, re-roofing, plumbing and interior renovations. The building served as the first Chandler Post Office for 35 years and the Chandler Arizonan newspaper until 1954.

The exterior renovations consist of four walls, the front façade on Boston Street, side façade along Oregon Street, rear façade in the alleyway behind the properties and side rear wall of 85 W. Boston Street (a common wall). In addition, some original brick will be exposed on the Oregon street side, the 1926 skylights and lead glass windows along Boston Street will be restored, and stucco painted cap along the entire property will be added. The project budget to improve the exterior of the property is estimated at \$435,000.00.

The Conservation Easement Program provides a mechanism for the City to purchase a conservation easement from a property owner in exchange for funds. In this exchange, the property owner receives funding to renovate the façade of the structure and the City has an assurance that the structure will be maintained in its renovated state for an agreed upon period. In the case of 91 and 95 W. Boston Street, PSCI Investments has agreed to a twenty-year maintenance period.

COUNCILMEMBER WENINGER asked if there is a formula for determining how much money these projects receive. Mr. Mulligan said there is not a specific formula, however, the program allows for a City contribution up to \$400,000.00. Staff considers the level of private investment that goes into the project, employment level, quality of the project and square footages as well as what has been done in the past with other façade programs. Mr. Mulligan explained a graph distributed to Council depicting private funding versus city funding for the façade program.

MAYOR DUNN clarified that the purpose of the façade conservation program is to incent private development monies and form public/private partnerships in redeveloping the downtown. Mr. Mulligan concurred and confirmed it has been successful.

COUNCILMEMBER WENINGER asked about the increase with each fiscal year. Mr. Mulligan explained that the City has been averaging approximately one façade per year but there were two in 05/06 which significantly increased the amount. Although the program has been in effect since 2001, staff is just starting to see an increase.

COUNCILMEMBER WENINGER asked if there are any statistics on return on investment on projects completed. Mr. Mulligan said they have not been calculated as such. Items such as overall employment area and what type of sales tax revenue will be generated in the overall downtown redevelopment area over time is taken into account. There are a couple of broader measures too, but it is not calculated by business when a building has been renovated.

COUNCILMEMBER ORLANDO asked how much the property owner is contributing to the renovation. Mr. Mulligan said \$435,000.00 is the total cost for the project, and they are asking the City to contribute \$180,000.00 of that amount. Councilmember Orlando noted that much of this is towards repair. Mr. Mulligan agreed as most of the downtown buildings of this age, structural as well as aesthetic repairs are necessary which add costs that may not be needed in other parts of the community.

VICE-MAYOR HUGGINS said that about 25 years ago when Chandler was trying to build pedestrian bridges and putting in new paving, the City invested a lot of money in getting the downtown to become great. The City has been very successful from that standpoint and those investments are becoming giant rewards.

PETER SCIACCA, 81 W. Boston Street, applicant, commented that there has been an amazing change in the downtown area over the last 5 years that would not have been possible without the help of the Mayor, Council and Staff. Without that help, quality tenants would not be interested in coming to the downtown area.

COUNCILMEMBER WENINGER said that he would be supporting this request. He asked Mr. Sciacca how much he spent on the di Sciacca façade. Mr. Sciacca said the building was purchased for approximately \$600,000.00 and another \$500,000.00 was spent on the interior. The current building, the original post office, was purchased in January for \$518,000.00 plus an additional \$400,000.00 from a reliable contractor, Alex Westwood, who has done Arrowhead Pharmacy and Inspirador.

COUNCILMEMBER WENINGER said that he wants downtown Chandler to be very successful but questioned where the line is drawn. He said if you look at the contributions combined with the Downtown Improvement Fund on a square footage basis, it is \$300,000 for a little over 3,000 sq. ft. or \$90 a square foot. He stated the need to devise an actual formula for how the monies are distributed where it is fair for everyone. Sales tax generation is a factor to weigh too.

COUNCILMEMBER DONOVAN cautioned against using square footage as a formula for determining the distribution of funds. For example, corner projects have more façade for improvement than one in the middle. Mr. Sciacca agreed and added that tax dollars and tax base a tenant would bring to downtown should also be considered.

COUNCILMEMBER ORLANDO said he would caution against a “one size fits all” formula because each situation is unique.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER CACCAMO, TO APPROVE THE PURCHASE OF A FAÇADE CONSERVATION EASEMENT FROM PSCI INVESTMENTS, LLC, IN THE AMOUNT OF \$180,000.00 FOR THE PURPOSE OF RESTORING THE FAÇADE AT 91 AND 95 W. BOSTON STREET.

COUNCILMEMBER CACCAMO commented that these business owners are also investing in the community by sponsoring various events.

COUNCILMEMBER SEPULVEDA thanked Mr. Sciacca for what he has done in the downtown area. He stated the overall program provides a tremendous impact to downtown. He noted that many other communities spend money to reinvent their downtowns.

MOTION CARRIED UNANIMOUSLY (7-0).

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

MAYOR DUNN announced that the Hispanic Heritage Photo Exhibit, located at the Price-McCullough House is open and runs through November and features the Encinas family. Last week marked the one-year anniversary of the death of Sylvia Encinas.

MAYOR DUNN announced that Hispanic Heritage events continue September 28th in A. J. Chandler park which begins with the Miss Mariachi Coronation followed by Garibaldi Night event.

THE MAYOR also announced that the Chandler Center for the Arts would host public forums on September 26, October 16 and November 14 to assess the need for expanded arts facilities. Each forum will begin with an introduction on the study that has been conducted to date and include a different focus of arts services with an opportunity for public input.

B. Councilmembers' Announcements:

None.

C. City Manager's Announcement:

None.

Adjournment: The meeting was adjourned at approximately 8:30 p.m.

ATTEST: _____
City Clerk

MAYOR

Approved: October 22, 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 20th day of September 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