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Dec 10, 2007

MINUTES OF THE SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held at Serrano's Restaurant, 141 S. Arizona Avenue, Chandler, Arizona. Dinner preceded the meeting at 5:30 p.m. The meeting was called to order at 6:00 p.m.

The following members were present:

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

Absent and Excused:

Martin Sepulveda	Councilmember
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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; Nachie Marquez, CAPA Director; Richard Mulligan, Economic Development Director; Dennis Strachota, Management Services Director; Sheina Hughes, Acting City Engineer; Doug Ballard, Planning Director; Dave Siegel, Municipal Utilities Director; Dave McDowell, Acting Community Services Director; Judy Register, Neighborhood Resources Director; Police Chief Sherry Kiyler, Fire Chief Jim Roxburgh, Brian Bosshardt, Organizational Development Admin; Marian Norris, Asst. to City Manager and David Bigos, Mayor and Council Asst.

1. UPDATE ON CITY COUNCIL 2007-08 GOALS AND PRIORITIES

CITY MANAGER PENTZ referred to the Goals and Priorities Update memo.

Mr. Pentz stated that, as Council knows there will be unplanned issues that come up and most recently that has occurred since the last June retreat with Council, is the effort with Desert Viking in seeking some in-depth site planning on sites 4, 5, and 6. While it has taken a considerable amount of staff time, the City has retained a consultant with Desert Viking and is splitting the cost. The goal is to bring something to Council in 4 months regarding site development issues. He emphasized that this needed to happen before proceeding with a development agreement for the Museum project on Site 6. Mr. Pentz said he attempted to identify the issues of greatest importance. The six identified combine several of the goals and there may be a future need rethink the 40 goals and priorities and perhaps consolidate. He stated that given the number of issues occurring, he thought it was important to convey the most significant items and those that have a significant impact to the community.

Design of City Hall - The design contract should come to Council in December with design completion of fall next year and completion in December 2010.

Completion of the General Plan Update - had a very active citizen oversight committee.

Commercial Reinvestment Policy - There are many older commercial areas and the first steps of a sales tax analysis have been completed that have identified those intersections that merit the most attention. Focus group meetings start next month with the property owners.

Innovation Zones – this is tied to the Business and Research Park Development field trip next week. Mr. Pentz stated there could be interesting development opportunities with the Motorola site on Price Road being for sale that is a 152-acre tract. Along side it is another 80-acre tract.

Reviewing the development standards - Chandler really lead the way in developing standards, and now would be a good time to review them.

South Arizona Corridor Study - Bonds were authorized recently by voters for this redevelopment project. He noted the willingness and trust of the voters to approve the bonds and the importance of redeveloping this area.

VICE MAYOR HUGGINS stated that since starting this plan there has been a change in the economy. He asked if we could continue on tract with the funds available. Mr. Pentz responded at this time the answer will be yes. There has been an analysis of the first quarter based on the past four years during the same quarter, and we are actually a little bit ahead; however, he emphasized caution. He explained the danger is that revenues have always been budgeted conservatively. Currently this is being met, but in the past at the end of the FY, we were well over those projections. He explained that we may meet the budget, but may not have the carry forward.

MR. STRACHOTA, added that clearly revenues are slowing down, but we have always been conservative on the projections. You won't see huge one-time revenues available at the end of the year. This also means going into the next year, is that no growth is going to be sustained so you won't have as much room to do the additions as you would.

In response to a comment from Vice Mayor Huggins, MR. PENTZ noted that while there is contingency and it is anticipated that revenue projections will be met this year; there may not be the amount of surplus that has been enjoyed in the past. Mr. Pentz said that next fiscal year there would be more limited on what one time revenue is used for. He noted the State could be considering budget cuts, and the City is not in that position.

COUNCILMEMBER CACCAMO asked if the State shortfall would affect the revenue sharing. Mr. Strachota said he believed that would be a good possibility. If their projected cut were prorated down, that would translate into about \$1 million dollars. He said while we could still be good with that amount, the question Councilmember Weninger raises on knowing how much the economy has slowed down, that would be hard to tell. You could see a lift around the Super Bowl.

MAYOR DUNN said there is no doubt in his mind that the Legislature will consider cutting State shared revenue. He said the League Executive Committee is meeting to talk about strategy in preserving the state shared revenue and could be one of the highest priorities this year.

In response to a question from COUNCILMEMBER WENINGER, Mr. Strachota said we are at a lag with income tax and sales tax. We are currently seeing a decline in sales tax revenue, shared sales tax revenue but not with income tax.

MR. PENTZ reiterated that much of what we do on the goals and priorities will depend on the ability to fund them.

MR. PENTZ noted the big issue is sustainability and reported that while at the International City Manager's Conference the focus on sustainability is very high throughout the nation. He gave an

example of Austin, Texas with their “virtual” power plants. MR. PENTZ said his desire would be to have staff inventory over the next 6 months what the City is currently doing in relation to sustainability. He noted an example would be of the new water rates and the focus on encouraging people to use less water. He made the recommendation to have an interdepartmental team work on it. The goal would be to report to Council by next June and then focus on where to go from there.

Mr. Pentz referred to the 2007-2008 Goals and Priorities Report.

Underutilized parcels – We have a database that identifies those parcels and how we are marketing them.

Commercial Reinvestment Program – Extra money was placed in the budget this year for this program. There are discussions on how changes may be made to the way it is administered.

Analysis of sales tax - In October did a review of sales tax revenue, and we have identified two major intersections based on it - Dobson and Elliot and Ray & Alma School. Economic Development will meet with owners the first part of December to obtain feedback. Will be some issues at Ray & Alma School in regards to the intersection improvements and this may allow some significant economic development opportunities.

MAYOR DUNN asked about the status of the East Valley Mall as it relates to commercial redevelopment.

MR. BALLARD said a series of meetings were held with the owner and potential buyer regarding redevelopment and the possibility of demolition of the center. Mr. Ballard said when the Council amended the Mid-Rise Overlay, that site was specifically identified for redevelopment by allowing for increased intensity. He noted the PGA store at the old Kmart building across the street has also helped the area.

MAYOR DUNN said he could not think of a more underutilized parcel of commercial in the city.

Development Standards - A comprehensive update to the engineering standard details would occur realistically at the end of 2008. Mr. Pentz said this is one of the greatest challenges – infill redevelopment. The challenge of infill is coming up with design while being sensitive of the constraints that exist.

Aesthetics related to Infill - Deferred until after standards are revised.

Demolition – To be a part of the Commercial Reinvestment Policy revisions.

Art in Private Development - Will encourage this as a design item rather than an optional design item. Sensitive issue – some cities require this.

COUNCILMEMBER ORLANDO asked that if added to the elements of design, if the punchlist is increased or does this replace an item. He suggested adding more to the punchlist and not to trade it off.

MR. BALLARD said the ordinance is on tract to go to Council in December but staff will look at it.

COUNCILMEMBER WENINGER said he would like clarification between “encourage” and “require”.

MR. PENTZ said in reference to design standards the Veteran's Oasis Park is developing into a nice facility.

COUNCILMEMBER ORLANDO noted that many communities in Virginia, Maryland/ D.C. area are looking at ways to incorporate/enhance landscaping and greener buildings into a more livable environment.

COUNCILMEMBER WENINGER commented that even if we are not meeting a certain set standard there are many things the city is doing to be environmentally friendly.

COUNCILMEMBER DONOVAN said this was big at the NLC conference and she attended a conference where a handout was given out giving examples of environmentally friendly standards.

MR. PENTZ said that consultant for design standards would be hired in February 2008. He reported that Planning and Development had a meeting on the General Plan and in conjunction is working on developing the Green Building Program and have received some helpful input.

MR. BALLARD said they would have a subcommittee meeting and then present to the Council has s whole.

MAYOR DUNN recommended that in addition to a consultant to also look at what other cities are doing with design standards and compare what we require. He stressed the importance of encouraging different types of landscaping and incorporating different ideas to maximize cooling factors.

South Arizona Avenue Corridor - Mr. Pentz said that in January a consultant contract might be forwarded for approval. Engineering and Planning have been working on this as there are major engineering issues with street alignment, zonings, and streetscape.

Design Standards for Redevelopment in the Historic District - Mr. Pentz said staff would be reviewing this as over the past year or two there have been disagreements between staff and the development community as it relates to development standards in the district.

Arts District in the Downtown/ Center for the Arts – Mr. Pentz said that he attended the last focus group meeting and a consultant has been hired to look at the Center for the Arts and the overall needs there. He commented that there would be some interesting recommendations coming from that report.

Incentives for arts related business - Mr. Pentz said not much progress has been made. One of the concepts staff has been looking at in regard to parking is to put buildings into a parking structure to promote possible arts related issues.

MAYOR DUNN said there needs to be creativity in this area by looking for ways to incent without doing it financially.

SIGNATURE EVENTS – The Jazz Festival will be coming up in the spring. MR. MCDOWELL said this year might be one of the if not the largest jazz events in the state.

MR. PENTZ said he attended the Artwalk downtown and was impressed with the event and how the DCCP was able to do sponsor that. The new taxing district gives the ability to help with that.

Mixed Use Redevelopment of Site 6 – Mr. Pentz reported a joint contract was entered in to with Desert Viking for the site planning on Sites 4,5,6. He stated the belief that any future of Site 6 will dependent on the outcome of that process.

Innovation Zone along Price Corridor – There is a study trip coming up for North Carolina and Texas. He noted they might want to plan a trip later on to Silicon Valley/San Jose area. The U of A is having discussions with CGCC on developing the 2 plus 2 program and bioscience program. Fifty copies of the draft incubator study were mailed out to the universities and private sector asking for feedback. The goal is to have a dialogue with the universities to explore if there is an opportunity for them to participate in the incubator project.

Connectivity Issues – Mr. Pentz said that both Planning and Community Services have provided their comments on gathering places and the use of shade. He said they have had discussion on whether to codify some requirements or keep as negotiations through the PAD process.

Valley Metro Rail Board – Mr. Pentz said the City is a member of the board and Councilmember Orlando and Mike Normand are on the board.

HOV Lanes/General Purpose Lanes – Mr. Pentz said the HOV design is going forward. The general-purpose lanes would require a tradeoff with another project in the valley and they have not identified another city in the valley that has a project that is not ready to go.

Neighborhood Connector System - A consultant has been secured to update the transportation plan. There will be public and neighborhood meetings and perhaps next year they will be reviewing results.

Feasibility of Shuttle Service between the Downtown and Chandler Fashion Center – Mr. Pentz said an idea did come up late about having a shuttle between these two areas during the holiday season. He said this is something he thought could be discussed after the first of the year.

COUNCILMEMBER ORLANDO said that residents from Sunbird have inquired about shuttle service to the downtown area.

Pedestrian-Bikeway System – Mr. Pentz said one of the things talked about in the retreat was trying to develop this along Price Road Corridor. This might be an opportunity with the Motorola property.

Relationships with Tempe and Scottsdale in developing the Technology Corridor - Mr. Pentz reported that Chris Mackay continues to work with her counterparts regarding the promotion of the 101 Technology Corridor. He noted working with ADOT on signage which would aid in branding that.

COUNCILMEMBER DONOVAN asked if Tempe and Scottsdale market their corridor as a science & technology corridor. Mr. Pentz responded that they do. He commented that staff has

also heard that Tempe, Scottsdale and Phoenix are looking at a “knowledge triangle” along their borders.

Relationships – Mr. Pentz commented on the improved communication with the Gila River Indian Community (GRIC) and how that occurred during the casino location. MAYOR DUNN complimented the work of the GRIC in their recent neighborhood meetings on the casino relocation.

General Plan – Mr. Ballard said it is on track for the September election however, they still must go through a public process.

San Marcos Commons Development Agreement – Mr. Pentz said the agreement has been delayed this fall. Staff is meeting soon with Desert Viking to talk about the results from a firm they hired to do an economic analysis.

Incubator/Accelerator Study - as mentioned previously draft copies have been sent out for feedback.

Conference Center Study – Mr. Pentz stated a draft should be to staff by the end of the month. .

Design of City Hall – Mr. Pentz said they were not able to make an agreement with the first architectural firm, so staff is negotiating with the second firm– Smith Group.

Master Plan for Utilities - Mr. Pentz said that would come forward in September 2008.

Museum Design – Mr. Pentz stated this would depend on the planning work on Site 6.

Employee Relations - Will start the third round of negotiations next year.

Hiring of Vacant Director Positions – Mr. Pentz reported that all hires are complete except the CIO position. Mr. McDermott is in negotiation. He noted that he is excited about the leadership that Judy Register, Neighborhood Director, is providing. Additional space has been leased for the consolidation of Neighborhood Programs.

Employment at Will issue – item deferred.

High Performance Organization Briefing - scheduled in early January to Council on the HPO program.

Rate Study – completed.

Impact Fee Study – Mr. Pentz stated the timing has slipped a little on the timeline.

Operating and Capital Improvement Needs – Mr. Pentz reported that a team of employees are looking at the budget process and changes will probably come forward effective the following budget year.

COUNCILMEMBER ORLANDO asked who was reviewing the Impact Study. Mr. Strachota said that Red Oak Consultant is doing the utility part of it and Duncan Associates for the other part.

Complaint tracking system - Mr. Pentz said that Nachie has been working on that part and it is part of a larger project of Asset Management.

Park Development – Mr. Pentz said they are pleased with work of Community Services and have received national publicity on some of the park projects. They will be doing some self-assessments on best practices.

Mr. Pentz noted that the City did go out for proposal on the 22 acres at Germann & McQueen. A few proposals were received and staff is reviewing those.

Engineering and Planning Activities – Mr. Pentz said there have been many interdepartmental meeting and dialogue on this. A new Public Works director will start the first part of December and more discussion will occur.

Neighbors in Action Program – Mr. Pentz said Judy (Register) is working with her staff on developing a strategic plan. They are also working on the issue of dilapidated structures.

MR. PENTZ said the issue of sustainability is key and staff can start some work on that. He noted that while staff is stretched, he believes we can begin with an inventory.

COUNCILMEMBER ORLANDO asked for clarification on the ELT initiatives identified in the memo. MR. BOSSHARDT replied that the items are items the directors have brainstormed and identified. Some may have been started and others not.

MR. PENTZ said that some of the items have been around and need to be resolved.

COUNCILMEMBER ORLANDO commented that there is focus on many costs and he felt this was a very responsible thing to do as this is what business would do.

MR. PENTZ said that the approach is to do this interdepartmentally and the need to make better use of resources interdepartmentally.

MR. PENTZ referred to Sheina Hughes to explain the new development on a new process with dealing with federal monies and ADOT.

MS. HUGHES said that this has taken since 1999 to try to get this through. The goal is to get the construction component of the ADOT federally funded components structured up so we can run those projects.

COUNCILMEMBER ORLANDO asked if we are charged an administrative tax through ADOT.

MS. HUGHES replied that this allows us to do our own administration on it. It still subjects us to a lot of the audit process, but the City will not have to do a lot the more expensive fiscal quantities to it. There might give some cost savings but the opportunity it gives is more control of timing on projects.

MAYOR DUNN asked what types of projects this affects. Ms. Hughes said they are hoping to see this used on the Chandler and Dobson project, Western Canal and the Paseo Component.

MAYOR DUNN thanked the City Manager for the presentation. Mr. Pentz said the next update would probably occur in the spring.

Adjournment: The meeting was adjourned at approximately 7:13 p.m.

ATTEST:

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Mayor

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City Clerk

Approved: December 10, 2007

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City Council of Chandler, Arizona, held on the 26<sup>th</sup> day of November 2007. I further certify that the meeting was duly called and held and that a quorum was present.

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

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City Clerk