

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 11, 2008, 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
Telephonically	Trinity Donovan	Councilmember
Arrived at 7:20	Matt Orlando	Councilmember
	Kevin Hartke	Councilmember
	Jeff Weninger	Councilmember

Also in attendance:

W. Mark Pentz	City Manager
Rich Dlugas	Assistant City Manager
Pat McDermott	Assistant City Manager
Mary Wade	City Attorney
Marla Paddock	City Clerk

INVOCATION: The invocation was given by Father Charlie Smith – Chandler Fire Chaplin

POSTING OF COLORS: Chandler Police and Fire Department Honor Guards

PLEDGE OF ALLEGIANCE: Mayor Dunn led the Pledge of Allegiance.

SCHEDULED PUBLIC APPEARANCES:

1. National Preparedness Month Proclamation and CERT Service Awards

Chandler Fire Battalion Chief Lance Trella and Community Preparedness Program Coordinator Loretta Warren-Ellis joined MAYOR DUNN as he read a proclamation proclaiming September 2008 as National Preparedness Month.

MAYOR DUNN recognized the Chandler Emergency Response Team (CERT) for their dedication to the community. The following members received awards for their service:

- Bronze Award – Bernie Korczyk, Past President of the CERT Council, for 155 hours of service
- Silver Award – Joe Padberg, Present of CERT Council, for 303 hours of service

CERT Leadership Service Awards are awarded to former CERT Council members for their volunteer service and commitment to the CERT program. Although the following citizens are no longer on the CERT Council, they continue to serve the community:

- Ken Hinatsu for over two years of service with the CERT program
- Kenny Brockman for over two years of service with the CERT program
- Martha Pritchard for over five years of service with the CERT program

- Veronica Brockman for over six years of service with the CERT program

Chief Trella said that this CERT program is very important in the City of Chandler and these volunteers exemplify the amount of dedication it takes to make the program a success. They are the past, present and future of the program.

Ms. Warren-Ellis said that the CERT members have always been ready at any time they were needed. President Bush had a call to action to all Americans to step up and give service to their country and presented a goal of 4000 hours per American over the course of their life. These CERT members recognized tonight have accepted that challenge.

## 2. Recognitions – Hispanic Heritage Month Poster Contest Winners

MAYOR DUNN was joined by Human Relations Commission Chair Gina Hill and Commission Member Julio Revilla in recognizing the winners of the poster contest.

Ms. Hill thanked the Mayor and Council for their support and for honoring those students who participated in the contest. She thanked the Library, Housing Division and all of the schools for their support. Marco Alveron, a local artist, and Public History Coordinator Jean Reynolds were also recognized as judges. The finalist's posters will be on display September 15 – October 11 at the Chandler History Museum.

Commission Revilla said that the theme of this year's contest was Fighting for the Community. The goal for the students was to create their own heroes who battle for the good of the community. The winners are:

- 3<sup>rd</sup> place – Cain Alonzo from the Chandler Housing Program; Poster – Hero of Justice
- 2<sup>nd</sup> place – Andrea Martinez from the Chandler Housing Program; Poster – Trash Women Fighting
- 1<sup>st</sup> place – Angelica Vigil from Chandler High School; Poster – La Fuega
- Best of Show – Angie Kwon from Chandler High School; Poster – Be a Hero

Ms. Hill invited everyone to attend the Book Fair on September 27 and the Mariachi Festival this weekend at the Chandler Center for the Arts.

## 3. Recognition – Chandler At Its Best

MAYOR DUNN was joined by City Manager Mark Pentz in recognizing the following employees nominated for characterizing Chandler At Its Best by going above and beyond their normal job duties for their work on a design of a bus bay on Dobson Road:

- James Kessler, Sr. Streets Specialist
- Jacob Granillo, Sr. Streets Specialist
- Joe Pina, Street Maintenance Worker
- Fulgencio Aguilar, Street Maintenance Worker

These employees were not present at the meeting.

UNSCHEDULED PUBLIC APPEARANCES:

None.

CONSENT:

MAYOR DUNN announced that agenda Item #7 (Chandler Airpark Business Center) and Item #15 (Water Master Plans) would be moved to Action.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY VICE-MAYOR HUGGINS, to approve the Consent Agenda as amended with Items #7 and 15 moved to Action.

COUNCILMEMBER CACCAMO stated he would be voting nay on Item #4 (Stellar Airpark Estates).

MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED, as presented, Minutes of the Chandler City Council Regular Meeting of August 28, 2008.

2. REZONING: The Goddard School At San Marcos Square Ord. #4093

ADOPTED Ordinance No. 4093, DVR08-0021, The Goddard School At San Marcos Square, rezoning from PAD for a restaurant to PAD for a childcare/pre-school use for a parcel within San Marcos Square located east and south of the SEC of Dobson Road and Chandler Boulevard.

3. REZONING: Palms Resort Retirement Community Ord. #4095

ADOPTED Ordinance No. 4095, DVR08-0009, Palms Resort Retirement Community, rezoning from AG-1 to PAD Medical Office to PAD Assisted Living for a new retirement housing development on approximately 6.4 acres at the NWC of Pecos Road and Pennington Drive.

4. ZONING AMENDMENT: Stellar Airpark Estates Ord. #4086

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4086, DVR08-0028, Stellar Airpark Estates, to amend the PAD zoning to eliminate a zoning condition requiring copper supply plumbing for several undeveloped lots within a residential single-family subdivision south of Chandler Boulevard and west of McClintock Drive off of Stellar Parkway. (Applicant Brennan Ray, Burch & Cracchiolo.)

The Stellar Airpark Estates received Planned Area Development (PAD) zoning in August 1998. This is a gated, custom single-family residential subdivision I which many homes have airplane hangars for personal use. There are several lots that have yet to be developed with homes.

The application requests a zoning amendment to eliminate zoning condition number 9 of Ordinance No. 2874 which requires copper plumbing for those lines under water pressure. Property owners of undeveloped lots 1, 28, 29, 30, 31 and 32 within Stellar Airpark Estates are requesting to eliminate Condition No. 9 to allow the use of an alternative plumbing material called cross-linked polyethylene (pex) piping.

On January 27, 2005, Council adopted the 2003 International Code (I-Code). Pex piping is specifically addressed in the I-Code and is a permitted material. Currently, the use of any other material other than copper for lines under water pressure is prohibited through a zoning condition.

Every national plumbing code now permits the installation of pex as an approved hot and cold-water distribution system. Therefore, even though pex is an approved material, it may not be used in a subdivision where copper has already been conditioned without the developer returning to council to have the zoning condition removed. Pex may be used in future subdivisions if the copper stipulation is not in place.

This request was noticed in accordance with the requirements of the Chandler Zoning Code. Staff has received no correspondence in opposition to this request.

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

COUNCILMEMBER CACCAMO VOTED NAY ON THIS ITEM.

5. AGREEMENT: tw telecom of arizona, llc Ord. #4087

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4087 authorizing an agreement with tw telecom of arizona, llc for use of City right-of-way and public places to establish a communications system.

The company tw telecom of Arizona llc has filed for an application with the City to install, operate and maintain a fiber communications system that will provide both telecommunications and possibly non-telecommunications services. This agreement provides terms and fees for both service deliveries. The company holds similar agreements in other Valley cities to provide such services. This is a five-year nonexclusive agreement.

The City has received a \$2,000.00 application fee, which should cover the City's cost for processing this application and a 2.75% privilege tax will be paid on any non-interstate telecommunication services. As dictated by federal and state law, there will be no right-of-way use fee for the defined telecommunications portions of the System and its operation, but there is a fee structure established in the Agreement for any services that are not exempted by federal or state law. The company will also pay permit, inspection and pavement damage fees.

6. CITY CODE AMENDMENT: Chapter 38 Ord. #4092

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4092 amending City Code Chapter 38, Sections 38-2, 38-10, 38-13 and 38-16 by adding new or modifying certain non-utility System Development Fees.

According to provisions of the Chandler City Code, system development fees are to be updated annually. It has been the City's practice to have consultants review the fees every other year and have City Staff make an inflationary adjustment in the interim years. Duncan Associates prepared the System Development Fee Report for the 2008 new and modified non-utility system development fees.

In order to adequately notify interested parties of the 2008 update, emails were sent on March 7, 2008, to the Associated General Contractors of America, Capitol Consulting (representing the Arizona Multi-housing Association), Chandler Chamber of Commerce, Fulton Homes Corporation, Home Builders Association of Central Arizona (HBACA) and Valley Partnership informing them of the proposed update to the system development fees and the planned date of the public hearing. In order to expand outreach to the development community, Staff investigated whether other organizations should be added to the outreach efforts and information was emailed on April 1, 2008, to a local contact of the National Association of Industrial and Office Properties. Additionally, handouts have been available at the Planning & Development counter since July 9, 2008, with details of the relevant dates in this year's non-utility fee implementation schedule.

Staff and the consultants have met several times with representatives from Capitol Consulting, HBACA and Valley Partnership regarding questions and concerns with the new methodologies used in the non-utility report. To clarify certain items and correct the arterial streets and public building calculations, the consultants revised both the non-utility report and the related infrastructure improvements plan. All stakeholders have now indicated they no longer have concerns with the contents of both the non-utility report and the related infrastructure improvements plan.

The Management Services Subcommittee was briefed on both the utility and non-utility reports on February 25, 2008. Staff discussed the revisions made to the non-utility report at the August 6, 2008, Management Services Subcommittee Meeting.

The Advance Notice of Intent was published in the Arizona Republic on June 14, 2008, showing the date, time and place of the public hearing scheduled for August 14, 2008. In compliance with State Statutes, the Non-Utility System Development Fees report was filed with the City Clerk for public review beginning June 13, 2008, and is available on-line as agenda item number 56 on the June 12, 2008, Chandler City Council Regular Meeting Agenda. The new and modified non-utility system development fees will be effective December 29, 2008.

7. Moved to Action.

8. REZONING: 1850 E. Queen Creek Road Ord. #4097

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4097, DVR08-0025 1850 E. Queen Creek Road, rezoning from AG-1 to Airport District (AP-1) on approximately 35.7 acres at 1850 E. Queen Creek Road. (Owner: City of Chandler.)

The City of Chandler requests that the property be rezoned from Agricultural District (AG-1) to Airport District (AP-1) to allow airport related uses on property adjacent to and surrounding the south side of the Chandler Municipal Airport. The rezoning request includes a single 35.7-acre parcel owned by the City of Chandler and includes right-of-way for a portion of the Queen Creek Road alignment. The parcel is surrounded to the north and west by additional parcels owned by the City of Chandler, zoned AP-1 as part of the airport. To the east is a vacant parcel with a rezoning request for an airport-related business park. South of Queen Creek Road is the existing rural-residential neighborhood Twin Acres.

The AP-1 zoning district provides for aircraft operations, air services and related commercial uses for all portions of land comprising the Chandler Municipal Airport as owned or leased by the City of Chandler. The zoning district boundaries are intended to coincide exactly with the property

lines of those parcels owned by the City for airport operations and is not intended as a rezoning classification to be sought by or to be applicable to private interests for off-airport parcels or uses.

Staff supports the rezoning as the parcel is owned by the City of Chandler and intended for City airport-related uses. The AP-1 zoning district will establish certain development standard requirements consistent with those on other City-owned airport property.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held on June 17, 2008. There were approximately 6 neighboring property owners in attendance with none offering opposition. Staff has received no correspondence in opposition to this request.

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

9. No Item.

10. No Item.

11. INTERGOVERNMENTAL AGREEMENT: RPTA Res. #4224

ADOPTED Resolution No. 4224 authorizing an Intergovernmental Agreement (IGA) with the Regional Public Transportation Authority (RPTA) to accept Public Transportation funds in the amount of \$4,580,226.00 to partially fund construction of a Regional Park and Ride.

The Maricopa Association of Governments completed a Park and Ride Site Selection Study in 2001 identifying the need for a regional park and ride to be located in the City of Chandler near the Loop 101 and Loop 202 freeways. Funding for the project is included in the Regional Transportation Plan (Proposition 400 – Public Transportation Funds) approved by Maricopa County voters in 2004.

Following a detailed site selection study, the City of Chandler acquired a 10-acre site at the SEC of Germann Road and Hamilton Street in 2006. Federal funds were used to purchase the site and complete the design. Construction of the 450-space commuter park and ride began in July. The project is scheduled for completion in December 2008. Total construction costs for the project are estimated at \$6,386,608.00.

Proposition 400 – Public Transportation Funds are made available for use by the City of Chandler through the execution of an Intergovernmental Agreement with the Regional Public Transportation Authority. These funds will be used to reimburse the City for costs associated with construction of the new Park and Ride.

This agreement was reviewed at the August 21, 2008, meeting of the Transportation Commission and recommended for approval by a unanimous vote of 5-0.

12. WITHDREW GRANT AMENDMENTS: ADOT Res. #4226

WITHDREW AS REQUESTED BY STAFF, Resolution No. 4226 authorizing the City to enter into three grant agreement amendments with the Arizona Department of Transportation (ADOT), Aeronautics Division, to extend the grant expiration dates to June 30, 2009, for grant numbers E5S64, E6F54 and E6F79.

13. PRELIMINARY DEVELOPMENT PLAN: Wells Fargo Ocotillo Service Center

APPROVED Preliminary Development Plan, PDP08-0020 Wells Fargo Ocotillo Service Center for a service center and associated site improvements on 63 acres west of the NWC of Price and Queen Creek roads. (Applicant: R.S.P. Architects.)

The majority of the 63-acre Wells Fargo campus at the NWC of Price and Queen Creek roads was zoned Planned Commercial Office (PCO) with a Planned Area Development (PAD) overlay for a commercial office center in 2002. Approximately 15 acres in the site's southwestern portion was also zoned PAD for an office building and 50,000 square feet of potential retail. The existing master plan is for six office buildings, two of which have been constructed and several parking structures. To the north is an agricultural parcel that was zoned PAD in 2005 for the TSYS data operations center. To the west is the Gila River Indian Community. South, across Queen Creek Road, is the recently approved Park Ocotillo office-industrial-retail development and an existing Mobil fuel station/convenience store.

The service center occupies an area that the former master plan designated for an office building and a potential parking structure. The proposed development overlaps the site's two zoning districts and is designed for uses allowed in either district. The updated master plan includes a total of five office buildings (including two already built) and three parking structures.

The application requests approval of Phase One and Phase Two of the service center. Other elements of the campus master plan that have not received prior PDP approval must receive approval through separate PDP application and approval.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on August 6, 2008. There were two citizens in attendance with general questions. The development team also met with Ocotillo Community Association representatives to discuss the project on August 4, 2008, and received positive feedback. Staff has received no correspondence in opposition to the request.

Upon finding consistency with the General Plan and PCO/PAD 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. 3389 in case DVR02-0021 Wells Fargo Ocotillo Corporate Center, except as modified by condition herein.
2. Development shall be in substantial conformance with the Development Booklet entitled "Wells Fargo Ocotillo Service Center", kept on file in the City of Chandler Planning Services Division in File No. PDP08-0020 except as modified by condition herein.
3. The landscaping shall be maintained at a level consistent with or better than at the time of planting. The site shall be maintained in a clean and orderly manner.
4. Approval by the Director of Planning and Development of plans for landscaping (open spaces and rights-of-way) and perimeter walls and the Director of Public Works for arterial street median landscaping.
5. A median shall be added to the driveway from Queen Creek Road. The median shall extend to the first cross-aisle and shall be landscaped in a manner similar to the site's other driveway medians.

6. Phase Two of the data processing service center shall be architecturally compatible with Phase One, using similar forms, materials and colors and emulating the same level of quality.

14. ZONING EXTENSION: South Chandler Business Center

APPROVED a 3-year Zoning Extension for DVR08-0018 South Chandler Business Center on the existing PAD zoning for light industrial park on approximately 12 acres at the NEC of Ocotillo Road and the Pinelake Way alignment east of Arizona Avenue and Ocotillo Road. (Applicant: Gene Minchuk.)

The Planned Area Development (PAD) zoning approval was granted for a period of 3 years, which expired in March 2008. This application requests a three-year time extension. Time extensions are calculated from the previous zoning approval's expiration in which the zoning would be in effect, pending City Council approval, until March 2011.

The City has the following options when a zoning district's timing condition expires. The City could, through administrative action, extend the timing condition for another period of time, eliminate the timing condition, or by legislative action, revert the zoning to its former zoning classification. With approval of an extension, all other conditions in the original approval would remain in effect.

In February 2005, this 12-acre parcel received PAD zoning with Preliminary Development Plan (PDP) approval for a light industrial park. The industrial park is intended to accommodate small industrial businesses in the start-up stages. Businesses anticipated include building contractors, equipment repair, machine shops and uses permitted as a matter of right in the Planned Industrial (I-1) zoning district. Uses in the General Industrial (I-2) zoning district are prohibited.

The PDP included site layout and building design approval for an industrial park with various building elevations and varied roof heights. Outdoor storage yards are provided for individual tenants.

The General Plan designates this property as Employment and as a part of the Chandler Airpark Area Plan. The Chandler Airpark Area Plan designates the property as Industrial, and the proposed use is consistent with the designation.

The site is surrounded by undeveloped land that is planned for industrial development. Property to the west and north is in the county and zoned RU-43 agricultural. To the east is property zoned PAD for light industrial. South of Ocotillo Road is vacant land planned for Business Park uses as part of the Southshore Area Plan.

This application does not seek to modify the previously approved land use, site or building design, but seeks to extend the timing condition. The property owner is exploring their development options and marketing the property. There are no development plans at this time.

If any other alternative design or use is proposed, an amendment to the PAD zoning and/or PDP will be required.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on July 23, 2008. There were no neighbors in attendance. Staff has received no correspondence in opposition to this request.

Upon finding consistency with the General Plan and Airpark Area Plan, the Planning Commission and Staff recommend approval of a 3-year extension.

15. Moved to Action.

16. AGREEMENT AMENDMENT: Solution Beacon

APPROVED an Agreement Amendment with Solution Beacon for an additional \$1,800.00 for Oracle database consulting services for a revised contract total not to exceed \$31,700.00.

17. DEVELOPMENT AGREEMENT AMENDMENT: Wells Fargo Res. #4228

ADOPTED Resolution No. 4228 authorizing amendments to the existing development agreement with Wells Fargo on 63 acres at the NWC of Price and Queen Creek roads to include a service center.

In 2002, the City of Chandler entered into a Development Agreement with Wells Fargo for the Ocotillo Corporate Campus at the NWC of Price and Queen Creek roads. This agreement called for the construction of approximately 435,000 square feet of office space and the creation of approximately 2,000 jobs as well as off-site construction on both Queen Creek and Price roads.

The existing Development Agreement further outlined the conceptual future development of this campus, which is now being modified with a new Preliminary Development Plan that allows for an alternative development that includes a 430,000 square foot service center that may be constructed in two phases on this campus. Furthermore, the amended Development Agreement allows for the campus to expand from the existing plan of 1,250,000 square feet to 1,480,000 square feet. Therefore, it is necessary to amend the existing Development Agreement with the changes required as a result of the approval of the new Preliminary Development Plan for the Service Center.

The basic amended terms of the Agreement are as follows:

- Allows Wells Fargo to modify the existing Development Agreement to construct a Service Center on their Ocotillo Corporate Campus as well as future buildings.
- Provides an assured supply of reclaimed water or other sources in the event reclaimed is not available.
- Provides for continued coordination of the intersection of Old Price and Queen Creek roads to allow for signaled access on the private drive to the north and south side of Queen Creek along Old Price Road.
- City will work with best efforts to provide transit service along the Price Corridor.

18. AGREEMENT: Library Material and Related Services

APPROVED a two-year Agreement, with the option of four one-year extensions, with Baker & Taylor, Book Wholesalers, Inc., The Gale Group, Inc., Ingram Library Services, Inc., Brodart Company and Marshall Cavendish for library materials and related services in a combined amount not to exceed \$1,390,000.00.

The Library contracts with book and media vendors to obtain the best discount for library materials. These agreements will enable the library to continue to receive the best prices for hardcover and paper cover materials. The items purchased from these vendors are discounted up to 45.6% and come preprocessed so that they can quickly be made available to library customers.

19. AGREEMENT: Library Materials Unprocessed

APPROVED a two-year Agreement, with the option of four one-year extensions, with Library Video Company, Greenwood Publishing, Gareth Stevens Publishing, Rainbow Book Company and World Book, Inc., for library materials unprocessed in a combined amount not to exceed \$83,000.00.

The Library contracts with book and media vendors to obtain the best discount for library materials. These agreements will enable the library to continue to receive the best prices for hardcover and paper cover materials. These vendors/publishers offer some titles essential to the Library at discounts up to 25%, but do not offer any preprocessing of their materials.

20. AGREEMENT: Library Non-Print and Related Services

APPROVED a two-year Agreement, with the option of four one-year extensions, with MidWest Tape, LLC, and Chivers North America, Inc., dba BBC Audiobooks America for library non-print and related services in a combined amount not to exceed \$110,000.00.

The Library contracts with book and media vendors to obtain the best discount for library materials. These agreements will enable the library to continue to receive the best prices for audio books, DVD's and music CD's. The items purchased from these vendors are discounted up to 25% and come preprocessed so that they can quickly be made available to customers.

21. AGREEMENTS: Laboratory Testing Services

APPROVED one-year Agreements with Columbia Analytical Services, Inc., Legend Technical Services of Arizona, Inc., MWH Laboratories and TestAmerica Laboratories, Inc., for laboratory testing services in a combined total not to exceed \$397,000.00.

The Environmental Protection Agency (EPA) and the Arizona Department of Environmental Quality (ADEQ) mandate tests for drinking water and wastewater. Water Quality, Wastewater, Environmental Management and Solid Waste will use these agreements to handle various testing requirements.

22. AGREEMENT: SDB, Inc.

APPROVED Agreement #WW0902-401 with SDB, Inc., for the Ocotillo Water Reclamation Facility electrical upgrades, pursuant to Job Order Contract JOC07-04, in an amount not to exceed \$1,509,766.00.

The Ocotillo Water Reclamation Facility (OWRF) is owned by the City of Chandler but privately operated by Severn Trent Environmental Services. The OWRF was constructed in 1985, with much of the equipment in the facility nearing the end of its projected life and potentially in need of rehabilitation or replacement. In September 2005, Brown and Caldwell performed an asset management evaluation to identify the condition of the equipment and infrastructure and to

formulate a capital maintenance and replacement plan. The objective of this evaluation was to identify necessary activities to maintain the reliability and sustainability of the reclamation facility assets in order to continuously achieve the expected treatment performance.

The results of the evaluation identified the electrical switchgear and backup generators for the facility as two key assets in need of replacement and upgrades. The work under this project agreement will include removing and replacing the existing Ocotillo Plant switchgear; upgrade controls on two backup generators; electrical conduit installation; temporary installation of rental generators during construction and acceptance testing of new electrical systems.

23. AGREEMENT: SDB, Inc.

APPROVED Agreement #WW0901-401 with SDB, Inc., for the Ocotillo Water Reclamation Facility mechanical upgrades, pursuant to Job Order Contract JOC07-04, in an amount not to exceed \$535,100.00.

The Ocotillo Water Reclamation Facility (OWRF) is owned by the City of Chandler but privately operated by Severn Trent Environmental Services. The OWRF was constructed in 1985, with much of the equipment in the facility nearing the end of its projected life and potentially in need of rehabilitation or replacement. In September 2005, Brown and Caldwell performed an asset management evaluation to identify the condition of the equipment and infrastructure and to formulate a capital maintenance and replacement plan. The objective of this evaluation was to identify necessary activities to maintain the reliability and sustainability of the reclamation facility assets in order to continuously achieve the expected treatment performance.

The results of the evaluation identified the blower and diffuser assemblies as two key mechanical assets in need of replacement and upgrades. The work under this project agreement will include replacing an existing blower with new blower assemblies; upgrading related blower assembly components; installing additional diffusers in Basins 1A and 2A; and replacing the existing membrane discs in Basins 1A and 2A.

24. AGREEMENT AMENDMENT: Brown Family Communities

APPROVED Agreement #CP06-005, Amendment No. 1, with Brown Family Communities, increasing the City's maximum monetary obligation by \$5,579.00 for the engineering of improvements to Chandler Heights Road and Lindsay Road near the Whispering Heights subdivision from \$92,529.00 to \$98,108.00.

On May 25, 2006, Council approved City Participation Agreement Number CP06-005 with Brown Family Communities. This agreement provided for reimbursement of up to \$92,529.00 for the design of street improvements to Chandler Heights Road and Lindsay Road adjacent to a City project known as Chandler Heights Community Facilities. The primary consideration for having this design work done by a private developer was the need to coordinate with improvements being constructed by the developer for the Whispering Heights subdivision located immediately south of the City facility.

A recent review by City Staff indicated that the actual cost for performing the design work exceeded the original cost estimate that formed the basis for the agreement and included some items that should have been a part of that cost estimate. The actual total cost for the design was \$98,108.00.

25. CONTRACT AMENDMENT: Jacobs Engineering Group, Inc.

APPROVED Contract #ST0501-202, Amendment No. 2, with Jacobs Engineering Group, Inc., for design services for the Chandler Regional Park and Ride Lot in the amount of \$54,766.00, for a revised contract total amount of \$481,218.00.

This contract amendment is for the design costs associated with the additional scope of work resulting from requested changes to building style, adding site artwork, design for future installation of solar panels atop parking structures, locating traffic light poles and monitoring wells into the site layout and the coordination required to work with the Construction Manager at Risk (CMAR). Jacobs Engineering Group, Inc., was awarded the original design contract in January 2007. Haydon Building Corporation was awarded the CMAR contract in April 2008.

26. CONTRACT EXTENSION: Morrison Maierle, Inc.

APPROVED Contract #EN0711-101 extension for one year with Morrison Maierle, Inc., for annual pipeline design in an amount not to exceed \$1,000,000.00. This is the first of four one-year extensions.

27. CONTRACT EXTENSIONS: Annual Permitting, Study and Design

APPROVED one-year Contract Extensions for #EN0712-101, #EN0717-101, #EN0719-101, #EN0720-101 with Wilson Engineers, LLC, Brown and Caldwell, Engineering and Environmental Consultants, Inc. and Tetra Tech RTW for annual permitting, study and design services for water/wastewater facilities in an amount not to exceed \$600,000.00 each. These will be the first of four one-year renewal options.

28. CONTRACT EXTENSION / AGREEMENT: Carollo Engineers

APPROVED a one-year Contract Extension #EN0718-101, with Carollo Engineers for annual permitting, study and design services for water/wastewater facilities in an amount not to exceed \$1,000,000.00. This is the first of four one-year renewal options.

APPROVED Agreement #WW0903-101 with Carollo Engineers for the Sewer Assessment Study – Phase 4 in an amount not to exceed \$524,600.00.

The Wastewater Master Plan identified an on-going need to evaluate, prioritize and repair sewer lines and manholes within the City's collection system. A Sewer Evaluation Study was conducted in November 2005 as part of the Master Plan project, which resulted in a multi-year sewer management program. This is the fourth project to be completed under that program.

A critical part of this analysis is the 66" sewer line in Price Road. Current maintenance has established there are issues with the manholes and pipeline. This line conveys in excess of 50% of the City's daily wastewater flows.

This project provides for the continuation of the sewer system assessment, which will identify the structural condition of the sewer collection system at various locations throughout the City of Chandler so that a prioritized program of rehabilitation, repair, and replacement can be enacted and structural failures can be prevented. This will be based on the recommendations of the Sewer Assessment Study – Phase 3 and City Staff. The inspections will be accomplished through closed circuit television (CCTV) inspection of sewer pipelines and manned entry inspections for the sewer manholes.

29. AGREEMENT: Habitat for Humanity – Valley of the Sun

APPROVED an Agreement with Habitat for Humanity – Valley of the Sun authorizing \$5,000.00 for the demolition of an existing substandard dwelling unit and \$5,000.00 as a financial incentive for in-fill development to be paid upon completion of a single-family owner-occupied residence at 267 E. Kesler Lane. (Applicant: Tana Nichols, Habitat for Humanity.)

The Residential In-Fill Program was adopted by Council in December 2001 and subsequently amended in December 2004 to encourage new construction of owner-occupied single-family dwellings on small parcels within the northeastern section of the City (Resolution No. 3803, 12/16/08). Initially, the program enabled a qualifying in-fill development to receive \$2,500.00 per dwelling unit to recoup the cost of such items as development fees and other charges paid at the time of taking out building permits. The 2004 amendment increased the award to \$5,000/du and offered an additional \$5,000/du for the demolition of existing substandard dwelling(s).

This application is one of four submitted by Habitat for Humanity requesting awards for the construction of four single-family homes: two along South Delaware Street and two along East Kesler Lane. In 2007, Council approved Residential In-fill Agreements to assist in the construction of three new homes (all three were Habitat homes) and the demolition of one existing substandard dwelling. In 2006, the City issued residential in-fill awards for the construction of seven new homes (four of which were Habitat homes) and the demolition of one existing substandard dwelling. Prior to 2006, the City issued \$2,500.00 awards for 85 dwelling units before the 2004 amendment.

Council approved \$250,000.00 in funding for the program for the current fiscal year. In June, Council reallocated \$75,000.00 to fund the Green Building Program, leaving the Residential In-fill Program with \$175,000.00 for the remainder of this fiscal year.

In order to receive the financial incentive, all requests are subject to approval by Council through an agreement.

The incentive will be awarded to Habitat for Humanity upon completion of a 1,325 square foot, 3-bedroom, one-story, single-family home. The home will be constructed on a vacant 8,539 square foot lot located on the south side of Kesler Lane, east of Arizona Avenue. The home meets all of the qualification criteria and general requirements as set forth in Section I of the Residential In-Fill Program (parcel size, location, existing infrastructure), as well as the development standards contained in Section III (front yard landscaping, two car garage, etc.)

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

30. No Item.

31. PURCHASE: Network Servers

APPROVED the Purchase of network servers from International Business Machines Corporation (IBM), utilizing the Western States Contracting Alliance (WSCA) agreement, in an amount not to exceed \$350,000.00.

The City is in its eleventh 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 servers for excellent Staff productivity. Staff recommends going to a four-year lifecycle. However, the systems will be designed for a longer life cycle, such as a faster Central Processing Unit, higher memory and faster hard drives. The servers that are extended for a fourth year will require a one-year warranty extension.

In FY 2008/09, the City will be purchasing approximately 30 network servers and 16 one-year warranty extensions for the servers utilizing the WSCA agreement with IBM. Under WSCA agreements, IBM will provide a parts and labor warranty for these network servers for a four-year period.

32. PURCHASE: ASAP Software

APPROVED the Purchase of operation system software licenses from ASAP Software, utilizing the State of Arizona contract, in an amount not to exceed \$60,000.00. These licenses are the most current version and will sustain the operation system for the lifecycle of the server.

33. PURCHASE: Dell Incorporated

APPROVED the Purchase of personal and laptop computers from Dell Incorporated, utilizing the Western States Contracting Alliance (WSCA) agreement, in an amount not to exceed \$700,000.00.

In FY 2006/07, the City changed from a three-year lifecycle replacement to a four-year plan as a result of a cost analysis.

For the 2007/08 Replace Program, IT invited City Staff from various divisions to serve as committee members. The committee evaluated computers from three manufacturers through WSCA and took three months to complete. The committee scores reflected that Dell PC's and laptops are the best choice for the City.

In FY 2008/09, the City will be purchasing approximately 450 PC's and 45 laptops utilizing the WSCA agreement with Dell Corporation. Also covered is the provision of parts and labor warranty for a four-year term for the computer workstations.

34. USE PERMIT: 405 S. Delaware Street

APPROVED Use Permit UP08-0033 405 S. Delaware Street, to construct a new single-family home on a vacant lot zoned Multiple Family Residential (MF-2) located at 405 S. Delaware Street. (Applicant: Habitat for Humanity.)

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

The lot is located on the east side of Delaware Street. Abutting the east side of this property is a thin, vacant strip of land owned by Bogle Farms and beyond that are the Union Pacific Railroad tracks. The majority of the east side of Delaware Street is developed as single-family residential, with the exception of a small church and two vacant lots. The west side of Delaware Street is characterized by single-family housing with the exception of one triplex.

The property falls within an area designated by the South Arizona Avenue Entry Corridor Study for Low Density Residential. This category encourages new single-family infill with a target density of 0-5.9 dwelling units per acre, although higher densities may also be considered.

On December 13, 2007, the Mayor and Council approved two Use Permits allowing duplexes on this property and the property immediately south. The applicant sold the property rather than constructing the approved duplexes. Since then, Habitat for Humanity acquired both of the lots. Council has previously approved Use Permits for five other Habitat for Humanity homes in the immediate area, including four homes on the east side of this block of Delaware Street.

This is one of two Use Permit applications submitted by Habitat for Humanity to construct new homes within the boundaries of the South Arizona Avenue Entry Corridor Study. If approved, Habitat for Humanity plans to construct an approximately 1,545 square foot (livable), three-bedroom, two-story single-family home. The home features frame and stucco construction, a two-car garage for off-street parking and front and rear patio spaces. Staff believes that the development of this new home will continue to enhance the existing neighborhood and encourage other property owners to improve and maintain their properties.

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

Included in this Use Permit is a request to deviate from the front yard setback required by the Zoning Ordinance. The required front yard setback for this lot is 30 feet. Habitat for Humanity is requesting a 20-foot front yard setback. This lot and the other lots on the east side of this block of Delaware Street are only approximately 70 feet deep compared to the 150-foot deep lots across the street. As a result, many of the homes built on the east side of this block of Delaware Street do not meet the required 30-foot front yard setback. This includes four recently approved single-family homes with front yard setbacks ranging from 18 to 20 feet. These homes were granted relief from the required setbacks through the use permit process.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on July 1, 2008. There were no citizens in attendance. Staff has received no correspondence in opposition to this request.

Upon finding consistency with the General Plan and the Downtown-South Arizona Avenue Corridor Area Plan, the Planning Commission and Staff recommend approval subject to the following conditions:

1. Development shall be in substantial conformance with the exhibits and representations.
2. Approval by the Zoning Administrator of all project details required by Code or condition.

35. AGREEMENT: Habitat for Humanity – Valley of the Sun

APPROVED an Agreement with Habitat for Humanity – Valley of the Sun authorizing \$5,000.00 as a financial incentive for in-fill development to be paid upon completion of a single-family owner-occupied residence at 405 S. Delaware Street. (Applicant: Tana Nichols, Habitat for Humanity.)

The Residential In-fill Program was adopted by Council in December 2001 and subsequently amended in December 2004 to encourage new construction of owner-occupied single-family dwellings on small parcels located within the northeastern section of the City (Resolution No. 3803, 12/16/04). Initially, the program enabled a qualifying in-fill development to receive \$2,500.00 per dwelling unit to recoup the cost of such items as development fees and other charges paid at the time of taking out building permits. The 2004 amendment increased the award to \$5,000/du and offered an additional \$5,000/du for the demolition of existing substandard dwelling(s).

This application is one of four submitted by Habitat for Humanity requesting awards for the construction of four single-family homes: two along South Delaware Street and two along East Kesler Lane. In 2007, Council approved Residential In-fill Agreements to assist in the construction of three new homes (all three were Habitat homes) and the demolition of one existing substandard dwelling. In 2006, the City issued residential in-fill awards for the construction of seven new homes (four of which were Habitat homes) and the demolition of one existing substandard dwelling. Prior to 2006, the City issued \$2,500.00 awards for 85 dwelling units before the 2004 amendments.

Council approved \$250,000.00 in funding for the program for the current fiscal year. In June, Council reallocated \$75,000.00 to fund the Green Building Program, leaving the Residential In-fill Program with \$175,000.00 for the remainder of the fiscal year.

In order to receive the financial incentive, all requests are subject to approval by Council through an agreement.

Financial incentive would be awarded to Habitat for Humanity upon completion of a 1,545 square foot, 3-bedroom, two story single-family home. The home will be constructed on a vacant 6,999 square foot lot located on the east side of Delaware Street, south of Frye Road. The home meets all of the qualification criteria and general requirements as set forth in Section I of the Residential In-fill Program (parcel size, location, existing infrastructure) as well as the development standards contained in Section III (front yard landscaping, two car garage, etc.)

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

36. USE PERMIT: 425 S. Delaware Street

APPROVED Use Permit UP08-0034 to construct a new single-family home on a vacant lot zoned Multiple Family Residential (MF-2) at 425 S. Delaware Street. (Applicant: Habitat for Humanity.)

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

The approximately 7,127 square foot lot is located on the east side of Delaware Street. Abutting the east side of this property is a thin, vacant strip of land owned by Bogle Farms, and beyond that are the Union Pacific Railroad tracks. The majority of the eastern side of Delaware Street is developed as single-family residential, with the exception of a small church and two vacant lots. The west side of Delaware Street is mainly characterized by single-family housing, with the exception of one triplex.

The property falls within the area designated by the South Arizona Avenue Entry Corridor Study for Low Density Residential. This category encourages new single-family in-fill with a target density of 0-5.9 dwelling units per acre, although higher densities may also be considered.

On December 13, 2007, the Mayor and Council approved two Use Permits allowing duplexes on this property and the property immediately north of this property. The applicant of this project sold the property rather than constructing the approved duplexes. Since then, Habitat for Humanity acquired both of these lots. Council has previously approved Use Permits for five other Habitat for Humanity homes in the immediate area, including four homes on the east side of this block of Delaware Street.

This is one of two Use Permit applications submitted by Habitat for Humanity to construct new homes within the boundaries of the South Arizona Avenue Entry Corridor Study. If approved, Habitat for Humanity plans to construct an approximately 1,545 square foot (livable), three-bedroom, two-story single family home. Staff feels the development of this new home will continue to enhance the existing neighborhood and encourage other property owners to improve and maintain their properties.

The applicant is pursuing funds from the City's Residential Infill Program. This request is before Council as a separate item on this agenda. Eligibility for the Residential Infill Program requires two 15-gallon trees and six 5-gallon shrubs in the front yard, a 6-foot masonry wall enclosing the back yard, a 120-square foot storage enclosure, and demonstration of financial need, among other requirements.

Also included in this Use Permit is a request to deviate from the front yard setback required by the Zoning Ordinance. The required front yard setback for this lot is 30 feet. Habitat for Humanity is requesting a 20-foot front yard setback. This lot and the other lots on the east side of this block of Delaware Street are only approximately 70 feet deep compared to the 150-foot deep lots across the street. As a result, many of the homes built on the east side of this block of Delaware Street do not meet the required 30-foot front yard setback. This includes four recently approved single-family homes with front yard setbacks ranging from 18 to 20 feet. These homes were granted relief from the required setbacks through the use permit process.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on July 1, 2008. There were no citizens in attendance. Staff has received no correspondence in opposition to this request.

Upon finding consistency with the General Plan and Downtown South Arizona Avenue Corridor Area Plan, the Planning Commission and Staff recommend approval subject to the following conditions:

1. Development shall be in substantial conformance with the exhibits and representations.

2. Approval by the Zoning Administrator of all project details required by Code or condition.

37. AGREEMENT: Habitat for Humanity – Valley of the Sun

APPROVED an Agreement with Habitat for Humanity – Valley of the Sun authorizing \$5,000.00 as a financial incentive for in-fill development to be paid upon completion of a single-family owner-occupied residence at 425 S. Delaware Street. (Applicant: Tana Nichols, Habitat for Humanity.)

The Residential Infill Program was adopted by Council in December 2001 and subsequently amended in December 2004 to encourage new construction of owner-occupied single-family dwellings on small parcels located within the northeastern section of the City (Resolution No. 3803, 12/16/04). Initially, the program enabled a qualifying in-fill development to receive \$2,500.00 per dwelling unit to recoup the cost of such items as development fees and other charges paid at the time of taking out building permits. The 2004 amendment increased the award to \$5,000/du and offered an additional \$5,000/du for the demolition of existing substandard dwelling(s).

This application is one of four submitted by Habitat for Humanity requesting awards for the construction of four single-family homes; two along South Delaware Street and two along East Kesler Lane. In 2007, Council approved Residential In-fill Agreements to assist in the construction of three new homes (all three were habitat homes) and the demolition of one existing substandard dwelling. In 2006, the City issued residential in-fill awards for the construction of seven new homes (four of which were Habitat homes) and the demolition of one existing substandard dwelling. Prior to 2006, the City issued \$2500.00 awards for 85 dwelling units before the 2004 amendment.

Council approved \$250,000.00 in funding for the program for the current fiscal year. In June, Council reallocated \$75,000.00 to fund the Green Building Program, leaving the Residential In-fill Program with \$175,000.00 for the remainder of this fiscal year.

In order to receive the financial incentive, all requests are subject to approval by Council through an agreement.

The financial incentive would be awarded to Habitat for Humanity upon completion of a 1,545-square foot, 3-bedroom, two-story single-family home. The home will be constructed on a vacant 7,127 square foot lot located on the east side of Delaware Street, south of Frye Road. The home meets all of the qualification criteria and general requirements as set forth in Section I of the Residential In-fill Program (parcel size, location, existing infrastructure), as well as the development standards contained in Section III (front yard landscaping, two car garage, etc.).

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

38. USE PERMIT: MGD Motors

APPROVED Use Permit UP08-0031 MGD Motors to allow an auto broker/used car wholesaler within Planned Industrial District (I-1) zoning at 128 W. Boxelder Place, Suite 103, west of Arizona Avenue and north of Elliot Road. (Mike Denney, business owner.)

The site is located within the Dobson Business Park, a light industrial park and includes a multi-tenant industrial building with four small office spaces along the Boxelder Place street frontage. MGD Motors leases one of four office spaces. The adjacent offices include White Dove Studios, The Sharper Edge and PMJ Autos, which is another auto broker with an active Use Permit case in process. Other tenants in the back warehouse building include The Sharper Edge and Obayda Silk Plants. One tenant space is vacant.

I-1 zoning allows a variety of storage, wholesale, warehousing, manufacturing, assembly-type uses and accessory/incidental office and retail sales. The Dobson Business Park was zoned as part of a larger mixed-use master plan named the Dobson-Hoopes Ranch Master Plan in 1977. One parcel was designated for industry, which is where the current industrial business park is today.

In 1987, a Use Permit was approved allowing the four small office spaces along Boxelder Place. There was one Use Permit approved in 1995 to allow a one-on-one music lesson business in one of the four office spaces. There is a history of Use Permit approvals within the larger industrial business park for automotive repair, automotive window tinting, automotive accessories, a children's gymnastics and fitness facility, offices, furniture sales and a photography studio.

The auto broker/used car wholesaler specializes in pre-owned vehicles. The business functions as a car brokerage firm. The hours of operation are from 8 a.m. to 6 p.m. Monday through Friday and weekends, by appointment only. The tenant office space is approximately 600 square feet in size.

Vehicles kept on-site include business owner, employee vehicles and vehicles purchased by customers that need to be picked up. In addition, the Arizona Department of Transportation – Motor Vehicle Division requires two wholesale vehicles to be kept on-site at all times.

This type of auto-related use has little on-site customer contact in that there are no for-sale vehicles stored daily and advertising is done via the Internet. There will be no auto mechanical work, auto body, auto detailing, or washing of vehicles outdoors. On occasion, there may be some interior cleaning of vehicles or exterior detailing without water.

The parking lot for all tenants is shared. There are approximately 40 parking spaces on-site. Off-street parking occurs for many businesses in the business park including a couple of tenants on the site's property. There is appropriate parking on-site for all current businesses. The development is maintained and has no parking issues. Staff does not anticipate any parking or outside vehicle storage problems with the proposed auto wholesaler business.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held August 7, 2008. There were no residents or business owners in attendance. Staff has received no correspondence in opposition to this request.

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

1. Development shall be in substantial conformance with exhibits and representations.
2. Expansion or modification beyond the approved exhibits (Floor Plan, Site Plan, Narrative) shall void the Use Permit and require new Use Permit application and approval.

3. The Use Permit shall remain in effect for one (1) year from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require –re-application to and approval by the City of Chandler.
4. There shall be no auto mechanical work, auto body, auto detailing or washing of vehicles.
5. On-site advertising of vehicles for-sale is prohibited.

39. USE PERMIT: McDuffy's Grille

APPROVED Use Permit UP08-0040 McDuffy's Grille, Series 12, for a time extension for the sale of liquor for on-premise consumption indoors and within an outdoor patio at an existing restaurant at 980 E. Pecos Road within the Monterey Vista Village commercial retail center. (Applicant: Roger Egan for McDuffy's Grille.)

A liquor Use Permit was approved for a Series 12 license in July 2007 with a one-year time limit. A Series 12 license, which is considered a "restaurant license", allows for the on-site sale of beer, wine and spirits for on-site consumption.

The total seating capacity of the restaurant is approximately 100 seats indoors and 100 seats outdoors on the patio. A pool table has been added to the outside patio dining area. There is no representation of live entertainment, game rooms, dance floor, stage and the like.

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

1. Expansion, modification or relocation beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit re-application and approval.
2. Any substantial change in the floor plan to include such items as, but not limited to, a bar serving area or the addition of entertainment-related uses shall require new Use Permit reapplication and approval.
3. The Use Permit is granted for a Series 12 license only, and any change of licenses shall require re-application and new Use Permit approval.
4. The Use Permit is non-transferable to other restaurant locations.
5. The landscaping shall be maintained at a level consistent with or better than at the time of planting. The site shall be maintained in a clean and orderly manner.
6. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or property owners' association.
7. The site and patio shall be maintained in a clean and orderly manner.
8. Entertainment activities indoors and outdoors including live music such as bands, individual performers, and karaoke, disc jockey's, speakers emitting music and the like are not permitted.

40. CONTINUED LIQUOR LICENSE: Sandstone Cafe

CONTINUED TO SEPTEMBER 25, 2008, a Series 12 Liquor License for Jeffrey Keith Burgos, Agent, Sandstone Cafe LLC, dba Sandstone Café, 4959 W. Ray Road, Suite 28, to allow the applicant time to complete the requirements for a new Use Permit.

41. CONTINUED LIQUOR LICENSE: Murphy's Law

CONTINUED TO SEPTEMBER 25, 2008, Series 12 Liquor License for Roger Buffington Baldwin, Agent, Murphy's Law 58 LLC, dba Murphy's Law, 58 S. San Marcos Place, to allow the applicant time to complete the requirements for a new Use Permit.

42. WINE FESTIVAL/WINE FAIR LICENSE: Kokopelli Winery

APPROVED a Wine Festival/Wine Fair Liquor License for Kokopelli Winery, Inc., dba Kokopelli Winery for their 7<sup>th</sup> Annual Kokopelli Krush Festival, October 17-19, 2008, at 35 W. Boston Street, Suite 2. Recommendation for approval will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license. The wine festival liquor license fees have been paid and the applicant has applied for a Special Event Permit through the Special Event Committee.

43. TEMPORARY EXTENSION OF PREMISES: The Detour Restaurant

APPROVED a Temporary Extension of Premises for a Series 12 Restaurant Liquor License (Chandler #115949 L12) held by Gold Mine Entertainment LLC, dba The Detour Restaurant, 6403 W. Chandler Boulevard. Recommendation for approval of a Temporary Extension of Premises for State Liquor License #12077281 will be forwarded to the State Liquor Department. The Police Department has no objections to this extension and the applicant has applied for a Temporary Sales and Promotional Event Permit through Neighborhood Resources.

44. FINAL PLAT: Fulton Ranch Towne Center Phase II

APPROVED Final Plat FPT08-0012 (listed incorrectly on the agenda as FPT08-0022) Fulton Ranch Towne Center Phase II, for an existing commercial retail development on approximately 17.92 acres at the SWC of Arizona Avenue and Ocotillo Road. (Applicant: Olsson Associates.) The plat creates the lots, tracts and easements necessary for the property's development.

45. FINAL PLAT: Chandler Metropolitan

APPROVED Final Plat FPT07-0058 Chandler Metropolitan for a residential and commercial office/retail mixed-use development on approximately 12 acres at the SEC of Chandler Boulevard and Hearthstone Way. (Applicant: Jason Segneri, SIG Survey Innovation Group, Inc.) The plat creates the lots and tracts, construction-phasing lines, establishes the necessary easement and dedicates the required rights-of-way.

ACTION:

7. REZONING: Chandler Airpark Business

Ord. #4096

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4096 as amended, DVR08-0019 Chandler Airpark Business Center, rezoning from AG-1 to PAD with PDP for a business park development with aviation-related uses on approximately 19.2 acres at the NWC of Cooper and Queen Creek roads. (Applicant: Brennan Ray, Burch & Cracchiolo, P.A.)

Acting Planning Manager Kevin Mayo said that the subject property falls within the 9 square-mile Chandler Airpark Area Plan (CAAP). The CAAP identifies the site as Commercial/Office/Business Park (Taxiway Access). This land use designation denotes areas for "aviation oriented office or light industrial uses that have access to the airport taxiways". The CAAP includes a policy that

indicates “the City shall encourage through-the-fence operations to occur adjacent to the airport”. The proposed business park with aviation-related uses includes through-the-fence access and is consistent with the goals, policies and specific land use designation within the CAAP.

The site is bordered to the south by Queen Creek Road. South of Queen Creek Road is a retail and office commercial development currently under construction. West of the commercial development is the existing rural-residential subdivision Twin Acres. The Chandler Municipal Airport borders the subject site’s northwest side. Cooper Road abuts the property’s east side with vacant land zoned AG-1 planned for business park uses located east of Cooper Road.

Chandler Airpark Business Center represents one of the first through-the-fence taxiway-access developments for the Chandler Municipal Airport. The proposed development will include industrial, office and retail showroom/warehouse land uses including aviation-related uses. Permitted uses for the business park will include all light industrial uses permitted in the Light Industrial District (I-1), office uses including medical and dental and retail showroom uses where the display area is generally limited to 30% of the floor area. Additionally, permitted aviation related uses include charter operations, pilot training, aircraft sales and leasing, aircraft hangar sub-leasing, and other aeronautical activity uses. Prohibited aviation-related uses include uses such as flying clubs, aircraft sightseeing, crop dusting, aerial advertising and aircraft repair and maintenance businesses.

The Airport Commission reviewed the zoning request in accordance with the Airport Conflicts Evaluation Process. The Airport Manager has issued a conflicts evaluation report indicating that the Airport Commission found that no airport conflicts exist with this application.

This request was noticed according to the provisions of the City of Chandler Zoning Code with neighborhood meetings being held on June 17, 2008, and July 29, 2008. There were approximately 6 neighbors in attendance.

The neighboring property owners voiced concerns about potential noise impacts from the aircraft within the proposed development. Stipulations 17-19 are directed at noise abatement. The neighboring residential homes are located on the south side of Queen Creek Road just west of the subject site. The applicant responded that the intention to ‘tow’ the aircraft out to the taxiway prior to starting the aircraft’s engines, as well as the site design that utilized the building and 8-foot sound walls as a physical buffer to shield noise. The neighbors continue to voice concerns and requested the taxiway on the airport property that will service the subject site be relocated north to move the aircraft traffic further away from the residential homes. The Airport Manager has responded indicating that the proposed location of the taxiway is consistent with the location specified within the airport’s master plan. Finally, the neighbors voiced concerns regarding the location of the potential aircraft fueling facility. From an aircraft circulation standpoint, the proposed location is logical based upon the location of the taxiway access to the airport. Additionally, the fuel facility is restricted to only the business park tenants and not open to the public.

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

COUNCILMEMBER ORLANDO asked Mr. Mayo to clarify Stipulation #17. MR. MAYO responded that the proposed 8’ block wall would be raised an additional 2’ and a sound abatement system, such as metal slatting, would be added on top of the 10’ wall for a total of 12’ affecting only Lease Lot B, Lot 17 and 18.

COUNCILMEMBER WENINGER asked if Queen Creek Road is scheduled for expansion and realignment. MR. MAYO responded the plan is for 6 lanes. Public Works Director RJ Zeder added that the widening is at least 5 years out.

MAYOR DUNN asked if any street improvements would be done with this development. MR. MAYO responded that the developer would be required to improve their half-street. Ultimately, there will be a landscaped median in Queen Creek Road, but not with this phase.

COUNCILMEMBER HARTKE asked when the fire station is scheduled for completion. ACTING FIRE CHIEF TOM CARLSON responded that construction is scheduled in FY 2010/2011.

MR. BRENNAN RAY, 702 E. Osborn, representing the applicant, said that this is the follow-up zoning case to the development agreement approved in May 2008. As mentioned, this is one of the first through-the-fence developments at the airpark. This will be a high-quality business park with aviation-related uses which is the same type of development encouraged by the General Plan and Chandler Airpark Area Plan. The applicant has worked extensively with various City Staff and is appreciative of their recommendations. They are in agreement with stipulations 1-18. However, they would like to discussion #19.

There are three noise concerns that will be mitigated by the proposed development. The first is the amount of operation. If all 18 lots have an airplane, there will be approximately 3.29 daily trips, which amount to approximately 1200 annually. When compared with the total operations at the airports, this number amounts to less than a 1% increase in the total overall airport operations.

In referring to an overhead rendering, Mr. Ray continued that the development is serviced by an internal taxiway. As an example, from lot 17, the planes will be towed out to the staging area and an internal taxiway where the engines will be started. From there, the planes will idle-taxi over the airpark taxiway to a gate where they will cross onto the airport. They will continue to idle-taxi to either runway 22L or 22R, where the engines will be started for take-off. That procedure is in the CC&R's and also states that no engine run-ups will be permitted in the airpark when planes are traveling to the airport.

Additionally, through the development agreement and as presented by the development plans, no planes or helicopters will be taking off or landing at the airpark. That will be done on the airport itself.

Mr. Ray explained the site design and amount of separation are also noise mitigators. Additional wall height and landscaping has also been added to mitigate the noise. From the developer's property line to the internal taxiway is a distance of 250' with a 40' high solid concrete building, a 10' high screen wall, a significant amount of landscaping and streetscape. There is a separation of 370' from residential on the south.

COUNCILMEMBER ORLANDO asked Mr. Ray to review the taxi pattern for the northern part of the property. MR. RAY responded that the procedure would be the same as the southern part. COUNCILMEMBER ORLANDO stated that the pilots would not want to start their engines in the hangar. Pilots appearing at the neighborhood meetings said it would be an extreme safety hazard and irresponsible for a pilot to start a plane so close to a building.

TIFFANY SORENSEN, 12539 E. Queen Creek Road, south of the proposed development, stated that the existing buffer from her property line to the developer's property line is 66'. Five years in the future, there may be 120' feet of separation. She noted that while the developer is explaining what their plan is, the ordinance is also asking for flexibility with no stipulations as to how many planes can take off during the day as well as flight pilot training. The developer is asking for approval with no regulations on the number of buildings or planes including pilot training which would mean a flight school 120' from residential homes. There are also day care centers and pre-schools in the area. She expressed concerns with jet fumes and jet fuel storage tanks. The FAA discourages through-the-fence operations and if the City does not abide by the 65 DNL noise decibels, the airport could lose federal grants. She noted that Council had asked the Fire Personnel about any concerns with the proximity of the fuel tanks to the Fire Department. The Fire Department reported no concerns. She asked if any concern was given to the residences in closer proximity. She noted that the developer is including 170' of her private property in their 370' buffer.

COUNCILMEMBER ORLANDO asked if combined lots and bigger buildings could be done under this plan. MR. MAYO responded that there is language in the development plan for flexibility. It is currently planned as a worst-case scenario of 18 lots. It could not be smaller with more than 18 buildings. In the event someone wanted to have a larger building, they could combine two lots and build a larger building. They could conceptually combine more than two lots. Currently, the internal taxiway access points are set which would preclude combining all of the lots for one big building.

Regarding the fuel storage tank, Mr. Mayo showed its location on an overhead. It is important to note that the fueling station is only for airplanes on this property. Other planes in the airport cannot access it. The proposed fire station is closer to the tank than the residential homes to the southwest. They have not seen a design for the tank, but it will have to be built in compliance with all building codes, fire codes and any FAA regulations.

COUNCILMEMBER ORLANDO asked why the tanks would not be located closer to the lots to the north. MR. MAYO responded that all planes have to come to a certain point. If it were to be moved, planes would have to go in the opposite path to get fuel and come back down. The way it is designed, all planes to the north have to pass the proposed point to exit onto the airport property which would mean they would be idling and taxiing longer making more noise and fumes.

COUNCILMEMBER CACCAMO asked why the taxiway could not be moved more north so the fuel station could move north removing noise and fuel from the houses. MR. MAYO replied that the taxiway alignments exist per the approved Chandler Airport Master Plan. In working on the development agreement, it was worked out with the airport that the taxiway has to be in this alignment for airport operations.

AIRPORT MANAGER GREG CHENOWETH said that there are several reasons why this location was determined to be the best option. The primary reason is for noise abatement. If the taxiway were at the northeast end, the majority of aircraft in the south would have to turn to the northeast, which will cause the exhaust from the planes to be pointing toward the Twin Areas area as they go up to the taxi lane. The second reason is constructability. There is an old City landfill on the airport that it could be constructed over, but there would need to be some remediation and special construction techniques, which would incur extra cost. Another option would be to go around the taxi lane, which could be done, but it would take more developable land away from the airport. COUNCILMEMBER CACCAMO asked if it could be between the two stubs rather than in

front of the most northerly stub putting everything near the middle. MR. CHENOWETH responded that it is an option; however, they tried to keep it to the existing taxi lane stubs currently in place. If there is more entry into the movement area (taxi ways), it causes more potential for conflict. There are options they could look at.

COUNCILMEMBER DONOVAN asked how the land and potential use would be affected with COUNCILMEMBER CACCAMO's suggestion. MR. MAYO responded that vehicular and airplane traffic needs to be separated. Locating the taxi way access where it is and having the future fire station where it is proposed, by traveling up Cooper Road, there is the option to have a public vehicular access road come in west of the subject site to provide vehicular access to the City's property. When the taxiway starts sliding to the north, vehicles would not be able to access the site without crossing taxiways which is prohibited by the FAA.

COUNCILMEMBER DONOVAN asked about plans for the City property by creating a new stub on the south end. MR. MAYO said that a new stub is not being created, but the developer would be continuing it to the subject site. COUNCILMEMBER DONOVAN referred to COUNCILMEMBER CACCAMO's suggestion of having a new stub in the middle of the property. Mr. Chenoweth said it would be a careful coordination of making sure we have the room to separate vehicular traffic from aircraft traffic.

PUBLIC WORKS DIRECTOR ZEDER expressed concern with moving the taxiway to a new connection point between the two existing stubs because we would be limiting the City's ability to further develop airport property due to the issues described by Mr. Mayo.

COUNCILMEMBER HARTKE asked about the location of a flight school on this site. Mr. Mayo said that from a permitted land use standpoint, what's being requested includes fixed-base operations that could include charter aircraft operations or flight schools, but does not include flight clubs and crop dusting. A flight school is a permitted use, which was factored into the applicant's number of 9.29 generated aircraft trips per day. In-class training can be done, but planes could not take off.

JIM ORMSBY, 3131 E. Horseshoe Drive, said that the Chandler Airport is one of the 50 busiest general aviation airports in the country. This is a testament of its importance to the City. The airport is also important to the City's overall transportation plan and it is important to business development and individual activities. The airport deserves citizens' support and protection. The proposed development fits in the Airport Development Plan and is exactly what the City is looking for. He asked for unanimous support.

DENNIS STEVENS, 3151 S. Eagle Drive, directly south of the project, said that since 2006, when the City was working to make Twin Acres compatible with the airport, he has lost 3 horses as a direct result of activities at the airport. Mr. Stevens expressed concerns with hazards connected with the fueling station that is only 240' away. He does not feel the developer, and the City, have considered what the neighbors are being exposed to. He questioned why the City would allow a jet fueling station if they won't allow a gas station on any corner around the airport. It does not appear that the ramifications to the subdivision have been thought out. They are not against the airport expansion, but rather "dumping everything" on their subdivision.

CHELLE DALY, 1710 E. Redwood Place, Vice-Chair of the Airport Commission, said that the airpark area is vital for the City's future economic security. It is 9 square miles with little open land left to develop. Compared to the Price Corridor that is already built out in one-third of the area, it is obvious that the decisions made now are crucial. She stated the Airport Commission

reviews airpark projects very carefully and holds developers to very high standards. Before projects come before the Commission, the Economic Development Department and Airport Staff do an outstanding job ensuring the projects bring vitality to the airport and our economy. When this project was first presented to the Commission, they discussed the inclusion of a sound wall on Queen Creek, which Planning and Zoning addressed appropriately. She cautioned that the wall be developed appropriately so as not to reverberate traffic noise from Queen Creek noise back into Twin Acres. This project will not have generated repeated patterns like Havius or flight schools. The planes will fly once or twice during a business day. The Commission sees 18 potential businesses bringing jobs and economic growth to Chandler.

MAYOR DUNN asked Ms. Daly if the Commission considered some of the stub areas as to where they would be best suited. Ms. Daly responded that she attended one of the neighborhood meetings and listened to the concerns of the neighbors. Safety is a concern specifically relating to the fueling station. It would seem more feasible for the 18 businesses to install fuel tanks and maintain it when there are fixed-base operators on the airport. The location of the stubs was considered and it was felt it would be more beneficial to keep the flights perpendicular to Twin Acres instead of at Twin Acres.

GUY PEPOY, 3115 S. Diamond Drive, said that Twin Acres is a very tight-knit neighborhood. They have social events and are protective of things across the road that may damage their way of life. When Mr. Ray spoke about all those involved in this project, he failed to mention the neighbors. At the first neighborhood meeting, Mr. Pepoy had three concerns with one being the entryway. He asked if could be farther north. The reason given was that it was not convenient for the pilots and there was a toxic waste dump they did not want to disturb. They feel they are not getting a "square deal" and they have been stonewalled. He would like to see the list of uses more concrete rather than having such flexibility. There is concern about the fueling station. It is leaded fuel which is banned in Europe, yet it is still be used in the United States. He felt 20' high would be a better compromise for the noise walls.

COUNCILMEMBER WENINGER asked for clarification on page 2 in the box, Table 1, where the fourth bullet says "Pilot training in an office or classroom setting and/or an assimilator environment provided that in the event that actual in-plane training flights are needed. Training for such flights shall originate and terminate at either the City's on-airport terminal or through an FBO holding certificate from the City to provide such services at the airport." MR. MAYO said that it means classrooms can be located on the site off of "airport property". Once it goes to airplane training, the future pilots and training pilots have to originate out of Chandler's terminal or through an FBO on Chandler's airport property.

JOHN MEYER, 2533 S. Gaucho, Mesa, owner of Airport Property Specialists, said that he has been interested in watching this development. They have worked with airports and airparks since 1985 and have not only seen these developments developed, but have seen what the end result was after completion. He commented that historically, airports are gateways to a city and become economic engines for a business community. This proposed development is the envy of many cities. He receives two to three requests per month from airports and cities asking how they can do something like this. As he sees it, this development has been carefully thought out. There are some natural inhibitors such as the size of the gate and taxiways. This development gives the City an increased tax base and an increase in employment. Chandler Airpark is coming of age and he will be opening an office in the airpark by the end of the year. This type development offers many opportunities and benefits to the City.

PRECIOUS STEVENS, 3151 S. Eagle Drive, said that she is just south of the project and is opposed to it due to an increase in noise, hazards and pollution. It is too close to the homes and causes a lot of stress on the livestock. She was not aware that there would be no pilot training at the flight school. She had been to the neighborhood meetings and understood that pilot training could take place. Since the heliport has moved, they fly directly over her home and trespass in her airspace. She has no avigational easement. She said the flights average one every 2.25 minutes. It was mentioned earlier that Twin Acres is compatible with the airport, but a noise study in 1998 said that the subdivision to the south is not compatible with the airport.

COUNCILMEMBER ORLANDO asked if Mr. Chenoweth could address the helicopter concerns expressed by Ms. Stevens. MR. CHENOWETH responded that they would prefer the helicopters extend their flights and not turn over the neighborhood; however, it is up to the pilot to choose their path. A key part of the noise study will be looking at these issues to help educate the pilots to extend their flight patterns out and away from the housing area. COUNCILMEMBER ORLANDO asked if the airport has control over flight patterns. MR. CHENOWETH responded that they do not. They recommend the standard flight patterns as recommended by the FAA, but cannot tell the pilot where to fly. The Airman Manuals recommend a circuitous route for touch and go activity, which is what the helicopters are doing. They do not define exactly where they turn or how far away from the taxiway system they travel. It is up to the pilot.

COUNCILMEMBER ORLANDO said that the pilots are leasing the property from the City and have to abide by the recommendations of the Airport Commission and airport rules and regulations.

MR. ZEDER said that the City has some ability and Mr. Chenoweth and Dan Cook are working on a plan to move some of the traffic from the existing taxiway, which is used for helicopter training. The noise study shows what the neighbors are complaining about. He said if there is an aircraft flying over a neighbor's back yard every 2 to 3 minutes, it is a legitimate concern. The City's goal is to mitigate that issue. At the neighborhood meeting, all of the complaints were regarding helicopters and none about fixed-wing aircraft.

COUNCILMEMBER ORLANDO asked how long it would take to complete the noise study. MR. CHENOWETH responded that they anticipate completion in February or March and submitted to Council during the same time frame. After Council approval, it is then submitted to the FAA and have, by law, six months to review it.

COUNCILMEMBER ORLANDO commented that part of being a pilot is good judgment and better judgment needs to be made. He suggested contact the school and working with them. Mr. Chenoweth said he would visit them.

JOHN WALKUP, 551 S. Evergreen Street, owner of Chandler Air Service, said the City should be happy that a business is actively pursuing locating at the airport given today's economy. It shows that they have confidence in the City, the airport and what the future holds for the City. He was concerned with through-the-fence because he is aware that as an operator he does not want to be competing with someone outside of the airport that owns his or her own property. The federal grants to not allow certain things to happen outside of the airport to protect the airport and fixed-base operators. He has read the proposal and is pleased with what is proposed. He said it is common around the valley to have ground schools, aircraft simulator schools outside the airport which is what pilot training is referring to. The agreements do not allow flight training schools to operate from there unless their equipment is on the ramp on the side of the airport with the fixed-base operation so they can have ground schools and classes. That is not uncommon nor

contradictory to what the airport is doing. He expressed concern that the fueling operation has been blown way out of proportion. Six to eight airplanes come in and out daily and fuel up. There are 22,000 gallons of fuel right outside of their building with restaurants and airplanes in the area. There are no fumes or impending hazards and no one complains. He explained that traditionally, aircraft operators would park at the pump area, fill the plane and tow it back into the facility. He does not understand why people are making a big issue about noise.

COUNCILMEMBER ORLANDO said the fuel tanks would only be installed if requested by the tenants. MR. MAYO concurred. The developers will not install it. If the tenants agree it is economically feasible, the fueling facility will be built. In the meantime, they would be using trucks to fuel the aircraft. One issue discussed from a safety perspective, is having planes traveling two active runways to get fuel. There are provisions to allow an FBO to come onto the City's property to fuel a plane.

COUNCILMEMBER ORLANDO asked if there are any regulations on the size of the tank if it is decided a tank is needed. MR. MAYO responded that there is not.

COUNCILMEMBER CACCAMO asked how the applicant feels about moving the fueling facility more to the northeast and moving the taxiway more to the northeast. MR. RAY responded that the developers have been in the process for over 2 years and had the discussions with the airport in terms of location. Based on those discussions, the proposed location was deemed to be the best.

COUNCILMEMBER CACCAMO asked if the applicant would be willing to move the taxiway and fuel tanks in a northerly direction and help abate some of the noise if there were no City objections. MR. RAY said that they agree with Staff that this is the best location for the taxiway.

MAYOR DUNN said that Staff is saying that this would be the best location to further develop the area in terms of keeping vehicular traffic away from the planes. He asked if the proposed stub location prevents more noise to the neighborhood. MR. RAY responded that Staff feels it is in terms of planes that would be idling onto the airport.

MAYOR DUNN asked how the Planning Commission arrived at a 12' wall. MR. RAY said that Staff proposed an 8' wall, but through discussions with the Planning Commission, it was increased to 10'. It was raised to 12' total height with the additional 2' being a noise abatement system and will be added in just this location.

MR. RAY addressed the issue of other aviation-uses that will be allowed at the airpark. Section 3.4 discusses aeronautical activities that are allowed. The list in the development agreement is exactly the same that COUNCILMEMBER WENINGER referred to earlier. The key thing is that the airplanes for these businesses will need to originate from the airport, passengers will be picked up at the terminal and flights for pilot training will occur at the airport.

A concern with FAA grants assurances was also mentioned. Those concerns were also raised as they worked with Public Works. Paragraph 13, Subsection B, of the Airpark Development Agreement grants the City the power if those Federal assurances are put into place.

Questions were also raised regarding measurement of distances. In looking at the site plan, from the developer's property line, to the north side of Queen Creek, to the centerline of the taxi lane is 250'. From the residential property line, when Queen Creek is at full build out, is 370 feet. From their property line to the closest point of the proposed fuel facility, is 300'. From the residential

property line to the closest point of the fueling facility is 420'. The fuel tank will be built in accordance with all codes and regulations.

MR. RAY said that it is their understanding that improvements to Queen Creek Road were going to be taken care of through the CIP. MR. ZEDER concurred that the City will be doing both sides of Queen Creek Road.

The applicant understands that, should the residents so desire, a wall can be built along their property line as part of the CIP. They would like to add another sentence to stipulation #19:

In the event a sound wall is installed along the south side of Queen Creek Road as part of the road widening, a temporary sound abatement system shall not be required.

COUNCILMEMBER ORLANDO clarified with Staff that the Queen Creek Road improvements are 5 years out and asked what would be done in the next 5 years for sound if this project were developed. MR. RAY noted that is why the wording stipulates "in the event". If the wall were not in place on the south side of Queen Creek Road at the time of development, they would still be required to install a temporary sound abatement system.

COUNCILMEMBER ORLANDO asked what the intention of stipulation #19 was. MR. RAY responded that in the event that they are ready for airplanes to access the airport and, in the event that these buildings are not built when they are ready to access the airport, they would need to construct a temporary wall before access can start.

COUNCILMEMBER ORLANDO asked that if one building were built within the next 6 months, would a temporary wall have to be constructed. MR. RAY said that if it is just the building and they are not accessing the airport, no they do not.

COUNCILMEMBER ORLANDO clarified that if three buildings are built and each has a plane and would want to access the runway; the wall would have to be constructed. Mr. Ray concurred. Accessing the airport means being able to cross through the gate onto the runway.

COUNCILMEMBER HARTKE clarified that it is only required once any access to the airport is used, so it is not a question of a hangar being built, but when access begins that the wall has to be constructed. Mr. Ray concurred.

COUNCILMEMBER CACCAMO asked what kind of regulations are in place for the installation of a fuel tank that ensures safety. MR. ZEDER stated that the FAA has reviewed the lease and access agreement and had some minor suggestions but had no issues with how the agreement is constructed. We are in no risk of violating grant assurances currently in place. ACTING FIRE CHIEF CARLSON said that after the Study Session Monday night, he met with the Fire Marshall who said that the facilities have to be built to City Code and FAA code, and he had no safety concerns with the location of the fueling facility and the future fire station.

COUNCILMEMBER HARTKE asked how many planes are served per day on the airstrip. Mr. Chenoweth responded that, on average, there are approximately 500 – 600 aircraft per day, but not of all of those are fueled. Mr. Ray said that, based on their calculations, there are 3.29 trips per day. COUNCILMEMBER HARTKE said that it does not seem that the future fueling station would be very large.

COUNCILMEMBER WENINGER commended Staff and the developer for their work on this project.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER ORLANDO, TO INTRODUCE AND TENTATIVELY ADOPT ORDINANCE NO. 4096, APPROVING DVR08-0019 CHANDLER AIRPARK BUSINESS CENTER, REZONING AS RECOMMENDED BY PLANNING COMMISSION AND STAFF AND ADDING THE FOLLOWING SENTENCE TO STIPULATION #19:

IN THE EVENT A SOUND WALL IS INSTALLED ALONG THE SOUTH SIDE OF QUEEN CREEK ROAD AS PART OF THE ROAD WIDENING, A TEMPORARY SOUND ABATEMENT SYSTEM SHALL NOT BE REQUIRED.

MAYOR DUNN clarified that the additional stipulation means that until the CIP occurs and Queen Creek Road is six lanes wide with a landscaped median, mitigation will have to occur as directed by the Planning & Zoning Commission because the wall will not be built on the other side until that occurs. If that occurs before development begins, nothing will change. MR. MAYO concurred. As soon as airplanes intend to cross onto airport property at the corner nearest the homes, some type of sound abatement system will have to be installed as specified by stipulation #19 or as modified if a sound wall is built on the south side of Queen Creek.

MR. MAYO addressed some of the concerns with the fuel tanks. Fuel tanks can be put above or below ground. If they are underground, they have linings with spill control systems, vapor recovery systems and fire suppression systems required by code. If they are above ground, they are bullistically rated with one tank inside the other. They also have spill containment systems, vapor systems and fire suppression systems. The Building Code has numerous stipulations controlling these tanks.

DENNIS STEVENS said that the applicant has described Twin Acres as being directly south of the project, but when it was submitted to the FAA it stated that the subdivision was west of the project. That is not a true statement. Mr. Stevens added that there was no noise sensor in their neighborhood for the noise study.

MR. ZEDER was not able to address the first issue presented by Mr. Stevens. Relating to the noise study, the consultant who performed the study explained at the first noise study meeting (which was publicly advertised) both the computer modeling process and physical placement of noise sensors used to measure aircraft noise. The sensors are more informational and it is the modeling that dictates the noise contours. A number of residents noted at the meeting that the placement of the sensors was not in the Twin Acres subdivision. He asked the consultant to provide a proposal to do additional sound measurements to include Twin Acres. That amendment has not been brought forward yet.

MOTION CARRIED UNANIMOUSLY (7-0).

THE MEETING RECESSED AT 9:10 P.M. AND RECONVENED AT 9:23 P.M.

15. INTEGRATED WATER, WASTEWATER AND RECLAIMED WATER MASTER PLANS

ACCEPTED the 2008 Integrated Water, Wastewater and Reclaimed Water Master Plans.

WATER RESOURCE MANAGER GREG CAPPS said that master planning the City's water, wastewater and reclaimed water systems on a regular basis is required so infrastructure can be constructed at the proper time and location. A reliable, well-planned utility system is essential to the City successfully serving its residential, commercial and industrial customers. The Master Plan update incorporated the City' planning direction that was identified in the General Plan Update. The General Plan was updated concurrently with the Master Plans. Funding for these capital improvement projects, as well as system development fees, are based on the Master Plan.

The Integrated Maser Plan is based on a common land use plan with a rate of land development consistent with residential, commercial and industrial growth projections. It is projected the average annual water supply needs will be 84.4 million gallons per day (mgd) with peak summer demands reaching 122.3 mgd.

Key features of the Integrated Water, Wastewater and Reclaimed Water Master Plan include:

#### **Water**

- The Santan Vista (Joint Chandler/Gilbert) and Pecos Water Treatment Plants provide 84 mgd treatment capacity and dual surface water sources for system reliability;
- New pressure zone boundary stabilizes system pressure and operation of Zone 1 (West Chandler);
- New groundwater wells provide supply reliability with a treatment capacity of 74.2 mgd;
- Booster Pump Station upgrades improves system operation and saves energy;
- Total water treatment capacity will meet the annual average day demand during an emergency outage at either the Pecos or Santan Vista Water Treatment Plants. This amount of back-up supply meets the basic needs for the health, safety and welfare of each household.

#### **Wastewater**

- Completed West Chandler Wastewater Management Analysis with technically feasible options to collect and treat wastewater currently delivered to Lone Butte Water Reclamation Facility (WRF);
- Recommendation of a 10 mgd treatment expansion for West Chandler, future growth and committed industrial wastewater flows;
- West Chandler Lift Station and Dual Force Mains to be completed by 2017;
- Force Mains interconnecting the Water Reclamation facilities to transfer wastewater and reclaimed water increases redundancy;
- Five mgd expansion of Chandler's wastewater treatment capacity to 2017 if necessary.

#### **Reclaimed Water**

- Reconfigured delivery system saves costs and improves operation;
- Chandler's recharge facilities provide for 100% reclaimed water utilization;
- Recharge and reuse facilities at multi-use sites provide for better use of land resources.

These improvements will allow the City to follow its buildout strategy by using a coordinated approach to successfully complete the required infrastructure.

The Integrated Master Plan process identified a combined infrastructure improvement program totaling more than \$628 million. At buildout, the components are projected to cost \$213 million for water, \$373 million for wastewater, and \$42 million for reclaimed water. Funding and budgets

for these infrastructure improvements will be addressed with the proposed 2009-2014 Capital Improvement Plan and in future Capital Improvement Plans.

COUNCILMEMBER ORLANDO asked if the Wells Fargo facility's wastewater is included in the Capacity Study. Mr. Capps responded that it was and there is still a buffer on our reclaimed water providing capacity to add additional users.

MICHAEL CASON, 1619 E. Whitten, said that, because of changes in the General Plan, there is a need to modify our short and long term capital programs to reflect new water infrastructure. However, these modifications were not captured in last year's water rate increase. He questioned how his water rate would be affected by this revised capital plan. Approximately a year ago, he encouraged the adoption of water rate increases equitable to all citizens of Chandler. He cited scientific studies that determined that graduated water rates did not significantly reduce water usage for the highest users. Since that change, he has reduced his water consumption by 5%, but he is still paying twice as much for water as he did before the rate structure changed. He is actually paying more for water than he does for power. If his other utilities are too high, he has options. But there are no alternatives with water. If you choose to use less water, there are consequences associated with it. For him to get under the threshold, he would have to reduce his consumption another 35%. He could accomplish that by draining his pool, tearing out his citrus trees and grape arbor that shade the back of his house, and removing his lawn. All of these amenities define Arizona. He is not confident that, when it comes to paying for CIP changes, alternative ways to fund them will be considered. The last time this challenge was before us, we decided to abandon the previous structure in which business and industry paid for a larger portion of construction costs. Instead, a mechanism was created that shifted the burden of water system financing to residential customers. He took the responsibility away from entities that could distribute these costs across their market base. Perhaps this CIP presents an opportunity to correct what was done before. When this decision was made last year, the economy was not in such dire straits. Council can give money back to the citizens through a more equitable distribution of water rates.

COUNCILMEMBER ORLANDO asked when the rate structure would be reviewed. MR. PENTZ responded that we would be completing the first year of the rate increase in October and will have a report to the Mayor and Council. COUNCILMEMBER ORLANDO asked if it would be an update of the structure based on the CIP or a review resources. MR. MCDERMOTT explained that the shift was to a rate structure that provided for higher per-unit cost with higher use. Direction was to come back with an analysis after a year of use to determine how it affected consumption and how it impacted various classes of users.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY VICE-MAYOR HUGGINS TO ACCEPT THE 2008 INTEGRATED WATER, WASTEWATER AND RECLAIMED WATER MASTER PLANS.

MOTION CARRIED UNANIMOUSLY (7-0).

#### SPECIAL ORDERS OF THE DAY

##### A. Mayor's Announcements:

MAYOR DUNN announced that for the second consecutive year, Chandler has received the Playful City USA designation from KABOOM a national non-profit dedicated to bringing play back into children's lives. Chandler was selected for its commitment to increasing both the quantity

