

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, February 12, 2009, 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
Bob Caccamo	Vice-Mayor
Rick Heumann	Councilmember
Trinity Donovan	Councilmember
Jeff Weninger	Councilmember
Matt Orlando	Councilmember
Jack Sellers	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: Pastor Forrest Erickson, Generation Church

PLEDGE OF ALLEGIANCE/POSTING OF COLORS: Boy Scout Troop 679

SCHEDULED PUBLIC APPEARANCES:

1. Creative Expression Competition Winners

MAYOR DUNN was joined by Human Relations Commission Vice Chair Ed Clavell and Leah Powell representing the City's Diversity office, in announcing the winners of the Annual Celebration of Unity Creative Expression Competition Winners. Mr. Clavell thanked all the sponsors of the event.

Ms. Powell called upon the following winners to be recognized:

Visual Category:

K - 3 rd	Harpaul Sidhu, (Santan 3 rd grade)
4 th - 6 th	Sydney Scheel (Santan 6 th grade)
7 th - 9 th	Robert Whitaker (Hamilton 9 th grade)
10 th -12 th	Deandra Hernandez (Chandler 11 th grade)

Writing Category:

4 th - 6 th	Mark Creegan (Santan 5 th grade)
7 th - 9 th	Gaby Dito (Hamilton 9 th grade)
10 th - 12 th	Shammy Benjamin (Hamilton 12 th grade)

Performance Category:

K-3 rd	Alex Mathew (CTA Independence 1 st grade)
4-6	Aria Mathew (Jacobson 4 th grade)
7-9	Daniel D'Souza (Pueblo Middle 7 th grade)

10-12 grade Represented by Teacher Daniel Milbauer - Brittany Hamish, Ashley Holland, Taylor Stevens, Danielle Karas, Kira Kreutzbender, Samantha Celaya, Alexa Anderson, Maria Spears, Amanda Wade and Brielle Jones (Hamilton)

Video Category:

4-6 Grade Ryan Perisho, Meghan McGrath, Renae Contreras, Ashanti Grayer, Jaclyn Kelly, Zach Appel, Hannah Dodson, Brooke Myers, Patrick Walker, Brian Kabala, Deven Pizano, Quoreon Spears, Maria Martinez, Madison Goodall, Julian Ortiz, Jacob McPhee, Ryen Guerrerro, Serena Baca, Myles Willis and Trueman Park (Tarwater 4th grade)

7-9 Grade Ana Colazo, Verenice Montoya, Jesus Orozco, Alex Was, Cristian Rubio, Kimberly Calles, Rafael Nafarrate, Jeromel Peralta, Carolina Lopez, Blanca Zavala, Marily Ortiz, Alexis Leyva, Angie Hernandez and Liseth Ruiz (Willis Jr High 7th grade)

10-12 Grade Christina Sbraccia, John McGlaly (Basha High)

Ms. Powell recognized Santan Elementary School for having the highest percentage of student participation. Hamilton High School was recognized for having the highest number of students participating. Both schools received \$250 gift certificates.

Mr. Clavell added that the works of all of the winners can be viewed on the City's website.

VICE MAYOR CACCAMO commented that there is often negative publicity in the press regarding the youth, but by tonight's example, you could say that the future of this republic is safe.

UNSCHEDULED PUBLIC APPEARANCES:

Mr. Denny Khav, 2421 E. Binner Drive spoke regarding the Route 136 bus route that terminates at Chandler-Gilbert Community College. He stated that to continue his journey down Gilbert Road, he must walk; however, the sidewalk ends approaching Queen Creek Road and he must walk in the road as there is a canal and road construction which makes it unsafe. He asked that Chandler expand the transit system and make it safer to walk and bike thereby making it a lesser automobile dependent city.

CONSENT:

MAYOR DUNN stated that Item 10 has 2 plan options and Council will need to designate the plan to be approved. (The discussion regarding this is stated under Item 10). Mayor Dunn stated that Item 65 could be moved to the Consent Agenda. Through the efforts of staff, the applicant and Councilmember Heumann, there could be three additional stipulations added that could resolve the issue.

COUNCILMEMBER HEUMANN said the size of the gas station sign has been reduced, while upgrading the quality. In response to a question from Councilmember Orlando, Councilmember Heumann commented that the sign would be reduced down to 10' wide and the size height would be reduced now. The two signs now become ancillary to the business.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER HEUMANN, TO APPROVE THE CONSENT AGENDA WITH THE FOLLOWING EXCEPTIONS:

ITEM 2 (FULTON RANCH) MOVED TO THE ACTION AGENDA, ITEMS 9 AND 33 WITHDRAWN, ITEM 34 IS CONTINUED TO FEBRUARY 26, CORRECTION TO THE WORDING ON THE AGENDA FOR ITEM 61 AS IT SHOULD READ "FOUNDATION". ITEM 10 ADOPTED WITH MODIFIED PLAN B, AND ITEM 65 MOVED TO THE CONSENT AGENDA WITH THE ADDITION OF CONDITIONS 15-17.

COUNCILMEMBER DONOVAN declared a conflict of interest on Item 18. COUNCILMEMBER WENINGER voted "nay" on items 30, 31 and 32 citing concerns with building a new City Hall/Council Chambers with the current economic conditions. COUNCILMEMBER ORLANDO said he would not be voting on Item 1a as he was not present at that meeting and declared a conflict of interest on Item 67 for the Youth Commission appointment as his son was appointed to it. COUNCILMEMBER HEUMANN abstained on 1a and 1b as he was not on the Council. COUNCILMEMBER SELLERS also abstained on 1a and 1b and passed on his commendations to Public Works staff regarding Item 6 for their efforts on getting the median pier and foundation constructed in conjunction with the HOV lane project which will save money and make a much more efficient project.

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

1. MINUTES:

APPROVED, as presented, Minutes of the:

- a) Special Meeting of January 21, 2009
- b) Regular Meeting of January 22, 2009
- c) Regular Meeting of January 22, 2009 (new Council)

COUNCILMEMBER'S HEUMANN AND SELLERS ABSTAINED from voting on Items 1a and 1b as they were not on the Council. COUNCILMEMBER ORLANDO abstained from voting on 1a as he was not present at that meeting.

2. Item moved to the Action agenda.

3. POWER DISTRIBUTION EASEMENTS: Salt River Project Ord. #4108

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4108 granting 15 no-cost 12kV power distribution easements to Salt River Project (SRP) to relocate and underground their power facilities along Riggs Road between Gilbert Road and South Hillcrest Drive to accommodate construction of the Riggs Road-Gilbert Road to Val Vista Improvement Project.

4. REZONING: Santan Mixed-use Amended Ord. #4128

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4128, DVR08-0040 Santan Mixed-use Amended, rezoning from PAD Mixed Use to PAD Mixed Use Amended to permit medical office uses within an office development on approximately 3.2 acres of an 18.2-acre site located at the SWC of Ray Road and the Loop 101 Price Freeway. (Applicant: Jennifer Wittman, Planning Matters L.L.C.)

The subject parcels, including the three single-story office buildings, are part of the larger 18.2-acre commercial development, The Park at Santan. The development is bordered by Ray Road on the north with the San Tan Corporate Center office development. To the west is the existing single-family residential neighborhood, D'Arcy Ranch. Adjacent on the south is the Pinnacle Terrace apartment complex, and to the east is the Loop 101 Price Freeway.

The entire site received zoning and Preliminary Development Plan (PDP) approval in 2004 for the construction of a mixed-use commercial development consisting of the 5-story office building, a 4-level parking garage, retail space and single-story office space. The majority of the site, with the exception of three freestanding retail pads along Ray Road, is currently developed. In September 2008, Council approved an amendment to the PAD expanding the list of permitted uses within the 5-story office building to include adult-educational facilities.

This application seeks to amend the existing PAD zoning for the three single-story office buildings located on approximately 3.2 acres at the SWC of the development. The buildings are currently zoned PAD to allow general office uses only. The proposed amendment seeks to expand the permitted uses to include medical and dental office uses in addition to the permitted general office uses. The application does not propose any changes to the buildings or site as previously approved through a PDP.

As part of the original PAD approval, a shared parking model/analysis was included and ultimately approved permitting the office components of the commercial development to park at a ratio of 1 space per 222 square feet on lieu of the Code-required 1 space per 200 square feet.

Staff is of the opinion that amending the PAD zoning to allow medical and dental office uses in addition to the already permitted general office uses within the three single-story office buildings at The Park at Santan is appropriate and compatible with the balance of the existing development. These types of medical office uses not only serve the patrons and employees at The Park at Santan development, but benefit the surrounding residential communities as well. From a land use compatibility standpoint, medical office uses are often found within mixed-use developments such as The Park at Santan and continue to prove viable and compatible. From a parking standpoint, the development provides sufficient parking to accommodate the proposed use.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on December 11, 2008. There were no neighbors in attendance. Staff has received no correspondence in opposition to the request.

Upon finding the request to be consistent with the General Plan and approved PAD zoning, the Planning Commission and Staff recommend approval subject to conditions listed in the ordinance.

5. UTILITY EASEMENTS: Arizona Public Service Company Ord. #4129

ADOPTED Ordinance No. 4129 granting two no-cost utility easements to Arizona Public Service Company (APS) to provide electrical service needed for the development of the new City Hall site and declaring an emergency.

One easement will adjoin the east property line approximately 165 feet north of Chicago Street and the other will adjoin the property line on the south side of Chicago Street approximately 115 feet west of Washington Street.

Adoption by emergency is needed in order to expedite the easements and not delay the timely construction of the new City Hall.

6. INTERGOVERNMENTAL AGREEMENT: AZ Dept. of Transportation Res. #4200

ADOPTED Resolution No. 4200 authorizing an intergovernmental agreement (IGA) with the Arizona Department of Transportation (ADOT) for construction of the median pier and foundation for the future Galveston Street bike/pedestrian bridge and aesthetic enhancements to the new noise walls along the Price Freeway between Ray and Frye roads.

The Arizona Department of Transportation (ADOT) has accelerated the construction schedule for the high occupancy vehicle (HOV) lane along the Price Freeway from 2010 to 2008. In preparation for the freeway HOV widening, the City developed a preliminary design for the future Galveston Street bike/pedestrian bridge that is currently planned for construction in the City of Chandler FY2010/2011 Capital Improvement Program. This preliminary design will prevent considerable future traffic disruptions along the freeway when the bike/pedestrian bridge is constructed. Stanley Consultants, Inc., and T.Y. Lin International completed the initial design concepts in coordination with ADOT's HOV lane designer. Concepts included identifying the bridge location, preliminary bridge aesthetic treatments and the center median pier design and cost estimates. The bridge pier is proposed to be included in the HOV Widening project that started construction by ADOT in August 2008.

The Price Freeway project includes construction of approximately 10 miles of HOV lanes from the Red Mountain Freeway to Frye Road through the City of Tempe and the City of Chandler. The project includes two construction segments. Construction limits for the first segment is from the Red Mountain Freeway to Warner Road. The second segment includes the remainder of the project from Warner Road to Frye Road. The median pier and noise wall construction is scheduled in the second segment of the project. ADOT's current construction schedule estimates that Pulice Construction will complete the entire project in late 2009.

Staff presented the conceptual design information to a very supportive public at an informational meeting held on December 5, 2007. The project location, design elements, aesthetic treatments and estimated costs were discussed. The proposed conceptual alignment for the multi-span bridge is located approximately 120' south of the Galveston Street centerline and spans the freeway mainline and both frontage roads. Input was received from the attending residents and Staff responded to their questions. The Galveston Street Bike/Pedestrian Bridge project will create a gateway to the City of Chandler along the Price Freeway and will continue to make Chandler a well-connected City.

The proposed enhancements to the new noise walls to be constructed by ADOT will be of a similar design and pattern as the existing adjacent walls along the Price Freeway in Chandler. The new noise walls are located on the north side of the 101/Chandler Boulevard interchange.

The Transportation Commission was briefed on the alignment and design concepts for the Galveston Bike/Pedestrian Bridge project and the addition of new noise walls on February 21, 2008.

Under the terms of this agreement, ADOT will be responsible for constructing the median pier and aesthetic wall enhancements with the Price Freeway right-of-way. The City of Chandler will be responsible for the costs to install the enhancements and for the future maintenance costs related

to these enhancements. The cost for the construction of the enhancements included in this IGA is a lump sum fixed amount of \$162,000.00 to be funded by the Public Works general obligation bond funds.

7. HUD COMPLIANCE: Federal Home Funds

Res. #4252

ADOPTED Resolution No. 4252 certifying compliance with the Consolidated Plan and administrative commitment supporting an application for FY 2009/2010 Federal Home Funds by Housing Our Communities in accordance with the recommendations of the Chandler Housing and Human Services Commission and Staff.

The City of Chandler, along with six other local municipalities and Maricopa County, formed the Maricopa HOME Consortium for purposes of administering the federal HOME Investment Partnerships Program (HOME). Of the total funds allocated to each jurisdiction under the HOME Program, 15% must be reserved for specific types of nonprofit organizations known as Community Housing Development Organizations (CHDO's). CHDO funds may be used to provide incentives to develop and support affordable rental housing and homeownership affordability through activities such as acquisition, construction, reconstruction, rehabilitation, and/or various subsidies. Participants in the Consortium have pooled their 15% set-aside funding for eligible CHDO applicants.

Housing Our Communities (HOC), a non-profit Community Housing Development Organization (CHDO), has applied to the Maricopa HOME Consortium for federal HOME program funding to acquire, rehabilitate and resell eight to eleven single-family homes in Chandler to program eligible first-time homebuyers. To ensure affordable and sustainable homeownership, HOC offers up to \$25,000.00 in gap financial assistance and provides families pre- and post-homebuyer education, housing counseling, financial management and planning skills. Currently, HOC administers the City's down payment assistance program through the utilization of federal American Down Payment Dream Initiative (ADDI) program funding. They have assisted four families to date. As of FY 2008, ADDI funding will no longer be available.

As part of their application, HOC must submit a resolution of support from the governmental jurisdiction where the project is to be located. Adoption of this resolution will meet that requirement and certify compliance with the City of Chandler's Consolidate Plan. The City of Chandler is willing to administer the contract in support of Housing Our Communities application for federal HOME funds to the Maricopa County Consortium if the CHDO is funded.

8. SUBSTANTIAL AMENDMENT: Annual Action Plan

Res. #4253

ADOPTED Resolution No. 4253 authorizing a substantial amendment to the FY 2008/2009 Annual Action Plan and potential receipt of \$2,415,100.00 in Neighborhood Stabilization Program funds in accordance with the recommendations of the Chandler Housing and Human Services Commission and Staff.

On October 1st, the City of Chandler was notified of a potential allocation from the Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP) of \$2,415,100.00 based on a formula including: the number and percentage of home foreclosures in the City; the number and percentage of homes financed by subprime mortgages and the number and percentage of homes in default or delinquency. The funds are part of the 2008 Housing and Economic Recovery ACT (HERA) that totals \$3.92 billion and was signed by the President in July.

The NSP is intended to assist states, counties and municipalities in addressing the effects of abandoned and foreclosed properties. Funds may be used for the following activities:

- Establishing financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties;
- Purchasing and rehabilitating abandoned and foreclosed homes and residential properties;
- Establishing land banks for foreclosed homes;
- Demolishing blighted structures; and
- Redeveloping demolished or vacant properties.

Generally, CDBG funds may be used to assist families at or below 80% of area median income (AMI), or approximately \$51,350.00 annually for a family of four. The new NSP guidelines allow for using the funds to assist families up to 120% AMI, or approximately \$77,050.00 annually for a family of four. Additionally, at least 25% of the funds must be allocated to assist families at or below 50% AMI, or approximately \$32,100.00 for a family of four.

Furthermore, the funds cannot be used for:

- Foreclosure prevention;
- Demolition of non-blighted structures; or
- Purchase of properties not abandoned, foreclosed upon or blighted.

After analyzing the foreclosure trends and code complaints in the 85225 zip code, Staff proposed targeting the 85225 zip code for programs using the NSP funds. On January 7, 2009, Staff met with the Housing and Human Services Committee and recommended the following NSP strategies:

1. Development of a Chandler Community Land Trust (CCLT): The amount of \$1,468,500.00 will be used to purchase and sell up to 15 formerly vacant, foreclosed single-family homes to income-qualified homeowners by leasing the land owned by the Land Trust to homeowners who buy only the structure that is on the land. With this program, the costs of the purchase are reduced, the owner shares the equity in the home with the Land Trust and the home, as part of the Land Trust, remains affordable indefinitely. The families that are envisioned for these properties are between 80% and 120% of area media income (AMI), or approximately \$51,350.00 to \$77,050.00 annually for a family of four. Qualifying to purchase only the house greatly reduces the amount of the mortgage for which these families would have to apply. This strategy will focus on the area from Ray Road to Chandler Blvd; and Alma School Road to Arizona Avenue.
2. Creation of permanent affordable rental housing for homeless families: Approximately \$605,100.00 will be used to purchase and rehabilitate up to four vacant, foreclosed multifamily properties and rent them to income-qualified families. This is unlike the Section 8 program in that no voucher will be required. The families will be selected, evaluated and monitored by the selected non-profit for their suitability for the program and will assume responsibility for the ongoing maintenance of the properties after acquisition. This strategy will focus on Chandler Meadows at 286 W. Palomino Drive.
3. Down payment assistance: Approximately \$100,000.00 will be used to assist qualified potential homebuyers with down payment assistance. This will be secured with a ten-year

forgivable lien on the purchased property. The partnering non-profit will qualify, educate and monitor the new homeowners. This strategy will focus on the area from Ray Road to Chandler Boulevard; and Alma School Road to Arizona Avenue.

4. Administrative support: No more than \$241,500.00 can be used for staff support of any of the programs initiated through the NSP. This can include the staff support provided by the City and the City's non-profit partners in these programs.

All costs associated with the federal Neighborhood Stabilization Program grant funds will be paid by the federal government and do not require repayment on the part of the City of Chandler. Current year appropriation is sufficient to start the program and additional appropriation will be requested through the FY 2009/2010 budget process to spend what remains of the funds.

9. WITHDRAWN - PROPERTY PURCHASE: McQueen and Ryan roads Res. #4255

ITEM WITHDRAWN BY STAFF

10. SCATTERED SITE SENIOR HOUSING PROGRAM PLAN Res. #4257

ADOPTED Resolution No. 4257 authorizing the City of Chandler Housing & Redevelopment Scattered Site Senior Housing Program plan as modified.

HOUSING MANAGER KURT KNUTSON stated that in response to comments received at the Study Session, Staff has prepared a Plan (B) that includes citizen preference and a lottery system.

COUNCILMEMBER HEUMANN said this new plan would enable an orderly process for the renting of the units and gives the opportunity for the citizens of Chandler to have a priority.

MR. KURT KNUTSON noted a typo on Chapter 3. MAYOR DUNN asked if Staff had a suggestion. Mr. Knutson replied that staff could work with either plan.

COUNCILMEMBER DONOVAN clarified that on page 5 of the new Plan (B), regarding the timing of the closure of the application period after receiving 15 applications. MR. KNUTSON suggested to not state number specific for the applications and to keep the lottery period open for 20 days. Staff will then have a pool of applicants to select from giving the Chandler residents a higher priority. Councilmember Donovan said she would be happy with that suggestion.

Background: The intent of this program is to assist senior families with managing their housing costs in a senior designated community by offering a below market affordable rent. Income qualified for this program is defined as seniors that make between 50-80% of area median income.

On January 17, 2008, City Council adopted Ordinance No. 3992 authorizing the acquisition of four senior scattered site residential properties within the City of Chandler to be leased to qualified, senior families that make between 50-80% of area median income. A total of four properties were purchased in adult, 55+ senior communities. Two properties were purchased in Solera and two in Springfield.

On December 3, 2008, a neighborhood meeting was held at the Solera Community Center to outline the Senior Scattered Site program and answer residents' questions about the senior designated, affordable housing program. On December 17, 2008, a similar neighborhood meeting was held at the Springfield Community Center to provide the Springfield community with the same information. In addition, Staff provided handouts and Staff contact information to each of the residents in attendance and their community's Board of Directors.

The City of Chandler Housing and Redevelopment Division created a written policy called the Scattered Site Senior Housing Program Plan that is consistent with the Arizona Residential and Tenant Act. The program plan is the written statement of policies used to carry out the housing program in accordance with applicable state and local laws. The City of Chandler Housing and Redevelopment Division will review and update the program plan at least once a year and more often if needed, to reflect changes in state law, the City's operations or when needed to ensure Staff consistency in operations.

Applicable state and local laws govern all issues related to the scattered site senior housing program not addressed in the program plan. The policies in the program plan have been design to ensure compliance with the applicable state law.

Since the City of Chandler Housing and Redevelopment Division owns the scattered site senior houses, we become the management agency. The City of Chandler Housing and Redevelopment Division must comply with all of the legal and management responsibilities of a landlord in addition to administering the program in accordance with the Arizona Residential and Tenant Act and the Scattered Site Senior Housing Program Plan.

The costs to implement this program are derived from rent and other available resources. This investment also furthers our core mission to develop affordable housing while generating potential non-HUD revenue as a future income source.

11. CONSOLIDATED PLAN: Federal Home Funds

Res. #4261

ADOPTED Resolution No. 4261 certifying compliance with the Consolidated Plan and administrative commitment supporting an application for FY 2009/2010 Federal Home Funds by Affordable Rental Movement (ARM) of Save the Family in accordance with the recommendations of the Chandler Housing and Human Services Commission and Staff.

The City of Chandler, in cooperation with six other local municipalities and Maricopa County, formed the Maricopa HOME Consortium for purposes of administering the federal HOME Investment Partnerships Program (HOME). Of the total funds allocated to each jurisdiction under the HOME Program, 15% must be reserved for specific types of non-profit organizations known as Community Housing Development Organizations (CHDOs). CHDO funds may be used to provide incentives to develop and support affordable rental housing and homeownership affordability through activities such as acquisition, construction, reconstruction, rehabilitation, and/or various subsidies. Participants in the Consortium have pooled their 15% to set aside funding for eligible CHDO applicants.

ARM of Save the Family, a non-profit that provides services to homeless families, has applied to the Maricopa HOME Consortium for federal HOME program funding to acquire and rehabilitate two four-plex units, each with two bedrooms. These units will be offered at below fair-market rent to formerly homeless and low-income families to help them stabilize and maintain a self-sufficient

lifestyle. ARM provides a vital link in the continuum of services in Mesa and the County, and wants to further expand affordable housing for Chandler residents.

As part of their application, ARM of Save the Family must submit a resolution of support from the governmental jurisdiction where the project is to be located. Adoption of this resolution meets that requirement and certifies compliance with the City of Chandler's Consolidated Plan. The City of Chandler is willing to administer the contract in support of ARM of Save the Family application for federal HOME funds to the Maricopa County Consortium, if the CHDO is funded.

12. CONTINUED REZONING: McClintock Village

CONTINUED TO MARCH 26, 2009, Zoning, DVR08-0023 McClintock Village, rezoning from PAD for office and commercial retail to PAD retail with PDP for a commercial shopping center and hotel on approximately 26.4 acres north and west of the NWC of Chandler Boulevard and McClintock Drive to allow the request to be heard at the March 4, 2009, Planning Commission hearing.

13. PRELIMINARY DEVELOPMENT PLAN: Staybridge Suites/Holiday Inn Express

APPROVED Preliminary Development Plan, PDP07-0040 Staybridge Suites/Holiday Inn Express, for two four-story hotels on approximately 14.5 acres at the NEC of Chandler Boulevard and McClintock Drive. (Applicant: Jordan Scott, Diversified Real Estate Group.)

The property is bordered on the north and east by the Chandler Court Apartments and to the north by the Pepperwood single-family residential neighborhood. West, across McClintock Drive, is a Mobil gas station directly at the intersection corner as well as vacant land currently zoned for commercial retail and office uses. South, across Chandler Boulevard, is the Pueblo Alto single-family residential neighborhood and the Espo's commercial shopping center. At the SWC of Chandler Boulevard and McClintock Drive, are the Chandler Gateway Office Park condominiums.

The site has a long zoning history going back to the 1980's with the most recent applicable zoning being established in 1998. In 1998, the property was rezoned from Agricultural (AG-1) to Planned Area Development (PAD) to allow for a hotel/retail commercial development along with a Preliminary Development Plan (PDP) approval for a 2.8-acre, 122-room hotel. The Candlewood Hotel Company offered to purchase approximately three acres for immediate development of a 122-room hotel and to amend the previous land use approvals by reducing the proposed area for retail sales and adding commercial lodging. In 2000, the zoning was extended an additional two years. However, with the consent of the applicant, the approval eliminated any references to an approved PDP. The removal of the PDP was spurred by concerns of the Planning and Zoning Commission regarding the design and impact that the hotel would have on the adjacent residences. In May of 2003, the applicant requested a time extension on the zoning for an additional three years. In 2006, Council extended the zoning for an additional three years.

The current request is specific to the two hotels only; the remaining commercial pads are conceptual at this point. Development of the remaining pads will require future PDP approval.

The proposal was heard at the November 19, 2008, Planning Commission hearing and continued by the Planning Commission to be heard by the Design Review Committee (DRC). A number of the changes recommended by the DRC have been addressed. Staff supports the request, with the adjustments made based on the DRC meeting, finding the development to be an attractive addition with the ability to provide a number of services to the area. Although the current request

is specific to the hotels only, a number of site and architectural design features have been incorporated to provide a standard for the future phases.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on March 13, 2008. There were no neighbors in attendance. Staff has received no correspondence in opposition to the request.

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

1. Future median openings shall be located and designed in compliance with City adopted design standards (Technical Design Manual #4).
2. Completion of the construction of all required off-site street improvements including but not limited to paving, landscaping, curb, gutter and sidewalks, median improvements and street lighting to achieve conformance with City codes, standard details and design manuals.
3. The developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.
4. Development shall be in substantial conformance with the Development Booklet entitled "Preliminary Development Plan Booklet", kept on file in the City of Chandler Planning Services Division, in File No. PDP07-0040, except as modified by condition herein.
5. Landscaping shall be in compliance with current Commercial Design Standards.
6. The site shall be maintained in a clean and orderly manner.
7. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
8. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or property owners' association.
9. 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.
10. Three Date Palms with a trunk height of 15-feet shall be located on both sides of the main entrance off of McClintock Drive

14. PRELIMINARY DEVELOPMENT PLAN: Arco at Chandler Airport Center

APPROVED Preliminary Development Plan, PDP08-0029 Arco at Chandler Airport Center, for a gas station/convenience store/carwash development within the Chandler Airport Center at the NEC of Cooper Road and Yeager Drive, south of the Loop 202 Santan Freeway. (Applicant: WD Partners, Jeff Tibbitts.)

This case was continued by the Planning Commission and scheduled for a meeting by the Design Review Committee (DRC) on December 5, 2008, to address architectural design. The Commission wanted to further enhance the design features for the gas canopy, convenience store and carwash buildings. The DRC meeting provided the applicant with additional design recommendations.

Following the DRC meeting, the applicant received additional recommendations from DRC members and revised buildings. The applicant revised exhibits to reflect the DRC recommendations, which are included in the Development Booklet.

The property is part of a 245-acre master planned employment center near the Chandler Municipal Airport. The master plan, Chandler Airport Center, is located at the intersection of Cooper and Germann roads and includes industrial, retail, and office land uses. Chandler Airport Center received conceptual Planned Area Development (PAD) zoning in April 2005 and several office and light industrial projects have developed including Panattoni, Hewson, Red Rock Business Plaza and Opus.

The subject site is designated for commercial retail, restaurant and gas station uses. This property is a part of a larger parcel at the intersection corner, which will be divided to allow for a planned hotel north of the gas station site. East, south and west of the property is undeveloped land planned for commercial hotel/retail, office and/or restaurant uses.

The request is one of several Preliminary Development Plans (PDP) for individual parcels within the master plan. The application proposes to construct a self-service gas station, convenience store and automatic carwash. The buildings are located on the site's eastern boundary with the fueling pumps shaded by a gas canopy fronting Cooper Road. Access to the site is provided by driveways off of an arterial and collector street, Cooper Road and Yeager Drive respectively.

The buildings and gas shade canopy meet the Commercial Design Standards and offer a unique architectural design that is being incorporated on adjacent parcels creating a design theme along Cooper Road.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on October 8, 2008. There were no neighbors in attendance. Staff has received no correspondence in opposition to this request.

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

1. Development shall be in substantial conformance with the Development Booklet entitled "ARCO at Chandler Airport Center", kept on file in the City of Chandler Planning Services Division, in File No. PDP08-0029, except as modified by condition herein.
2. Completion of the construction of all required off-site improvements including but not limited to paving, landscaping, curb, gutter and sidewalks, median improvement and street lighting to achieve conformance with City codes, standard details, and design manuals.
3. The landscaping in all open spaces and rights-of-way shall be maintained by the adjacent property owner or an association.
4. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
5. Raceway signage shall be prohibited within the development.
6. The site shall be maintained in a clean and orderly manner.
7. The added trees on the north side by the carwash exit shall be Evergreen tree specie.

15. PRELIMINARY DEVELOPMENT PLAN: First Baptist Church Chandler

APPROVED Preliminary Development Plan, PDP08-0024 First Baptist Church Chandler, for Phase II of the overall master plan for the First Baptist Church of Chandler including a 49,390-square-foot floor area at the NEC of Arizona Avenue and Appleby Road. (Applicant: William Gosney, Art & Space Architects, Ltd.)

The subject site is located at the NEC of Arizona Avenue and Appleby Road. Directly north is the Ocotillo Animal Clinic. West, adjacent to the site, is Arizona Avenue, with residential zoned property west of Arizona Avenue. South, adjacent to the site, is Appleby Road, with a single-family home south of Appleby Road. First Baptist Church of Chandler owns the property surrounding the animal clinic to the east as well as the property east of the existing building extending to the Union Pacific Railroad tracks. The entire campus of the church includes approximately 34 +/- acres.

In 2004, the entire campus was annexed in the City and rezoned for church-related uses. The 2004 approval consisted of approximately four acres for development as Phase I. Future phases were represented in the initial application, but it was noted that future Preliminary Development Plans would be required. As part of the Rezoning and Preliminary Development Plan, architectural exhibits were provided for the Family Life Center.

The Family Life Center was constructed shortly after Council approval, and is currently located on the site's west side along the Arizona Avenue frontage. With the approval and development of the Phase II buildings, a number of the current activities taking place in the Family Life Center will be relocated and the interior of the Family Life Center will be expanded to allow for the growing congregation.

Phase II includes requests for three stages within the Phase II development area. Phase II requests approval for: four temporary modular buildings labeled as Phase II-M; the Children's Worship Center and the Choir and Music rehearsal areas, labeled as Phase II-A; and the single-story Fellowship Hall, labeled as Phase II-B. Included in stage Phase II-M, will be a portion of the fire access land and turn-around located south of the proposed modular buildings. Phase II-A will complete the fire access lane and the parking lot on the north side of the Phase II development area.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on October 9, 2008. There were no neighbors in attendance. Staff has received no correspondence in opposition to this request.

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

1. Development shall be in substantial conformance with the Development Booklet entitled "First Baptist Church Chandler", kept on file in the City of Chandler Planning Services Division, in File No. PDP08-0024, except as modified by condition herein.
2. Compliance with original stipulations adopted by the City Council as Ordinance No. 3535 in case DVR03-0032 First Baptist Church Chandler, except as modified by condition herein.
3. A Traffic Study shall be submitted and approved by the Public Works Director at the time of subsequent Preliminary Development Plan submittal.
4. The applicant shall work with Staff to incorporate art features within the development. Details to be worked out with Staff.
5. The use of the modular buildings shall remain in effect for two (2) years from the effective date of City Council approval. Continuation of the modular buildings beyond the expiration date shall require re-application of a Preliminary Development Plan and approval by the City of Chandler.

6. Additional right-of-way shall be dedicated along Arizona Avenue for a bus shelter and bay; details shall be worked out with Staff. Future construction and maintenance of the bus shelter and bus bay are not the responsibility of First Baptist Church of Chandler.
7. The applicant shall work with Staff to depress the modular buildings.

16. PRELIMINARY DEVELOPMENT PLAN: Chapman BMW

APPROVED Preliminary Development Plan, PDP08-0038 Chapman BMW, for the installation of a 6,000-gallon fuel tank as part of an automotive sales and service development on approximately 6.52 acres west of the SWC of 54th Street and Orchid Lane. (Applicant: Anthony Villareal, Barry R. Barcus Architect, Inc.)

The applicant requests Preliminary Development Plan (PDP) approval to install one 6,000-gallon above-ground fuel tank on property zoned PAD (Planned Area Development). An amendment to the existing PDP is required because the fuel tank exceeds 500-gallons. The subject site is surrounded by Interstate 10 to the west and the Chapman Chevrolet automotive dealership to the east. Orchid Lane abuts the property's north side, with the Audi, Lexus, Mercedes and Smart Car automotive dealerships located north of Orchid Lane. South of the subject site is the existing Chandler Gateway West retail development.

The site received conceptual PAD zoning for automotive sales in May 1986. Construction of the Chapman Chevrolet automotive dealership began in 1998 on the eastern 10.5 acres of the 17-acre site, leaving the western 6.5 acres (subject site) for the future development of another dealership. A Preliminary Development Plan for the BMW dealership was approved in March 2007 for the site plan and building elevations. Construction of the dealership is nearing completion.

The proposed tank location is at the property's south side, behind the existing BMW sales and service facility. The fuel tank will be adequately screened from any street views including I-10 due to its placement behind the existing building and parking structure. The fuel tank is cylindrical in shape and approximately 8 feet wide by 23 feet long and approximately 9 feet in height with vent piping extending 1 foot above the tank. The tank will be painted white to match the existing buildings. It will be constructed to all fire codes and contain a spill catch double wall tank and leak sensors. All environmental issues related to these operations are subject to State and Federal laws. The Chandler Fire Marshall has reviewed the application and has found the location to be in conformance with fire safety standards.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held on December 11, 2008. There were no neighboring property owners in attendance. Staff has received no correspondence in opposition to this request.

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

1. Development shall be in substantial conformance with exhibits submitted as part of this application and shall be kept on file in the City of Chandler Planning Services Division, in File No. PDP08-0038 Chapman BMW.
2. Fuel containment shall be in accordance with all State and Federal laws.

17. PRELIMINARY DEVELOPMENT PLAN: Chandler Corporate Center

APPROVED Preliminary Development Plan, PDP09-0001 Chandler Corporate Center, for modified monument signage at 500 and 585 N. Juniper Drive within the Chandler Corporate Center north and west of Chandler Boulevard and McClintock Drive. (Applicant: RG-McClintock, LLC, and S & W, LLC.)

The parcels are located at the end of a cul-de-sac in the northwestern portion of the development. A city park is to the west. To the north, across Desert Breeze Boulevard, are single-family houses and another City park.

The 100-acre Chandler Corporate Center received its current PAD zoning for industrial, office and retail uses in 1981. A PDP was approved in 2000 and modified in 2005 that established the site layout, architecture and signage for the industrial/office (northern) portion of the project. The existing PDP specifies that individual parcels' monument signs be constructed of masonry, concrete and architectural metals of a contemporary southwest corporate style similar to the project theme walls along McClintock Drive and approved directional signage while being compatible with adjacent building architecture and screen wall materials. Additionally, the existing PDP limits monument signs to 8' in height, internal illumination only, two tenant panels and one monument sign per parcel unless a parcel has more than 300' of frontage and only one entrance.

The application proposes amending the PDP for the two subject parcels primarily in order to allow six (6) tenant panels per monument sign. A more minor deviation, prompted by smaller panels, is the use of indirect lighting rather than internal illumination. The application otherwise follows the existing PDP requirements including size, placement, colors and materials. Staff notes that the proposed sign colors will match the building colors.

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

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

1. Development shall be in substantial conformance with the application materials (site plan, elevations, narrative), except as modified by condition herein.
2. The monument sign's sign panels shall have an integrated or decorative cover panel until a tenant name is added to the sign.
3. The monument sign package shall be designed in coordination with landscape plans, planting materials, storm water retention requirements, and utility pedestals, so as not to create problems with sign visibility or prompt the removal of required landscape materials.
4. Development shall be in substantial conformance with previous approvals except as modified by this request.

18. CHANDLER SERVICE CLUB: Celebration Plaza

COUNCILMEMBER DONOVAN DECLARED A CONFLICT OF INTEREST.

APPROVED the recognition of the Chandler Service Club with a plaque in Celebration Plaza at Tumbleweed Park as recommended by the Chandler Parks and Recreation Board.

The Chandler Service Club, organized in January of 1933, has played a pivotal role in the history, growth and quality of life in Chandler. This group provided the leadership, motivation, volunteer

service and funding for establishing the Chandler Public Library, Chandler Center for the Arts and the Chandler Regional Hospital. They have also played important roles in supporting the Chandler recreation programs and many other programs vital to life and culture in Chandler.

Celebration Plaza at Tumbleweed Park was established as a way to recognize individuals and groups whose outstanding personal service, leadership, innovation and creativity have resulted in significant and enduring contributions to the Chandler community. Criteria for recognition were approved by the City Council as a part of the park naming policy in November of 2004. Nominations were accepted through September 30, 2008.

Staff received nominations for four individuals and one organization during this year's nomination process. These nominations were forwarded to the Parks and Recreation Board subcommittee for evaluation and recommendation. The subcommittee met and analyzed the nominees, then formulated their recommendations based upon the approved criteria and focused on enduring, significant contributions to Chandler. The subcommittee recommendation was presented to the Parks and Recreation Board at the October 28, 2008, meeting. The board endorsed the recommendation and unanimously voted to recommend City Council approval of the Chandler Service Club for recognition in Celebration Plaza.

The Chandler Service Club differs from many other civic clubs in that it is a "home grown" organization created by eight individuals to meet a need they saw in the community in 1933. The Parks and Recreation Board recommended that the following eight individuals be named on the plaque for their role in the formation of this valuable and enduring Chandler service organization:

Helen Newhouse Handley Pernel
Elizabeth "Betty" Blake
Gladys "Babe" Madison
Frances Marian Johnson Edwards
Pearl Bouton
Louise "Sue" Beer
Eleanore Fogal
E. Josephine Stiles Eikenberry

19. SUBORDINATION: 5633 W. Butler Drive

APPROVED the subordination of the Housing Rehabilitation lien on Project RH08-0016, 5633 W. Butler Drive in the amount of \$48,039.85 (Balken).

The single-family, owner-occupied home located at 5633 W. Butler Drive was a recipient of the City of Chandler's Housing Rehabilitation Program in 2008. The City has placed a lien against the property for \$48,039.85. This lien is in the form of a 15-year forgivable loan whereby the balance is forgiven at the end of the term of the loan. The balance of \$48,039.85 will be forgiven in 2023, per the original loan agreement.

The owner is now requesting a refinance in order to lower their interest rate and is paying off two liens. The owner is receiving cash out for escrow purposes totaling \$684.00. The new loan is for \$91,689.00. In order to obtain the loan, a subordination of the City's lien is required by the lending institution.

The City's lien is currently in third position and will be in second position after the new loan. The City's lien will not be released until the term of affordability expires in 2023. The property is

currently valued at approximately \$188,600.00, which is more than the combined encumbrances of the City's lien and the new first mortgage.

20. AGREEMENT EXTENSIONS: Specialty Construction Services

APPROVED one-year Agreement Extensions with J. Banicki Construction, JOC07-03, and Nesbitt Contracting Co., Inc., JOC07-11, for specialty construction services in an amount not to exceed \$1,000,000.00 each. This is the second of four one-year renewals for each agreement.

21. AGREEMENT EXTENSIONS: General Construction Services

APPROVED one-year Agreement Extensions for general construction services with SDB, Inc., JOC07-04, in an amount not to exceed \$3,000,000.00, Brycon Construction, JOC07-06, in an amount not to exceed \$1,000,000.00, and Jokake Construction, JOC07-08, in an amount not to exceed \$1,000,000.00. This is the second of four one-year renewals for each agreement,

22. AGREEMENT EXTENSIONS: Environmental Remediation Services

APPROVED one-year Agreement Extensions with Environmental Resolutions, Inc., JOC07-01, and Spray Systems Environmental, JOC07-09, for environmental remediation services in an amount not to exceed \$500,000.00 each. This is the second of four one-year renewals for each agreement.

23. AGREEMENT EXTENSION: Cholla Pavement Maintenance, Inc.

APPROVED a one-year Agreement Extension with Cholla Pavement Maintenance, Inc., for recycled tire rubber modified surface seal on bituminous paved surfaces in the amount of \$230,000.00. This is the first of four optional one-year renewals.

24. AGREEMENT: CIBA Corporation

APPROVED a one-year Agreement with CIBA Corporation for anionic polymer, sole source, in an amount not to exceed \$57,000.00 with the option of three one-year renewals.

Laboratory testing and full-scale operation at the Surface Water Treatment Plant has shown that the most effective polymer for use at the plant is LT-25 from CIBA Corporation. Several products from other manufacturers were tested and all caused difficulties within the treatment processes. Products were evaluated on ease of use, quantity required, effectiveness of treatment, sludge production and need for utilization of additional chemicals. The LT-25 out-performed the other products and was utilized to optimize treatment plant operation. This sole source purchase is necessary because CIBA LT-25 is the only effective product available for the treatment process.

25. AGREEMENT AMENDMENT NO. 2: Fire Department Supplies

APPROVED Agreement Amendment No. 2 with L.N. Curtis & Sons, United Fire Equipment and First In, Inc., for the purchase of Fire Department supplies in a combined amount not to exceed \$80,000.00. This is the second one-year renewal.

26. AGREEMENT AMENDMENT NO. 4: Henry Schein, Inc.

APPROVED Agreement Amendment No. 4 with Henry Schein, Inc., for the purchase of emergency medical supplies in the amount of \$40,000.00. This is the final extension and reflects no price increases.

27. AGREEMENT AMENDMENT NO. 1: American Telephone

APPROVED Agreement Amendment No. 1 with Design Business Communications, Inc., dba American Telephone for NEC telephone system maintenance/equipment in an amount not to exceed \$60,936.00. This is the first of six optional one-year renewals.

Service will be provided seven days a week, twenty-four hours a day, with a maximum two hour response time for emergency and twenty-four hour response time for non-emergency outages. The contract also includes a purchasing provision that enables the City to acquire equipment for upgrades and additions. The cost of that equipment would be in addition to the amount of this contract.

28. AGREEMENT: SDB, Inc.

APPROVED Agreement #PR0908-401 with SDB, Inc., for construction services related to the Aquatic Centers Federal Act Compliance, pursuant to JOC07-04, in an amount not to exceed \$106,814.00.

On December 18, 2007, Congress approved the Virginia Graeme Baker Pool and Spa Safety Act (VGBA). The purpose of the VGBA Act is to minimize the entrapment hazard created by suction at pool drains. This new law put into effect a full-scale federal pool and spa safety standard issued by the Consumer Product Safety Commission (CPSC) on all public and semi-public pools. This new federal law requires that all pools come into compliance by December 19, 2008, or owners will be required to close their pools or face severe financial penalties. This law mandates drain covers on all suction boxes, including main drains, water feature suctions, filter suctions, and wall suctions to be replaced with the new covers that meet and are stamped with the ASME/ANSI A112.19.8-2007 Standards.

Staff first became aware of this law in April 2008 but could not pursue action because detailed information related to this law was not available and the required drain covers were not in production. Larger rectangular and odd size drain covers, which 95% of the City's facilities require, will necessitate a retrofit because covers larger than 18" x 18" will not be manufactured.

In October 2008, sufficient information became available from CPSC that enabled Community Services to hire Shasta Industries to complete an assessment of Chandler's municipal pools. This assessment is complete and this contract will authorize the work necessary to bring all of Chandler Aquatic Centers into compliance with this law.

In order to install the new drain covers, each pool must be drained. In an effort to minimize the impact this work will have on programs and services, the installation of the drain covers will be coordinated with the school districts and other user groups.

Staff is recommending the use of a Job Order Contract in order to comply with the VGBA as it represents the most expeditious option to complete the necessary work prior to the start of the aquatic season.

29. AGREEMENT AMENDMENT NO. 2: Century Graphics

APPROVED Agreement No. 2 with Century Graphics for printing/distribution of Break Time Magazine in an amount not to exceed \$50,000.00. This is the second of four one-year optional renewals.

Break Time Magazine contains information about the recreational and cultural programs, classes and events offered to the general public by the Community Services Department. Effective January 2007, distribution of the magazine was changed to a free subscription-based process, posted on the City's web site and hard copies made available at key City facilities. Implementing the subscription-based distribution process allowed Staff to reduce the number of issues printed per quarter in previous years (80,000) and use a portion of those savings to offset the cost increase that would occur from adding pages as a result of incorporating programs, classes and events from new facilities. Currently 22,000 copies are printed per quarter.

30. AGREEMENT: Arizona Public Service

APPROVED Agreement #GG0502-302 with Arizona Public Service (APS) for design and construction of the existing overhead 12 kilovolt (kV) power lines and to place new conductor underground in existing conduit structure in an amount not to exceed \$247,796.00.

COUNCILMEMBER WENINGER VOTED NAY.

31. AGREEMENT: Arizona Public Service

APPROVED Agreement #GG0502-303 with Arizona Public Service (APS) for design and construction of electrical service to accommodate the future City Municipal Complex in an amount not to exceed \$202,507.00.

COUNCILMEMBER WENINGER VOTED NAY.

32. CONTRACT: Sundt Construction

APPROVED Contract #GG0502-421 to Sundt Construction for construction manager at risk for City Hall utility relocation and new service in an amount not to exceed \$624,747.00.

As the final step in site clearing for the preparation for the new City Hall, the City will have to relocate utilities from the north-south alley bisecting the City Hall site to Washington Street and Arizona Avenue. To minimize costs associated with underground trenching, the relocation of the utilities is being combined with the IT and new utility service connection to City Hall.

COUNCILMEMBER WENINGER VOTED NAY.

33. WITHDRAWN - CONTRACT: Sewer Rehabilitation Project – McQueen Rd. WW0805-401

THIS ITEM WAS WITHDRAWN BY STAFF.

34. CONTINUED- CONTRACT: Sewer Manhole rehabilitation

CONTINUED TO THE FEBRUARY 26, 2009 COUNCIL MEETING Contract #WW0805-402 to Quest Civil Constructors, Inc., for sewer manhole rehabilitation in an amount not to exceed \$843,843.00.

35. PURCHASE EXTENSION: Water Treatment Chemicals

APPROVED a one-year Purchase Extension with Thatcher Company of Arizona, Hill Brothers Chemical Company, DPC Enterprises, Commercial Pool Repair, Brenntag Chemical Company, Hasa, Inc., Basic Chemical Solutions, LLC, Siemens Corporation, Calgon Carbon Corporation, Polydyne, Inc., Salt Works, General Chemical, Kemira Water Solutions and Occidental Chemical Corporation for water treatment, wastewater treatment and swimming pool chemicals in a total amount not to exceed \$4,594,415.00. This is the third of four additional one-year optional renewals. There are significant price increases on some of the chemicals. The contract allows for quarterly price adjustments as long as sufficient documentation is provided proving that raw material costs have increased. Staff has reviewed these price increases extensively and has determined that they are acceptable due to current market conditions.

36. AGREEMENT: T.Y. Lin International

APPROVED Agreement #ST0801-202 with T.Y. Lin International for engineering design services for the Galveston Street Bicycle and Pedestrian Bridge project in an amount not to exceed \$622,004.00.

The design and construction of a bicycle and pedestrian bridge over the Loop 101 Freeway at Galveston Street is a federally funded project using Congestion Mitigation and Air Quality (CMAQ) funds and is currently programmed for construction in FY 2010/2011. This bridge will link bicycle paths on collector streets on both sides of the freeway, allowing for more access to parks, schools, employment and shopping centers. Public art elements will be incorporated into the design to enhance the aesthetics of the bridge. The City of Chandler Bike Plan Update, the Chandler General Plan and the Maricopa Association of Governments Regional Bicycle Plan all recognize the importance of providing grade separated crossings over barriers such as freeways to facilitate bicycling and walking trips.

A design study was advanced to FY 2007/2008 to coordinate bridge design and pier placement in conjunction with ADOT HOV lane construction on Price Loop 101 Freeway.

37. CONTRACT CHANGE ORDER NO. 1: Nesbitt Contracting

APPROVED Contract #ST0811-401, Change Order No. 1, with Nesbitt Contracting for Western Canal Dust Control, pursuant to JOC07-11, in an amount not to exceed \$6,781.42 for a revised contract total not to exceed \$54,971.42.

In order to avoid receiving a Notice of Violation (NOV) from Maricopa County for dust control, Staff determined that it was essential that fencing be installed across the basins just south of the Western Canal at Alma School Road and Arizona Avenue. The fencing deters unauthorized access by motorized vehicles that are a leading contributor to dust complaints and potential violations. This change order covers the costs for special modifications including grounding and padlock tabs for the fencing, which was imposed by SRP as additional requirements.

38. AGREEMENT: Logan Simpson Design, Inc.

APPROVED Agreement #ST0814-102 with Logan Simpson Design, Inc., for engineering design services for the Chandler Boulevard Environmental Study project in an amount not to exceed \$29,912.00.

As part of the fiber optic installation between Chandler Boulevard from the intersection at Delaware Street to the intersection at Gilbert Road, it is necessary to perform an environmental study that includes preparation of a Categorical Exclusion and Design Concept Report (DCR). The Categorical Exclusion preparation includes a Pre-Initial Site Assessment (PISA), Biological Review, and Cultural Resource research and survey work.

39. PURCHASE: Shade Structures

APPROVED the Purchase of six shade structures from Shade 'N Net of Arizona for Maggio Ranch, Navarrete, Pine Shadows, Stonegate, Sunset and Snedigar Skate Park, utilizing the Mohave Educational Services cooperative contract, in the amount of \$130,658.78.

Each year, citizens make requests to the Community Services Department for improvements in many of the City's existing parks. Because of the Arizona climate, as well as the increasing awareness of skin cancer caused by harmful ultra-violet rays from sunlight, one of the most popular requests that Staff receives is shade for playgrounds. The shade structures will be designed to provide shade over the existing playground equipment at each of the parks except for Snedigar Skate Park where it will be designed to provide sun protection for skaters and spectators.

40. PURCHASE: Playground Equipment

APPROVED the Purchase and Installation of playground equipment at Sundance Park from Micon Construction, utilizing the Mohave Educational Services Cooperative contract, in the amount of \$113,953.09.

Sundance Park is a 3.52-acre neighborhood park originally constructed in 1993 and is located in the square mile bordered by Ray Road, Kyrene Road, Chandler Boulevard and 56th Street. Community Services Staff has received requests to upgrade the playground equipment and replace the ramada that was recently removed due to safety concerns at this park. The new playground equipment will consist of two separate play structures for 2-5 and 5-12 year old children. New swings, wood fiber playground surfacing, picnic tables and a ramada will also be installed.

41. PURCHASE: Stantec Consulting

APPROVED the sole source Purchase of data collection and process services for RoadMatrix Software from Stantec Consulting, Inc., in an amount not to exceed \$107,500.00.

RoadMatrix is a software program that is used to store, analyze, monitor and report data on the City street infrastructure. Stantec is the originator of the RoadMatrix program and this contract authorizes Stantec Consulting, Inc., to collect, update, and process and download the new data onto our system. Over fifteen distresses of road pavement and expert technical data are electronically collected and processed into the RoadMatrix. This updated information, along with additional training will be used to help evaluate, project and schedule street maintenance projects.

42. PURCHASE: Sagem Morpho

APPROVED the sole source Purchase of maintenance services from Sagem Morpho for the existing Automated Fingerprint Identification System (AFIS)/Livescan equipment in an amount not to exceed \$54,368.00.

The Chandler Police Department's Forensic Services Section analyzes all information obtained at either of the Livescan locations, all 10 print cards and all latent fingerprints recovered from crime scenes prior to being uploaded to the State Automated Fingerprint Identification System (AFIS). The State utilizes Sagem Morpho exclusively for this equipment and they are the sole provider of maintenance for this system.

43. PURCHASE: Maintenance and Hardware Supplies

APPROVED the Purchase of maintenance and hardware supplies from Home Depot and HD Supply Maintenance Solutions, utilizing the U.S. Communities contract, in a total amount not to exceed \$325,000.00.

44. USE PERMIT: Borns Residential Conversion

APPROVED Use Permit UP08-0018 Borns Residential Conversion, for the conversion of a residential home into a commercial business at 348 W. Chandler Boulevard. (Applicant: Fred and Margaret Borns.)

The site is located at the NEC of Chandler Boulevard and Nebraska Street fronting Chandler Boulevard. The property is adjacent to Chandler High School's parking lot with the athletic fields to the east. The property is surrounded by single-family residential homes to the north and west. South, across Chandler Boulevard, is the San Marcos Golf Course. The house immediately west, across Nebraska Street, has Use Permit approval for an administrative insurance and financial services office. In addition, there are five other residential homes converted to commercial businesses with Use Permits along Chandler Boulevard.

The property has been used as a single-family residence since 1944 and was a rental home between 1989 and 2007. The single-family residence is located on the southern lot of the double-sized lot fronting Chandler Boulevard. There is a two-car carport east of the home. The northern portion of the property is currently vacant and unimproved.

This application requests approval to convert this residence into a two-suite general office. Office uses would include such uses as accountants, attorneys, insurance agencies, architects and engineers. Uses such as medical and dental offices, daycare, private schools, studios for fine arts, dance, music, photography, etc, are not permitted. These uses would require review and approval of a new Use permit as these uses are considered more intense and may generate additional traffic and on-site parking. The Residential Conversion Policy allows for one tenant/company for each 1,000 square feet of floor area with a maximum of three users. Based on the size of the home, only one tenant is permitted.

The application requests approval to allow a maximum of two tenants given the home exceeds the 1,000 square feet of floor area requirement. Suite one is approximately 826 square feet in size and suite two is approximately 989 square feet. The entry vestibule is approximately 131 square feet. A single tenant can occupy the entire 1,900 square feet of usable floor area. Suite one accommodates a maximum of 4 full-time employees and suite two accommodates a

maximum of 3 full-time employees. Office hours are 8:00 a.m. to 6:00 p.m. Monday through Friday and closed on weekends except by appointment.

The Residential Conversion Policy was established in 1989 to allow single-family homes the opportunity to allow small commercial businesses to operate within a residential zoning district with the approval of a Use Permit. Such homes must have direct frontage or access to an arterial street and propose a business compatible with the existing neighborhood. Within this policy, criteria were established to accommodate the conversion of homes into professional offices or like businesses. Such criteria include the requirement of an improved parking lot, preservation of the front yard landscaping for the aesthetic streetscape setting of the home and buffering from adjacent residences. The request meets the requirements of the Residential Conversion Policy.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on December 10, 2008. There was one business owner in attendance that expressed no opposition. Staff has received no correspondence in opposition to this request.

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

1. The Use Permit shall be effective for one (1) year from the date of Council approval. Use Permit extensions, for similar or greater time periods, shall be subject to re-application to and approval by the City of Chandler.
2. Expansion or modification beyond the approved exhibits in the Development Booklet shall void the Use Permit and require new Use Permit application and approval.
3. The Use Permit is non-transferable to any other location.
4. Increases in on-site employment over that represented (7), or the expansion of the home to provide additional office space, shall require Use Permit amendment and approval by the City of Chandler.
5. The property shall be maintained in a clean and orderly manner.
6. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
7. Use Permit approval does not constitute Final Development Plan approval such as building plan review and permits for the residential conversion; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Use Permit shall apply.

45. USE PERMIT: Cornerstone Christian Fellowship

APPROVED Use Permit UP08-0024 Cornerstone Christian Fellowship, for a temporary unpaved parking lot area on approximately 8.5 acres east of the SEC of Alma School and Willis roads. (Applicant: Russ Bishop, Cornerstone Christian Fellowship.)

The subject site is located east of the SEC of Alma School and Willis roads. The entire church campus extends from the SEC of Alma School and Willis roads east approximately ¼ miles. The proposed area is located on the east end of the church campus and is approximately 8.5 acres. Directly north, across Willis Road, is vacant land zoned for apartments. East, adjacent to the subject site, are five parcels with homes on them. The church owns two of the homes fronting Willis Road. South, across Maplewood Street, is the Eden Estates custom single-family home subdivision and vacant land zoned for single-family residential. West of the parking lot are the church campus buildings.

The church was zoned in 2000 for 7.6 acres south of the SEC of Alma School and Willis roads. The church property was further expanded with another rezoning in 2004 creating the existing campus of 17.15 acres. As part of the 2004 zoning, site layout was approved that indicated the subject site as a future parking area; however, Zoning Code requires that any unimproved surface receive Use Permit approval to be used as a parking lot. Currently, the church has the parking lot watered Saturday evenings for Sunday morning use. In addition, the parking lot is approximately 90% covered with a crushed asphalt material to further reduce dust.

Although the parking lot area is unimproved, it will need to meet current Maricopa County standards to reduce dust particulate levels. The church has indicated that they plan on moving forward with the paving of the parking lot within the next two years.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held November 11, 2008. There were three neighbors in attendance in support of the request. Staff has received one telephone call in opposition due to potential dust.

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

1. The Use Permit shall remain in effect for two (2) years from the effective date of City Council approval. Continuation of the use of such parking lot beyond the expiration date shall require re-application to and approval by the City of Chandler.
2. The temporary parking lot shall be surfaced with gravel or other suitable material and type of dust palliative in accordance with current Maricopa County regulations. The parking lot shall be maintained at all times in a dust-free and weed-free manner.

46. WITHDREW USE PERMIT: Cooper/202 Verizon

WITHDREW, as requested by Staff, Use Permit UP08-0035 Cooper/202 Verizon, to install a 55-foot monopalm wireless communication facility at the NEC of Cooper Road and the Loop 202 Santan Freeway. An amended request is expected to be filed for an alternative location south of the Loop 202 Santan Freeway.

47. CONTINUED USE PERMIT: Dos Gringos Grille

CONTINUED TO MARCH 12, 2009, Use Permit UP08-0044 Dos Gringos Grille, Series 6, for the sale of liquor at an existing restaurant at 1361 N. Alma School Road to allow additional time for processing of the liquor license with the City and State. This is the third continuance and the applicant has been advised to withdraw this request and re-file to extend the existing Series 12 liquor Use Permit or re-file for a Series 6 liquor Use Permit request if not able to file the liquor license in time for the March 12, 2009, Council meeting.

48. USE PERMIT: McCool's Bar & Grill

APPROVED use Permit UP08-0063 McCool's Bar & Grill, Series 12, for the sale of liquor for on-premise consumption only within a restaurant at 4910 W. Ray Road, #3, within the Chandler Sunset Plaza at the NEC of Ray and Rural roads. (Applicant: Craig McCool.)

The subject business replaces The Wild Hare in a pad building along Ray Road within the Chandler Sunset shopping center at the NEC of Ray and Rural roads. There is a bi-level, fenced outdoor patio south of the suite and adjacent to Ray Road that will be used for outdoor seating. The new proprietors are reducing most of the existing bar area and adding a stage for live music indoors. The establishment will be open until 2:00 a.m. daily.

The business will be open in early 2009. The previous tenant, The Wild Hare, operated under a Series 12 Restaurant License issued in 2002 and part of the suite had housed a smaller restaurant (Blue Burrito) that had also operated under a Series 12 Restaurant License for several years previously. The Use Permit for alcohol sales at the subject site was most recently renewed in January 2008 for five (5) additional years. The proposed addition of a stage requires a new Use Permit.

The live music will be conducted only indoors up to four times per week and there will be no outdoor speakers for transmitting the music. A one (1) year time restriction is recommended in order to monitor the music situation for continued compatibility.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held January 17, 2009. There were no citizens in attendance. The Police Department has been informed of the application and has not responded with any issues or concerns. Staff has received no correspondence in opposition to the request.

Upon finding consistency with the General Plan and Community Commercial/Planned Area Development (C-2/PAD) zoning, the Planning Commission and Staff recommend approval subject to the following conditions:

1. The Use Permit granted is for a Series 12 license only and any change of license shall require reapplication and new Use Permit approval.
2. The Use Permit 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.
3. The Use Permit is non-transferable to any other location.
4. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
5. Any substantial change in the floor plan to include such items as, but not limited to, additional bar serving area or the addition of entertainment related uses shall require reapplication and approval of the Use Permit.
6. Outdoor music and outdoor live entertainment shall be prohibited.
7. No alcohol shall be carried outside of the building into the parking lot or off-premises.
8. Umbrellas placed on the patio facing Ray Road shall be solid, full color with no lettering.
9. Banners installed visible from Ray Road for special events shall be installed for a maximum of one week.
10. The patio and area adjacent to the establishment shall be maintained in a clean and orderly manner.

49. LIQUOR LICENSE: McCool's Bar & Grill

APPROVED a Series 12 Restaurant Liquor License (Chandler #122508 L12) for Craig Allen McCool, Agent, McCools LLC, dba McCools, 4910 W. Ray Road #3. Recommendation for approval of State Liquor License #12077814 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written

protests have been received. All licenses permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

50. USE PERMIT: Native New Yorker at Mill Crossing

APPROVED Use Permit UP08-0054 Native New Yorker at Mill Crossing, Series 12, for the sale of liquor for on-premise consumption only within a new restaurant at 2110 S. Gilbert Road within the Mill Crossing commercial development. (Applicant: Amy Nations, Arizona Liquor Industry Consultants.)

The new restaurant is located within the Mill Crossing commercial center at the SWC of Gilbert and Germann roads. The restaurant and commercial development are currently under construction. The restaurant includes an outdoor patio and bocce-ball court. The business will be open Sunday through Thursday 11:00 a.m. to 12:00 a.m. and Friday through Saturday from 1:00 a.m. to 2:00 a.m. Native New Yorker will employ approximately 35 full-time and 3 part-time employees.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on December 17, 2008. There were no neighbors in attendance. The Police Department has been informed of the application and has responded with no issues or concerns. Staff has received no correspondence in opposition to this request.

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

1. 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. 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.
3. The Use Permit is non-transferable to other restaurant locations.
4. The site shall be maintained in a clean and orderly manner.

51. LIQUOR LICENSE: Native New Yorker Restaurant

APPROVED a Series 12 Restaurant Liquor License (Chandler #121907 L12) for Amy S. Nations, Agent, NNY Gilbert LLC, dba Native New Yorker Restaurant, 2110 S. Gilbert Road. Recommendation for approval of State Liquor License #12077808 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

52. LIQUOR LICENSE: Thai Basil

APPROVED a Series 12 Restaurant Liquor License (Chandler #122389 L12) for Nongluck Chakkaw, Agent, Taloropai #1 LLC, dba Thai Basil, 4929 W. Chandler Boulevard #8. Recommendation for approval of State Liquor License #12077835 will be forwarded to the State Liquor Department. As this application reflects a change in ownership, Planning and Development advises that a new Use Permit is not required since this will be a continuation of the location's previous use as Thai Basil. The Police Department reports no objections to the

issuance of this license and no written protests have been received. All licenses permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

53. LIQUOR LICENSE: Olive Garden Italian Restaurant #1561

APPROVED a Series 12 Restaurant Liquor License (Chandler #123103 L12) for Andrea Dahlman Lewkowitz, Agent, N and D Restaurants, Inc., dba Olive Garden Italian Restaurant #1561, 3430 W. Chandler Boulevard. Recommendation for approval of State Liquor License #12077870 will be forwarded to the State Liquor Department. As this application reflects a change in ownership, Planning and Development advises that a new Use Permit is not required since this will be a continuation of the location's previous use as Olive Garden. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

54. LIQUOR LICENSE: Olive Garden Italian Restaurant #1747

APPROVED a Series 12 Restaurant Liquor License (Chandler #123100 L12) for Andrea Dahlman Lewkowitz, Agent, N and D Restaurants, Inc., dba Olive Garden Italian Restaurant #1747, 2930 E. Germann Road. Recommendation for approval of State Liquor License #12077868 will be forwarded to the State Liquor Department. As this application reflects a change in ownership, Planning and Development advises that a new Use Permit is not required since this will be a continuation of the location's previous use as Olive Garden. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

55. LIQUOR LICENSE: Red Lobster

APPROVED a Series 12 Restaurant Liquor License (Chandler #122861 L12) for Andrea Dahlman Lewkowitz, Agent, N and D Restaurants, Inc., dba Red Lobster #6230, 7240 W. Ray Road. Recommendation for approval of State Liquor License #12077869 will be forwarded to the State Liquor Department. As this application reflects a change in ownership, Planning and Development advises that a new Use Permit is not required since this will be a continuation of the location's previous use as Red Lobster. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

56. SPECIAL EVENT LIQUOR LICENSE: Chandler Lions Club

APPROVED a Special Event Liquor License for the Chandler Lions Club for a Chandler Classic Car Show Fundraiser, February 28, 2009, at AJ Chandler Park, Buffalo Street at San Marcos Place. The Police Department has no objections to the issuance of this license. The applicant has applied for a Special Event Permit through the Special Events Committee.

57. SPECIAL EVENT LIQUOR LICENSE: Chandler Sunbird Lions Club

APPROVED a Special Event Liquor License for the Chandler Sunbird Lions Club for a Wine Tasting Charity Event for the Lions Camp Tatiyee, March 14, 2009, at the Sunbird Golf Resort, 6250 S. Sunbird Boulevard. The Police Department has no objections to the issuance of this license. As this applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid.

58. SPECIAL EVENT LIQUOR LICENSE: Chandler Cultural Foundation

APPROVED a Special Event Liquor License for the Chandler Cultural Foundation for a Glenn Miller Orchestra Concert fundraising event on March 28, 2009, at the Chandler Center for the Arts, 250 N. Arizona Avenue. The Police Department has no objections to the issuance of this license. As this applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid.

59. SPECIAL EVENT LIQUOR LICENSE: Chandler Cultural Foundation

APPROVED a Special Event Liquor License for the Chandler Cultural Foundation for a Gaelic Storm Concert fundraising event on April 18, 2009, at the Chandler Center for the Arts, 250 N. Arizona Avenue. The Police Department has no objections to the issuance of this license. As this applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid.

60. SPECIAL EVENT LIQUOR LICENSE: Chandler Cultural Foundation

APPROVED a Special Event Liquor License for the Chandler Cultural Foundation for a KC & The Sunshine Band Concert fundraising event on April 25, 2009, at the Chandler Center for the Arts, 250 N. Arizona Avenue. The Police Department has no objections to the issuance of this license. As this applicant is a non-profit organization, no sales tax license is required; however, the special event liquor fee has been paid.

61. SPECIAL EVENT LIQUOR LICENSE: Downtown Chandler Community Foundation

APPROVED a Special Event Liquor License for the Downtown Chandler Community Foundation for a St. Patrick's Day Festival, March 17, 2009, at San Marcos Place and Commonwealth Avenue. The Police Department has no objections to the issuance of this license. The applicant has applied for a Special Event Permit through the Special Events Committee.

62. LIQUOR LICENSE TEMPORARY EXTENSION OF PREMISES: Murphy's Law

APPROVED a Temporary Extension of Premises for a Series 12 Restaurant Liquor License (Chandler #120887 L12) held by Murphy's Law 58 LLC, dba Murphy's Law, 58 S. San Marcos Place. Recommendation for approval of a temporary extension of premises for State Liquor License #12077699 will be forwarded to the State Liquor Department. The Police Department has no objections to this extension. The applicant has applied for a Temporary Sales and Promotional Event Permit through Neighborhood Resources.

63. WITHDREW LIQUOR LICENSE: El Alamo Super Carniceria

WITHDREW, as requested by the applicant, Liquor License, Series 10, for Amir Boutros Sulaiman, Agent, Mercado El Torito LLC, dba El Alamo Super Carniceria, 773 E. Chandler Boulevard.

64. PRELIMINARY PLAT: 56th Street & Chandler Condominium

APPROVED Preliminary Plat PPT08-0017, 56th Street & Chandler Condominium, for a planned industrial and motor vehicle repair development north of the NEC of 56th Street and Chandler Boulevard. (Applicant: Cottrell Engineering.) The plat creates the lots, tracts and easements

necessary for the property's development. The subject site is zoned Planned Industrial District (I-1) and has been granted a Use Permit to also allow motor vehicle repair.

The Planning Commission and Staff recommend approval subject to the following condition:

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

65. PRELIMINARY DEVELOPMENT PLAN: The Shoppes at Chandler Heights

APPROVED Preliminary Development Plan PDP08-0016 The Shoppes at Chandler Heights, for a comprehensive sign package for a commercial retail center on approximately 19.57 acres at the NEC of Arizona Avenue and Chandler Heights Road. (Applicant: Lindsay Schube, Beus Gilbert.) The application was presented to City Council with a Staff recommendation and a Planning Commission recommendation. The Plan was adopted with the Planning Commission recommendations with the addition of three added conditions (15-17).

The subject site is located at the NEC of Chandler Heights Road and Arizona Avenue. North and east, adjacent to the subject site, is vacant land zoned for medium-density residential. South, across Chandler Heights Road, is vacant land zoned PAD for commercial and multi-family development. West, across Arizona Avenue, is the Fulton Ranch Marketplace commercial development. The subject site received rezoning and PDP approval in March 2008 for a commercial shopping center and fuel station and is currently under construction. At the time of Council approval, a comprehensive sign package was not represented in the request and required a later PDP action.

The comprehensive sign package requests two deviations from the Sign Code. For this request, the applicable deviations are allowing more than two monument signs along an arterial street and exceeding more than two tenant panels per monument sign.

Sign Code allows for the location of one monument sign per arterial street. Where there is an excess of 300' of street frontage, code allows for one additional sign along the frontage. The sign package request includes three monument signs along the Arizona Avenue frontage. The Planning Commission is comfortable with the number of monument signs along Arizona Avenue as represented in the Development Booklet. However, Staff is not in support of the number of monument signs along Arizona Avenue and has added a condition reducing the number of monument signs along Arizona Avenue to two monument signs. Furthermore, the Sign Code requires that all monument signs be limited to two tenant panels per side per monument sign. Currently, sign 'A' is requesting five tenant panels per side and sign 'B' four tenant panels per side. The Planning Commission is in support of the number of tenant panels for both signs. Staff does not support five tenant panels for sign 'A' or the four tenant panels for sign 'B'. Staff has added a condition reducing the number of tenant panels on sign 'A' to four tenant panels per side and two tenant panels per side on sign 'B'.

As part of the review of the request, Staff compared a number of sign packages that were approved in the surrounding area in relation to the request wanting to keep some conformity with the area. Based upon the number of deviations being requested, various sites were reviewed to see if deviations were also requested in those instances. All of the developments are either fully developed or are nearing completion. The average gross acreage of the four sites is 26.5 acres. The average square footage of building area is 204,761. The average number of tenant panels

per site totals 20 tenant panels, which includes panels on both the front and back of the monument signs.

The subject site has a gross acreage of 19.57 acres, provides 114,442 square feet of building area and requests a total of 34 tenant panels including the fuel station signs. While there were some deviations requested for the commercial centers, primarily the number of tenant panels, the current sign package does not warrant the scope of deviations being requested. Comparing the number of tenant panels with the other commercial sites, this request is a 70% increase above the average number of tenant panels. In addition, comparing the amount of linear feet of street frontage per square foot of signage, this request exceeds the average of the four other commercial centers by more than 20%. A request of this magnitude is unprecedented for the size of the development, location and amount of occupiable tenant space. While Staff has identified the deviations being requested with the current proposal, Staff is in support of the sign package with the additional conditions recommended by Staff addressing the identified deviations.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on October 29, 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 PAD zoning, the Planning Commission recommended approval subject to conditions 1-14. Conditions 15-17 were added at the Council meeting and agreed to by the applicant.

1. The number of tenant panels on monument sign type 'A' shall be limited to five.
2. The cabinet signs located on the fuel station monument sign shall be limited to illumination of the business logos and lettering only.
3. The comprehensive sign package shall be in substantial conformance with the Development Booklet entitled "Shoppes at Chandler Heights – Master Sign Plan", kept on file in the City of Chandler Planning Services Division, in File No. PDP08-0016, except as modified by condition herein.
4. Signage shall be prohibited on the northwest and southeast elevations of the proposed daycare building.
5. All tenant panel and center identification lettering on the monument signs shall be 1" routed aluminum push-thru lettering.
6. The monument sign's sign panels shall have an integrated or decorative cover panel until a tenant name is added to the sign.
7. Raceway signage shall be prohibited within the development.
8. Sign packages, including free-standing signs as well as wall-mounted signs, shall be designed in coordination with landscape plans, planting materials, storm water retention requirements, and utility pedestals, so as not to create problems with sign visibility or prompt the removal of required landscape materials.
9. The two potential sign locations on the west end of the north elevation of Retail D/E/F shall be eliminated.
10. Signage on the fuel station canopy shall be limited to the fuel company logo.
11. The building-mounted signage located on the east side of Retail 'A' shall be non-illuminated.
12. The applicant shall work with Staff to provide ample visibility of the street addressing on the monument signs.
13. Monument sign 'D' shall be reduced in height to provide an overall separation between the ground level and the bottom of the sign to a height of 18 inches.
14. The signage located over the entrance and exit of the carwash shall be eliminated.

15. The applicant shall work with Staff to locate the carwash logo at an appropriate location on the carwash building.
16. The Chevron logo and lettering shall be routed aluminum push-thru.
17. The fuel-station monument sign within the development booklet labeled as monument sign "D", shall be replaced with the monument sign "D1" exhibit, as attached.

66. AGREEMENT: Arizona Public Service

APPROVED Agreement #FI0605-302 with Arizona Public Service (APS) for design and construction of electrical service to accommodate the future City Fire Administration Building in an amount not to exceed \$35,000.00.

67. APPOINTMENTS TO THE BOARDS & COMMISSIONS

APPROVED the following appointments: Bill Vasquez to Board of Adjustment; Elizabeth Ditlevson and Betty McEntire to Domestic Violence Commission; Judith McMullen to Library Board; Linda Peterson-Price and Ann Stephani to Mayor's Committee for the Aging; Bill Parker and Nancy Pickrell to Mayor's Committee for People with Disabilities; Yesenia Beltran, Brynn Douglas Charles Oh, Anthony Orlando and Shengen "Katherine" Angela Yeh to Mayor's Youth Commission; Jean Makin to Museums Advisory Board; Dorsha Hale to Neighborhood Advisory Committee; Richard Abbey and William Staples to Parks and Recreation Board; and Kirk Sibley to Transportation Commission.

COUNCILMEMBER ORLANDO abstained from voting on the Youth Commission appointments as his son was appointed.

ACTION:

2. PAD AMENDMENT: Fulton Ranch

Ord. #4101

COUNCILMEMBER WENINGER declared a conflict of interest on this item and left the dais.

Ordinance No. 4101, DVR08-0032 Fulton Ranch, amending the PAD zoning regarding the separation between two-story homes for Parcels 1 & 7 with PDP for housing products on Parcels 1, 2, 5 and 7 located within Fulton Ranch on the west side of Arizona Avenue between Ocotillo and Chandler Heights roads. (Applicant: Brennan Ray, Burch & Cracchiolo.)

MS. JODIE NOVAK briefed the Council on the application.

The application includes two components; one related to a zoning condition amendment and one related to housing products. The first request is to amend a zoning condition in the existing Planned Area Development (PAD) for Fulton Ranch's Parcels 1 and 7 only. This amendment is specifically related to the building separation between two-story homes within Parcels 1 and 7. The second component includes a Preliminary Development Plan (PDP) for housing products approval for Parcels 1, 2, 5 and 7.

Fulton Ranch received Council approval in 2004 for a master planned community that included seven residential parcels. The residential parcels vary in location, lot size and housing plans. There were two series of housing plans approved for Parcels 1 through 7. Series 1 (Parcels 1, 4,

and 7) included six housing plans with three architectural elevation options for each for a total of 18 different housing plans.

Series 2 (Parcels 2, 3 and 5) housing plans included six housing plans with four architectural elevation options each for a total of 24 different housing plans.

The first request is to amend the zoning condition relating to two-story home building separations on Parcels 1 and 7 in the original Fulton Ranch Ordinance as Condition No. 16, which reads: "On the single-family parcels, when two-story homes are built on adjacent lots, a 20-foot separation shall be provided between the two-story homes. The remainder side yard may be 5 feet minimum."

MAYOR DUNN asked if there was any reduction in lots or in lot sizes. Ms. Novak responded no.

In response to Councilmember Orlando, Ms. Novak displayed the areas that have existing homes which are Parcels 6, 3 and 4.

This zoning condition is not a specific Residential Development Standard, but has been a practice to provide greater separation between two-story homes by locating the larger side yards on adjacent lots next to one another. Parcel 1 includes 129 lots and Parcel 7 includes 100 lots. The minimum side yard building setbacks for Parcels 1 and 7 are 5 feet and 10 feet. Typically, the minimum 10-foot side yards are located next to one another creating a 20-foot separation between homes.

The application request to modify Condition No. 16 allowing a 15-foot building separation between two-story homes instead of a 20-foot separation. Condition No. 16 is modified to read as follows:

"16. On the single-family parcels, when two-story homes are built on adjacent lots, a 20-foot separation shall be provided between the two-story homes. The remainder side yard may be 5 feet minimum. On Parcels 1 and 7, when two-story homes are built on adjacent lots, a 15-foot separation shall be provided between the two-story homes. Side yards shall be a minimum of 5 feet and 10 feet."

The standard minimum building setbacks of 5 feet and 10 feet on each residential lot are maintained with the proposed 5-foot reduction in building separation between two-story homes. The 15-foot separation versus a 20-foot separation between two-story homes does not affect the subdivision's diversity.

In addition to the building separation request, the application includes a PDP for housing products within Parcels 1, 2, 5 and 7, which includes a total of 429 lots. Housing products were previously approved for these parcels within the original Fulton Ranch development request. At this time, housing products are already being developed on Parcels 3 and 4, which surround the Lowe's-anchored commercial center and Parcel 6, which is the custom home parcel. The proposed change in housing products for the remaining parcels is to offer additional housing product diversity within Fulton Ranch with housing plans that are commensurate with the high quality of development already established.

The proposed change in housing products includes reduced livable square footages in the smallest and largest housing plans greater than a 10% reduction from the originally approved housing plan sizes. By policy, changes in housing plan livable square footage greater than a

10% reduction, although the plan may be in substantial conformance in design, are not approved administratively and require PDP approval. The smallest and largest housing plans originally approved are 2,310 and 5,103 livable square feet with two plans in Series 2 having optional basements increasing total square footages. The proposed smallest and largest housing plans are 1,973 and 4,802 livable square feet with two plans in the Monterey Series having optional basements increasing total square footages. The proposed housing products include four series of housing plans. Each series will develop on a single parcel. The building setbacks, lot coverage and Residential Development Standards compliance is not changing with this new housing product PDP request.

The housing products are in compliance with the Residential Development Standards-Architectural Diversity Elements and meet the minimum 9 required and exceed the minimum 7 optional architectural diversity standards, providing a total of 18 elements.

The Development Booklet indicates the builder installs front yard landscape packages for each residential lot; however, the homebuilder does not offer or install front yard landscaping but instead provides buyers with a stipend to choose and install their own landscaping. This optional architectural diversity standard is not met; however, the housing plans do meet the minimum 7 standards without this element.

The zoning restricts corner lots to one-story homes, no more than two identical side-by-side roof slopes should be constructed along arterial or collector streets or public open space and the same elevation cannot be built next to or across from one another.

Staff is of the opinion that the reduced separation between two-story homes within Parcels 1 and 7 does not impact the streetscape and diversity within the development. The reduced separation allows for more two-story homes by locating the 5' and 10' side yards adjacent to one another. The additional two-story homes that can be built within these two parcels would be no different in appearance than many residential developments that do not have a 20' separation condition for adjacent two-story homes. The subdivision layout does not change for the amended parcels. There will be no additional lots added and no lots deleted.

This request was noticed in accordance with the requirements of the Chandler Zoning Code. A neighborhood meeting was held to address the initial application request on September 4, 2008. There were 3 area residents in attendance. Initially, some residents were concerned with additional two-story homes along arterial streets; however, this portion of the request has been withdrawn and there are no longer any resident concerns. Staff has received phone calls from residents in the area who are concerned with additional two-story homes along the arterial streets. One area homeowner called with concern for maintaining a higher quality, unique subdivision like Fulton Ranch and is opposed to reducing the building separation to 15 feet.

Two additional neighborhood meetings were held in December 2008. There was one resident in attendance at the December 1st meeting with questions on the housing product. There were 4 attendees at the December 3rd meeting with questions on lot sizes, separation along arterial streets and the status of the existing cemetery.

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

In response to a question from COUNCILMEMBER HEUMANN, Ms. Novak said the original application was for Parcels 1 and 7. Mid-way through the project, Fulton Homes decided they

wanted to include new housing products with this application, so while they had their original neighborhood meeting in September on their initial zoning request. When they decided to have housing products included, they then had two separate neighborhood meetings specifically to address the new housing products on parcels 1,2,5 & 7. They dropped the request to have additional two-story homes along Ocotillo and Chandler Heights Road and they kept their request to amend the stipulation on separations only on Parcels 1 and 7.

Mr. Vimal Chauhan, 314 W. Grand Canyon Drive, cited concerns with the decrease of the value of homes especially in parcels 3 & 4. The plans shown to them for parcels 1,2,5& 7 were similar to what is in parcels 3 & 4. He added concerns with the change in lot setback and the feat that the products will be substandard.

COUNCILMEMBER ORLANDO asked for clarification from Staff on the reference to the setbacks. Ms. Novak displayed a lot diagram. She noted that the lot setbacks are not being changed from what is currently in place. The amendment comes in to place when two, 2-story homes are being placed together from a 20 foot sideyard to a 15 foot sideyard.

MAYOR DUNN asked about the residential development standards. Ms. Novak said the standards would remain in place. The City does not regulate the internal qualities of the home. She said everything else externally on the home would be no different than how it was originally approved other than they have some homes that are a little smaller than what they originally came in with.

JENNIFER MENSİK, 4320 S. California Street, questioned the price of the new homes. She asked for an independent financial analysis be done for the current homeowners in the two parcels already occupied on what impact it will have on their home values.

JEFF HEINS, 332 W Malibu Drive agreed with the concerns already expressed as he is concerned the changes will lower the value of the current homes. He would like to see that offset some way or not approved at all. He expressed concern that they were never notified due to residing out of the 600-foot radius. He requested a special hearing before approval.

LINDA MAZZOLA, 323 W. Malibu Drive, agreed with comments stated and added that a special hearing would allow the residents to see the plans.

COUNCILMEMBER SELLERS said that while the developer abided by the City's rules, it needs to be looked at in the future especially where there is a planned community and perhaps everyone in the community needs to be notified when there is a major change.

RAVI MAHAJAN, 333 W. Malibu Drive, said it was more of a question on what prices the new homes would be sold at and how they will affect their property values. He agreed with the need for a special hearing.

KEN FRISARD, 290 W. New Dawn Drive, said as the future of Fulton Homes was uncertain, the last thing he wanted was these homes being approved, having a few built and the builder leave because of bankruptcy. He questioned the difference between the proposed homes and their existing homes. If there were no external difference, then why would someone want to buy his house. His base price was 550,000 and now is already at 399,000. He questioned if the model homes in Parcels 3 and 4 for the other parcels and if so, expressed his concern with the traffic. He noted that the Paseo Lindo subdivision down the road has not sold any \$300,000 homes and

is unsure why Fulton thinks they can sell theirs. He asked if pavers and wood garages would be part of the exterior features.

MAYOR DUNN asked Mr. Frisard if he had seen the new designs. He responded he had not.

AMANDA FRISARD, 290 W. New Dawn Drive, urged the Council to vote no on this project. She said that although everyone is being hit in this housing market crash, they are being hit again and by Fulton since their base price has gone from \$548,000 to \$399,000 and now Fulton wants to put in homes that they build in Queen Creek. They bought in this neighborhood as they were assured that no other neighborhood would have these plans as built in the Gallery or Aegean Cove as stated when they sold the homes. She questioned how many people actually were mailed letters. She found out through a neighbor about the Planning & Zoning meeting. She asked the Council to support the neighbors. She questioned why Fulton land division doesn't sell the lots to another builder or leave the parcels vacant.

MAYOR DUNN clarified that if another builder came in the homes would be totally different. Ms. Frisard said she understood and gave an example of Steiner Ranch in Austin Texas that is a similar master planned community of 500 acres. She felt with what Fulton is currently proposing they would be competing with the smaller version of their homes. She cited Freeman Farms in Gilbert where Fulton recently received the approval to build smaller housing products.

DAVE RANDALL, 287 W. ALAMOSA DRIVE, said when they purchased their homes in Fulton Ranch, they were made promises on what was to be built in the overall plot. He said in his experience, the value of a house is affected by the comparable houses in size. He stated the concern that the value of his house would be affected if this project were approved. He stated he had not seen the renderings in the book and he only knew about the meeting as a neighbor alerted him. He urged the Council to either vote no on the project or vote for a special hearing so the neighbors could understand the financial impact of the proposed change.

JOSEPH HERRERA, 4300 S. California expressed his opposition with the proposed changes from the original plan and without notification. He urged Council to vote no.

MAYOR DUNN asked for clarification on the original intent. Ms. Novak said the original product had two series, each had two separate plans and elevations that would be split among the 5 parcels excluding Parcel 6. She said what they are offering now is more options giving greater diversity.

MAYOR DUNN said he saw a definite change in lot size in Parcels 1 & 7, than you have in 3,4,2 and 5. Ms. Novak said the original product was of a different width than they are proposing now, so as you go from parcel to parcel, a different series but similar looking house on the outside is just a smaller width version of that home.

COUNCILMEMBER HEUMANN asked what some of the changes are as far as elements or materials used. Ms. Novak, as far as an aesthetic standpoint, the homes would look the same. The underlying material might not be the same, but the look would remain the same.

MAYOR DUNN said the market has changed dramatically and no ones knows what the future will hold, but he believes that it comes down to the quality of the project and the ability to carry out the vision of what was planned there.

MAYOR DUNN said that he felt if another developer came in the product would be different and it would change the character of the community and that would create different issues.

MS. NOVAK agreed with the Mayor and added that Fulton Homes wants to put product in that is comparable and compatible and they don't want it to look like another homebuilder building within their subdivision. Ms. Novak said the plans have been available and that the applicant has conveyed that they would be willing to meet with the homeowners.

MR DOUG MATLOCK, 325 W. Grand Canyon Drive, said until a neighbor came by his house last night, he was unaware of what was going on. He realizes that Fulton may have been abiding by a Council rule that requires them to notify within 600 feet, but he doesn't feel that is fair given that they have invested. He said that they were looking at a particular kind of lifestyle that this seemed to offer, but now it appears Fulton wants to change it. At they time they were building their home, Fulton was very particular on building elevation, setbacks and orientation. He understands that they want to come in at a price point that is 100-125,000 lower and while the changes might not be visible from the street, but the reality is that the current owners who bought the upgraded models will have to compete with that product. He asked the Council to give residents the needed time to review it.

FRED JOHNSON, 307 W Alamosa Drive, said most of the residents just don't have enough information and comfort level of what the changes will do and additionally, aren't comfortable that adequate notice was provided to those impacted. He said that Fulton Ranch agents made a number of representations regarding their desire to maintain the value of the existing homeowners and so he would like to know how this new change fits in with this concept.

In response to COUNCILMEMBER DONOVAN's request on notification areas, Ms. Novak showed the notification radius built and unbuilt that fell within the 600-foot radius of the parcel boundary of the parcels. The first notice was for those in and around Parcels 1 and 7 only. When Fulton modified their application with the new housing product, we had to do the 600-foot measurement from Parcels 1,2,5 and 7. There were over 100 notices that went out on both occasions, more on the second one. She noted that Fulton was the homeowner on many of those lots. They pull their information from Maricopa County's Assessor's website that are listed as owners. The applicant has to do that same exact notice when they schedule their neighborhood meetings without this process. She said she knows that Fulton Homes has had communications with homeowners not in the noticed area and did offer additional meetings and her understanding is they haven't chosen to meet with them further prior to coming to Planning Commission a couple of weeks ago. Ms. Novak said the hearing signs are posted in multiple locations along with newspaper notification. Fulton Homes has met the notification process.

COUNCILMEMBER DONOVAN asked how many lots are in Parcels 3 and 4. Ms. Novak replied that there are 91 lots in Parcel 3 and Parcel 4 is 102 lots. Councilmember Donovan asked how many of the lots are built. Ms. Novak said that Fulton Home reps would have that data.

A member of the audience questioned the notification radius from boundary or center. MAYOR DUNN commented that is the reason we provide notice in so many ways, not only by mail, but by signage and website. MS. NOVAK clarified that the notification is made from the property exterior boundary.

MR. BRENNAN RAY, 703 S. Osborn spoke on behalf of the applicant Fulton Homes Corporation, saying they not only have a significant financial investment, but a social investment well as Mr. Ira Fulton does live within Fulton Ranch and as the owner of the company has a vested interest in

seeing that this company develops as he has put his name on it. He said there are no changes to Parcels 3 and 4 nor Parcel 6. The amenities are not changing nor is the landscaping. The requests creates a more diverse complete master planned community. Fulton believes that the additional homes and housing products will help complete not only the development but the social infrastructure that you hope to achieve in a community. The addition homes will help support the retail in the area. Fulton was worked to make sure the City's residential design guidelines have been met.

Mr. Ray also explained the notification area. The initial neighborhood meeting generated approximately 190 notices in August 2008. He did not have the information regarding the number of notices from the amended application. The site has been posted. They became aware of a neighborhood question from Ms. Frisard before the Planning meeting on December 17th. Mr. Ray said he explained the request over the phone and offered to meet with Ms. Frisard as she did allude that there may be some residents with concerns as well. Mr. Ray said following the Commission meeting, they met with the neighbors for about an hour and a half explaining what the proposed changes are. Mr. Ray said they have made the offer of having any additional meetings with the neighbors as deemed necessary. Mr. Ray said they are proposing a different housing project for each parcel. The Mediterranean for Parcel 7, the Caribbean for Parcel 5, the Monterey for Parcel 2, and the Shoreline for Parcel 1. Mr. Ray gave the example of Ocotillo as a community with different housing points and believes that has been a successful and desirable community. He said each parcel is isolated and they do not believe that the value will be negatively impacted. He said the median house price in Arizona has fallen dramatically and are outside of Fulton's control. Mr. Ray clarified that what went into bankruptcy was the land holdings. All of the warranties, the service and the maintenance are not affected. Mr. Ray also clarified that there will be new model homes for each respective parcels, the existing ones in 3 and 4 will not be used.

COUNCILMEMBER ORLANDO asked about the prices, square footage and amenities of the new homes. MR. RAY said it was his understanding that the price points were: approximately \$350,000 for the Mediterranean series; approximately \$450,000 for the Caribbean; approximately \$500,000 for the Shoreline and \$600,000 for the Monterey. He said to put that in perspective to where the homes are selling for today, the Gallery (Parcel 4) those homes are averaging \$550,000 and Aegean (Parcel 3) is averaging \$980,000. Mayor Dunn asked what a custom is selling for. Mr. Ray said a custom lot is averaging \$560,000.

COUNCILMEMBER ORLANDO asked if Parcels 3 and 4 were intended to be the higher priced homes, excluding the custom homes. MR. RAY explained originally that Parcels 3 and 4 and 6 were Phase 1 along with the entire infrastructure. The intent was to take the housing product and roll them into Phase 2 and eventually to Phase 3, so Parcels 3 and 4 were always intended to be the higher priced area. The Shoreline will be a step down from the Gallery. The Monterey will be stepped down a little more than that. Mr. Ray said the homes range in Parcel 7 (Mediterranean) would be 1973 s.f. to 3700 s.f. Parcel 5 is 2400-4000 s.f.. Parcel 1 is 2500-3800 s.f. and Parcel 2 is 3100 to 5100 s.f. The square footage is comparable to what exists now.

VICE MAYOR CACCAMO said in referring to what Dr. Johnson said, if Fulton is confident in the product, then provide more information to the neighbors. He commented that while we have stayed to the letter of the law with the 600 feet notification, the spirit of the law would have been to spread it out since the HOA is under the developer now and not the homeowner's.

MR. RAY reiterated that they did extend themselves to the neighbors and would still be happy to do that.

COUNCILMEMBER ORLANDO asked how much time would be needed to have a neighborhood meeting to be able to address the questions. He told the neighbors that they still may have a value issue, but he didn't believe the neither Council nor Fulton Homes could address that. He also cautioned that allowing another developer to come in has presented issues in the past.

MAYOR DUNN said that he believed Fulton Ranch would still be a very unique and premier community in the City because they are not reducing the lot sizes, not increasing the density and not taking away the amenities that make Fulton Ranch special. Mayor Dunn said the amount of amenities that the developer has put in has not been seen in other developments.

MR. RAY said although they would like the application acted on tonight but not withstanding that, they could meet with them in a week.

MOVED BY COUNCILMEMBER ORLANDO TO HAVE ANOTHER NEIGHBORHOOD MEETING WITHIN 2 WEEKS AND BRING THIS ITEM BACK ON THE FEBRUARY 26, 2009 COUNCIL MEETING. SECONDED BY VICE MAYOR CACCAMO.

MAYOR DUNN said there might be need to discuss how to publicize that meeting. He asked how many lots have been sold in Fulton Ranch. Mr. Ray said that not including the custom lots in Parcel 6, out of 193 lots that there are approximately 80-85 that have been moved in to. Mayor Dunn requested that those people be notified.

MR. FRED JOHNSON said Fulton Homes has been very effective in the use of electronic technology and at a minimum they could get more awareness by using electronic technology.

COUNCILMEMBER HEUMANN said the communication issue has been weighing on him. He asked about the phasing process. Mr. Ray said Fulton is looking at beginning Parcels 7 & 5 as the infrastructure is in. Councilmember Heumann spoke of the importance of getting the word out about the meeting.

MAYOR DUNN encouraged the residents to look at the style of the homes and said that the residential design standards are meant to be very significant and difficult to beat as that is done purposely. Mayor Dunn said he remembers specifically that Fulton Homes was the only developer that thanked the Council for upping the design of homes to be more sustainable to protect the neighborhood and believes Fulton Homes was saying that because they were doing that already. He said that Staff has done a careful analysis and their recommendation will remain the same.

MR. RAY clarified the scope of the notification – providing notice to Parcels 3 and 4. Mr. Ray said the way they have pulled info in the past is off of the County's website. The Mayor encouraged the neighbors to get the word out too.

MS. FRISARD said she didn't feel it was the neighbors' responsibility to get the word out. That responsibility was with Mr. Ray and Norm's (Mr. Nichols).

COUNCILMEMBER HUEMANN said that residents are being billed for dues, so that is another way for notifications.

A resident asked if a staff member could also attend. Staff agreed.

DAVE RANDALL said the key issue he has heard is the impact to the value of homes and that would be helpful to talk about that at the meeting. MAYOR DUNN said that the appraisers he talks to say that home values are changing every month so he doesn't know how any one can answer what the future would hold.

COUNCILMEMBER SELLERS added that many neighborhoods are being valued out of homes being sold out of foreclosure and that is not a real market but a reality of what is happening today.

WHEN THE VOTE WAS TAKEN, THE MOTION TO DIRECT THE APPLICANT HOLD A NEIGHBORHOOD MEETING AND TO CONTINUE THIS ITEM TO THE FEBRUARY 26, 2009 COUNCIL MEETING WAS APPROVED UNANIMOUSLY (7-0)

RECESS: Mayor Dunn declared a recess at 9:37 p.m. and reconvened the meeting at 9:47 p.m.

PUBLIC HEARING:

PH #1. SYSTEM DEVELOPMENT FEE UPDATE

MAYOR DUNN opened the public hearing at 9:38 p.m.

Senior Financial Analyst JULIE BUELT said that the next step after the public hearing tonight would be to introduce an ordinance at the March 12 Council meeting with final adoption occurring March 26th. The fees would be effective July 1st. Any building permits that are in process on the effective date of the new fees are at the new rate. The fee gets assessed when the new permit is pulled.

The notification process included e-mailing the stakeholder group that includes Associated General Contractors of America, Capitol Consulting, LLC (representing the Arizona Multihousing Association), Chandler Chamber of Commerce, Fulton Homes Corporation, Home Builders Association of Central Arizona (HBACA), National Association of Industrial and Office Properties and Valley Partnership. She added that no questions or comments have been received on the proposed fee increase.

The increase is across the board increase at 7.4% using the October Edition, Los Angeles Cost Construction Index as published in the Engineering News Record.

Ms. Buelt displayed fees associated with a single-family home. The fees are all charged on a citywide basis with exception of arterial streets which is only assessed in the southern and eastern portion of Chandler since the other streets were mainly funded through Improvement Districts. The water fee is comprised of two components, water and water resource. The water resource fee is only assessed in non-member, off project SRP areas.

She reviewed the fees on a multi-family dwelling unit. The Library and Park fees are not charged to non-residential developments. The water and wastewater fees are charged by meter size and the overall majority of non-residential development has a 2" or smaller meter.

In response to questions from COUNCILMEMBER ORLANDO, Ms. Buelt explained the inflationary percentage it is taken from the Engineering News Record. It is a national group that

publishes the indexes for 20 cities. Los Angeles and Denver are the closest ones. She noted that tonight was one opportunity for stakeholders to comment on the fees and again on March 12 and 26.

COUNCILMEMBER HEUMANN asked what the CPI has been over the few years. Ms. Buelt said she did not have those numbers tonight, but she would include them as information when the ordinance comes forward. Ms. Buelt added that she did ask the representatives at the Engineer News Record what the number is comprised of and their response is that labor is the largest component being about 80% of the cost and it reflects union contracts that were renegotiated.

MAYOR DUNN asked for comments from the audience. No one spoke.

MAYOR DUNN declared the public hearing closed at 9:53 p.m.

BRIEFING: Voluntary Separation Package Proposal

MS. DEBORAH STAPLETON explained for the last several months, several members of staff had collaborated to evaluate a variety of options to offer a voluntary separation plan. She noted as an update to the Reduction in Work Schedule Program, she reported receiving about 31 applications from employees that are interested in reducing their work hours. They will be meeting with Department Directors to review the requests.

VICE MAYOR CACCAMO asked if furloughs were being offered. MS. STAPLETON said while that has been discussed, a decision has not been reached.

MS. STAPLETON said there are several cities that have varying types of separation programs but most of them have similar elements such as severance payment and many of them extend medical benefits. She noted that some are specific to retirement such as with Scottsdale's program. She explained that our program is broader than that. The goal is to create an attractive incentive for employees to consider a separation from the City of Chandler. If effective, this will create vacancies and we can realize ongoing savings to the base budget and hopefully avoid or reduce the need to go to layoffs.

This program is available to all employees that participate in the Arizona State Retirement System. It is not available to the Public Safety Retirement System employees due to the need to identify vacancies that don't have to be filled.

She explained that upon approval from the City Manager, an employee that is approved for this program, would receive a one-time payment upon separation of 20 weeks of base pay. In addition, they would be eligible to receive 12 months of continued medical and dental coverage at their current employee contribution. If the rates did change, they would still be subsidized through that period of time. The factors to be considered for an application to be approved are going to include if that employee's position or another position can be eliminated as the result of that employee separating. Employees that are approved for the program will be asked to sign a waiver. The employees will have plenty of time to review this for consideration.

COUNCILMEMBER ORLANDO asked if someone could add their vacation or sick time to bridge that gap to when they could retire. MS. STAPLETON replied that the intent is to make a lump sum payment and vacation is also paid out. This program is considered a resignation and not a retirement.

COUNCILMEMBER ORLANDO asked why it needs to be based on eliminating a position. If an employee wants to resign, we don't have to fill it and incur the O&M dollars. Ms. Stapleton responded that while we may be able to keep it open for a long period of time, the concern is to realize savings by reducing the base budget and to ensure we can still maintain customer service.

MS. STAPLETON noted this program is a voluntary separation program, not a retirement incentive program. She said that while there is not a plan that would meet everyone's needs, they believe this is the best one. She said employees, particularly the ones that are retirement eligible, have to understand and weigh the difference. She said, for instance, if there were a retirement eligible employee that chooses to take the voluntary separation, they would be resigned but not retired from the City. They would not be able to receive their 50% sick leave payout. If he/she had been here for 5 years or more they would also not be eligible to receive the \$800 for every year of service. She said there are other benefits that retirees would have such as staying on the City's medical plan and some other ancillary benefits. The employee would have to evaluate what plan is best for them.

COUNCILMEMBER WENINGER asked what the reasoning was not allowing to do both. He understood there would be more cost to that. MS. STAPLETON said that part of the concern goes back to the issue with the Arizona State Retirement System on the unfunded liability piece. Part of the concern is that if a retiree does receive a severance from any type of incentive plan and happens to be in the Arizona State Retirement System before 1984, the City can realize a very large unfunded liability as a result of that. That was one of the things taken into consideration when we designed this program and they wanted to provide the retirees with an option.

COUNCILMEMBER WENINGER asked if there was a ballpark amount of what that might be. MS. STAPLETON said they submitted about 16 names to the Arizona State Retirement as a sample. It represented the top 16 people in terms of points, who might be most ready to retire in terms of points. For 16 people it was close to \$800,000 just for the unfunded liability. COUNCILMEMBER WENINGER said that would be about \$50,000 each. If each made about \$50,000 a year and we did not fill that position, we would begin saving that back after one year. MS. STAPLETON said there is also a cost associated with the incentive plan as well that we would want to try to recoup. She believed it was somewhere around \$1.2 million for the incentive plan. COUNCILMEMBER WENINGER said it appears taking retirement would be more beneficial. MS. STAPLETON said that the payout for retirees is based on sick leave and service. If an employee doesn't have a large sick leave balance, then the Voluntary Separation Package could give them more dollars. She explained the City subsidizing a year's worth of medical and dental is about \$10,000. If there is a retirement eligible employee with only a few years of City service, their retirement benefits might not be as great as those who may have 20 or more years of service with 1500 sick leave hours.

She explained to design the program, they reviewed the retirement eligible employees that had 79 points or above as a sample group. They averaged out what those payouts would be in the sick leave and years of service and tried to design a plan that was a little more favorable than what retirees would receive on the average on those payouts.

COUNCILMEMBER WENINGER confirmed that the 20 weeks of pay was based on that particular employees base pay. Ms. Stapleton concurred.

COUNCILMEMBER ORLANDO said as an industry perspective, if he wanted someone to leave, he would look at his or her retirement years and try to bridge the remaining months and doesn't see where someone who was early retirement would be incentivized to leave with this plan. MS. STAPLETON said that part of the issue is that there are going to be retirees that leave anyway regardless of the plan. Part of the concern is how much do we want to pay. The goal of the program is not to bridge retirements or to make people whole with respect to retirements. She said she understood his concern, but that was not the goal of this program as it was to give employees a choice. She reiterated the goal was to also create vacancies either through that position or through attrition that results from that employee separating. She added that a retirement eligible employee taking the Separation Package, could still retire with the Arizona State Retirement System.

MS. STAPLETON said the goal is to realize the majority of the one-time costs of this program in this fiscal year and realize some of the base budget reductions sometime during the next fiscal year. She explained the goal is to separate employees that are approved for this program by June 30, 2009. Approval will be sought from Council at the next meeting and then the materials will be made available to employees.

COUNCILMEMBER HEUMANN asked who would make the decision on accepting the applications. MS. STAPLETON said the employee would submit an application and the department director would make an assessment as to the impact. With that information, the City Manager will make a decision.

COUNCILMEMBER ORLANDO asked about Scottsdale's incentive program. MS. STAPLETON said they are offering a retirement incentive program to employees that are eligible to retire. She said she believed it was for both ASRS and Public Safety employees. The program gives one week of pay for every year of City of Scottsdale service with no limit and that position would have to be eliminated. Ms. Stapleton said that Chandler's plan was broader as we wanted to be able to use attrition.

COUNCILMEMBER ORLANDO asked if we were looking at that due to cost. MS. STAPLETON replied that the goal of their plan is different as they are targeting retirees. Our plan is to allow all employees to come forward. She said that Scottsdale will probably have a good amount of cost, but each City has to work out their own break-even numbers with their goals and financial situations.

COUNCILMEMBER ORLANDO asked if Council was being asked to approve this as it had a budgetary impact as opposed to a policy of the City Manager. MR. PENTZ replied that it does have a budgetary impact and Mr. Strachota will review that. COUNCILMEMBER ORLANDO asked to see the Scottsdale Plan as he believes that plan would cause the biggest impact even though it may cost more. MS. STAPLETON said she had a copy of their Council memo and would be happy to send it out.

COUNCILMEMBER HUEMANN asked if there is an expectation on how this will be received. MS. STAPLETON said they talked with SEIU today and the reaction was pretty positive. She was unsure how many people would apply given the economic times, but they know there are at least half a dozen people that are scheduled to retire and are waiting to see what the plan is. SEIU and the uncovered employees that are represented by the City Manager's office are probably going to be the ones most impacted.

VICE MAYOR CACCAMO asked if there was a count of employees currently at 80 points. MS. STAPLETON said that the information they have in the database is the employees age and how many years of service with the City of Chandler. An employee could have prior Arizona State Retirement service or could have bought back service.

MR. STRACHOTA said they calculated the average cost of wages and benefits of the non-sworn employees at \$800,800 and estimated the cost of the separation package average for each employee at \$37,300. On top of that, that employee would be eligible for their vacation payout and that was calculated by using the average hours (160 hours) across the city for non-sworn employees and then 20% benefits. The total one-time cost is \$43,300. The payback is 6 months.

Assuming that 20 employees took the package, their total wage & benefits on average would be \$1.6 million. The total one time cost would be \$866,000. The ongoing savings, assuming there were eliminated positions of equal value, would total that \$1.6 million.

COUNCILMEMBER WENINGER confirmed with Mr. Strachota that the vacation payout would be given to anyone who left the City, not just part of the separation package. Councilmember Weninger asked if the number of 20 employees was used as an example or if that was a target number. MR. STRACHOTA said that was just an estimate. MR. PENTZ said that in some of the projections that were shared at the public meeting and with the Council, included was \$1 million in annual savings which may translate into 10-15 positions. COUNCILMEMBER WENINGER confirmed that one-time money was available this fiscal year. MR. STRACHOTA responded that more than likely they would pay it out of contingency and then would be restored with fund balance the following year. Mr. Strachota said they are using the \$5 million to cover a short fall this year, but are not using it for next year. MR. PENTZ said at this time he is looking at using one time money to establish another \$5 million... (inaudible). COUNCILMEMBER WENINGER said if all things are the same this next fiscal year we still have that much of a shortfall. Concern with using one-time money for ongoing funds.

COUNCILMEMBER HEUMANN asked if the unfunded liability was calculated in this. MS. STAPLETON replied that the unfunded liability would occur if an employee who is retirement eligible, took the voluntary separation package and then later retired with ASRS. If they employee was contributing to the ASRS prior to 1984, severance is included as part of their overall average earnings and we are assessed an unfunded liability on that severance. If the employee not contributing before 1984, then severance is not considered and there is no unfunded liability assessed on severance. In addition to the payout on severance, there are some other considerations that ASRS actuary takes into consideration in regards to unfunded liability. Providing employees with medical and dental coverage creates an unfunded liability although not a large one. Incentivizing employees to retiree earlier than what the City's actuarial data has, could skew the data and the City could be assessed and unfunded liability. She said it's unknown how much because it's a detailed actuarial study that the ASRS will do once an employee retires. By far the greatest unfunded liability is the severance for those employees contributing to ASRS before 1984.

COUNCILMEMBER HEUMANN asked if monies had been set aside for that. MS. STAPLETON said we will know what the potential unfunded liability is for the employees that choose to take the package and might retire. When we get assessed that liability depends on when they retire from the State. But the longer they wait, it gets reduced. We don't know how much proportionately, but it gets reduced because the employee is older. This will vary from person to person. COUNCILMEMBER HEUMANN said his concern was to be able to account for funding that later on.

MR. PENTZ said that while the severance payment creates the unfunded liability later for the City, there is a benefit to the employee in that that severance payment gets added in to their final average salary and will increase their retirement benefit for the rest of their life.

MAYOR DUNN commented that while we don't want to lose any employees, if we can provide a financial benefit to the employees as well as to the City through the process, he believed we should investigate these opportunities.

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

Mayor Dunn announced that the City provides tax preparation assistance to low and moderate-income residents at two sites. The site is at the First Credit Union at 25 S. Arizona Place and at the Chandler Community Services of Arizona office at 650 N. Arizona Avenue.

The 8th annual Classic Car and Hot Rod show will be held on February 28th in Downtown Chandler. All proceeds benefit ICAN.

There will be a kickoff for the Sister Cities Program with Tullamore, Ireland on February 28 in Downtown Chandler.

B. Councilmembers' Announcements:

Councilmember Orlando reported that former Councilmember Martin Sepulveda was back home. His son returned to City duty a few months ago.

Councilmember Weninger announced his *effort* to be "green" by having turned his laptop and TV monitor off.

C. City Manager's Announcement:

None.

Adjournment: The meeting was adjourned at approximately 10:45 p.m.

ATTEST: _____
City Clerk

MAYOR

Approved: February 26, 2009

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of Chandler, Arizona, held on the 12th day of February 2009. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of _____, 2009.

City Clerk