

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 26, 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
Matt Orlando	Councilmember (telephone)
Jeff Weninger	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 Mike Sproul, Tri-City Baptist Church

PLEDGE OF ALLEGIANCE: Councilmember Trinity Donovan

SCHEDULED PUBLIC APPEARANCES:

1. Retirement Recognitions

MAYOR DUNN was joined by Acting Planning and Development Director Jeff Kurtz in recognizing the retirement of John Senffner. John began his career with the City as a Fire Inspector in the Fire Department. He moved from the Fire Department to Planning and Development as the Building Official. He left the City in 1991 to work in the private sector, but returned as a temporary building inspector when Intel began construction of Fab 12 in 1994. He became a fulltime employee in 1995 and was promoted through the ranks to Chief Building Inspector in charge of special projects. John has been responsible for a number of major projects in addition to Intel that made Chandler the success it is today.

2. Service Recognitions

MAYOR DUNN was joined by Neighborhood Resources Director Judy Register in recognizing Daniel Anderson for 10 years of service with the City. His experience as a Los Angeles deputy sheriff, legal researcher and private investigator made his an outstanding candidate for the Neighborhood Specialist. Based on his quick learning of the job and proving his day-to-day skills, he was quickly promoted to a Neighborhood Specialist II and then to a Senior Code Enforcement Inspector. He is developing new administrative guidelines and procedures to better service customer needs and to enhance the efficiency and productivity of the unit. In January of 2008, Dan became Acting Code Enforcement Manager. He worked long hours keeping the unit running and assisting the new director of the Neighborhood Resources Division for which he received an Exceptional Merit Award. Dan is also a member of the Code Enforcement League of Arizona

(CELA) where he has been assisting in developing a code inspector certification program. Dan has been active in fundraising to help those less fortunate in foreign countries.

MAYOR DUNN was joined by Community Services Director Mark Eynatten in recognizing Katrina Mueller for 20 years of service. Katrina began her career as the Patron Services Coordinator at the Center for the Arts. She had previously served as an administrative intern during the center construction and assisted with the re-opening activities and was responsible for developing the Center's volunteer program. She took over responsibility for the front of house operations, event scheduling and entertainment programming. While serving in that position, Katrina developed an annual free summer concert series, a family entertainment series and the arts pass program that provided free tickets to underserved arts audiences. In 1998, Katrina was promoted to Arts Center Manager with the responsibility of overseeing the entire operation of the Center for the Arts, the Vision Gallery and the public art program. In that position, she served as the President of the Chandler Cultural Foundation, a nonprofit corporation under contract with the City to program and raise funds for both the Center and Vision Gallery. In 2004, Katrina was selected for a Virginia G. Piper Fellowship, one of five nonprofit leaders in Maricopa County selected that year. In 2006, under Katrina's guidance, the Center for the Arts was awarded the Governor's Art Award in the Community Category for Outstanding Contributions to the Arts. As the Arts Center Manager, Katrina manages a facility based on a concept of public agency partnership and community involvement. Katrina is currently focused on completing \$6.7 million worth of City and School Board bond funded upgrades to the Center.

MAYOR DUNN was joined by Police Chief Sherry Kiyler in recognizing Mark Delugt for 25 years of service in the Police Department. He began as a Police Dispatcher and was promoted to his current position of Dispatch Supervisor in 1990. Mark has been instrumental in the success of the Police Communications section and has seen many changes throughout his career. He was involved with the implementation of the first 911 system in Chandler, the first 800 MHZ radio system, the first computer aided dispatch system and was instrumental in creating the first emergency call taker positions. As a dispatcher, Mark was known for his ability to react quickly in emergency situations, his aptitude for remembering addresses and his ability to remain calm in any situation. His calm demeanor and dispatch abilities have helped make Mark the successful supervisor he is today. Mark has been responsible for training all new supervisors who have come after him. He currently serves on the Pursuit Review Board for the department and is often the "go to" person for the many specialty computer applications monitored in the dispatch center. Most recently, Mark was instrumental in ensuring the successful implementation of a new 911 system and over the next couple of years will be heavily involved in the upcoming computer aided dispatch replacement project. Mark is a hard-working, self-starter whose primary focus has always been to service the citizens efficiently and effectively.

(The following recognitions were taken out of order from the printed agenda).

3. Recognition: American Youth Football National Champions

Mayor Dunn recognized the members of the Chandler Blitz along with the coaching staff as being the 2008 American Youth Football National Champions.

4. Proclamation – Disabilities Awareness Month

Mayor Dunn read the Disabilities Awareness Month Proclamation and presented it to Michael Williams, Chair of the Mayor's Committee for People with Disabilities.

Mayor Dunn and Mr. Williams recognized the following individuals:

Students of the Year: Eric Smith (Willis Jr. High) and Suzie Elkin (Hamilton High)
Employee of the Year: Wesley Wood, Chandler Gilbert ARC – Catholic Healthcare West
Employer of the Year: Catholic Healthcare West – Marty Breedan
Volunteers of the Year: Gene Marquez & Jeff Dow

Mr. Breedan encouraged any business that would be willing to develop a work program with the Chandler-Gilbert ARC, to call him so he could explain how easy and rewarding a program like this can be.

Mr. Marquez said upon urging from his wife, he became involved coaching basketball for Special Olympics and spoke of the rewarding experience.

Mr. Williams thanked the City Council for providing the leadership in this area for other cities to follow.

5. Proclamation – Ostrich Festival

Mayor Dunn read and presented a proclamation to Cathy Beard, John Prescott and Tutu the Ostrich, representatives of the Chandler Chamber of Commerce. Ms. Beard announced the programming for the Festival.

6. Proclamation – Dr. Noel Stowe

Mr. Jay Tibshraeny, Museums Advisory Board Chairman read a proclamation honoring Dr. Noel Stowe who served on the Museums Advisory Board. Mr. Stowe was recognized as a key member of the community and as the founder of the Public History Program at ASU. Mr. Stowe passed away on December 13, 2008.

7. Betty Brown – Chandler Taxes

Ms. Brown stated that she and her husband own a small property management company located in Mesa and manage several properties in Chandler as well as other cities. She explained they collect rental tax and commented that no other city requires the amount of paperwork that Chandler does. She displayed a picture of the property forms that are mailed to her from other cities and another picture showing a larger amount of paperwork she receives from the City of Chandler. She explained that by streamlining the amount of paperwork needed to be printed and mailed, that it would also save the applicant the time in filling out and mailing the forms. Every year she has to renew a license for each property. She commented that for small business owners this is difficult. She noted other individuals in the audience that have experienced this process.

MAYOR DUNN asked the City Manager if there were efficiencies that could be accomplished in the process.

COUNCILMEMBER WENINGER asked how many returns were being sent back to the other cities. Ms. Brown said she is able to send in one check to each city for all properties in that city;

however, Chandler requires one for each individual property. Mr. Weninger expressed his hope in finding a happy medium.

8. James Kame – Possible Layoffs

Mr. Kame, President of SEIU, Chandler Chapter said that earlier this week, employees were notified via a newspaper article, of the City's intent to layoff 30 people. He stated he felt the employees were being betrayed with no notification to the employee prior to the newspaper article coming out. He stated that layoffs should be considered only as a last resort given the negative impact that would result in a loss of public services and the devastating effects layoffs would have on the employees of Chandler – many whom live in Chandler. He conveyed how upset they are by the proposal. He commented that the quality found in Chandler is due to large part of the dedication of city employees. The City has demonstrated fiscal responsibility over time. He commented that there are fund balances that can be used to offset some of the deficit. He asked that all other possibilities be explored with cooperation and transparency. Mr. Kame asked that the consideration of retirement incentives, the investigation of citywide cost saving measures and further exploration of alternative work schedules be done together. Mr. Kame said that he met this morning with City Manager Pentz, Deb Stapleton and Greg Fretz and felt that helped with keeping the dialogue open in exploring these options.

Mayor Dunn assured him that they would exhaust all avenues. He explained that these types of issues were discussed in an open meeting and some times the press conveys those discussions as going in a particular direction.

Mr. Kame noted that staff would be available to help streamline the process as discussed by the previous speaker.

UNSCHEDULED PUBLIC APPEARANCES:

Mr. Al Leibowitz, 1399 W. Enfield Way spoke of his concerns in narrowing the lanes on Arizona Avenue in the downtown area. Mr. Pentz said he would ask staff to follow-up with Mr. Leibowitz.

CONSENT:

Mayor Dunn noted that Item 12 would be continued. Upon request of the applicant, Mr. Lee, Item 34, was moved to the Action Agenda.

Councilmember Huemann noted that as a result of follow-up from Monday night, the Economic Development Staff has added a report to Item 10 that will give the staff flexibility in the redevelopment process.

MOVED BY VICE MAYOR CACCAMO, SECONDED BY COUNCILMEMBER SELLERS, to approve the Consent Agenda as presented with Item 34 being moved to the Action Agenda.

MS. DONNA SANTA MARIA, 6630 W. Cactus Road, Glendale spoke regarding Item 32 (Use Permit Potrero). Mayor Dunn stated he would place this item on the Action Agenda.

(The discussion occurring on Items 34 and 32 can be found under the Action Agenda).

THE MOTION MAKER AND SECOND AGREED TO INCLUDE THE PLACEMENT OF ITEM 32 ON THE ACTION AGENDA. MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED, as presented, minutes of the Council Special Meetings of February 9 & 12, 2009, and the Regular Meeting of February 12, 2009.

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

ADOPTED 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.

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

ADOPTED 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.

4. CITY CODE AMENDMENT: Chapter 28 Ord. #4135

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4135 amending City Code Chapter 28, Section 28-17, relating to fire sprinkler requirements for Group B occupancies.

The current version of Chapter 28 of the City Code adopted by Ordinance No. 4074, inadvertently omitted any reference to fire sprinkler requirements for Group B occupancies.

The 2006 version of the International Fire Code does not discuss B occupancies; therefore, amending the current fire code would require all new B occupancies to have automatic fire sprinklers installed, as has been the case since the ordinance was originally adopted in 1986.

5. REZONING: Av-Air Ord. #4136

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4136, DVR08-0035 Av-Air, rezoning from PAD to PAD Amended to expand the list of permitted uses for a building at 33 S. 56th Street. (Applicant: Earl, Curley Lagarde - Stephen Earl.)

The 3.5-acre site is located south of the Harley Davidson dealership at the SEC of Chandler Boulevard and 56th Street. The immediate intersection corners of Chandler Boulevard and 56th Street have fuel station, auto service, and retail uses either planned or existing. The areas south and east of the site are characterized by industrial and warehouse uses.

The site contains a two-tenant industrial/warehouse building that received its PAD zoning for I-1 uses in 2000 and PDP approval in 2006. The building consists of a vacant suite and the Av-Air light industrial use, which is related to aircraft parts. Av-Air occupies the southern portion of the building and the northern suite is currently vacant.

This request is primarily designed to accommodate Honeyville, a wholesaler of grains, mixes, dried fruits and vegetables, bakery supplies and ingredients, and seed products to many national food producing companies as well as the general public. The proposed tenant will occupy the vacant southern suite. The proposed tenant does have a significant showroom/retail element for its outlet store. The showroom portion of the wholesale operation at the proposed square footage (19,950) is not allowed by the current zoning. The request would add showroom uses (up to 25% of the tenant space floor area) and manufacturing uses not specified in the Zoning Code that are deemed by the Zoning Administrator not to be noxious or dangerous to the area. The "manufacturing uses not specified" request is not targeted toward any specific business, but included to allow future flexibility.

The site provides 99 parking spaces. Based on a floor area split of 80% industrial/warehouse and 20% office/showroom, all 99 spaces are required by Code. Av-Air currently uses substantially less than 20% of its floor area for offices and has no showroom space. Therefore, with the existing and proposed floor area splits, the site provides sufficient parking. A recommended condition allows the Zoning Administrator to require additional parking be constructed in the lot's rear portion if future demand warrants.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on February 9, 2009. 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 conditions listed in the ordinance.

6. FEE / PUBLIC UTILITY EASEMENT DEDICATION: Tumbleweed Park Ord. #4130

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4130 authorizing the dedication in fee of a portion of City-owned property for public roadway and the dedication of a public utility easement along the south side of Tumbleweed Park between the Union Pacific Railroad and McQueen Road.

The City's Public Works Department is in the process of expanding Ryan Road between the Union Pacific Railroad and McQueen Road. In order to complete the project, it is necessary to change the use of existing City-owned property at Tumbleweed Park to another public use – road right-of-way. In addition, it is necessary to provide a public utility easement along the north side of the new Ryan Road right-of-way for utility services to the park.

By way of a separate instrument in the form of a deed, the City will grant to the Public in Trust, the road right-of-way. In addition, by way of a Public Utility Easement (PUE), the City will grant a public utility easement to the Public in Trust. These documents will be in a form approved by the City Attorney.

7. INITIAL CITY ZONING: The Grove Bible Church Ord. #4134

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4134, DVR08-0041, The Grove Bible Church, establishing initial City zoning of AG-1 on approximately 20 acres north of the NEC of Queen Creek and Gilbert roads. (Applicant: City of Chandler; Owner: Canyon Ridge Bible Church, Inc.)

Adoption of an annexation ordinance authorizes the City to initiate a zoning action as required by State Statute to adopt and establish an initial City zoning classification upon the newly annexed property. This request, initiated by Staff, serves to establish the site with a zoning designation of AG-1 (Agricultural District). The approval of this zoning action insures that any future development on the site shall occur in conformance with City standards. This property is currently being utilized as a church campus.

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

8. AGREEMENT EXTENSION: CBS Outdoor, Inc. Res. #4232

ADOPTED Resolution No. 4232 authorizing the City to extend the bus shelter advertising, installation and maintenance agreement with DBS Outdoor, Inc., through 2015.

The City currently contracts with DBS Outdoor to install and maintain bus shelters and associated furniture in exchange for their right to advertise at select sites. On November 20, 2003, Council approved a contract with an optional five-year extension.

Under the existing contract, CBS Outdoor cleans all shelters, including the shelters without advertising kiosks, which the City owns. To date, CBS Outdoor has installed 97 bus shelters at various locations throughout the City. The shelters are cleaned an average of 2.5 times per week and damaged shelters are typically repaired within 24 hours.

The current contract will expire in July 2010. All bus shelter installations required under the current contract have been completed. With the extension of three bus routes in July 2008, and other bus stop improvements made in the last year, proactive measures are being taken through this contract extension to provide more shelters now, in lieu of waiting until the current contract expires in July 2010. This final contract extension will allow for an additional 55 bus shelters to be installed throughout the City to support current and new bus routes. Over the course of the current contract's remaining one and one-half years and additional five-year extension, the contract will provide the City with approximately \$515,700.00 in advertising revenues. The total value of the extended contract, including advertising revenue, installation of 55 new shelters, cleaning and maintenance of bus stops, the Chandler Fashion Center Transit Plaza and the Tumbleweed Park and Ride, is estimated at \$2,380,000.00.

Replacement of approximately 30 older bus shelters is planned over the next two years under a separate Capital Improvement Program utilizing Proposition 400 funds.

9. PROPERTY ACQUISITION: Gilbert Road Improvements Res. # 4246

ADOPTED Resolution No. 4246 authorizing the acquisition of real property as needed for the Gilbert Road Improvements from Queen Creek Road south to the Hunt Highway; authorizing condemnation proceedings as needed to acquire said real property and to obtain immediate possession thereof; and authorizing such relocation assistance as may be required by law.

On January 8, 2009, City Council approved the alignment of the Gilbert Road Improvements Project from Queen Creek Road south to the Hunt Highway. The project requires acquisition of portions of real property from approximately 83 parcels, including 2 potential relocations. All acquisitions are adjacent to, or related to, the planned improvements, including right-of-way, permanent and temporary easements.

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

10. CHANDLER INFILL INCENTIVE PLAN

Res. #4250

ADOPTED Resolution No. 4250 authorizing the repeal of the existing Commercial Reinvestment Program and the Residential Infill Program, designating a Chandler Infill Incentive District and adopting the Chandler Infill Incentive Plan. (Applicant: City of Chandler, City Initiative.)

The Commercial Reinvestment Program and the Residential Infill Program were adopted separately by the Mayor and Council to encourage the improvement of older commercial centers and residential neighborhoods. This initiative proposes to revise and combine both programs under one plan. The revisions are prompted by the following:

- The 2007-08 Council Goals and Priorities include “Review and modify policies and programs related to redevelopment and infill”.
- Council direction to amend the Commercial Reinvestment Program to allow for City participation in the complete redevelopment of existing commercial sites for the purpose of eliminating existing underperforming retail space, particularly at intersections that have four corners of older commercial development.
- The relatively low level of application activity under the Residential Infill Program in recent years.
- Per the City Attorney’s office recommendation, the Residential Infill Program and the Commercial Reinvestment Program should both follow state law provisions for Infill Incentive Districts (ARS §9-499.10).
- Joining both programs will allow Staff to more effectively target desired improvements and utilize financial participation to encourage sustainable economic and residential development.

The Arizona Revised Statutes make certain provisions for designated infill districts and incentives (enacted in 2000). The Statutes enable a city to designate a specific area (i.e. a district) within its jurisdiction that meets at least three (3) out of six (6) requirements and if it does so, the city must then adopt an infill incentive plan that encourages redevelopment in that district. By Statute, the plan may provide a number of incentives, including waiving development fees.

Under the new plan, the eligibility area for both programs remains largely unchanged. The only difference being that the western boundary has moved further west from a half mile east of the 110 Freeway to the 101 Freeway centerline. This change was made to accommodate some of the older residential neighborhoods that are located within a half mile from the freeway. As a result of the boundary change, provisions have been added in both programs to make larger more marketable properties near the freeway ineligible for participation in the program. For example, this provision specifically prohibits the participation of commercial centers within one-half mile of the 101 Price Freeway.

The following sections provide more details on each of the programs:

COMMERCIAL REINVESTMENT PROGRAM

The current Commercial Reinvestment Program, (CRP) was adopted by City Council in November 2002 to provide assistance to property owners interested in upgrading their aging commercial centers, particularly those experiencing vacancy issues. A major impetus behind the creation of the program was the number of national retailers moving to the newly opened Chandler Fashion Center. Since the program's adoption, 14 agreements have been executed which have resulting in the renovation of nine commercial centers and nearly 663,000 square feet of retail space. To date, the City has contributed and/or committed \$2.7 million, which has resulted in \$7.3 million of private investment for a total of \$10 million in total investment. The program has been extremely successful in bringing antiquated commercial areas up to current market standards. The results have been fewer vacancy rates, dramatic improvements to the appearance of centers and the attraction of new tenants to centers that have participated in the program. An example of a quality tenant that would not have located in Chandler without the program is the PGA Tour Superstore in the Chandler Mercado on the northeast corner of Arizona Avenue and Warner Road.

In FY 2007-08, the City Council directed Economic Development Staff to review and revise the current program to include incentives for the complete redevelopment of commercial centers within the CRP boundary. Staff completed a review of sales tax collections throughout the CRP area and conducted focus groups with property owners at targeted intersections. This analysis confirmed the premise that the focus of the CRP going forward should be the redevelopment of existing commercial centers to introduce new uses (i.e. mixed-use projects with multi-family housing and/or office buildings) rather than simply renovating existing space. One of the major factors affecting this decision is the significant change in traffic patterns in the CRP area due to the opening of the Loop 202 Santan Freeway. The freeway has diverted traffic away from these older commercial areas and introduced additional competing retail space at freeway interchanges.

Proposed Revisions

The revisions proposed to the CRP allow for incentives to be provided for the redevelopment of commercial sites in older areas of the City and are anticipated to provide several economic impacts. First, redevelopment to introduce new uses to a commercial site would have the affect of reducing the amount of available retail space, increasing demand for remaining space and lowering overall vacancy rates. A second benefit is that the introduction of new uses, such as multi-family housing and/or employment would likely increase economic activity at the remaining commercial centers. Lastly, it is anticipated that new public and private investment in the CRP area would spur new investment as property owners seek to improve their own properties.

These revisions provide incentives to developers who undertake the complete redevelopment of an existing commercial site to incorporate new uses, such as a mixed-use project with multi-family housing and/or employment components. It is anticipated that these incentives would be in the form of reimbursements that would assist developers with the costs of demolition of existing buildings and/or providing the necessary public infrastructure to accommodate the proposed uses.

The process of revising the CRP was delayed on several occasions due to new legislation and/or court rulings that limit the ability of municipalities to provide financial incentives for commercial projects. Staff has concluded that combining the CRP and Residential Infill Program under the overall Chandler Infill Incentive Plan allows for compliance with both current legislation and provides the incentives necessary to improve aging commercial areas.

It is important to note that the new CRP still provides City Council with the ability to approve those projects that simply renovate an existing commercial center. However, the revised program clearly expresses the priority of the program will be the complete redevelopment of these centers. In addition, new guidelines have been included that attempt to raise the standard for projects to be considered for renovation. These new provisions include the expectation that current development standards will be met, all the property owners at the commercial center will participate in the renovations, the marketability of the center will improve (i.e. addition of square footage or the functional redesign of the space), a new quality tenant can be secured and that a market study will be provided that demonstrates the demand for the commercial space.

In performing research for the program, Staff has not been able to find any municipalities in the United States that are acting as aggressively and proactively to address the older commercial areas. For instance, we have not been able to find any cities with a documented program that provides incentives for the redevelopment of commercial centers. There are programs that have been identified that are similar to the current structure of the CRP, offering only loans and grants for façade improvements. However, Chandler's program structure seems to provide for a much more significant investment.

After the program was discussed with the Economic Development Subcommittee, an article describing the proposed new CRP appeared in the *Arizona Republic*. As a result of that article, Staff has received several inquiries from other local communities that are interested in receiving information about the program and potentially implementing a similar program.

SINGLE-FAMILY INFILL PROGRAM

The current Residential Infill Program was initially created in December 2001 and revised in December 2004 based upon Mayor and Council policy direction and the goals and objectives set forth in the Chandler General Plan as adopted in November 2001. In its current form, the program provides financial awards of to \$10,000 to replace an existing substandard dwelling unit with a new owner-occupied single-family home that is located within the older sections of Chandler (i.e. north of Pecos Road and ½ mile or further east of the Loop 101/Price Freeway). The original intent was to enable those applicants to recoup, or at least defray, some of the costs associated with the development including impact fees. The amendment in 2004 increased the financial award from \$2,500 to \$5,000 per dwelling unit constructed and expanded the program to provide a \$5,000 award to offset demolition costs for removing substandard dwellings that were replaced with new single-family ownership units.

To date, the current program has awarded a total of \$252,500 in support of 92 new units and 1 demolition. Annual funding through the City budget has been \$250,000, but in recent years most of those funds have gone unused for infill purposes. Among the reasons given to Staff by would-be applicants is that the awards are too small for the costs now encountered, particularly in comparison to significant increases in impact fees in recent years. Other reasons have been the scarcity of vacant infill lots offered for sale and selling prices seen as unrealistic by prospective buyers.

Proposed Revisions

The title has been changed to "Single-Family Infill Program" to indicate that multi-family projects are no longer eligible under this program. Instead, this initiative proposes to join funding with the Commercial Reinvestment Program so that it may be focused on priority locations where high-density residential and mixed land uses are needed the most. The infill program is currently budgeted at \$175,000 (previously \$250,000 from which \$75,000 was reallocated for the new Green Building program approved by Council in June 2008). Under the proposed program,

\$100,000 will be earmarked specifically for the Single-Family Infill Program, while the remaining \$75,000 will be joined with the Commercial Reinvestment Program.

The revised program offers a fifty percent (50%) impact fee reimbursement for the development of a new Energy Star qualified home and a one hundred percent (100%) impact fee reimbursement for a LEED certified or certifiable home that is located within the infill district.

The proposed program does not offer a financial incentive for the demolition of an existing substandard home. However, the financial incentives per home in the proposed program are significantly higher and will adjust along with future impact fee updates. The proposed budget amount of \$100,000 would be enough to support the development of ten (10) Energy Star homes or five (5) LEED homes. Given the low demand and level of participation in the program in recent years, Staff believes this is a sufficient amount. It is important to note that in the event that impact fees are not charged because the development is located on a previously developed property, the City may award the developer a financial amount equal to 50% or 100% of the development fees that would have been otherwise charged. Currently, Staff would encumber funds for Council-approved applications on a first-come/first-served basis for as long as funds remain each fiscal year and such funds would be available each year subject to annual budget approval by the Mayor and Council.

The financial incentives in the proposed program are designed to not only encourage housing affordability, but also energy efficiency and sustainable housing. Energy Star is a program administered by the U.S. Environmental Protection agency that utilizes independent home energy verification organizations to certify homes that meet Energy Star requirements. According to www.energystar.gov, Energy Star-qualified homes are typically 20-30% more energy efficient than standard homes. Staff contacted several homebuilders and met with the Home Builders Association of Central Arizona to find out about how much more it costs to construct a home that meets Energy Star guidelines. The general consensus is that Energy Star adds approximately \$2,000 - \$3,000 to the cost of constructing a home. The higher financial incentives proposed in the revised program, would be enough to cover these costs and still help with the affordability of the home.

Although Energy Star-qualified homes result in significant energy savings for the homeowner, the Energy Star program does not represent a comprehensive green building effort such as the U.S. Green Building Rating System. LEED addresses energy efficiency, water conservation, indoor air quality, site considerations, sustainable materials, and other green building considerations. Energy Star only addresses energy efficiency. Additionally, the level of energy efficiency achieved by Energy Star-qualified homes is generally lower than that of LEED Certified homes. The LEED for Home program requires Energy Star to be earned as a prerequisite and then offers additional points for exceeding the energy efficiency required by Energy Star. Consequently, the Energy Star label is much easier and more affordable to attain than LEED Certification.

According to USGBC, a certified LEED home could cost an additional 1%-5%. In order to avoid certification fees and further reduce costs to a homebuilder, the revised program does not require LEED certification from the USGBC. In order to be eligible for the 100% reimbursement, applicants could alternatively submit documents verifying that the home is Energy Star qualified (a LEED prerequisite) and a LEED checklist for Staff to review and verify that the home is LEED "certifiable".

The new program contains a couple of new criteria that are intended to discourage the participation of projects located in relatively new subdivisions or on larger, more marketable

properties located along arterial streets. One of the qualifications of the program is for the new home to be located in a subdivision that was developed more than fifteen (15) years ago. Additionally, properties located along arterial streets that are greater than 2.5 acres are not eligible for participation in the Single-Family Infill Program.

ECONOMIC DEVELOPMENT ADVISORY BOARD

At the July and November 2008 Economic Development Advisory Board Meetings, Economic Development and Planning Staff made presentations related to the proposed revisions included in the Chandler Infill Incentive Plan. The Board, while not taking any official actions, expressed support for the proposed changes.

COMMERCIAL DEVELOPER OUTREACH

Economic Development Staff has met with numerous developers and property owners over the past few months during which time the proposed changes to the CRP were discussed. Almost without exception, these developers and property owners have been effusive in their praise of the City's foresight and desire to be proactive in finding solutions for aging commercial corners.

In addition, Staff met with and reviewed these changes with a developer/property owner who has utilized the CRP for the renovation of three centers to obtain feedback into the proposed revisions to the program. This individual expressed full support for these proposed revisions with respect to the CRP.

11. **SETTLEMENT AGREEMENT**: White Mountain Apaches Res. #4262

ADOPTED Resolution No. 4262 authorizing the White Mountain Apache Tribe Water Rights Quantification Settlement Agreement and certain exhibits thereto, and authorizing the City Attorney to execute any required stipulations and requests for entries of judgment in the Gila River and Little Colorado River Adjudications.

The United States, on behalf of the White Mountain Apache Tribe, has asserted claims in the Gila River Adjudication for up to 180,000 acre-feet of water annually. These claims conflict with the water rights claims asserted by the City of Chandler, as well as water rights claims of Salt River Project and the Roosevelt Water Conservation District, which both provide a portion of Chandler's water supplies.

After extensive negotiations, the Tribe and the United States on behalf of the Tribe, have reached an agreement with numerous parties to quantify the Tribe's water rights and resolve potential future litigation as to its water rights entitlements. In addition to the Tribe and the United States, other parties include Salt River Project, Roosevelt Water Conservation District, the Cities of Chandler, Avondale, Glendale Mesa, Peoria, Phoenix, Scottsdale, Show Low, Tempe and the Town of Gilbert, the Buckeye Irrigation Company, the Buckeye Water Conservation District, and the Central Arizona Water Conservation District.

On January 26, 2009, Senator Kyl introduced the White Mountain Apache Water Rights Settlement Act, which authorizes and confirms the Tribe's Quantification Agreement and authorizes funding for a key drinking water project required by the Tribe for its reservation. The proposed Act is being reviewed by various Congressional Committees, and will then be submitted for approval by the Senate and House of Representatives.

Through this settlement, the Tribe will receive an annual water budget of approximately 52,000 acre-feet per year, comprising 27,000 acre-feet per year of surface water and groundwater

supplies and 25,000 acre-feet per year of Central Arizona Project (CAP) water supplies. The Tribe will also receive federal funds to be used to construct a dam, treatment facilities and pipelines for its municipal water supply near Whiteriver and for certain other projects. In exchange, the Tribe will waive any other claims to water in the Gila River Adjudication that could have jeopardized the other parties' use of Gila River water supplies. Additionally, the Tribe has agreed to lease its CAP supplies for 100 years, to several valley cities and the Central Arizona Water Conservation District. The annual quantity of water Chandler intends to lease from the Tribe offsets the Tribe's water use under the terms of the Quantification Agreement.

Chandler will lease 1,261 acre-feet of CAP M&I priority or non-Indian CAP priority water that has been firmed to the equivalent of an M&I priority, and 3,336 acre-feet of non-Indian CAP priority water. In 2008 dollars, the one-time fee per acre-foot for the M&I priority water is \$2,550 and the per-acre-foot fee for the non-Indian agricultural priority water is \$2,075. The leases will become effective after the Quantification Agreement becomes enforceable, no later than October 31, 2013. The one-time fee for the water will be inflated from the 2008 price by the Consumer Price Index based on the date the lease becomes effective.

Resolving the outstanding claims of the White Mountain Apache Tribe enables the City of Chandler to avoid future costs and uncertainty of litigation as to these water rights.

Chandler's cost to lease 1,261 acre-feet CAP M&I priority and 3,336 acre-feet of non-Indian CAP priority water (a total of 4,597 acre-feet) in 2008 dollars is \$10,137,750.00. The one-time fee for the water will be inflated from the 2008 price by the Consumer Price Index based on the date the lease becomes effective. Staff anticipates the lease payment to occur in 2012 and will program funds for expenditure in the appropriate year of the 2009-2014 Capital Improvement Program. Council will consider adopting the 2009-2014 Capital Improvement Program in May 2009.

12. VOLUNTARY SEPARATION PACKAGE

Res. #4263

ADOPTED Resolution No. 4263 authorizing the creation and implementation of a Voluntary Separation Package and authorize use of General Fund contingency to pay for voluntary separation program costs.

Based upon revenue projections and our forecast for the up coming year, we are predicting a sizeable General Fund budget deficit in FY 2009/10. City Staff and management have been evaluating a broad range of budget balancing initiatives to address current and future budget deficits. The voluntary separation program is an important element to the City's overall plan to prevent future budget deficits.

The goal of this program is to provide an attractive incentive for employees to separate from City of Chandler employment. The financial goals of this program are to create vacancies that will enable the City to realize base budget reductions during the next and ensuing fiscal years. Timely implementation of this program will allow a majority of the one-time costs for the program to be realized in FY 2008/09.

The proposal includes the following:

- All regular employees that participate in the Arizona State Retirement System (ASRS) are eligible to apply.
- The process is voluntary and selective, with the initial application period beginning March 2, 2009, and ending March 30, 2009.

- An employee who is approved for this program and accepts the separation incentive package will be considered to have voluntarily resigned from the City in good standing.
- Retirement-eligible employees must carefully evaluate the incentives provided under this program vis-à-vis the benefits they will receive if they retire directly from the City.
- The program requires the employee's position or another position to be eliminated as a result of the employee's separation. This will ensure that operating savings are realized to pay for the incentive and reduce positions from next year's budget.
- All applications will be reviewed by the appropriate Department Director to assess the needs of the department and the ability to maintain services to our citizens and internal customers should the employee separate from the City. Staff from Human Resources and Management Services will evaluate applications and make recommendations. The City Manager will make the final decision on all applications.
- Employees will be required to sign a Separation Agreement stating that their participation in the program is fully voluntary including a waiver of claims against the City in order to receive the incentive package.
- Employees who are approved under this program will receive 20 weeks of separation pay and many continue their medical, dental and vision insurances for up to 12 months at the employee contribution rate.
- Employees who are approved under this program will be required to separate from the City no later than June 30, 2009.

While there will be short-term costs associated with this program, there will be long-term, permanent budget reductions as a result of eliminating positions regardless of how many applications are accepted.

It is hard to project how many employees will apply for this program. City Staff anticipates that approximately 10 applications will be approved through this process. Under such circumstances, the separation incentive cost would be estimated at \$433,000 for the current fiscal year. However, an estimated \$808,000 in salaries/benefits would be eliminated from the budget beginning in FY 2009/10 resulting in an average of six months to recoup the costs.

It should also be noted that the City might incur a cost from the ASRS if a retirement-eligible employee participates in this voluntary separation program and then retires from ASRS. ASRS assesses a fee that is based on variables such as age, service, whether the employee has contributed to ASRS prior to 1984 and the actuarial impact of the incentive program on the retirement system. This is anticipated to be a one-time assessment of \$3,000 to \$45,000 per employee and occurs when and if the employee retires from ASRS.

13. PRELIMINARY DEVELOPMENT PLAN: Carmel Village Plaza

APPROVED Preliminary Development Plan PDP08-0039 Carmel Village Plaza, amending a comprehensive sign package as part of a commercial development of approximately 20 acres located at the SWC of Gilbert and Queen Creek roads. (Applicant: John Newcomb, National Sign Fabricators, Inc.)

The request is to permit a proposed freestanding monument sign to be located less than 300-feet from an existing monument sign. Sign Code requires a minimum 300-foot separation between freestanding monument signs. No other amendments are proposed.

The subject site is surrounded to the west by the residential subdivision Abralee Meadow. It is bordered to the north by Queen Creek Road with vacant land zoned PAD for light industrial, office and retail uses located north of Queen Creek Road. Gilbert Road is located on the site's east side. East of Gilbert Road is the future Layton Lakes development. Markwood Drive is located on the site's south side, with the Santana Ridge Apartment development located south of Markwood Drive.

The 12.5-acre site received PAD zoning for commercial uses in April 2006 as part of the larger 20-acre Carmel Village development. The balance of the 20-acre site is zoned for general/medical office uses within nine single-story office buildings totaling approximately 54,000 square-feet. In April 2007, the immediate 2-acre corner parcel was rezoned to allow the sale of fuel. The entire development, with the exception of one pad site along Gilbert Road, is completed. Examples of uses within the retail component include the Circle K fuel station at the corner, a fitness facility, a daycare facility, retail shops space and restaurants.

The previous zoning approvals included comprehensive sign packages for the retail and office components of Carmel Village. Building mounted signage and the freestanding monument signage for both components was approved. For the retail component specifically, two six-foot tall, five-tenant panel signs were approved along Queen Creek Road. Along Gilbert Road, six-foot high, five-tenant panel monument sign and a fourteen-foot high, five-tenant panel monument sign were approved.

With the construction of the Circle K fuel station, one of the two six-foot tall monument signs along Queen Creek Road was modified to allow the Circle K logo and fuel price thus turning the sign into a 4-tenant panel sign. The sign was ultimately located 124 feet east of the main driveway center line due to site constraints regarding retention basins, power poles, SRP transformer boxes, and a policy of maintaining a minimum 100 foot distance from the sign to the intersection corner. Studying the site in regards to the proposed second monument sign, maintaining a Code-required 300-foot separation, reveals that the second signs' location is again impacted by a retention basin, two SRP transformer boxes, a road-drainage spillway, and a power pole. The sign could not be located further west due to the second driveway and the property line. The request is to amend the comprehensive sign package to allow the second six-foot tall, five-tenant panel freestanding monument sign to be located approximately 165 feet west of the existing monument sign along Queen Creek Road.

Typically, Staff does not support reducing the separation between monument signs by 135 feet; however, in this specific example, the site is impacted by various utility items that the applicant does not control. The locations of the multiple transformer boxes, retention spill way and large transmission power poles restrict the site's opportunity for viable visible sign locations that comply with Code. The proposed location of the second sign maintains a visual balance for the two monument signs along Queen Creek Road while not appearing crowded. Additionally, the proposed location will help direct patrons to the primary entrance drive minimizing noise impacts behind the adjacent residential homes.

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

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

1. Development shall be in substantial conformance with the exhibits and representations entitled "Carmel Village Plaza" kept on file in the City of Chandler Planning Services Division in File No. PDP08-0039, except as modified by condition herein.
2. All future signage shall be consistent with the signage contained within the exhibits with regards to sign type and quality. Any deviations shall require separate Preliminary Development Plan approval.

14. CONTINUED PRELIMINARY DEVELOPMENT PLAN: Opus At Chandler Airport Center

CONTINUED TO MAY 14, 2009, Preliminary Development Plan PDP09-0005 Opus At Chandler Airport Center, to allow the surface parking lot in conjunction with an existing office development located west of the NWC of Cooper Road and Northrop Boulevard in the Chandler Airport Center to allow additional time for property owners to address development intentions.

15. INTERGOVERNMENTAL AGREEMENT: Regional Wireless Cooperative Network
Res. #4265

ADOPTED Resolution No. 4265 authorizing an Intergovernmental Agreement (IGA) to plan, design, construct, operate, maintain and finance the Regional Wireless Cooperative Network (RWC) to allow public safety in the City of Chandler to become part of a public safety radio network.

Formation of the RWC represents a significant milestone for cities and towns in the Phoenix metropolitan area. The RWC will form a cooperative body that will work together for the mutual good of all to operate a regional radio network that will provide seamless, interoperable radio communications.

The need for all public safety agencies to be able to communicate during emergencies has been proven throughout the country in recent years. Currently, Chandler Fire and Police do not have direct communication capability between Fire and Police personnel. The Fire Department operates on a total Automatic Aid system where the closest fire truck is dispatched to an incident, regardless of jurisdiction. The Police Department needs to have interoperability in order to communicate with surrounding jurisdictions for calls for service or for any event that may occur where there would be a need for multiple agencies to respond.

The City of Chandler operates two different radio systems for Public Safety. The Fire Department is on a VHF radio system operated and owned by the City of Phoenix. The Police Department is on an 800 MHZ stand-alone system owned and operated by the City of Chandler. The current police system is outdated and can no longer meet the operational needs of its end users, particularly police officers.

At this time, the signing of the RWC Governance Agreement does not commit the City of Chandler to any financial obligation. However, the RWC will provide the mechanism through which we may jointly pursue this endeavor. The costs will depend on the detailed design of the system. Once the design is established, we will return to Council for appropriate funding.

The Police Department currently has \$15 million in bond approval to cover the cost of new towers, upgraded equipment for the current towers, and to upgrade the Police Department Communications Center. Cost estimates are one-time costs of \$2.7 million for towers and \$6.9 million for Communications Center upgrades for a total of \$9.6 million. This estimate does not

include design fees or the redesign of the communications tower at Fire Station #1, which is also work that will need to be completed.

16. CONTRACT CHANGE ORDER: Brycon Construction

APPROVED Contract Change Order No. 1 with Brycon Construction for Fire Station #3 Expansion Project, pursuant to JOC07-06, in an amount not to exceed \$49,950.00, for a revised contract total not to exceed \$1,078,915.00.

Fire Station #3 requires an expansion of apparatus bay area and storage to accommodate the Fire Department's Special Operations Team. This station houses the Fire Department's special operations personnel, vehicles and equipment. All hazardous materials and technical rescue responses originate at this station. Chandler is one of eight Arizona cities chosen to participate in the Phoenix Urban Areas Security Initiative (UASI). Each UASI partner has received funding to train and equip a rapid response team that can be dispatched quickly anywhere in the state in the event of a large-scale disaster or terrorist event. The equipment for the Rapid Response Team includes a heavy rescue apparatus. This over-sized vehicle must be staged at Fire Station #3 because it is cross-staffed by the special operations personnel assigned to that station. The heavy rescue apparatus is temporarily being housed behind Fire Station #3 in a corrugated metal garage.

This change order covers the additional cost for design of additional landscaping, irrigation and underground utilities and site work construction associated with modifying the existing landscaping of the entire site to meet current City standards.

17. AGREEMENT AMENDMENT: Triora Group

APPROVED Agreement Amendment No. 2 with Triora Group for consulting services in the amount of \$184,000.00 for a revised total amount not to exceed \$359,000.00.

The City currently uses Oracle Applications software to support its financial and Human Resources management functions. Due to the specialized technical requirements necessary to support this system, IT needs to hire professional services to perform upgrades to the software. These upgrades keep the City's mission-critical business applications on the most current version for support and maintenance. This will include family packs for payroll, patching and maintenance for the Oracle databases that contain the City's information for Oracle Apps on production and test.

The published rate for this resource is \$150/hr. The City's current rate is \$125/hr. Under this extension, the City's rate will be \$110/hr. This is 27% off of the published rate and 12% off of the City's current rate. The contract extension provides a full-time consultant through the end of December 2009.

18. AGREEMENT: Local Government Purchasing Cooperative

APPROVED an Agreement with the Local Government Purchasing Cooperative for membership.

The Local Government Purchasing Cooperative (Co-op) is a purchasing cooperative serving municipalities, counties, school districts and other governmental organizations. The purpose of the co-op is to achieve economies of scale and resultant cost savings for its approximately 2,400 national members. The method of competitive solicitation and award is nearly identical to the

City's and satisfies the competitive purchasing requirements of the Chandler City Code. Membership in the co-op provides an additional tool for Procurement Officers and department users when seeking best value on a wide variety of products ranging from construction equipment to office supplies. In 2008, the co-op facilitated approximately \$500,000.00 in purchases and extended a total rebate to members of \$1.7 million. Other Arizona co-op members are Lake Havasu City and the City of Glendale.

No membership fees are required. The City would pay administrative fees only when purchasing cars, trucks, ambulances or fire apparatus. Administrative fees range from \$400 (cars) up to \$1,500 (fire apparatus). Administrative fees would be calculated in any cost comparison to determine the low overall cost.

The Local Government Purchasing Cooperative is administered by the Texas Association of School Boards and is authorized under Chapter 791 of the Texas Local Government Code.

19. AGREEMENT: ESRI

APPROVED a sole source Agreement for Enterprise Licensing with ESRI in an amount not to exceed \$107,100.00.

The City's GIS system is based on ESRI GIS products. The expanded use of these products throughout current City applications as well as in planned applications has resulted in a need for additional user licenses. By moving to an Enterprise License Agreement (ELA), the City will incur a lower cost-per-unit for licensed software. This ELA replaces an existing agreement where we are currently paying \$65,600.00 in maintenance annually. This agreement covers a limited number of licenses that do not meet the City's current needs. The ELA will allow IT to deploy software products from the GIS system as needed to support its growth. A City GIS Advisory team recommended this purchase and the Information Technology Oversight Committee approved the recommendation.

This ELA has been negotiated with ESRI since they are the sole provider of their GIS products and the City's GIS system is based on ESRI GIS products. The agreement is for one year with the option to extend two additional one-year periods. The terms of the agreement allow the City to cancel the agreement due to lack of funding.

20. AGREEMENT AMENDMENT: Lin Cum, Inc.

APPROVED Agreement Amendment No. 2 with Lin Cum, Inc., for microfilming and electronic imaging of building and engineering plans in an amount not to exceed \$58,000.00. The vendor creates aperture cards and an archival-quality backup roll. The vendor then sends the aperture cards and the original plans to the City and stores the microfilm roll per State of Arizona standards. This is the second of four one-year extensions. There are no price increases.

21. AGREEMENT AMENDMENT: Scott Reprographics

APPROVED Agreement Amendment No. 3 with Scott Reprographics for blueprinting services in an amount not to exceed \$50,000.00. This is the final optional one-year extension.

22. CONTRACT: Salt River Project

APPROVED Contract #WW0501-402 to Salt River Project (SRP) for design and construction for the installation of equipment to expand service for the Airport Water Reclamation Facility to meet future power requirements in an amount not to exceed \$47,022.00.

The Airport Water Reclamation Facility is located at 905 E. Queen Creek Road, just west of McQueen Road. An expansion of the facility processing capacity was required due to population growth as determined by using current Planning Department population projections and by reviewing wastewater flow modeling forecasts. The net wastewater processing capacity of the facility will increase from 10 million gallons per day to 15 million. The facility expansion began in FY 2004/05. This contract provides for the design and construction contract to SRP to modify two separate non-dedicated distribution circuits to support future load requirements necessary to serve the facility. The separate non-dedicated distribution circuits support the increased loads due to expansion and also provide redundancy to avoid loss of services in the event of a loss of power from one SRP source.

23. CONTRACT CHANGE ORDER: B&F Contracting, Inc.

APPROVED Contract #WA0401-402, Change Order No. 2, to B&F Contracting, Inc., for the water main replacement Phase 2 in an amount not to exceed \$93,616.42, for a revised contract price of \$2,324,117.42.

This project was designed to upgrade existing water distribution facilities in a central City neighborhood in the proximity of Ray and Hartford roads. This included approximately 18,000 feet of new pipe, nearly 300 new water meters and numerous appurtenances.

The original alignment of the proposed new pipe was to be in the same location as the existing pipe which is behind curb and in residents' front yards. The realigned mains were placed in the road to avoid continuous shutdowns and avoid digging in residents' front yards. Change Order 2 reflects all final field quantities for asphalt replacement and vertical realignments that had to be added during the project to accommodate the revised design. Additional new water meters were also installed to reflect new City Standards.

24. CONTRACTS: Visus Engineering Construction, Inc.

APPROVED Contracts #ST0702-401 and #ST0711-401 to Visus Engineering Construction, Inc., for construction of street capacity and safety improvements at three intersections in an amount not to exceed \$270,000.00.

Public Works has a program to construct minor street capacity and safety improvements throughout the City. Projects are typically grouped by geographic location and bundled together for bidding purposes to obtain economies of scale. This project includes construction of three turn lanes: (1) an eastbound deceleration lane at Ocotillo and Alma School roads, (2) an eastbound left turn bay on Ocotillo Road and Jojoba Way, and (3) a northbound deceleration lane on Alma School Road at Lake Drive.

25. CONTRACT AMENDMENT: Engineering and Environmental Consultants, Inc.

APPROVED Contract #ST0818-101, Amendment No. 1, with Engineering and Environmental Consultants, Inc., for the downtown storm drain improvements in the amount of \$9,840.00 for a revised contract total of \$33,370.00.

The City has an existing Intergovernmental Agreement (IGA) with the Flood Control District of Maricopa County (FCDMC) to cost-share drainage improvement projects. Pre-design analysis is needed for documenting the 10-year flood protection for projects through a Candidate Assessment Report (CAR) per the FCDMC prior to release of funds. Through the base contract, additional projects in the downtown area were identified. This amendment studies the additional projects including improvements to the Detroit Basin and Armstrong Park and the effect these improvements would have on the Denver Basin. The CAR will be updated for submittal to the FCDMC.

26. CONTRACT: Quest Civil Constructors

APPROVED Contract #WW0805-402 with Quest Civil Constructors for sewer manhole rehabilitation in an amount not to exceed \$843,843.00.

The Wastewater Master Plan identified an on-going need to evaluate, prioritize and repair deteriorated sewer manholes within the City's collection system. In November 2008, the third phase of an on-going sewer system assessment study identified several sewer manholes in need of repair or replacement at various locations throughout the City of Chandler. This contract provides for the rehabilitation of the identified sewer manholes.

27. PURCHASE: Sunland Asphalt

APPROVED the Purchase of reconstruction, repair and resurfacing services from Sunland Asphalt for basketball courts at Apache, Brooks Crossing, Pueblo Alto, Maggio Ranch and San Tan parks, utilizing the Dysart Unified School District contract, in an amount of \$194,256.57.

28. PURCHASE: Micon Construction

APPROVED the Purchase and Installation of playground equipment and surfacing for Brooks Crossing and Shawnee parks from Micon Construction, utilizing the Mohave Educational Services Cooperative (MESCC) contract, in the amount of \$113,398.66.

Brooks Crossing Park is an 8.15-acre neighborhood park originally constructed in 1982 and is located in the square mile bordered by Warner, Alma School, Ray and Dobson roads. Community Services Staff has received requests to add playground equipment suited for younger children. Currently, the park only has playground equipment appropriate for children ages 5-12. The new playground equipment will be suitable for children ages 2-5. New swings and playground surfacing will also be installed.

Shawnee Park is a 17.55-acre neighborhood park originally constructed in 1983 and is located in the square mile bordered by Elliot, Alma School, Warner and Dobson roads. Currently, the swings and playground equipment for ages 2-5 do not meet the guidelines of the National Playground Safety Institute. A new playground structure for ages 2-5 along with new swings and playground surfacing will be installed as part of this project.

29. PURCHASE: West Coast Equipment

APPROVED the Purchase of street sweeper brooms from West Coast Equipment, utilizing the City of Tempe contract, in an amount not to exceed \$60,000.00.

30. USE PERMIT EXTENSION: Cowled Insurance Agency

APPROVED Use Permit UP08-0048 Cowled Insurance Agency, extension to allow the use of a single-family home as a commercial business located at 1505 N. Alma School Road, north of the NEC of Alma School and Knox roads. (Applicant: Michael Cowled.)

A 1,600 square foot duplex was constructed on the subject parcel in 1972. On-site parking is provided by four spaces for the north unit and three spaces for the south unit. The property fronts onto Alma School Road, while Calle Del Norte and the adjacent alley provide access to the parking areas.

The site received Use Permit approval for the operation of a professional office under the Residential Conversion Policy (RCP) in November 2003 with a one-year timing condition. In late 2004, a Use Permit application was filed and approved by Council in early 2006, with a one-year timing condition due to a new property owner and the previous conditions not being met. As part of the previous Council approval, there were a number of conditions addressing site improvements such as required landscape improvements, parking area improvements and parking screening. A number of the conditions have been met except for the paving of the driveway on the north side of the site and the laying of pavers for the front path. The remaining work has not been completed due to financial difficulties as well as other improvements necessary for the interior. The applicant has indicated that the pathway and driveway will be completed within the next six months.

Traditionally, Use Permits of this nature would return with a recommendation of approval for an additional three years finding compliance with all conditions of approval. In this case, based upon the original conditions not being completely met, Staff recommends approval for an additional one year to allow the applicant time to complete the required improvements.

The Cowled Insurance Agency provides financial, insurance and investment and final expense services for seniors and the general public. The agency is open Monday through Friday, 8 a.m. to 5 p.m. The applicant represents a low on-site traffic generation due to the majority of business taking place by phone fax or email. Meetings occur at the client's home or other location.

The RCP 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 front yard landscaping for the aesthetic streetscape setting of the home and buffering from adjacent residences. This request meets the requirements of the RCP.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held November 25, 2008. There were no neighbors in attendance. Staff has received two telephone calls with general questions and support for the extension. Staff has also spoken with a resident expressing concern regarding an excess of vehicles on the site as well as the height of the screen wall at the corner.

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

1. Any expansion or modification beyond the approved Site Plan shall void the Use Permit and require a new Use Permit application.
2. The driveways shall be improved with decorative pavers, concrete or asphalt within six (6) months from Council approval, or the Use Permit shall be null and void.
3. The number of employees occupying the residential conversion shall not exceed two (2).
4. The Use Permit shall be effective for a period of one (1) year from the date of Council approval. Operation of the business beyond that date shall require re-application and approval of a new Use Permit.

31. USE PERMIT EXTENSION: Valley Christian High School

APPROVED Use Permit UP08-0050 Valley Christian High School, extension to allow the use of a modular building as a classroom at 6900 W. Galveston Street. (Applicant: Allan Alvarado, Danielle Briggs, Valley Christian High School.)

The subject building is located west of the NEC of Galveston and 56th streets, on the Valley Christian High School campus. It is located approximately in the center of the site along Galveston Street. Directly north, adjacent to the campus, is the Chandler Crossing single-family residential neighborhood. Directly east, adjacent to the school football field, are the Union Pacific railroad tracks. South, across Galveston Street, is a vacant field and industrial-zoned properties. West, across 54th Street is vacant property zoned PAD for industrial uses.

Valley Christian High School was originally zoned in 1993 with Preliminary Development Plan approval for the present site plan granted in 1995. In 2000, a Use Permit for a temporary modular classroom building was approved for three years. In 2003, the Use Permit was extended for an additional five years. At that time, the school anticipated funds would be available to begin the process of building the permanent 9,000 square foot structure that would house additional classrooms and a fine arts center. The expansion is proposed where the existing modular building is located. The school is currently in the process of raising funds and anticipates the funds being available by the spring of next year.

In addition to the modular building, the Valley Christian High School campus includes the main classroom building, gymnasium, baseball/softball field and football field/tract. The modular building is located east of the main classroom building and is screened from 56th Street. Galveston Street is a dead-end street serving only the high school on the north side and three industries on the street south side. Existing landscaping and a large parking lot screen the portable building from Galveston Street.

The modular building totals 3,500 square feet and is divided into four classrooms of equal size. The building includes fire sprinklers to meet City Code requirements. Each classroom's doors are ground level, thus no ramps or stairs are required. The modular building provides a temporary solution to accommodate present growth while expansion plans are underway.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held January 20, 2009. There were no neighbors in attendance. Staff has received one phone call in support of the request and no correspondence in opposition.

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

1. The Use Permit shall remain in effect for five (5) years from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to the City of Chandler and approval by the City of Chandler.
2. Substantial expansion or modification beyond the approved exhibits shall void the Use Permit and require new Use Permit application and approval
3. The site shall be maintained in a clean and orderly manner.

32. Moved to the Action Agenda

33. USE PERMIT EXTENSION: Leisure Living for the Elderly

APPROVED Use Permit UP08-0060 Leisure Living for the Elderly, extension to operate an assisted living home for up to eight residents within an existing single-family home located at 507 N. Nantucket Court. (Applicant: Nhor Latinovich/ Owner/operator.)

The subject site is located north and east of the NEC of Chandler Boulevard and McQueen Road within the Tradition single-family subdivision. The home is located within a cul-de-sac and is surrounded by single-family homes. The subject site received Use Permit approval to operate an assisted living home for up to eight residents. The Use Permit was approved with a one-year timing condition. The applicant is requesting an extension of the Use Permit for an additional three years.

Assisted living homes are required to obtain a Use Permit when there are more than five residents living together in a single dwelling unit, excluding staff. The applicant has been operating an assisted living home at this location for the past six years, only requiring a Use Permit this previous year. The maximum potential number of residents allowed with a use permit is ten, excluding staff; however, the applicant is only requesting up to eight residents. Additionally, the number of residents allowed is based upon requirements provided by the State Health Department which requires that a single user bedroom shall be 80 square feet and two residents may share a room if the room is 12 square feet or more. On no occasion can a bedroom exceed more than two residents. The rooms for this application conform to these requirements.

The applicant has operated this facility as the owner/administrator for the past five years and operated another facility prior to this facility. In addition, the applicant is a Certified Manager and Program Trainer for Caregivers licensed by the Department of Health Services and licensed by the Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on January 5, 2009. There were no neighbors in attendance. Staff has received one phone call from a resident who previously opposed the request with the prior Use Permit. Since the approval of the previous Use Permit, this resident supports the request. Staff has received no correspondence in opposition to this request.

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

1. The assisted living home shall have no more than eight (8) residents at any time.
2. Should the applicant sell the property, this Use Permit to operate an assisted living home shall be null and void.

3. This Use Permit shall remain in effect for three (3) years from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require reapplication to and approval by the City of Chandler.

34. Moved to the Action Agenda

35. SPECIAL EVENT LIQUOR LICENSE: Chandler Chamber of Commerce

APPROVED a Special Event Liquor License for the Chandler Chamber of Commerce for the Ostrich Festival, March 13-15, 2009, at Tumbleweed Park, 2250 S. McQueen Road. The Police Department reports 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.

36. SPECIAL EVENT LIQUOR LICENSE: Chandler Chamber of Commerce

APPROVED a Special Event Liquor License for the Chandler Chamber of Commerce for the Chamber Mixer – Ostrich Festival Kickoff, March 12, 2009, at Thorobred Chevrolet, 2121 N. Arizona Avenue. The Police Department reports 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.

37. LIQUOR LICENSE TEMPORARY EXTENSION OF PREMISES: Fibber Magees

APPROVED a Temporary Extension of Premises for a Series 6 Bar Liquor License (Chandler #45077 L06) for T. W. Steves LLC, dba Fibber Magees 1989 W. Elliot Road, Suite 19, for a St. Patrick's Day Festival on March 17, 2009. Recommendation for a temporary extension of premises for State Liquor License #06070661 will be forwarded to the State Liquor Department. The Police Department has no objections to this extension and the applicant has applied for a Temporary Sales and Promotional Event Permit through Neighborhood Resources.

38. FINAL CONDOMINIUM PLAT: 56th Street and Chandler Condominium

APPROVED Final Condominium Plat CPT08-0010 56th Street and Chandler Condominium, for a planned industrial and motor vehicle repair development located 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 site is zoned Planned Industrial District (I-1) and has been granted a Use Permit to also allow motor vehicle repair.

ACTION:

32. USE PERMIT: Potrero Bar & Grill

APPROVED a 3 year Use Permit UP08-0053 Potrero Bar & Grill, Series 6, for the sale of all spirituous liquor within a restaurant and entertainment facility in the Chandler Mercado shopping center at 2061 N. Arizona Avenue. (Applicant: Duck Hong/Sam Lee.)

Background: The application requests Use Permit approval to continue to sell and serve all spirituous liquor within a night club in the northern portion of the Chandler Mercado retail center at the NEC of Warner Road and Arizona Avenue. The tenant space is immediately east of the existing Dollar Tree store. A day care facility exists in the center approximately 270 feet from the subject suite that is open Monday through Friday until 6:30 p.m. North of the shopping center is the Thoroughbred Chevrolet auto dealership; east are the Biscayne Bay Apartments; south, across Warner Road, are a fuel station and industrial uses; and west, across Arizona Avenue is the East Valley Mall.

The business opened in October 2007 after receiving one (1) year Series 6 liquor Use Permit approval. At the time, Potrero was represented as a hybrid sports bar/restaurant/live entertainment facility. It has since become primarily a live entertainment facility, though it has retained its kitchen. There is a stage and dance floor. Hours of operation are currently 4 p.m. to 2 a.m. Thursday through Saturday, with live entertainment beginning at 9 p.m. They plan to expand to seven days a week with similar hours.

Previous to opening, the subject business received Use Permit approval for one (1) year in September 2006 to sell alcohol in conjunction with a Series 12 Restaurant License. However, upon inspection of the business, the Arizona Department of Liquor Licenses and Control directed the applicant to pursue a Series 6 Bar License because the floor layout was not, in their judgment, conducive to a restaurant operation under the requested Series 12 license.

The Chandler Mercado shopping center was approved in April 2006 for a major rehabilitation that included construction of new retail space, dividing of the former Kmart space into multiple tenant spaces, new landscaping, new monument signage and a façade overhaul. The rehabilitation was done with assistance from the City's Commercial Reinvestment Program. The shopping center is zoned to allow Community Commercial (C-2) uses, including restaurants or bars.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on January 21, 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. The owners of the nearby day care are opposed to the request due to the proximity of their business.

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

1. The Use Permit is for a Series 6 license only and any change in type of license shall require reapplication and new Use Permit approval.
2. Expansion beyond the approved floor plan shall void the Use Permit and require new Use Permit application and approval.
3. Any substantial change in the floor plan to include such items as, but not limited to, additional bar serving area or the addition of entertainment-related uses shall require reapplication of the Use Permit.
4. The Use Permit is non-transferable to any other location.
5. The Use Permit shall remain in effect for three (3) years from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require reapplication to and approval by the City of Chandler.
6. No alcohol shall be carried outside of the building into the parking lot or off-premises. Also, the sale of "to go" packaged liquor is prohibited.

7. The area adjacent to the establishment shall be maintained in a clean and orderly manner.

MS. SANTA MARIA said that the Chandler Mercado shopping center has two owners and she represents the ownership on the south half by PGA. She expressed concern as it was not in the best interest of the community. By granting this, the focus of the establishment changes from a restaurant to a drinking establishment. She cited security and littering concerns. She said there was a day care in the center and a residential area behind it. She expressed concerns with impacts the leasability of the center. She didn't believe it was a good tenant mix.

Councilmember Orlando asked why this was a 3 year recommendation. Mr. Dermody said prior to this evening, they had not received any word of ongoing problems at this location. He said there was opposition from the daycare owners, but the lack of a land use conflict on the record for this location caused the 3-year recommendation. Mr. Dermody said the applicant has had a one-year permit that expired in October. They had a series 12 that was not approved by the state due to the bar oriented floor plan.

In response to questions from Vice Mayor Caccamo, MR. DERMODY said that the State Law requires bars to be away from schools by 300 feet, but this is not applicable in this case as the business in the center is a daycare, but it would be outside of that distance anyway.

COUNCILMEMBER HEUMANN clarified that there is a change from the entertainment use being 2-3 nights a week to potentially 7 nights a week. He expressed his concern with a 7 night a week situation with out giving it a one-year permit. Mr. Dermody said staff would also be supportive of a one-year permit.

COUNCILMEMBER WENINGER asked if the last time Iguana Mack's permit came before Council, if it was changing from a 12 to a 6. Mr. Dermody said he believed so. He confirmed that this site has been a Series 6 for a year. Councilmember Weninger said he wanted to provide some consistency.

The applicant, MR. SAM LEE, 2307 W. Hidden Valley Court, Oxnard, CA. said the plaza was really dying before Potrero moved in. In regards to broken bottles, he said that up until a few months ago there was another business a few doors down from them that host parties, and they were having problems. He stated that Potrero doesn't experience any problems. He clarified his Series 12 license was never used. He said his business has gone through a probation period and he would request a longer time period.

MAYOR DUNN clarified that the business originally was approved as a Series 12, but due to the State's recommendation, the applicant is a Series 6. He asked if there are any changes in the floor plan, entertainment, etc. MR. DERMODY said there are no changes to the floor plan. The greatest change is the live entertainment to 7 days a week. There are no major problems reported from the Police Department. In the early part of 2008, economic development staff received a report of broken bottles in the parking lot. As he is aware, the problems have stopped. Mr. Dermody said the establishment does not open until 4 p.m. and entertainment begins later in the evening. He added that they could open earlier.

COUNCILMEMBER DONOVAN asked if the expansion of days that entertainment is offered is reason to recommend a one-year over a three-year period. Mr. Kurtz said it is a judgment call as staff decides if the proposed change brings any new externalities or land use conflicts. This shopping center is in a non-residential area. He viewed this more of an operational change.

MR. DERMODY clarified that Iguana Mack's received a one-year permit when changing from a Series 12 to a Series 6. A 3-year extension was granted after that. He corrected an answer regarding the proximity of the daycare. MR. DERMODY said it was approximately 270 feet.

MAYOR DUNN clarified that the day care is not considered a school and has been removed from the statute. CITY ATTORNEY Wade concurred. MAYOR DUNN inquired about the residential proximity. MR. DERMODY said the closest residential is behind the PGA Superstore and is approximately 500-600 feet away. Mr. Dunn confirmed there are no noise complaints.

VICE MAYOR CACCAMO asked if the daycare had a kindergarten class. MR. DERMODY said he believed not. MR. KURTZ noted that the State had already issued them a Series 6 liquor license, so he didn't feel that was the case. MAYOR DUNN added that assumption may or may not be correct.

COUNCILMEMBER HEUMANN asked when the renovation occurred and when the PGA Superstore became a tenant. MR. DERMODY replied that the redevelopment of the shopping center was approved in April 2006. Most of the work would have been done before or during the opening time of Potrero. Councilmember Huemann said he didn't know so much if this particular tenant drove the leasing as he feels the anchor is what drove it. He confirmed with Mr. Smith, Economic Development that the PGA Superstore opened in October 2007 and the additional leasing of the center increased. The RBI side has been steady since the renovations.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER DONOVAN TO APPROVE THE USE PERMIT 08-0053 TO INCLUDE A 3-YEAR PERIOD.

COUNCILMEMBER ORLANDO said that he wants to be consistent with what was approved with Iguana Mack's. Live entertainment always is a concern for him and he is still concerned that there is not a good answer on the nursery, however, he would still like to approve this.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER HEUMANN TO AMEND THE MOTION BY AMENDING CONDITION 5 TO BE STIPULATED AS "ONE-YEAR" FROM THE DATE OF COUNCIL APPROVAL.

COUNCILMEMBER WENINGER expressed his concern with the unfairness of a one-year permit as there are no residents. He inquired about the calls for service at this site. ACTING CHIEF GAYLORD responded that although he does not have an exact number, the number is very low. Councilmember Weninger reiterated that there were no residents around, very little opposition, and staff recommends approval.

COUNCILMEMBER ORLANDO explained the differences are he hasn't had a full year with the liquor license and 2 people have come forward with concern. Although there is 600 feet to the nearest resident, there is a need to be cautious by applying the one-year limit with the option to entertain a 3-year permit next year.

COUNCILMEMBER HEUMANN said he supported the amendment due to the expansion of days to provide entertainment.

Mr. Lee said the business has been in operation for more than one year. It has been 14 months.

WHEN THE VOTE WAS TAKEN ON THE AMENDMENT FOR A ONE YEAR PERMIT, THE MOTION FAILED FOR LACK OF MAJORITY (3-4) with Mayor Dunn, Councilmember's Donovan, Weninger and Sellers voting nay.

WHEN THE VOTE WAS TAKEN ON THE ORIGINAL MOTION FOR A THREE YEAR PERMIT, THE MOTION CARRIED BY MAJORITY (5-2) WITH COUNCILMEMBER'S HEUMANN AND ORLANDO VOTING NAY.

34. USE PERMIT: Hollywood Billiards & Internet Cafe

APPROVED a one-year Use Permit UP08-0068 Hollywood Billiards & Internet Café, Series 7, for the sale of beer and wine within an establishment at 3029 N. Alma School Road, Suite #114. (Applicant: Duck Hong/Sam Lee.)

Background: Hollywood Billiards is a billiards hall, Internet café and entertainment facility located at the NEC of Elliot and Alma School roads within the Paseo Del Oro shopping center anchored by Pure Fitness. The tenant space, formerly occupied by Peter Piper's Pizza, has been occupied by the subject business since early 2007. The business received City approvals for a Series 12 Restaurant License in July 2007, but the State did not process the license due to the entertainment-oriented floor plan rather than one more typical of a restaurant. The current Series 7 Liquor use Permit was approved in December 2007 for one (1) year.

The business is open 10 a.m. to 2 a.m. Sunday through Thursday and 10 a.m. to 3 a.m. Fridays and Saturdays. The suite consists primarily of a pool hall area, a party room in the southern portion of the suite, and an Internet café near the suite entrance. The party room contains several pool and air hockey tables, a stage for live entertainment and a dance floor. The party room was added in late 2008 in space formerly dedicated to pool tables without building permits and in violation of the existing Use Permit for alcohol sales. The business ownership was instructed in early January 2009 to cease use of the party room pending the current Use Permit request. Building permits have been applied for.

The shopping center is zoned to allow Community Commercial (C-2) uses, including restaurants, bars and pool halls. The center has two active Use Permits for alcohol sales: a Series 9 Liquor Store Use Permit for Liquor Square and a Series 6 Bar Use Permit for Priceless Too; both of the existing liquor uses are located at the center's southeastern end. The subject suite's previous occupants, Peter Piper's Pizza and Pistol Pete's, sold alcohol under a Series 7 Wine & Beer License.

A facility with a Series 7 Wine & Beer License must be located at least 300' from schools with K-12 programs and churches. The request meets this requirement. A church and a charter high school are located on the second floor on the center's northern end and a day care is located within the Pure Fitness facility. The church and high school are located more than 300' from Hollywood Billiards.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on January 22, 2009. 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. In early 2008, a residential neighbor complained about a rear door being left open at night. After

the business was reminded of their Use Permit commitments, the rear door reportedly ceased to be a problem.

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

1. The Use Permit granted is for a Series 7 License only and any change of license shall require reapplication and new Use Permit approval.
2. The Use Permit is non-transferable to any other location.
3. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
4. No alcohol shall be carried outside of the building into the parking lot or off-premises. Also, the sale of "to go" packaged liquor is prohibited.
5. 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.
6. There shall be no customer access through the rear of the building.
7. The applicant shall install software on the computers to prevent access to adult-oriented sites, Internet gambling sites, and other inappropriate sites for children.
8. Live and recorded music must be controlled so as to not disturb the adjacent neighborhood.
9. The area adjacent to the establishment shall be maintained in a clean and orderly manner.

The applicant, MR. LEE, asked Council for a 3-year extension period.

COUNCILMEMBER WENINGER clarified that the concern is that there was a wall put up, with out a permit but is not close to being approved. He asked if there any other issues in this probationary period. MR. DERMODY replied that there have not been a large number of police calls or complaints from the neighborhood. COUNCILMEMBER WENINGER asked why the one year recommendation. MR. DERMODY stated that one reason is the wall being erected to create a room without applying for a permit. Secondly, they are adding a live music element. There is a neighborhood directly behind this business. There is just an alleyway in between the business and the nearest home.

MAYOR DUNN said he would be supporting the staff recommendation of a one year permit as his concern does deal with the nearby residential.

MR. LEE said there has been a sound proof wall attached now. MAYOR DUNN said as he used to live in the area, he understands how close the shopping center is to the neighborhood.

COUNCILMEMBER WENINGER said he was supportive of the staff recommendation as it is close to the neighborhood. He thanked Mr. Lee as part of the business community that is forging ahead in this type of economy.

MOVED BY COUNCILMEMBER HEUMANN, SECONDED BY VICE MAYOR CACCAMO TO APPROVE THE USE PERMIT AS RECOMMENDED BY STAFF AND PLANNING AND ZONING COMMISSION FOR ONE YEAR WITH THE RECOMMENDED STIPULATIONS. MOTION CARRIED UNANIMOUSLY (7-0)

RECESS: The Mayor called a recess at 8:35 p.m. and reconvened the meeting at 8:50 p.m.

39. PAD AMENDMENT: Fulton Ranch

Ord. #4101

COUNCILMEMBER WENINGER DECLARED A CONFLICT OF INTEREST ON THIS ITEM AND LEFT THE DAIS.

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4101, DVR08-0032 Fulton Ranch, amending the PAD zoning condition 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.)

Background: 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 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.

MS. NOVAK said the developer and applicant held a neighborhood meeting on February 23, 2009 and noticed all property owners living in Parcels 3 & 4. There were approximately 50 residents in attendance. The developer reviewed the request and had the displays of the housing product. Residents had questions regarding price of the homes, marketing, phasing and the current market in the area. Ms. Novak said that due to the small amount of residents in attendance tonight, they believe that most of their concerns were satisfied.

MR. BRENNAN RAY, 702 E. Osborn, representing Fulton Homes Corp. confirmed that 93 notices were sent with 51 attendees. It is their perception that the neighbors agreed that Fulton remain the builder in Fulton Ranch. The neighbors did ask for an enhanced architectural distinction on the entrances to Parcels 3 & 4 to which Fulton Homes has agreed. The proposal does create additional housing choices within Fulton Ranch which provides for a more complete master planned community.

MAYOR DUNN asked what gated communities Fulton Ranch provided. Mr. Ray said Parcel 6, the custom home parcel, is gated. The Cachet townhomes and condos in Parcels 8 & 9 are gated. He said there was some discussion in gating parcels 3 & 4, however it would require 100% signoff from the homeowners. The feedback from the meeting was there was not unanimity.

MS. AMANDA FRISARD, 290 W. New Dawn Drive, said they are basically in a no win situation. She expressed her concern with this proposal not being the package they were sold when they purchased their home. She hoped Council's vote would not set a precedent for builders to get bailed out from what they proposed before you previously. She hoped that any future cases would be made transparent and more informative beginning at the Planning & Zoning Commission hearing.

COUNCILMEMBER HEUMANN asked if the monument sign mentioned needed to be stipulated. MR. KURTZ stated that would be done under an administrative review. Councilmember Heumann thanked the applicant for holding the meeting. He commended Fulton Homes for being a good neighbor and builder in the city and he hoped this would be a good resolution.

MOVED BY COUNCILMEMBER HEUMANN, SECONDED BY COUNCILMEMBER SELLERS TO INTRODUCE ORDINANCE 4101, DVR08-0032 FULTON RANCH WITH PRELIMINARY DEVELOPMENT PLAN SUBJECT TO THE CONDITIONS AS RECOMMENDED BY PLANNING COMMISSION AND STAFF.

COUNCILMEMBER SELLERS said this has been a difficult decision with these times, but he feels it important to keep Fulton as the builder in Fulton Ranch.

MAYOR DUNN thanked Fulton Homes and the neighbors.

MOTION CARRIED UNANIMOUSLY (6-0).

40. ZONING EXTENSION: QuikTrip – Arizona Avenue and Germann Road

APPROVED a three-year zoning extension for DVR08-0036 QuikTrip (Arizona Avenue & Germann Road) for PAD zoning for a gas station use on approximately 2 acres and Preliminary Development Plan amendment to allow QuikTrip to build prior to other commercial buildings. (Applicant: Charles Huellmantel & Affiliates, LLC.)

MS. JODIE NOVAK, explained the first request in this application is a zoning time extension for a 1.92-acre parcel at the SWC or Arizona Avenue and Germann Road. The PAD zoning approval was granted for a period of three years, which expired in April 2008. This applicant requests a three-year time extension. Time extensions are calculated from the previous zoning approval's expiration in which the zoning would be in effect, pending City Council approval, May 2011.

The second request is to amend the PDP building square footage requirements for construction to allow QuikTrip to build prior to other commercial buildings. The PDP approval for the Olive Tree Plaza commercial center represented development of the intersection corner retail shops pad along with the main commercial center. When the commercial center property owner, Cypress Point LLC, along with QuikTrip as the applicant, filed a request to amend the PAD zoning to allow a gas station use at the intersection corner, a PDP was included which amended the Olive Tree Plaza PDP. The amended PDP represented development of the gas station pad along with additional building square footage in the commercial retail center in accordance with Zoning Code Commercial Design and Development Standards requirements. At that time, the commercial center had intended to develop without delay. This application requests QuikTrip to build without additional building square footage in the commercial center.

Background: The QuikTrip parcel is one of three parcels originally under a single ownership, Cypress Point LLC. QuikTrip purchased their parcel in 2007. National Bank of Arizona owns a smaller parcel along Arizona Avenue. The original landowner maintains ownership of the largest parcel. The two remaining parcels are for sale and have yet to develop. QuikTrip would like to develop prior to the other parcels since development time is undeterminable on those properties.

The 1.92-acre parcel was approved for a gas station facility and convenience store as a part of a larger commercial retail center, Olive Tree Plaza. The commercial center's PDP was approved in December 2004. In May 1999, the commercial center was approved PAD zoning for conceptual commercial, permitting Community Commercial (C-2) zoning district uses. A gas station was not an allowed use, thus a zoning amendment was processed and approved in April 2005 for QuikTrip.

QuikTrip amended the zoning and PDP for Olive Tree Plaza replacing a 6,500 sq. ft. retail shops building at the intersection corner. The QuikTrip development includes a 5,104 sq. ft. convenience store and a 9,879 sq. ft. gas canopy with 10 double-sided fuel-dispensing units. The fuel units provide simultaneous service to 20 vehicles. The site provides 28 parking spaces; 21 spaces are required. The convenience store and gas canopy's architecture is designed to match the main center's architecture.

The Zoning Code requires a gas station/convenience store-type use at a major arterial street intersection to develop when it is an integral part of a larger planned commercial project. Furthermore, the Zoning Code was amended in 2001 to limit the construction timing and size of freestanding pad buildings to preclude standalone corner pads without development of the larger commercial center.

In accordance with the previously approved PAD/PDP for QuikTrip, the gas station/convenience store was to develop at the same time as the commercial center or with the development of at least an additional 12,000 sq. ft. of building area in the commercial center. Zoning Code states if a pad building is 12,000 sq. ft. or greater in building area located within any commercial site that is 10 net acres or greater in size, the pad building is allowed to be constructed prior to the balance of the commercial center. Any pad building 25,000 sq. ft. or less in building area located within any commercial site that is less than 10 net acres in size, shall be constructed concurrently or subsequently with at least 12,000 sq. ft. of additional building area in the commercial center.

The Olive Tree Plaza commercial center is 10.49 net acres in size. QuikTrip is requesting to develop 5,104 sq. ft. in building area, which is the convenience store, on property that is 1.92 net acres in size. The original zoning case did not include a request to develop QuikTrip prior to other commercial buildings. The application request does not meet the minimum criteria for construction of the freestanding pad to occur prior to the main commercial center as the convenience store is not a minimum 12,000 sq. ft. or greater in building area. The gas canopy does not count toward the minimum building area required for construction, as this structure is not an occupiable building area and shade canopies do not count toward building area. The proposed convenience store is not 12,000 sq. ft. in size to meet the development criteria, thus having to develop with approximately an additional 6,900 sq. ft. in building area to develop prior to the main commercial center.

The intent of the developable square footage requirement is to prevent uses such as, but not limited to, freestanding gas stations, convenience stores, pharmacies and markets from developing on properties 10 net acres or greater in size at intersection corners without the entire or portion of the commercial center developing.

The intersection of Arizona Avenue and Germann Road is designated as a Commercial Node on the General Plan Future Land Use Map. Commercial nodes, located at arterial streets, designate development of commercial centers. Commercial centers traditionally include a main retail center and ancillary freestanding pads. Freestanding intersection corner pads are to be situated so the main center remains visible and that the visibility and functionality of later phases is maintained. The location of intersection corner pads is reviewed as an integral part of a larger planned commercial project. QuikTrip was situated and designed as part of the larger Olive Tree Plaza commercial center.

The City's commercial standards for building square footage construction timing, as adopted in 2001, are intended to preclude if not discourage, what is proposed by this application. In development requests whereby an application specifies a waiver from the commercial standards, the City determines on a site-by-site basis the practicality and effect of developing standalone pads at arterial street intersections. Historically, properties 10 net acres or greater in size that have corner gas stations and convenience stores built prior to the commercial center, remain undeveloped and create difficulties for the surrounding parcel when development comes forward.

Staff is of the opinion that the request to develop QuikTrip prior to the main center with less square footage than required by Zoning Code potentially creates negative externalities with the remaining commercial land surrounding the subject site. Allowing for a gas station/convenience store development at a Commercial Node does not contribute to the long-term objective of sustaining optimum retail space at arterial street intersection corners.

The Zoning Code's limitations on pad building's development timing and building square footage implemented in 2001 is intended to prevent negative externalities such as lack of synergy,

matching architectural style, connectivity, access, integration and compatibility. The NEC of the intersection is an example of a gas station/convenience store development built in the County without being an integral part of a larger planned commercial project. Thus, the surrounding property has yet to develop in an orderly, integrated manner.

A concern QuikTrip had following zoning approval was that the gas station parcel did not have its own median break. Vehicular access to and from QuikTrip would be limited to right-in and right-out movements. If QuikTrip were approved to develop prior to other commercial buildings, access to the median break would require agreements with adjacent parcel owners to develop on-site parking areas, drive aisles and landscaping with cross-access easements to gain access to the median break.

QuikTrip could develop initially if approximately 6,900 sq. ft of additional building area were included in the proposal. The smallest buildings in Olive Tree Plaza include two retail shops buildings that are each 8,125 sq. ft. in building area and a freestanding pad with a drive-through that is 3,580 sq. ft. in building area. Development of one retail shops building with the gas convenience store would meet the minimum 12,000 sq. ft. building area requirement.

If the gas station/convenience store was approved to develop with or without additional building square footage, site improvements would be required including, but not limited to, perimeter landscaping around the entire Olive Tree Plaza project, parking areas associated with QuikTrip, drive aisles to and from QuikTrip, access to driveways on and off QuikTrip's parcel, off-site improvements including right-of-way dedications and/or improvements, intersection landscape feature, etc.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on January 7, 2009. A representative for Circle K located on the NEC of the intersection was present but did not express any opposition. Staff has received no correspondence in opposition to this request.

The request was denied by the Planning Commission. Those members denying the request commented that allowing QuikTrip to develop first would set precedence and the request to modify building square footage requirements for construction as required by Zoning Code should be determined by Council. One citizen spoke at the meeting representing a planned Chevron gas station at the NWC of McQueen and Germann roads as part of the Executive Toy Storage development. The citizen commented that this property is in the same predicament as QuikTrip in which the Chevron gas station cannot build without additional building square footage. The citizen stated if QuikTrip's request to build first is approved, the Commission needs to be fair and also approve a request to allow Chevron to build first.

COUNCILMEMBER WENINGER clarified that QuikTrip wouldn't be able to build until another property owner came forward. Councilmember Weninger asked about the development that came before Council a few weeks ago near the Airport. MS. NOVAK said it is a completely separate property. She stated that in the case of QuikTrip, at the time of the zoning, they did not ask to build before the shopping center. In the case of the ARCO gas station near the Airport, that zoning case was a conceptual zoning case that specifically established that every parcel would develop solely own it's own. Arizona and Germann was intended to be a commercial shopping center and zoned and PDP'd for one.

COUNCILMEMBER WENINGER inquired about Olive Tree Plaza and asked if they have submitted plans. MS. NOVAK stated that in December 2004, the property was graded. Later they were made aware of the owners selling off 2 other parcels to a bank. When the bank contacted staff, they were told they would not be able to develop by themselves as they did not have enough square footage; even if combined with QuikTrip, they did not have enough square footage to develop together. In 2007, the minor land division was recorded. She now understands that the property is for sale and she has had several inquiries about the uses.

COUNCILMEMBER WENINGER asked how much sales tax a typical QuikTrip would generate as he was told it was in the \$50-75,000 range yearly. Staff was unable to validate that number.

COUNCILMEMBER ORLANDO asked, excluding QuikTrip, what could be completed with the remaining 8 acres of the property. MS. NOVAK responded that an office complex or office combined with retail could develop. Staff has seen some successful development on 5-8 acres. It still is able to meet the commercial design standards for a viable commercial site.

In response to a question from Councilmember Orlando, MS. NOVAK said that when piecing a development, it is often extremely challenging to come in with a development that is orderly, has architectural integration, and vehicle and pedestrian access. She referred back to a project (Santa Maria Village). If someone sells this property, the PDP and zoning remain with this property. COUNCILMEMBER ORLANDO questioned if there is already a plan in place, then how it would that become challenging if it is known what the vision is for the site. Ms. Novak said that while that is a good comment, the challenge is that may never build and it sets a large precedent to allow individual pads to build ahead of the rest of the site which is the purpose of the design standards. It then gives the appearance of being able to "spot zone" and come in on their own parcels and further subdivide and not have to have any other relationship with another's parcel, which makes it more challenging for the City. She gave the example QuikTrip at the southeast corner of McQueen and Chandler where that had 5 property owners. The owners came up with a conceptual plan on that project. QuikTrip in that application, that was processed at the same time as the one at Arizona Avenue and Germann, specifically requested in that application to build first. She said they did not ask for that in the Arizona and Germann case. MS. NOVAK noted the McQueen and Chandler location was an in-fill and redevelopment area.

MAYOR DUNN stated that what he wrestles with is that there is a plan here. He said he would be more concerned if this was a single owner instead of two separate owners as sometimes when you build the corner, that may be your profit motive. But in this case, there are two separate property owners and we have already approved the gas station use on the corner. He questioned if the remaining landowner would have the same interest in developing his remaining site whether the gas station comes early or comes along with his development. Ms. Novak said if it was a different owner possibly, but she understands that the company that owns it has no intention of developing it, that they want to sell this property. The ones that they are marketing to, are the ones that have been coming in and they are not commercial retail centers, nobody is planning on coming in and developing the same architecture or the same layout and if QuikTrip comes in on their own, she wouldn't think it unusual if they came back with a PDP and changed their architecture since they don't need to match an architecture.

In response to a question from Councilmember Heumann, MS. NOVAK said if this application was for a gas station alone, he would not approve it; however, it is part of a center that has been approved and there is an applicant ready to build. He referred to a statistic that states that Chandler is one of the overbuilt retail cities in the country in terms of square feet per capita. He questioned the viability of a retail center, but even if it wasn't a retail center, the builder would

need to come through the process and the architecture, in his opinion, would have to match what QuikTrip is doing. He stated his concern of not allowing someone to build that has approval.

MS. NOVAK clarified that when QuikTrip came in with their amendment it was a PAD amendment to allow a gas station use. The PDP amendment was to the entire shopping center's site plan. The shopping center had two zoning conditions. One requirement was that the corner pad be further architecturally integrated with the rest of the center. The other condition was that the intersection achieve a stronger landscape theme. If QuikTrip had come in a filed their own application, she didn't think the project would have been approved the way that it is today. It has always been looked at part of the center, under the requirements of the zoning code.

MR. CHARLES HUELLMANTEL, on behalf of QuikTrip said there is a difference of opinion and of fact in the issues. He stated that QuikTrip was never to be a tenant in the larger project. They were always prepared to be an owner of a separate parcel. He said there were multiple hearings to discuss what the shopping center would be and how they would integrate in with it. They talked about negative externalities including drive locations, landscape and architectural features. He said the applicant very much wants to build, open and be a successful business in Chandler.

MAYOR DUNN confirmed with Mr. Huellmantel that the applicant is willing to build to the specifications and designs that were originally approved in terms of those details and the design would be done in a way that there would be a connection with the retail center in the future. Mr. Huellmantel responded affirmatively.

COUNCILMEMBER WENINGER said that he understood the position of staff, but he noted that it is an allowed use. He commented that this project would general construction sales tax revenue and sales tax revenue that is very much needed. He said he was familiar with QuikTrip as it was in his hometown before moving to Arizona. He felt the stores were very clean, provided an incredible selection and were well maintained. He has confidence that the staff will hold the next development to hold to the standards and will be able to work out the connectivity. A vacant lot is more unsightly than a partial development with a QuikTrip.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER ORLANDO TO APPROVE THE EXTENSION OF TIMING CONDITION FOR CASE DVR08-0036 QUIKTRIP, ARIZONA AVENUE AND GERMANN ROAD FOR AN ADDITIONAL 3 YEARS IN WHICH THE ZONING WOULD BE IN EFFECT TO MAY 11, 2011, WITH ALL OF THE CONDITIONS IN THE ORIGINAL APPROVAL REMAINING IN EFFECT AND APPROVE THE REQUEST TO AMEND THE PRELIMINARY DEVELOPMENT PLAN BUILDING SQUARE FOOTAGE REQUIREMENTS FOR CONSTRUCTION TO ALLOW QUIKTRIP TO BUILD PRIOR TO OTHER COMMERCIAL BUILDINGS IN CASE DVR-08-0036 QUICK TRIP, ARIZONA AVENUE AND GERMANN ROAD WITH ALL THE ATTACHMENTS AND STIPULATIONS WITH STIPULATION NO. 1 STATING COMPLIANCE WITH ORIGINAL CONDITIONS ADOPTED BY THE CITY COUNCIL AS ORDINANCE NO. 3676 IN CASE DVR04-0046 AND ORDINANCE NO. 2980 IN CASE NO. PL98-173 EXCEPT AS MODIFIED BY CONDITION HEREIN.

COUNCILMEMBER HEUMANN clarified the reference in the staff report to building all the offsite and landscaping and asked if that needed to be stipulated. MR. KURTZ said they included that in their staff report for the expectation and having heard nothing from the applicant in terms of any objection without a need to stipulate.

MAYOR DUNN said he had 10 cards in support and one speaker card.

MR. RAY CHAN, 2414 E TONTO, CHANDLER spoke in support of QuikTrip's request. He represents TJ OIL and said they are in the same situation as the project they have been working on is on the northwest corner of McQueen and Germann – Executive Toy Storage. The project on the corner is for a Chevron station and was approved by the City. Unfortunately, the landowner developer has chosen to stop the development. TJ OIL also owns two other stations at Alma School and Germann and Chandler Boulevard and 56th Street. He said they hold high standards in the maintenance of their stores. He also asks for the same privilege to move forward with their Chevron Station.

COUNCILMEMBER WENINGER said the speaker does represent good Chandler business owners that do keep their stations maintained. In response to clarification, Ms. Novak explained to Councilmember Weninger the reason for the additional stipulation was that they want to make sure any zoning conditions that were approved either as part of QuikTrip or the overall shopping center that the applicant would still comply with them. While they may be approved to construct first, they will still be required to complete the landscaping and offsite improvements.

MOTION CARRIED UNANIMOUSLY (7-0).

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

- State of the City Address will be held on March 5th at 6:00 pm.
- Classic Car and Hot Rod Show to be held in downtown Chandler on Saturday, February 28
- Sister City Proclamation signing with Tullamore, Ireland on February 28
- Police Department Open House on Saturday, March 7

B. Councilmembers' Announcements:

Councilmember Caccamo said that the Center for the Arts would have an art exhibit with pictures of Steve McQueen.

The Ostrich Festival and the Ostrich Festival Parade are separated this year. The Festival will be held the weekend of the 14th and the Festival parade will be on March 7 at 10:00 a.m. Eddie Basha would serve as Grand Marshall and Barbara McQueen will be a special guest.

Councilmember Heumann noted the Fun Run on Arizona Avenue.

C. City Manager's Announcement:

None.

Adjournment: The meeting was adjourned at approximately 10:00 p.m.

ATTEST: _____
City Clerk

MAYOR

Approved: March 12, 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 26th 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 March 2009.

City Clerk