

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 Monday, April 6, 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
Trinity Donovan	Councilmember
Rick Heumann	Councilmember
Matt Orlando	Councilmember
Jack Sellers	Councilmember
Jeff Weninger	Councilmember

Also in attendance:

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

INVOCATION: Susan Stevens-Clarke, Chandler Bahai Faith

PLEDGE OF ALLEGIANCE: Councilmember Sellers

SCHEDULED PUBLIC APPEARANCES:

1. Recognition – El Dorado High School Basketball Champions

MAYOR DUNN asked the team members and coaches of the El Dorado High School Wolverines to join him. Mayor Dunn reported that the team began the season with no budget. However, Kurt Wheeler a first year teacher, organized a team that eventually led to a season end record of 21-1 and resulted in the team being the Arizona Charter Athletic Association's Eastern Division Champions. Mayor expressed his appreciation on behalf of the Council.

Mr. Wheeler expressed his appreciation to all the members of the team for overcoming adversity. He noted that they ended their regular season undefeated (18-0).

UNSCHEDULED PUBLIC APPEARANCES:

None.

CONSENT:

MAYOR DUNN noted that Councilmember Heumann has an alternative motion to Item 7 – Involuntary Severance Program. (After discussion by Council, this item was placed on the Action Agenda. All discussion occurring on this item is listed under the Action Agenda.)

COUNCILMEMBER SELLERS asked to be briefed on Item 23. PUBLIC WORKS DIRECTOR RJ ZEDER said the project is essentially ready to go out to bid. Staff is finalizing some property acquisition issues that should be complete within 60-90 days. This project has been submitted for reimbursement using federal stimulus funds. In comparison to the original schedule of bidding in January, the land acquisition took longer so the project is a few months behind schedule.

MAYOR DUNN confirmed that there would be aid to the businesses in the area in terms of having the least amount of disruption possible. MR. ZEDER replied that they would. He stated that with the help of Jeff Riggs, City Manager Intern, the process is being compared to findings of best practices of agencies throughout the country.

Councilmember Weninger asked about the project timeline and inquired about night work. MR. ZEDER said it would be about a 12-month project. CITY ENGINEER SHEINA HUGHES said that staff reviews a number of options in construction staging. During contract negotiations they look at constructability issues that allow for short term full closures that will allow for more work to be done in a very short period of time that may be of benefit to the businesses. Work is always done with the local stakeholder group.

COUNCILMEMBER WENINGER asked if it depends on the texture of the neighborhood. He noted that while there may be some residential, the residential is not near as prevalent as other corners. Ms. Hughes said as this project does go down to Frye and there is residential, they would try to eliminate night work adjacent to residential areas.

COUNCILMEMBER WENINGER commented that in these tough economic times, the Council needs to have all the options on the table. He stated he was baffled how it takes 12 months, especially in these times when people will want these kinds of construction projects. We should make our expectations known. MS. HUGHES said the construction conditions could be placed in the bid document. Mr. Weninger said that our expectations should be high.

He asked about the use of a private company for land acquisition. MR. ZEDER said a private company was contracted with several years ago. More than likely a project like this would be completed in-house. Mr. Zeder explained that through the design process the shape changed on some of the parcel acquisition so the appraisals need to be updated with new surveying. Councilmember Weninger asked if the landowners would unfortunately be getting the appraisals at the absolute bottom of the market. Mr. Zeder said he would be reluctant to go into too much detail in public, but there are only a few parcels that are needing to be moved to condemnation or moved forward with a voluntary transaction.

MAYOR DUNN commented that moving forward with construction now could save taxpayers quite a few dollars.

COUNCILMEMBER SELLERS said the reason he brought the issue up is because of a concern on whether the businesses have been kept noticed about the project status and he wanted to ensure we would do that as the project moves forward.

COUNCILMEMBER HEUMANN reiterated that in that intersection, there is one corner that just got remodeled through a private public partnership that's about half empty and he stated concern that whether or not some dollars are saved, or stimulus money is available, that if this project did proceed that the businesses need to be protected.

MAYOR DUNN asked about Item 26. COMMUNITY SERVICES DIRECTOR MARK EYNATTEN stated that in any playground they put in, the elements are to some degree ADA accessible. These improvements would be a universally accessible playground where the entire playground is ADA accessible. The Mayor's Commission for People with Disabilities has reviewed this and is very excited about the concept. By utilizing the City of Tucson contract, a 10% savings is realized.

MAYOR DUNN said in regards to Item 28, the concern for the Use Permit is about the number of horses. MR. DERMODY, Planner, responded that the issue is the number of horses, but the resident that will be speaking may not want the use permit approved at all. Mr. Dermody said that more residents might want to speak on this item.

MAYOR DUNN stated that Item 28 would be placed on the Action Agenda. He also asked that the City Hall item, Item 25, be placed on the Action Agenda.

Mayor Dunn announced that Items 7, 25, and 28 would be placed on the Action Agenda.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY VICE MAYOR CACCAMO, to approve the Consent Agenda as presented with the exceptions of Item 7, 25 and 28 being placed on the Action Agenda.

MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED, as presented, Minutes of the Chandler City Council Regular Meeting of March 26, 2009.

2. POWER DISTRIBUTION EASEMENT: Salt River Project Ord. #4133

ADOPTED Ordinance No. 4133 granting a no-cost power distribution easement to Salt River Project (SRP) for the purpose of installing and maintaining electrical facilities to a new building containing a private hangar constructed on City-owned property as part of the development of Chandler Municipal Airport.

3. POWER DISTRIBUTION EASEMENTS: Salt River Project Ord. #4137

ADOPTED Ordinance No. 4137 granting 14 no-cost 12kV power distribution easements to Salt River Project (SRP) to relocate and underground its power facilities along the north and south sides of Germann Road for the Dobson Road to Arizona Avenue Improvement Project.

4. PROPERTY SALE: Estrella Well Site Ord. #4113

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4113 authorizing the sale of approximately 7,000 square feet of City-owned land at the west side of 140<sup>th</sup> Street approximately one-quarter mile north of Ocotillo Road (known as the Estrella Well Site) at its appraised value of \$23,000.00 and dedicating a portion to Maricopa County for road right-of-way along with quit-claiming a parcel back for a shared driveway.

In 1988, the City of Chandler purchased the parcels as recorded by the Maricopa County recorder, on March 31, 1988 (Parcel "A") as Instrument No. 88-148713 and a second parcel, 88-148714 (Parcel "B").

The well site is now considered excess property and the City is willing to sell the property for its appraised value of \$23,000.00. All City Departments have responded in writing that they have no interest in the excess property and all utility companies have responded that they have no apparent conflict with the sale of the property.

A portion of Parcel "A" will be dedicated to Maricopa County for road right-of-way. In addition, Parcel "B" will be quit-claimed back to the shared driveway owners.

5. DEDICATION IN FEE: Chandler Park and Ride Ord. #4126

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4126 authorizing the dedication in fee of a portion of City-owned property for public roadway and dedication of a public utility easement adjacent to the Chandler Park and Ride located at the SWC of south Hamilton Street and Germann Road.

The Public Works Department is in the process of extending Hamilton Street south of Germann Road. In order to accomplish this, it is necessary to change the use of a portion of existing City-owner property at the site to another public use, road right-of-way. This action will also allow a deceleration lane to be placed along the south side of Germann Road prior to reaching South Hamilton Street. In addition, it is necessary to provide a public utility easement for the undergrounding of existing utilities including 12 kV lines.

By way of a separate instrument in the form of a deed, the City will grant the road right-of-way to the public in trust. By way of a public utility easement (PUE), the City will also grant to the public in trust a public utility easement. These documents will be in a form approved by the City Attorney.

6. PAD ZONING AMENDMENT: Hewson Chandler Airport Center Ord. #4145

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4145, DVR08-0026 Hewson Chandler Airport Center, to amend the PAD zoning to allow additional uses on 14.6 acres within the light industrial development located at 2440-2460 E. Germann Road. (Applicant: Earl, Curley & Lagarde.)

This property is part of a 245-acre master planned employment center near the Chandler Municipal Airport. The master plan, Chandler Airport Center, is located at the intersection of Cooper and Germann roads and includes industrial, retail and office land uses. The master planned employment center has one mile of frontage along the Loop 202 Santan Freeway and includes property on both southern sides of the interchange at Cooper Road and the Santan Freeway. Chandler Airport Center received conceptual PAD zoning in April 2005 and construction plans for the master subdivision are being reviewed. This specific parcel is located along the eastern edge of the master plan adjacent to the Crossroads Towne Center commercial center and is approximately 14.6 acres. Hewson received Preliminary Development Plan (PDP) approval in June 2006 for three multi-tenant office warehouse buildings totaling 188,485 square feet. Uses were approved to include those allowed by right within the I-1 Light Industrial zoning district. No outside storage is permitted.

The property is zoned PAD for I-1 light industrial uses. This application requests to amend the PAD zoning and permit additional uses including light industrial and commercial automotive uses that would otherwise require individual PAD zoning amendments. If the property were hard-zoned I-1, versus PAD zoning, use permits would be required for the proposed uses as they are not permitted by right. The application does not request to change or modify uses already permitted, the site layout, or building designs. The application requests this amendment to enhance the usability of the property and its long-term viability in this business park. The added uses allow more flexibility for tenant leasing.

The proposed list of uses to add to the PAD (Light industrial I-1) zoning is outlined in the Development Booklet and includes:

- Manufacturing/Assembly of Products (not including steel manufacturing or other uses that process raw materials/minerals)
- Repair of Manufacturing of small-scale equipment or goods
- Sign-Making Company
- Motor Vehicle Customization with aftermarket products (sales and installation).

The Airport Commission reviewed the zoning amendment request in accordance with the Airport Conflicts Evaluation Process at their March 11, 2009, meeting. The Airport Manager has issued a conflicts evaluation report indicating that the Airport Commission found that the development request to allow additional uses does not constitute a conflict with the existing or planned airport uses.

Planning Staff is of the opinion that the proposed PAD zoning amendment to allow additional uses is compatible with the already allowed light industrial uses. The proposed uses are light industrial in nature except for motor vehicle customization with aftermarket products; however, the automotive use has been approved through zoning amendments and use permits for various locations in Chandler including light industrial business parks and individual parcels. Staff does not find the automotive-related use to impact other uses and the function of the business park.

The three buildings are primarily vacant at this time. A few tenant spaces are occupied in one building with light industrial uses. The addition of the proposed uses offers businesses opportunities to locate within the Chandler Airport Center as other light industrial properties do not currently allow these uses.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on February 11, 2009. There were no property owners in the area 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.

7. Moved to the Action Agenda

8. PRELIMINARY DEVELOPMENT PLAN: Chandler Midway Corporate Center

APPROVED Preliminary Development Plan, PDP08-0021 Chandler Midway Corporate Center, amending a comprehensive sign package for an office development on approximately 20 acres at the NEC of Chandler and Gila Springs Boulevards. (Applicant: Mike LaPorte, Caliber Signs.)

The subject site is located on the southwest portion of the Intel Gila Springs campus at Chandler and Gila Springs boulevards. The site is bounded by light industrial development to the north with the Intel campus to the east. South of Chandler Boulevard is an assisted living facility currently under construction. Gila Springs Boulevard abuts the subject site to the west, with a fast food restaurant (Pizza Hut/Taco Bell) and a townhouse development located west of Gila Springs Boulevard. A Preliminary Development Plan was approved in June 2005 for the construction of the Chandler Midway Corporate Center commercial office development. The projects completed construction and includes nine office buildings totaling 133,200 square feet on the 20-acre site.

The PDP was approved in August 2007 for a comprehensive sign package that included the sign criteria for all building mounted signage as well as the freestanding on-site directional signage. The comprehensive sign package continued the development's high-quality image by maintaining a uniform look for the building-mounted signage for the various future tenants. It is important to note that the original comprehensive sign package did not propose any multi-tenant freestanding monument signage along the two street frontages. This further added to the project's high quality image. Only a project identification wall sign was included.

The approved comprehensive sign package included limitations on the maximum letter/logo height of 30 inches as well as a maximum logo percentage of 25% of the sign for the building-mounted signage. The subject PDP seeks to modify these two criteria only. All other aspects of the previously approved PDP remain. The development includes a combination of 1 and 2-story buildings. As such, the sign area for each building is proportional to the building size. If a single user took all or most of one of the 2-story buildings, that user would be limited to a maximum letter/logo height of 30 inches. This size becomes out-of-scale when placed upon the 2-story buildings. The PDP amends this criterion to a maximum height of 48 inches or 80% of the vertical and/or horizontal dimension of the sign band, whichever is less. This will ensure that the future building-mounted signage is proportional to the building upon which it is installed.

Secondly, the request seeks to eliminate the limitation of logos to 25% of the sign. Various proposed users of a high-tech nature have signs that consist solely of a logo. Limiting the logo to 25% of the sign indicates there would need to be additional signage included; however, with these specific users, there is not. The elimination of this requirement will allow these types of users to utilize their logo for their sign, while the size limitations will ensure uniformity throughout the development and proportionality to the buildings.

Staff supports the proposed minor amendment to the comprehensive sign package finding the amendment provides greater flexibility for the future tenants while continuing to provide a high quality image. Additionally, the proposed size limitation will ensure that the future building-mounted signage will maintain appropriate proportions with the available sign area.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held on January 27, 2009. 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 "Chandler Midway Corporate Center" kept on file in the City of Chandler Planning Services Division, in File No. PDP08-0021, except as modified by condition herein.
2. All signage shall be in substantial conformance with the exhibits and representations entitled "Chandler Midway Corporate Center" kept on file in the City of Chandler Planning Services Division in File No. PDP07-0012, except as modified by condition herein.
3. 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.

9. CLAIMS REPORT

APPROVED the Claims Report for Accounts Payable checks for the quarter ending March 31, 2009.

10. CONTINUED NOTICE OF INTENTION

CONTINUED TO APRIL 23, 2009, the Notice of Intention to increase certain Water, Reclaimed Water and Sewer Fees and set the date for the public hearing.

11. AGREEMENT AMENDMENT: Arizona Envelope Company

APPROVED Agreement Amendment No. 3 with Arizona Envelope Company for the purchase of envelopes in an amount not to exceed \$55,000.00. This is the fourth of four one-year optional renewals.

12. AGREEMENT AMENDMENT: Fire Supplies

APPROVED Agreement Amendment No. 2 with L.N. Curtis, United Fire Equipment Company, First Line LLC and Arizona Glove & Safety for fire supplies in a total amount not to exceed \$60,000.00. This is the third of four one-year optional renewals.

13. AGREEMENT: Salt River Valley Water Users' Association

APPROVED an Agreement with Salt River Valley Water Users' Association for the removal of two irrigation delivery structures near the intersection of Alma School and Ray roads to accommodate a planned roadway improvement project.

The City currently has a capital project under design to improve the intersection of Alma School and Ray roads. Plans for this project include the removal of two irrigation delivery structures owned by the Salt River Valley Water Users' Association (SRP). One of the structures is located at the SWC of the intersection. The second is located on the north side of Ray Road just east of North Pleasant Drive. All of the property previously served by these structures has been developed so the structures are no longer in use.

As a requirement for removal of any SRP irrigation facility, the City must first enter into an agreement with SRP for deactivating that facility. Under terms of such an agreement, the City agrees to accept responsibility for replacing the facility if replacement should become necessary sometime in the future. This agreement has such a condition, but the likelihood of ever having to install a replacement for either of these facilities is considered very low.

These removals will be done in conjunction with the intersection improvement project and will commence once the City retains a contractor for the project.

14. No Item.

15. No Item.

16. AGREEMENT AMENDMENT: Aquatic Consulting & Testing, Inc.

APPROVED Agreement Amendment No. 1 with Aquatic Consulting & Testing, Inc. for pond management, midge fly/mosquito and odor control services in an amount not to exceed \$170,000.00. This is the first of four one-year optional renewals.

The City of Chandler's Reverse Osmosis Facility maintains a 32-acre brine evaporation pond site near Gilbert and Ocotillo roads. Housing developments were constructed in close proximity to the site and residents have reported odors and a Midge Fly nuisance associated with the ponds. Since 2003, the City has contracted for the treatment of the ponds with larvicide and to monitor Midge Fly and mosquito populations. The treatments have reduced Midge Fly and mosquito activity. In addition, odor control measures have been taken around the ponds resulting in reduced odors. The Airport Water Reclamation Facility will be using this contractor as well for Midge Fly and mosquito sampling and control at the Chandler Heights Recharge Facility.

17. No Item.

18. No Item.

19. CONTRACT: Salt River Project

APPROVED Contract #PR0805-301 with Salt River Project (SRP) for design and construction for electrical removals to accommodate the Ryan Road Improvements in an amount not to exceed \$45,665.00. The electrical facilities serve the Tumbleweed Aquifer Storage and Recovery (ASR) Wells that are located adjacent to Ryan Road. Aquifer Storage and Recovery (ASP) wells are needed to support the reclaimed water distribution system.

20. CONTRACT: Salt River Project

APPROVED Contract #PR0805-302 with Salt River Project (SRP) for design and construction for electrical conversion to accommodate the Ryan Road Improvements in an amount not to exceed \$61,633.00. The electrical facilities serve the Tumbleweed Aquifer Storage and Recovery (ASR) wells that are located adjacent to Ryan Road. Aquifer Storage and Recovery (ASP) wells are needed to support the reclaimed water distribution system.

21. AGREEMENT AMENDMENT: Engineering and Environmental Consultants, Inc.

APPROVED Agreement #WW813-201, Amendment No. 3, with Engineering and Environmental Consultants, Inc., for design of the Ocotillo Water Reclamation Facility Maintenance Operations Improvements in an amount not to exceed \$18,645.00 for a revised contract total of \$118,163.00.

In May 2008, Council approved an annual services contract with Engineering and Environmental Consultants, Inc., (EED) to identify operational areas at the Ocotillo Water Reclamation Facility

(OWRF) that are in need of repair, upgrades or rehabilitation. The City has identified additional improvements to these areas that will enhance the operations of the Ocotillo facility.

This amendment will allow for the supplementary engineering design costs associated with the additional scope of work for modifications to the plant aeration piping system at the Ocotillo plant.

22. CONTRACT: Qwest Communications

APPROVED Contract #ST0625-303 to Qwest Communications for design and construction for the relocation of Qwest facilities to accommodate the Gilbert Road (Germann Road to Queen Creek Road) Improvements in an amount not to exceed \$100,000.00.

The north side of Queen Creek Road will also be improved from Gilbert Road to 1/3 mile east of the intersection and the median will be installed on Queen Creek Road for a short distance to the west of the intersection. Finally, the Roosevelt Water Conservation District canal on the north side of Queen Creek Road will be undergrounded from approximately 1/2 mile east of Gilbert Road to 1/2 mile west of Gilbert Road.

23. AGREEMENT AMENDMENT: O.R. Colan Associates, Inc.

APPROVED Agreement #ST0503-201, Amendment No. 1, with O.R. Colan Associates, Inc., for acquisition services for the Dobson Road and Chandler Boulevard Improvement Project in the amount of \$18,875.00 for a revised contract total of \$94,375.00.

This amendment will allow for additional real property acquisition services not included in the original scope of work. The original contract scope included acquisition work to purchase required property rights for the project at a cost of \$75,500.00. Due to changes in the projects design made after acquisition started, additional property rights needed to be acquired and some offers previously made needed to be resubmitted to accommodate the design changes.

24. No Item.

25. Moved to the Action Agenda

26. PURCHASE: Playground Equipment

APPROVED the Purchase and Installation of playground equipment, shade structures and playground surfacing at Arrowhead Meadows Park from GameTime c/o Triple M Recreation, utilizing the City of Tucson contract, in the amount of \$202,035.32.

Arrowhead Meadows Park is a 30.84-acre community park originally constructed in 1968. The playground equipment at the park is 16 years old. Community Services Staff has received requests to upgrade the playground equipment as well as adding playground shade structures at this park. While all City playgrounds include some ADA accessible features, we have received requests to build what is known as a universal accessible playground wherein all features are ADA accessible. This playground will provide a play environment where each child can participate independently at his/her own skill and ability level free of any physical and social barriers. The equipment and playground surfacing exceeds the accessibility guidelines set forth by the Americans with Disabilities Act and the Architectural and Transportation Barriers Compliance Board. Equipment for the new playground will consist of accessible play structures for 2-5 and 5-12 year old children, swings, playground surfacing and shade structures.

27. PURCHASE: HVAC Service

APPROVED the Purchase of HVAC service and repair from Johnson Controls and Trane Company, utilizing the Maricopa County contract, in an amount not to exceed \$75,000.00 through March 31, 2010.

28. Moved to the Action Agenda

29. SPECIAL EVENT LIQUOR LICENSE: Si Se Puede Foundation

APPROVED a Special Event Liquor License for the Si Se Puede Foundation for a Cinco de Mayo Fundraiser on May 2, 2009, in Downtown Chandler, East Commonwealth Avenue at Arizona Place. 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.

30. SPECIAL EVENT LIQUOR LICENSE: Valley Unitarian Universalist Church

APPROVED a Special Event Liquor License for Valley Unitarian Universalist Church for the Hearts Desire Auction on May 9, 2009, at 6400 W. Del Rio Street. 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.

31. PRELIMINARY PLAT: Montage Villas

APPROVED Preliminary Plat PPT09-0002 Montage Villas for 10 residential condominium buildings on 5.5 acres at the NWC of Pecos Road and Canal Drive. (Applicant: Glenn Millett, Rosendahl, Millett Assoc., LLC.) The plat creates the lots and tracts, establishes the necessary easements and dedicates the required right-of-way.

ACTION:

28. USE PERMIT: North Price Stables

MR. BILL DERMODY, SENIOR PLANNER, explained this Use Permit UP08-0061 North Price Stables, was a request to board up to 27 horses on approximately 4 acres at 2885 N. Price Road. (Applicant: Ed Field/Irene Pine-Field.)

The subject site is one of two large-lot, rural properties on the east side of the Price Freeway frontage road south of Elliot Road. To the north are single-family homes. To the east are one-acre single-family lots in unincorporated Maricopa County. To the south, beyond the neighboring rural property, are a residential condominium development and senior living apartments.

This has been operating in this form or another over the last few decades. It didn't come to the attention of the City, until investigating a complaint about barking dogs. The owners were then notified that they must apply for a Use Permit. Mr. Dermody said 9 horses are allowed in this zoning district by right. Planning Commission and Staff recommend approval with up to 18 horses. Both Planning Commission and Staff have noted that management will be a key issue. They are also recommending a one-year time limit along with other conditions.

Most neighbors have been in favor, with 7 in opposition. Those in opposition have expressed concern with the number of horses, dust and the manure.

COUNCILMEMBER ORLANDO asked what "by right" meant. MR. DERMODY said this is in an agricultural zoning district with allowances for horses; 2 per every 35,000 s.f. The applicant would like to have more than what is allowed. In the past, they have had between 18 and 27 horses.

COUNCILMEMBER WENINGER recalled from the Planning Commission meeting that the number could fluctuate. He asked if this was a former County island and when the need for a Use Permit came into play. MR. DERMODY said this property was annexed in 1974 as part of a larger annexation. The activity has been going on for at least the last couple of decades and the rule on the number of horses allowed has been the same during that time. He noted it was a combination of the owners not knowing what the rules were and the City not catching it. Mr. Dermody said the most recent complaints have been received during the time of the most recent occupant who is no longer there.

COUNCILMEMBER HEUMANN asked if the County's limit on horses was the same as the City's. Mr. Dermody said he did not know.

The applicant, MARSHALL FIELD, 744 S. MORRIS, APT. A, MESA. said they have owned the property about 21 years and they have had three lessees during that time. One lessee was there 11 years and the other one almost 6 years. They ran up to 21 – 22 horses. This last 8 months they had leased to someone who had 27 horses and he also trained dogs. They had never had any problems with the neighbors until the time that he was there. He acknowledged receiving concerns from Mr. England and in turn they have terminated the lease. He said it was necessary to continue leasing the property with a use permit for 20 plus horses.

MAYOR DUNN clarified that the recommendation from Staff and the Planning Commission was for 18 horses. He asked Mr. Field his wishes. Mr. Field replied he would like more than 20 as they have transitional uses such as taking some in from the Humane Society . It could fluctuate up and down. Mrs. Field said they would like a maximum of 27 even though they would probably never have that many. They didn't know this property had been annexed into the City. The received the property from her husband's aunt and uncle at the time it was in the County. She said there was even some confusion when it came time to pay a rental tax and get the trash service on the jurisdiction control. They then found out that annexations do not require all the property owners to agree, only a majority. She stated that they never had a problem until the last tenant who was training police dogs and that created noise. Mr. Field said the last lessee had up to 25 horses.

MAYOR DUNN asked if that amount of horses has caused a problem with the nearby homes. Mr. & Mrs. Field responded that it hasn't. Not all of the horses use the arena, some are just pastured. Mrs. Field said they have given their phone number out to the neighbors as they would like to handle any concerns. She added they are looking at two options to handle dust control, and that is quite expensive.

MAYOR asked the applicants to provide a maximum number of horses. The applicants replied 22.

MAYOR DUNN noted a significant County island to the east of the site and asked if there were horse privileges there. MR. DERMODY replied there are 4 horses in that subdivision. Mayor

Dunn asked about dust control. Mr. Dermody said the County does have policies regulating dust control. Neighbors can log a complaint with the County, but staff would typically tell the applicants to water the area before they ride as that typically takes care of the biggest problems.

COUNCILMEMBER ORLANDO asked why there was a horse per square foot factor; maybe a health reason or to protect the horses. MR. DERMODY said he would assume that in an agricultural area horses are allowed, so perhaps it was felt that if one went over the 2 per 35,000 s.f. that it would not be appropriate in all instances. Mr. Dermody said he would assume it has to do with protecting the neighbors. Councilmember Orlando questioned the reasoning with doubling the allowance permit when there is a reason that this restriction is in place.

MR. KENNETH ENGLAND, 2845 N Price Road and wife Kathryn. She stated they have been in their residence for 40 plus years and the applicant's stable is in front of their house. She said the most horses she has seen on that property until the last tenant was 17. Mr. England said this property has gotten out of control over the last two years. Mr. England expressed his concern with the former tenant's barking dogs, failure to control the manure, and the dust. He stated that upon his request, a City Inspector Sandy Whitten came out to the property and she became ill over the odor. Mr. England said that city ordinance requires 10 acres for a boarding stable and at every 33,000 s.f you can have 2 horses. He supported the current limits as provide by the ordinances. He said he received a notice from the Farm Bureau about the implementation of a new Air Sheriff to patrol for dust. Dust must not leave the perimeter of any types of fields. He reported that one night the dust was so bad going on to the freeway, that it caused concern enough for Maricopa County to come out. He asked the Council to support the current code limit at 9 horses. Mrs. England noted her health concerns.

ANNA PETERSON, 2979 W MARLBORO DRIVE stated she lives on the north side of this property. She spoke in support. She acknowledged that the renters need to be able to make an income to substantiate their lease. She said the numbers do go up if there are baby horses. She said she would guess the limit came when the horses were sustaining themselves on the land. She cited the last renter as being the one that caused the chaos. She stated the owners have been there since the renter left, fixing up the property and plans to address the dust control. She acknowledged Kathryn's (Mrs. England) complaint with the barking dogs. She also noted that the arena was not taken care of. She feels that the owners are addressing the problems and she has met the new renter. She said the neighbors have circulated a petition in support of the project.

WENDY YEAGER, 2847 W MARLBORO DRIVE said she started the petition and presented it to the Planning meeting. She cited support from the neighbors on her street for the horse property. She said there have always been more than 9 horses on the property. She didn't have concerns with dust.

MAYOR DUNN asked if the residents who back up along the arena signed the petition for support. Ms. Yeager said they did.

COUNCILMEMBER ORLANDO asked about the 10-acre requirement for boarding stable. MR. DERMODY confirmed that was a zoning code requirement, thus the applicant seeking a use permit.

COUNCILMEMBER WENINGER said he understood both sides, but this had been a rural community for some time. The hope is that the dust is mitigated.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER SELLERS TO APPROVE UP08-0061 NORTH PRICE STABLES FOR HORSE BOARDING SUBJECT TO THE CONDITIONS RECOMMENDED BY PLANNING COMMISSION AND STAFF AND CHANGING STIPULATION NUMBER 3 TO LIMIT THE NUMBER OF HORSES TO 22.

1. Substantial conformance with approved exhibits (Site Plan, Narrative) except as modified by condition herein. Expansion or modification beyond the approved exhibits shall void the Use Permit and require new Use Permit application and approval.
2. The Use Permit is non-transferable to any other location.
3. The number of horses shall be limited to ~~18~~ 22.
4. Riding activities shall be limited to a maximum of three days per week.
5. Riding activities shall cease by 9:00 p.m. each night.
6. The site shall be maintained in a clean and orderly manner.
7. The riding area shall be watered down prior to riding activities.
8. 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.
9. This Use Permit shall not be in effect and shall be deemed denied unless the owner(s) of the subject property deliver(s) to the Chandler Planning Department, within three weeks of the City Council taking action on the application, a properly signed and notarized Consent to Conditions waiver in the form acceptable to the Chandler City Attorney.

COUNCILMEMBER HEUMANN said he has met with the applicant and agrees with Councilmember Weninger about the rural lifestyle. He said the problem seems to be with the last tenant and he believes the owners are aware they need to have tighter reign on their property. The one-year use permit should help ensure that.

MOTION CARRIED BY MAJORITY (6-1) WITH COUNCILMEMBER ORLANDO VOTING NAY.

7. INVOLUNTARY SEVERANCE PROGRAM

Res. #4272

ADOPTED Resolution No. 4272 authorizing the creation and implementation of an involuntary severance program and authorizing use of general fund contingency or other appropriate fund contingencies to pay for involuntary severance program costs.

Background: The City Council recently approved a retirement incentive program as well as a voluntary separation program that the City hopes will generate the savings required to offset future budget deficits. If budget deficits or lack of work issues persist, the City may need to implement a reduction in workforce.

In the event of a layoff, it is anticipated that employees with the least seniority will be impacted due to the City's bumping rules. City Staff believes that a flat severance payout, which is not based on seniority, would be more effective in assisting employees with their transition.

There will be short-term costs associated with this program and long-term, permanent budget reductions as a result of the positions being eliminated from the ongoing budget.

MAYOR DUNN noted that Councilmember Heumann had proposed an alternative to this item.

MS. DEBORAH STAPLETON, Human Resources Director, said this package would be eligible to any employee laid off in the City. The goal was to provide the employee a decent amount of time to transition in these economic times. The recommendation is to provide 12 weeks of base pay and 6 months of benefit coverage at the employee's current expense. She reminded Council of the bumping policy where an employees can bump citywide based on seniority and that many of those employees being affected may be a one or two year employee.

MAYOR DUNN inquired how the other programs were being received. MS. STAPLETON replied that response was very good. The close of the Retirement Incentive applications was today, and it is anticipated that there are over 50 applications.

COUNCILMEMBER HEUMANN thanked staff for their work. He stated Council was responsible to protect citizens and taxpayers and also to also be fair to employees as well. He commented that while comparing what Chandler is offering and what other cities have offered, Chandler is way above what is fair to the taxpayers. He believed the medical was most important and was not looking to change that. He noted that benefit alone ranges from \$3,000 to about \$7,600 per employee. He proposed changing the current offer of 12 weeks base pay to 4 weeks of base pay plus one week for each additional year of service with a maximum of 12.

COUNCILMEMBER DONOVAN agreed that they had a responsibility to the taxpayers and to the employees and their families. She asked what the financial difference would be between the proposals. MANAGEMENT SERVICES DIRECTOR DENNIS STRACHOTA said that they had to make some assumptions of what the cost impact would be. For the City Manager's recommendation, the estimated cost if 30 employees took the package, is \$639,000. This assumes an average salary and benefit of just under \$81,000. For each employee that cost is \$21,300 on average with the payback being in 3.6 months. For the proposal submitted by Councilmember Heumann, there was a further assumption on the years of service. The assumption was that most employees affected would be one and two-year employees, that half of them had one year of service and the other half had two years of service. The cost of that average just under \$12,500 for a total cost of 30 employees at \$373,500 and a payback of 2.4 months.

In response to a question from Councilmember Donovan, Mr. Strachota and Ms. Stapleton said the payback on a Voluntary Separation was 6 months and the Retirement Incentive would be 1.2 years.

MS. DONOVAN said in comparison with other cities, some don't have bumping. MS. STAPLETON said Chandler's layoff rule has been in place for some time. In looking at other cities, some don't have any bumping (Scottsdale, Surprise, Paradise Valley, Goodyear, Buckeye and Avondale). Some cities such as Phoenix provide for citywide bumping but only for certain positions and Tempe provides bumping but only in the job family or a position that was previously held. Mesa's bumping policy is department only. Ms. Stapleton said the concern is that Chandler's bumping spreads quite wide. The opportunity to be placed somewhere is much greater. Staff feels comfortable that should a layoff occur, an individual that has no choice, that ends up with the severance package is going to be the one to perhaps three or four year employee.

COUNCILMEMBER DONOVAN said that with a good response from the Retirement package and what will come back from the Voluntary package, the hope is to not have to face this. She said when making comparisons, this is different than in the private sector because many do not have a bumping clause. She noted that they would still have the option of changing the plan in the future

if layoffs are being faced to a greater degree and there are people that are in different situations than what was your intent when you planned this. She stated her support for the staff's recommendation.

MS. STAPLETON affirmed with Councilmember Orlando that this is not a current plan in place. He said that there are some companies that have bumping rights and this plan is more lucrative than what is offered in private industry and what ever plan is adopted it is still better than what private industry or other cities offer. For the voluntary leave to be successful, there has to be a delta or monetary gain. Councilmember Orlando said he could support the amendment, while hoping not to have to have lay-offs. He commented that in comparing this to the incentive package, if you are trying to incentivize someone, you don't want this package to be almost equal to the other one.

COUNCILMEMBER HUEMANN clarified that we are also giving the employee a 30-day notice. Ms. Stapleton said that any employee that is subject to layoff would receive a 30-day notice. He noted that if you add that 4 weeks then there is not much of a difference between 16 and 20 (weeks) if you are trying to incentivize people to leave.

COUNCILMEMBER WENINGER confirmed that the employee is working those four weeks. He asked Mr. Strachota what salary the averages of those one and two year employees were based on. Mr. Strachota replied that the assumed salary in wage and benefit was \$80,800. It would have taken some effort to compile that. They used the average across the workforce for non-sworn employees. Councilmember Weninger said that most likely the payout for this program than what it would be on the retirement. He expressed concern in comparing the delta between the two, is that the last person affected on the bumping, they don't have the full time to make a decision. He said what is important to him is that the 100 positions are eliminated as far as on-going money and recapturing that.

COUNCILMEMBER SELLERS said that it is evident that staff gave this plan much thought. He expressed his concern that when looking at one and two-year employees, it is thought that they may not have very much experience. Many times those are people that gave up good jobs to come to work for the city. To be really fair to people that had a good job before coming here, staff's plan does a good job.

VICE MAYOR CACCAMO asked about the distribution and use of the employees' sick leave. MS. STAPLETON said that there is not a cap on the accrual of sick leave; however, the employee only gets paid out on sick leave in the event of a retirement. An individual that separates from the City whether it is voluntary or involuntary, will not get a payout of sick leave. Ms. Stapleton said the employee could use their sick leave during that 30-day period with a legitimate reason. She added that they would be paid their remaining vacation balance upon termination.

VICE MAYOR CACCAMO asked how long an employee affected by a lay-off has to wait before collecting unemployment insurance. MS. STAPLETON said she believed that the unemployment will calculate the equivalent of that severance, but it will be up to the Department of Economic Security to evaluate the individual's circumstance. This also depends on the employee's "base employer" in the case of an employee that might have been employed by Chandler for one or two years and had left a job with 10-15 years of service. The expense of unemployment may lay with a prior employer.

COUNCILMEMBER ORLANDO questioned the 30-day notice. MS. STAPLETON said the notice is in the SEIU contract and would more than likely be adopted as a business practice. This gives the employee time to process and make decisions. Human Resources is hoping to work with the employee to transition with outplacement service counseling and consulting. Ms. Stapleton said the employee's availability to do this will depend on the workload and what their individual job may entail.

COUNCILMEMBER ORLANDO questioned that if an employee still had access to the computer system, if there was a monitoring process to ensure there is no potential damage to systems or files. MS. STAPLETON said that they have had conversations with I.T. (Information and Technology) staff, which dependent on the position, the City Manager may authorize an administrative leave of absence, but prevent certain positions from having access to sensitive data and they will be evaluated on a case-by-case basis.

COUNCILMEMBER ORLANDO reiterated that an employee could be placed on administrative leave; they could be utilizing city time to get out placement guidance; so they may not be productive as a city employee during that time.

VICE MAYOR CACCAMO asked if there were any demographics for the employees who may be in jeopardy. MS. STAPLETON said that study has not been done, but they could look at the average age of people that were hired in 2007-08.

COUNCILMEMBER HEUMANN confirmed that staff had identified the positions and have informed the employees but that those people can bump. He said that Vice Mayor's comments on the demographics of those lower year employees are important. He asked if the 50 persons include the voluntary separation. Ms. Stapleton said that at this point, only a few have applied for the voluntary separation, but that deadline is June 1. Councilmember Heumann said that theoretically, there were 49 positions that we needed to additionally eliminate of the total of 100, so there may not need to be a need for layoffs. Ms. Stapleton said that it is possible, but it depends on the positions and how many are approved and if the positions can be filled.

MR. JAMES KAME, representing S.E.I.U. said he has had seven days to talk to as many people as he could regarding this item. He voiced his support of Staff's proposal. Mr. Kame said he has experienced 2 lay-offs in the private industry and has had the 3-month severance and that was a great help. He said he believed that this may be a great help to anyone who may be laid off, however, he doesn't foresee that happening in the near future.

VICE MAYOR CACCAMO asked if Mr. Kame worked with Human Resources on these proposals over the last week. Mr. Kame replied he had not as he had been seeking contact with his constituents.

MOVED BY COUNCILMEMBER HEUMANN, SECONDED BY COUNCILMEMBER ORLANDO, TO ADOPT THE ALTERNATIVE RESOLUTION NO. 4272 (4 weeks of base pay and one additional week of base pay for each year of service at the City of Chandler up to a maximum payment of 12 weeks of base pay). MOTION FAILED FOR LACK OF A MAJORITY (2-5) with Mayor Dunn, Vice Mayor Caccamo and Councilmembers Donovan, Weninger and Sellers voting nay.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER WENINGER TO MOVE ITEM 7 (RESOLUTION NO. 4272) FOR AUTHORIZATION TO CREATE AN INVOLUNTARY SEVERANCE PLAN AND AUTHORIZE GENERAL FUND CONTINGENCY OR

OTHER APPROPRIATE FUNDING CONTINGENCIES TO PAY FOR THE INVOLUNTARY SEVERANCE PROGRAM PER STAFF RECOMMENDATION. MOTION CARRIED BY MAJORITY (6-1) with Councilmember Heumann voting nay.

RECESS: Mayor Dunn called a recess at 8:50 p.m. and reconvened the meeting at 8:58 p.m.

25. CONTRACT: Sundt Construction, Inc.

APPROVED Contract #GG0502-401 to Sundt Construction, Inc., for construction manager at risk for City Hall in an amount not to exceed \$47,096,930.00.

Background: The City moved into the Chandler Office Center in the fall of 1998. The City is leasing approximately 38,000 square feet in the building and the lease will expire in 2010. The proposed City Hall will total approximately 131,000 square feet and will feature a 260-stall parking garage. City Hall will include a low-to-mid-rise complex consisting of administrative offices, public television studio, Council Chambers, a parking garage and surrounding site improvements.

The City determined the City Hall should be an environmentally friendly building design with design standards to achieve a gold certification level within the Leadership in Energy and Environmental Design (LEED)-NC Version 2.2 Green Building Rating System. Some of the elements that will be included in the new City Hall are sustainability issues such as:

- construction activity pollution prevention;
- bicycle storage and shower facilities for employees;
- parking preferences for low-emitting vehicles and van and carpool;
- shading;
- stormwater design;
- water efficiency plans, including water efficient landscaping with native plant selections, the use of reclaimed water from the cooling towers for irrigation and high efficiency fixtures to reduce water use 40%;
- high efficiency mechanical systems, lighting systems, controls and building envelope to achieve 35% energy savings;
- use of recycled and regional materials, as well as Forrest Stewardship Council (FSC) certified wood;
- CO<sub>2</sub> sensors to monitor air quality and increase the flow of fresh air into the building as required;
- use of low-emitting adhesives, sealants, paints and coatings, carpet systems, and composite wood;
- effective use of day lighting;
- controllability of systems through the use of task lighting and under floor air distribution
- systems furniture that will meet GreenGuard certification for indoor air quality; and
- an education program for the general public.

The sustainability elements are projected to result in a 40% reduction in the carbon footprint of the facility and an annual savings of approximately \$110,000.00 in utilities.

It is anticipated that building and site construction will start in May 2009 to allow for the construction to be complete prior to the end of the City's lease at the Chandler Office Center in December 2010.

Due to the current economic situation, there was tremendous interest from the construction industry in this project. Sundt received over 260 bids for the various trades that will be needed to construct this project. The GMP that was developed by Sundt reflects a savings of \$3,943,070.00 from the budget as approved by Council.

MS. MARIAN NORRIS, Asst. to the City Manager, reported that this project has been worked on for well over a year and she has been working with a great team during the pre-construction phase consisting of members from the Smithgroup, Abacus and Sundt.

MR. MARK RODDY, Design Principal with the Smithgroup, explained some of the primary goals of the project. To promote and establish standards for future development within the downtown area; to enhance Arizona Avenue by creating a gateway into the historic downtown area; build upon the unique urban condition of the historic downtown; create a facility that is extremely energy efficient and that will be able to achieve a lead Gold Certification; and a complex that will connect and be a part of the existing civic campus present today.

Mr. Roddy displayed an aerial view of the downtown area with the placement of the buildings and highlighted the walk-ability of the area. He noted that by pushing the complex to the street edge, that a pedestrian connection could be encouraged to the historic Chandler part. He reviewed the general layout of the campus. Mr. Roddy described the architecture as being rooted in history with respect toward landscape and the cultural of the Sonoran Desert and the Valley, as well as representing technology and the progressive nature of Chandler. Mr. Roddy commented that in response to previous questions raised on the use of glass, that the glass used on this building is "high performance" with reflective coating that performs extremely well in our environment. He noted the variety of color used on the stone to give color and texture to the building design.

He described the public plaza as the heart of the complex. It will include a very reasonable and traditional plant palette to provide color combined with the use of low water use plants. He explained the complex lighting scheme has been designed with safety and pedestrian friendliness in mind.

Mr. Roddy described the Council Chambers as a comfortable, warm, inviting space – the "living room" of Chandler. The ceiling is an acoustical ceiling. Monitors are conveniently placed and the audience seating is fixed. He said they have been doing this with keeping all of the sustainability goals in mind. He noted that energy is the backbone of any great sustainable project. The design for the project should provide a 33-38% decrease in operational costs. He said the LEED Gold is being tracked conservatively at 49 points, putting it 4 points shy of Platinum.

VICE MAYOR CACCAMO said he is very excited about the project not only for the way it looks, but that it is coming in \$4 million below what was anticipated, in part due to the vision of staff recognizing this is the time to build.

MOVED BY VICE MAYOR CACCAMO, SECONDED BY MAYOR DUNN TO APPROVE CONTRACT #GG0502-401 TO SUNDT CONSTRUCTION INC. FOR CONSTRUCTION MANAGER AT RISK, CITY HALL, IN THE AMOUNT OF \$47,096.930.00.

MAYOR DUNN thanked the team and the Council Committee for their work in guiding the details that have helped in including in the project all elements that were originally approved by the Council and within budget. Mayor Dunn asked for a review of the contract and asked if Chandler contractors are involved.

MR. BRIAN KEARNEY, Preconstruction Manager for Sundt Construction reported he has been involved in the project since 2008 and expressed his pleasure with working with the representatives of the City, Abacus and the Smithgroup. He announced they are working with Staff to schedule the groundbreaking ceremony on May 8<sup>th</sup>. He said they have been committed to working with the neighboring businesses. A website ([www.chandlercityhall.com](http://www.chandlercityhall.com)) has been dedicated as a communication tool that will include photos, information regarding schedules and a live camera to display real time construction. He reported that the permits are in place, the easements are under control and they are in position to start mass grading on May 18<sup>th</sup>. The structure is scheduled for top-out in December 2009. The parking garage will follow soon after. On October 12, 2010 the project will be substantially complete within move-in occurring in the months of November and December. He explained that due to the slow down in the market, an aggressive bid schedule was possible. This also allowed some material pricing that was not seen in quite some time as in most recent years there has been an increasing cost in this area. This savings is not only seen in the materials, but in the availability of qualified work force. Fees and margins are reduced as part of the competitive market and is part of the reason for the cost reduction.

By having this collaborative team on early and using this delivery method they have been able to see a faster construction start by consolidating efforts, and use the team to solve problems earlier as with you normally would have with a design/bid/build scenario. He noted that in September the budget was \$51,040,000. The GMP presented tonight is \$47,096,930 resulting in an 8% savings in the budget. Mr. Kearney acknowledged the use of some Chandler bidders in the process.

COUNCILMEMBER ORLANDO inquired about Exhibit A in regards to furnishings and asked if new furniture was being purchased. MS. NORRIS replied that the furnishings that are included in the GMP are window shades, the misting system on the terrace, the walk-off mats and the demountable wall reusable system that will allow floor plan flexibility that drywall cannot. She stated that the Council Chambers fixed seating also falls in that number.

COUNCILMEMBER ORLANDO asked if the plan is to move the current furniture into the new building. Ms. Norris said that the plan is to purchase new furniture. The funds for that do not fall under the construction budget. Councilmember Orlando asked what would happen to the current furniture and what the new furniture would cost. Ms. Norris said the new furniture could range a few million dollars. The new furniture system does not have as much flexibility in going into the new building. There may be some items that are used, but that has not been determined. She stated they are looking at a number of options for disposal including liquidating companies and making it available to non-profits in Chandler.

COUNCILMEMBER ORLANDO asked for clarification on Item 3.3 relating to "open book" project. MS. NORRIS stated that in order to guarantee that the price is fair and equitable, the City has the right to have an open book assessment of the furnishings or any of the subcontractors. Sundt Construction will be keeping a very detailed account of what the costs are. Councilmember Orlando asked how that would be handled. PUBLIC WORKS DIRECTOR R.J. ZEDER said he would need to review the scope with Abacus as they are assisting in the project. But between Abacus and City staff, they would be reviewing all of the pay estimates as is with any construction project and with those estimates have to come the detailed billing from the subcontractors. Councilmember asked if the general contractor is doing any of the work. Ms. Norris stated that the general contractor is a sub to the concrete worker so Sundt will be doing the concrete work as well as being the general contractor. He asked if they were getting fee on top of fee or just the

generally contracting fee. Mr. Kearney replied that there was a detailed meeting on March 25, and in that particular meeting it was determined as part of the negotiating terms there would not be fee on fee.

COUNCILMEMBER ORLANDO asked if there was an incentive to reduce costs or if the contractor shares in any cost reductions. MS. NORRIS stated there is no incentive clause. With the CM at Risk contract, they usually will go with the low bid. They also bid each one of the trades that work on a construction project. They don't have to go with the lowest if they find concern with quality or other component. She stated when she reviewed the detailed information, most if not all, were the lowest bid. Change orders will fall under the normal procedures.

COUNCILMEMBER ORLANDO asked for a cost breakdown on the City Hall project. Ms. Norris said land acquisition, relocation, demolition, remediation totaled about \$11 million. Fees and permits were outside of the general construction, she was not able to recall them.

COUNCILMEMBER ORLANDO asked about the \$7.9 million for the stone, masonry finishings. MR. KEARNEY said that 20% for the skin of the building is not considered out of the range. They have relied on several bids in those areas to derive the costs that the market will bear.

MAYOR DUNN noted the subcommittee spent time on this major feature and there were selections that were excluded because of cost.

COUNCILMEMBER ORLANDO said although some of these questions have been asked before, he is asking them again because of citizens. He asked if there has been research into buying other buildings in the area. MS. NORRIS said the only discussion she remembers is the Rocky Mountain Financial Center Building. There was not a consideration for the current building, as the vision was to encourage private development in downtown with the City leasing 30% of that, but with the idea that the City would move into a City Hall. Councilmember Orlando said there was a suggestion to utilize the new Fire Admin Building and asked about the feasibility. Ms. Norris said the new building is about 18,000 s.f. Fire Admin is about 13,000 s.f. and about 5,000 s.f. for the Emergency Operations Center. She said it was not considered. Currently Fire Admin has about 6,000 s.f. and the Police Department will reuse the space of the old Fire Admin.

COUNCILMEMBER ORLANDO asked how long we had been saving for the City Hall project. MANAGEMENT SERVICES DIRECTOR Dennis Strachota replied about 10 years. Councilmember Orlando asked what would be gained by putting the \$47-50 million in an interest bearing account. Mr. Strachota said that when he originally calculated the number, when the interest yields were higher, it would be about \$1.5 million in interest earned annually. Councilmember Orlando asked if impact fees are coming out of the \$47 million. Mr. Strachota replied there is \$12 million of impact fees going toward the construction. MS. NORRIS said the City Hall project would pay its share of impact fees. She stated that there will be credit for any services already existing on the site, but there will be an impact fee for the services above that. She offered to provide the number. Councilmember clarified that the \$47 million is purely for construction costs. Out of the approximately \$71 million, the impact fees will come from that.

In response to additional questions, MS. NORRIS said the City currently rents in the two office centers and the Vision Gallery about 47,000 s.f. with the lease amount of \$1-1.1 million annually. The O&M costs for new City Hall are still being developed in conjunction with the energy costs, but she believed the costs would be about \$1 million.

COUNCILMEMBER ORLANDO asked what the current vacancy rate was downtown and the absorption of the 47,000 s.f. of impending vacancy. DOWNTOWN REDEVELOPMENT MANAGER TERI KILLGORE said there is currently about 10,000 s.f. of office of the 200,000 s.f. available that is specifically between Chandler and Frye. Retail is about 4,000 s.f. She stated as of now, there is no availability for a company of any significant size. Ms. Killgore said while there may be some contraction in rates for office, the retail rates have actually gone up to the high 20's. The office seems to be around 20.

COUNCILMEMBER HEUMANN asked to receive a copy of the presentation made tonight. He asked if the 30-33% energy savings was based on the current rates. MS. NORRIS said the City Hall building resides in the APS district and they are looking at the current rates and any escalations they know may be coming in the future as part of the energy model. He confirmed that the purchase of furniture would come back to Council at a later date. Councilmember Heumann reiterated there was a \$4 million dollar savings by building today along with the availability to have additional space downtown. This gives opportunity to open up new economic opportunities downtown.

COUNCILMEMBER SELLERS asked about the \$110,000 shown in utility savings and that while he is very much for sustainability he is interested in cost effectiveness. He asked for the payback on the additional costs for meeting those energy standards. MS. NORRIS said she could provide that.

COUNCILMEMBER WENINGER asked how the furniture budget was included. MS. NORRIS responded that the furniture and fixtures for the building are in the total contract budget that is part of the CIP. Councilmember Weninger asked if there was a way to confirm the energy savings after a few years. Ms. Norris said in the energy model, they are using the ASHRS and is part of the building code standard. The energy model is taking the minimum standard and everything added to the building to help with energy savings has been reduced from the number therefore coming up with the \$110,000 savings. She reported the City is developing strong sustainability goals and they will be reviewing the costs to meet and even exceed that goal. MR. RODDY added that as they are seeking LEED certification and that will include the need to track the data.

Councilmember Weninger stated he sees many people leaving in their vehicle at lunch and asked if there has been a study of how to get a use in downtown that would encourage people to use the area. Ms. Norris replied said she didn't have any information on that.

MAYOR DUNN noted this has been a generated discussion for 20 years. There is always a time to decide to move forward or keep the status quo. Mayor Dunn said the construction of the Rocky Mountain Building and Boyer Building was specifically done to bring in an element of office to downtown. Mayor commented that he couldn't imagine a better scenario in terms of the initial savings. He appreciates the questions. He reminded staff that the furnishings have been used for 12 years. The whole concept of furnishings will be different for this building as part of the sustainability aspect and making available the best possible facilities for the 4<sup>th</sup> largest city in the state.

MOTION CARRIED BY MAJORITY (5-2) with Orlando and Weninger voting nay.

FAILED - INTRODUCE AND TENTATIVELY APPROVE Ordinance No. 4144, DVR08-0024 Mesquite Grove Marketplace, rezoning from PAD for neighborhood commercial C-1 uses to PAD to allow a self-storage mini-warehouse use with PDP on approximately 4.7 acres at the NEC of Gilbert and Riggs roads. (Applicant: Beus Gilbert PLLC, Lindsay Schube.)

Background:

In September 1999, the subject property was zoned PAD allowing uses permitted by right in the C-1 (Neighborhood Commercial) zoning district in conjunction with the zoning of the adjacent single-family residential subdivision, Mesquite Grove Estates. The PAD (C-1) zoning was approved prior to the Southeast Chandler Area Plan (SECAP) being adopted by City Council, and specifically zoned for low intensity commercial. This site was not zoned for medium intensity commercial as described in the SECAP for the other three commercial corners at this intersection.

The proposed storage facility use is not permitted under the existing General Plan, SECAP, and Zoning Code. The General Plan designates this property as a "Commercial Node", within the "Southeast Chandler Area" and as part of a "residential" category. The SECAP designates this property as "Traditional Suburban Character" and as a "Commercial Node". The Zoning Code indicates the use of a "moving, storage or warehousing establishment" is permitted only in industrial zoning districts.

The storage facility is located on the north and east sides of the larger 9.9± net acre neighborhood commercial parcel. There are eight storage buildings and one office/caretaker building totaling 72,208 square feet of building area and approximately 425 units. The storage buildings range in size from 7,254 to 16,395 square feet in size. An office/caretaker building is located adjacent to a proposed grocer building and is 2,130 square feet in size. The office/caretaker building is two-stories in height and the storage buildings are one-story in height.

The overall development, inclusive of the storage facility and retail buildings, meets the City's Commercial Design standards and SECAP standards. However, if the storage facility proposal were reviewed on its own merit, it would not meet all of the requirements of the City's Commercial Design standards and SECAP.

The development does not request approval for Late Hour Businesses on the storage facility. The storage facility will operate Monday to Saturday 6:00 a.m. to 7:00 p.m., and Sunday 7:00 a.m. to 6:00 p.m.

All required on-site and off-site improvements, including rights-of-way and perimeter landscaping, would occur in the first phase. Upon approval of the storage facility, Planning Staff supports the application's request to develop the interior perimeter landscaping along the north and east property lines serving as a buffer between the storage facility and single-family residential, when the storage facility constructs. This will prevent the landscaping from being removed during construction of the storage facility buildings closest to the residential. Otherwise, Staff recommends all interior perimeter landscaping be installed as part of the proposed retail center's first phase. The storage facility buildings are intended to construct as Phase Two following the construction of the proposed retail center.

There is one site design waiver requested for a building setback requirement. A building setback of at least 40 feet for some buildings and less for others, based on a minimum of a 25-foot building setback plus one foot for each foot of building height for adjacent buildings (based on

highest point of buildings), is required when adjacent to single-family residentially zoned property. The development requests a waiver from this building setback requirement by providing a 25-foot setback around the site's perimeter.

The 25-foot setback does provide the required landscaping for the dissimilar landscape buffer next to residential; however, the buildings are much closer than typically allowed next to single-family residential. Staff does not support this waiver request and recommends the required building setbacks be met for the storage facility use.

The storage facility use and proposed commercial center are designed together as one single development. Planning Staff is of the opinion that the northern portion of the neighborhood commercial site would develop in the future with general office, medical office, retail, and/or restaurant uses. Economic Development Staff has confirmed the parcel has a long-term viability to develop solely with office, retail/restaurant or a combination of both.

Staff is of the opinion that the proposed land use change to allow a storage facility use is not consistent with the goals and objectives of the existing land plan for the area including the General Plan, SECAP, and Zoning Code. The subject site is situated in an area of Chandler that is primarily single-family residential development with some commercial retail centers. There are no automotive maintenance businesses, manufacturing or warehousing, or multi-family developments existing or planned in this area, which are considered more intense uses.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on October 2, 2008. There were three area property owners in attendance. A resident of the adjacent Mesquite Grove Estates initially expressed opposition to the storage warehouse use but has since changed their mind and supports the request.

Staff received a letter from a resident in Circle G, a residential subdivision, conveying concern for the success of a mini-storage use. The applicant has met with homeowners and states that the homeowners are no longer opposed to the mini-storage use after reviewing the plan. The homeowners sent a letter to Staff rescinding their opposition.

MS. JODIE NOVAK, SR. PLANNER said there is also an adjunct case following this one. She displayed the view of the property. Currently the land is on PAD and it has a zoning condition to allow only neighborhood commercial uses. C-1 uses in the zoning code consist of retail, offices uses and restaurant. The request is to rezone to a new PAD zoning district to specifically allow on 4.7 acres a self-storage mini warehouse that the City refers to as a moving/storage warehouse establishment. This project calls for 425 individual self-storage units, totaling over 72,000 s.f. in overall building area. It is being designed with a retail development. It is not a separate walled off project.

She reported the Planning Commission voted for the project (5-2). Staff is recommending denial based on the land use. The zoning vested in 1999 as part of the Mesquite Groves Estates subdivision that abuts it. She said this was a unique area, has a specific land plan and is treated and looked at differently than the rest of the city in where you would appropriately put land uses. The City has historically only allowed this type of use in industrial areas. This Area Plan does not allow for industrial use anywhere, except in the area between Arizona Avenue and the Railroad tracks.

The subject site is located at the intersection of a Commercial Node with three other parcels zoned for Community Commercial (C-2) development. Existing developments include the

Albertson's-anchored commercial center at the SWC and a Walgreen's on the SEC. The NWC is also planned for a future shopping center and is owned by Safeway. There is a proposed office and retail development surrounding the Walgreen's pad.

Ms. Novak said there are about 19 self-storage mini warehouse uses in the City. Most are outdoor storage and a few are fully enclosed. Out of the 19, they are all on properties zoned I-1 Industrial, I-2 Industrial, PAD zoning, or have C-3 and were granted a Use Permit. The other areas don't have a restrictive Area Plan.

The applicant has been advised that there is a need for an Area Plan Amendment. One of the primary concerns staff has is that while the project is nicely designed, from a land use standpoint, it would be a concern to place a child care center with outdoor playground with view fencing next to light industrial with storage units where you could have personal or business goods being stored with paint, chemicals, fuel. It would be difficult to monitor.

Secondly, there are neighbors whose yards back up to this use. She noted that while there is no current opposition, there were two neighbors who initially had concerns.

She explained Planning Commission felt this use could be considered commercial.

In response to a question from Councilmember Weninger, Ms. Novak said this intersection is a commercial node. She noted the difference between this corner and the other 3 is that those were pre-zoned before the Area Plan was adopted. It was envisioned as a plain urban village, a small neighborhood center, but never intended for a major anchor. If this was denied, the back parcel could easily be integrated with the front parcel.

In regards to a clarification from COUNCILMEMBER WENINGER, Ms. Novak said that storage facilities not only accommodate people who live in the area, but also people who don't. Some find it as a convenient place because it is on their route. She noted the other storage facilities in the area.

COUNCILMEMBER WENINGER said he views not having storage facilities clustered in one place as a good thing. As people can make shorter trips by the facilities being more community oriented. Ms. Novak noted the storage facilities she is referring to also reside in the County jurisdiction and have vested zoning. She said they have reviewed it with Economic Development Staff and found they were about on track with the national average.

She noted that the area has low density residential at 2.5. The homes are on larger lots, some with basement options and the general feel is that they do have enough storage on their own.

COUNCILMEMBER WENINGER asked about how other cities classify this. MS. NOVAK said that every city is different. Chandler does not have additive zoning like many do.

COUNCILMEMBER HEUMANN asked what a mini storage generates for the City as it relates to best use. ECONOMIC DEVELOPMENT DIRECTOR CHRIS MACKAY said they researched some types of uses that could potentially be available on this site. As it relates to a storage facility, an average would be about \$90 per unit a month. Total revenue per month would be \$38,250 per month and \$459,000 per year in total revenue in to that project. At the 1.5% rate for City tax that \$6,685 in revenue. They also considered the sale of boxes and supplies to allow for a total project revenue in City sales tax of \$9,532.50. She explained typically they see a two-person management team, often times husband and wife, with the couple living on site. In

looking at an office use on the 4.77 acres, leaving the retail as it is today, based on 25% covered, that would produce 51,950 s.f. of office space. An average for the area for garden office at \$20 s.f., and at the 1.5% sales tax rate, it would be \$15,584 of sales tax generation for the City.

She explained when applying a similar methodology for employment in the area, they used a low (3 per thousand) to a high (5 per thousand) which would allow for 155 to 260 jobs on that 4.77 acres. She stated that after a drive through of the area, Economic Development staff feels that garden office is very supportable from that area. She added that the corner is probably not supportable as pure retail as they are looking at long time viability. If the 4.77 acres were used as retail only, it would generate \$229,095.

COUNCILMEMBER HEUMANN commented that the multiplier effect was huge on the job factor alone. MS. MACKAY said the theory is that when you put jobs back into the market, it shores up the other corners. The economic multiplier is based on what categories of jobs are provided. Typically, in standard office, it's 1.8 to 2, meaning that for every job you create, you add those in additional jobs in the area. Office tends to be at the highest impact from a job standpoint.

MR. PAUL GILBERT, 4800 N. Scottsdale Road, Scottsdale, representing Bill Laveen and Gary Davidson. Mr. Gilbert stated they have tried to develop this property for over 4 years. He explained the property has some serious challenges with the small size of the property in addition to a drainage channel. He said they vehemently disagree with some information that was provided. He expressed concern in deciding a zoning case based on economic principles.

MR. GILBERT stated the SECAP plan calls for medium density commercial on the two commercial nodes. He said the Plan also states that the development should be based on input received from the neighborhood residents. He reported visiting with every homeowner adjacent to the site and now having 100% support for the mini storage use. In addition, they have received support from the Homeowner's Association. He commented that the two Planning Commissioners who voted against the project, said they had no objection to the use. Both staff and the Commissioners complimented the quality of the project.

MR. GILBERT said the focus should be on the compatibility of the use with the existing residential. He said the question is also the use being commercial or industrial. He stated that by City Code, mini-storage is allowed in C-3 by use permit. Many other cities allow mini storage in commercial zoning district by right – no other community treats this as an industrial use. Mr. Gilbert said this project caters to use by residential neighborhoods. He questioned why a person would need to drive to an industrial center with industrial uses to retrieve their belongings. He stated that the mini storage would be very restrictive as to what is allowed to be stored. Electrical outlets are restricted. He said in using the Institute of Transportation Engineers Standards, the peak number of trips for the busiest hour in the morning, is 4 cars with the high at 7 cars in the afternoon. In reviewing other locations of mini storage developed by this owner, the rate of traffic in those areas is even lower. In regards to light pollution, the only lights are interior to this project. There are no plans to install lights between the exterior of the building and the neighbors. The applicant has agreed to limit the hours of operations. He reported the neighbors are elated to have a buffer that consists of their existing block wall and a 25-foot landscape strip. He displayed photos of projects at 34<sup>th</sup> Street and Indian School and 46<sup>th</sup> and Thunderbird. He stated in the 46<sup>th</sup> and Thunderbird case, two homeowners opposed them, but now come in support at hearings about them being a good neighbor. He also displayed a use at McClintock and Warner Road that was not one of his client's projects, but where the mini-storage was used as a buffer.

Mr. Gilbert said his client has never had to close a storage unit down and has determined this location to be used by residential users.

COUNCILMEMBER ORLANDO asked for clarification on the definition of Industrial. MS. NOVAK explained the districts: C-1 (Neighborhood Commercial), C-2 (Community Commercial) and C-3 (Regional Commercial/Light Industrial) and two industrial districts with the I-2 being heavier than the I-1 industrial use. There is a table of uses for each commercial and industrial district. She said that moving/storage or warehouse establishments are only allowed by right in an I-1, Light Industrial District or an I-2. It can be considered in a C-3, by use permit as those areas might also be considered Light Industrial. She displayed a map showing the 19 storage facilities in the city and explained their placement. She explained the difference in this case is that it has a specific Area Plan.

VICE MAYOR CACCAMO asked if there has been an allowance for a light industrial in a C-1 district. MS. NOVAK stated no and she was unaware of any in a C-2 either. There are some in C-3 with use permits.

COUNCILMEMBER HEUMANN asked when the outer parcel was designated in the PAD, was it with C-1 uses. MS. NOVAK stated that it was specifically stipulated for C-1 only, considering the other three corners with heavier use.

MR. GILBERT refuted the definition of their project as an Industrial use. He reiterated they are a mini-storage that caters to a residential clientele. They are low in traffic, height, noise and all the things that are typically associated with an Industrial use. He stated they are in a PAD and a PAD allows a C-3 mini warehouse. He stated if Council wanted them to amend the Plan to include an industrial use, he didn't feel that he could as he was not in an agreement that this was an industrial use. He cited the convenience of the placement near the residents. He stated that all of their storage is in interior and that is another thing that distinguishes them as Industrial uses have outdoor storage.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER SELLERS TO INTRODUCE AND TENTATIVELY ADOPTED ORDINANCE NO. 4144 APPROVING DVR08-0024 MESQUITE GROVE MARKETPLACE REZONING FROM PAD NEIGHBORHOOD COMMERCIAL C-1 TO PAD SELF STORAGE MINI WAREHOUSE, SUBJECT TO THE CONDITIONS RECOMMENDED BY PLANNING COMMISSION.

MAYOR DUNN said he recalled in previous years, dealing with mini storage in residential areas as well as commercial areas. He understands that by design standards, it does meet the unique guidelines of the SECAP. He asked if there are any stipulations in regards to signage and banners. MS. NOVAK said they do have a sign package. The sign package is very minimal and staff is supportive. Mayor Dunn asked if staff has analyzed the aspects of traffic circulation. Ms. Novak said that has been reviewed. The aisles are a traditional two-way drive with the capability to do a 3-point turn. She noted the one gate is an emergency exit only.

COUNCILMEMBER ORLANDO expressed the concern that people could store paint or industrial uses there without anyone knowing. He felt that would be a big disservice to the residents in the area. He didn't feel it was the appropriate area and didn't feel there was enough commercial in the area for the population in this area. He said he liked the project and believed it was a good start, but was going to be unable to support the project.

COUNCILMEMBER HEUMANN said he agreed with Councilmember Orlando about the unknown uses in storage areas. He said in terms of use, this doesn't fit in a C-1. He cited getting the best land use in sight of diminishing land and the fact that a childcare center would be located in the center.

COUNCILMEMBER WENINGER said that he didn't feel that items such as boats and wave runners would be stored in there. He commented that types of items mentioned such as paint are stored in resident's garages now. This project would be able to start quickly. MR. GILBERT said they do have the right to inspect the uses in the storage units. They report not having one problem in the years that Mr. Laveen has been doing this.

COUNCILMEMBER ORLANDO noted that there were initially some opposition letters in the file. MR. GILBERT said both letter of opposition have been withdrawn, leaving no neighborhood opposition. MS. NOVAK confirmed that the letters withdrawing opposition had been received.

MOTION FAILED FOR LACK OF MAJORITY (3-4) with Vice Mayor Caccamo and Councilmembers Heumann, Donovan, Orlando voting nay.

33. PRELIMINARY DEVELOPMENT PLAN: Mesquite Grove Marketplace

APPROVED Preliminary Development Plan PDP08-0017 Mesquite Grove Marketplace for a neighborhood commercial development on approximately 5.2 acres at the NEC of Gilbert and Riggs roads. (Applicant: Beus Gilbert PLLC, Lindsay Schube.)

Background:

The property is located at the NEC of Gilbert and Riggs roads in southeast Chandler. Surrounding the subject site is a proposed self-storage mini-warehouse project and the Mesquite Grove Estates single-family residential subdivision. The NWC of the Gilbert and Riggs roads intersection is and zoned for a commercial center, the SWC is developed with an Albertson's-anchored commercial center, and the SEC is developing with a Walgreen's and a bank pad along with a proposal to develop the remainder of the commercial center with office and retail.

In September 1999, the subject property was zoned PAD allowing uses permitted by right in the C-1 (Neighborhood Commercial) zoning district in conjunction with the zoning of the adjacent single-family residential subdivision, Mesquite Grove Estates. Development of the residential subdivision vested the subject site's zoning for neighborhood commercial uses only. A zoning condition was included in the rezoning approval stating, "The Conceptual Commercial Parcel, 'Parcel A', shall develop with C-1 uses in conformance with the standards and guidelines for a neighborhood commercial shopping center as designated in the City of Chandler General Plan Land Use Element".

The existing commercially zoned subject site is grandfathered from the Late Hour Business Compatibility Policy as the PAD zoning was adopted prior to the Policy's adoption in 2004.

The PDP includes a comprehensive sign package for building signage and monument signs for the commercial center which meets the Commercial Design Standards.

All required on-site and off-site improvements including rights-of-way and perimeter landscaping would occur in the first phase. Staff recommends all interior perimeter landscaping be installed

as part of the first phase with Fresh & Easy if the concurrent rezoning request for a self-storage mini-warehouse is denied.

While the building designs and site layout meet the Commercial Design Standards, the application requests a waiver to allow building features that are used for advertising or national image (corporate stylized architecture). There are two features proposed; one is a red color band around the Bank of America building and the other is a pointed, sloping roof element on the Fresh & Easy entrance area. The request for a corporate red band is not supported by Planning Staff as the band and color are not provided elsewhere in the development to be considered a standard architectural accent feature. The corporate color band is typically not approved with development requests. The roof design is supported by Planning Staff, as has been supported on other Fresh & Easy developments, due to the design being architecturally compatible with all other building elements and features in the development as well as providing rooflines with varied height, form and materials as required by the Commercial Design Standards.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on October 2, 2008. There were three area property owners in attendance. A resident of the adjacent Mesquite Grove Estates initially expressed opposition to the storage warehouse use but has since changed their mind and supports the request.

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

SENIOR PLANNER MS. JODIE NOVAK said this property does not require rezoning as it is on PAD for C-1 only uses and the Preliminary Development Plan (PDP) which is the Site Plan and building architecture is specifically for uses allowed in C-1. The request includes a Fresh & Easy grocery store, a bank pad, and a Tutor Time childcare/daycare center. It meets all of the commercial design standards in the zoning code and meets the Southeast Chandler Rural Agrarian Development Design Standards. There were conditions added at the Planning Commission which was to remove the red corporate coloring off of the bank pad and to integrate some additional architectural materials and/or mural along the self storage building, which has since been denied. She suggested that Condition No. 10 would no longer be needed with this particular PDP because there is not a Building G. The remainder of the 9 acre site will still be zoned PAD for C-1 commercial which could come in at a later date for retail, restaurant or office type uses. Staff feels any future development could be integrated.

COUNCILMEMBER ORLANDO confirmed that Condition 10 could be deleted. MS. NOVAK explained that condition 10 was a request by Planning Commission, but as the mini-storage use was denied, this item would no longer be needed.

CITY MANAGER PENTZ asked that given the fact that the previous item was denied, if the Planning staff thought it wise to go forward with the PDP as it is unknown what will go on the remainder of the property.

MAYOR DUNN said in order to be fair with what the neighborhood expectations are, he questioned if the entire site plan doesn't need to be changed and redesigned. He questioned the request to go forward with the emptiness in the back of the retail center and have potentially an issue with the neighborhood now that the buffering has gone away. MS. NOVAK said staff did review this as a whole, realizing that staff was not supporting the storage. She said that a PDP could come forth for the remaining portion and be integrated well. She understood that with the

three current proposed uses they were set on their locations. There may be some maneuvering that would need to be done. She acknowledged that Council may want to look at the entire 9 acres however, staff would be comfortable either way.

MAYOR DUNN expressed his concern in developing them separately. MR. PAUL GILBERT said they would like the PDP approved, however they may want to come back and receive an amendment for a portion of it. He explained they do have signed commitments from Fresh & Easy, the bank and Tutor Time and they will take that risk. They do meet the minimum square footage required to go forward with a partial plan.

COUNCILMEMBER HEUMANN asked if the 3 businesses would have to be built at the same time to meet the square footage requirements. Ms. Novak said their PDP specifically requests to be able to build Fresh & Easy first and staff is supportive of that and that does meet the code. Ms. Novak said that if Council was inclined, the retail would be required to put in the 10-foot landscape buffer along the north and east property lines adjacent to the single family residential and would have to add a stipulation in. MR. GILBERT said they would agree. MS. NOVAK said a Condition No. 12 could be added that perimeter landscaping on the north and east would be required with the project.

MOVED BY COUNCILMEMBER HUEMANN, SECONDED BY VICE MAYOR CACCAMO TO APPROVE PDP08-0017 MESQUITE GROVE MARKETPLACE, PRELIMINARY DEVELOPMENT PLAN FOR A NEIGHBORHOOD COMMERCIAL DEVELOPMENT, STRIKING OUT NUMBER 10 AND IN SUBSTITUTION ADDING THE PERIMETER LANDSCAPING THROUGHOUT THE PARCEL WOULD BE DONE IN PHASE ONE.

1. Compliance with original conditions adopted by the City Council as Ordinance No. 3024 in case PL99-035 except as modified by condition herein.
2. Development shall be in substantial conformance with Development Booklet entitled "PAD Rezoning and PDP for Mesquite Grove Marketplace" kept on file in the City of Chandler Planning Services Division in File No. DVR08-0024 / PDP08-0017, except as modified by condition herein.
3. The commercial development standards shall be in accordance with the requirements of the Southeast Chandler Area Plan.
4. The monument sign's sign panels shall have an integrated or decorative cover panel until a tenant name is added to the sign.
5. Landscaping shall be in compliance with current Commercial Design Standards.
6. Raceway signage shall be prohibited within the development.
7. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
8. The site shall be maintained in a clean and orderly manner.
9. The red color corporate band on the Bank of America building is prohibited and shall be removed from the building's architectural designs.
- ~~10. Incorporate corrugated steel siding in certain areas, and may also add a mural(s), along the west elevation of Building G to break-up the wall plane.~~
10. Perimeter landscaping along street frontages and along the existing single-family residential is required with this project and shall be completed in Phase One.
11. Fully screen the outdoor cart storage area on the Fresh & Easy building with a solid screen wall to be architecturally integrated with the building's design.

COUNCILMEMBER ORLANDO questioned what would be done with the former area with the proposed storage facility and would they come back through administrative action. MS. NOVAK stated that the overall 9 acres is zoned PAD for C-1. This PDP is only for 5.2 acres. There is no PDP on the 4.7 where the storage was proposed. The applicant can do any use allowed by right in a C-1 zoning category, but they would still need to come back before Planning Commission and Council with a PDP for the 4.7 acres of remaining land.

MAYOR DUNN clarified that the applicant does not have to come back. This action would approve two-thirds of the development with an empty lot in the back except for the 10' landscape buffer. He said his hope that the applicant would come back with another use for the back lot to fully develop the parcel.

COUNCILMEMBER WENINGER asked about Stipulation No. 9. MS. NOVAK said there is a red band that runs across the whole building of the bank and one of the commercial design standards in the zoning code states that no corporate stylized architecture shall be on a building. She stated that it could be used as an accent color for the whole project, but that is not the intent here.

MOTION CARRIED BY UNANIMOUSLY (7-0).

#### SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

Mayor announced the Annual Family Easter Celebration on April 11<sup>th</sup> at Snedigar Sportsplex.

Mayor announced that at the recent Family Bike Event there were over 100 riders on the Paseo Trail.

Countdown to Chandler's 100<sup>th</sup> birthday in 2012 will be held downtown as well as the Chandler Pioneer Luncheon.

Mayor attended a reception with the Vita volunteers that help prepare tax returns. Mayor Dunn said that there were nearly 550 returns processed and earned income credits totaled more than \$250,000 and total refunds totaled about \$800,000 for Chandler residents.

B. Councilmembers' Announcements:

VICE MAYOR CACCAMO announced the Desert Cancer Foundation of Arizona and it's annual fundraiser on April 26<sup>th</sup> at the Crowne Plaza San Marcos Golf Resort.

C. City Manager's Announcement:

None.

