

MINUTES OF THE REGULAR MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers in the Chandler Library, 22 S. Delaware, on Thursday, December 14, 2006 at 7:10 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR BOYD W. DUNN.

The following members answered roll call:

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

Also in attendance:

W. Mark Pentz	City Manager
Rich Dlugas	Assistant City Manager
Pat McDermott	Assistant City Manager
Michael D. House	City Attorney
Marla Paddock	City Clerk

INVOCATION: The invocation was given by Pastor Roger Storms, Chandler Christian Church

PLEDGE OF ALLEGIANCE: Councilmember Donovan led the Pledge of Allegiance.

SCHEDULED PUBLIC APPEARANCES:

1. Retirement Recognition – Bryan Patterson:

MAYOR DUNN recognized Public Works Director Bryan Patterson on his retirement from the City of Chandler after 13 years of service. During his tenure, the Price and Santan freeways were completed, the traffic management center was opened, new traffic signals were installed at 88 intersections, 6210 streetlights were installed, 75 miles of streets were constructed and 222 capital projects were built. The Public Works Department was the first in Arizona to be nationally accredited and also received the 2006 Management Innovation Award from the American Public Works Association and honorable mention in *Public Works Magazine* as the country's department of the year. MAYOR DUNN thanked Mr. Patterson for his dedicated service to the City of Chandler.

Mr. Patterson introduced his family and commented that Chandler has been the best place he has worked due to the support of the Council, employees and citizen volunteers.

COUNCILMEMBER ORLANDO said that over the years, Mr. Patterson has always been willing to work the issues that came before them and he thanked him for his service.

2. Presentation of Communications Awards:

MAYOR DUNN was joined by Communications and Public Affairs Director Nachie Marquez. Ms. Marquez said the members of the department were recently awarded two international awards for Chandler's on-line employee newsletter - The Savvy Award, one of the highest honors achievable for government communicators from the City, County Communications and Marketing

Association, and a Silver Quill Award of Merit from the International Association of Business Communicators. The awards were presented to Jennifer Honea for her work on the Outlook. Kim Kaan was also acknowledged for her assistance designing the newsletter and contributing to Outlook. The newsletter is posted on the City's intranet and accessed through a link in an e-mail sent bi-monthly to all City employees. Employees throughout the City contribute articles making it more interesting to the entire City.

Ms. Marquez also announced that the top tier Savvy Award from the City, County Communications and Marketing Association was received for a series of public service announcements promoting opening events of the freeways. They were produced by Dave Bigos, directed and edited by Stacey Sacco with additional direction and videography by Ray Gonzales and Bob Leister.

Ms. Marquez said the City's website, chandleraz.gov, also won top marks for e-government efforts in a national study conducted by the National Policy Research Council. Chandler was the only Arizona city to receive an A+. Over 11,000 state and local websites were reviewed. She congratulated Kim Kaan for her work on the website.

3. American Society of Landscape Architects - Kris Kircher:

MAYOR DUNN asked Parks Maintenance Superintendent Kris Kircher to join him as he announced that the Chandler Parks Development and Operations Division had received the first Landscape Maintenance Practices Award from the American Society of Landscape Architects.

4. Covance – Various Citizens:

MIKE BOERMAN, 2255 W. Germann Road, read a portion of a letter written to the Council on October 30, 2006, from a concerned Chandler citizen. In the letter, the author describes a phone call to an elderly, stroke-impaired family member by an agent of a group called Arizona CURE on behalf of the Covance Corporation. A few days later, an endorsement letter was received from the Arizona CURE instructing the family member to sign. It appeared they used personal information extracted from the phone conversation to make it look like she wrote it herself. The author of the letter stated that they had visited a Covance website where they identify themselves as a drug-development services company, and, despite emphasizing cancer research to the family member, the word "cancer" was not mentioned on any one of the dozen pages reviewed. The author was of the opinion that given additional on-line research that showed the controversy surrounding the company and, given their attempted manipulation of the family member, they was convinced that the accusations of them being unethical and unscrupulous are correct.

Mr. Boerman asked if Council remembered reading the letter and if so, what were their feelings.

COUNCILMEMBER ORLANDO responded that he read the letter, as he does with all of his city correspondence, and would ask whoever asked the person for the information if they responded back to her and asked her why they felt they were misled.

Mr. Boerman asked if the members of Council who visited the Covance site in Madison, WI, were told of the tuberculosis outbreak? COUNCILMEMBER SEPULVEDA stated that he visited two facilities – one in Madison and one in Vienna, VA. His purpose was to talk with the regulators who issue air and water quality permits. There was discussion about activities at the various facilities, but tuberculosis was not included in the discussions. He stated the tuberculosis issue

was a quarantine situation, which demonstrates that the protocol is working. A problem was discovered with some of the animals and it was addressed.

JAN MCCLELLAN, P.O. Box 2373, Chandler, spoke regarding a statement issued by the Chamber of Commerce to the Council suggesting that Covance consider creation of a diverse, unbiased and respected community advisory board comprised of business experts, health, biological or chemical experts and lay-persons to ensure a balanced dialogue between Covance and the community. A Covance spokesperson said they were already doing that. Ms. McClellan submitted a resume and was contacted for a phone interview by Theresa Gunn with Gunn Communications. The interview lasted 45 minutes during which time she was asked about concerns the community has with Covance. Ms. McClellan could tell the interview was being taped and Ms. Gunn admitted she was hired by Covance. She has never heard back from Ms. Gunn. She stated, to her knowledge, the panel has still not been formed and asked if anything is being done to proceed.

COUNCILMEMBER ORLANDO asked if Staff has an update on the status of the panel. City Manager Mark Pentz responded that the panel is being formed and a Staff representative has been requested to serve on the panel. It is his understanding that they are tentatively scheduled to hold the first meeting just after the first of the year. COUNCILMEMBER ORLANDO asked if Council would be given any details about the make-up of the panel and what they wish to achieve. Mr. Pentz said he could ask Covance but would expect they would provide the City with a list of the members. COUNCILMEMBER ORLANDO asked Mr. Pentz to post that information on the website to keep the community informed.

COUNCILMEMBER SEPULVEDA reminded Ms. McClellan to provide information regarding air quality he requested. Ms. McClellan responded that within a week of the request, a packet of information including the air quality information was left for each Councilmember but would distribute it again if Council did not receive it.

HOLLY HALL, 3260 W. Shannon Place, said that she would like to know if Madison was a quarantine facility and the tuberculosis was caught there or leaked out to a test facility. She suggested the City look into updating its codes to possibly limit the proximities of such facilities to homes and schools to protect residential neighborhoods. She questioned how Chandler would protect its citizens if Covance was not a good neighbor.

COUNCILMEMBER SEPULVEDA said that he would like to see proof of any EPA violations issued to Covance. He spoke with two air quality representatives and what he saw is not what has been referred to by residents. Ms. Hall said she has gotten the information from the website, but the severity is not listed. They could only be minor infractions, but the City should be aware of them.

COUNCILMEMBER SEPULVEDA asked Ms. Hall if she knew how many citizens attended the community meetings sponsored by Covance this week. Ms. Hall said she did not attend and did not know.

MAYOR DUNN indicated that they asked specific questions regarding violations when meeting with officials from both Covance in Madison, WI, and Vienna, VA. COUNCILMEMBER SEPULVEDA commented that the air quality official he spoke with in Madison did produce one air quality violation due to a miscalculation by not factoring in their diesel generators. Once the correction was made, the account was closed. The meetings were with state and county regulators and not Covance representatives and air quality was never an issue.

CAMILLA STRONGIN, 2425 E. Camelback Rd., Phoenix, consultant for Covance, provided an update regarding the citizens' advisory panel. They have been gathering recommendations from members of the Council, Chamber of Commerce and other stakeholders in the community. The determination of the makeup of the panel has not been made. There is a meeting scheduled the second week of January to meet with potential members who have received a questionnaire and will be given a briefing on the time commitment. Currently, a three-year commitment is being considered. They have looked at a diverse group. As stated earlier, the citizens' panel has not been formed. Her role for Covance is not that of a facilitator for the panel. Theresa Gunn, as recommended by Intel, was hired to help form the panel. They are considering 10 to 18 members and will be providing information as to those selected and accepting to the Mayor and Council.

Ms. Strongin continued that Covance hosted two community meetings inviting three neighborhoods closest to the new site. There were 11 Covance representatives present to respond to any questions citizens may have. She announced those meetings will be held periodically to cover the entire City and are being held voluntarily because they feel it is important for the community to be informed.

COUNCILMEMBER SEPULVEDA asked if anyone opposed to Covance was present at the two meetings and spoke with Covance. Ms. Strongin replied that there they are aware of only a small number of citizens in strong opposition to Covance. COUNCILMEMBER SEPULVEDA asked how these meetings were publicized. Ms. Strongin said that invitations were mailed to the Paseo Trails, Peterson Farms and Allen Ranch neighborhoods, through door-to-door communications and telephone calls. Attendees were asked to sign a good conduct agreement.

COUNCILMEMBER ORLANDO said that he has never heard of citizens having to sign any type of waiver to attend a public meeting. It was his belief that this could stifle communication and could be intimidating. He felt in the future, that type of documentation is not needed. If someone is being disorderly, there are ways to address those issues. Ms. Strongin said that the document was not intended to intimidate anyone and they did not hear that from those in attendance. She offered to provide a copy of the document. COUNCILMEMBER ORLANDO said this was not the only controversial issue faced by the City including Walmart, Intel and Motorola, but there was never a request for citizens to sign a waiver to attend a public meeting.

COUNCILMEMBER ORLANDO asked what type of criteria is being considered for members of the citizen panel. Ms. Strongin responded that they are looking at a diversity of backgrounds, stakeholders within the community, scientific backgrounds, biomedical research, construction, education, etc. Someone strongly opposed to animal testing would not be invited to join because it would be counter-productive. COUNCILMEMBER ORLANDO said that there are citizens strongly opposed to hazardous waste, but are not concerned with animal testing and asked if they would be invited to join. Ms. Strongin said they would. COUNCILMEMBER ORLANDO commented that it would be good to include someone who is against animal testing to add diversity to the mix. If that person becomes unruly and hinders progress of the committee, it is up to the committee to take control of the situation.

DORSHA HALE, 1811 W. Havasu Way, spoke in opposition to Covance for air quality reasons. She is not concerned with animal testing. She said that one of her children has severe asthma and is concerned for health reasons - adding an incinerator will only make it worse. The animal carcasses will likely contain concentrated levels of industrial chemicals, insecticides, pesticides and experimental drugs and the impact of the incineration of such chemicals is unknown. She

asked if Council would consider a regulation prohibiting hazardous incinerators from being located within 7 miles of residences and 10 miles of schools.

COUNCILMEMBER SEPULVEDA reiterated that it is Maricopa County that regulates air quality and not the City. He clarified this was a testing facility and not a manufacturer. Traces of hazardous chemicals have been found. MS. HALE said that she is confused as to why it would be acceptable to burn animal carcasses when there is a no burn regulation in the county when logs cannot be burned in residential fireplaces. COUNCILMEMBER SEPULVEDA responded that there are different regulations for various types of burning.

MAYOR DUNN added that Covance might be considering a different means of destroying the carcasses other than by incinerator, which will come to light as the process moves forward.

AMY EVANS, 1624 W. Enfield Way, spoke in opposition to Covance. She stated she is a pharmacist and fully understands the need for testing drugs on animals and has visited many testing and research facilities with impeccable safety records unlike Covance. She is disappointed that Covance is locating in Chandler.

JIM SHEA, 3020 N. 14th Street, Phoenix, said that the air quality does not only affect Chandler, but the entire valley. He does not understand why Chandler, or any city in the valley, would invite a company that has a questionable reputation to locate here.

COUNCILMEMBER SEPULVEDA likened this controversy to that of the location of semiconductor facilities in the valley in the 1980's. There is fear of the unknown. There have not been air quality issues or ground water contamination as was feared. There is a lot of unsubstantiated information being passed around.

MAYOR DUNN added that when Covance considered locating in Chandler, it was important for him to meet with representatives in Madison and Vienna to see what kind of corporate citizen they have been. It is Madison's premiere industry that they brag about. The facility in Vienna has been there since the 1940's and is surrounded by multi-million dollar homes.

MICHELLE LILLY, 3200 S. Holguin Way, said that she was the one who brought the video to Council. She thanked COUNCILMEMBER ORLANDO for his valid suggestion to include those with different opinions on the citizens' panel. She does not feel Covance has ethics, which is evident from the fines they have received.

MINI RICHARDS, 1882 W. Lantana Drive, spoke in opposition to Covance. Chandler is a healthy community and Covance will drastically change that status. Covance will build an incinerator no matter what they say putting the community at risk for various illnesses. Citizens deserve the right to make a choice.

COUNCILMEMBER ORLANDO asked what roll the City plays in any of the environmental issues mentioned by the citizens. MR. PENTZ responded that the incinerator is permitted and regulated by Maricopa County; however, a Use Permit will need to be issued by the City. With regard to wastewater, the City will make the determination on pretreatment. Doug Ballard confirmed that a Use Permit would be needed.

CAROLINE TOLMAN, 2768 E. Balsam Dr., stated that she was planning to go to the public meeting on Tuesday until she found out she had to show ID and sign the waiver and choose not

to go. She is opposed to Covance because of health reasons and the decline in property values. Testing is necessary and there are many other reputable companies.

COUNCILMEMBER SEPULVEDA asked Ms. Tolman if she could quantify her statement regarding a decline in property values. Ms. Tolman responded that she could and will e-mail it to him. COUNCILMEMBER SEPULVEDA said that he was very involved in the Wal-mart location at Alma School and Queen Creek and does not recall any of the neighbors being opposed because it would bring a lower class of people as Ms. Tolman stated.

JOYCE ECKMAN, 1793 W. Lark Dr., said that she believes animal testing should only be done for life-saving drugs and not cosmetics and pesticides. She asked if she could be assured that Covance will only test for life-saving drugs on animals and nothing else.

JIM PATTERSON, P.O. Box 3186, Chandler, Chairman of the Arizona CURE, said that they support the biotech industry of which Covance is a member. They have approximately 5000 Chandler citizens who have signed up to support Covance. Out of the approximately 200 attendees at the public meetings earlier this week, there were possibly two dozen in opposition. He spoke in disagreement to an organization that would promote the boycott of businesses because of differing opinions. He acknowledged that there are safety concerns in the biotech industry and it is important to create a safe environment.

COUNCILMEMBER ORLANDO commented that it is unfair for citizens to boycott businesses of Councilmembers. He asked all of those involved to continue an open dialogue.

COUNCILMEMBER WENINGER said the people have the freedom to do what they want. He decided to run for Council on his own free will. To clarify, there has been no vote by the Council regarding Covance. He stated that he would never make a decision based on his economic livelihood. It would be unethical. He will only make decisions based on what is best for the citizens of Chandler.

STEVE BARKYOUNB, 3301 Kinsman Blvd, Madison, WI, Vice-President of Toxicology for Covance Labs in Madison, addressed the issue of tuberculosis as mentioned earlier. He confirmed that there were 5 monkeys diagnosed with TB earlier this year. The monkeys were confined to one room and the disease was discovered as part of their rigorous health-screening surveillance program. The cases were reported to the State of Wisconsin as required and the public was never at risk. Covance takes disease prevention and control very seriously as well as the health and safety of their employees and the environment. They have extreme confidence in the rigor around these procedures, which reflect the standard practice of industry and meet or exceed the guidelines published by the CDC. In the case with the tuberculosis, he stated it worked exactly as planned. They have a health surveillance program screened on a quarterly basis, technicians are trained to monitor for clinical signs that may be suggestive to tuberculosis as well as training technicians involved in autopsies on animals for the identification of potential lesions.

Mr. Barkyounb clarified that the Chandler facility is not a quarantine facility. Tuberculosis is very slow growing and at times difficult to detect. The fact that there has not been a single case in the past 12 years is a testament to the success of the quarantine system in place in other parts of the country.

Those opposed to Covance continue to grossly distort the facts surrounding the TB outbreak solely to incite emotionalism, scaring the public unnecessarily and further their agenda.

Opponents are entitled to their opinions, but when lies are being told, it is a disservice to the public. Covance has been accused of a cover-up and putting the public at risk which cannot be any farther from the truth. Once the cases are reported to the proper authorities, it is the responsibility of the government to determine if the public is at risk and not the individual companies.

COUNCILMEMBER CACCAMO asked what the ratio of contagion is between humans and monkeys. Mr. Barkyoub responded that monkeys are more susceptible to TB than humans.

COUNCILMEMBER ORLANDO asked what the process is for reporting an incident to the regulatory agencies. Mr. Barkyoub replied that it is not a reportable disease to the CDC, but it is to the state. COUNCILMEMBER ORLANDO said that we have agreements with other large corporations such as Intel and Motorola that local authorities would be notified if an event occurred so they would be prepared to mitigate what may not be contained and asked if Covance would be willing to participate in such an agreement. Mr. Barkyoub responded that they would be willing to comply with appropriate regulations and guidelines with respect to incident reporting.

COUNCILMEMBER SEPULVEDA asked about the difference in a quarantine facility and the facility that will be located in Chandler. Mr. Barkyoub explained that the first time they got a positive reaction for TB, the rooms were isolated through stringent guidelines from the CDC. Per those guidelines, any non-human primate imported into this country has to go through a rigorous testing procedure before being taken to a Covance facility. The e-bola incident was caught in a quarantine facility and the facility did what it was supposed to do. Covance has a branch called Covance Research Products in a remote part of Texas where the monkeys are imported.

MAYOR DUNN asked about the importance of monitoring an animal's health during testing. Mr. Barkyoub said there is an annual unannounced inspection by the USDA monitoring the treatment of the animals. They are also members of an international accreditation program, which monitors treatment of the animals. The Institutional Animal Care and Use Committee made up of Covance representatives and an outside member looks at all protocols prior to studies being started. Contrary to what some believe, it is extremely critical to use healthy animals for testing purposes.

UNSCHEDULED PUBLIC APPEARANCES:

There were no unscheduled public appearances.

CONSENT:

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER CACCAMO, to approve the Consent Agenda as presented. Motion carried unanimously (7-0).

1. POWER DISTRIBUTION EASEMENT: SRP Ord. #3841

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3841 granting a no-cost power distribution easement to Salt River Project (SRP) to provide electrical service to Quantum Helicopters facilities at the new heliport at Chandler Municipal Airport. The easement is on a City-owned parcel at Heliport Way between Germann and Ryan roads, east of Cooper Road.

2. NO-COST POWER EASEMENT: SRP Ord. #3842

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3842 granting a no-cost power distribution easement to Salt River Project (SRP) to provide electrical service to new hangar facilities at Chandler Municipal Airport. The easement is located on a City-owned parcel at S. Airport Boulevard, between Germann and Queen Creek roads, east of McQueen Road.

3. WITHDRAW REZONING / PRELIMINARY PLAT: Vina Escondida Ord. #3850

WITHDREW Ordinance No. 3850 rezoning from AG-1 to PAD for single-family residential along with a Preliminary Development Plan for the subdivision and development standards on approximately 13 acres at the request of the applicant for purposes of re-advertising.

WITHDREW PRELIMINARY PLAT, PPT06-0016, VINA ESCONDIDA, for a 15-lot custom home subdivision. (APPLICANT: Jeff Wimmer, CMX, L.L.C.)

4. CITY CODE AMENDMENT: Chapter 50 Ord. #3861

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3861 amending City Code Chapter 50, Section 50-5, relating to charges for a returned check in payment of a utility bill.

The amount that may be charged to a customer when a check has been returned due to insufficient funds by the customer's bank is set by State Statute in A.S.R.S. § 44-6852. The statutory amount is currently set at \$25.00. Chapter 50, of the City Code, presently sets the amount that may be charged for insufficient funds checks (NSF) in payment of a utility bill at \$15.00 and, thus, precludes the City from charging an amount up to the statutory limit. Removal of this paragraph will allow the City to apply a charge for returned checks up to the statutory limit.

5. LEASE AGREEMENT: Chandler Historical Society Ord. #3860

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3860 authorizing a Lease Agreement with the Chandler Historical Society for use of the building at 178 E. Commonwealth Avenue as a museum.

It is anticipated that the Museum will remain in the current location until construction of their new facility is completed within the next few years. The lease term is for two years, with two (2) options to extend, each for one additional year. The lease fee is \$1.00 per year and the City provides building maintenance, basic custodial services, as well as furnishing utilities at no cost.

6. REZONING: Mammoth Commerce Center – Chandler II Ord. #3867

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3867, DVR06-0030, Mammoth Commerce Center – Chandler II, rezoning from PAD Light Industrial to PAD Office and Light Industrial with Preliminary Development Plan on approximately 6.24 acres for office buildings and an industrial warehouse at the NWC of Stearman and Hughes drives. (Applicant/Developer: Chris Swanson, Mammoth Equities LLC.)

Parcels to the north, south and east are vacant and a part of the larger Chandler Airport Business Park master plan designated for light industrial. West of the site is the Chandler Municipal Airport. The property is located approximately 1,000 feet south of the new Germann Road alignment. Old Germann Road abuts the property's north side and in between a 20-acre parcel north of the proposed development.

The CABP (Chandler Airport Business Park) includes development design standards that were implemented through the zoning of Cardinal Health's property. The standards identify some specific design criteria as well as other generalized design objectives to be implemented. The proposed development meets the design standards.

This request was noticed according to the provisions of the City of Chandler Zoning Code with a neighborhood meeting being held on September 5, 2006. There were no area property owners in attendance. Staff has received no correspondence in opposition to this request.

The Airport Commission reviewed the zoning amendment request in accordance with the Airport Conflicts Evaluation Process. The Airport Manager has issued a conflicts evaluation report indicating that the Airport Commission found that no airport conflicts exist with this application. . The Airport Commission indicated that the zoning should be required to file an FAA Form 7460-1, Notice of Proposed Construction or Alteration.

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

7. REZONING / PRELIMINARY PLAT: Pecan Trace Ord. #3868

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3868, DVR06-0029, Pecan Trace, rezoning from County zoning district Rural-43 to Chandler zoning district PAD together with a Preliminary Development Plan for a single-family home subdivision on approximately 17.5 acres.

APPROVED PRELIMINARY PLAT PPT06-0059, Pecan Trace, for a 38-lot single-family residential subdivision at the SEC of Ocotillo and Lindsay roads subject to the following condition:

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

The proposed subdivision was annexed into the City on September 30, 2006. North, across Ocotillo Road is vacant land within the Town of Gilbert. Directly east and south of the site is county-zoned agricultural (AG-43) land. West, across Lindsay Road is the single-family residential neighborhood of Old Stone Ranch.

The property is within the southeast Chandler Area Plan (SECAP) that encourages a rural/agrarian character. SECAP designates this site as Traditional Suburban Character with residential densities up to 2.5 du/ac, but allows for densities up to 3.5 du/ac providing the subdivision includes additional amenities. Pecan Trace meets the amenity requirement by adding an additional 8.8% open space to the required 10% allowing for the increased density.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on Tuesday, September 26, 2006. There were no neighbors in attendance.

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

8. REZONING: Chandler Airport Commerce Park Ord. #3869

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3869, DVR05-0039, Chandler Airport Commerce Park, rezoning from AG-1 to PAD with Preliminary Development Plan for a Commercial Office and Industrial business park development on approximately 80 acres south of the SEC of McQueen and Queen Creek roads. (Owner: A. Brent Payne, Chandler Airport Property Investors L.P.

The property is located south of the airport runway and has frontage on McQueen Road. Primary access serving the 80-acre parcel will be from the west along McQueen Road, with a secondary access provided to Queen Creek Road through the future city park site. The property is part of the Chandler Airpark Area Plan and within a rapidly developing employment and commercial area surrounding the airport.

The subject parcel is a part of a larger approximately 150-acre site, of which the City of Chandler owns the remaining 70 acres. A small triangular parcel located at the immediate southeast corner of Queen Creek and McQueen roads, west of the canal, is not a part of this application. The City of Chandler is currently processing an exchange agreement with the applicant to re-configure the existing ownership lines in order to allow the development of a regional retention basin and city park, as well as the requested business park development. The regional retention basin is required by Maricopa County Flood Control as part of the regional drainage system along the canal.

The 80-acre site is surrounded to the north, east and south by the future city park and regional retention basin, as part of the land exchange agreement. East of the future city park is the existing rural-residential subdivision, Twin Acres. South of the future city park is the existing residential subdivision Lantana Ranch. By "wrapping" the proposed business park development with the future city park, the adjacent residential uses are buffered from the future business park by an approximate 300-foot landscaped buffer. McQueen Road abuts the property on the west side, with the City of Chandler Waste Transfer facility west of McQueen Road. Queen Creek Road is adjacent to the north, with the Chandler Municipal Airport located north of Queen Creek Road.

The Development Design Standards for Chandler Airport Commerce Park identify some specific design criteria as well as other generalized design objectives that will be implemented. The design standards are intended to allow for architectural and material diversity while maintaining a consistent high-quality business park. A consistent landscaping palette of desert compatible varieties is required. Parking screen walls will be required to reflect similar architectural elements, materials and colors found upon the respective buildings.

The Airport Commission reviewed the zoning amendment request in accordance with the Airport Conflicts Evaluation Process. The airport manager has issued a conflicts evaluation report indicating that the Airport Commission found that a potential but correctible conflict exists with this application. A small portion of this proposed business park is within the Runway Protection Zone (RPA) at the site's northwest corner. The Airport Commission indicated that the zoning should be required to file an FAA Form 7460-1, Notice of Proposed Construction or Alteration, as well as prohibit Public Assembly uses.

This request was noticed according to the provisions of the City of Chandler Zoning Code with neighborhood meetings being held on July 11, 2005 and September 26, 2006. There were approximately 40 neighbors in attendance. Staff has received no correspondence in opposition to the request.

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

9. PAD AMENDMENT: Pollack Business Park North & South Ord. #3872

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3872, DVR06-0053, Pollack Business Park North & South, amending the existing Planned Industrial District Area Development (I-1 PAD) zoning to I-1 PAD Amended to allow certain vehicle repair, customization and accessory sales; installation of retail products; sign sales, repair and fabrication; repair and manufacturing of certain small-scale equipment or goods; and expansion of areas designated for retail showroom on approximately 30 acres at both the NE and SE corners of Arizona Avenue and Elliot Road. (Applicant: Pew & Lake, PLC; Owner: Michael A. Pollack Real Estate Investments.)

The center occupies 30 acres of the SE and NE corners of Arizona Avenue and Elliot Road and consists of four parcels in different stages of development: the approximately 14-acre parcel at the immediate southeast corner of Arizona Avenue and Elliot Road and the approximately 10-acre parcel at the immediate northeast corner of the same intersection have both received zoning and Preliminary Development Plan (PDP) approval, but are currently vacant; an L-shaped parcel approximately 600 feet north of the northeast corner of Arizona Avenue and Elliot Road contains three constructed and occupied industrial/showroom buildings, two of which have Arizona Avenue frontage; and a parcel at the northeastern end of the business park, east of the Arizona Avenue-fronting businesses, contains two buildings under construction that are not yet occupied.

Both portions of the site, north and south of Elliot Road, are located within a larger 240-acre corporate park (Arizona Corporate Park, formerly known as Elliot Commerce Plaza) that includes industrial uses and a limited amount of commercial uses. Existing uses within the larger corporate park include a motorcycle dealership (Town & Country Motorsports) with service and repair to the north along Arizona Avenue, light industrial businesses with warehousing, a wholesale Italian baker, the Arizona Department of Revenue and various office uses. North, east and south of the Pollack Business Park is the rest of the Arizona Corporate Park, all of which is designated as Employment in the General Plan. West across Arizona Avenue are a retail center at the northwestern corner of Arizona Avenue and Elliot Road that is surrounded by office/business park uses, a vacant parcel at the southwest corner of the intersection designated for Low Density Residential, and an existing truck rental business south of the southwest corner.

In 1981, the subject properties were rezoned from AG-1 to I-1/PAD to allow a mix of industrial, office and commercial uses throughout the corporate park. The PAD overlay designated uses by areas within the corporate park, including I-1 uses and Planned Commercial Office (PCO) uses for the subject properties. In 1990, the corporate park received rezoning in order to refine use definitions and adjust the boundaries of the various use designations. In 1993, portions of the future Pollack Business Park North received rezoning approval to allow automobile and board sales and accessory services, though no development occurred under this zoning. In 2002, the five northernmost buildings of Pollack Business Park North received PDP approval and rezoning approval was simultaneously granted to add retail/showroom/warehousing uses to the permitted uses for Buildings A & E along Arizona Avenue. In 2004, the zoning was further amended for three suites within Building 3 in order to allow motorcycle sales and repair (Cycle Moto). In February 2005, the remainder of Pollack Business Park North & South (all except the northernmost five buildings) received rezoning approval to allow commercial and showroom/retail uses for certain buildings in addition to the previously approved I-1 and PCO uses, as well as PDP approval for the entire project. Commercial uses allowed by the 2006 rezoning include retail

shops, banks, restaurants, salons shipping and mail services, and other C-2 types of uses. The permitted use definitions explicitly forbid certain activities that would detract from the business park as designed, including outside storage, automobile or truck engine repair, or outdoor installation work.

The rezoning is prompted by two isolated rezoning applications filed in 2006 for suites within the Pollack Business Park and demand refinements in the real estate market for these types of suites. The comprehensive rezoning requested by this application reduces the need for numerous isolated rezonings.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 9, 2006. There were no citizens in attendance. Staff has received no correspondence in opposition to this request.

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

10. FUNDING APPLICATION: Housing Our Communities, Inc. Res. #4029

ADOPTED Resolution No. 4029 supporting a funding application by Housing Our Communities, Inc. to the Maricopa HOME Consortium to provide funds for homebuyer assistance.

The City of Chandler, along with six other local municipalities and Maricopa County, formed the Maricopa HOME Consortium for purposes of administrating the federal HOME Investment Partnerships Program (HOME). Of the total funds allocated to each jurisdiction under the HOME Program, 15% must be reserved for specific types of nonprofit organizations known as Community Housing Development Organizations (CHDO's). Participants in the Consortium have pooled their 15% set aside funding for eligible CHDO applications.

An East Valley based nonprofit organization, Housing Our Communities, Inc. (Formerly Housing for Mesa), has applied to the Maricopa HOME Consortium for funding as a CHDO agency under the FY 2007/2008 HOME Program. As part of their application, Housing Our Communities must submit a resolution of support from the governmental jurisdiction where the project is to be located. At a minimum, the resolution must include community support for the project and an indication that the proposed project is in compliance with the Consolidated Plan (a federal submission) of that locality.

Housing Our Communities application for CHDO funding is to purchase single-family homes, rehabilitate them and resell the properties to moderate income, first time homebuyers. The agency has not identified specific homes at this time, but as they will be looking throughout the East Valley for properties, a resolution of support from the cities in which the properties may be located is necessary.

All costs associated with the HOME Program and Maricopa HOME consortium will be paid by the U. S. Department of Housing and Urban Development and do not require repayment on the part of the City of Chandler.

11. INTERGOVERNMENTAL AGREEMENT: City of Glendale Res. #4030

ADOPTED Resolution No. 4030 authorizing an Intergovernmental Agreement (IGA) with the City of Glendale for the Chandler Police Department to provide law enforcement security services at the Arizona Sports and Tourism Authority Stadium.

Glendale Police Department (GPD) provides law enforcement security services at the AZSTAS. Glendale has a need for additional trained officers to work various events at the AZSTAS. Glendale is requesting Chandler Police Department (CPD) enter into an IGA to provide uniformed officers at various events. Glendale will pay CPD's participating officers directly. The Police Department's participation is beneficial in that it is an opportunity for CPD officers to gain experience in crowd control in an organized environment, it fosters a good working relationship with GPD and provides service to Chandler residents that may attend events. There are no financial implications to the City of Chandler as the City of Glendale pays Chandler's officers directly.

12. REIMBURSEMENT AGREEMENT: Chapman Automotive Group Res. #4031

ADOPTED Resolution No. 4031 authorizing a reimbursement agreement with Chapman Automotive Group, L.L.C. to improve public infrastructure impaired property at the SEC of Orchid Lane and Interstate 10 in an amount not to exceed \$225,000.00. The property is located where Salt River Project Agricultural Improvement and Power District (SRP) irrigation facilities are located at the Highline Canal and Orchid Street making it difficult to comprehensively develop commercial property to its full potential.

The I-10 and Ray Road area continues to attract major commercial development providing significant retail sales revenue for the City. Chapman Automotive Group, LLC (Chapman) plans to locate a luxury automobile dealership on the remaining 6 acres along Interstate 10 adjacent to Freeway Chevrolet. Development of the site is impaired by a 60" SRP irrigation pipe that cuts through the center of the site making it impossible to construct a building where needed without the realignment of existing public infrastructure.

The basic terms of the Agreement are:

- ❑ The proposed Reimbursement Agreement requires that Chapman be responsible for costs associated with the design of the new public infrastructure and removal of existing public infrastructure (estimated costs \$70,000.00).
- ❑ The City will reimburse Chapman up to a maximum of \$225,000.00 for the construction and realignment of the new public infrastructure.
- ❑ The City will reimburse Chapman ½ of the cost of realignment upon Chapman obtaining a building permit to construct a new luxury car dealership on the property. The remaining ½ of the cost of realignment shall be reimbursed upon issuance of a certificate of occupancy for a new luxury car dealership.
- ❑ The City's obligation to reimburse Chapman will expire December 31, 2009.

13. CONTINUE PRELIMINARY DEVELOPMENT PLAN: Erickson Consulting (Westech)

CONTINUED TO JANUARY 11, 2007, Preliminary Development Plan PDP06-0020, Erickson Consulting, for site layout and building architecture for two industrial buildings at 2350 N. Nevada Street, Lots 11 and 12 of the Westech Corporate Center to allow for submission of revised application materials to the Planning Commission. (Applicant: Diemer Associates Architecture & Planning, Ltd.; Owner: Stephen & Suzanne Erickson.)

14. PRELIMINARY DEVELOPMENT PLAN / PRELIMINARY PLAT: Isagenix

APPROVED Preliminary Development Plan, PDP06-0035 and Preliminary Plat, PPT06-0037, Isagenix, for a new manufacturing facility on a 15-acre site approximately 800 feet south of the SEC of Germann and Price roads. (Applicant: McCall & Associates Architects.)

The property is located on Price Road within the South Price Road Campus Employment Corridor as designated in the General Plan. The request is for Phase II of an existing development. The site currently includes an existing office/manufacturing facility near its center portion with vacant, decomposed granite surfaces encompassing the property's eastern third along the future Ellis Street right-of-way and smaller portions of the property's Price Road frontage on the west end.

North and south of the site are two campus-style employment centers, Charles Schwab and Motorola. West, across Price Road, is vacant AG-1 zoned land that is also within the south Price Road Campus Employment Corridor as designated by the General Plan. Directly east of the site, across Ellis Street, is vacant land zoned for office uses, and north of the planned offices is the existing San Tamara apartment complex.

The site received conceptual PAD zoning in 1994 for industrial uses as part of a request that also encompassed the Charles Schwab facility to the north. Phase I of the subject site received PDP approval in 1995 and was subsequently constructed for Pinnacle Manufacturing. In the past two years, under the ownership of the current tenants, Isagenix, the building has been converted to office and warehouse uses with its manufacturing functions moved to other sites in the metropolitan area. The 1995 PDP showed conceptual plans for future phases and stipulated that any such phases receive separate PDP approvals if they vary significantly from the conceptual plans and that future phases "carry a level of architectural and landscaping quality equal to or greater than the approved plans and elevations". It has been determined that the proposed development requires PDP approval.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 7, 2006. There were no citizens 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. Right-of-way dedications to achieve full half-widths, including turn lanes and deceleration lanes, per the standards of the Chandler Transportation Plan.
2. Development shall be in substantial conformance with the Development Booklet entitled "Isagenix", kept on file in the City of Chandler Planning Services Division, in File No. PDP06-0035, except as modified by condition herein.
3. A pond shall be installed along the Price Road frontage.
4. The landscaping at the southeastern portion of the site shall be extended eastward to provide a 100-foot landscape buffer from the Price Road right-of-way. Landscaping provided in this area shall be commensurate with other landscaping provided along the Price Road frontage.
5. Turf shall be incorporated into landscaping along the entire 100-foot Price Road landscape setback.
6. The landscaping shall be maintained at a level consistent with or better than at the time of planting. The site shall be maintained in a clean and orderly manner.
7. Date Palms shall be substituted for Fan Palms throughout the site.

8. Building signage shall not be illuminated.
9. Shade-providing trees shall be added to the eating area.
10. There shall be 36"-box trees added to the Landscape Plan in order to further screen the truck docks.
11. Covered parking canopies shall be compatible with elements of the buildings' architecture.
12. Monument signage shall utilize pin-mounted letters.

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

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

15. PRELIMINARY DEVELOPMENT PLAN: Artesian Ranch

APPROVED Preliminary Development Plan, PDP06-0047, Artesian Ranch, for a housing product on approximately 62 acres within a 186-lot single-family residential subdivision located north and west of the NWC of Ocotillo and Gilbert roads. (Applicant: Calex Homes, Craig Curtis.)

The property was rezoned from Agricultural (AG-1) to PAD zoning in May 2005. The zoning included a condition requiring the housing product to be approved through a separate PDP. The land use, lot sizes, landscaping, street standards, setbacks and subdivision diversity standards were addressed through a subdivision layout PDP that was approved at the same time as the development's rezoning application.

To the north, west, southwest and east are single-family subdivisions in various phases of approval: West and southwest are the completed subdivisions of Redwood Estates and Fonte Al Sole; north is the partially constructed large lot, custom home subdivision of Whitewing at Krueger and east is the conceptually zoned Layton Lakes subdivision. At the northwest corner of Gilbert and Ocotillo roads is an AG-1 zoned parcel designated by the Airpark Area Plan for commercial uses that is surrounded by the subject site. At the southwest corner of Gilbert and Ocotillo Roads is vacant land designated for a municipal water recharge facility. The housing product meets the current Residential Development Standards including all nine required standards and eight of the optional diversity standards.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 20, 2006. There was one citizen in attendance with concerns about two-story homes along the northern property line. 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. Compliance with original stipulations adopted by the City Council as Ordinance No. 3681, in case DVR04-0057, Artesian Ranch, except as modified by condition herein.
2. Development shall be in substantial conformance with the Development Booklet entitled "Artesian Ranch" kept on file in the City of Chandler Current Planning Division, in file No. PDP06-0047, except as modified by condition herein.
3. The applicant shall work with staff to provide basement options on 1- and 2- story homes.

16. CONTINUED ZONING / PRELIM PLAT: Layton Lakes Parcels 16 & 16B

CONTINUED TO FEBRUARY 22, 2007, zoning DVR06-0017, Layton Lakes Parcel 16 & 16B, rezoning from PAD to PAD amended with Preliminary Development Plan on approximately 5 acres of an approximately 33-acre site for the development of a church facility to allow the applicant additional time to generate updated housing product.

CONTINUED TO FEBRUARY 22, 2007, Preliminary Plat, PPT06-0029, Layton Lakes Parcel 16 & 16B, for site layout and housing product for a single-family residential subdivision on the remainder of the 33-acre site located at the NWC of Lindsay Road and Layton Lakes Boulevard to allow the applicant additional time to generate updated housing product. (Applicant: Dave Coble, Coe & Van Loo, Inc.)

17. SETTLEMENT AGREEMENT: Allied Waste Transportation

APPROVED a Settlement Agreement in Allied Waste Transportation, Inc., v City of Chandler, Arizona Court of Appeals, Division One, Cause No. 1-CA-TX-06-0016.

18. AGREEMENT: Devau Human Resources

APPROVED an Agreement with Devau Human Resources for annual temporary employment services in an amount not to exceed \$1,800,000.00.

Contract employees are utilized by the Community Services Department to fill temporary positions such as class instructors, coaches, sign language interpreters, park maintenance workers, swim coaches, library aides, C.O.R.E. teachers and production assistants. Other City departments that require specialty positions not available through temporary agencies under state contract also utilize contract employees. The contract was originally established when the IRS determined in December 1992 that a number of contract employees used by City departments should be appointed temporary employees. It was determined that it would be in the best interest of the City to contract with a temporary employment agency for the provision of those employee services.

The City is charged a cost per hour per employee plus a markup for each employee used under the contract. The percentage is added to the cost per hour for the total number of hours the employee works. The markup percentage covers liabilities, check distribution, application process and federal tax reporting for the temporary employees. The City determines if the hourly wage is reasonable prior to any employee being used under the contract.

19. No Item.

20. AGREEMENT: Siemens Energy & Automation, Inc.

APPROVED an Agreement with Siemens Energy & Automation, Inc. for annual maintenance on the i2TMS signal system software, sole source, in an amount not to exceed \$11,691.00.

The Traffic Management Center (TMC) involves the application of Intelligent Transportation Systems (ITS) to improve traffic operations and reduce congestion. With the use of the video display wall and traffic signal control software in the TMC, Siemens provides annually, system error support, emergency maintenance as needed, and quarterly preventative maintenance. The

contract duration is July 14, 2006 to July 13, 2007, with ten (10) one-year extensions at the discretion of the City.

21. AGREEMENTS: Fire Fighting Equipment

APPROVED Agreements with L.N. Curtis & Sons, United Fire Equipment and First In, Inc. for fire fighting equipment in an amount not to exceed \$50,000.00.

The nozzles and fire hose will standardize and upgrade current, in use devices on front line apparatus. The rescue shoring and stabilization systems will provide operational speed and efficiency in auto roll over and structural collapse emergencies, increasing victim survivability and Fire Fighter safety.

22. AGREEMENT: Mesa Community College

APPROVED an Agreement with Mesa Community College for the paramedic student training services, authorized the Fire Chief to execute the agreement and authorized the payment of \$44,580.00 for paramedic student training fees.

The Chandler Fire Department is sending twelve firefighters to paramedic training. The training will be conducted at the Chandler Fire Training Center. This agreement allows the department to provide the course coordination and facilities for the program while the College provides certification, supplies and instructor payment.

The College will compensate the City \$58,865.28 plus \$800.00 per attendee to cover instruction, classroom, supply and equipment costs. The City of Chandler will pay a training fee of \$44,580.00 (\$3,715.00 per student) as budgeted.

23. AGREEMENT: G & G Construction

APPROVED Agreement #C07-002 with G & G Construction for the construction of a raised crosswalk on Gardner Drive at Sparrow Drive, pursuant to Contract No. ST4-913-2100, in an amount not to exceed \$62,657.04.

Gardner Drive is a north/south collector road located west of Alma School Road that joins Germann and Ryan roads. This collector road is adjacent to Tarwater Elementary School. Both the traffic volume and speeds have increased along this section of road. Residents have requested that a traffic-calming device be installed to help mitigate traffic impacts. There is an existing crosswalk in front of Tarwater Elementary School that is proposed for replacement with a raised crosswalk. This device will improve traffic safety by slowing the speed of traffic, narrowing the road width, and shortening the crossing distance for children in the school zone. This project meets traffic calming policy requirements for 100% City participation.

24. AGREEMENT: Chandler Midway, LLC

APPROVED an Agreement with Chandler Midway, LLC for the installation of traffic signalization and illuminated street name signs at the intersection of Gila Springs and Chandler boulevards and accepting a lump sum payment of \$97,996.00.

A commercial development to be known as Chandler Midway Corporate Center is being constructed in the area immediately north of Chandler Boulevard and east of Gila Springs

Boulevard. The developer is Chandler Midway, LLC. As part of this project, the developer has an obligation for 43 percent participation in the installation of traffic signals and illuminated street name signs at the intersection of Gila Springs and Chandler boulevards.

The City has completed the design and received bids for these improvements and will be proceeding with construction in the near future. An Offsite Improvement and Construction Easement Agreement have been prepared to cover the developer's portion of the cost. Under the proposed agreement, the developer will make a lump sum payment to the City and, in exchange, will be relieved of any further responsibility for these improvements.

The construction cost for signaling this intersection based on the lowest responsive bid received is \$211,038.00. The developer's portion of this cost at 43 percent participation is \$90,746.00. Adding costs for engineering results in a total obligation on the part of the developer of \$97,996.00. Under this agreement, that is the amount of the lump sum payment to be made by the developer.

Funds in the amount of \$97,996.00 will be received from the developer and then applied to the cost of the work as the City completes this work.

25. AGREEMENT: SDB, Inc.

APPROVED Agreement #WA0606-401 with SDB, Inc. for design and installation of water quality monitoring systems in an amount not to exceed \$452,306.00.

This project agreement provides for the design and installation of water quality monitoring stations in five locations throughout the City's water distribution system. The Municipal Utilities Department strives to produce high quality water. However, the water quality may vary while traveling through the distribution system. The effects of water age, temperature and the introduction of contaminants are just a few examples of what can cause changes to occur. City personnel collect samples manually throughout the system several times a week but this only provides a series of "snapshots" of what may be happening in the distribution system. The new automated monitoring stations will provide a continuous profile of physical and chemical parameters that are relied upon as indicators of water quality. Water Treatment Plant Staff will monitor the parameters twenty-four hours a day via radio signals sent by the monitoring stations. The resulting information will be used to control treatment processes as well as to warn of contaminants.

26. AGREEMENT: Layne Christensen

APPROVED Agreement #WA0711-401, with Layne Christensen for drilling of the McQueen Well water production well located within the existing McQueen Reservoir facility east of McQueen Road and ¼ mile north of Chandler Boulevard in an amount not to exceed \$775,160.00. The well will be drilled in 2007.

27. AGREEMENT: Remotec

APPROVED an Agreement with Remotec for refurbishment of the Andros Mark V Hazardous Duty Robot, sole source, in an amount not to exceed \$41,744.00.

The Police Department purchased an Andros Mark V Hazardous Duty Robot in 1999 from Remotec. The robot is in need of refurbishment to return it to a full deployable status. A new

robot was recently purchased with UASI grant funds and will serve as the department's primary hazardous duty robot. These robots are utilized to perform missions that may otherwise prove life threatening to police officers. Incidents include but are not limited to barricaded subject, suicidal subjects, incidents involving suspicious packages or explosives, searches and incidents involving hazardous materials. The robot purchased in 1999 will serve as a backup robot that can be used when multiple incidents occur. This robot will also be the primary robot used to aid the Fire Department with hazardous materials incidents and for training.

28. AGREEMENT: Southwest Groundwater Consultants, Inc.

APPROVED Agreement #WA0711-201, with Southwest Groundwater Consultants, Inc. for hydro geological services for the McQueen Well, pursuant to annual contract #EN0501-101, in an amount not to exceed \$69,600.00. The proposed well site is within the existing McQueen Reservoir facility east of McQueen Road and ¼ mile north of Chandler Boulevard.

29. AGREEMENT: SDB, Inc.

APPROVED Agreement #WA0605-401 with SDB, Inc. for design and installation of personnel fall arrest anchor systems on top of 12 above-ground reservoirs in an amount not to exceed \$62,297.00.

To ensure the safety of Water Production maintenance staff while meeting Occupational Safety and Health Administration (OSHA) standards, this project will provide for the design and installation of two fall arrest anchor systems per reservoir. Additionally, the top of each reservoir will be painted to designate a safe walk area for maintenance personnel along with safety instructional warning signs at top and bottom of each ladder cage.

30. AGREEMENT AMENDMENT: Empire Fence

APPROVED Agreement, Amendment No. 1, with Empire Fence to increase the contract amount from \$60,000.00 up to an amount not to exceed \$135,000.00, utilizing the Mesa Unified School District contract, for fencing services.

In August 2006, Community Services requested approval and received authorization from Council in the amount of \$60,000.00 to use this contract to complete projects for various City Departments on an as needed basis. The request included \$50,000.00 for the Park Maintenance and Operations Division and \$10,000.00 for other City Departments. To date, the Park Maintenance Division has expended \$18,761.00 and has several other projects including Tumbleweed, Espee, Fox Crossing and Desert Breeze Parks pending completion.

The additional request of \$75,000.00 will include repairs or new fencing at the Arrowhead Meadows Park and Pool, the Hamilton Aquatic Center and West Chandler Aquatic Center.

31. AGREEMENT: Universal Field Services, Inc.

APPROVED an Agreement with Universal Field Services, Inc. to provide real estate acquisition and relocation services needed in connection with Gilbert Road Improvements from Germann to Queen Creek roads in an amount not to exceed \$129,600.00.

On June 22, 2006, Council approved the alignment for the Gilbert Road Improvements from Germann Road to Queen Creek Road. The alignment requires acquisition of road right-of-way

and easements for approximately 11 parcels and relocation of the residents of six homes. Acquisition and relocation services are required to obtain the necessary road right-of-way and easements for the project in order to meet the project schedule. The scheduled construction start date is January 2008.

32. AGREEMENT AMENDMENT: Management Plus, Inc.

APPROVED Agreement Amendment No. 2 with Management Plus, Inc. extending janitorial services for one year in an amount not to exceed \$60,000.00. In December 2004, Council awarded a one-year contract to Management Plus, Inc. with four additional extensions upon mutual agreement between the City and contractor. The contractor has agreed to extend for another year with a five percent price increase.

33. No Item.

34. AGREEMENT: Edwards and Kelcey, Inc.

APPROVED Agreement #ST0501-202 with Edwards and Kelcey, Inc. for Chandler Regional Park and Ride in an amount not to exceed \$404,300.00.

In 2000, the Maricopa Association of Governments (MAG) initiated work on a regional park and ride study. The purpose of the study was to identify sites around the greater Phoenix metropolitan area where park and ride lots could be located to serve both commuter express bus and carpool use. One regional park and ride lot is proposed in the City of Chandler, along the Santan Freeway.

Currently, Chandler has two express bus routes into downtown Phoenix, running weekdays, which start and terminate in downtown Chandler. Construction of a regional park and ride lot to support additional commuter express service is also proposed in the City's 2002 Transit Plan Update and the MAG Regional Transportation Plan (Proposition 400).

The City recently purchased a 9.9-acre site adjacent to Tumbleweed Park, at the southwest corner of Germann Road and Hamilton Street, for the Chandler park and ride lot. The purpose of this project is to complete the design. The work will include solicitation of public comments; coordination with the City's Transportation Commission, the Federal Transit Administration (FTA), MAG and Valley Metro; and preparation of construction contract documents. A portion of the design phase and a portion of the construction phase will be federally funded. Construction is scheduled to begin in the summer of 2007.

35. SUBORDINATION: 413 E. San Tan Street

APPROVED Subordination of the housing rehabilitation lien on Project #00-4-1 at 413 E. San Tan Street. (Van Aspern).

The single-family, owner-occupied home was rehabilitated under the City of Chandler's Housing Rehabilitation Program in 2000. A lien was placed against the property by the City in the amount of \$21,841.00. This lien is in the form of a 10-year repayable, whereby the owner repays 25% of the total and the balance is forgiven at the end of the term of the loan. The owners' balance is currently at \$2,128.65 and the forgivable amount is \$16,380.75.

The owners are in the process of obtaining a secured loan in order to refinance their current mortgage and lower their interest rate. The total amount of the new loan would be \$60,000.00. In order to obtain the loan, a subordination of the City's lien is required by the lending institution. There will be no cash out to the owners.

The property has an appraised value of \$210,000.00, which is more than the combined encumbrances of the City's lien and the new first mortgage.

36. NEIGHBORHOOD GRANT: Cheyenne Neighborhood

APPROVED a Traditional Neighborhood Grant to the Cheyenne Neighborhood for block fence installation in the amount of \$8,832.00.

The Cheyenne Traditional Neighborhood is located on Cheyenne Street and bounded by Central Avenue on the east and Pennington Street on the west. This neighborhood encompasses approximately 37 homes. The neighborhood group has applied for grant funds to install two block fences along the alley for two low and moderate-income residents. The third project will repair a falling block fence along the alley and the installation of a tree for one low-income homeowner.

As a continued effort to increase neighborhood livability and sustain a sense of community, residents met on a frequent basis to discuss other possibilities for the grant. After a neighborhood survey and two neighborhood walks, it was agreed by the neighborhood residents to assist the most needy with the necessary fence improvements as all three fences are in a dangerous state of disrepair. The residents also agreed that a tree for the one homeowner would make significant improvement to the neighborhood's curb appeal as nearly 90% of the homes on the street currently have trees. All three homeowners have submitted income verification forms ensuring they meet low and moderate-income guidelines.

Neighbors have requested \$8,832.00 for these improvements and 12 neighbors have agreed to donate a total of 400 hours of community support. The grant request met all of the requirements of the Traditional Neighborhood Grant Program guidelines.

37. NEIGHBORHOOD GRANT: Amberwood North Neighborhood

APPROVED a Traditional Neighborhood Grant to the Amberwood North Neighborhood for four neighborhood entrance signs in the amount of \$10,000.00.

The Amberwood North Traditional Neighborhood is from Arizona Avenue to Alma School Road, and from Warner Road to Elliot Road and encompasses approximately 1200 homes. Amberwood North has applied for grant funds to erect their neighborhood logo at four different neighborhood entry points. Residents believe that having neighborhood identifiers similar to HOA communities will help build neighborhood unity and create a symbol of neighborhood pride.

Residents have contributed well over the 250-service hour requirement and the application meets all requirements of the Traditional Neighborhood Grant Program guidelines. Members of the Neighborhood Advisory Committee have reviewed the grant application and recommend approval.

38. NEIGHBORHOOD GRANT: Shawnee Park Neighborhood

APPROVED a Traditional Neighborhood Grant to the Shawnee Park Neighborhood for landscape improvements in the amount of \$4,925.00.

The Shawnee Park Traditional Neighborhood is located between Dobson Road and Alma School Road and includes the homes surrounding Pomeroy Elementary and Shawnee Park. This neighborhood encompasses approximately 200 homes, primarily families with children that attend Pomeroy. The neighborhood is very active in the Parent Teacher Organization and works with the school to increase volunteer participation and tax credit donations. After renovating Shawnee Park's restrooms and ramadas, the neighborhood group wants to focus their efforts on improving the appearance of the school. The Shawnee Park neighborhood group is applying for grant funds to install drought tolerant trees and plants in the empty planter boxes as well as funds to host a Partnership Party. They also want to eliminate the vandalism occurring to the school's ramadas by adding solar lighting. Since Pomeroy Elementary is unable to fund the project due to recent budget cuts, the neighborhood group is allowed to meet monthly at the school, free of charge, and will be highlighted in the school's newsletter. Once the work is completed, the neighbors are planning to host a party celebrating their partnership with the neighbors and the school.

Neighbors have already contributed 100 hours of neighborhood involvement towards the 250-hour requirement and the application has met all requirements of the Traditional Neighborhood Grant Program guidelines. Members of the Neighborhood Advisory Committee have reviewed the grant application and recommend approval.

39. CONTRIBUTION: Chandler Unified School District

AUTHORIZED payment of the FY 2006/07 contribution to Chandler Unified School District for academically at-risk students in the amount of \$35,000.00. Chandler Unified School District provides summer and intersession programs to academically at-risk students. The City of Chandler has historically contributed to the funding of these three-week intersession and summer programs in joint partnership with CUSD and the Chandler Education Foundation. As a result, over 9,000 students have participated in this program since its inception. Students who participate in these programs show improved academics and attitudes about school and begin to take positive control of their lives.

40. CONTRACT: SRP

APPROVED Contract #PR0401-410, to SRP for electrical service to activate the irrigation system pump station for reclaimed water service at Chuparosa Park, Phase 2, in an amount not to exceed \$16,652.00.

41. No Item.

42. CONTRACT: Utility Construction Company, Inc.

APPROVED Contract #ST0416-401, to Utility Construction Company, Inc. for the Chandler Boulevard and Gila Springs Traffic Signal in an amount not to exceed \$211,038.00.

The traffic signal installation at Chandler and Gila Springs boulevards will help ease traffic flow associated with new commercial developments in the surrounding area and is part of a development agreement with Chandler Midway, LLC. As a condition of the development agreement, Chandler Midway, LLC contributed \$97,996.00 to be applied to the new traffic signal.

43. CONTRACT: Salt River Project

APPROVED Contract #ST0602-305 to Salt River Project (SRP) for the relocation of the irrigation system for the Cooper Road and Pecos Road Improvements in an amount not to exceed \$178,565.00.

Salt River Project will incur costs to relocate irrigation structures to accommodate the Cooper Road and Pecos Road Improvements. Since Salt River Project has prior rights, the City is required to reimburse Salt River Project for all associated costs to relocate their irrigation system. These costs include relocation of one delivery structure (control valves and gates), modification of one delivery structure, installation of two new delivery structures, surveying and inspection services for pipe to be installed by the City's contractor.

44. CONTRACT: B & F Contracting, Inc.

APPROVED Contract #ST0705-401 to B & F Contracting, Inc. for video detection camera installation in an amount not to exceed \$92,000.00.

Video detection cameras are used at traffic signals around the City to determine when and how many vehicles are waiting for a signal change. As part of an ongoing effort to include this feature at more locations, Traffic Engineering has used federal grant money from the Congestion Mitigation and Air Quality (CMAQ) Improvement Program to purchase approximately eighty cameras and associated mounting hardware. This contract will supply the labor and miscellaneous materials to install the cameras at various intersections.

45. CONTRACT: Nesbitt Contracting, Inc.

APPROVED Contract #ST0148-403 with Nesbitt Contracting, Inc. accepting staff-approved Change Order No. 1 in the amount of \$31,134.86 and APPROVED Change Order No. 2 in the amount of \$183,349.96 for the Arizona Avenue and Ray Road Improvements, for a revised contract price of \$5,474,340.57.

On May 25, 2006, Council awarded this contract involving substantial improvements to the intersection of Arizona Avenue and Ray Road. Staff-approved Change Order No. 1 covers the expense to install additional traffic signal inter-connect wiring that was not included in the original project design.

Change Order No. 2 covers the expense for the user requested replacement of an existing 8-inch waterline with a new 12-inch ductile iron pipe waterline on Ray Road. This work is beyond the scope of the original intersection contract, but was included in a future water main replacement project. Staff elected to accelerate the replacement of the main to avoid future traffic impacts and cuts in new pavement. It also results in a savings to the future water main contract because future pavement replacement costs and traffic control are eliminated.

46. CONTRACT CHANGE ORDER: Contractor's West

APPROVED Contract #ST0419-401, Change Order No. 1, with Contractor's West, Inc. for the Chandler Boulevard Signal System Fiber Optic Cable Interconnect in the amount of \$29,423.32, for a revised contract price of \$229,420.32.

The Chandler Boulevard Signal System Fiber Optic Cable Interconnect project consists of expanding the existing underground network of fiber optic cable that link traffic signals with each other and the City Traffic Control Center. Transportation needed to expand this network by installing fiber optic cable along Chandler Boulevard from the Desert Breeze Community Center to the northbound Price Frontage Road and along the Price Frontage Road from Chandler Boulevard to the Emergency Operations Center just north of Frye Road.

Change Order No. 1 covers the expense of additional scope to complete the fiber connection at the Desert Breeze Fire Station and the Emergency Operations Center along with unforeseen field conditions.

47. CONTRACT: Haydon Building Corp.

APPROVED Contract #PR0401-410, with Haydon Building Corp., accepting staff-approved Change Order No. 1 in the amount of \$45,000.00 and APPROVED Change Order No. 2 in the amount of \$30,000.00 for Chuparosa Park Phase 2, for a revised contract total of \$1,217,303.00.

The changes proposed will allow connection to and activation of reclaimed water service to Chuparosa Park. The park benefits from use of the reclaimed water at a reduced cost. However, the City was not able to deliver reclaimed water to the site because the valves to operate the system were not accessible in the Arizona Department of Transportation (ADOT) right-of-way. The pipelines, which dip under the freeway, existed prior to the freeway construction and were relocated during construction. The valves to operate the reclaimed as well as the potable water system were not brought to the surface by the contractor that built the freeway. Over the past few months, Staff has had negotiations with ADOT regarding the work that should have been done during the freeway construction. ADOT's contract is no longer available to address the valves. The park is nearing completion and needs the water to operate the irrigation system at full capacity. City Staff agreed to have our contractor complete the work so that it was done in a timely manner. A significant portion of the costs will be recovered from ADOT.

48. CONTRACT RENEWAL: Peak Corrosion Control, Inc.

APPROVED a one-year contract renewal with Peak Corrosion Control, Inc. for corrosion prevention services to protect metal equipment and reservoirs that are in contact with water in an amount not to exceed \$17,050.00.

49. PURCHASE: World Wide Technology, Inc.

APPROVED the Purchase of Cisco network equipment from World Wide Technology, Inc., utilizing the State of Arizona contract, in an amount not to exceed \$51,000.00.

Successful implementation of a citywide wireless network required that the Information Technology Department design, test and recommend wireless access standards that meet security requirements and mitigates risk to the current wired networks. As part of the implementation, Cisco clean access appliances are needed to securely admit City Staff to the City's network resources. These devices will scan, authenticate and permit compliant laptops to the City network. Other devices not meeting the standards of compliance will be quarantined until they can be patched to standards and then be admitted to the network. Devices that do not meet these compliance checks will not be admitted to the City network. These security systems will keep the City free of vulnerabilities borne from wireless client devices that potentially could infect City systems and degrade the City's network.

50. PURCHASE: Enterprise Networks Solutions

APPROVED the Purchase of a Secure Computing Sidewinder Security Appliance from Enterprise Networks Solutions, utilizing the State of Arizona contract, in an amount not to exceed \$98,000.00.

The need to provide citywide security external access to primary eGovernment web services such as Primavera, Expedition, EDMS documents, Sales Tax and other systems utilized by business functions and our citizens is a high priority. Many department and external information technology users require access to the information in these resources to meet business objectives. Web applications are vulnerable to attacks from malicious users on the Internet.

The Sidewinder G2 appliance will provide secure pathways to web services, ability to meet current and future citywide business needs for external facing applications such as the Primavera implementation, increase defenses for our applications, fast encryption/decryption of secured web traffic, reduction of vulnerabilities, ability to position and deliver secure citywide web services quickly, provide secure web based access to existing eGovernment services such as EDMS, Sales Tax and other future applications.

51. PURCHASE: Angabu Productions, LLC

APPROVED the Purchase of a façade conservation easement from Angabu Productions, LLC, for façade restoration at 63 E. Boston Street in an amount not to exceed \$275,000.00.

The City has set aside funding for Downtown Redevelopment for the purpose of restoring commercial buildings in the Downtown Historic District. Ms. Wood, who owns the building at 63 E. Boston Street, has approached the City for funds to be utilized to renovate the façade of the building, formerly known as the Day Mart building. In addition to the façade of the building, Ms. Wood also plans extensive structural work, demolition, roofing, electrical, plumbing and interior renovations. The building encompasses 14,129 square feet of space, and upon completion, will house space for Inspirador, a high-end social events venue and art/retail gallery. Inspirador has already received Architectural Review Committee approval and other City approvals.

Ms. Wood is requesting funds for a new façade, incorporating a new storefront with historic windows that will be handcrafted onsite. Plans also include the addition of a varied building parapet, new store entry with a wrought iron arched gate and upscale creative architectural features. Angabu Productions envisions architecture complimentary to the historic square combined with a more contemporary style to distinguish the building from the adjacent historic properties.

The project budget to improve the exterior of the property is \$1,152,000. Staff is recommending that the City purchase a conservation easement from Angabu Productions in an amount not to exceed \$275,000.00. This Conservation Easement Program provides a mechanism for the City to purchase a conservation easement from a property owner in exchange for funds. In this exchange, the property owner receives funding to renovate the face of the structure and the City has an assurance that the structure will be maintained in its renovated state for an agreed upon period. In the case of the former Day Mart building, Angabu Productions has agreed to a twenty-year maintenance period.

52. PURCHASE: Vehicles

APPROVED the Purchase of vehicles, utilizing the State of Arizona contract, in an amount not to exceed \$2,443,203.00. Vendors will be identified at the time of purchase based on the 2007 pricing by the State.

53. PURCHASE: OfficeMax

APPROVED the Purchase of office supplies from OfficeMax, utilizing the State of Arizona contract, in an amount not to exceed \$300,000.00.

54. PURCHASE: Motorola, Inc.

APPROVED the Purchase of communication equipment from Motorola, Inc., utilizing the State of Arizona contract, in the amount of \$45,220.74.

In December 2005, the Chandler Fire Department was awarded a grant from the U. S. Department of Homeland Security Fiscal Year 2005 Urban Areas Security Initiative (UASI) to enhance the City's Regional Response Team (RRT). Chandler is one of 5 cities in the Phoenix metropolitan area receiving UASI funds to train and equip an RRT. Each RRT will provide local, and if needed, statewide first response for terrorist events and large-scale disasters. Interoperability among these RRT's and public safety agencies is a key component of the UASI program. Not all of these agencies operate on the same radio frequencies, thus Chandler's RRT must carry radios that can operate on different radio systems. The equipment recommended for purchase will allow Chandler's RRT to communicate with public safety agencies.

55. WITHDRAW USE PERMIT: Audi Chandler

WITHDREW, at the request of the applicant, Use Permit, UP06-0064, Audi Chandler, for the use of a modular trailer for an automobile sales office in conjunction with an automobile dealership for one year at 7460 W. Orchid Lane, north of the NEC of the I-10 Freeway and Ray Road.

56. USE PERMIT: Blue Diamond Fuel and Food Mart

APPROVED Use Permit, UP06-0061, Blue Diamond Fuel and Food Mart, Series 10, for the sale of wine and beer only for off-premise consumption in an existing convenience store at the SEC of Alma School and Elliot roads. (Applicant: Neezar Alsaiegh.)

Blue Diamond Fuel and Food Mart has been in operation since October 2004. Prior to that, the gas station operated as a Mobil gas station. The subject site is part of a larger retail center anchored by a Fry's grocery store. North, across Elliot Road, is a shopping center anchored by Pure Fitness. To the site's east and south is the Southmoore Unit II Single-family residential neighborhood. West, across Alma School Road, is a Mervyn's anchored retail center with a Bank of America located at the corner. To the northwest of the site is a vacant Osco Drug Store and Hollywood Video.

The store operates Monday through Friday 6:00 a.m. to 11:00 p.m. and Saturday and Sunday 7:00 a.m. to 11:00 p.m. Of the nine-door cooler, four of the coolers will contain beer and wine. The remaining five and other four reach-in coolers will store non-alcoholic beverages.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 9, 2006. There were no neighbors in

attendance. The Police Department was notified of the request and responded that there were no concerns. The Police Department has responded to eight calls at this location this year ranging from burglary to an automobile accident. Staff has received one phone call and one letter from residents with concerns over the sale of liquor.

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

1. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
2. The Use Permit is granted for a Series 9 liquor license only and any change of license shall require reapplication and new Use Permit approval.
3. The Use Permit is non-transferable to other store locations.
4. The landscaping shall be maintained at a level consistent with or better than at the time of planting. The site shall be maintained in a clean and orderly manner.

57. LIQUOR LICENSE: Blue Diamond Fuel and Food

APPROVED a Series 10 Beer and Wine Store Liquor License (Chandler #110276 L10) for Neezar Alsaiegh, Agent, Maqbulla Corporation dba Blue Diamond Fuel and Food Mart, 2997 N. Alma School Road. A recommendation for approval of State Liquor License #10075284 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

58. USE PERMIT: CVS Pharmacy #3143

APPROVED Use Permit UP06-0069, CVS Pharmacy #3143, Series 9, for the sale of all spirituous liquors for off-premise consumption only in an existing CVS Pharmacy located at the NWC of Warner and McQueen roads. (Applicant: Jason Morris, Withey, Anderson and Morris, PLC.)

The site is currently operating with a Series 10 liquor license for the purchase of beer and wine only for off-premise consumption. This application is requesting a Use Permit to operate a Series 9 liquor license allowing for the purchase of all spirituous liquor for off-premise consumption. Because CVS is requesting a change in licensure, they are required by condition to obtain a new Use Permit.

The CVS is located at the corner of the Corcovado Village and 11-acre commercial/retail center. There are currently 12-15 employees and it open from 8 a.m. to 10 p.m. daily.

The subject site is located within the Corcovado Village and is on the eastern border of the City of Chandler. East, across McQueen Road, is Goodwill anchored shopping center in the Town of Gilbert with a Remax sales office and tutoring facility directly on the corner. South, across Warner Road is currently a vacant parcel. Southeast of the site is a vacant gas station located in the Town of Gilbert. Directly north and west of the site is the Madeline Court single-family residential neighborhood.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 29, 2006. There were no neighbors in attendance.

Staff has received two calls in opposition to the Use Permit with concerns of a possible increase in vandalism with the increase of liquor sale and the close proximity of Mesquite High School and the Islands Elementary School. An e-mail in support of the project has been received.

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

1. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
2. The Use Permit is granted for a Series 9 liquor license only, and any change of license shall require reapplication and new Use Permit approval.
3. The Use Permit is non-transferable to another store location.
4. 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 reapplication to and approval by the City of Chandler.

59. LIQUOR LICENSE: CVS Pharmacy #3143

APPROVED a Series 9 Liquor Store Liquor License (Chandler #110722 L09) for Jason Barclay Morris, Agent, Warner McQueen CVS, LLC, dba CVS/Pharmacy #3143 at 990 E. Warner Road. A recommendation for approval of State Liquor License #09070021 will be forwarded to the State Liquor Department. CVS has maintained a Series 10 Beer and Wine Store Liquor License in this location since October 2002. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

60. USE PERMIT: CVS Pharmacy #7849

APPROVED, Use Permit, UP06-0070, CVS Pharmacy #7849, Series 9, for the sale of all spirituous liquors for off-premise consumption only in an existing CVS Pharmacy located at 1015 E. Ray Road. (Applicant: Jason Morris, Withey, Anderson and Morris, PLC.)

The site is currently operating with a Series 10 liquor license for the purchase of beer and wine only for off-premise consumption. This application is requesting a Use Permit to operate a Series 9 liquor license allowing for the purchase of all spirituous liquor for off-premise consumption. Because CVS is requesting a change in licensure, they are required by condition to obtain a new Use Permit.

The CVS Pharmacy is located at the SEC of Ray and McQueen roads within the Cobblestone Square retail center. North, across Ray Road is a Safeway-anchored commercial center. Directly to the east of the center is a church. Directly to the site's south is the McQueen North Unit I single-family residential neighborhood. West, across McQueen Road, are a Kindercare daycare facility and an Osco Drugstore. The CVS Pharmacy will employ approximately 12-15 employees and will be open from 8 a.m. to 10 p.m.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 29, 2006. There were no neighbors in attendance. Staff has received no telephone calls or letters in opposition to this request.

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

1. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
2. The Use Permit is granted for a Series 9 liquor license only and any change of license shall require reapplication and new Use Permit approval.
3. The Use Permit is non-transferable to other store locations.

61. LIQUOR LICENSE: CVS Pharmacy #7849

APPROVED a Series 9 Liquor Store Liquor License (Chandler #110707 L09) for Jason Barclay Morris, Agent, German Dobson CVS, LLC, dba CVS/Pharmacy #7849 1015 E. Ray Road. A recommendation of approval of State Liquor License #09070667 will be forwarded to the State Liquor Department. CVS has maintained a Series 10 Beer and Wine Store Liquor License at this location since March 2006. They are now requesting to transfer a Series 9 that they obtained with the acquisition of Osco at 950 N. McQueen Road, which has subsequently closed. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax code.

62. USE PERMIT: CVS Pharmacy #5315

APPROVED, Use Permit, UP06-0071, CVS Pharmacy #5315, Series 9, for the sale of all spirituous liquors for off-premise consumption only in an existing DVS Pharmacy located at 2005 N. Dobson Road. (Applicant: Jason Morris, Withey, Anderson and Morris, PLC.)

The site is currently operating with a Series 10 liquor license allowing for the purchase of beer and wine only, for off-premise consumption. This application is requesting a Use Permit to operate a Series 9 liquor license allowing for the purchase of all spirituous liquor for off-premise consumption. Because CVS is requesting a change in licensure, the CVS is required by condition to obtain a new Use Permit.

The building is located at the NEC of Dobson and Warner roads within the shopping center anchored by Lee Lee Supermarket. To the north and east is the Pulte Villas single-family residential neighborhood. South, across Warner Road is the Dobson Town Center with a Walgreen's located directly at the corner. West, across Dobson Road is the LA Fitness-anchored Valle de Sol commercial center. Southwest across Dobson and Warner Roads is the C-Fu Gourmet-anchored commercial center.

Currently, the CVS Pharmacy operated with approximately 12-15 employees and is open 24 hours. State law prohibits the sale of alcohol between the hours of 2 a.m. and 6 a.m. Monday thru Saturday and 2 a.m. and 10 a.m. on Sundays.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on November 29, 2006. There were no neighbors in attendance. Staff has received no correspondence in opposition to this request.

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

1. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
2. The Use Permit is granted for a Series 9 liquor license only and any change of license shall require reapplication and new Use Permit approval.
3. The Use Permit is non-transferable to another store location.

63. LIQUOR LICENSE: CVS Pharmacy #5315

APPROVED a Series 9 Liquor Store License (Chandler #110705 L09) for Jason Barclay Morris, Agent, Chandler Warner CVS, LLC, dba CVS/Pharmacy #5315 at 2005 N. Dobson Road. A recommendation for approval of State Liquor License #09070390 will be forwarded to the State Liquor Department. CVS has maintained a Series 10 Beer and wine Store Liquor License at this location since 2003 and are now requesting to transfer a Series 9 liquor license that they obtained with the acquisition of Osco, 3000 N. Alma School Road with has subsequently closed. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax code.

64. LIQUOR LICENSE: Sprouts Farmers Market #15

APPROVED a Series 10 Beer and Wine Store Liquor License (Chandler #111090 L10) for Randy D. Nations, Agent, Sprouts Farms Market, LLC, dba Sprouts Farmers Market #15, 2855 S. Alma School Road. A recommendation for approval of State Liquor License #10075308 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code. A new Use Permit is not required for this location as it was originally proposed as Henry's Farmer's Market.

65. CONTINUE LIQUOR LICENSE: Villalpando's Mexican Restaurant

CONTINUED TO JANUARY 11, 2007, Liquor License, Series 12, for Mario Fernandez Villalpando, Agent, Villalpando's Mexican Restaurant LLC, dba Villalpando's Mexican Restaurant at 7450 W. Chandler Boulevard to allow the applicant time to complete the requirements for a new Use Permit.

66. WITHDRAW LIQUOR LICENSE: Hong Kong Bistro

WITHDREW, at the request of the applicant, Liquor License, Series 12, for Jung Jeff Yue Zhen, Agent, Jeff & David, Inc., dba Hong Kong Bistro located at 4990 S. Gilbert Road, #8.

67. LIQUOR LICENSE: All Starz Sports Bar & Grill

APPROVED a Series 6 Bar License (Chandler #1106384 L06) for John Marvin Sawick, Agent, Captain John's Tavern, LLC, dba All Starz Sports Bar & Grill, 4020 W. Chandler Blvd., Ste. #12. A recommendation for approval of State Liquor License #06070018 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

68. LIQUOR LICENSE: Water and Ice Convenience

APPROVED a Series 10 Beer and Wine Store Liquor License (Chandler #110711 L10) for Hamid Mostajabi, Agent, Water and Ice Convenience, 995 W. Ray Road. A recommendation for approval of State Liquor License #10075301 will be forwarded to the State Liquor Department. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code.

69. PRELIMINARY AND CONDOMINIUM PLAT: Warehouse Condos Stellar Business Center

APPROVED Preliminary Plat, PPT06-0024, and Condominium Plat CPT06-0016, Warehouse Condos Stellar Business Center, for a warehouse building development on approximately 2.65 acres divided into condominium units for warehousing or storage use located at Chandler Boulevard and McClintock Drive. (Applicant: Hess-Rountree, Inc.) The plat creates the units, establishes the necessary easements and dedicates required rights-of-way.

70. PRELIMINARY PLAT: Ryan Office Development

APPROVED Preliminary Plat, PPT06-0030, Ryan Office Development, for an office building development located on an approximately 2.1-acre parcel at the NWC of Arizona Avenue and Ryan Road. (Applicant: Land Design Group.) The plat is a single lot parcel and the development will include one building and associated parking.

71. PRELIMINARY PLAT: Chandler Duplex

APPROVED Preliminary Plat, PPT06-0039, Chandler Duplex, for a 0.16-acre parcel in the downtown area within an unrecorded subdivision to be developed with a duplex located at 372 S. Dakota Street, between Frye Road and Elgin Street. (Applicant: Nick Narinder Mudhar.)

72. On Action.

73. On Action.

74. APPROVED the Minutes of the Chandler City Council Special Meeting of November 16, 2006.

75. On Action.

The meeting recessed at 8:52 p.m. and reconvened at 9:04 p.m.

ACTION AGENDA:

72. Discussion and possible action regarding Fire/EMS services to county island residents.

MAYOR DUNN gave a brief background on the issue and reiterated that there is not a safety issue regarding county islands. Fire service is being provided.

COUNCILMEMBER ORLANDO said that one of his concerns is that fire protection of some level will continue for those areas. He placed the item on the agenda to assure the citizens of continued fire protection and to have dialogue on the history and what needs to be done in the future. He cited the admirable job of the Fire Department in staying with this issue.

ASST. FIRE CHIEF TOM CARLSON said that in December 2003, the Chandler Fire Department received a letter from Rural Metro stating they would no longer respond to county islands in Chandler, west of Gilbert Road. They evaluated their service areas and determined that since there was a lack of subscribers in county islands within Chandler, they could no longer adequately serve the area.

Representative Bob Robson was apprised of the situation and contacted the Chandler Fire Department and decided to pursue a legislative solution to the circumstances. House Bill 2056 was introduced in the legislature in early 2004. Chandler Fire had input into the original draft of the legislation. The original draft allowed cities to provide coverage to county islands within their planning district if they choose to do so. If they choose to, the county was obligated to enter into an intergovernmental agreement (IGA) with the city to provide the coverage. The original draft also made it mandatory that all county island parcels would participate and the county would bill for the service and then turn the money over to the city.

There were several meetings held regarding this legislation that included city fire departments, Rural Metro, the Arizona League of Cities and Towns and county representatives. These meetings answered a lot of questions and concerns that were raised; however, unanimous support for the legislation never materialized. The Chandler Fire Department, Rural Metro and the county all spoke in favor of the bill's passage at the committee hearing. During the legislative process, the bill was "watered down" because participation of county residents became voluntary instead of mandatory. The bill passed in early 2004 and became law.

Once this became law, the City of Chandler, Rural Metro and the county began talks to develop an IGA. In the meantime, the Chandler Fire Department has continued to respond to calls received on county islands within our planning district. One significant aspect of our response is that we are dependant on Rural Metro to call us for mutual aid for these calls; there is no automatic connection to the 911 system for the Chandler Fire Department.

In our first meeting, the county took the stand that they were unable to collect fees because they are only allowed to collect taxes and this is not a tax. In an effort to get the issue resolved, the Chandler Fire Department, Management Services and Law all agreed to work on a system that had the City solicit and collect fees from the county island residents. This was written in one of the first IGA's presented to the county by the City.

For information purposes, the City faced a similar situation from Rural Metro in the early 1990's. They were protecting a county island located between Price, Warner, Dobson and Elliot roads. Rural Metro approached the City when they shut down their closest station to the area, and the City agreed to sell subscriptions to the residents of the area. This subscription service to these residents has been in place ever since. Because of this, the idea and procedures of selling subscription services is not a new concept for the City to undertake. However, having the county

take responsibility for their citizens and doing the majority of the work associated with this service has still remained the focus of the discussions.

The subscriptions currently offered are on a voluntary basis with 54% of the eligible residents participating. For those who do not participate, there is a fee for service billed to them. The current subscription rate for these residents is \$1.99 per \$100 of assessed value.

Major points of disagreement with the county include:

- Who is going to solicit subscriptions?
- Who is going to bill and collect?
- How is the City going to collect on those who do not subscribe?
- Will this be voluntary or mandatory?
- Indemnification issues.

During the 2006 legislative session, Representative Andy Biggs from Gilbert introduced legislation that ultimately mandated that protection of county islands be provided by a city if certain other options were not available to those citizens. This law mandated that all county island residents within a specific area participate with the county responsible for billing these residents. This law was declared unconstitutional and never enforced.

During this time, Rural Metro has been moving its date of final coverage back to accommodate all of the negotiations taking place. Finally, on October 1, 2006, they moved their engines out of Gilbert and notified all residents in Gilbert (and some in Chandler) that they would no longer be providing coverage. This created a large amount of concern for the residents of county islands within Chandler's planning district.

The Fire Department, Assistant City Manager, Assistant City Attorney, Rural Metro and County Supervisor Fulton Brock have been meeting with a county island citizens' group to explain the history and to work towards a solution.

Recently, the county submitted an updated IGA to Gilbert in which the county would bill and collect the fees and then pay Gilbert in one lump sum. Chandler has a copy of the Gilbert IGA. While the collection of fees has been one of the issues of concern and the county now seems to be willing to collect, the other issues still remain.

Asst. Chief Carlson clarified that while Chandler will continue to service county islands, we do not have a direct connection to 911 for those residents. Rural/Metro contacts Chandler to go as mutual aide. An IGA will correct that.

VICE-MAYOR HUGGINS asked if an agreement was reached, would the county residents have to come up to code and asked who pays to have fire hydrants installed. Asst. Chief Carlson said that some of the areas currently have hydrants. There was no mandate for installation of hydrants in the area. The Fire Department planned on buying a water tanker. His understanding is that under the IGA there will be no code enforcement responsibilities.

VICE-MAYOR HUGGINS asked about finding addresses in the county. Asst. Chief Carlson responded that their equipment would be updated if the IGA were approved. Currently the numbers have to be physically looked up in a map book.

VICE-MAYOR HUGGINS asked about hazardous materials and how the fire department would know what to be prepared for. Asst. Chief Carlson responded that the issue is they would not

know. The law does not give the fire department the right to perform any inspections; however, it was included in the IGA that they do have the right to do walk-throughs. Companies located within the City have to file a hazardous materials mitigation plan, but it would not be required for businesses located within a county island.

VICE-MAYOR HUGGINS commented that the fire prevention program through the fire department has been a tremendous success in preventing fires. He asked if a form could be created for those living in a county island to voluntarily complete and return to the department listing any types of hazardous materials that may be used at their location. Asst. Chief Carlson said it would as long as it remains voluntary.

MAYOR DUNN added that they have discussed the liability issue. If we could require the county to meet our codes in the IGA, liability would not be an issue. Our goal as a City is to achieve the 4-minute response time. That time cannot be guaranteed to county residents.

COUNCILMEMBER DONOVAN asked if the walk-throughs would be done on a proactive basis if an IGA were approved. Asst. Chief Carlson responded that the department asked to have included in the IGA the ability to do fire planning walk-throughs. COUNCILMEMBER DONOVAN asked what would happen with 911 calls when Rural/Metro stops providing service to the county island? Asst. Chief Carlson responded that the phone numbers could be reprogrammed at the County Sheriff's office and then to Phoenix dispatch that is Chandler's dispatch for fire. Currently, Rural/Metro has agreed to continue to sell subscriptions to county island residents and Rural/Metro would be the "mediator" between calling 911 and calling Chandler. Rural/Metro had a station on Greenfield and Pecos. That fire engine has since been moved to Queen Creek so when they are responding, they are coming from Queen Creek. That is a gap in the system, but until the IGA is agreed upon, the phone numbers cannot be reprogrammed to go to Chandler's dispatch.

COUNCILMEMBER DONOVAN clarified that without an IGA, Rural/Metro would technically be serving the County island but with a fire truck in Queen Creek, Chandler will most likely get the call because they are closer. Subscribers would get unlimited fire protection, but if a call were to be made for a non-subscriber, they would be charged a much higher per-call fee.

MAYOR DUNN said that negotiations have centered on who would collect the subscription fee. It now stands that the County will collect the fee. However, not everyone pays and there is no legal enforcement. There is also no way of collecting fees for providing non-subscription services. MAYOR DUNN said that he is concerned with the fact that Chandler residents are paying to build fire stations, whereas if not all County residents subscribe, they are paying less than residents.

COUNCILMEMBER ORLANDO asked if there are currently residents on a subscription service with the Chandler Fire Department? Asst. Chief Carlson said that in the late 1980's, an area surrounded by Price, Dobson, Warner and Elliot was being covered by a Rural/Metro station in Awatukee, which subsequently closed. Rural/Metro came to the Chandler Fire Department and asked if they would consider providing subscription services to that area. Chief Roxburgh actually went out, knocked on doors and sold subscriptions in that area. There is currently approximately 50% participation in that area. Those residents do have City addresses, so when they dial 911, it goes directly to Chandler dispatch.

ASST. CITY ATTORNEY JIM CAIRNS said that the City has been in negotiations with the county for quite a while. There has generally been a willingness for them to provide both fire and emergency medical services. If the City got full reimbursement for services provided and we had

some type of indemnification for incremental additional liability we may face by providing services that we don't have by providing services in Chandler.

Mr. Cairns continued that the Fire Department has identified a number of areas potentially that exist within areas of the county islands that do not exist within the City. These relate to a lack of water supplies, either no hydrants or no assurance that they have the same water pressure, the same size lines going to the hydrants, or the maintenance of the hydrants. Road conditions either being too narrow for some of the larger trucks or not maintained to the level Chandler maintains their roads. Issues as far as property access or structural impediments that may impact the ability to reach a site or a bridge in an unknown condition and whether or not the fire apparatus can safely cross the bridge. The county does not have the same type of hazardous materials regulations as Chandler and there is no specific county fire code. Another important issue is the non-posting of addresses being either non-existent or inconsistent.

Mr. Cairns said that these issues raise five areas of additional liability for the City. The first could be worker's compensation because there is a greater chance of injury to our firefighters, which could impact the amount of worker's compensation insurance costs incurred by the City as we are self-insured.

The next issue could be property damage such as damage to a fire truck going over a bridge. The City would incur the costs of repair.

Next would be subscriber-liability. Once a subscription arrangement is entered into, there is a contractual obligation to provide that service. Even with labeling addresses, it is not always easy to know whether a facility is or is not a subscriber when going on a call. There could be repercussions if the responders thought the facility was not a subscriber when, in fact, they were. The City has opted to handle that liability by providing services to both subscribers and non-subscribers.

There is also third-party law suits response liability where a county resident may sue the City if they feel the response time was not equal to that provided Chandler residents regardless of the reason. We tried to cover that form of extra liability with an indemnification provision in the IGA. If our response was impacted by one of these types of issues, that the County would indemnify the City if we were sued because of that.

Mr. Cairns concluded that the last liability is scope of services. We want to make very clear what we are and are not providing. As an example, we do not perform cleanup after responding to a fire.

The City did not attempt to address the worker's compensation or property damages in the IGA with the County. They are more difficult to quantify in the agreement. As far as scribe liability or the subscription service, we are intending to respond to all. That left the response liability and scope of service liability which we tried to address through the agreement. The Staff-submitted IGA to the county which did address those two areas. The recent Gilbert IGA that came back did not address any of the liability areas.

During negotiations, the county's position was that they did not have any legal responsibility to provide fire service to county residents and felt it was unfair that they would be asked to indemnify the City if they weren't negligent. The City countered that the county has at least responsibility to provide service to those residents as the City does and the conditions were allowed to exist in the county.

There have been issues raised as to whether HB 2145 covered those liabilities. Staff has examined the bills and determined that no they did not. HB 2145, Sec. 11-25112, does provide for some liability coverage and says that the County is liable if the County was negligent in enforcing the zoning, building or other related codes. That says that the County is liable, but it does not state the City is not liable. In going over the areas of additional liability, the main liability relates to a lack of fire, building or other types of codes more than lax or no enforcement of the codes. Therefore, this provision does not provide the City with the type of liability protection needed.

There was a bill proposed by Rep. Robson, HB 2033, which mirrored the language in our proposed IGA. That bill was pulled when Rep. Biggs' bill was presented. It provided that "the County shall indemnify and hold harmless the municipality and the office agents, etc. for any losses attributable to providing fire protection services and emergency medical services that were adversely impacted by the existence of a public infrastructure or safety issue that would not be permitted to exist within the municipality". That is what the City was looking for.

There was also another Rep. Biggs' bill, 4805G, that provided that "the City is liable if the City is grossly negligent in providing fire or emergency medical services to a County island district formed pursuant to this section". Mr. Cairns pointed out that that provision only applies to districts formed pursuant to that section which is not what we are providing. It would only be in place for a Gilbert county island. The particular part relating to Gilbert county islands is what was struck down. The bill does provide that the City is liable if we are grossly negligent. It does not provide that we are not liable if we are not grossly negligent.

MAYOR DUNN asked if our liability exposure is enhanced if we enter into an IGA? Currently we are acting voluntarily which leaves us open for a lawsuit. If we enter an IGA, and it is not specifically covered, doesn't that increase our exposure more if we knowingly enter into a written agreement to provide fire service and we don't have "those bases covered"? Mr. Cairns concurred. If we are providing services pursuant to an agreement and you leave off the indemnification, you are in a worse position than you would be otherwise. However, once you do that, you're also contractually obligated to provide that service; otherwise, it is being provided on a voluntary basis. There could be equitable arguments that if you did your best and didn't have any contractual obligations, but were trying to be a good neighbor. You are in a better position than if you enter an IGA without the appropriate indemnification. MAYOR DUNN concurred.

MAYOR DUNN asked about the current status on the language regarding immunity. Mr. Cairns responded that Staff has been discussing language very similar to what was in Rep. Robson's bill and adding something to tie it with Rep. Biggs' bill saying that notwithstanding that we would be liable if we were grossly negligent. It has not yet been presented to the county.

COUNCILMEMBER ORLANDO thanked Mr. Cairns for his work on the IGA. He asked if Mr. Cairns had read Gilbert's county island agreement? Mr. Cairns responded that he has. A large part of that IGA came from what Chandler had originally drafted. What they eliminated was the indemnification associated with safety or structural issues. We had a specific section relating to that. It also eliminated the provision that clarified that we were not providing clean up services after a response or doing spill response. Sections 8.1 and 8.2 were directly taken from Chandler's. What they took out was the provision saying that even if there was no negligence by the county, if we get sued because our response was not acceptable because there was no fire hydrant and that impacted the ability to respond, that they would indemnify us.

COUNCILMEMBER ORLANDO asked if that specific language was presented to the county? Mr. Cairns said it was discussed with them over a year ago. The County Board of Supervisors did not agree with the liability provision and wanted it eliminated. An IGA was presented to the county a year and a half ago dealing with subscription service to be presented to the Supervisors before it was presented to Council. We are still unsure about some areas such as providing a subscription-style service where we would be responsible for doing the billing and collecting. There appears to be more of a movement now by the county to possibly accept them doing the billing and collecting and if there was not a subscriber, we could tender the bill if it was not paid by the resident to the county.

MAYOR DUNN commented that the Mayor's from various cities are talking about this issue and possible resolutions countywide. One of the concepts was to encourage legislation forming a fire district whereby specific agreements could be entered into with fire departments. There was some concern with contiguous properties and should possibly be discussed in the upcoming legislative session to change the legislation so county islands are not connected. Mr. Cairns said that everyone is better off with a district rather than subscriber system.

MAYOR DUNN said he understands Rural/Metro wants to come back in the business as long as there are sufficient funds to build stations and provide things the City has already done. Mr. Cairns said that another aspect of the Biggs bill where not only will there be a district and Gilbert would be acquired to provide service, but any other entity would be required to post a \$10 million bond that would keep Rural/Metro out. If that impediment is eliminated, Rural/Metro may be able to step up in a lot of these areas.

MAYOR DUNN said that as of Tuesday, Mayors of most of the cities in the valley got together and expressed a desire to the Governor to support effective legislation to address the issue on a regional, uniform basis. INTERGOVERNMENTAL AFFAIRS COORDINATOR PATRICE KRAUS said that there was a recent meeting at the League of Cities and Towns where a number of cities attended and this issue was addressed. Rep. Biggs' bill did allow for noncontiguous fire districts in a very narrow area which is why it was declared unconstitutional. There has been discussion with legislators about doing this statewide or countywide. It will be difficult to accomplish statewide because of the differences in rural areas compared to the urban areas. One of the ways discussed during the problems in Rep. Biggs' bill is to make it countywide. The League has convened a working group to try to come up with a solution City's can live with because they anticipate some type of legislation coming forward. Many cities feel they should not be mandated to provide services outside of their jurisdiction. There are also a number of cities very opposed to the subscription service concept. One of the major reasons Rural/Metro stopped the service was because they were not getting paid. If the cities are going to end up being the provider of last resort, they want to insure every resident is contributing. The group has not met with Rep. Biggs. Formation of a district system would require a citizen vote because they cannot be taxed without a vote. A secondary property tax would be needed to pay for services. Some elements of Rep. Robson's bill would mean entering into an IGA with whoever the service provider is.

COUNCILMEMBER ORLANDO asked Ms. Kraus what is different with the upcoming legislation than was presented before. Ms. Kraus said that she has noticed that issues get "ripe". It comes back year after year and they talk about the same issues. Then people decide it's not going away. The biggest indication is that Rep. Biggs got his bill passed and the Governor did sign it. Other communities are starting to hear about the issue as it gets more press.

MAYOR DUNN commented that he has seen the League beginning to acknowledge that this is a primary item.

MIKE LONG, 12737 Via De Palmas, in the county, member of the Chandler Fire Protection Awareness Committee, said that the homeowners are aware that the Chandler Fire Department responds to homes in his area on a voluntary basis. He is concerned about the plan because it can be cancelled at any time. He requested that a committee be formed as soon as practical to find a "stop-gap" measure such as a subscription service similar to that existing in the Dobson/Elliott area. It could be cancelled on the implementation of an IGA and would provide a more positive coverage than the current situation. The committee could be comprised of City and county officials, Chandler citizens and county island residents.

COUNCILMEMBER ORLANDO asked Mr. Long what the response has been from county leaders. Mr. Long replied that liability seems to be the biggest issue. The county feels they can handle the billing and it can be resolved quickly. It seems to be the wording regarding liability. The residents in the area understand that there are some hindrances including unreachable properties and unsafe bridges. But Chandler has been fighting fires in the area for years. How many more workmen's comp claims have been filed because of fighting a fire in a county island. As a businessman, he understands that the risk is slightly higher going to some properties and he adjusts his rate accordingly.

MAYOR DUNN said that the bottom line is that the taxpayers of Chandler will be subsidizing the fire protection for county islands. From Mr. Long's comments, that fact is recognized by county island residents and they want to be fair to the citizens of Chandler by protecting them from liability, by providing immunity to the fire department and by trying to pay as much as possible toward those expenses.

SALLY PETRIK, 12618 E. Via Del Palmas, representing the Chandler Fire Protection Awareness Committee, thanked Chandler and Rural/Metro for working together to provide fire service in the county island. She wanted to report that there were fire hydrants in the neighborhood, but the City had them removed. The committee offered two suggestions to address the liability issue – add an extra rider to the city's present insurance to cover the additional cost and filter the cost back to the county island residents; replicate what is presently in the subscription. This would get us through at least a year while legislation is passed. Lastly, add some verbiage from HB 2135 or 2033. Once the liability issue is resolved, have residents of the county island part of the citizen's committee that determines a fair and equitable fee.

In response to a question from the MAYOR, Ms. Petrik said she was a subscriber for 15 years. THE MAYOR added that they received an opinion from the City's Risk Manager that the City could not get a separate rider. Regarding fees charged by the City, Asst. Chief Carlson said that according to City Code, the Fire Department is allowed to charge fees up to \$1300 per hour in the district. They charge \$1.99 per \$100 of assessed value in the subscription. City Code also allows the application of a per truck fee for non-subscribers. MAYOR DUNN pointed out that city taxpayers also pay for the station and the maintenance and staffing of those stations.

COUNCILMEMBER ORLANDO asked about the ratio of fire versus EMS in the County. Chief Roxburgh responded that it is approximately 75%.

COUNCILMEMBER DONOVAN confirmed with Ms. Petrik that she has paid subscription services for 15 years and would continue, but with the changes in Rural/Metro, will not be able to pay those fees without an IGA.

COUNCILMEMBER WENINGER reiterated that Chandler is responding and will continue to respond, and have taken a different approach than another municipality. However, the second responsibility is a financial one for Chandler citizens. He would like to see an agreement quickly, but there are financial implications. It may move to a resolution in the legislature, but we cannot depend on that.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY VICE-MAYOR HUGGINS, TO SEND THE ISSUE TO THE PUBLIC SAFETY SUBCOMMITTEE FOR FURTHER DISCUSSION ON THE IGA INCLUDING PARAMETERS REGARDING INDEMNIFICATION CLAUSES, BILLING AND COLLECTION PROCEDURES, MINIMUM PARTICIPATION REQUIREMENTS AND COLLECTION PROCESSES FOR NON-PAYMENT. ADDITIONALLY, THE COMMITTEE SHOULD DISCUSS OTHER OPTIONS FOR SOLVING THIS PROBLEM INCLUDING POTENTIAL LEGISLATIVE REMEDIES. THE COMMITTEE IS TO REPORT BACK AT THE JANUARY 25, 2007, CITY COUNCIL MEETING ON THESE ISSUES AND ON THE STATUS OF ANY BILLS RELATED TO COUNTY ISLAND FIRE SERVICE THAT HAVE BEEN INTRODUCED DURING THE UP-COMING LEGISLATIVE SESSION. ALSO WORK WITH RURAL/METRO TO EXTEND COVERAGE IN THE COUNTY ISLAND FOR TWO ADDITIONAL MONTHS WHILE NEGOTIATIONS CONTINUE.

COUNCILMEMBER ADDED ADDITIONAL LANGUAGE TO THE MOTION BELOW.

COUNCILMEMBER ORLANDO clarified that the City has an outstanding liability in the county island even if we were to provide fire service today. If something should happen between now and January 25th and there was no coverage, he would be more comfortable if we knew there would be coverage from Rural/Metro. Out of the five issues discussed tonight, the only issue with the county is liability. He would prefer to send the IGA back to the county. MR. CAIRNS said that the last direct discussions the City had with the county were approximately 8 months ago. Once we found out an IGA had been submitted to Gilbert, we started to draft another IGA that covered some of the points the county indicated they were now willing to do, but it has not been sent to the county.

COUNCILMEMBER ORLANDO COMMENTED THAT HE DID NOT SEE THAT A SUBCOMMITTEE WOULD BE ABLE TO PROVIDE MORE LEGAL LANGUAGE THAN WHAT THE ATTORNEYS WANTED IN THERE. HE IS CONCERNED WITH NOT HAVING STOP-GAP COVERAGE BETWEEN THE DECEMBER 31ST AND JANUARY 25TH IF THE NEED ARISES. HE SUGGESTED ADDING TO THE MOTION THAT THE IGA BE SENT WITH THE PROPER LANGUAGE TO COVER THE CITY INDEMNIFIED BACK TO THE COUNTY IN THE MEAN TIME, STILL HAVE THE SUBCOMMITTEE MEET AND DISCUSS THAT ISSUE WITH THE LEGISLATION AND ENCOURAGE THE CITIZENS TO STRONGLY LOBBY THE COUNTY. COUNCILMEMBER WENINGER AGREED.

MAYOR DUNN said that he does not feel there is a short-term issue because we are providing protection, but it would be worse exposure if we tried to enter into an IGA with improper language. This is a perfect role for the Public Safety Subcommittee. If something were submitted to the county, it would have to go through the Board of Supervisors. The liability is a key issue. Other issues that need to be addressed include fiscal responsibility and inequity between the county residents and taxpayers.

MOTION CARRIED UNANIMOUSLY (7-0).

THE ORDER OF THE AGENDA WAS CHANGED FROM THE PRINTED VERSION. THE MAYOR MOVED UP THE PUBLIC HEARINGS TO THIS POINT IN THE MEETING.

PUBLIC HEARINGS:

P.H. #1. ANNEXATION of approximately 5.4 acres of land east of the SEC of McQueen and Pecos roads.

The Mayor opened the public hearing at 10:40 p.m.

Doug Ballard said that the proposed use is residential. The applicants are David and Magda Kassel. The property is currently zoned R-43 Rural Residential within the county. The Chandler Airpark Area Plan, an element of the Chandler General Plan, designates the area for Public/Semi-Public Facilities. The applicant will be seeking rezoning to Planned Area Development (PAD) for townhouse or condominium residential.

The property is vacant and is bordered on the north and west by existing single-family residential and on the south and east by a City of Chandler wastewater treatment plant. The property is not under an aircraft noise contour or within a designated flood plain.

The Mayor closed the public hearing at 10:41 p.m.

P.H. #1. ANNEXATION of approximately 6.8 acres of land at the NEC of Gilbert and Queen Creek roads.

The Mayor opened the public hearing at 10:42 p.m.

Doug Ballard said that the applicant is QuikTrip Corporation. The property is currently zoned R-43 Rural Residential within the county. The Chandler Land Use Element of the Chandler General plan designates the area for Low Density (Single Family) Residential. The applicant will be seeking rezoning to Planned Area Development (PAD) commercial development.

The property contains a number of agriculturally related structures to be removed for the construction of the proposed commercial land use, is currently bordered by rural residential to the east and agricultural uses to the north, west and south.

COUNCILMEMBER ORLANDO asked what the plans were for this area. Mr. Ballard said he would assume that since Quiktrip is the applicant, that would be the desire.

The Mayor closed the public hearing at 10:43 p.m.

73. USE PERMIT: Chandler Hardwoods & Millwork

DENIED Use Permit, UP06-0004, Chandler Hardwoods & Millwork, to operate a millwork and wood products business in a residential zoning district at 3116 and 3156 S. Diamond Drive. (Applicant: Karen & John Powers; Owners: Tom Hudson and Karen Powers.)

CITY PLANNER Bill Dermody said that the application requests approval to operate a millwork and wood products business on two 2.5-acre lots within the Twin Acres subdivision south of the Chandler Municipal Airport. The Twin Acres subdivision is rural in nature (all properties zoned

AG-1 or unincorporated) and includes several horse-boarding operations and an electronics business (S Five Electronics) with Use Permit approval as incidental uses on residential properties. The subject properties are located between Diamond Drive on the east and Adams Avenue on the west, with access to both private roads, and each includes a house that faces Diamond Drive. To the west of Adams Avenue is vacant land designated by the Airpark Area Plan for parks and open space. The vacant land to the west has been considered for a municipal park, but no plan currently exists for such a development.

The proposed millwork business, which is currently in operation, processes lumber for resale to cabinetmakers, artists and woodturners. The business is primarily conducted on the northern lot, 3116 S. Diamond Drive, with some outdoor storage of lumber on the southern lot. The houses on the two subject properties will continue to be used as residences. The northern lot includes a warehouse on its southern end, for which the City has no record of building permit approval, as well as a garage farther north that received a building permit in 1997. Both structures are west of the residence. The business inventory was purchased in late 2005 from the previous owner, Tom Hudson, who continues to own the 3116 property but has moved to Tennessee. The complete business purchase was finalized in October 2006. The business is said to have been operating on this block since prior to annexation (1993) and was referred to the City through a neighboring property owner's complaint. The property owner who made the complaint is no longer in opposition to the project.

The Chandler Airpark Area Plan designates the subject properties as rural residential permitting residential densities ranging from 0-1.5 du/ac. Additionally, the Airpark Area Plan identifies the subject site as within a Transitional Overlay Zone. The Transitional Overlay Zone is not applicable to Use Permits and only supports conversion to commercial or industrial uses through rezonings that are at least 40 acres in size and adjacent to an arterial, among other requirements.

The business plan states that the outdoor storage in the front yard, which is identified as mesquite logs on the site plan and currently occupies approximately 10,500 square feet, will be eliminated by March 2007. The kiln operation will be moved at some time in the future into the existing orchard area on the north end of the northern property. Other aspects of the business, including milling operations and the remaining 20,000 square feet of wood storage, are proposed to continue as currently operated.

In response to a request by the Planning Commission and Staff, the applicants submitted documents for a Preliminary Technical Site Plan Review (Pre-Tech) to allow for an analysis of City standards as they apply to this property. City Staff found several standards in need of attention should this Use Permit be approved.

Additional building, civil engineering and site development standards might need to be addressed if this Use Permit were approved. Such standards could compel soil tests for right-of-way dedication, provision of additional infrastructure (water, etc.) and provision of dust collection systems for sawdust among other requirements.

The applicants have verbally indicated a willingness to abide by certain City standards identified in the Pre-Tech, but not others. Agreeable items include those required by Building Code or Fire Code, including sprinklering or equivalent fire protection measures. Also, the applicants would be willing to provide the landscaping portion of a dissimilar land use buffer that includes trees planted every 20 feet on center and paint the metal warehouse building to reduce its starkness, though they find these measures to be unnecessary and would rather not provide them unless

stipulated to do so. The applicants have also offered to improve screening along Diamond Drive through an extension of existing fencing and landscaping.

The applicants have indicated that they are unwilling to provide paved access to the site from Queen Creek Road, construct a masonry wall around the outdoor storage, underground the adjacent irrigation canal, provide a Code-required level of landscaping along the street front, or pave all outdoor storage and parking areas.

A building permit for the warehouse structure has not been applied for as of this writing. It appears that the warehouse structure does not meet minimum setbacks, and the applicants intend to seek a variance for this setback deviation if necessary.

The application states that the business is a continuation of an existing business with Maricopa County approval. Maricopa County reports that no Use Permits or zoning clearances for the proposed use were ever issued for the subject properties, nor for any other property on Diamond Drive. Neither does the City of Chandler possess any such Maricopa County files. Aerial photographs taken in 1995, two years after annexation, do not show the two-garage/warehouse structures in the rear yard and show no outdoor wood storage on the property. No approved business license is on file for this address and there is no indication that this business was ever a legal use at this location.

The Planning Commission and Staff find that the scale of the business is too intense for a residential neighborhood and that the use is incompatible with its surroundings. A commercial/industrial use such as this produces negative impacts such as truck traffic, increased fire risk and aesthetic degradation that are of particular concern in the middle of a residential neighborhood. Millwork uses such as proposed are typically located in industrial zoning districts and are not appropriate in residential neighborhoods. Staff added that this project does not meet any City standards. If the business was smaller, the Planning Commission may have been inclined to approve it.

Another item discussed at the Planning Commission meeting was the neighboring business, S Five Electronics, which does have a use permit. They are the only business Staff could think of with a Use Permit in a residential district and is an industrial type of use. This business is different from the millworks in that it builds prototypes of microchips and sends them to Colorado to be built. It is low impact, which is why Council approved it. There is one customer per week coming to the business and one employee.

In contrast, Chandler Hardwoods, has a large amount of outdoor storage in front and back, it's own truck, forklifts, milling machinery, etc. Although they are both industrial businesses, they are on a very different scale.

Mr. Dermody added that there is no waiver for this case. The applicant does not want to sign a waiver not knowing what the conditions might be.

Additionally, the proposed use represents an incompatible potential hazard to the surrounding neighborhood and would not meet City of Chandler standards for commercial/industrial uses of this scale as designed. As noted through the Pre-Tech, a millwork use such as proposed must meet a number of standards that serve to provide safe access for fire personnel, to mitigate negative effects on surrounding properties and to provide sustainable infrastructure. The application fails to meet standards regarding fire access, sprinklers, screening, landscaping, building construction and setbacks.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on April 13, 2006. There were three neighbors in attendance and none were in opposition. Staff has received two telephone calls from neighbors opposed to the outdoor storage portion of the business and noise from the milling machinery.

Planning Commission concerns included the intensity, the use is a fire risk, there is no definitive plan for reducing the wood inventory, no progress has been made since 2005 in reducing the inventory and the applicants failed to confirm that the business was legal before finalizing the purchase. Some Planning Commissioners stated agreement with Staff's opinion that the millwork use would be incompatible at this location regardless of its size, while others stated that the large scale of the use and the lack of progress toward reducing it primarily prompt their concerns.

VICE-MAYOR HUGGINS asked if the business would be allowed if the area were zoned industrial. Mr. Dermody responded that the use would be allowed; however, it does not meet site development standards, fire standards or traffic standards expected of this type of business.

COUNCILMEMBER ORLANDO asked about fire protection. Mr. Dermody said there is a fire hydrant across the street from the site. According to the Fire Marshall, it is not known if that hydrant has sufficient water supply to accommodate this type of business. It will have to be investigated if the Use Permit is approved and the applicant would have to provide the information.

COUNCILMEMBER ORLANDO asked how the applicant would certify that the hydrant has enough pressure. Mr. Ballard clarified that when an industrial use comes to a specific site, there are certain obligations the owner has to bring certain services necessary for the City to provide a certain level of safety to the site. This could include extending a fire line to the site, loop a fire line, make sure there is enough pressure available, etc. The City would be in the loop, but it would be up to the applicant to extend the infrastructure to serve that business.

COUNCILMEMBER SEPULVEDA asked why S Five Electronics is allowed to operate when it is not in the proper zoning district. Mr. Dermody said that all Use Permit applications for businesses in residential districts are considered on a case-by-case basis. COUNCILMEMBER SEPULVEDA asked about fire protection for S Five. Mr. Dermody said that S Five was not brought before the Fire Marshall because it was not the application before the Planning Commission.

COUNCILMEMBER WENINGER said there is a property to the south that has a large number of tractors on it and asked what the use is. Mr. Dermody said that it is the same property as S Five Electronics. The tractors are not associated with the business, but are antiques and have been treated as "lawn art".

MAYOR DUNN asked the rationale of the dissenting vote from the Planning Commission. Mr. Dermody responded that S Five Electronics is an I-2 use, although he did not like what is going on at Chandler Hardwoods, he was in favor of offering them a continuance to allow them to return with a plan to reduce their outside wood storage similar to S Five where everything is inside.

MAYOR DUNN asked how close the nearest residence is to the site and if this business was there before the other homes. Mr. Dermody said that the homes were built in 1977 and there was never a permit for this business. The first storage building did not show up until 1997. It is probably several hundred feet to the nearest home.

JOHN POWERS, 3156 S. Diamond Drive, applicant, said that the business is family-run and they are agreeable to most things they need to do to operate the business. Mr. Powers described the area through the use of an aerial map. Jim Hudson originally owned the business where the storage and warehouse are. Tom Hudson sold the property and Mr. Powers had to move the existing inventory from one location to another. They told the City that they were getting rid of the wood. Tom felt the wood was like gold that he could buy cheaply and sell for a profit. Mr. Powers was faced with having to move the wood to his site and figure out how to liquidate it. Attempts were made to liquidate the excess wood. He erroneously depicted the wood as 60,000 board feet when it should have been 40,000. They have gotten rid of approximately 10,000 board feet. It is their position that they will dispose of most of the material, but would like to have an operating time. They took over the business, contractually, in October of this year. Since that time, they have posted monthly wholesale ads on the Internet and through other local distributors hoping to sell large quantities.

Staff correctly stated that no permit was ever issued to Chandler Hardwoods. It was issued under Accuracy Speaks. He went to the county and when the City annexed the property, all of the county files were forwarded to the City. He went to the City and asked for the file and was told they had no record of it. There is record of over \$90,000 being paid to the City in retail taxes since its operation.

Staff noted that the property is accessed from two locations. Mr. Powers stated that the only access they allow is from Adams. It is not permitted off of a residential street.

Mr. Powers said there are currently 9 other special use permits issued in the neighborhood with 7 being horse permits for boarding and/or lessons and one electronics firm. Mr. Powers stressed that he wants a level playing field. He has been a planning commissioner for 9 years and has never heard the word "intense" in "the planning world". He asked for a definition and was told it was too big. He said to compare his property to another and if it is S Five Electronics, he has over a 3,000 square foot building with electronics stored in it. There is a threat as far as sprinkler coverage. They want to be able to run his business with a perimeter landscape and site walls while S Five has used metal garage doors surrounding the perimeter of his property.

There is a metal fabrication facility in the county island so traffic from Adams goes directly to that property. In doing a traffic comparison, Mr. Powers stated that the horse properties had 9 cars per hour and he had 4 the entire day. Approximately 6 months ago, he surveyed his neighbors and 100% indicated they were not opposed to his operation. He also surveyed two new neighbors and they were also supportive. Mr. Powers reiterated that it his intention to dispose of all outside storage.

Mr. Powers continued that they were depicted as being difficult to work with prior to the Planning Commission hearing. Due to contractual constraints, they could not move any wood prior to closing on October 26, 2006. The initial complaint was from a neighbor who was mad at the City because he was told Appleby was going to be extended to McQueen and he had to come down S. Adams, which is a dirt road.

Mr. Powers said that if their building needs to be brought up to code, they will have to work with the owner because they will not be buying it until November 2007, but they will bring it into compliance. He would like to see the S Five's property and what they had to do to be issued an indefinite Use Permit.

MAYOR DUNN asked Mr. Powers about complaints from neighbors regarding noise. Mr. Powers said that according to City policy, if there is a complaint filed, it is to be in writing, and that has not been done. At the Planning Commission, he was told that someone named Paul has filed a complaint. There is only one Paul in the neighborhood and he was at the Commission meeting and spoke in support of Mr. Powers and stated he did not file a complaint.

Fire Prevention Specialist Dave Petrushka came to the property on three separate occasions. The first was to see whether the home-business could "adhere" to the community. He walked around the site and told Mr. Powers to call him when he is ready for an inspection. Mr. Petrushka returned in two weeks and made 4 recommendations – trim the trees in the front, eliminate the extension cord from a credit card machine to an outlet, lower material storage two feet and provide two additional fire extinguishers.

The previous owner also informed him that two Chandler Code Enforcement Officers visited the site. He is left holding the bag because he is in the process of trying to obtain a business license and operating in a jurisdiction that adheres to laws and rules, but a Zoning Enforcement Officer came out on 2 separate occasions and did not have a problem.

In conclusion, Mr. Powers said that it is a unique neighborhood. It was county property annexed by the City and he wants to continue the existing use. It is larger on one lot than it was on 2, but he will reduce the storage.

COUNCILMEMBER ORLANDO asked if there was a Use Permit issued according to the previous owner and who issued it. Mr. Powers responded that Tom Hudson said it was issued to Accuracy Speaks, which was the property south of his. Mr. Hudson told him it was a lifetime permit from Maricopa County. Mr. Hudson no longer had a copy of it nor did the City of Chandler.

COUNCILMEMBER CACCAMO asked how many trucks are delivering lumber to customers. Mr. Powers replied that they do not do any deliveries "of any magnitude". They had an account in north Phoenix requiring delivery once every two weeks. The truck used for those deliveries is no longer on the property. If any delivery is done, it is in a pickup truck. COUNCILMEMBER CACCAMO asked how the wood is leaving the property if it is sold. Mr. Powers said they cater to "snowbirds" who have hobby shops. They loaded 700-800 board feet on one vehicle recently.

COUNCILMEMBER CACCAMO asked about fuel storage for other vehicles on the property. Mr. Powers responded that they have two gas caddies with a capacity of 22.5 gallons each.

COUNCILMEMBER SEPULVEDA clarified with Staff that no matter what the applicant does, the use would still be non-conforming. Mr. Ballard confirmed stating it is AG-1, which is residential and agricultural, and this is either manufacturing or fabrication more suitable in industrial or commercial. COUNCILMEMBER SEPULVEDA asked for background on the issuance of the Use Permit for S Five Electronics. Mr. Ballard explained that the owner of the business lives there and at the time, it was felt that the Use Permit they were requesting was incidental and subordinate to the residential and did not have externalities that people could see from the street. There was no outside storage with material being stored in a barn-like structure. In comparison, Chandler Hardwoods is primarily a business with a lot of outdoor storage, milling and manufacturing. COUNCILMEMBER SEPULVEDA asked Mr. Powers the size of his structures. Mr. Powers replied that the garage is 2900 square feet and the other structure is approximately 6000 square feet. That's a total of 8900 square feet or approximately 1/5 of an acre. Mr. Powers said he lives on one of the two properties.

COUNCILMEMBER SEPULVEDA asked when the lifetime permit was approved for S Five Electronics said that when the Maderas property came forward for rezoning, S Five was one of the businesses that came forward for a permanent Use Permit. All other Use Permits in the neighborhood have been issued for horse boarding. COUNCILMEMBER SEPULVEDA asked if traffic to and from the horse facilities was an issue and discussed. Mr. Dermody said it was an issue, it was discussed and ultimately the permits were approved.

COUNCILMEMBER SEPULVEDA commented that he does not have a problem with the Use Permits issued for equestrian purposes. The overwhelming issue with this request is the intensity of the use. There are large buildings mixed in with residential.

Mr. Powers said that their impact was provided by audited daily sales receipts and, at the most, there were four cars per day. He wants to be afforded the same privileges his neighbors have. They are true to what they're doing. They are making an effort to move existing storage beyond the pipe columns. They want to be good neighbors and eliminate any blight.

MOVED BY COUNCILMEMBER SEPULVEDA, SECONDED BY COUNCILMEMBER CACCAMO to DENY Use Permit, UP06-0004, Chandler Hardwoods & Millwork, to operate a millwork and wood products business in a residential zoning district at 3116 and 3156 S. Diamond Drive.

COUNCILMEMBER WENINGER asked Staff if they are 100% certain that there was no previous Use Permit on this property. Mr. Dermody said that they have asked the county to research all of their records and have responded that they have no record of a use permit being issued and that use permits cannot transfer from property to property. All City records have also been searched with no results. COUNCILMEMBER WENINGER stated that he was at the Maderas hearings, not as a Councilmember, when neighbors were told the use permits would be issued indefinitely.

MOTION CARRIED (6-1) WITH MAYOR DUNN VOTING NAY.

The meeting recessed at 11:35 p.m. and reconvened at 11:43 p.m.

75. Briefing and City Council direction regarding elimination of criminal gang activity and neighborhood blight conditions in and around the Downtown Chandler area.

MAYOR DUNN emphasized that Chandler has one of the best Police Departments in the state and does an excellent job in upholding the safety of the City.

CITY MANAGER MARK PENTZ commented on the news article relating to some of the personnel issues occurring in the Police Department over the last five years and assured everyone that Chief Kiyler and her command staff address internal issues timely and decisively.

SGT. ROBINSON with the gang intelligence unit gave an overview on what is occurring with gang activity and what the department is doing. He identified the 8 gangs in Chandler that the department has contact with. There was a significant gang problem in the 90's. Most agencies had their own gang units for enforcement. Progress was made interdicting the gangs during that time. 9/11 then occurred and many of the law enforcement resources were re-allocated for terror reasons. He said that has presented a problem for police departments in staffing their beats. Nationally, there is a problem recruiting and retaining officers.

The three-prong approach used by the City of Chandler is intelligence; the second prong is suppression and enforcement. Gang member identification (GMI) cards are used to track who

they are and where they are living. Association becomes critical in processing warrants on gang members involved in a crime. This includes multiple warrants on homes for the syndicate and the association of memberships. It is critical to have that information on hand prior to a crime occurring. They also want to develop sources of information that infiltrate the gangs or who will debrief on gangs that gives the current picture of activity on the streets.

The information is sent out to the beat units. There are patrol gang liaison officers who get the same training as the intelligence detectives and are expected to show leadership and direction using specialized training to the beat officers on gang issues. There is also cooperative information exchange between gang intelligence detectives and officers on the streets.

He explained the department partners with external and internal entities for suppression projects as they become necessary. Part of the suppression prong includes investigation of known crimes. There will be gang crimes, but we want to exploit that to our benefit. That exploitation may include looking for reasons to do search warrants on their homes or looking for proactive cases they can spin off. If there was a gang member stopped in a stolen car and he had a handgun; the handgun case can be spun off if that gang member is a prohibited possessor and potentially get "more bang for our buck" on that stolen car to put them in the system on other felony crimes.

Another target for patrolmen is dispersal of large gatherings to stop collective thought. An individual gang member will generally be congenial. However, if they are in a large group, the thought process changes.

The last of the three prongs is education and dialogue with citizens, parents, schools and youth.

Sgt. Robinson continued that he has two detectives specifically assigned to gang intelligence. They were assigned in the spring of 2005 and their primary duties at that time were to start gathering intelligence and managing the information. One of his primary directives to them was the GLO program. The GLO officers need to be out making contact with gang members and doing the GMI cards to increase the intelligence database.

Part of their job was to coordinate daily patrol suppression between the GLO officers and CIS primarily through bulletins. Suppression operations' job is through their expertise and coordination of effort. There was a situation at a local tavern where there was an increase in gang activity on the weekends. Liquor enforcement and the GLOs were called in and it was the gang intelligence detectives that coordinated the effort to target some of the activity to reduce the potential for violence. The gang intelligence officers are doing what they were asked to do.

Typically, intelligence detectives do not conduct case investigation; however, he felt it was imperative that they did because they had the expertise that some of the patrolmen did not have. Cases were reviewed that they could exploit and they were assigned to detectives for investigation. It keeps them on the street and helps the GLO officers in dealing with gang members. Every officer in the City of Chandler is a gang enforcer. The model incorporates all facets of the police department working with CID, investigation sections, and gang intelligence to achieve the ultimate goal.

School Resource Officers are an invaluable asset in the effort to protect schools. Officer Matt Bleck at Hamilton High was one of the primary officers that broke the case on the armed robberies at the pawn stores where gang members were did the robberies. He obtained the information in his school, brought it to the department and they were able to solve the case.

There were 19 guns stolen and 12 were recovered. Officer Doug Rose at Chandler High worked with gang intelligence in getting no loitering signs installed at the NEC of Erie and Arizona Avenue, which has worked well.

He explained the GLO officers have expertise accessible to the field officer, special knowledge and what intelligence is needed. It develops a cooperative effort between patrol, field operations, CID or CIS criminal investigation section so efforts can be effectively coordinated. It is also a resource that patrol has to focus efforts on known intelligence.

He reported the Police Department started tracking significant incidents of gang activity in the City in October 2005; primarily part 1 crimes of violence. Any significant event thought to have the potential for violence, information was being collected and followed up on. During that time period, 21 incidents of interest were noted including homicide, drive by shooting, walk up shooting, assaults, robbery, car jacking and gang fights.

During the summer of 2006, there was also an increase in non-gang related violent crimes in the target area primarily around undocumented workers where there were more crimes of opportunity associated with consumption of alcohol. Five special surveillance projects were conducted targeting specific gangs. Three gang suppression weekends were held. Working with the gang liaison officers, two warrant details were coordinated and operated resulting in 50+ arrests.

The City partnered with outside agencies including the United States Marshall's for Fugitives Task Force who recently discovered that one of Chandler's gang members involved in a homicide in 2005 in Mexico. In the summer of 2006, they were just beginning their push to re-institute the program in the state.

He stated that Chandler has always been a member of the East Valley Gang Task Force for information sharing. Public education is conducted through the Citizen's Academy, the Boy's and Girl's Club, Young Marines, Parents of Murdered Children, and Improving Chandler Area Neighborhoods (ICAN). They have never turned down a request to speak when asked.

COUNCILMEMBER ORLANDO asked Sgt. Robinson if he felt he had the appropriate equipment and information available to him. Sgt. Robinson responded that he does. The state recently initiated a new program called Gang Net, which is a multi-state intelligence system.

COUNCILMEMBER ORLANDO asked if there is enough full-time manpower. CHIEF KIYLER said that they have included in their budget package for this coming year an increase in personnel for a dedicated gang unit. The two existing in gang intelligence would be moved to the dedicated unit being 4 and a sergeant. She explained that as a result of the partnership with the state gang task force, we have added an additional request for one additional detective to help with participation in the task force.

COUNCILMEMBER ORLANDO asked about recruiting efforts. CHIEF KIYLER responded they have just completed a review of what they have done in recruiting. She was surprised to learn that they have performed 500 interviews this past years both sworn and civilian. Of those 500, only 70 have been hired. Ten of those recruits left for various reasons and some were existing personnel lost through retirement. In spite of those losses, they are 33 positions ahead of where they were a year ago. She acknowledged the need to widen the recruiting area and explained expansion of their recruiting methods.

COUNCILMEMBER SEPULVEDA asked how long we have been dealing with a gang problem in Chandler. SGT. ROBINSON replied from the late 1980's. The 1990's were the high point in gang activity, and it is now on the upswing again, however, not where it was in the 90's. The model was drafted approximately 18 months ago. He explained it is difficult to measure success because it is hard to quantify that crime has been suppressed. It is easier on UCR part 2 crimes where there is a re-occurrence of the crime because a lot of those crimes are money-related. The difficult part of violent crime is that it is hard to predict. The upswing as with the gang issue, is that it was recognized early on the need to form a gang unit and that's why it was budgeted for this year.

COUNCILMEMBER SEPULVEDA said that there needs to be a holistic approach to the gang problem with some type of measurable results and recognized this involves more than just the Police Department. In response to a question from COUNCILMEMBER SEPULVEDA, Sgt. Robinson said that the department has a police officer assigned to the City's Housing Authority and also partners with crime-free multi-housing apartment complexes.

COUNCILMEMBER ORLANDO commented that the responsibility also falls on the Council to ask what support they can provide to insure a successful program. He asked Chief Kiyler to comment on the public hearing held Monday night.

CHIEF KIYLER responded that the community made it clear that they do want additional visibility from the Police Department and committed their participation too to strengthen their neighborhood. There were approximately 160 people in attendance. Chief Kiyler said they are currently working on an operations plan that would put more bicycle and motorcycle officers in the area. All parties need to work together to come up with long-term.

COUNCILMEMBER SEPULVEDA said that he would like some way to measure progress. He hoped we are taking full advantage of all of the resources available. He reiterated that is not just a police issue and perhaps other cities could provide information on what they are doing. Chief Kiyler agreed that it is a community-issue. She explained the current short-term plan is using existing personnel, refocusing police presence and the long-term plan is to increase personnel and increasing school education with school resource officers and community education.

JORGE ALIRE, 795 E. Tyson St., lives in what the police department considers to be in the gang activity area. He said he is unsatisfied, frustrated and angry at the services he has received from the City of Chandler since he has been trying to get someone to come to his neighborhood to address some of the things he has seen. He has lived in the neighborhood for 20 years and it started to decline 5 years ago and he started getting involved 4 years ago. Two years ago he went to the police department and asked for help. He said they were promised bike patrols in the neighborhood, which never happened. He asked again with other neighbors and was told the department was understaffed and they would see more motor patrols. The residents in his neighborhood spend time outside in their front yards to be aware of what is happening in the neighborhood. He said he would not allow his neighborhood to deteriorate any farther. He asked that Council provide whatever resources Chief Kiyler asks for so she can help him help his neighbors and neighborhood. He expressed concern that the problem will grow and move to other parts of the City. He encouraged everyone to get involved and know their neighbors.

BRIAN BOSSHARDT reported on activities occurring in the downtown area in regard to neighborhood programs. There are 240 registered neighborhoods citywide. One of the main goals is to organize neighborhoods. There are two staff members working to identify residents in the neighborhoods willing to work with the City in improving their neighborhoods. He said that

within the downtown area, there are 30 registered neighborhoods. Sixteen are traditional neighborhoods and 14 are governed by an HOA. Of the 16 traditional neighborhoods, 14 have registered within the last year.

One of the main goals is to strengthen and improve the neighborhoods by developing sustainable groups and doing projects that will help improve a neighborhood. The grant program is the most popular in that area. From 2001 to 2005, in most of the traditional neighborhoods, the grants were used for the most part to convert wood fences to block in the downtown. In 2005, Staff came to Council and got approval to modify the grant program to increase the options for grants to insure the money was getting to the neighborhoods with the greatest need. Over half of the money provided annually (\$75,000.00) for traditional neighborhoods and the grant amount was increased to \$10,000.00. Within the last year, three traditional neighborhoods in the downtown area have received grant funds.

In addition to the grant program, the neighborhood services staff also coordinates special projects with many community volunteer groups within the City.

Next, Mr. Bosshardt reviewed the Neighbors in Action program. He explained this program was in response to Council's direction to create a neighborhood revitalization effort. The program was approved by the Mayor and Council and focuses City resources on mature neighborhoods where residents have expressed concerns about possible decline. The first two neighborhoods are Park Manors just west of the high school and the other being the Oregon Street neighborhood. Within the last six months, Staff has conducted code inspections on all single-family homes in Park Manors; an alley block wall program, installation of speed humps on Tulsa and collected 82 tons of trash as a result of 5 weekend cleanups. The neighborhood will meet in January to make some decisions on their priorities for projects in terms of how they want to use money earmarked for this program.

Mr. Bosshardt concluded with the culmination of work that has been on going over the last year. The Neighborhood Advisory Committee initiated a review of the City's property maintenance code. They wanted to ensure that code enforcement staff had the tools that they needed to enforce property maintenance issues in our neighborhoods. About half way through the review, the Mayor and Council directed them to include the issuance of rental housing in that work so a few residents to the code review group and brought them up to speed on the work to date and added that issue to their agenda.

It is Staff's intent to come before Council in January with a full briefing on the recommendations coming forward. The Neighborhood Advisory Committee heard those recommendations and approved bringing them forward to the Council. Staff supports those recommendations including:

- Approval of a new property maintenance code by replacing Chapter 30 with a newly written property maintenance code.
- Approval of a code enforcement policy, which would specify how Staff enforces property maintenance, codes and tightens up the time frame.
- Propose a repeat offender policy.
- A need to become proactive in enforcing the property maintenance code.

MAYOR DUNN asked if code enforcement addressed the number of people that can live in a single residence and how it was enforced. Mr. Bosshardt responded that it is specified in the zoning code.

In response to questions from the Mayor, SGT. ROBINSON responded that the territories are "blurred". He explained that on the street it is more about power and respect. The old turf rules are gone as well as congregating on a street corner. The gang members are not very sophisticated, but are very smart and cagey on the street and learn their lessons well. They are seeing a concentration of gang activity in the central portion between Alma School east to McQueen and Ray south to Chandler. Gang activity includes violent crimes, assaults, gang fights or anything with a potential for violence. It does not include a patrol officer who caught a gang member committing a crime because most gang members are career criminals. It is not illegal to be a gang member, but it is illegal to commit a crime in furtherance of the gang and then there are gang members who commit crimes.

MAYOR DUNN asked if congregation occurs in any particular location. Sgt. Robinson said that it was a "model breaker" for them. Before, it was pretty much guaranteed where a particular gang would be on a particular evening. Now, it is sporadic and that intelligence has been provided to the patrol officers and GLO's as to where the cluster of gang activity has been seen although it is not on a consistent basis.

COUNCILMEMBER SEPULVEDA asked Mr. Bosshardt if lighting is addressed in the revitalization program. Mr. Bosshardt responded that there have been a few grants come through for lighting in rights-of-way such as alleys. COUNCILMEMBER SEPULVEDA commented that the lighting is poor in some of the older parts of town especially where there is illegal activity going on. He asked if apartment complexes are included in the revitalization program. Mr. Bosshardt said that they are explaining that it is a struggle dealing with absentee landlords. COUNCILMEMBER SEPULVEDA suggested that if there is no response or cooperation from landlords, there could be more punitive damages imposed.

SGT. CARR responded about the overcrowding issue, and said it is being addressed in the new proposed code. Currently, under the zoning code it specifies "related individuals", which he said is impossible to enforce. Staff has investigated using the footprint of the building through the building code. Police is working with City building officials on items that can be enforced including interior design as far as occupancy issues such as how many people are allowed to live in one residence.

Regarding suspicious activity, Sgt. Carr said that they recover many of stolen vehicles reported abandoned. Since he has limited resources, they have tried to devise a way to better use the system. They work with the meter readers since they are at houses on a regular basis. He spoke with the meter readers and they were able to add codes to their current equipment and run a monthly report for Neighborhood Services to review. Additionally, code enforcement can help the meter readers when there are meters they cannot get to because of brush or rubbish.

Sgt. Carr reviewed what is being done to mitigate absentee landlords. He stated while it was a severe problem, it is improving. One of the things they are doing now is requiring contact of service for citations. They received permission from the courts to use the services of a process server. They used that method in tracking down a landlord in California. The landlord was located through a local process server, was taken to court and the problem was resolved. For those landlords that dodge the process servers, their citations are published. However, that process is time consuming and more expensive.

He reported that one of the changes to the code will be "clean and lien" which means that if the landlord does not respond, the City will take care of the problem and put a lien on the property. COUNCILMEMBER SEPULVEDA asked how much time lapses between when the lien is placed

against the property and when the City is reimbursed. CITY ATTORNEY HOUSE said that the lien is not paid out until the property is sold. If there are liens superior to the City's, we may not get reimbursed. He stated however, it is important to solve the problems even if the money is not recovered. COUNCILMEMBER SEPULVEDA said there needs to be more "teeth" in the existing ordinances and not allow slum lords to take advantage of the situation. He hoped that Council would give direction to the City Attorney and Manager to be as punitive as necessary to enforce the law. SGT. CARR said that there is a balance between proactive and reactive. He emphasized that the more proactive, the more calls will come in from people that are upset. The enforcement policy that will be coming forward is very important because it is standardized from the Council to the inspector. Everyone is on a level playing field.

VICE-MAYOR HUGGINS said that the owner or manager typically pays the water bill for an apartment complex. In single-family homes, the renter pays the landlord. He asked if additional charges could be added to the water bill. MR. HOUSE said that the City does not have the ability to add those types of charges to water bills. The water bill is based strictly on the water rate and other charges cannot be added.

SGT. CARR said that he attended a conference of other cities facing the same dilemma. One of the sessions was on tracking down absentee landlords. He believed Chandler was on the right track. He explained that Code Enforcement does not have the resources to monitor whether or not prior offenders are still in compliance. Neighbors get frustrated, wait for a period of time, call code enforcement again, they go out and open a new case. He said that is where the repeat program will help to mitigate that situation. Once there has been a violation and code enforcement is called again, there will be no more warnings.

The area being discussed is Ray to Pecos and Alma School to McQueen, which is just under 6% of the total City area. Sgt. Carr reported that for resources, 14% of calls for service are in that area. One of the reasons is that it is an older area of the city. Fifty-two percent of the graffiti calls in the City are in that area. Graffiti is tied to gang activity. The City does not tolerate any graffiti; it is eradicated immediately with 80% being abated within 24 hours.

MAYOR DUNN summarized that he is hearing a desire to do a comprehensive approach to dealing with these issues. He expressed his desire for Mr. Pentz to have the department heads meet and come up with a comprehensive plan to present to Council at a suitable date. MR. PENTZ replied that it could be formalized, but what is being presented this evening is a comprehensive plan. The parts are there and Staff is communicating with each other. He noted the tremendous amount of activity in the central part of the City including 50 new town homes and another 75 in 2007. Sixty million dollars in bonds is being proposed for a major residential revitalization of South Arizona Avenue from the downtown to Pecos. The school district invested in a major renovation of Chandler High. It is a very coordinated effort that will become more aggressive.

MAYOR DUNN said that the South Arizona Corridor Study was very significant and provides opportunity to be very aggressive in dealing with some sub-standard housing. There may be an opportunity for Council to sit down with Staff and have this dialogue in a work/study approach to express their goals.

COUNCILMEMBER SEPULVEDA said that it is good to hear that departments are working together, but this is not just for the Council. After the shooting and other gang activities, people wanted to know what the City's plan is. He felt the plan needed to be codified.

MR. HOUSE added that from his experience, there is a tremendous amount more that could be done, but it's a matter of having the commitment to accomplish it and having the proper resources. He gave the example of having a dedicated attorney to work specifically on these issues; more would be done. He said the same is true with inspectors. He reported participating in programs in Phoenix where 100 inspectors descended on an apartment complex and wrote hundreds of citations. MAYOR DUNN commented that the City has made significant progress over the last year and more can be done.

PLANNING AND DEVELOPMENT DIRECTOR DOUG BALLARD covered four areas: redevelopment programs, demolition program, youth program funding and planning initiatives. Through the Mayor and Council's direction, Staff has been working for the last several years and it has been included in the build-out strategy that we are a community having to shift from growth and development to preservation and maintenance. It is a matter of changing resources and developing the standards necessary to accomplish that. Redevelopment and neighborhood stabilization will be a major theme as we move into build-out.

Redevelopment programs: Community Development Block Grant (CDBG) Program – There is a redevelopment area established in 1987 located within the area being discussed. In the last 5 years, we have spent approximately \$4 million in CDBG funds towards neighborhood-based activities especially housing rehabilitation and promoting home ownership. There has also been a lot of investment from the Mayor and Council in terms of a downtown development. There is a symbiotic relationship between the well-being of a commercial and residential area. Three hundred and forty single-family homes have been rehabilitated in the last five years. Staff tries to target specific neighborhoods.

There is also capital funding for critical social service programs that have assisted the community including helping fund the Community Action Program building on N. Arizona Avenue, the ICAN facility on Washington, Chandler Christian Community Center, South Chandler Self-Help, San Marcos Wellness Center, and the Boys and Girls Club. Another Council-initiated program was Habitat for Humanity. There are 8 homes either constructed or on-line to be constructed. There are 19 more targeted for the next 3 years.

Mr. Ballard said the residential in-fill program is still active. There have been 25 new homes constructed in and around downtown.

The department has advocated first-time homebuyers realizing that homeownership is one of the most important things to the well being of a neighborhood. The City Housing Division has acted as a developer, building homes and conducting home-ownership training. Through the Section 8 program there are programs provided by the federal government to encourage Section 8 renters to become homeowners. The housing authority has a zero tolerance for gang activity. The Police Department has provided an officer for the public housing.

Mr. Ballard reported in 1999, the City started an unsafe demolition program. It is not an aggressive program. In Phase 1, low hanging fruit, abandoned buildings are identified and the City works with the owners to tear the buildings down. To date, approximately 25 units have been demolished in the area under discussion. Phase II includes unoccupied buildings where the owners have to be forced to demolish. Phase III would be going after occupied units and making relocation arrangements. Several weeks ago, he reported meeting with the City Manager where Mr. Pentz asked them to look at gearing up the demolition program and making it more proactive. There may be a GAP request coming forward in the budget for this program. There have been quite a few other demolitions related to City initiatives such as site 7, sites 1,2,3 downtown.

The City has spent \$4 million over the last 5 years in youth enhancement funds and there is also a successful youth intervention program in the public housing system.

Mr. Ballard said the first major project into real neighborhood based planning has been the South Arizona Avenue New Corridor Study as it relates to the well-being of the corridor. The next project would be North Arizona Avenue.

Mr. Ballard continued with an update on the General Plan reporting that Staff is making build-out and redevelopment a major emphasis of the General Plan. As mentioned by Council, it has to be a collective effort to be successful. It is one of the challenges cities go through as they mature as Chandler is.

COUNCILMEMBER SEPULVEDA asked about the lots on Saragosa Street where the Habitat houses are located and if the City is able to replat for better or more housing? Mr. Ballard responded that we have not replatted, but there are some properties along South Delaware that Habitat has purchased with a strip of land behind them between the railroad tracks and those lots owned by a prominent Chandler family. The City and Habitat have approached them about donating that land to Habitat make the lots deeper and more buildable. Another issue raised by Council was whether or not Habitat could build something other than single-family. Both the City and Habitat believe they can. Habitat is looking at constructing town homes in Phoenix. COUNCILMEMBER SEPULVEDA commented that it boils down to homeownership and taking care of the property to encourage the entire neighborhood to do the same.

COUNCILMEMBER DONOVAN commented that there appeared to be 3 areas she felt could be looked at to address the problem. One is enforcement of laws dealing with criminal activities by cutting off repeat offenders and addressing those in gangs. The second is the proactive cleaning up of neighborhoods with pride in neighborhoods and investing in neighborhoods to code enforcement, demolition and redevelopment. The final area is how to prevent people from feeling the need to become part of a gang and also enabling adults to be productive members of society. She cited the need to continue the partnerships between the City departments, neighborhoods, businesses and non-profits.

COUNCILMEMBER WENINGER asked Chief Kiyler how many gang liaison officers there are. CHIEF KIYLER responded that there are 15 with one on every beat. There is also an intelligence unit and within that unit, there are 2 gang intelligence officers. A new gang unit is being proposed in the new budget and those 2 officers will be moved to that unit with 3 additional officers. COUNCILMEMBER WENINGER asked if it would be possible to form the unit now by taking 3 of the gang liaison officers and filling those positions through over-time. CHIEF KIYLER said that could be done and noted there is a sergeants position that could be used temporarily and use the gang liaison officers. The fiscal issue is the replacement of personnel in the beat assignments because there is a mandatory staffing plan. It could be done immediately with available overtime.

COUNCILMEMBER SEPULVEDA asked City Manager if there would be a "looking forward" plan. MR. PENTZ clarified he felt Council would like the information presented at this meeting brought together in a more organized document that can be used as a basis to move forward.

COUNCILMEMBER ORLANDO added that it should include resources and timelines so Council will be able to evaluate the requests during the budget process.

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

MAYOR DUNN congratulated the football programs in Chandler. He congratulated Hamilton High, Chandler High and Basha High for making the 5A Semi finals. Seton High made the 3A semi-finals. Valley Christian High made the 2A finals and the Chandler Red Raiders youth team went to the national championships in Florida.

MAYOR DUNN announced that the 2006 Chandler Hall of Fame inductees would be honored Saturday, December 16, at Hamilton High School.

THE MAYOR announced the Celebration of Unity event will be held January 12, & 13, 2007. Chandler resident and noted poet Alberto Rios will be the speaker at the Unity Luncheon.

MAYOR DUNN wished everyone a safe and happy holiday season.

B. Councilmember's Announcements:

COUNCILMEMBER ORLANDO wished happy birthday to his daughter Leah who turned 11.

COUNCILMEMBER CACCAMO wished everyone a happy holiday season.

C. City Manager's Announcement:

There were no City Manager announcements at this time.

Adjournment: The meeting was adjourned at approximately 1:35 a.m. Friday, December 15th.

ATTEST: _____
City Clerk

MAYOR

Approved: January 11, 2007

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of Chandler, Arizona, held on the 14th day of December 2006. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of _____, 2007.

City Clerk