

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, March 27, 2008, at 7:05 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
Kevin Hartke	Councilmember
Jeff Weninger	Councilmember

Also in attendance:

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

INVOCATION: The invocation was given by Councilmember Hartke.

PLEDGE OF ALLEGIANCE: Boy Scout Troop 132, Chandler Knights of Columbus, led the Pledge of Allegiance.

SCHEDULED PUBLIC APPEARANCES:

1. Service Recognitions:

MAYOR DUNN was joined by ACTING INFORMATION TECHNOLOGY DIRECTOR PATRICK HAIT in recognizing Maria Meli for 10 years of service with the City. Before moving to the IT Division, Maria worked in the Management Services Department where she worked in tax and licensing and then utility billing. Maria also assisted with front desk coverage where she helped create a tracking method for walk-ins. During the last year, Mari has worked in IT where she greets IT visitors, receives shipments and answers the phone. She always has a smile on her face and is always willing to help others.

Albert Dube was next recognized for 15 years of service in the IT Division. Al had a key role in setting up the payroll system and has also been supporting the recreation programming, sales tax and utility billing systems. During the times when the systems have not operated properly, Al has hung in there with end users and system owners.

MAYOR DUNN was joined by ASSISTANT FIRE CHIEF JEFF CLARK in recognizing Andrew Houser for 10 years of service. During Captain Houser's tenure, he has worked as a firefighter, engineer, hazardous materials technician, technical rescue technician, engine captain and is now captain of ladder 281. He is a consummate professional with excellent customer service skills and is dedicated to his profession.

Jeff West started his fire career as an explorer before becoming a firefighter. He served as a firefighter, is a Union steward, assisted in starting the fire safety house and continued with the explorer program as an advisor. Jeff also assisted in establishing Chandler's community CPR program as well as being an instructor and serves as treasurer for CERF (Chandler Emergency Relief Fund). He has assisted in designing fire stations and the fire training facility expansion. Jeff volunteered for an 18-month assignment as a training captain at the training facility where he is currently involved in a 12-week recruit academy.

2. Recognition – Budget Award:

MAYOR DUNN was joined by MANAGEMENT SERVICES DIRECTOR DENNIS STRACHOTA who recognized the budget staff, Budget Manager Dawn Lang, Budget Aide Courtney Friedline and Sr. Budget Analyst Janet Northrup. Mr. Strachota announced that the City of Chandler is the recipient of the Distinguished Budget Presentation Award from the Government Finance Association for FY 2007/08. This is the 20<sup>th</sup> consecutive year the City has received this award. The award reflects a commitment of the entire City Staff in meeting the highest principals of governmental budgeting and shows the time and effort put forth by the entire Staff.

3. Proclamation – Anne Frank: History for Today Exhibit:

MAYOR DUNN introduced Steve Tepper, CEO of the Barnes Family East Valley Jewish Community Center and Ben Benedict, Board President, as he read a proclamation proclaiming April 4, 2008, as Anne Frank Day.

Mr. Benedict thanked the Mayor and Council for recognizing them this evening. He also thanked the Leah Powell, Jane Poston and Lt. Shawn Hawkins for their dedication and hard work. Mr. Benedict recognized the Arizona Republic as being one of the lead sponsors and the Chandler Unified School District for their commitment in educating our children to prevent hate and intolerance from spreading throughout the community.

4. Special Presentation for Ashleigh Gonzales:

MAYOR DUNN asked Ashleigh Gonzales and her family to join him. Ashleigh and her father came to the last Council meeting requesting assistance in helping to raise funds so Ashleigh could represent Chandler at the National Young Leaders Conference in Washington, DC. Ashleigh is a junior at Hamilton High School and carries a 3.8 GPA and would like to become a biologist after attending ASU.

Police Chief Kiyler said that Ashleigh's family was able to raise \$1500 towards the \$2960 needed to attend the conference. Through the efforts of the employees in the City of Chandler and various civic groups in Chandler, the funds were raised. She asked the following to join her in presenting a check to Ashleigh for the full amount of \$2960.00, plus extra spending money: Community Services Director Mark Eynatten representing the Community Services scholarship program, Assistant Fire Chief Jeff Clark representing the Chandler Fire Department and Captain Mike Pallas, representing the Chandler Lieutenants and Sergeants Association, Sgt. Bryan Cox, Chandler Law Enforcement Association, Officer Lombardo Robles; Service Employees International Union (SEIU) Connie Ochoa and Mary Lou Zavala; Kiwanis Club of Chandler Dave Bigos; Fraternal Order of Police Lodge 14 was unable to attend; representing the remainder of members of the Police Department and the FBI/NA National Academy graduates is Chandler Assistant Police Chief Dave Neuman.

UNSCHEDULED PUBLIC APPEARANCES:

SEAN (unable to hear last name), 1859 E. Andrew Way, asked about the possible installation of ramp lights onto the 202.

THE MAYOR asked Public Works staff to follow up.

BRIEFING:

1. General Plan Update

SENATOR JAY TIBSHRAENY, Chair of the General Plan Citizen's Oversight Committee, said that this briefing is to formally present the draft General Plan to the Mayor and City Council. The draft was electronically transmitted to the Mayor and City Council on March 7<sup>th</sup>, 2008, in accordance with Arizona Revised Statutes §-461.06, which requires transmittal of the draft to the City Council, Planning Commission and other agencies at least 60 days prior to the notification of the required public hearings.

The draft is a culmination of public input received from numerous meetings held throughout the City, technical and professional expertise from staff in various City departments as well as from consultants Rick Counts and David Williams, and guidance from a Citizen Oversight Committee.

Senator Tibshraeny complimented the Mayor and Council for their choice of committee members as they are a very diverse and dedicated group who worked very hard on this project. He also commended Staff, Jason Crampton, David De la Torre, Hank Pluster and Kim Gehrke, for their diligence and dedication on the process.

PRINCIPAL PLANNER DAVID DE LA TORRE said that the General Plan's theme is approaching City build-out and the goal is to create a sustainable City. For this reason, three major strategies are repeated and emphasized in several of the elements:

- Protecting key economic development areas
- Encouraging redevelopment, urban residential densities and mixed-use developments in certain areas along transit corridors
- Addressing the needs of existing neighborhoods such as maintenance and preservation through neighborhood planning

He noted the City is quickly running out of land. There is very little land left for residential development that has not already been entitled. Residential build-out is expected within the next 4 –5 years. Retail build-out would be reached shortly thereafter. We do not expect to reach employment build-out until many years after. While there is not much land left for new development, the majority is planned for employment.

Although there are more differences, these are the three most important additions in the draft General Plan. The draft also introduces a new format in which all of the elements begin with broad goals and objectives, which are then refined into more specific build-out policies and conclude with implementation recommendations.

There is a 60-day review period to allow more time for Staff to create an addendum list of proposed changes for the Planning Commission and City Council's consideration at the public

hearings. During the review period, a second stakeholder's forum and final meeting with the Citizen Oversight Committee will be held prior to the required public hearings.

Per State Statutes, the Planning Commission is required to hold at least two public hearings at different locations to promote citizen participation. The City Council is required to hold one public hearing. After adoption by the City Council, the General Plan is required to be ratified by voters.

Mr. De la Torre continued that if the General Plan were approved by Council on June 26, 2008, it would go to the voters for ratification at the November 4, 2008, General Election.

COUNCILMEMBER WENINGER expressed appreciation to Staff and the Committee for their work and dedication.

MAYOR DUNN also thanked the members of the Citizen's Oversight Committee for their commitment and commended Staff for their work.

CONSENT:

MAYOR DUNN announced that Item #14 (DIF grant) has been moved to the Action Agenda at the request of COUNCILMEMBER DONOVAN.

Item #23 (Contract, Pierson Construction) will be continued to April 10, 2008, as requested by Staff due to a protest.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER CACCAMO, to approve the Consent Agenda as amended with Item #14 being moved to Action and item #23 being continued to April 10, 2008.

MOTION CARRIED UNANIMOUSLY (7-0).

1. MINUTES:

APPROVED, as presented, Minutes of the Chandler City Council Regular Meeting of March 13, 2008.

2. REZONING: Chandler Heights Retail Ord. #4008

ADOPTED Ordinance No. 4008, DVR07-0014 Chandler Heights Retail, rezoning from PAD to PAD Amended for a retail shopping center to include a carwash and fuel station on approximately 19.5 acres at the NEC of Chandler Heights Road and Arizona Avenue.

3. INITIAL CITY ZONING: NEC of Arizona Avenue & Queen Creek Road Ord. #4016

ADOPTED Ordinance No. 4016, DVR07-0060, NEC of Arizona Avenue & Queen Creek Road establishing initial City zoning of AG-1 and Regional Commercial (C-3) on approximately 36 acres at the NEC of Arizona Avenue and Queen Creek Road.

4. INITIAL CITY ZONING: SWC Willis & Hamilton Roads Ord. #4017

ADOPTED Ordinance No. 4017, DVR07-0061, SWC of Willis & Hamilton roads, establishing initial City zoning of AG-1 on approximately 2 acres at the SWC of Willis Road and the future Hamilton Road alignment.

5. REZONING: The Goddard School Ord. #4042

ADOPTED Ordinance No. 4042, DVR07-0041 The Goddard School, rezoning from PAD for office to PAD Amended for Buildings B and C to allow a childcare/pre-school use within the Offices at Kyrene Crossings at the SEC of Kyrene Road and Chandler Boulevard.

6. REZONING: The Springs Retail Center Phase II Ord. #4044

ADOPTED Ordinance No. 4044, DVR07-0005 The Springs Retail Center Phase II, rezoning from PAD for office uses to PAD Amended for commercial uses, for a retail development including a climate-controlled internalized self-storage facility on approximately 7 acres west of the SWC of Chandler Boulevard and Cooper Road.

7. ANNEXATION: SEC Cooper and Chandler Heights Roads Ord. #3990

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3990, annexing approximately 9.5 acres at the SEC of Cooper and Chandler Heights roads. (Applicant: Joshua and Monique Amerine, Tom Inman.)

The City Council held a public hearing on this requested annexation on October 25, 2007. Staff has received the original signed petition from the property owner and the request has been processed in compliance with State Statutes governing annexations.

The subject property is a combination of four separate existing parcels of record under the ownership of the three applicants. One of the four existing parcels contains a single-family residence that will be removed when the property is developed. The other three parcels are vacant.

The property is zoned Rural-43 within the county. The Southeast Chandler Area Plan, a land use element plan of the Chandler General Plan, designates the area as "Rural/Agrarian Character". The development intention for the property is Garden Office Condominiums.

8. No Item.

9. REZONING: Ryan Commerce Center Ord. #4050

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4050, DVR07-0048 Ryan Commerce Center, rezoning from AG-1 to PAD along with PDP for an office/industrial/warehouse development on approximately 10 acres at the SWC of Ryan Road and the future Emmett Drive.

10. GROUND LEASE: F&G Enterprises, LLC Ord. #4020

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4020 authorizing a 30-year ground lease with two, ten-year options with F&G Enterprises, LLC for the purpose of constructing a hangar storage facility at the Chandler Municipal Airport for an annual amount of \$3,525.00 for the first year.

This lease is a result of an application by F&G Enterprises, LLC through the Direct Lease process to construct an approximately 11,000 square foot hangar on a remnant parcel at airport. Due to its shape and location, the lease applicant's intended use is one of the few beneficial uses possible for the parcel. The initial use by the applicant will be for personal aircraft storage with potential future uses of commercial aviation business activity. The lease includes a base term of 30 years with two, ten-year options. The lease rate for the first year is \$0.202/SF/Year for the approximately 17,450 square foot parcel. The lease calls for rent payments to begin upon the lease effective date. All rates will be adjusted annually according to the Consumer Price index.

11. IRRIGATION EASEMENT: Salt River Project Ord. #4048

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4048 granting a no-cost irrigation easement to Salt River Project (SRP) to accommodate underground construction of relocated irrigation facilities in front of 700 W. Germann Road due to road improvements for Germann Road from Dobson Road to Arizona Avenue.

12. IRRIGATION EASEMENT: Salt River Project Ord. #4049

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4049 granting a no-cost irrigation easement to Salt River Project (SRP) to accommodate underground construction of relocated irrigation facilities due to road improvements for Gilbert Road from Frye Road to the Santan Freeway.

In connection with the completed City road project for the widening and improvement of Gilbert Road from Frye Road to the Santan Freeway, the City acquired roadway right-of-way and easements. A portion of the required right-of-way was acquired through the eminent domain process. This acquisition took considerable time to be processed through the court system and is now complete. There were existing irrigation facilities relocated as a result of the project. The City needs to grant an easement within a portion of the right-of-way acquired for the project to SRP pursuant to an early release request made to SRP that allowed the project to move forward.

13. ZONING: Norton's Crossing

CONTINUED TO APRIL 24, 2008, Zoning, DVR07-0042, Norton's Crossing, rezoning from PAD for commercial uses to PAD amended for an office, retail and multi-family development, with PDP for site layout and building architecture on approximately 23.5 acres at the NWC of Chandler Boulevard and Gilbert Road to allow additional time to evaluate development alternatives and to be heard at the April 2, 2008, Planning Commission hearing.

14. On Action

15. GRANT: Southwest Shawnee Park

APPROVED a Traditional Neighborhood Grant to Southwest Shawnee Park for a neighborhood celebration in an amount not to exceed \$500.00.

The Southwest Shawnee Park Traditional neighborhood boundaries are from Dobson to Alma School Road and Warner to Elliott Road. Their neighborhood encompasses approximately 1600 homes. Southwest Shawnee Park has applied for grant funds to host their second annual Picnic in the Park. Last year, over 300 residents attended the event, which included a bounce house,

various arts and crafts booths and giveaway prizes donated from local businesses. As a result of last year's event, residents have published a neighborhood directory, begun a resident home repair co-op and have formed a quarterly newsletter to increase communication.

Residents have 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.

16. AGREEMENT EXTENSION: Water Works Supplies

APPROVED a one-year Agreement extension with Dana Kepner, Empire West, Inc., and Ferguson Water Works for water works supplies in an amount not to exceed \$250,000.00.

17. AGREEMENT EXTENSION: Piper Jaffrey Company

APPROVED a one-year Agreement extension with Piper Jaffray & Co. for financial advisory services. Financial advisory fees associated with bond sales and incidental expenses related to a bond issue will be paid from bond proceeds. Advisory fees for special projects that are not related to a specific bond transaction will be charged an hourly fee per the agreement if the project requires four or more hours of work/research.

18. AGREEMENT EXTENSION: Lin Cum, Inc.

APPROVED a one-year Agreement extension with Lin Cum, Inc., for microfilming and electronic imaging in an amount not to exceed \$88,000.00.

This agreement is for microfilming building and engineering plans. The City sends the plans to the vendor for microfilming. The vendor creates aperture cards and an archival-quality backup roll. The vendor then sends the aperture cards and the original plans to the City and stores the microfilm roll per State of Arizona standards.

Applicant's pay for this service as part of their development permit fees. The City deposits the funds in a payable account and pays the vendor as required. Staff estimates \$60,000.00 for the one-year term. Any expenses to the City for these services are administrative costs. Additional services are utilized by Public Works for GIS applications (\$8,000.00) and Municipal Utilities Water Distribution for microfilming and loading onto Staff's laptops for field use (\$20,000.00).

19. AGREEMENT: Marsh USA, Inc.

APPROVED an Agreement for an Information Technology disaster recovery assessment with Marsh USA, Inc., in an amount not to exceed \$54,500.00.

The Disaster Recovery Assessment will establish the requirements for improvement of crisis response and business continuity strategies for the City. The purpose is to identify the effect of different external and internal impacts upon the various departments of the City in times of crisis. It will document which departmental functions will be most affected by an incident and what effect it will have upon the City as a whole. The assessment will encompass strategies on how the organization must respond and manage natural and man-made disasters to continue operations with minimal impact to its citizens. The assessment will establish an on-going effort to ensure

that there are contracts, agreements and business continuity plans in place to rebuild and/or replace critical system and/or business operations. The IT Oversight Committee approved the study.

20. CONTRACT: Entellus

APPROVED Contract #ST0809-201 to Entellus for engineering services for the design of roadway and utility improvements for Gilbert Road from Queen Creek Road to Hunt Highway in an amount not to exceed \$2,534,106.00.

21. CONTRACT: Dibble Engineering

APPROVED Contract #ST0808-201 to Dibble Engineering for design services for Ocotillo Road Improvements (Arizona Avenue to McQueen Road), in an amount not to exceed \$821,761.00.

22. CONTRACT: Nesbitt Contracting Co.

APPROVED Contract #ST0613-251 to Nesbitt Contracting Co. for pre-construction services for roadway improvements to Riggs Road (Gilbert Road to Val Vista Drive) in an amount not to exceed \$37,882.00.

During the pre-construction services phase, the contractor will develop and manage the construction schedule, provide value engineering, perform utility investigations and prepare the guaranteed maximum price.

23. CONTINUED CONTRACT: Pierson Construction Corp.

CONTINUED TO APRIL 10, 2008, Contract #ST0401-401 to Pierson Construction Corporation for Dobson Road/Warner Road Intersection Improvements in an amount not to exceed \$7,512,783.90 due to a bidder protest.

24. AGREEMENT: SDB

APPROVED Agreement #IT0801-401 with SDB, Inc., for upgraded fire suppression in the computer room in an amount not to exceed \$184,596.00.

The existing Halon fire suppression system is inadequate to protect the additional Information Technology computer equipment in the server room. In the event of a fire, there is a high probability that rehabilitation and downtime of Information Technology services and the safety of employees would be compromised. The existing size of the server room is also inadequate to securely house all of the computer equipment. This project will replace the existing fire suppression system with an upgraded clean agent system and expand the server room to house all of the existing equipment in one protected area.

25. CONTRACT: Tri-Star Engineering and Management

APPROVED Contract #ST0721-201 to Tri-Star Engineering and Management, Inc., for the South Arizona Entry Corridor Improvements in an amount not to exceed \$3,905,411.00.

26. PURCHASE: Sagem Morpho

APPROVED the Purchase of an upgraded Meta Morpho Automated Fingerprint Identification System (AFIS) from Sagem Morpho, sole source, in an amount of \$52,697.17.

The Chandler Police Department's (CPD) Forensic Services Section analyzes all information obtained at either of the Livescan locations, all 10 print cards and all latent fingerprints recovered from crime scenes prior to being uploaded to the State Automated Fingerprint Identification system (AFIS). The State is upgrading the system to allow for greater search capabilities (Palms and writer's edge). Once the State goes online with the new system, our current AFIS workstation will be obsolete. Therefore, to remain online with the State AFIS, the Laboratory is requesting sole source approval to purchase a Meta Morpho automated Fingerprint Identification System (AFIS) workstation from Sagem Morpho.

27. PURCHASE: CLH International, Inc.

APPROVED the Purchase of communication equipment from CLH International, Inc., utilizing the national Intergovernmental Purchasing Alliance contract, in an amount of \$70,016.37.

In February 2005, Council approved the purchase of new Panasonic CF-29 mobile data computers (MDC's) for all police vehicles. MDC's allow patrol field units to receive dispatched calls for service, write reports in the field, and communicate with dispatch personnel. This request is to upgrade the MDC units that were initially purchased in 2005 with the Spring EVDO Rev A modems. The newer modems are 16 times as fast as the current 1xRtt modems. The increase in speed results not only in better performance in sending and receiving police reports, but allows more capable programs to be deployed to the MDC units. These modems also provide better coverage in some of the southern parts of Chandler where field officers working these areas have experienced a loss of signal. The EVDO Rev A modems would allow many more programs to be available to the officers in the field. The current 1xRtt modems in these units are now too slow for many of the modern police wireless applications and is planned for phase-out in a couple of years. The Police Department is in the process of obtaining a new Records Management/Computer Aided Dispatch/Field Reporting system and this upgrade will provide the necessary speed in which to operate these systems from the patrol vehicle. The cost of replacing the older MDC's with new units that are equipped with the new modem is approximately \$5,500.00 per unit as compared to an upgrade cost of \$510.00 per unit. The Police Department has approval to utilize \$39,498.00 of the required amount from a grant received through the COPS Technology Grant process.

28. PURCHASE: Motorola, Inc.

APPROVED the Purchase of communication equipment from Motorola, Inc., utilizing the City of Phoenix contract, in an amount not to exceed \$400,251.59.

The Police Department is purchasing replacement radios and other related equipment in order to supply police vehicles and personnel with required radio equipment approved in the FY 2007/08 Budget process. The request is for 24 mobile radios for police patrol vehicles and 64 portable radios for sworn and non-sworn police personnel. These radios are compatible with Project 25 standards and with jurisdictions using Project 25 radio systems (e.g. Phoenix Police, Mesa Police, Gilbert). This contract includes a "Super Bowl XLII Promotion" discount offered by Motorola on the XTS5000 portable radios, which allows for an additional 7% off of the contract price and includes standard two-year warranty.

29. PURCHASE: Remotec

APPROVED the Purchase of a wireless radio control assembly upgrade from Remotec, sole source, in an amount of \$61,116.00.

The Police Department purchased a new Andros Mark 6A Hazardous Duty Robot in 2006 from Remotec. The Department wishes to purchase a wireless radio control assembly upgrade that will enhance the range and operability. The robot is utilized to perform missions that may otherwise prove life threatening to police officers. Incidents include, but are not limited to, barricaded subjects, suicidal subjects, incidents involving suspicious packages or explosives, searches and incidents involving hazardous materials. The wireless radio control assembly upgrade will allow for wireless operating which will increase the range of the unit, enhance operator safety and eliminate cable tangles and fiber optic repair. This robot will be used to aid the Fire Department with hazardous materials incidents and for training.

30. PURCHASE: World Wide Technology, Inc.

APPROVED the Purchase of uninterruptible power supplies (UPS) and related installation in the City's Data Center with World Wide Technology, Inc., utilizing the State of Arizona contract, in an amount not to exceed \$195,762.00.

The City's UPS architecture requires an individual UPS in each rack to provide power to the equipment contained within that same rack. The deficiencies of this design are a single point of failure, insufficient capacity and as the data center has grown to 24+ racks, it has become less cost effective to buy individual UPS'. IT researched and found that purchasing an APC Symmetra PX will ensure a redundant power array. The solution also provides advanced management tools for a complete enterprise solution for all APC equipment both at the Data Center and remote sites. IT's research found that over a 10 year period, which is the life cycle of this UPS system, there is a cost savings of \$72,000.00 over individual UPS purchases.

31. USE PERMIT: Engineering Resource Group

APPROVED Use Permit, UP07-0008, Engineering Resource Group, to operate an engineering office in a converted residence at 821 W. Warner Road, east of the SEC of Warner and Alma School roads.

The proposed business is an engineering firm with six employees that will relocate from their current office park location in west Chandler. Clients will not regularly visit the subject site and there will be no equipment or product storage; the business provides design services only and does not perform construction. Hours of operation will generally be 8 a.m. to 5 p.m. Monday through Friday, with limited weekday evening and Saturday hours only as needed. The site has 10 parking spaces and no signage.

The site fronts on Warner Road and backs to an established single-family subdivision that wraps around the subject site and its neighbor to the west, which is a converted house used for an insurance office. Directly across Warner Road is a shopping center anchored by Wal-Mart and Fry's. The subject site and the property to the west are the only former or current residences that front on this stretch of Warner Road.

The property was originally converted from a residence to a dormitory through a Use Permit approval in 1990 that was subsequently renewed in 1993, 1996, 1999 and 2005. The dormitory

relocated in 2007. The existing Use Permit was specific to the dormitory use; therefore, the requested office use requires a new Use Permit.

The Residential Conversion Policy allows for the conversion of residences with frontage on arterial streets to business uses. The floor plan and site plan submitted have not changed from what was in place with the previous occupant, except that some rooms will not be used. It is the opinion of the Planning Commission and Staff that the business will have a negligible effect on the neighborhood if operated as represented by the applicant. A one-year time stipulation has been added to allow monitoring of the business and ensure conformance with represented descriptions, especially including the number of employees and level of client traffic.

This request was noticed in accordance with the requirements of the Chandler Zoning Code with a neighborhood meeting being held on February 20, 2008. There were no citizens in attendance. Staff has received no correspondence in opposition to the request.

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

1. The Use Permit shall be granted for a period of one (1) year, at which time re-application shall be required. The one-year time period shall begin from the date of City Council approval.
2. Substantial expansion or modification beyond the approved exhibits shall void the Use Permit and require a new Use Permit application and approval.
3. The business shall be limited to a maximum of eight (8) employees.
4. The site and building exterior shall be maintained in a clean and orderly manner.

32. LIQUOR LICENSE: CVS Pharmacy #0193

CONTINUED TO APRIL 10, 2008, Liquor License, Series 10, for Jason Barclay Morris, Agent, German Dobson CVS LLC, dba CVS Pharmacy #0193, 4990 S. Arizona Avenue, to allow the applicant time to complete the requirements for a new Use Permit.

33. LIQUOR LICENSE: CVS Pharmacy #9283

CONTINUED TO APRIL 10, 2008, Liquor License, Series 9, for Jason Barclay Morris, Agent, Chandler Warner CVS, LLC, dba CVS Pharmacy #9283, 180 N. Dobson Road, to allow the applicant time to complete the requirements for a new Use Permit.

34. LIQUOR LICENSE: Heart Attack Grill

APPROVED A Series 12 Restaurant Liquor License (Chandler #118570 L12) for Jesus Manuel Altamirano, Agent, HAG LLC, dba Heart Attack Grill, 6185 W. Chandler Boulevard. A recommendation for approval of State Liquor License No. 12077522 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. Planning and Development advises a new Use Permit is not required as this will be a continuation of the locations' previous use as Big Star BBQ.

35. LIQUOR LICENSE: Mikado Sushi

APPROVED a Series 12 Restaurant Liquor License (Chandler #114323 L12) for Seong Kook Kang, Agent, Shinhee LLC, dba Mikado Sushi, 3125 S. Alma School Road, Suite #3. A recommendation for approval of State Liquor License No. 12077489 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. This application reflects a change in ownership. Planning and Development advises that a new Use Permit is not required since this will be a continuation of the location's previous use as Mikado Sushi.

36. LIQUOR LICENSE: Dark Horse Sports Bar and Grill

APPROVED a Series 12 Restaurant Liquor License (Chandler #118575 L12) for Thomas Farquhar, Agent, Listo Concepts LLC, dba Drak Horse Sports Bar & Grill, 4929 W. Ray Road, Suite #3. A recommendation for approval of State Liquor License No. 12077493 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. This application reflects a change in ownership. Planning and Development advises that a new Use Permit is not required since this will be a continuation of the location's previous use as Dark Horse Sports Bar & Grill.

37. SPECIAL EVENT LIQUOR LICENSE: Downtown Chandler Community Partnership

APPROVED a Special Event Liquor License for the Downtown Chandler Community Partnership for the Chandler Jazz Festival, April 4 & 5, 2008, at Dr. A. J. Chandler Park, 3 S. Arizona Avenue. The Police Department reports no objections to the issuance of this license. As this applicant is a non-profit organization, no sales tax is required; however, the special event liquor fee has been paid.

38. PRELIMINARY PLAT: Shelley Acres

APPROVED Preliminary Plat, PPT07-0040, Shelley Acres, for two individual single-family residential lots on approximately 3 acres for custom homes at the SWC of Germann Road and Hartford Street. (Applicant: Chantem Development LLC.) The plat creates the lots, tracts and easements necessary for the property's development.

39. CONDOMINIUM PLAT AMENDMENT: Via De Cielo Condominium Amended

APPROVED Condominium Plat Amendment CPT07-0022 Via De Cielo Condominium residential subdivision on 14.2 acres located one-quarter mile west of the NWC of Dobson and Pecos roads. (Applicant: Robert Mitchell, D. R. Horton Homes.) The plat creates the lots and tracts, establishes the necessary easements, and dedicates the required rights-of-way.

40. FINAL PLAT: Park Place Phase 1-B

APPROVED Final Plat FPT08-0003 Park Place Phase 1-B, for an 18.3-acre business park development east of the NEC of Price and Willis roads. (Applicant: Jeffrey Bauer, Norman Engineering Group, Inc.) The plat creates the lots and tracts, construction-phasing lines, establishes the necessary easements, and dedicates the required rights-of-way.

ACTION:

14. DIF GRANT: Russian Oasis

ECONOMIC DEVELOPMENT DIRECTOR DICK MULLIGAN said that on January 31, 2008, Staff requested direction from Council on the application from Tony and Tatiana Domenico of Russian Oasis for a Downtown Improvement Fund grant. The business is located in a new portion of the Valley Building, 8 S. San Marcos Place, Suite 105, and the question arose of whether or not new construction was eligible for DIF grants. The common understanding of the program is that it is intended to defray the costs of renovating and remodeling older, existing structures.

A formal application was submitted in mid-November 2007 and Staff made the determination that Russian Oasis was ineligible to receive DIF funds because they were located in a new building. Subsequently, the Domenico's contacted Council and asked that their application be approved citing an inconsistency in the DIF Policy; specifically that Boston Street Pilates was awarded \$6,085.00 in February 2006 "to accomplish the renovation of the interior". The space occupied by Boston Street Pilates also resided in a brand new addition to an historic building.

After Council's direction to have the DIF Committee review the application, Russian Oasis submitted a new application on February 22, 2008, indicating that they would make \$62,536.00 of improvements at a City match of \$31,268.00. The DIF Committee met on March 5, 2008. After reviewing the application of Russian Oasis, and the grant was awarded to Boston Street Pilates in 2006, the Committee recommended awarding \$6,085.00 to Russian Oasis, the same amount awarded to Boston Street Pilates. The Committee noted that Russian Oasis occupies 1,200 square feet and Boston Street Pilates occupies 1,500 square feet and has a comparable number of employees. The Committee was also sensitive that this could create a precedent for future new construction, which would be in conflict with anticipated revisions to the DIF program guidelines.

COUNCILMEMBER DONOVAN said that the downtown has come a long way and as it improves, it is prudent for the qualifications and intentions to be clearly stated. As she reviewed this item and reading the current rules governing the DIF grants, she did not find any language specifically excluding new buildings. She supports further clarification of the language, but would like to recommend another amount in this instance.

MOVED BY COUNCILMEMBER DONOVAN, SECONDED BY COUNCILMEMBER ORLANDO, TO AUTHORIZE A DIF MATCHING GRANT IN AN AMOUNT NOT TO EXCEED \$31,268.00 TO RUSSIAN OASIS, LLC, FOR THE PURPOSE OF CONSTRUCTION OF TENANT IMPROVEMENTS FOR PROPERTY LOCATED AT 8 S. SAN MARCOS PLACE, SUITE 105, AND AUTHORIZE THE ECONOMIC DEVELOPMENT DIRECTOR TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE GRANT.

MAYOR DUNN asked if there are sufficient funds in the downtown improvement funds for this amount. CITY MANAGER MARK PENTZ confirmed that there are.

COUNCILMEMBER HARTKE asked if discussion began on the feasibility of a DIF grant before or after the money was spent by the tenant. Mr. Mulligan responded that Staff has been working with the applicant for several months. Staff informed them early on that they did not feel they would be eligible for the program. The tenant decided to make the improvements and continue to pursue the funds.

COUNCILMEMBER WENINGER asked about funding for DIF grants. Mr. Mulligan said it is funded out of cost center 1540, which is downtown redevelopment operating budget which came from the general fund. COUNCILMEMBER WENINGER asked Mr. Mulligan if the only reason

\$6,000 is being granted is because of a past precedent. Mr. Mulligan confirmed that it is. COUNCILMEMBER WENINGER asked if going to \$31,000 would set another precedent. Mr. Mulligan said that could be the case.

COUNCILMEMBER DONOVAN asked what percent of the requested amount the \$6,000 was that was approved for another new building application. Mr. Mulligan responded that it was 50% of the request. COUNCILMEMBER DONOVAN asked what improvements being made by Russian Oasis are not eligible in comparison to what has been given to other downtown businesses. Mr. Mulligan said that all items being submitted are eligible.

COUNCILMEMBER DONOVAN asked when the clarifications for the DIF program would be coming before Council. Mr. Mulligan stated he is targeting the first meeting in May and it would go into effect immediately.

COUNCILMEMBER CACCAMO commented that at the Study Session, it was brought up that wording in the new document would put an end to precedent. He questioned what happens to applications coming in between now and when the new rules go into effect and asked if a moratorium could be put in place until the new document is effective. Mr. Mulligan said that Staff has no immediate plans to do that; it is a concern. If Council wishes Staff to instill a moratorium, they will do so. There are currently no active applications.

COUNCILMEMBER ORLANDO noted there have been several subcommittee meetings on this subject and asked why the delay until May in bringing it forward. Mr. Mulligan said that there have been challenges in writing the language. The first draft will be ready in the next two weeks and by the time everyone has had an opportunity to review it, the May time frame seems appropriate.

MAYOR DUNN suggested that if an application is received, to inform the applicant that the policy is being redrafted and things will change before their application gets into the system.

COUNCILMEMBER WENINGER asked Mr. Mulligan if they are planning to include new-builds to receive DIF grants. Mr. Mulligan said they are not. There are other avenues if circumstances warrant it. COUNCILMEMBER WENINGER commented that if he plans to support the fact that this is something new buildings should not be receiving, he does not understand why we would increase an amount from \$6,000 to \$31,000 and after that, no one can get anything.

In response to a question from COUNCILMEMBER WENINGER, Mr. Mulligan said that façade funds are available under the assumption that there is an existing building to renovate as opposed to new building renovations. When the new DIF guidelines are completed, the façade guidelines will be updated.

TONY DOMENICO, 4909 W. Boston Street, applicant, said that they met with City Staff at the beginning of the process and were informed that they may not be eligible for the program, but to submit the application. He added that the text of the current plan does not refer to square footage or the number of employees.

COUNCILMEMBER WENINGER asked Mr. Domenico if he received TI (tenant improvement) money from his landlord. Mr. Domenico responded that he did not. His landlord is Desert Viking. The total cost of improvements was approximately \$87,000.00 including equipment and fixtures.

COUNCILMEMBER WENINGER said that he is excited to get the new program in place. This program is needed; however, in this specific instance, he does not feel it should be for new builds and cannot vote in favor of it and setting a new precedent.

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

SPECIAL ORDERS OF THE DAY

A. Mayor's Announcements:

MAYOR DUNN announced the dedication of Celebration Plaza, Saturday, March 29<sup>th</sup>, at 10:00 a.m., at Tumbleweed Park. This is a permanent display designated as a place to honor those with outstanding service and commitment to the community. The first three honorees are former Chandler Superintendent of Public Works Len Calley, former Chandler Police Officer Robert Nielsen and ICAN founder Henry Salinas.

THE MAYOR announced the 9<sup>th</sup> Annual Chandler Jazz Festival to be held April 4-6 in downtown Chandler and invited everyone to attend.

MAYOR DUNN said there would be a Chandler Small Business Development Workshop for those entrepreneurs interested in learning to start or grow a business on Wednesday, April 23<sup>rd</sup>, in the Western International University Building. The workshop is presented by the City of Chandler and the Chandler Chamber of Commerce and is sponsored by M & I Bank.

MAYOR DUNN announced the 3<sup>rd</sup> Annual Golf-A-Thon benefiting the Chandler Christian Community Center, which will be held Saturday, April 5<sup>th</sup>, at Bear Creek Golf Course.

MAYOR DUNN announced the spray pads have been turned on early at Desert Breeze, Chuparosa and Espee parks due to the warmer weather.

B. Councilmembers' Announcements:

COUNCILMEMBER DONOVAN thanked those who have committed to joining her in the Walk to End Domestic Violence, April 26<sup>th</sup>.

COUNCILMEMBER ORLANDO said that Chandler provides neighborhood grants to promote neighborhoods. Shawnee Park Neighborhood will have their 2<sup>nd</sup> annual celebration, Saturday, March 29<sup>th</sup>.

COUNCILMEMBER CACCAMO announced a car show and fund raiser, Cars Against Cancer, to be held Sunday, March 30<sup>th</sup>, at Joe's Crab Shack at the northwest corner of Southern and McClintock in Tempe. All proceeds will go to the Relay for Life and the American Cancer Society.

C. City Manager's Announcement:

None.

Adjournment: The meeting was adjourned at approximately 8:12 p.m.

ATTEST: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
MAYOR

Approved: April 10, 2008

#### 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 27<sup>th</sup> day of March 2008. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of April 2008.

\_\_\_\_\_  
City Clerk