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CITY OF CHANDLER COUNCIL MEETING MINUTES
Regular Meeting
Thursday, December 13, 2018

MINUTES OF THE REGULAR MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., Chandler, Arizona, on Thursday, December 13, 2018.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY AT 7:00 P.M.

The following members answered roll call:

Jay Tibshraeny	Mayor
René Lopez	Vice-Mayor
Jeremy McClymonds	Councilmember
Terry Roe	Councilmember
Sam Huang	Councilmember
Kevin Hartke	Councilmember
Mark Stewart	Councilmember

Also in attendance:	Marsha Reed	City Manager
	Josh Wright	Assistant City Manager
	Debra Stapleton	Assistant City Manager
	Kelly Schwab	City Attorney
	Dana DeLong	City Clerk

INVOCATION: The invocation was given by Rabbi Mendy Deitsch, Chabad of the East Valley

PLEDGE OF ALLEGIANCE: Boy Scout Troup 185 led the Pledge of Allegiance

CONSENT AGENDA – DISCUSSION

8. INTRODUCTION OF ORDINANCE NO. 4855, ZCA18-0004 CITY OF CHANDLER / MEDICAL MARIJUANA CODE AMENDMENT, City initiative to amend Chapter 35 (Zoning Code) of the Chandler City Code regarding medical marijuana facilities, cultivation sites and infusion food establishments.

COUNCILMEMBER ROE addressed Consent Agenda Item No. 8 and noted the changes extending the retail hours, selling other retail items, and delivery as it pertains to marijuana. He said the dispensary was placed where it was because the City wanted to make sure it was in an area that was respectful of the City and its citizens. To have deliveries from this location was against why the dispensary was placed in this location originally. Councilmember Roe stated he would be voting against this item. He said the changes they were talking of making today would change the code for any and all future business.

CONSENT AGENDA – MOTION AND VOTE

COUNCILMEMBER HARTKE MOVED TO APPROVE THE CONSENT AGENDA OF THE DECEMBER 13, 2018, CITY COUNCIL MEETING; SECONDED BY COUNCILMEMBER STEWART.

MOTION TO APPROVE THE CONSENT AGENDA CARRIED UNANIMOUSLY (7-0), WITH THE EXCEPTION OF ITEM NO. 8 WHICH CARRIED BY MAJORITY (6-1) COUNCILMEMBER ROE DISSENTING.

CONSENT AGENDA ITEMS

1. FINAL ADOPTION OF ORDINANCE NO. 4856, authorizing and approving the Mayor to execute the Agreement between MCImetro Access Transmission Services Corp. d/b/a Verizon Access Transmission Services and the City of Chandler for the Use of Facilities in the City's Rights-of-Way and Public Places to Establish a Class 4 and a Class 5 Communications System, and authorizing the Mayor to execute the Agreement, and authorizing the City Manager or designee to execute other implementing documents as are needed to give effect to the Agreement.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

Verizon filed an application with the City to install, operate and maintain an underground fiber communications system that will provide both Class 4 telecommunications (lit fiber) and Class 5 non-telecommunications services (dark fiber). The Agreement provides terms for both services and is similar to agreements the City has with other providers. This is a five-year nonexclusive agreement with one additional five-year renewal term. Over the term of the agreement, it is estimated there will be 612,480 linear feet constructed to serve these telecommunications services.

In lieu of the annual linear foot fee associated with fiber used exclusively for Class 5 telecommunications services (dark fiber), Verizon agreed to provide the City with parking optimization services in the downtown parking garages free of charge for a 5 year term, the potential creation of a future innovation zone, and the opportunity to utilize additional conduit to support the City's own fiber network. The terms of these in-kind services are contained in the Strategic Joint Development Agreement and the Conduit Occupancy Agreement (Resolution No. 5229).

FINANCIAL IMPLICATIONS:

The City has received a \$3,000 application fee to cover the City's cost for processing of this application. 2.75% privilege tax will be paid on any non-interstate telecommunication services. As dictated by federal and state law, there will be no right-of-way use fee for the defined telecommunications portions of the System and its operation (Class 4). Fiber that is not exempted by federal or state law and is used exclusively for non-telecommunications services (Class 5) is subject to an annual \$2.19 per linear foot fee. In lieu of any payment based on the annual footage fee prescribed by the City's Fee Schedule, Verizon is providing services to and for the benefit of the City of Chandler, as set forth in the Strategic Joint Development Agreement (Resolution No. 5229).

This ordinance was introduced and tentatively adopted on December 10, 2018.

2. RESOLUTION NO. 5229 authorizing and approving the Mayor to execute the Strategic Joint Development Agreement and the Conduit Occupancy Agreement between MCImetro Access Transmission Services Corp. d/b/a Verizon Access Transmission Services and the City of Chandler for the Purpose of Exchanging Use of Conduit for Verizon and City Fiber and for the Provision of In Kind Services by Verizon for a Parking Optimization Service, and authorizing the City manager to execute other implementing documents as are needed to give effect to these Agreements.

BACKGROUND INFORMATION FROM COUNCIL MEMO

The Strategic Joint Development Agreement and the Conduit Occupancy Agreement are directly associated with Ordinance No. 4856 which, if approved by City Council, grants Verizon a Class 4 telecommunications (lit fiber) and Class 5 non-telecommunications services (dark fiber) license to install,

operate, and maintain an underground fiber communications system in the City's rights-of-way and public places.

In lieu of the annual linear foot fee associated with fiber used exclusively for Class 5 telecommunications services (dark fiber) and to facilitate the deployment of infrastructure for the benefit of City of Chandler residents and businesses, the City and Verizon negotiated the Strategic Joint Development Agreement. This agreement provides the City with a parking optimization service, the potential creation of an "Innovation Zone" or campus, and the exchange of conduit.

The parking service will be provided to the City free of charge for a period of 5 years and use video nodes to monitor parking availability in the downtown parking garages and high use surface parking spaces in the square to provide downtown visitors with information about where to find available parking. Parking availability will be displayed on digital boards at each of the garages and shall be made available to users of a mobile device application such as Mapquest, selected by Verizon, at no cost to the City. The service also enables the City to optimize parking in the downtown area by analyzing how each garage and surface parking is used and organizing that information on a web-portal that can be accessed by City staff.

The agreement encourages the City and Verizon to collaborate on the creation of an "Innovation Zone" or campus. This relationship will help the City attract additional partners to form a space within the City that can use Verizon solutions to encourage development of new or improved technologies.

The conduit occupancy agreement allows Verizon to occupy up to 26 miles of available Chandler conduit and allows Chandler to occupy up to 26 miles of Verizon installed conduit. The term of the conduit agreement is for 30 years.

FINANCIAL IMPLICATIONS

The Strategic Joint Development Agreement provides terms for the in kind consideration Verizon will provide the City to offset annual fees required under the Agreement. The parking optimization service will be provided to the City free of charge for a period of 5 years and includes all of the equipment necessary to support the service.

The Conduit Occupancy Agreement allows Verizon to use up to 26 miles of available City conduit for Verizon's use. To offset the fees associated with this conduit use, Verizon agreed to construct up to 26 miles of conduit for the City to use to support the City's own fiber network.

Verizon will be subject to applicable permit, inspection, and pavement damage fees consistent with the Citywide Fee Schedule.

3. INTRODUCTION OF ORDINANCE NO. 4842 granting two no-cost utility easements to Arizona Public Service Company (APS) on City property located at the southwest corner of Arizona Avenue and Chandler Boulevard required for the development of the Overstreet Project and a parking structure.

BACKGROUND FROM COUNCIL MEMO:

In order to accommodate the construction of the Overstreet project located at the southwest corner of Arizona Avenue and Chandler Boulevard, Arizona Public Service Company (APS) has requested that the City grant two utility easements on several parcels along Oregon Street south of Chandler Boulevard. The easements are to be granted to APS, at no cost, as they are needed for the development of the site, including a parking structure, and benefit the citizens of Chandler.

Staff has reviewed and approved the easements and legal descriptions for the requested easements.

FINANCIAL IMPLICATIONS:

Cost: N/A

Savings: N/A
Long Term Costs: N/A

4. INTRODUCTION OF ORDINANCE NO. 4850 granting a no-cost irrigation easement to Salt River Project (SRP) over a portion of Frye Road at the intersection of 94th Street.

BACKGROUND FROM COUNCIL MEMO:

In order to accommodate the continued development of the District at Chandler multifamily project, presently under construction at the northeast corner of 94th Street and Frye Road, and to continue irrigation to the Microchip Technology, Inc., property on the west side of 94th Street, it is necessary for Salt River Project (SRP) to relocate an existing irrigation pipe at the intersection of 94th Street and Frye Road. The easement is to be granted to SRP, at no cost, as it allows the relocation of existing facilities.

Staff has reviewed and approved the easement and legal description for the requested easement.

FINANCIAL IMPLICATIONS:

Cost: N/A
Savings: N/A
Long Term Costs: N/A

5. INTRODUCTION OF ORDINANCE NO. 4852, declaring the document known as "Full Repeal and Replacement of Chapter 32" as a public record; amending the code of the City of Chandler, Chapter 32, special events, by repealing and replacing Chapter 32 in its entirety; by clarifying code language for special events on public property and temporary sales and promotional events on private property; providing for the repeal of conflicting ordinances; and providing for severability.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

In 2015, a review of Chandler's required specialty licenses specific to mobile food units was begun to determine the best way to encourage the operation of mobile food unit businesses at special events, while minimizing the potential impact to brick and mortar businesses. The outcome of that endeavor was the adoption of changes to Chapter 32, effective January 2016, creating notification and placement restrictions specific to mobile food units. In addition, a myriad of sections were added that are more appropriately suited in policies and procedures.

House Bill 2371 was passed, signed into law, and became effective August 3, 2018. This bill added some specific restrictions regarding what cities can and cannot do in relation to mobile food unit regulations. Ordinance No. 4852 allows the City to comply with new State law by removing requirements from the current code language that the City is no longer able to regulate. In addition, it incorporates changes to simplify the code language, clarify terms, and improve readability. A chart comparing the current code versus the proposed changes is attached to help better understand the changes incorporated.

This ordinance change is made in conjunction with Ordinance No. 4839 amending the Code of the City of Chandler, Chapter 21, Mobile Food Units, before Council for final adoption on December 10, 2018.

DISCUSSION:

The following discussion explains the recommended changed proposed to Chapter 32:

Definitions

Substantially the same, but removed terms not in use and key terms edited for clarification and distinction.

Permits Required

Substantially the same, but with simplified wording.

Event Permitting Committee

Substantially the same, but simplified to indicate that all event application processes are administered by the Event Permitting Committee as appointed by the City Manager or designee.

Special Event, Temporary Sales and Promotional Event (TSPE), Political March or Rally Event Permit Terms

Substantially the same, but simplified to split Special Events (events on PUBLIC property), TSPEs (events on PRIVATE property), and political marches/rallies into separate sections. Removed restrictions specific to mobile food units to comply with changes to Arizona State Statute resulting from HB2371.

Requirements of Special Events and Requirements of TSPEs

Substantially the same, but simplified to split the requirements of a Special Event permit (event on PUBLIC property) and a TSPE permit (event on PRIVATE property) into separate sections.

Permit Application Fees

Substantially the same, but with simplified wording.

Additional Applicable Permits and Fees

Substantially the same, but added clarification that Transaction Privilege Tax fees must comply with the Chandler Tax Code and Arizona Department of Revenue.

Event Permit Application Review

Substantially the same, but streamlined and simplified.

Reasons to Deny an Application

Substantially the same, but changed from reasons to deny an application versus an event. Also, separated appeal process into its own section.

Appeal

Separated appeal process into its own section. Appeals are decided by the City Manager.

Event Cancellation

Substantially the same, but separated into its own section.

Allocation of City Resources

Substantially the same, but simplified lead in sentence.

Banners

Removed. Sign ordinance addresses code language for banners.

Revocation of Permit

New section added that is consistent with other City codes.

FINANCIAL IMPACT:

None

6. INTRODUCTION OF ORDINANCE NO. 4853 amending the Code of the City of Chandler, Chapter 15, Auctioneers and Pawnbrokers by renaming the chapter and adding regulations for the automated electronic device kiosks; providing for the repeal of conflicting ordinances; providing for severability; and providing for penalties.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

During the past couple years, owners of automated electronic device kiosks requested cities modernize regulatory codes to allow for new secondhand dealer technology. Automated electronic device kiosks use enhanced security features to allow citizens to sell or recycle consumer electronic devices (cell phones,

tablets, laptop computers, smart watches, and digital media players). The security features of the automated electronic device kiosks ensure law enforcement has the information needed to prevent or research crimes. Due to the low monetary value of many of the items accepted through kiosks for resale or to recycle, the current municipal codes in Arizona made it difficult to remain compliant and profitable.

To achieve consistent updated codes throughout all municipalities, various cities within the Phoenix Metro area and the League of Arizona Cities and Towns worked with stakeholders to develop model regulations for this industry. Chandler staff incorporated model language into the existing Chapter 15 City Code section to create the proposed Ordinance No. 4853. The proposed ordinance includes new definitions, reporting and operating requirements, device holding periods, record retention and inspection requirements, ability to charge a permit fee, and application procedures related to automated electronic device kiosks. Several cities have already adopted or are in the process of adopting a version of the model ordinance.

Finally, the proposed City Code Chapter 15 updates, that modernize regulations by adding automated electronic device kiosks, were discussed with the Public Safety Council Subcommittee on November 7, 2018. Staff received agreement from subcommittee members to move forward.

FINANCIAL IMPLICATIONS:

The proposed Ordinance No. 4853 provides the authority to set a fee by Council resolution. The proposed annual permit fee of \$500 for automated electronic device kiosks is part of tonight's Action item; Resolution No. 5215 that amends the Citywide Fee Schedule. Automated electronic device kiosk operators, who would otherwise be considered a secondhand dealer under the City Code, would not have to pay for transaction reporting forms on a per form basis, but will still report all transactions to the Police Department. Currently, all secondhand dealers pay for transaction reporting forms at a cost of \$3 per form and a \$100 annual permit fee. The proposal eliminates the per form fee for automated electronic device kiosk operators and replaces it with the annual \$500 permit fee, with all other administrative fees still applying. Since there are very few vendors that use these kiosks, the anticipated General Fund revenue added is minimal.

7. INTRODUCTION OF ORDINANCE NO. 4854, DVR18-0020 CHANDLER FREEWAY CROSSING TRIANGLE PARCEL, rezoning from Planned Area Development (PAD) for multifamily residential to PAD for business park. PRELIMINARY DEVELOPMENT PLAN (PDP), for site plan approval for an approximate 1.29- acre parking lot located at the southwest corner of Ellis Street and Pecos Road.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The subject site is a vacant, remnant, 1.29-acre parcel from surrounding developments. The property was originally zoned within the 248-acre Gateway Park master plan in 1988 and designated as a business park. In 1999, the property was rezoned to Planned Area Development (PAD) for multi-family at the farthest southwest corner of the 394-unit multi-family development to the north. Subsequently, the alignment of the intersection of Ellis Street and Pecos Road changed, thus parceling off this property, multi-family uses developed on adjacent properties to the northeast and the southeast, and the property to the west developed as the Chandler Freeway Crossing Business Park with a mix of office, manufacturing, and industrial uses.

The request includes Rezoning from PAD for multi-family to PAD for business park uses with Preliminary Development Plan (PDP) for site plan approval for a parking lot. The permitted uses under business park uses include all standard industrial and employment uses, including but not limited to general office, wholesaling, light manufacturing, assembly, distribution and/or warehouse, and packaging. The requested zoning allows for the same uses as permitted in the business park to the west. The remnant parcel will be developed as a parking lot for additional parking for Building 6 to the west. The new parking lot will provide 103 extra parking spaces for Building 6. Landscaping and parking screen walls within the new parking lot will match the existing business park.

DISCUSSION

Planning staff supports the request, finding the size of the property has constraints for a future development, and the use of a parking lot is a compatible land use with the surrounding area. In addition, the expansion of the parking lot would benefit the business park.

PUBLIC / NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood notice was sent in lieu of a meeting due to the lack of residential in the area.
- As of the writing of this memo, Planning staff is not aware of any concerns or opposition to the request.

PLANNING COMMISSION VOTE REPORT

Motion to Approve.

In Favor: 7 Opposed: 0

RECOMMENDED ACTIONS

Rezoning

Planning Commission and Planning staff recommend the City Council approve the Rezoning from PAD for multi-family to PAD for business park uses, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled "Chandler Freeway Crossing" and kept on file in the City of Chandler Planning Division, in File No. DVR18-0020, modified by such conditions included at the time the Booklet was approved by the Chandler City Council and/or as thereafter amended, modified or supplemented by the Chandler City Council.
2. Construction shall commence above foundation walls within three (3) years of the effective date of the ordinance granting this rezoning or the City shall schedule a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification.
3. Undergrounding of all overhead electric (less than 69kv), communication, and television lines and any open irrigation ditches or canals located on the site or within adjacent right-of-ways and/or easements. Any 69kv or larger electric lines that must stay overhead shall be located in accordance with the City's adopted design and engineering standards. The aboveground utility poles, boxes, cabinets, or similar appurtenances shall be located outside of the ultimate right-of-way and within a specific utility easement.
4. Right-of-way dedications to achieve full half-widths, including turn lanes and deceleration lanes, per the standards of the Chandler Transportation Plan.
5. Future median openings shall be located and designed in compliance with City adopted design standards (Technical Design Manual #4).
6. Approval by the Planning Administrator of plans for landscaping (open spaces and rights-of-way) and perimeter walls and the Public Works & Utilities Director for arterial street median landscaping.
7. Completion of the construction of all required off-site street improvements including but not limited to paving, landscaping, curb, gutter and sidewalks, median improvements and street lighting to achieve conformance with City codes, standard details, and design manuals or as otherwise approved in a development agreement.

Preliminary Development Plan

Planning Commission and Planning staff recommend the City Council approve the Preliminary Development Plan, subject to the following conditions:

1. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
2. Development shall be in substantial conformance with the Development Booklet, entitled "Chandler Freeway Crossing" and kept on file in the City of Chandler Planning Division, in File No. DVR18-0020, modified by such conditions included at the time the Booklet was approved by the Chandler City Council and/or as thereafter amended, modified or supplemented by the Chandler City Council.
3. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or homeowners' association.

4. The site shall be maintained in a clean and orderly manner.
 5. Preliminary Development Plan approval does not constitute Final Development Plan approval; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Preliminary Development Plan shall apply.
8. INTRODUCTION OF ORDINANCE NO. 4855, ZCA18-0004 CITY OF CHANDLER / MEDICAL MARIJUANA CODE AMENDMENT, City initiative to amend Chapter 35 (Zoning Code) of the Chandler City Code regarding medical marijuana facilities, cultivation sites and infusion food establishments.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

In 2010, voters passed Proposition 203, the Arizona Medical Marijuana Act that legalized the use of medical marijuana and established regulations for its growth, cultivation and dispensation, which are administered by the Arizona Department of Health Services (ADHS). The proposition did not preempt cities from enacting reasonable zoning regulations for medical marijuana uses. Thus, in 2011, Chandler amended the Zoning Code (Ordinance No. 4278) requiring Use Permit approval for medical marijuana facilities, cultivation sites and infusion food establishments, and adopting approval criteria, definitions, and procedures by which these uses may be considered. Subsequently in 2017, the Zoning Code was amended, replacing the Use Permit approval process with an administrative zoning clearance review and approval process, more closely aligning Chandler's regulatory process with neighboring valley cities. As well, the one-year approval expiration was removed and the ability to reduce the separation requirements was prohibited.

PROPOSED AMENDMENT

The proposed text amendment would effectively result in three revisions:

1. No longer prohibit off-site deliveries of medical marijuana to a cardholder.
2. No longer prohibit the sale of merchandise other than medical marijuana and related supplies.
3. Expand the permitted operating hours from 9:00 a.m. – 7:00 p.m. to 9:00 a.m. – 10:00 p.m.

The proposed amendment would align Chandler's regulations more closely with neighboring valley cities and Maricopa County.

PUBLIC NOTIFICATION

- As required by Arizona Revised Statutes, hearing dates for the Planning Commission and City Council, as well as the proposed amendment to the City Code (redlined version), have been published in an eighth-page newspaper advertisement at least fifteen days prior to the first required public hearing.
- As of the writing of this memo, Planning staff is not aware of any opposition to the proposal.

PLANNING COMMISSION VOTE REPORT

Motion to Approve.

In Favor: 7 Opposed: 0

During the Study Session, discussion to take place at the December 5, 2018 Planning and Zoning Commission

The proposed amendment was discussed during the Planning Commission and approved on the consent agenda with no issues.

RECOMMENDED ACTION

Planning Commission and Planning staff recommend City Council approve the Zoning Code amendment to Chapter 35, Land Use and Zoning, of the City of Chandler, Arizona, City Code as presented in ZCA18-0004 CITY OF CHANDLER / MEDICAL MARIJUANA CODE AMENDMENT.

9. RESOLUTION NO. 5185, authorizing the acquisition of real property as needed for the Cooper Road Improvement project from Alamosa Drive to Riggs Road, at market value plus closing and escrow fees;

authorizing the City's Real Estate Manager to sign, on behalf of the City, the purchase agreements and any other documents necessary to facilitate these acquisitions; approving eminent domain proceedings as needed to acquire said real property and obtain immediate possession thereof; and approving relocation services as may be needed and required by law.

BACKGROUND FROM COUNCIL MEMO:

On May 11, 2017, City Council approved Resolution No. 5051 approving the acquisition of real property as needed for the Cooper Road Improvement Project from Alamosa Drive to Riggs Road, as depicted and detailed on the attached map and spreadsheet. Project design is at the 95% stage.

The 95% plans will be submitted for review as soon as the environmental clearance is received (expected around the middle of December). Construction is expected to start in the Fall of 2019.

Subsequently, engineering design revisions were made to the project, resulting in increases and decreases in the size of some of the areas that City Council authorized pursuant to Resolution No. 5051.

The revisions are depicted on the attached maps and summarized on the attached spread sheet (highlighted in green).

FINANCIAL IMPLICATIONS: Funding for the property acquisitions will come from reimbursement through Proposition 400 Regional Area Road Funds (RARF).

10. RESOLUTION NO. 5213 applying a portion of the alley adjacent to the northern property line of Summit Point Park located west of Arizona Avenue and north of Elliot Road, to another public use.

BACKGROUND FROM COUNCIL MEMO:

The Community Services Department is in the process of developing plans for the improvement of Summit Point Park, located at 528 W. Boxelder Place, west of Arizona Avenue and north of Elliot Road. There is an alley located adjacent to the northern boundary of the park that is no longer needed for access purposes to the adjacent residential properties. There is another alley on the western boundary of the park that will remain to provide necessary access. The Community Services Department would like to incorporate the northern alley into the park area. This action will reduce alley maintenance in the area and provide additional space for Summit Point Park.

Neighborhood meetings to discuss the conceptual plan for the park renovation were held on April 5 and May 17, 2018, and included specific conversation with the homeowner located directly northeast of the park adjacent to the alley proposed to be eliminated. That homeowner, as well as other neighbors, expressed support for the project.

FINANCIAL IMPLICATIONS:

Cost:	N/A
Savings:	N/A
Long Term Costs:	N/A

11. RESOLUTION NO. 5220 authorizing the purchase of the property located at 141 S. California Street for the amount of \$183,000, plus closing and associates costs; authorizing a post-sale occupancy agreement with Seller for a period not to exceed 30 days from the close of escrow; and authorizing the Real Estate Manager or authorized designee to execute, deliver, and deposit into escrow the approved purchase agreement, post-sale occupancy agreement and all other documents and instructions necessary to complete the purchase of the property.

BACKGROUND FROM COUNCIL MEMO:

Frederico B. Duran (the "Owner"), the owner of the property located at 141 S. California Street (the "Property"), has expressed interest in selling his property to the City. The City presented a purchase offer to the Owner for the appraised value of \$155,000 for 1,699 square feet of residential improvements on

approximately 7,200 square feet of land. The Owner responded by stating that he will accept no less than \$183,000 for his Property.

As part of the consideration, the Owner is requesting that the City authorize his continued occupancy of the Property for a period not to exceed 30 days from the close of escrow to help resolve timing issues associated with the sale of his Property and the purchase of a new property. Staff would not normally recommend this type of arrangement due to the added liability associated with allowing the Owner to stay on the Property after the close of escrow. However, allowing the Owner to stay after the close of escrow is the only way he would agree to move forward with the sale of his Property to the City, as he needs the proceeds from the sale of his Property in order to purchase a new property.

The Owner has engaged the services of a real estate agent to assist with the purchase of a new property. In addition, the Owner has agreed to a post-sale occupancy agreement which specifies the terms of his continued occupancy after the close of escrow.

On August 6, 2018, City Council approved purchase of the neighboring property to the north, located at 131 S. California Street. Staff recommends the purchase of the Property as this acquisition will assemble with the City property to the north and will benefit future redevelopment efforts in the area.

FINANCIAL IMPLICATIONS:

Costs: \$183,000, plus estimated closing and associated costs of \$2,000
Savings: None
Long Term Costs: None
Fund Source: 401.3310.6517.6ST303

12. RESOLUTION NO. 5224 authorizing the City to enter into a Wireline Crossing Agreement with Union Pacific Railroad Company for the construction of traffic signal interconnect at the existing Union Pacific Railroad Crossing, located on Chandler Heights Road east of Arizona Avenue, and authorizing the Public Works & Utilities Director or designee to execute such other documents as may be necessary to complete the improvements.

BACKGROUND FROM COUNCIL MEMO:

As part of the Chandler Heights Road Improvement Project from Arizona Avenue to McQueen Road, the existing at-grade Union Pacific Railroad (UPRR) crossing east of Arizona Avenue requires the construction of four (4) underground fiber optic wirelines encased in an eight-inch steel casing. The City is required to enter into a Wireline Crossing Agreement with UPRR for construction, maintenance, and operation of the fiber interconnect. Construction of the roadway improvements is anticipated to begin in January 2019.

FINANCIAL IMPLICATIONS:

Costs: None
Savings: N/A
Long Term Costs: None
Fund Source: N/A

13. RESOLUTION NO. 5225 authorizing the acceptance of a National Criminal History Improvement Program Grant Agreement between the Arizona Criminal Justice Commission and the City of Chandler through the Chandler Police Department, authorizing the Mayor to execute the Agreement; and authorizing the Chief of Police to administer, execute, and submit all documents and other necessary instruments in connection with such Agreement.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The Police Department has been awarded a grant under the Arizona Criminal Justice's National Criminal History Improvement Program. This grant provides funds, on a reimbursement basis, to support the conversion of approximately 1,800,000 paper documents for the years 1968 - 2001 to digital format. This

project ensures all non-indexed paper reports and related supplemental records are digitized, creating an efficient and complete database. The grant period is January 1, 2019, through December 31, 2020.

FINANCIAL IMPLICATIONS: This award is for a total of \$41,210 of which \$37,089 is grant funds and \$4,121 is matching funds. The matching funds will be in-kind in the form of existing staff salary for those employees that will oversee the work. No additional funds are required.

14. RESOLUTION NO. 5226 authorizing execution of Amendment No. 2, to the Memorandum of Agreement with International City Management Association Retirement Corporation d/b/a ICMA-RC, for the administration of the City of Chandler's 457 Deferred Compensation Plan and Retirement Health Savings Plan to extend the Agreement for a three-year term from January 1, 2019, through December 31, 2021; add options for two additional one-year terms; and amend the Compensation and Payment terms of the Administrative Services Agreement for the 457(b) Plan.

15. RESOLUTION NO. 5227, certifying compliance with the consolidated plan and administrative commitment by the City Council of the City of Chandler, Maricopa County, Arizona, supporting an application for Federal HOME Investment Partnerships Program funds by ARM of Save the Family, an Arizona non-profit corporation, to the Maricopa County Home Consortium.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The City of Chandler, along with seven other local municipalities and Maricopa County, formed the Maricopa HOME Consortium for purposes of administering the federal HOME Program. Of the total funds allocated to each jurisdiction under the HOME Program, 15% must be reserved for specific types of non-profit organizations known as Community Housing Development Organizations (CHDO's). CHDO funds may be used to provide incentives to develop and support affordable rental housing and homeownership opportunities through activities such as acquisition, construction, reconstruction, rehabilitation, and/or various housing subsidies.

DISCUSSION:

The ARM of Save the Family was incorporated in 1994 as a separate, but affiliated non-profit entity of Save the Family. The main purpose of ARM of Save the Family is to develop affordable rental housing for low and very-low income working households and individuals. The City of Chandler awarded Neighborhood Stabilization Program (NSP) funds to ARM of Save the Family in 2010 and 2012. The Maricopa HOME Consortium also awarded CHDO funds to ARM of Save the Family in 2017.

The current item before the City Council is a request for support of ARM of Save the Family's application to the Maricopa HOME Consortium for federal HOME CHDO funding. The Maricopa County HOME Consortium CHDO applications are due December 6, 2018, and the Resolution of Support from the Member City is due January 17, 2019. The HOME Consortium subcommittee reviews and scores each of the CHDO applications and submits for funding recommendation on February 21, 2019, to the HOME Consortium. If ARM of Save the Family is awarded funding from the County, the organization will acquire and rehabilitate one (1) two-bedroom and one (1) three-bedroom long-term, affordable rental properties in the City of Chandler. These homes will be made available to low to moderate income Chandler renters. The ARM of Save the Family's application to the Maricopa County Consortium is for \$487,600.

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

FINANCIAL IMPLICATIONS:

All costs associated with the HOME program will be paid by the U.S. Department of Housing and Urban Development, and does not require repayment on the part of the City of Chandler.

16. On action.

17. PRELIMINARY DEVELOPMENT PLAN (PDP), PDP18-0013 CADENCE AT CHANDLER for site layout and building architecture. PRELIMINARY PLAT, PLT18-0054 CARINO COMMONS COMMERCIAL for an assisted living facility on approximately 7.49 acres located at the northwest corner of Arizona Avenue and Queen Creek Road.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The approximate 7.49-acre vacant site is located at the northwest corner of Arizona Avenue and Queen Creek Road, and is currently zoned Planned Area Development (PAD) for Community Commercial (C-2) uses. The adjacent sites include Carino Estates single-family residential to the north, residential condominiums to the west, and two arterial streets to the east and south.

The subject site was zoned as part of the Carino Estates master plan, which designated the corner as PAD for C-2 uses in 1997. In 2004, the commercial area expanded and received PDP approval for a large shopping center within 13.5 acres. This request is amending the site plan for an assisted living facility within 7.49 acres. Under the previously approved PDP, the two remaining parcels will be developed as a CVS at the immediate corner and inline shops to the west.

SITE LAYOUT AND ARCHITECTURE

The assisted living facility will consist of approximately 206,283 square feet, with heights varying from one and two stories along the north and increasing to three-stories fronting the arterial streets. The building consists of 191 units with anticipated breakdown of 26 memory care units and 165 for assisted and independent living units. The proposed location of the building's footprint creates the greatest distance possible from adjacent residential properties, while maintaining adequate setbacks and providing a landscaped buffer from the residential properties to the north and west. Required building setbacks adjacent to the existing residential uses range between 55.4 feet and 70 feet. The proposal provides building setbacks averaging 70 feet adjacent to the residential properties. The main entrance faces towards Arizona Avenue and a second entrance is provided along the western side of the building into the memory care area. A large porte-cochere is provided at both entrances.

The proposed architecture represents a southwestern mission style, which is architecturally integrated with the Carino Estates architecture through use of material, color, and roofing. Cadence will use stucco in light colors with dark accents, stone veneer, and adobe tile roofing. The massing and design of the building is broken up through building pop-outs, private patios, and five secured outdoor courtyards, which include a swimming pool, bocce ball court, and seating areas. Private patios are internalized to the outdoor courtyards so as to limit the amount of balconies facing the residential properties.

A sign package was not included in the 2004 case, but it indicated general location of monument signs. As part of this PDP request, a sign package for sign location and design is included for the entire commercial corner. Five monument signs are proposed along Arizona Avenue and Queen Creek Road for use by Cadence and future commercial tenants. Four monument signs are proposed for six feet in height and one sign adjacent to Queen Creek Road to be used by CVS and future users is proposed for ten feet in height. A deviation to the required separation of three-hundred feet is requested for monument signs due to full movement of traffic onto the property and visibility. Planning staff supports the deviation, understanding the constraints of the property and future commercial development.

DISCUSSION

Planning staff finds the proposed development to be in compliance with the General Plan and the Carino Estates Area Plan. Planning staff recommends approval of the request, citing assisted living facilities are appropriate transitional land uses when between residential and commercial development. Assisted living facilities, although residential in nature, are considered a commercial use and provide a compatible transition to existing uses. In addition, the development meets the design expectations for quality site and building design.

PUBLIC / NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting was held on August 29, 2018. The applicant and his team of five members, including the architect and the client, were present at the neighborhood meeting. Four residents from the Carino Villas Condominiums attended with questions regarding use, access to the property, and site layout. All attendees stated support for the project.
- As of the writing of this memo, Planning staff has been contacted by one resident from Carino Estates single-family subdivision to north and west of the proposal. The resident had questions regarding the use, height of proposed buildings, and landscaping. After the Planning Commission meeting, Planning staff was contacted by another resident stating support for the proposal. A letter of support is attached. As of writing this memo, Planning staff is unaware of any concerns or opposition to the request.

PLANNING COMMISSION VOTE REPORT

Motion to Approve.

In Favor: 7 Opposed: 0

During Study Session at Planning Commission, Commissioner Wastchak requested the addition of stipulation eight, requiring the applicant to enhance the north and west elevations through additional color and window treatments. The development booklet does not depict these modifications, but plans will be reviewed for compliance during the permitting process.

RECOMMENDED ACTIONS

Preliminary Development Plan

Planning Commission and Planning staff recommend the City Council approve the Preliminary Development Plan, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled "Cadence at Carino Commons" and kept on file in the City of Chandler Planning Division, in File No. PDP18-0013, modified by such conditions included at the time the Booklet was approved by the Chandler City Council and/or as thereafter amended, modified or supplemented by the Chandler City Council.
2. Preliminary Development Plan approval does not constitute Final Development Plan approval; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Preliminary Development Plan shall apply.
3. Landscaping shall be in compliance with current Commercial Design Standards.
4. The landscaping shall be maintained at a level consistent with or better than at the time of planting.
5. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or property owners' association.
6. The site shall be maintained in a clean and orderly manner.
7. Sign packages, including freestanding signs as well as wall-mounted signs, shall be designed in coordination with landscape plans, planting materials, storm water retention requirements, and utility pedestals, so as not to create problems with sign visibility or prompt the removal of required landscape materials.
8. The applicant shall work with staff to enhance window treatments and colors on the building elevations.

Preliminary Plat

Planning Commission and Planning staff recommend City Council approve the Preliminary Plat, subject to the following condition:

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

18. BOARD AND COMMISSION APPOINTMENTS.

Cultural Foundation
Sara Hernandez-Bryne
Jason Ridley

Municipal Property Corporation
Shannon T. Wilson

19. AGREEMENT NO. MS8-920-3969, with Parsus Solutions, LLC, for a Business Registration and Specialty License Web Portal, in the amount of \$232,390.62.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The Management Services Department, Tax and License Division, administers the Business Registration for Chandler businesses, as well as various regulatory specialty licenses which include Liquor, Transient Merchant, Sexual Oriented Businesses, Massage Establishment, Off-Track Wagering and Second Hand Dealers. The City's existing City developed software system is now managing the data and licensing component for our businesses at a more affordable cost than our previous software system, TaxMantra. Through our partnership with InvoiceCloud, the City's third party payment processor, we are now offering an online payment feature this year for Business Registrations and Specialty License renewals. This is the first step in our attempts to transition much of the licensing process online over the next couple of years.

As we look to the future of online functionality, we have had a successful Request for Proposal (RFP) process to identify a professional services company to assist us in creating a custom online web portal that will continue to offer the online payment functionality, but will greatly enhance what the business community can do online. By the 2020 renewal season, we anticipate offering businesses the ability to update their business information, apply for new registrations, licenses, or locations, pay any outstanding or new renewal, registration, or licensing fees, manage contacts and contact information, and more; all online through a user friendly portal.

While we had initially partnered with Paladin (who later merged with Dude Solutions) for SmartGov software to provide much of our online functionality, we found during the discovery process that they would not be able to configure their current product to offer the features and functions that we felt the Chandler business community expected. Due to this disconnect, it was determined that a better approach to these issues would be to utilize the City developed software system to ensure all of the business needs and expectations were met in a way that represents Council's goal of being the most connected City.

20. AGREEMENT NO. 2845, AMENDMENT NO. 3, with JP Morgan Chase Bank, N.A., for banking services, for a two-year period from January 1, 2019, through December 31, 2020, in an amount not to exceed \$15,000 per year.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

JP Morgan Chase Bank, N.A., has been the City of Chandler's municipal banking service provider since 2005. The City's banking needs consist of the following types of services: checking account maintenance, deposits, electronic payments and deposits (ACH), wire transfers, credit card payment processing, and on-line bank transactions and reporting.

21. AGREEMENT NO. MS0-946-2777, AMENDMENT NO. 5, with Bank of America, N.A., for procurement card services, for the period of January 1, 2019, through December 31, 2020.

BACKGROUND FROM COUNCIL MEMO:

The City of Chandler was the first municipality in Arizona to develop a procurement card (P-Card) program beginning in 1993. In the first term of this agreement, the procurement card program had grown to 640 cards with average annual spend of \$2.6 million. Through the use of procurement cards and ghost cards, as well as payments made through the e-payables program, the annual spend has increased to almost \$15.8 million and the number of cardholders is now approximately 877. This revenue generating program

provides the City with the means to be efficient and cost effective in the processing of payments, and equips the City with user-friendly reporting tools. It automates the interface with the City's Financial System, Oracle, which allows for on-line review and approval of transactions to ensure program-compliant spending.

In the first term of the agreement, the rebate received by the City was calculated on a basis point multiplier using the City's total program spend: one basis point = .01%. The City's basis points in the first term were 120. For the previous extension term, Bank of America increased the basis points that are the foundation for the rebates received by users. In addition, basis points were also applied in a tiered structure, offering increasing basis points for all users as both individual agency and overall program spend grows.

The City's contract is cooperative and is used by over 30 public agencies. This is a benefit to the City because the total spend volume by all users, in addition to the City's individual spend, is considered in the determination of the amount of the rebate the City receives.

22. AGREEMENT NO. MS6-990-3616, AMENDMENT NO. 3, with Dunbar Armored, Inc., for armored car services, for the period of January 1, 2019, through December 31, 2019, in an amount not to exceed \$60,275.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The City of Chandler uses armored car services for a number of locations throughout the City for picking up deposits to be dropped off at the City's main bank, JP Morgan Chase Bank, N.A.

The 21 current locations in which Dunbar Armored, Inc. picks up or delivers cash to the JP Morgan Chase Bank, N.A., Central Vault in Phoenix are: City Hall Central Cashier, City Hall Utilities, Center for the Arts, Chandler Municipal Court, Police Administration, Police Impound Unit, Tumbleweed Recreation Center, Development Services, Arrowhead Pool, Folley Pool, various Aquatic Centers (Desert Oasis, Hamilton, Mesquite Groves and Nozomi), various Libraries (Basha, Hamilton, Sunset and Downtown), Community Center, Snedigar Sports Center, and the Environmental Education Center.

Using armored car services minimizes the City's exposure to risk when transporting money to and from other City locations as well as to the bank. This service increases workplace safety and allows staff to continue servicing customers and maintaining operations without having to leave their facility to travel to City Hall or the bank to make deposits.

23. AGREEMENT NO. HR5-918-3461, AMENDMENT NO. 4, with the Segal Company, Inc., for employee benefits consultant and actuary services, for the term of January 1, 2019, through December 31, 2019, in an amount not to exceed \$120,000.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The City has historically employed the services of a benefits consultant to assist with administrative provider management of all group and voluntary insurance plans including health and pharmacy, dental, vision, flexible spending and employee assistance. The consultant assists the City in defining and continuously validating long-term benefit strategies that align its needs with those of the plan participants. The consultant is involved in claims and utilization analysis, actuarial analysis of the self-insured plans, plan performance reviews, compliance adherence, competitive solicitation processes, and negotiations. Additionally, the consultant advises staff of legislation that impacts the City's benefits programs and works with the Health Benefits Trust Board and the City's employee Healthcare Taskforce to review plan design strategies to reduce healthcare costs.

24. AGREEMENT NO. IT8-910-3858, with Workgroup Connections, Inc., for Office 365 migration design services, in an amount not to exceed \$84,000.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The City has a single IBM Lotus Notes e-mail environment in use today by approximately 1,800 employees. The City desires to migrate from the current unsupported Microsoft Office 2010 product and antiquated IBM Lotus Notes system. The City solicited services to design the migration and implementation of Microsoft Office 365 and Microsoft Office 2016.

This migration aligns with the City's desire to acquire state of the art technology as well as to provide improved accessibility, mobility, business collaboration and future application integration.

Technology is utilized to support innovations that enable the City to work smarter and better engage with the community. The Information Technology Division is responsible for providing reliable, sustainable technology systems and services that support services to citizens and customers, promote operational efficiencies, and mitigate risk. This migration will allow the City to continue providing the high level of customer service to staff and the public by capitalizing on the functionality offered with newer technology.

25. AGREEMENT NO. CM8-918-3965, with Kimley-Horn for the Fiber Network Assessment and Master Plan, in an amount not to exceed \$850,000. CONTINGENCY TRANSFER of \$255,894 from the General Fund, Non-Departmental, Contingency account to the General Government Capital Projects, Fiber Network Assessment Program.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The City of Chandler owns and maintains a fiber optic network that functions as the "backbone" for the majority of the City's information technology operations. The network, which contains approximately 170 miles of fiber optic cable, links 60 City facilities and provides connections to outside partner agencies such as the Arizona Department of Transportation (ADOT), Valley Metro, the Maricopa Association of Governments (MAG), Maricopa County, the City of Mesa, and the Town of Gilbert. All of the City's departments and divisions rely heavily on the high-speed, reliable connectivity provided by the fiber network for day-to-day activities as essential as traffic signal functionality, public safety communications, and utility systems operations.

The fiber network was first developed beginning in the late 1980's and early 1990's primarily through the use of federal grant funding for transportation and public safety projects. Because it grew organically as individual projects were undertaken, the network has had no centralized oversight and was never designed for redundancy or even connectivity to many critical facilities. Portions of the fiber network are also reaching the end of their lifespans of 30 to 40 years for underground fiber conduit and 25 to 30 years for fiber optic cable.

This project scope of work contains three major phases: inventory and condition assessment of the City's existing fiber network; identification of network service gaps and development of a Fiber Network Risk Mitigation Plan; and creation of a Strategic Fiber Network Master Plan, including a 10-year capital improvement program and a governance model to support future decision-making. This complex project includes extensive field work and ongoing coordination with City staff to ensure the sustainability of this essential asset. The contract completion time is 600 days following Notice to Proceed.

26. PROJECT AGREEMENT NO. CS1804.401 with DNG Construction, LLC, for Arrowhead Pool Safety Improvements, pursuant to Job Order Contract No. JOC1602.401 for General Construction Services, in an amount not to exceed \$88,281.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The Arrowhead Pool is located at 1475 West Erie Street, north of Chandler Boulevard and west of Alma School Road. The Aquatic Center, originally built in 1978, is showing signs of aging and is in need of annual repairs and maintenance. The project will improve facility safety, provide updates/upgrades of buildings and grounds, and maintain compliance with federally-mandated pool drain cover regulations pursuant to the Virginia Graeme Baker Pool and Spa Safety Act (VGBA).

In 2008, all City of Chandler aquatic centers achieved VGBA drain cover compliance, a federally-mandated regulation pertaining to the installation of entrapment-free drain covers. The certification of the drain covers installed in 2008 expires this year, requiring all drain covers to be replaced with new certified VGBA compliant drain covers. In addition, pool decking at the Arrowhead Pool has been fading and chipping for a number of years. This project will repair and/or replace areas no longer functional as cool decking, creating safety and visual concerns. In addition, the evaporative cooling system is at the end of its usable lifespan and has been difficult to maintain the past few years, creating safety hazards for working lifeguards and instructors. The Arrowhead Pool office is the only office of the six aquatic centers that is not currently cooled by HVAC. This project will replace the existing evaporative cooling system with an HVAC system.

The scope of work consists of pool decking repairs, replacing multiple pool drain covers to bring them up to current VGBA compliancy, and replacing the existing evaporative cooler with an HVAC system. The contract completion time is 75 calendar days following Notice to Proceed.

27. PROJECT AGREEMENT NO. CS1805.401 with DNG Construction, LLC, for Mesquite Groves Pool Safety Improvements, pursuant to Job Order Contract No. JOC1602.401 for General Construction Services, in an amount not to exceed \$120,536.

BACKGROUND FROM COUNCIL MEMO:

The Mesquite Groves Pool is located at 5901 South Hillcrest Drive, north of Riggs Road and west of Val Vista Drive. The Aquatic Center, originally built in 2009, is showing signs of aging and is in need of annual repairs and maintenance. The project will improve facility safety, provide updates/upgrades of buildings and grounds, and maintain compliance with federally-mandated pool drain cover regulations pursuant to the Virginia Graeme Baker Pool and Spa Safety Act (VGBA).

In 2008, all City of Chandler aquatic centers achieved VGBA drain cover compliance, a federally-mandated regulation pertaining to the installation of entrapment-free drain covers. The certification of the drain covers installed in 2008 expires this year, requiring all drain covers to be replaced with new certified VGBA compliant drain covers. In addition, there are two sections of pool trench drains that have deteriorated, creating safety hazards in main traffic walkways. The poured-in-place drains will be replaced with drains that have a much longer anticipated lifespan and are user-serviceable. The epoxy flooring at the men's restroom is also showing signs of wear and will need to be replaced to create a safe surface in an area with a significant amount of traffic and water on the floor.

The scope of work consists of pool deck drain replacement, replacing multiple pool drain covers to bring them up to current VGBA compliancy, and replacing the epoxy flooring in the men's restroom. The contract completion time is 75 calendar days following Notice to Proceed.

28. AGREEMENT NO. ST5-745-3478, AMENDMENT NO. 4, with MR Tanner Development & Construction, Inc., for street replacement asphalt mill and inlay services, in an amount not to exceed \$6,750,000 for the term of one year, January 23, 2019, through January 22, 2020.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The City of Chandler has an established street restoration and repaving program that addresses the rehabilitation of streets in need of significant repair. A biannual assessment of the City's 2,089 lane miles of streets identifies the streets that are in poor condition with a Pavement Quality Index (PQI) rating of 40 and below. Currently, the City has 347 lane miles of streets that meet this criterion.

This year's funding will be adequate to rehabilitate an estimated 67 lane miles of streets in Chandler. The contractor's scope of work includes milling out the old asphalt, repairing the road base, crack sealing and repaving the street, utility valve and manhole cover adjustment and restriping the roadway.

29. AGREEMENT NO. ST5-745-3434, AMENDMENT NO. 4, with MR Tanner Development & Construction, Inc., asphalt patch maintenance and repair, in an amount not to exceed \$400,000, for the period of December 1, 2018, through November 30, 2019.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

Asphalt patch, maintenance, and repair work is performed as needed on arterial, collector, and local streets by the Streets Division in the Public Works & Utilities Department. The volume and scope of asphalt repairs to be completed by the Streets Division routinely exceeds the capacity of existing crews and equipment. This agreement will be used to complete overflow asphalt paving work on an as-needed, on-call basis.

Based on historical trend (calculated by examining the period of December 1, 2017, through November 30, 2018), City staff anticipates \$400,000 will be expended on asphalt patch, maintenance and repair.

30. AGREEMENT NO. ST5-745-3433, AMENDMENT NO. 5, with Vincon Engineering Construction, LLC, for asphalt rubber crack sealing, in an amount not to exceed \$415,000, for the period of December 1, 2018, through November 30, 2019.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

Crack sealing is an important step in the repair process for City streets. Crack sealing protects the pavement structure by sealing cracks and preventing water from getting into and deteriorating the roadway base material. The crack seal process is accomplished by blowing the cracks clean with compressed air and then filling them with hot crack sealant material. The Streets Division, on average, addresses approximately 175 lane miles of streets with crack seal maintenance each year, and the volume and scope of the repairs exceeds the capacity of existing crews and equipment. This agreement includes traffic control and cleaning and filling of roadway cracks. The City provides the crack sealing material to save on crack fill material costs and the recommended contractor provides application.

31. AGREEMENT NO. ST5-745-3435, AMENDMENT NO. 6, with Vincon Engineering Construction, LLC, for concrete repair and maintenance, in an amount not to exceed \$2,815,000, for the period of December 1, 2018, through November 30, 2019.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

Concrete repair and maintenance is performed prior to street rehabilitation projects, as needed, within the city. Street rehabilitation projects are selected based on a pavement rating system on streets that are typically a minimum of twenty years old. Necessary concrete work includes standard maintenance, repair, and upgrading of damaged concrete sidewalks, curbs and gutters, valley gutters, handicap ramps, and driveways in compliance with the Americans with Disabilities Act (ADA) Accessibility Guidelines.

32. AGREEMENT NO. MU5-913-3446, AMENDMENT NO. 5, with Sundt Construction Inc., for the Ocotillo Brine Reduction Facility Maintenance and Repair, in an amount not to exceed \$1,000,000, for a one year term, December 12, 2018, through December 11, 2019.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

In 2013, Sundt Construction, Inc., under contract with Intel, constructed the most recent expansion of the Ocotillo Brine Reduction Facility. Sundt Construction, Inc., coordinated the installation of specialized processes and equipment during this expansion project. To maintain warranty compliance on this equipment, Sundt Construction, Inc., was contracted to continue the maintenance and repair of this specialized equipment at the facility.

The scope of work includes maintenance and repair of specialized process equipment such as the brine concentrator, boiler, pumps, and other facilities as needed.

The cost of this amendment has been approved and will be reimbursed by Intel.

33. AGREEMENT NO. PW8-920-3939, with United Fibers, LLC, for the processing and marketing of recyclable materials.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

On April 22, 2010, the City entered into an agreement with United Fibers, LLC, to process collected recyclable material. More than 19,200 tons of recycled material was collected from Chandler residents last year.

In the fall of 2017, United Fibers requested an amendment to the City's existing agreement as a result of China's new restrictions on the types and quality of recyclable material it will accept. Previous to this decision, a majority of recyclables processed in the United States were sold to China, resulting in a partial financial offset to cities like Chandler against the cost of processing garbage. Recycling processors transitioned from paying a flat rate per ton for recycling material to charging a processing fee and paying revenue share for marketable recyclables.

The original agreement with United Fibers specified the City would receive \$25.50 per ton for recycling materials delivered and an education fee of \$2.35 per ton. On March 22, 2018, City Council approved an amended agreement with United Fibers that required the City to pay a processing fee of \$61.00 per ton and receive 65% revenue share based on the weighted average of the actual sales of marketable material per ton. This agreement expires February 28, 2019, and was intended to be an interim solution to allow the City to issue a competitive Request for Proposal (RFP). The RFP was to select the recycling solution most advantageous to the City and establish a new agreement for these services.

The City issued a RFP on June 22, 2018, for recycling processing. The proposal from United Fibers was determined to be the most viable option. The terms of the new agreement include a processing fee of \$67.00 per ton, with the City receiving a 55% revenue share based on the weighted average of the actual sales of marketable recyclables per ton. The agreement also includes a \$2.00 per ton education fee paid to the City.

34. PROJECT AGREEMENT NO. ST1708.401, with DNG Construction, LLC, pursuant to General Construction Services Job Order Contract No. JOC1602.401, for the American Legion Sewer Line Replacement, in an amount not to exceed \$197,402.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The American Legion Post 35, located at 2240 W. Chandler Boulevard, has experienced sewer backups for the past several years due to the configuration of the existing sewer service within Chandler Boulevard. City staff coordinated with the American Legion Post 35 property owner to facilitate required easements necessary to improve the affected sewer service. The new sewer service alignment was also coordinated with the property owner's onsite sewer improvements.

The installation of the new sewer service to the public sewer main, located in the middle of Chandler Boulevard, will impact westbound traffic and require lane restrictions. Staff will provide proper notification to alert drivers when work is anticipated to affect traffic.

The project scope of work includes abandoning the existing sewer service line and constructing a new sewer service line from American Legion Post 35's connection on its property to the City sewer main in Chandler Boulevard. The contract completion time is 30 calendar days following Notice to Proceed.

35. PROJECT AGREEMENT NO. SW1801.401, with SDB, Inc., pursuant to General Construction Services Job Order Contract No. JOC1601.401, for the Paseo Vista Parking Lot Drainage Improvements, in an amount not to exceed \$130,299.99.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The Paseo Vista Recreation Area, a 64-acre former landfill site, is located at 3850 S. McQueen Road. In 2005, the landfill was closed and the site was developed into a recreation area in 2009. Continued settling of the landfill will require ongoing drainage improvements. Although additional drainage control mitigation measures have been constructed at the site, rain events create ponding in the parking lot at the top of the landfill. This project will correct current ponding and prevent potential violations of Arizona Department of Environmental Quality regulations.

The project scope of work consists of site grading and removal and replacement of asphalt and concrete, as well as installing curbing around an existing gas well. The contract completion time is 120 calendar days following Notice to Proceed.

36. CONSTRUCTION CONTRACT NO. ST1502.401, to Hunter Contracting Company for the Chandler Heights Road Improvements, in an amount not to exceed \$7,990,543.92.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

This project is for construction of improvements to widen Chandler Heights Road from Arizona Avenue to McQueen Road to two through lanes in each direction. The project scope also includes turn lanes, bike lanes, raised landscape median, storm drainage, City-owned private utilities, Union Pacific Railroad improvements, Salt River Project Consolidated Canal improvements, streetlights, and traffic signals. Construction is scheduled to begin in January 2019. Total contract time to complete the project following Notice to Proceed is 330 days.

This City Council agenda features several other items related to this project, including a Professional Services Agreement for construction management services with Consultant Engineering, Inc., an Amendment No. 2 to Professional Services Contract ST1502.201 for post-design review and support services with Kimley-Horn and Associates, and Resolution No. 5224 for a Wireline Crossing Agreement with Union Pacific Railroad Company.

37. PROFESSIONAL SERVICES CONTRACT NO. ST1502.451, to Consultant Engineering, Inc., for the Chandler Heights Road Improvements Construction Management Services, in an amount not to exceed \$1,232,771.32.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

This project includes widening Chandler Heights Road from Arizona Avenue to McQueen Road to two through lanes in each direction. The project scope of work also includes turn lanes, bike lanes, raised landscape median, storm drainage, wet and private utilities, Union Pacific Railroad improvements, Salt River Project Consolidated Canal improvements, streetlights, and traffic signals.

The scope of work for this contract includes pre-construction assistance, construction administration and management, construction inspection, utility coordination, materials testing and quality assurance, record drawings, and public outreach.

Several other items related to this project also appear on this City Council agenda, including a Construction Contract with Hunter Contracting Company, an Amendment No. 2 to a Professional Services Contract for design review and support services with Kimley-Horn and Associates, and Resolution No. 5224 for a Wireline Crossing Agreement with Union Pacific Railroad Company.

38. CONSTRUCTION CONTRACT NO. ST1306.401, to Sunland Asphalt & Construction, Inc., for the Queen Creek Road Improvements, in an amount not to exceed \$13,054,184.46.

BACKGROUND FROM COUNCIL MEMO:

This project includes widening Queen Creek Road from McQueen Road to Gilbert Road to three through lanes in each direction and Cooper Road from Queen Creek Road to the Appleby Road alignment to two through lanes in each direction. Roadway improvements include additional through lanes, turn lanes, bike

lanes, raised landscape median, storm drainage, wet & private utilities, streetlights, and traffic signals. Construction will take 510 calendar days to complete following notice to proceed and is scheduled to begin in January of 2019.

A related Professional Services Agreement for construction management services, with Ritoch-Powell & Associates for Queen Creek Road Improvements is also scheduled for this City Council meeting.

39. PROFESSIONAL SERVICES CONTRACT NO. ST1306.451, with Ritoch-Powell & Associates Consulting Engineers, Inc., for the Queen Creek Road Improvements Construction Management Services, in an amount not to exceed \$1,790,984.14.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

This project includes widening Queen Creek Road from McQueen Road to Gilbert Road to three through lanes in each direction and Cooper Road from Queen Creek Road to the Appleby Road alignment to two through lanes in each direction. Roadway improvements include additional through lanes, turn lanes, bike lanes, raised landscape median, storm drainage, City owned and private utilities, streetlights, and traffic signals.

The scope of work for this contract includes pre-construction assistance, construction administration and management, construction inspection, utility coordination, materials testing and quality assurance, record drawings, and public outreach. Contract completion time is 600 calendar days from Notice to Proceed.

A related construction contract for Queen Creek Road Improvements, McQueen Road to Gilbert Road, with Sunland Asphalt & Construction, Inc., is also scheduled for this City Council meeting.

40. PROFESSIONAL SERVICES CONTRACT NO. ST1502.201, AMENDMENT NO. 2, with Kimley-Horn and Associates for Chandler Heights Improvements - Arizona Avenue to McQueen Road, in the amount of \$72,461, for a revised contract amount not to exceed \$1,104,398.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

On March, 31, 2016, City Council approved a contract with Kimley-Horn and Associates for design services to widen Chandler Heights Road from Arizona Avenue to McQueen Road to two through lanes in each direction. The project scope also includes turn lanes, bike lanes, raised landscape median, storm drainage, City-owned and private utilities, Union Pacific Railroad improvements, Salt River Project Consolidated Canal improvements, streetlights, and traffic signals.

This amendment is for design-related support services during construction, including review and response to shop drawings, requests for information (RFI), and issuance of field directives by Kimley-Horn and Associates as the Engineer of Record for this project.

Several other items on this City Council agenda are directly related to this contract amendment, including a Professional Services Agreement for construction management services with Consultant Engineering, Inc., a Construction Contract with Hunter Contracting Company, and Resolution No. 5224 for a Wireline Crossing Agreement with Union Pacific Railroad Company.

41. PROFESSIONAL SERVICES CONTRACT NO. WA1903.201, with Wilson Engineers, LLC, for the Arrowhead Water Production Facility Rehabilitation Design Services, in an amount not to exceed \$407,625.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

This project is a continuation of the Public Works & Utilities Department's ongoing initiative to modernize and rehabilitate the City's older water production facilities. The Arrowhead Water Production Facility (WPF), located at 426 N. Arrowhead Drive, was constructed in 1988 to support water distribution needs in the City. Recent inspections have identified the need to replace the existing pumps and corroded pump cans and piping, as well as make electrical upgrades to the facility. In addition, approximately 2,200 feet of

12-inch asbestos cement pipe will be replaced due to age and poor condition. These improvements are necessary for the facility to meet the anticipated future operational needs within the service area.

The project scope of work consists of site investigation, design, construction documents preparation, permitting assistance, and bid services. The contract completion time is 270 calendar days following Notice to Proceed.

42. PROFESSIONAL SERVICES CONTRACT NO. WA1908.201, with Black & Veatch Corporation, for the Pecos Surface Water Treatment Plant Surge System Improvements Design Services, in an amount not to exceed \$319,540.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The Pecos Surface Water Treatment Plant (SWTP), located at 1475 W. Pecos Road, was put into service in 1989 and upgraded most recently in 2009. At the time of the expansion, the scope included a surge system to buffer pressure fluctuations for the water distribution system. However, due to budget constraints, the surge system was not installed in 2009.

These pressure fluctuations can contribute to water main breaks, which in turn leads to water loss and damage to surrounding infrastructure and personal property. The water distribution system is aging and more susceptible to failure due to pressure fluctuations. The 2018 Water, Wastewater, and Reclaimed Water Master Plan (Master Plan) included the recommendation for the surge system at the SWTP. This project will include review of the Master Plan recommendation and provide design services for the surge system at the SWTP.

The project scope of work consists of site investigation, design, preparation of construction documents, and bid services. The contract completion time is 180 calendar days following Notice to Proceed.

43. PROFESSIONAL SERVICES CONTRACT NO. WA1904.101, with Stantec Consulting, Inc., for the Pecos Surface Water Treatment Plant Asset Management Plan, in an amount not to exceed \$510,508.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The 2018 Water Master Plan identified an ongoing initiative to evaluate, prioritize, and rehabilitate water treatment facilities. The Pecos Surface Water Treatment Plant (SWTP), located at 1475 E. Pecos Road, was put into service in 1989. The City has expanded the SWTP two times to its current treatment capacity of 60 million gallons per day. Original equipment and structures installed at the SWTP are now over 30 years old. A comprehensive assessment is needed to identify the condition of existing assets and provide a roadmap for Capital Improvement Program planning.

The project scope of work consists of a facility assessment workshop with staff, development of a facility database, field visits, staff interviews, risk analysis, and delivery of a condition assessment report. The report will include recommendations for a capital improvement program over the next 20 years. The contract completion time is 270 calendar days following Notice to Proceed.

44. PROFESSIONAL SERVICES CONTRACT NO. WA1706.451, to Ritoch-Powell & Associates Consulting Engineers, Inc., for the Lindsay Road Water Production Facility retention basin improvements construction management services, in an amount not to exceed \$59,354.60.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The Lindsay Road Water Production Facility, located at 6300 S. Lindsay Road, includes a potable water well, a partially buried underground storage reservoir, and associated equipment. Immediately south of the facility is a retention basin which receives storm water runoff from the facility and the initial purging of the well. This project will eliminate the chronic standing water and vector issues within the retention basin by increasing percolation and providing underground storage.

The project scope of work for this contract consists of project administration, engineering and inspection services, and project close-out. The contract completion time is 165 calendar days following Notice to Proceed.

A Construction Contract with Action Direct, LLC, dba Redpoint Contracting, for the Lindsay Road Water Production Facility Retention Basin Improvements, is also scheduled for this City Council meeting.

45. CONSTRUCTION CONTRACT NO. WA1706.401, to Action Direct, LLC, dba Redpoint Contracting, for the Lindsay Road Water Production Facility Retention Basin Improvements, in an amount not to exceed \$379,022.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The Lindsay Road Water Production Facility, located at 6300 S. Lindsay Road, includes a potable water well, a partially buried underground storage reservoir, and associated equipment. Immediately south of the facility is a retention basin which receives storm water runoff from the facility and the initial purging of the well. This project will eliminate the chronic standing water and vector issues within the retention basin by increasing percolation and providing underground storage.

The project scope of work for this contract consists of grading, underground storm water retention system, grated catch basins, piping, and curbing. The construction contract time is 120 calendar days following Notice to Proceed.

A Professional Services Contract for construction management services with Ritoch-Powell & Associates Consulting Engineers, Inc., for the Lindsay Road Water Production Facility Retention Basin Improvements, is also scheduled for this City Council meeting.

46. PROFESSIONAL SERVICES CONTRACT NO. PD1302.452 to McClaren, Wilson, & Lawrie, Inc., for Chandler Public Safety Training Center–Phase Two Construction Management Services, in an amount of \$392,832.80.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

This project is for construction of Chandler Public Safety Training Center – Phase Two Buildings, and associated site work located at 3550 South Dobson Road, Chandler, AZ 85248. This Professional Services Contract No. PD1302.452 to McClaren, Wilson, & Lawrie, Inc. is for phase two services to oversee construction of indoor firing ranges and Police Department range support spaces along with a multi-purpose indoor training building with a Fire Department classroom, lockers and showers, equipment storage and shop spaces. Combining Police and Fire training facilities allows for joint training capabilities, sharing of training resources, and reduced overall expenses.

The scope of work consists of project administration, onsite construction observations, construction meetings, review of submittals and shop drawings, response to requests for information, construction change evaluation, and record drawings.

A Construction Contract PD1302.402 with Caliente Construction, Inc., for Chandler Public Safety Training Center – Phase Two, is also scheduled for this Council meeting.

47. CONSTRUCTION CONTRACT NO. PD1302.402 to Caliente Construction, Inc., for Chandler Public Safety Training Center–Phase Two, in an amount not to exceed \$11,035,272.12.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

This project is for construction of the Chandler Public Safety Training Center – Phase Two Buildings, and associated site work located at 3550 South Dobson Road, Chandler, AZ 85248. This Construction Contract No. PD1302.402 to Caliente Construction, Inc., is for phase two work which includes indoor firing ranges and Police Department range support spaces along with a multi-purpose indoor training building

with a Fire Department classroom, lockers and showers, equipment storage, and shop spaces for Fire staff and recruits. Combining Police and Fire training facilities allows for joint training capabilities, sharing of training resources, and reduced overall expenses. Construction will take one year and is scheduled to begin in January of 2019.

A separate Professional Services Contract, PD1302.452 for construction management services, with McClaren, Wilson, & Lawrie, Inc., for Chandler Public Safety Training Center – Phase Two is also scheduled for this Council meeting.

48. PURCHASE and installation of Ecore Athletic Flooring at Tumbleweed Recreation Center from Advanced Exercise, utilizing National Joint Powers Alliance (NJPA) Contract No. 120215-LFF, in the amount of \$189,786.41. (STAFF REQUESTS WITHDRAWAL.)
49. PURCHASE of electrical and lighting products and services from Utility Construction Company, Hawkeye Electric, and Deca Southwest, utilizing 1Government Procurement Alliance (1GPA) Contracts 17-13PV-07, 17-13PV-03 and 17-13PV-02, in an amount not to exceed \$257,000.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The City frequently uses outside vendors for repair and maintenance of electrical and lighting systems, and equipment. These contracts will provide the City with three (3) contractors for repair and replacement of electrical equipment throughout City parks. Tumbleweed Park, Folley Park, Desert Breeze Park, Pine Shadows Park, and Hoopes Park have all been identified for replacement and installation of new electrical and lighting equipment in FY 2018-19.

50. PURCHASE of Original Equipment Manufacturer (OEM) laser and inkjet toner cartridges, utilizing the Greater Phoenix Purchasing Consortium of School (GPPCS)/ Strategic Alliance for Volume Expenditures (SAVE) Contract No. 16.004, with Vision Business Products, and the State of Arizona Contract No. ADSPO15-088800, with Wist Office Products, for a period of one year, January 1, 2019, through December 31, 2019, in an amount not to exceed \$65,000.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

Departments City-wide have various needs for OEM laser and inkjet printer cartridges, as well as for online ordering and next-day desktop delivery. The City has historically made use of cooperative contracts for these purchases. During the past twelve months, the City has spent approximately \$60,000 on OEM laser and inkjet printer cartridges. Vision Business Products and Wist Office Products both offer online ordering for next-day desktop delivery.

51. PURCHASE of office supplies utilizing the Western States Contracting Alliance/National Association of State Procurement Officials (WSCA/NASPO) Contract No. ADSPO15-088798, with Office Depot, Inc., for a period of two years, April 1, 2018, through March 31, 2020, in an amount not to exceed \$215,000 per year.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

In calendar years 2018 and 2019, approximately \$200,000 will be spent City-wide to meet all departments' needs for office supplies. Purchases are made by every department in the City and orders can be placed on a daily basis. Employees conveniently place office supply orders online, and receive next-day desktop delivery with free shipping on all orders. In addition, staff can only place orders using their Purchasing Card, which contributes to the rebate for the City's Purchasing Card Program.

52. USE PERMIT, ZUP18-0009 SPIRAL VOLLEYBALL, to continue to operate and expand an athletic training facility with occasional tournaments, within two buildings including outdoor courts within a Planned Industrial (I-1) zoned district located at 400 N. 56th Street and the proposed expansion is located at 7100 W. Erie Street, northwest corner of 56th and Erie streets.

BACKGROUND FROM COUNCIL MEMO:

The subject site is located approximately a quarter of a mile north of the northwest corner of Chandler Boulevard and 56th Street within an industrial zoned area extending west from 56th to 54th Street and north from Erie Street to Galveston Street. Within this larger Planned Industrial (I-1) zoned area, many Use Permits have been approved allowing a variety of commercial uses including automotive repairs and sales.

Spiral Volleyball is an existing volleyball training facility located at 400 N. 56th Street and has operated at this location since their first Use Permit approval in November 2009. The facility utilizes an approximately 31,750 square-foot building with six indoor courts and offers training to young female athletes ranging in age from 14 to 18 years old. Training typically occurs Monday through Friday from 4 p.m. to 9 p.m., and Saturdays from 10 a.m. to 1 p.m. Spiral Volleyball hosts six tournaments throughout the year on Saturdays with approximately ten to fourteen teams since 2011. Tournaments hours are typically 8 a.m. to 5 p.m.

Spiral Volleyball has purchased the industrial zoned building to the west and is requesting to expand into the building located at 7100 W. Erie Street. The proposed second training facility is approximately 39,348 square feet with eight additional courts and offices for coaches on the second level. The site will be improved between the buildings with a new parking lot and four proposed outdoor courts for sand volleyball. An existing block wall separating the two properties will be removed and ninety-three parking spaces will be added to the site. The properties will be secured with a masonry wall and sliding gates along Erie Street with two entries. Staging areas adjacent to the buildings will be used during tournament days for teams during breaks between games.

DISCUSSION

The Zoning Code requires one (1) parking space per three-hundred (300) square feet of building for single use recreational facilities not hosting tournaments. If Spiral Volleyball did not occasionally host tournaments, 237 parking spaces would be required for both buildings. However, the request includes tournaments, which requires a Parking Study based on seating. The applicant has prepared a parking study stating the amount of players, officials, and spectators average approximately 2.7 persons per car. A Spiral representative/parent of an athlete stated most players carpooled or were dropped off by a guardian not staying during tournaments. The City's Traffic Division reviewed the parking study and accepted the number as being appropriate. According to the parking study, 240 parking spaces are needed.

Spiral Volleyball has fifty (50) existing parking spaces east of the existing facility and will create ninety-three (93) additional parking spaces between the two buildings. Spiral Volleyball has also secured an off-site parking agreement with a business south and west of the proposal adding one-hundred (100) additional parking spaces. In total, 243 parking spaces are provided for the training facility with the occasional tournaments. In addition, approximately twenty on-street parking spaces are available along Erie Street.

Planning staff is supportive of the request citing hours of operation for the facility are opposite typical industrial park hours which alleviate the potential increase of commercial traffic in the area. The proposed improvements to the site create more direct parking for the facility. Spiral Volleyball has successfully operated at this location for nine years with no known issues. Planning staff is recommending a one-year time condition in order to re-evaluate the intensity and parking needs during tournaments.

PUBLIC / NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting was held on November 12, 2018. No one attended other than the applicant.
- As of the writing of this memo, Planning staff is not aware of any concerns or opposition to the request.

RECOMMENDED ACTION

Upon finding consistency with the General Plan, Planning Commission and Planning staff recommend the City Council approve Use Permit, ZUP18-0009 SPIRAL VOLLEYBALL 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. Use Permit approval does not constitute Final Development Plan approval; compliance with the details required by all applicable codes and conditions of the City of Chandler and this Use Permit shall apply.
 3. The site shall be maintained in a clean and orderly manner.
 4. The Use Permit is non-transferable to any other location.
 5. The new parking lot shall be striped to accommodate additional parking stalls as represented by the site plan.
 6. The Use Permit shall remain in effect for one (1) year from the date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.
53. USE PERMIT, LUP18-0023 WAYNE V. MCMARTIN AMERICAN LEGION POST 91, Series 14 Private Club License to sell and serve all types of spirituous liquor indoors and within a new outdoor patio, and request to continue live music indoors at 920-924 N. Alma School Road, southwest corner of Alma School and Ray roads.

BACKGROUND INFORMATION FROM COUNCIL MEMO

The subject property is located at the southwest corner of Alma School and Ray roads within the Alma Ray Plaza commercial center. The development includes a Goodwill, Stadium Club, East Valley Jewish Community Center (EVJCC), and multiple commercial businesses. The property borders another commercial development, including Skateland, and a single-family residential subdivision to the west. Vacant land zoned for multi-family is south of Alma Ray Plaza. The business fronts Ray Road and adjacent tenants are a nail salon and a restaurant.

The American Legion Post 91 has operated at this location under a Series 14 Private Club License since 2002 within three suites totaling approximately 3,000 square feet. The club requests the addition of an outdoor patio along the eastern store frontage. The patio addition is 270 square feet and will only be accessed through the establishment. The patio will only be open during limited hours as agreed upon with the EVJCC, which offers childcare during the weekdays. The patio hours will be Monday through Friday, 6 p.m. to closing, and on weekends. Typical hours of operation for the American Legion Post 91 are Monday through Thursday from noon to 10 p.m., Friday and Saturday from noon to 11 p.m., and Sunday from noon to 9 p.m. The American Legion Post 91 will continue to offer live music for special events three to four times a year and offer BINGO Tuesday and Thursday evenings and Saturday afternoons. All live entertainment occurs indoors and the new patio will not install any speakers.

While a zoning code amendment, on the same City Council agenda, will remove the need for many Liquor Use Permit applications beginning in January 2019, this request would require an Entertainment Use Permit under the proposed amendments because the property continues to offer live entertainment indoors and is located within 600 feet of residential properties. As such, this is one of the last requests for Liquor Use Permit approval before the proposed amendments become effective. Future renewals of this Liquor Use Permit will therefore be automatically transitioned to an Entertainment Use Permit and will continue to require City Council approval.

The request is for Liquor Use Permit approval to sell and serve all types of spirituous liquors indoors and within a new outdoor patio as permitted under a Series 14 Private Club License and continue live entertainment indoors. A Series 14 Private Club License allows the holder of a club license to sell and serve all types of spirituous liquor for consumption only on the premises owned, leased or occupied by the club, and only to bona fide members of the club and their guests. A "club" is defined under the Arizona Revised Statutes as including veterans and fraternal organizations and their building associations.

PUBLIC / NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting was held on October 29, 2018. No one attended other than the applicant.

- As of the writing of this memo, Planning staff is not aware of any concerns or opposition to the request.

RECOMMENDED ACTION

Upon finding consistency with the General Plan, Planning Commission and Planning staff recommend the City Council approve the Liquor Use Permit, LUP18-0023 WAYNE V. MCMARTIN AMERICAN LEGION POST 91, subject to the following conditions:

1. The Liquor Use Permit is granted for a Series 14 Private Club license only, and any change of license shall require reapplication and new Liquor Use Permit approval.
 2. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Liquor Use Permit and require new Liquor Use Permit application and approval.
 3. The Liquor Use Permit is non-transferable to other locations.
 4. The site shall be maintained in a clean and orderly manner.
 5. Music shall be controlled so as to not unreasonably disturb area residents and shall not exceed the ambient noise level as measured at the commercial property line.
54. PERMANENT EXTENSION OF PREMISES, Series 17, Permanent Extension of Premises, held by American Legion Post 91 Inc., dba Wayne V. Martin Post 91, located at 922 N. Alma School Road, Suite 920-924.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

American Legion Post 91 Inc., dba Wayne V. Martin Post 91, located at 922 N. Alma School Road, Suite 920-924 has requested a permanent extension of their alcohol serving area to include outside seating.

The Police Department has no objections to the permanent extension of premises. All fees have been paid and the business is in compliance with the City's Tax Code.

The applicant's Liquor Use Permit through the Planning Division is also scheduled for this meeting.

55. LIQUOR LICENSE, Series 11, Hotel/Motel Liquor License, for Andrea Dahlman Lewkowitz, Agent, Peachtree Hospitality Management LLC, dba TownePlace Suites, located at 3635 W. Chandler Boulevard.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The following application for a liquor license was posted for hearing on December 13, 2018:

New License, Series 11, Hotel/Motel Liquor License, for Andrea Dahlman Lewkowitz, Agent, Peachtree Hospitality Management LLC, dba TownePlace Suites, located at 3635 W. Chandler Boulevard.

The Police Department reports no objections to the issuance of this license, and no written protests pursuant to A.R.S. 4-201(B) have been received. With a Series 11, Hotel/Motel Liquor License, the business may sell all alcoholic beverages for on-premise consumption only.

The Planning Division advises a new Liquor Use Permit is not required since this will be a continuation of the location's previous use as MET Hotel LLC, dba TownePlace Suites.

56. LIQUOR LICENSE, Series 12, Restaurant Liquor License, Andrea Dahlman Lewkowitz, Agent, OC Restaurants Arizona LLC, dba Old Chicago Pizza & Taproom, located at 2950 E. Germann Road.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The following application for a liquor license was posted for hearing on December 13, 2018:

New License, Series 12, Restaurant Liquor License, for Andrea Dahlman Lewkowitz, Agent, OC Restaurants Arizona LLC, dba Old Chicago Pizza & Taproom, located at 2950 E. Germann Road.

The Police Department reports no objections to the issuance of this license, and no written protests pursuant to A.R.S. 4-201(B) have been received. With a Series 12, Restaurant Liquor License, the business may sell all liquors for on-premise consumption only, with a minimum of 40% of the gross receipts from the sale of food.

The Planning Division advises a new Liquor Use Permit is not required since this will be a continuation of the location's previous use as Bella Vino Ristorante Inc., dba El Palacio Restaurant & Cantina.

57. LIQUOR LICENSE, Series 12, Restaurant Liquor License, for Ronghao Jin, Agent, Maguro Sushi LLC, dba Maguro Sushi, located at 3855 W. Ray Road, Suite 6.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The following application for a liquor license was posted for hearing on December 13, 2018:

New License, Series 12, Restaurant Liquor License, for Ronghao Jin, Agent, Maguro Sushi LLC, dba Maguro Sushi, located at 3855 W. Ray Road, Suite 6.

The Police Department reports no objections to the issuance of this license, and no written protests pursuant to A.R.S. 4-201(B) have been received. With a Series 12, Restaurant Liquor License, the business may sell all liquors for on-premise consumption only, with a minimum of 40% of the gross receipts from the sale of food.

The Planning Division advises a new Liquor Use Permit is not required since this will be a continuation of the location's previous use as Cindy L. Allen, dba Heart N Soul Bar & Grill

58. LIQUOR LICENSE, Series 7, Beer and Wine Bar Liquor License, for Justin Nicholas Evans, Agent, Sleepy Whale LLC, dba Sleepy Whale, located at 290 S. Arizona Avenue.

BACKGROUND INFORMATION FROM COUNCIL MEMO:

The following application for a liquor license was posted for hearing on December 13, 2018:

New License, Series 7, Beer and Wine Bar Liquor License, for Justin Nicholas Evans, Agent, Sleepy Whale LLC, dba Sleepy Whale, located at 290 S. Arizona Avenue.

The Police Department reports no objections to the issuance of this license, and no written protests pursuant to A.R.S. 4-201(B) have been received. With a Series 7, Beer and Wine Bar Liquor License, the business may sell beer and wine only for on- or off-premise consumption.

The applicant's Liquor Use Permit through the Planning Division was approved on November 8, 2018 council

59. FINAL PLAT, PLT18-0013 SONORA CROSSING, for a 78-lot single-family residential subdivision formerly known as Arcadia Crossing located east of Alma School Road and north of Ray Road.

BACKGROUND FROM COUNCIL MEMO

This Final Plat is for a 78-lot single-family residential subdivision formerly known as Arcadia Crossing. The subdivision received Rezoning and Preliminary Development Plan approval by City Council on April 26, 2018, to redevelop the northern portion of the Epiphany Lutheran Church property located at 830 W. Ray Road. The plat creates the lots and tracts, establishes the necessary easements, and dedicates the required rights-of-way.

60. FINAL PLAT, PLT18-0045 MADISON PARK, for a 28-lot single-family residential subdivision located east of the southeast corner of Pecos and McQueen roads.

BACKGROUND FROM COUNCIL MEMO:

This Final Plat is for a 28-lot single-family residential subdivision located east of the southeast corner of Pecos and McQueen roads that was approved by City Council on November 5, 2018. The plat creates the lots and tracts, establishes the necessary easements, and dedicates the required rights-of-way.

61. On action.

62. PURCHASE of Oracle Licenses from Mythics, Inc., utilizing National Intergovernmental Purchasing Alliance Contract No. R14180, in the amount of \$480,984. CONTINGENCY TRANSFER of \$480,984, to the General Fund, IT Applications Support Cost Center, Other Equipment R&M Account.

BACKGROUND FROM COUNCIL MEMO:

The City adopted Oracle as its enterprise system to manage financials and human resources in the late 1990s. Over time, the system was expanded to include additional modules. Licenses are required for each user that accesses the Oracle system. Licenses are also required for Oracle operating systems. In September of 2016, the City of Chandler was notified by Oracle of an audit for license compliance. City staff has been working diligently with Oracle in order to determine accurate licensing counts to identify what shortfalls exist. Due to the complexity and fluctuation of Oracle's licensing model, the City engaged the services of a consultant to validate Oracle's findings and to assist the City obtain resolution of the audit.

After several months of negotiations, staff believes that a reasonable compromise has been reached with Oracle that will true up the licensing shortfall and conclude the audit. In order to ensure that the City remains compliant with the requirements of Oracle licensing in the future, staff will be exploring outsourced solutions specifically designed to manage Oracle licenses as well as licenses of other vendors.

ACTION AGENDA ITEM NO. 16

16. RESOLUTION NO. 5228 authorizing a Development Agreement between the City of Chandler and Allstate Insurance Company, an Illinois insurance company, for reimbursement of hiring, training, relocation, and related expenses in an amount not to exceed \$1,476,000 for the establishment of an insurance operations center and for crediting or reimbursement of plan review, permitting, and system development fees in an amount not to exceed \$3,900,000 if Allstate elects to develop a new corporate campus in Chandler.

BACKGROUND FROM COUNCIL MEMO:

The City has been in discussions with Allstate since early 2017 about the potential development of an insurance operations center, and the company has decided to locate this facility in Chandler. As part of the discussions, the City made an offer of benefits that were a contributing factor in the company's decision to locate in Chandler. Other municipalities under consideration included two Metro Phoenix cities as well as Boise, Idaho, which had a significant operating cost advantage over Metro Phoenix.

City staff has negotiated a Development Agreement with Allstate in which the company agrees to establish an insurance operations center that has or will result in the lease of at least 225,000 square feet of office space and the hiring of approximately 2,500 net new employees (planned within five years). It is important to note that the Development Agreement makes provisions for further expansion that could result in the hiring of up to 4,000 employees, but the 2,500 positions referenced above is consistent with the company's current project scope. When these 2,500 employees have been hired in Chandler, it will result in a total payroll of over \$102 million annually.

The Agreement provides benefits to Allstate which reimburse the company for a portion of the costs related to hiring, training, relocation and related expenses for net new positions in Arizona (any position relocated from another Arizona municipality would not qualify). For the first group of 2,500 net new positions created and filled by Allstate that are compensated at \$65,000 or more

annually, the City agrees to provide a reimbursement of \$600. For positions created and filled that are compensated below the \$65,000 threshold, the City will provide a reimbursement of \$400. These first 2,500 jobs must be created and filled in the first five years of the Agreement's term in order to qualify for reimbursement.

In addition, for potential net new positions above 2,500 - specifically positions 2,501 through 4,000 - the Agreement provides for a reimbursement for the same purposes as above. For this group of 1,500 positions that are created and filled, the City will provide a reimbursement of \$600 per position for those that are compensated at \$65,000 or more, and for those compensated below that threshold the City will provide a reimbursement of \$200. These 1,500 jobs will qualify for reimbursement if they are created and filled at any time of the Agreement's term.

Regardless of the breakdown of positions that are created and filled and their level of compensation, the Development Agreement has a not to exceed limit of \$1.476 million in benefits. In addition, for positions created and filled during a given calendar year, the City's reimbursement will be made on or before July 31st of the following calendar year to help ensure that the positions are permanent in nature.

Allstate has discussed the potential for developing a corporate campus, consisting of approximately 250,000 square feet and resulting in capital investment of at least \$35 million in Chandler. If Allstate undertakes that project, the City agrees to reimburse the company for up to \$3.9 million in development-related costs, including plan review, permitting and system development fees.

An important provision of the Development Agreement requires Allstate to reimburse the City for all payments if Allstate chooses to either relocate the Premises or locate/relocate the New Corporate Campus in Arizona but outside of Chandler at any time during the term of the Agreement.

The Agreement has an effective date of April 1, 2018, which is consistent with the date the company commenced its lease for 100,000 square feet of office space at Park Place on the Price Corridor. Since that date, they have also entered into a lease at One Chandler Corporate Center for an additional 117,000 square feet of office space. The company has created and filled approximately 500 new positions in Chandler to date that with City Council approval of this Agreement will qualify for reimbursement.

Economic Development staff contracted with a third party to perform a Fiscal Impact Analysis of the insurance operations center project and potential corporate campus. If Allstate chooses to lease office space, the analysis demonstrated that the benefits to be realized by the City over the eight year period are approximately \$5.29 million, and would exceed the total amount of benefit to be provided to Allstate by year four. If Allstate elects to build a corporate campus, the City would realize benefits of approximately \$5.47 million, which exceeds the total amount of benefits for both the job creation and development fees described above by year eight.

Staff recommends approval of Resolution No. 5228, which approves and authorizes the Mayor to execute the Development Agreement between the City of Chandler and Allstate.

FINANCIAL IMPLICATIONS:

The City will be updating the five-year General Fund Forecast as we prepare for the Fiscal Year 2019-20 budget. The job creation benefits of up to \$1,476,000, as well as reimbursement of plan review, permitting, and system development fees of up to \$3,900,000 should Allstate elect to develop a Corporate campus in Chandler, will be included in the Strategic Economic Development Reserve budget forecast. The payments will be estimated to be paid to Allstate over a nine-year period.

ACTION AGENDA ITEM NO. 16 DISCUSSION

MAYOR TIBSHRAENY invited staff to present.

MICHA MIRANDA, Director of Economic Development, introduced James Smith and invited him to make the presentation.

JAMES SMITH, Economic Development Innovation Manager, said they were excited for this opportunity. He said Allstate conducted a competitive selection process and they had been in discussion since early 2017. They eventually selected the metro Phoenix area even though the operating costs were a disadvantage over other communities. An offer was made to help mitigate some of the gap which ultimately resulted in them selecting Chandler.

MR. SMITH stated the intent was to create an insurance operation center leasing about 225,000 square feet per the development agreement. This would create about 2,500 jobs over the next five years. If the corporate campus was built it could increase to 4,000 jobs in eight years. He said at five years with 2,500 jobs the payroll would be over \$102 million. The corporate campus would be about 250,000 square feet with at least \$35 million in capital expenditure. Mr. Smith noted that they had created a third party fiscal analysis to ensure that the benefit the City would realize in that eight year agreement would exceed what was paid to Allstate. A comparison was done between the 2,500 job lease scenario and the 4,000 job campus buildout. If Allstate created the 2,500 jobs the secondary impact would almost double the number of jobs in the City for a total of 4,857 jobs, a total economic impact \$4.74 billion resulting in \$5.29 million in revenue for the City. The corporate campus scenario would result in about \$6 billion in economic impact, and \$6.6 million to the City.

MR. SMITH explained that if they did the lease option the City would pay out about \$1,080,000 for a net of \$4.2 million. If the campus was built the City would pay \$5.376 million in incentives on the development side. All of the incentives were performance based meaning that Allstate would not get anything until they performed and created the jobs. After one year the City would then reimburse them to ensure the business was permanent in nature. Every year they would have to certify that they had hired so many people during the eight year agreement. If Allstate were to move their business to another Arizona city the City could ask for all of the money back that the City had paid during the agreement.

VICE MAYOR LOPEZ wanted to clarify the stipulation of the 2,500 jobs and if that would be people who moved from out of state, or new hires.

MR. SMITH clarified that it would have to be a net new job to the metro Phoenix area.

VICE MAYOR LOPEZ wanted to further clarify that the headcount reimbursement would be around the higher paying jobs over \$55,000.

MR. SMITH stated they had used this to incentivize Allstate to bring higher paying jobs to the site which would give them higher credits for bringing those jobs. Jobs over \$65,000 get \$600 and it went down for lower positions.

COUNCILMEMBER HUANG wanted to clarify that Allstate had already leased space.

MR. SMITH said they had already leased over 200,000 square feet during the negotiations.

COUNCILMEMBER HUANG wanted to clarify they have already hired 500 people.

MR. SMITH stated that was correct.

COUNCILMEMBER HARTKE thought that showed their commitment to stay in Chandler, and that they wanted to be in the City.

MR. SMITH said they were fully committed to Chandler and the corporate campus would be an even greater commitment for years to come.

COUNCILMEMBER HUANG asked since they had already hired 500 people would the City need to reimburse them or lose 500 people.

MR. SMITH stated the agreement was retroactive to April 1st to cover when they signed their first lease.

COUNCILMEMBER HUANG asked if Council voted no would Allstate leave since Chandler would not be giving them the money.

MR. SMITH said he was unable to speak for the company.

COUNCILMEMBER HUANG asked if there was a representative from Allstate at the meeting.

MR. SMITH introduced Brian Cord, Allstate Site Director.

COUNCILMEMBER HUANG asked if Mr. Cord would like to speak.

MAYOR TIBSHRAENY asked Brad Smidt from GPEC to speak on the item. Mayor Tibshraeny noted that GPEC was a partner to the City along with ACA and that Mr. Smidt was a former Economic Specialist in Chandler.

BRAD SMIDT, Senior Vice President for Business Development for the Greater Phoenix Economic Council, who is the regional economic development authority for the metro Phoenix area to attract quality employers to the area, addressed the Council. Mr. Smidt mentioned that the Board of Directors and the CEO wanted to be there to show their support for the project. Allstate came in 2015 as a smaller project for just a few divisions. Over their due diligence process Allstate had found that the area was beneficial to them particularly the City of Chandler allowing them to hire great people for them to succeed. The project was highly competitive among different regions and many cities wanted the project. The site would be one of Allstate's larger hubs in the United States as they continued to grow and expand. He said these types of projects did not come often and this size project only represented about 1% of their active prospect portfolios. In the last five years there had only been four projects of this size, this being one of them.

COUNCILMEMBER McClymonds wanted to thank everyone involved that had a part in bringing Allstate to Chandler.

COUNCILMEMBER STEWART thanked everyone involved in bringing this opportunity and thought it was a great deal for Chandler and hoped this would allow Allstate to grow within the City.

COUNCILMEMBER HUANG asked what positions would be at the site.

MR. SMITH said there would be claims adjusters, customer service, and actuary positions among others.

COUNCILMEMBER HUANG wanted to clarify if they would be hiring from other states and if they would hire locally.

MR. SMITH stated overall they wanted the company to be successful which would mean hiring locally and in some cases it might be best for the company to relocate someone. Allstate would still get credit for relocation. Mr. Smith said it was about creating that job in Chandler.

COUNCILMEMBER HUANG stated they did not pay any money to Banner Hospital among other projects and inquired why they were giving an incentive to Allstate especially retroactively for the 500 employees already in Chandler.

MR. SMITH said the Banner needed a hospital locally and Allstate could have gone anywhere in the country for this project.

COUNCILMEMBER ROE wanted to thank everyone for the work they did on the project.

VICE MAYOR LOPEZ noted that it was no small decision for Allstate to make this move and was looking forward to them coming in Chandler.

COUNCILMEMBER HUANG wanted to clarify that this was a branch location and not their headquarter location.

MR. SMITH stated they were not moving their headquarters.

VICE MAYOR LOPEZ thanked everyone for their work and was impressed by the size of the project and the significant impact the project will have on the City.

COUNCILMEMBER HUANG felt that Action Agenda Item No. 16 should have been presented as two items. Councilmember Huang said the first time that he became aware of the deal was the previous Thursday, and had seen it in the newspaper by Monday, and now they would have to make a decision at the meeting. He said that this deal was being funded with taxpayers' money just to invite a well-known company to come to the City. He expressed that he was not comfortable with making a decision with only a week to research the project.

COUNCILMEMBER HUANG thanked staff for their work on the project however he had questions around the philosophy of paying taxpayers' money back to a private company. The money being given to Allstate could do many other things, and for such a large company he wondered why they wanted the money.

MAYOR TIBSHRAENY stated that it was good for the City to diversify and the goal of the Council was to diversify Chandler's economic base. Chandler had a very strong presence in technology and this would add a different sector of the economy. Mayor Tibshraeny thanked staff and those involved in the project.

ACTION AGENDA ITEM NO. 16 – MOTION AND VOTE

COUNCILMEMBER STEWART MOVED TO APPROVE ACTION AGENDA ITEM NO. 16; SECONDED BY COUNCILMEMBER McCLYMONDS.

MOTION CARRIED BY MAJORITY (6-1) WITH COUNCILMEMBER HUANG DISSENTING.

ACTION AGENDA ITEM NO. 61

61. RESOLUTION NO. 5215, amending the Citywide Fee Schedule relating to Management Services and Development Services Departments, which will be effective January 1, 2019.

BACKGROUND FROM COUNCIL MEMO:

Each year, departments review their fees to determine if any updates are necessary that require changing, eliminating, or adding a new fee. All fees charged to citizens or businesses (except those exempted by City Code section 2-17) are reflected in the Citywide Fee Schedule and follow the requirements detailed in the City Code to establish or modify. While most fee changes are consolidated and submitted to Council as part of the annual budget process, there are occasions where fees need to be modified mid-year.

The following proposed mid-year changes include revisions to the Management Services and Development Services Department fees. The proposed fee changes were posted on the City's web site on October 12, 2018, (see Attachment 1) in accordance with requirements of the City Code and Arizona Revised Statutes, and a Notice of Intention to Amend the Citywide Fee Schedule was published in the Arizona Republic as well as through social media to alert the public of the proposed changes. No comments have been received. Additionally, the City Code requires that the resolution to revise the Citywide Fee Schedule be an action item on the date specified on the Notice of Intention to allow for public comment.

Recent City Code updates, which are included on tonight's agenda for introduction or final adoption, reflect Council's desire to deregulate any permit or license that does not have a direct correlation to public health and safety, implement changes related to statutory requirements, or minimize burden to businesses. The following fee changes are recommended for Management Services – Tax & License:

- Add Automated Electronic Device Kiosks, Annual Permit Fee of \$500.00 (related to Introduction of Ordinance 4853, Chapter 15 City Code amendment);
- Eliminate Theater License, Annual per Screen Fee of \$50.00 (related to Final Adoption of Ordinance 4840, Chapter 58 City Code amendment);
- Eliminate Mechanical Amusement Device License, Quarterly and Annual Fee of \$15.00 and \$50.00, and Delinquent Fee (related to Final Adoption of Ordinance 4840, Chapter 58 City Code amendment);
- Eliminate Mobile Food Unit Permit, Application and Annual Fee of \$50.00 and Other Fees (related to Final Adoption of Ordinance 4839, Chapter 21 City Code amendment).

The following fee change is recommended for the Development Services Department:

- Eliminate Liquor Use Permit, and replace with an Entertainment Use Permit, with no change to the fee of \$475.00 (related to Final Adoption of Ordinance 4846, Chapter 35 City Code amendment).

In addition, technical corrections, which have no impact to fees, are being made to the Citywide Fee Schedule to clarify City Code references that give the authority to charge the fee.

FINANCIAL IMPLICATIONS

The elimination of certain license and permit fees in the Citywide Fee Schedule will result in a minimal ongoing revenue reduction to the General Fund, but the addition of the new automated electronic device kiosk fee will slightly offset the reduction.

ACTION AGENDA ITEM NO. 61 DISCUSSION

MAYOR TIBSHRAENY introduced the item and invited staff to make a presentation.

DAWN LANG, Management Services Director, stated they were bringing modifications forward to the citywide fee schedule. All fees across all departments were summarized in one citywide fee schedule with the exception of those under statue. Fees were typically reviewed annually along with the budget process, but some midyear changes were needed. The process was set in the City Code Section 2-17 which involved posting fees on the City website since October 12, 2018. The notice of intention to amend was published in the Arizona Republic and through social media, and was being brought as an action item to Council. The fees changing were related to City Code changes that had been approved already or were in the process of approval.

MS. LANG said that the first change was related to Ordinance 4839 which proposed the elimination of the mobile food unit permit application and permit fee. The elimination was recommended due to legislative changes over the last session and was positive for the City of Chandler. In Ordinance 4840, Chapter 58 included theater licenses and mechanical amusement device licenses both are being recommended for elimination. In an internal staff review to find fees that did not have to do directly with public safety these two were deemed eligible for elimination. Ordinance 4853, Chapter 15, the Code had changed in relation to a new technology to recycle old electronics. The fee being recommended was an annual permit fee of \$500. The

Development Services Department had an Ordinance 4846, Chapter 35 that replaced the liquor use permit with an entertainment use permit. This was transitioning to a more predominately used permit and the cost would remain the same.

VICE MAYOR LOPEZ thanked the staff for updating the Code and their time and research.

COUNCILMEMBER STEWART stated he would be voting no on Line Item 53.

KELLY SCHWAB, City Attorney, advised that this was a resolution and there was not an opportunity for a line item veto. She advised that it be a yes or a no vote for the entire document.

MAYOR TIBSHRAENY asked Councilmember Stewart to clarify which item he disapproved.

COUNCILMEMBER STEWART stated he did not agree with the \$500 fee in relation to Ordinance 4853.

ACTION AGENDA ITEM NO. 61 – MOTION AND VOTE

VICE MAYOR LOPEZ MOVED TO APPROVE ACTION AGENDA ITEM NO. 61; SECONDED BY COUNCILMEMBER ROE.

MOTION TO APPROVE THE ACTION AGENDA CARRIED UNANIMOUSLY (7-0).

PH1. LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLAN

BACKGROUND FROM COUNCIL MEMO:

In order to comply with Arizona Revised Statute (A.R.S.) §9-463.05, the City must update the Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP) adopted on February 13, 2014. These items are incorporated into the attached System Development Fee (SDF) Update dated September 2018 (“the report”). This Public Hearing is required prior to Council adoption on January 24, 2019, of the LUA and IIP included in the report. (Note: the report includes proposed changes to System Development Fees but changes to fees will not be finalized until after Council adopts the LUA and IIP. A Public Hearing on changes to system development fees is planned for February 28, 2019.)

DISCUSSION

The process of updating the LUA and IIP was initiated by contracting with a consultant (as required by A.R.S.) to prepare a comprehensive system development fee study. The LUA section of the report incorporates information provided by City planners to establish current land use, projected land use in 10 years, and projected land use at build-out. Single family, multi-family, retail/commercial, office, industrial/warehouse, and public/institutional uses of land have been projected to establish the need for growth-related infrastructure.

The IIP section of the report identifies the existing level of service for eligible categories of infrastructure (arterial streets, parks, library, fire, police, public building, water, wastewater, and reclaimed water) and identifies both the anticipated cost of future infrastructure needed to support growth as well as outstanding debt owed on existing infrastructure. The IIP also establishes a Service Area that each category of infrastructure supports, as required by A.R.S. Management Services worked closely with the impacted Departments to create the draft report.

The draft report was discussed with the Communications and Public Affairs, Information Technology, and Management Services Council Subcommittee on October 8, 2018. The draft report was also provided to stakeholders representing single family, multi-family, and commercial developers. To date, no concerns have been communicated to staff regarding the draft report.

The draft report was posted on the City's website on October 12, 2018 to provide interested parties with a minimum of 60 days advance notice of the planned Public Hearing. The Public Hearing process provides citizens and other stakeholders with the opportunity to address Council to either support or express concerns about the LUA and IIP.

PUBLIC HEARING

1. Open Public Hearing

MAYOR TIBSHRAENY opened the Public Hearing and called for a staff presentation.

2. Staff Presentation

JULIE BUELT, Senior Financial Analyst, stated this request was part of a series of updates for the statutory requirements for the system development fee program. These were required as part of the overhaul of the state system development fee plan. The City had complied with all aspects of the State legislation and now were in the second phase of the project. The Management Services Department had been working a year prior with a consultant to keep the project moving forward, discussed with departments in August, and gave notice in October to the public of the process.

MS. BUELT stated Chandler was the first city in Arizona that charged the full range of impact fees which was a onetime charge at the time the building permit is pulled. It was noted that those in County Islands did not pay the system development fees unless they were to annex. The fees could only be used for growth related projects and could not be used to fund repairs, maintenance or for projects that only served existing Chandler residents. The program requirements could be extensive and some cities had chosen to not charge the fees. The land use assumptions were the projections of changes in land uses over a period of 10 years pursuant to the general plan. This had to be updated every five years with the recent adoption in February 2014. The fee schedule in relation to the update would be held at a different public hearing. The statutory reports were issued 90 days after every fiscal year that showed the activity of that year. There was a requirement to have a biannual audit of the impact fee program. Ms. Buelt presented the proposed fee schedule and service boundaries.

MS. BUELT explained that they were proposing to reduce the service area a little further for arterial streets and amend the land use assumptions to promote further redevelopment. The park fees were also adjusted based on location being determined by the location of the freeways. The land use assumptions were being updated to comply with the general plan. City projections had also changed over the years with a greater increase in buildout units. The infrastructure improvement plan consisted of the growth related capital projects that were reviewed each year as well as the City debt. The current debt is larger on the utility side because those had to be put in place before the growth related projects could be started.

MS. BUELT stated the next step was to come back in the following month to adopt the land use assumption plan. After it was adopted the notice of intention to modify the fees would be adopted and the end of February there would be a hearing regarding the fees. There was a 75-day waiting period for the adoption of system development fees causing the earliest the fees could be in effect would be July. There had been no contacts by developers other than by a few single family developers who were excited about the changes.

3. Council Discussion

None.

4. Discussion from the Audience

None.

5. Close Public Hearing

MAYOR TIBSHRAENY closed the public hearing.

UNSCHEUDLED PUBLIC APPEARANCES

MAYOR TIBSHRAENY called on audience members to speak.

GLEN KLASSEN, 380 W. Aloe Pl, Chandler, AZ 85248 a resident of Chandler since 2003. Mr. Klassen said his first year as a volunteer firefighter was 2013 and at the end of the year he was awarded the City of Chandler Volunteer of the Year People's Choice award. Mr. Klassen stated it took 11 months to take care of every firefighter in the City. Two times a week Mr. Klassen took a City car to the station and picked up the gear the firefighters wear and inspected the equipment for any tears or damage that would put the firefighters at risk. This would be documented and given to a contractor who would fix the gear and return it to like new condition which was required on an annual basis. After that year Mr. Klassen asked Tom Duggins, the Assistant Chief at the time, if he could write his own schedule which was approved and he was able to do the work in 6.5 months. Following that the Battalion Chief that he worked for continually improved the process which now was one day a week and became more efficient without reducing safety. This year they were down to one day a week and had it done in 8.5 weeks. Mr. Klassen said he was looking forward to next year and was grateful for the opportunity to volunteer with the fire department.

NEIL RASMUSSEN, 67 E. Jasper, Chandler, AZ a new resident to Chandler. Mr. Rasmussen requested the unscheduled public appearances be moved to the beginning of the meeting so the citizens did not have to sit through the entirety of the meeting to speak. Mr. Rasmussen stated he had visited Chandler for 25 years and now that he was here fulltime he had concerns of the bicycle lanes. Mr. Rasmussen said many roads had great bike lanes, but some had bike lanes halfway to the next intersection and then it disappeared which put the riders at risk. Mr. Rasmussen had spoken to the transportation department and understood it would cost a lot of money to do, but perhaps the project could be done over the course of five to seven years in increments. If it would be too costly of a project Mr. Rasmussen suggested to remark the roads in order to accommodate a bike lane even if it was smaller than the five foot standard to signal to motorists and cyclists a way to share the road.

A. Mayor's Announcements

MAYOR TIBSHRAENY encouraged everyone to visit the museum which was located next to the historic price house. Mayor Tibshraeny noted that the dedication ceremony the previous weekend was great and thanked staff for putting it together.

MAYOR TIBSHRAENY thanked the Chamber of Commerce for their event honoring the Mayor and all of the citizens, staff, and Council who attended.

MAYOR TIBSHRAENY encouraged everyone to be safe during the holiday season and said there were many holiday themed events around the City. All trash pickup would not take place on Christmas Day or New Year's Day and would be scheduled for the following day.

MAYOR TIBSHRAENY encouraged people to visit the For Our City Chandler website to help those in need over the holidays.

B. Councilmember's Announcements

COUNCILMEMBER McClymonds announced that Chandler had launched ChangeUp, a text to donate and awareness campaign to educate residents on the benefits of donating directly to charities rather than panhandlers. Councilmember McClymonds explained the process and that you text Change Up to 44321 to make a one time or monthly donation or go online to the Chandler website which goes directly to programs and services provided by non-profits to end homelessness.

COUNCILMEMBER McCLYMONDS announced the Chandler Compadres had lost a true champion with the passing of Eric Dorn. Mr. Dorn was a past president of the club and dedicated his life to helping the community. There was a large turnout for his celebration of life ceremony with over 500 people and he would truly miss him.

COUNCILMEMBER ROE wished the Mayor, Council, and Staff a great holiday season and encouraged everyone to drive safe and please do not drink and drive.

VICE MAYOR LOPEZ wished the Mayor, Council, staff, and citizens a happy holiday and happy new year and thanked them for a great year, he looked forward to the next one. Vice Mayor Lopez encouraged everyone to slow down and take time with family and to not drink and drive.

COUNCILMEMBER HUANG wished everyone Happy Holidays and encouraged everyone to not drink and drive.

COUNCILMEMBER HUANG announced he would be attending the Taiwanese Chamber of Commerce of North America and would be having an annual meeting in Phoenix for the first time in 50 years.

COUNCILMEMBER HUANG announced that Chandler's Annual Budget Survey would be available until the end of December and encouraged everyone to visit the website for more information.

COUNCILMEMBER HARTKE wished everyone Happy Holidays and a Happy New Year. Councilmember Hartke was looking forward to another great year.

COUNCILMEMBER STEWART wished everyone Happy Holidays.

COUNCILMEMBER STEWART announced the City's Fire Department and Police Department have many holiday giving events. The Chandler Fire Department hosted the annual toy Drive at Chandler Fashion Center and toys were still being collected with distribution to occur the upcoming Saturday. The Chandler Police Department held two Shop with a Cop events sponsored by Macy's so underprivileged children were able to shop. There would be one more event and encouraged citizens to review the website for more information.

COUNCILMEMBER STEWART announced that the W. Steven Martin Toy Drive would take place on December 21st to allow for officers to shop and deliver toys to children.

COUNCILMEMBER STEWART reminded everyone that Council Meetings could be viewed live on YouTube. Councilmember Stewart said hello to Linda Sawyer who had asked on Facebook on how she could watch Council meetings if she was not at her TV.

C. City Manager's Announcements

MARSHA REED, CITY MANAGER, welcomed Allstate to the community. Ms. Reed congratulated the economic development team on bringing Allstate to Chandler. She said the City operated in a very competitive environment and this would bring many jobs to the east valley improving the quality of life in the City. It took not only the City Staff but Council as well to make these opportunities happen.

Ms. Reed wished everyone a Merry Christmas.

ADJOURNMENT: The meeting was adjourned at 8:14 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: January 10, 2019

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 13th day of December 2018. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of January, 2019.

City Clerk