



# City Council Regular Meeting

Thursday, February 22, 2024  
6:00 p.m.

Chandler City Council Chambers  
88 E. Chicago St., Chandler, AZ







Back row  
Vice Mayor OD Harris, Mayor Kevin Hartke, Councilmember Mark Stewart

Front row  
Councilmember Jane Poston, Councilmember Angel Encinas,  
Councilmember Matt Orlando, Councilmember Christine Ellis

## Our Vision

We are a world class City that provides an exceptional quality of life.

## Our Brand

A safe, diverse, equitable and inclusive community that connects people, chooses innovation and inspires excellence.

## Innovative Focus

Innovation is the lifeblood of our community. The introduction of new ideas and methods is rooted in Chandler's culture and heritage. This thread of innovation embodies how we connect, plan and serve our city to be a contemporary, financially responsible and safe place to live and work.

Pursuant to Resolution No. 4464 of the City of Chandler and to A.R.S. 38-431.02, notice is hereby given to the members of the Chandler City Council and to the general public that the Chandler City Council will hold a **REGULAR MEETING** open to the public on Thursday, February 22, 2024, at 6:00 p.m., in the Chandler City Council Chambers, 88 E. Chicago Street, Chandler, Arizona. One or more members of the Chandler City Council may attend this meeting by telephone.

Persons with disabilities may request a reasonable modification or communication aids and services by contacting the City Clerk's office at 480-782-2181 (711 via AZRS). Please make requests in advance as it affords the City time to accommodate the request.

Agendas are available in the Office of the City Clerk, 175 S. Arizona Avenue.





# Regular Meeting Agenda

## City Council Strategic Framework Focus Areas: Legend



Community Safety



Neighborhoods



Quality of Life



Sustainability and Technology



Connectivity



Economic Vitality

## Call to Order

## Roll Call

## Invocation - Pastor Mike Gowans - Bethel Chandler

## Pledge of Allegiance

## Scheduled Public Appearances

1. Proclamation: Disability Awareness Month
2. Recognition: Recipients of the Disability Awareness Awards
3. Recognition: Recreation and Athletics for Individuals with Disabilities
4. Recognition: GFOA Distinguished Budget Award for FY 2023-24
5. Tony Rodriguez, Request for an Ordinance to Make it Illegal to Feed Wild Birds in the City of Chandler

## Consent Agenda

Items listed on the Consent Agenda may be enacted by one motion and one vote. If a discussion is required by members of the governing body, the item will be removed from the Consent Agenda for discussion and determination will be made if the item will be considered separately.

**Proposed Motion: Move to approve the Consent Agenda of the February 22, 2024, Regular Meeting, Items 1 - 27.**





## City Clerk

### 1. **Approval of Minutes**

Move City Council approve the Council meeting minutes of the Study Session of February 5, 2024, the Special Meeting - Budget Workshop #1 of February 8, 2024, and the Regular Meeting of February 8, 2024.

### 2. **Resolution No. 5779, Repealing Resolution No. 5777 and Providing Notice of the Primary and General Elections to be held on July 30, 2024, and November 5, 2024, Respectively**

Move City Council pass and adopt Resolution No. 5779, repealing Resolution No. 5777; designating and providing notice of the 2024 Primary and General Elections to be held on July 30, 2024, and November 5, 2024, respectively; and authorizing the City Clerk to enter into agreements, as required, to provide election services for the 2024 Primary and General Elections.



## City Magistrate

### 3. **Purchase of Replacement Furniture**


Move City Council approve the purchase of replacement furniture, utilizing the State of Arizona Contract No. CTR067399, with Elontec LLC, in an amount not to exceed \$193,545.






## City Manager

4. **Resolution No. 5771, Authorizing the Execution of a License to Use Salt River Project property, Located at the Consolidated Canal between Germann Road and Chandler Heights Road, to Conduct the Annual City of Chandler Family Bike Ride**  
Move City Council pass and adopt Resolution No. 5771 authorizing the execution of a license to use Salt River Project property, located at the Consolidated Canal between Germann Road and Chandler Heights Road, to conduct the annual City of Chandler Family Bike Ride.

Council Focus Area(s): 

5. **Resolution No. 5778, Authorizing a Grant Application for, and Acceptance of Grant Funds from, the ATTAIN Federal Grant Program in the Amount of \$6,570,000**  
Move City Council pass and adopt Resolution No. 5778 authorizing a grant application for, and acceptance of grant funds from, the ATTAIN federal grant program in the amount of \$6,570,000.

Council Focus Area(s): 






## Communications and Public Affairs

6. **Agreement No. CP3-966-4488, Amendment No. 2, for Overflow Photocopying and Printing Services**

Move City Council approve Agreement No. CP3-966-4488, Amendment No. 2, with LithoTech, Inc., for overflow photocopying and printing services, increasing the spending limit by \$49,000, for the existing term ending August 24, 2024.


Council Focus Area(s): 



## Development Services

7. **Final Adoption of Ordinance No. 5078, PLH23-0058 Boddy Residence Rezoning, 121 S. Dakota Street, Generally Located 1/4 Mile North of the Northwest Corner of Frye Road and Arizona Avenue**

Move City Council adopt Ordinance No. 5078 rezoning the parcel from Multiple-Family Residential District (MF-2) to Planned Area Development (PAD) for a single-family residence, subject to the conditions as recommended by Planning and Zoning Commission.

Council Focus Area(s): 

8. **Final adoption of Ordinance No. 5079, PLH23-0053 Cambridge Medical Facility, North of the Northwest Corner of Gilbert Road and Insight Way, Generally Located ¼ Mile South of the Southwest Corner Gilbert and Germann Roads Rezoning**


Move City Council adopt Ordinance No. 5079 approving PLH23-0053 Cambridge Medical Facility, Rezoning to increase Mid-Rise Overlay allowing building heights up to 75 feet, subject to the conditions as recommended by Planning and Zoning Commission.

Council Focus Area(s):  



9. **Final Adoption of Ordinance No. 5080, PLH23-0015/PLT23-0024 Highland Place, Southeast Corner of Alma School Road and Highland Street, Generally Located ¼ Mile South of the Southeast Corner of Alma School and Warner Roads.**

Move City Council adopt Ordinance No. 5080 approving PLH22-0015 Highland Place, rezoning from Single-family (SF-18) district to Planned Area Development (PAD) for medium-density residential, subject to the conditions recommended by Planning and Zoning Commission.

Council Focus Area(s): 

10. **Final Adoption of Ordinance No. 5075, PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse, amending Chapter 30 Property Maintenance, Chapter 35 Land Use and Zoning, Chapter 39 Sign Code, and Chapter 44 Garbage and Refuse**

Move City Council adopt Ordinance No. 5075 approving PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse, text amendments to:

A. Section 35-200 Definitions of the Zoning Code relating to mid-rise development, bar, and other updates, as recommended by Planning and Zoning Commission.

B. Section 35-305 Use Permit, relating to renewal enforcement, as recommended by Planning and Zoning Commission.

C. Articles IV. AG-1-Agricultural District, V. SF-33-Single Family District, VI. SF-18-Single Family District, VI.1. SF-10 Single Family District, VIII. MF-1-Medium Density Residential District, IX. MF-2-Multiple Family Residential District, and X. MF-3-High Density Residential District of Chapter 35 Land Use and Zoning, cleaning up language and permitting single family homes on parcels zoned multifamily residential that are less than 12,000 square feet, as recommended by Planning and Zoning Commission.

D. Sections 35-1203, 35-1503, 35-1703, and 35-1902.4, granting authority to the Planning Administrator to reduce front yard setbacks within the Infill Incentive District, as recommended by Planning and Zoning Commission

E. Sections 35-1802 General Requirements and 35-1804 Parking Schedule, relating to parking requirements, as recommended by Planning and Zoning Commission.

F. Section 35-1902.8(c) Site Development Plan, allowing the Planning Administrator to administratively approve more than two free-standing pads, as recommended by Planning and Zoning Commission.

G. Section 35-1902 Site Development Plan, relating to drive-through requirements, use of shipping containers, and screening of roof-mounted equipment, as recommended by Planning and Zoning Commission.

H. Section 35-2100 Table of Permitted Uses for Nonresidential Districts, modifying the



layout, adding new previously unlisted uses, clarifying ancillary use provisions, and other related changes, as recommended by Planning and Zoning Commission.

I. Section 35-2202 Accessory Buildings and Guest Quarters, permitting accessory dwelling units within single-family lots, as recommended by Planning and Zoning Commission.

J. Section 35-2204 General, relating to perimeter wall requirements, as recommended by Planning and Zoning Commission.

K. Sections 35-2202.1, 35-2205, and 35-2208, relating to open-air ramadas, swimming pool setbacks, and satellite dish antenna requirements, as recommended by Planning and Zoning Commission.

L. Section 35-2215 Home Occupation, as recommended by Planning and Zoning Commission.

M. Chapter 39 Sign Code, relating to murals and temporary sign requirements, as recommended by Planning and Zoning Commission.


N. Chapter 30 Property Maintenance, relating to vehicles, trespassing light, landscaping maintenance, and abatement cost.

O. Chapter 44 Garbage and Refuse, relating to conversion from alley refuse pickup to curbside.

Council Focus Area(s): 

11. **Resolution No. 5766, Authorizing a License Agreement between Zoom Technology Arizona Limited and the City of Chandler for the Use of Public Property for the Establishment of Class 4 and Class 5 Communications Systems**

Move City Council pass and adopt Resolution No. 5766, authorizing the Mayor to execute the license agreement between Zoom Technology Arizona Limited and the City of Chandler for the use of facilities in the city's rights-of-way and public places to establish Class 4 and Class 5 Communications Systems, and authorizing the City Manager or designee to execute other documents as needed to give effect to the agreement.

Council Focus Area(s): 






## Facilities and Fleet

### 12. **Purchase of Generator Maintenance Services**

Move City Council approve the purchase of generator maintenance services, from W.W. Williams Company, Inc., utilizing the City of Goodyear Contract No. C-5863A-A2-21, in an amount not to exceed \$160,000.


Council Focus Area(s): 



## Fire Department

### 13. **Purchase of Mobile Command Vehicle**

Move City Council approve the purchase of a mobile command vehicle, from Hughes Fire Equipment, an authorized dealer for Pierce Manufacturing, Inc., utilizing the Houston Galveston Area Council (H-GAC) Contract No. FS12-19, in the amount of \$1,636,408.09, and authorize a General Government Capital Projects Fund contingency transfer of \$706,410 to the General Government Projects Fund, Fire Capital, Motor Vehicles account.

Council Focus Area(s): 



14. **Agreement No. FD4-345-4690, with Bound Tree Medical, LLC, for Fire Emergency Medical Supplies**

Move City Council approve Agreement No. FD4-345-4690, with Bound Tree Medical, LLC, for Fire emergency medical supplies, in an amount not to exceed \$200,000, for a one-year period, April 1, 2024, through March 31, 2025, with the option of up to four additional one-year extensions.

Council Focus Area(s): 



## Human Resources


15. **Resolution No. 5775, Approving Agreement No. HR3-953-4609, for Deferred Compensation 457 Plan and Post Employment Health Plan Administration, Investment, and Trust Services**

Move City Council pass and adopt Resolution No. 5775, approving Agreement No. HR3-953-4609, for deferred compensation 457 plan and post employment health plan administration, investment, and trust services, with Nationwide Retirement Solutions, Inc., for a period of three years, January 1, 2024, through December 31, 2026, and authorizing the City Manager to sign all associated plan documents and future extensions.

Council Focus Area(s): 

16. **Resolution No. 5774, Renewal Request to Industrial Commission of Arizona for Continued Exemption from Requirement to Post Security for Self-Insured Workers' Compensation Program**


Move City Council pass and adopt Resolution No. 5774, renewing the request to the Industrial Commission of Arizona for continued exemption from requirement to post security for the Self-Insured Workers' Compensation Program.

Council Focus Area(s): 



17. **Agreement No. HR9-962-4689, with Marathon Staffing, for Temporary Staffing Services**

Move City Council approve Agreement No. HR9-962-4689, with Marathon Staffing, for temporary staffing services, in an amount not to exceed \$1,098,125, for one year, April 1, 2024, through March 31, 2025, with the option of up to four additional one-year extensions.

Council Focus Area(s): 

18. **Memorandum of Understanding, Chandler Lieutenants and Police Sergeants Association (CLASA)**

Move City Council approve the Memorandum of Understanding (MOU) between the City of Chandler and the Chandler Lieutenants and Police Sergeants Association (CLASA) effective July 1, 2024, through June 30, 2026.

Council Focus Area(s):  


19. **Memorandum of Understanding, International Association of Fire Fighters (IAFF)**

Move City Council approve the Memorandum of Understanding (MOU) between the City of Chandler and the International Association of Fire Fighters (IAFF) Memorandum of Understanding effective July 1, 2024, through June 30, 2026.

Council Focus Area(s):  

20. **Memorandum of Understanding, Chandler Law Enforcement Association (CLEA)**

Move City Council approve the Memorandum of Understanding (MOU) between the City of Chandler and the Chandler Law Enforcement Association (CLEA) effective July 1, 2024, through June 30, 2026.

Council Focus Area(s):  





## Information Technology




21. **Purchase of Carrier and Broadband Provider Services**

Move City Council approve the purchase of carrier and broadband provider services, from Lumen Technologies Group, utilizing the State of Arizona Contract No. CTR049872, for a period of three years, in an amount not to exceed \$123,190 in the first year, and authorize the City Manager to sign the associated quotes and order forms.

Council Focus Area(s):  

22. **Purchase of VMware Licenses Annual Support**

Move City Council approve the purchase of VMware licenses annual support, from Dell Marketing, LP, utilizing the State of Arizona Contract No. ADSPO16-098163, in an amount not to exceed \$134,367.


Council Focus Area(s): 



## Management Services

23. **Agreement No. 4596, Amendment No. 1, for Audit Services**

Move City Council approve Agreement No. 4596, Amendment No. 1, with Heinfeld, Meech & Co., for audit services, in an amount not to exceed \$162,175, for the period of one year, beginning June 1, 2024, through May 31, 2025.

Council Focus Area(s): 





## Police Department

### 24. **Sole Source Purchase of Police Interview Room Camera System**

Move City Council approve the sole source purchase of the Police Interview Room Camera System, from Axon Enterprise, Inc., in the amount of \$230,214.90.


Council Focus Area(s):  



## Public Works and Utilities

### 25. **Professional Services Agreement No. WW2401.201, with Wilson Engineers, LLC, for the Water Reclamation Facility Improvements Phase 3 Design Services**

Move City Council award Professional Services Agreement No. WW2401.201, to Wilson Engineers, LLC, for the Water Reclamation Facility Improvements Phase 3 Design Services, in an amount not to exceed \$2,574,080.


Council Focus Area(s): 



26. **Professional Services Agreement No. ST2405.201, with J2 Engineering & Environmental Design, LLC, for the Turf to Xeriscape Program Design Services**  
Move City Council award Professional Services Agreement No. ST2405.201, to J2 Engineering & Environmental Design, LLC, for the Turf to Xeriscape Program Design Services, in an amount not to exceed \$440,889.

Council Focus Area(s):  

27. **Agreement No. PW3-925-4631, Amendment No. 1, with Hazen and Sawyer, P.C., for the Water System Upgrades Program Consultant Services**  
Move City Council approve Agreement No. PW3-925-4631, Amendment No. 1, with Hazen and Sawyer, P.C., for the Water System Upgrades Program consultant services, increasing the agreement amount by \$149,680.

Council Focus Area(s): 

## Public Hearing

28. **Public Hearing and Presentation on Modified System Development Fees**

1. Open Public Hearing
2. Staff Presentation
3. Council Discussion
4. Discussion from the Audience
5. Close Public Hearing

Council Focus Area(s):      

## Action Agenda

29. **Introduction and Tentative Adoption of Ordinance No. 5083 Amending Appendix A of Chapter 38 of the Chandler City Code to Modify Certain Arterial Street, Fire, Parks, Police, Reclaimed Water, Wastewater, and Water System Development Fees**  
Move City Council introduce and tentatively adopt Ordinance No. 5083 amending Appendix A of Chapter 38 of the Chandler City Code to modify certain arterial street, fire, parks, police, reclaimed water, wastewater, and water system development fees.

Council Focus Area(s):      



## **Informational**

30. **Contracts and Agreements Administratively Approved, Month of January 2024**

## **Unscheduled Public Appearances**

## **Current Events**

1. Mayor's Announcements
2. Council's Announcements
3. City Manager's Announcements

## **Adjourn**





**City Council Memorandum      City Clerk's Office    Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**From:** Dana DeLong, City Clerk  
**Subject:** Approval of Minutes

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**Proposed Motion:**

Move City Council approve the Council meeting minutes of the Study Session of February 5, 2024, the Special Meeting - Budget Workshop #1 of February 8, 2024, and the Regular Meeting of February 8, 2024.

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**Attachments**

Minutes of the Study Session held on February 5, 2024

Minutes of the Special Meeting, Budget Workshop 1 held on February 8, 2024

Minutes of the Regular Meeting of February 8, 2024



# Meeting Minutes

## City Council Study Session

February 5, 2024 | 6:00 p.m.  
Chandler City Council Chambers  
88 E. Chicago St., Chandler, AZ



### Call to Order

The meeting was called to order by Mayor Kevin Hartke at 6:00 p.m.

### Roll Call

#### Council Attendance

Mayor Kevin Hartke  
Vice Mayor OD Harris  
Councilmember Angel Encinas  
Councilmember Christine Ellis  
Councilmember Mark Stewart  
Councilmember Matt Orlando  
Councilmember Jane Poston

#### Appointee Attendance

Josh Wright, City Manager  
Kelly Schwab, City Attorney  
Dana DeLong, City Clerk

### Scheduled Public Appearances

MAYOR HARTKE invited Councilmember Ellis to join him for the recognitions.

#### 1. Service Recognitions

Jessica Perry – 10 Years, Police  
Erica Barba – 20 Years, Neighborhood Resources  
Gorge Cazares – 20 Years, Community Services  
Randal Eberhardt – 25 years, Development Services

#### 2. Proclamation – Teen Dating Violence Prevention

MAYOR HARTKE read the proclamation and invited MAG's Regional Domestic Violence Council Dolores Ernst and Councilmember Beretta Haj from the Chandler domestic violence to accept.

#### 3. Proclamation – African American Month

MAYOR HARTKE read the proclamation and invited Pastor Victor Hardy to accept.



PASTOR VICTOR HARDY said we stand together as a community and must understand our history and culture, or we risk repeating it. Thank you to the administration for lighting the city in red to celebrate African American Month.

#### **4. Recognition – City Clerk's Office Passport Acceptance Facility, 30 Years of Service**

MAYOR HARTKE invited Brandi Weber, Customer Service Manager, US Dept. of State, to present the recognition, and the City Clerk's Office Passport Acceptance Facility to accept.

## **Consent Agenda and Discussion**

Discussion was held on items 9, 10, 13, 15, 22, 23.

### **Airport**

1. Final Adoption of Ordinance No. 5077 Approving an Amendment to Lease No. 017 with Chandler Aviation Services, Inc.  
Move City Council adopt Ordinance No. 5077 to approve a lease amendment with Chandler Aviation Services, Inc., and authorize the Mayor to execute the amendment and the City Manager or his designee to sign all related documents and take all action necessary or appropriate to implement this Ordinance.

### **City Clerk**

2. Approval of Minutes  
Move City Council approve the Council meeting minutes of the Work Session of January 11, 2024, the Work Session of January 22, 2024, the Study Session of January 22, 2024, and the Regular Meeting of January 25, 2024.
3. Board and Commission Appointments  
Move City Council approve the Board and Commission appointments as recommended.
4. Resolution No. 5777 Providing Notice of the Primary and General Elections to be held on August 6, 2024, and November 5, 2024, Respectively  
Move City Council pass and adopt Resolution No. 5777 designating and providing notice of the 2024 Primary and General Elections to be held on August 6, 2024, and November 5, 2024, respectively; and authorizing the City Clerk to enter into agreements, as required, to provide election services for the 2024 Primary and General Elections.

### **City Manager**

5. Professional Services Agreement No. ST2106.201, Amendment No. 2, with TY Lin International, for the Frye Road Protected Bike Lanes (½ Mile West of Arizona Avenue to Paseo Trail/Consolidated Canal) Design Services  
Move City Council award Professional Services Agreement No. ST2106.201, Amendment No. 2, to TY Lin International for the Frye Road Protected Bike Lanes (½ Mile West of Arizona



Avenue to Paseo Trail/Consolidated Canal) Design Services, in an amount not to exceed \$176,801.

### Community Services

6. Purchase and Installation of Audio Visual Equipment for Tumbleweed Recreation Center  
Move City Council approve the purchase and installation of audio video equipment, utilizing the Mohave Educational Services Cooperative contract No. 20F-CCS-1003, with Commercial Computer Services, Inc., dba CCS Presentation Systems, in an amount not to exceed \$105,284.

### Development Services

7. Introduction and Tentative Adoption of Ordinance No. 5078, PLH23-0058 Boddy Residence Rezoning and Preliminary Development Plan, 121 S. Dakota Street, Generally Located 1/4 Mile North of the Northwest Corner of Frye Road and Arizona Avenue  
Rezoning  
Move City Council introduce and tentatively adopt Ordinance No. 5078 approving rezoning from Multiple-Family Residential District (MF-2) to Planned Area Development (PAD) for a single-family residence, subject to the conditions as recommended by Planning and Zoning Commission.

#### Preliminary Development Plan

Move City Council approve Preliminary Development Plan PLH23-0058 Boddy Residence for site layout and building architecture, subject to the conditions as recommended by Planning and Zoning Commission.

8. Introduction and Tentative Adoption of Ordinance No. 5080, Rezoning, Preliminary Development Plan, and Preliminary Plat, PLH23-0015/PLT23-0024 Highland Place, Southeast Corner of Alma School Road and Highland Street, Generally Located ¼ Mile South of the Southeast Corner of Alma School and Warner Roads.

#### Rezoning

Move City Council introduce and tentatively adopt Ordinance No. 5080 approving PLH22-0015 Highland Place, rezoning from Single-family (SF-18) district to Planned Area Development (PAD) for medium-density residential, subject to the conditions recommended by Planning and Zoning Commission.

#### Preliminary Development Plan

Move City Council approve Preliminary Development Plan PLH22-0015 Highland Place for site layout and building architecture for duplexes, subject to the conditions recommended by Planning and Zoning Commission.

#### Preliminary Plat



Move City Council approve Preliminary Plat PLT23-0024, subject to the conditions recommended by Planning and Zoning Commission.

9. Introduction and Tentative Adoption of Ordinance No. 5079, Rezoning and Preliminary Development Plan, PLH23-0053 Cambridge Medical Facility, North of the Northwest Corner of Gilbert Road and Insight Way, Generally Located ¼ Mile South of the Southwest Corner Gilbert and Germann Roads

#### Rezoning

Move City Council introduce and tentatively adopt Ordinance No. 5079 approving PLH23-0053 Cambridge Medical Facility, Rezoning to increase Mid-Rise Overlay allowing building heights up to 75 feet, subject to the conditions as recommended by Planning and Zoning Commission.

#### Preliminary Development Plan

Move City Council approve Preliminary Development Plan PLH23-0053 Cambridge Medical Facility for site layout and building architecture for a medical development, including a specialty hospital and medical offices, subject to the conditions as recommended by Planning and Zoning Commission.

COUNCILMEMBER ELLIS asked for a brief presentation.

ANTHONY PINGS, with Pings and Associates, presented the following presentation.

- Integration into Community
- Expanded Access
- Youth Medical Education Onsite Training
- Healthcare Professional Training
- Support of Quality Housing
- Locating Healthcare Professionals into the Community
- Groundbreaking January 2026
- Completion 2026
- Opening August 2026

MR. PING said we are reinventing a referral hospital based on an evidence-based approach. We aim to expand access to medicine and bring in more specialists to work together. We are not a frontline hospital or trauma center, but we will offer surgery, outpatient stays, and longer stays when needed. Our hospital will have a more focused staffing approach, better outcomes, and a higher pay scale. We hope to break ground in January 2025 and open for patients in August 2026.

COUNCILMEMBER ELLIS asked if there are existing contracts for multiple payer sources. We have been having access issues, and she wanted to ensure that Chandler residents can access services easily.



MR. PING said the biggest challenge is the financial capacity to provide healthcare. We want to move beyond the traditional broken body model and adopt a more inclusive approach to medicine. We are working with traditional insurance companies and have included pro bono work in our plan. CMS is moving towards paying more for evidence-based success, and we are designing the hospital around this capacity. We are committed to expanding our group to help as many people as possible.

COUNCILMEMBER ORLANDO asked if we ever got back to the resident who asked about line-of-sight visibility for TV.

LAUREN SCHUMANN, Principal Planner, said she needed to speak with the resident about possible signal blockage from South Mountain. It is a possibility, but unlikely according to the building official.

COUNCILMEMBER ORLANDO said he wanted to ensure that we address the resident's question.

VICE MAYOR HARRIS asked about athlete injuries such as broken bones and other related issues. The city boasts great football, basketball, and soccer teams. He asked if they would be working with clients who specialize in these sports.

MR. PING said they have a group system to nurture providers within their organization. Sports medicine and orthopedic medicine, including PT, are essential in their area.

COUNCILMEMBER ELLIS asked how many beds they would be providing.

MR. PING said up to 99 beds.

10. Introduction and Tentative Adoption of Ordinance No. 5075, City Code Amendments, PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse, amending Chapter 30 Property Maintenance, Chapter 35 Land Use and Zoning, Chapter 39 Sign Code, and Chapter 44 Garbage and Refuse  
Move City Council introduce and tentatively adopt Ordinance No. 5075 approving PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse, text amendments to:

A. Section 35-200 Definitions of the Zoning Code relating to mid-rise development, bar, and other updates, as recommended by Planning and Zoning Commission.

B. Section 35-305 Use Permit, relating to renewal enforcement, as recommended by Planning and Zoning Commission.



C. Articles IV. AG-1-Agricultural District, V. SF-33-Single Family District, VI. SF-18-Single Family District, VI.1. SF-10 Single Family District, VIII. MF-1-Medium Density Residential District, IX. MF-2-Multiple Family Residential District, and X. MF-3-High Density Residential District of Chapter 35 Land Use and Zoning, cleaning up language and permitting single family homes on parcels zoned multifamily residential that are less than 12,000 square feet, as recommended by Planning and Zoning Commission.

D. Sections 35-1203, 35-1503, 35-1703, and 35-1902.4, granting authority to the Planning Administrator to reduce front yard setbacks within the Infill Incentive District, as recommended by Planning and Zoning Commission

E. Sections 35-1802 General Requirements and 35-1804 Parking Schedule, relating to parking requirements, as recommended by Planning and Zoning Commission.

F. Section 35-1902.8(c) Site Development Plan, allowing the Planning Administrator to administratively approve more than two free-standing pads, as recommended by Planning and Zoning Commission.

G. Section 35-1902 Site Development Plan, relating to drive-through requirements, use of shipping containers, and screening of roof-mounted equipment, as recommended by Planning and Zoning Commission.

H. Section 35-2100 Table of Permitted Uses for Nonresidential Districts, modifying the layout, adding new previously unlisted uses, clarifying ancillary use provisions, and other related changes, as recommended by Planning and Zoning Commission.

I. Section 35-2202 Accessory Buildings and Guest Quarters, permitting accessory dwelling units within single-family lots, as recommended by Planning and Zoning Commission.

J. Section 35-2204 General, relating to perimeter wall requirements, as recommended by Planning and Zoning Commission.

K. Sections 35-2202.1, 35-2205, and 35-2208, relating to open-air ramadas, swimming pool setbacks, and satellite dish antenna requirements, as recommended by Planning and Zoning Commission.

L. Section 35-2215 Home Occupation, as recommended by Planning and Zoning Commission.

M. Chapter 39 Sign Code, relating to murals and temporary sign requirements, as recommended by Planning and Zoning Commission.



N. Chapter 30 Property Maintenance, relating to vehicles, trespassing light, landscaping maintenance, and abatement cost.

O. Chapter 44 Garbage and Refuse, relating to conversion from alley refuse pickup to curbside.

MAYOR HARTKE asked for a brief presentation.

Mayor Hartke asked about item 10, Ordinance 5075 Zoning Code amendments. If a council member wants to remove an item, we will take the whole group or the specific item from 5075 A/B. We need to decide how this will work.

KELLY SCHWAB, City Attorney, suggested that moving the entire proposal to action first would be better if a council member wanted to remove a specific component. Then, the council can vote on the components they agree on and have a separate vote on the specific item of concern.

MAYOR HARTKE said the items will be on consent for Thursday. Council can pull any item they want and vote on it separately.

LAUREN SCHUMANN, Principal Planner, gave the following presentation.

- PLH23-0026 Amendments related to Zoning, Property Maintenance, & Refuse
- Amendments – Residential
  - Permit Accessory Dwelling Units (ADU's)
  - Relax Home Occupation Rules
  - Increase maximum size of Ramadas
  - Multi-family guest parking requirements
  - Preservation of Historical neighborhoods
- Amendments
  - Tools to obtain highest quality of design for infill, redevelopment, & adaptive reuse
  - Predictable development process
  - Codify policies
  - Administrative Review to expedite process
  - Parking requirements-flex industry & outpatient medical office
  - Signs-Murals & 'For Lease' signs
- Background
  - April 2023 City Council Work Session
  - August 2023 City Council Subcommittee Meetings Neighborhoods & Economic Vitality
  - September 2023 Planning & Zoning Commission Work Session
  - October 2023 Draft posted to City's website Met with interested stakeholders
  - November 2023 Planning & Zoning Commission recommends approval
  - January 22, 2024, City Council Work Session
  - February 8, 2024, City Council Introduction



- February 22, 2024, City Council Final Adoption
- March 22, 2024, Code Amendment effective
- Public Outreach
  - Emailed all interested stakeholders
  - Presented to Economic Development Advisory Board (EDAB)
  - Met with Multi-Housing Association
  - Met with Downtown Chandler Community Partnership (DCCP)
  - Received 18 comments from City's website; -7 against parking, home occupations, ADU's -7 overall support comments, ramadas, ADU's -4 general questions
- Questions

MAYOR HARTKE discussed the issue of ADUs in downtown Phoenix, specifically regarding the possibility of them being used as short-term rentals. Despite the city's initial intention for ADUs to increase housing stock for families, there is concern that the state may allow them to be used as short-term rentals. If this occurs, the city must revisit and potentially modify its regulations to align with the state's rules.

MS. SCHUMANN said if the state changes accessory dwelling units, our code must be amended to align with those changes.

MAYOR HARTKE said he appreciates the efforts made to address the issue of multi-housing parking. With more multi-housing in downtown Chandler, they must not overcrowd the neighborhood streets. Providing adequate parking spaces and establishing the multi-housing authority online is important. Once they understood the problem, the city council's efforts to create appropriate codes were commendable. This change has a long history and precedes one of our long-standing council members.

COUNCILMEMBER STEWART asked for clarification on the three items that were pulled for the benefit of the public.

MS. SCHUMANN said three proposed code amendments regarding property maintenance. One item regarding the number of vehicles allowed in a residential property's rear yard has been pulled for further research. The second item is about modifications to home occupation, allowing no permanent changes. The third item is about affordable housing and parking. A draft was made, but more research is required before proceeding.

COUNCILMEMBER STEWART asked if there was ever permission for a Homebase business. They want to know if any existing regulations prevented someone from having a home-based business and hiring an employee. They are also curious about the current policy that allows for one employee and how it will be enforced.



MS. SCHUMANN said that home occupations are allowed if they are conducted completely within the dwelling unit and no customers or employees visit the house. Business registration with tax and license must be filled out and sent to the planning division for review to ensure compliance with guidelines.

COUNCILMEMBER STEWART said the change benefits micro business owners by allowing employees to come over.

COUNCILMEMBER STEWART asked about vehicles in the yard still in the item N language. Was it an oversight or intentional.

MS. SCHUMANN said the motions are grouped together and if listed individually, it would be a lengthy list. The reason why "Vehicles" is mentioned is because there was another item about property maintenance of vehicles. This item stated that vehicles could not overhang a sidewalk.

COUNCILMEMBER ORLANDO said during the last ADU discussion, short-term rentals were mentioned, but there is no prohibition against using ADUs as rental properties.

MS. SCHUMANN said it just prohibits short-term rentals as defined under Chapter 22 of our city code.

COUNCILMEMBER ORLANDO said the confusion is with rentals itself. units could be used to house senior parents, supplement income, or young individuals. We could allow long-term rentals without causing trouble to the neighborhood.

MS. SCHUMANN said the amendment was meant to add more units, not facilitate vacation rentals. The goal is to maintain a single-family subdivision while allowing for additional units. Short-term rentals defeat this purpose by potentially having a new family occupy the property every week.

COUNCILMEMBER ELLIS clarified that the discussion does not involve policies for assisted living homes and ADA regulations. These policies apply to individuals in group homes and are different from allowing employees to work from home or conducting business from home which requires a different licensing process.

MS. SCHUMANN said Residential Care Homes and group homes are identified as a separate section within our code they are not classified as home occupations.

## **Facilities and Fleet**

11. Purchase of Air Handler System Retrofit Services from MESA Energy Systems, Inc., dba EMCOR Services Arizona  
Move City Council approve the purchase of air handler system retrofit services, for the Boys and Girls Club of the Valley Chandler Compadres Branch, from MESA Energy Systems, Inc.,



dba EMCOR Services Arizona, utilizing the State of Arizona Contract No. CTR049764, in an amount not to exceed \$614,840.

12. Agreement No. BF3-936-4600, with CFP Back Flow Services, Inc., for Fire Protection Services  
Move City Council approve Agreement No. BF3-936-4600 with CFP Backflow Services, Inc., for fire protection services, in an amount not to exceed \$790,310, for the period of one year, beginning February 8, 2024, through February 7, 2025.

### Management Services

13. Resolution No. 5768 Updated Financial Policies for Operating Management, Debt Management, Grant Management, Investment, Accounting Auditing and Financial Reporting, and Pension Funding  
Move City Council pass and adopt Resolution No. 5768, adopting updated Financial Policies for Operating Management, Debt Management, Grant Management, Investment, Accounting Auditing and Financial Reporting, and Pension Funding, and accepting the City's share of assets and liabilities under the Public Safety Personnel Retirement System Actuarial Valuation Report.

COUNCILMEMBER ORLAND asked for a briefing.

DAWN LANG, Deputy City Manager/Chief Financial Officer, gave a briefing on Resolution No. 5768. We have updated nine of our financial policies, with changes to six of them. Most of the changes are minor administrative updates, such as updating position titles and changing preferred terms. However, there are a few notable changes. Firstly, we are updating our cost-of-service study policy for utility rates. Currently, the policy requires us to conduct a cost-of-service study every four years, which is too short of a time span to implement any changes effectively. We are proposing to change this to every seven years, with a five-year period for implementation and one year in the middle to evaluate results. Secondly, we are updating our debt management policy. We are removing Municipal Property Corporation bonds, which have not been used since the 90s. We now use excise tax revenue obligation bonds or revenue bonds. Thirdly, we are updating our Grant Management policy to include a new Grant Program Manager who will be responsible for running the grant intake process. The process will still require a threshold of \$30,000 or higher to come before Council. Fourthly, we are changing the name of our financial report from Comprehensive Annual Financial Report to Annual Comprehensive Financial Report. Finally, we have updated our Pension Funding policy, which is required by Arizona Rev statute. We have moved from 78.8% funding status to 83.3% funding status for both police and fire departments. This update is only through June 30th, 2023, and reflects the additional \$50 million in payments made by the Mayor and Council. Our financial policies set the guidelines for our financial management practices, strategic intent, and risk management. They are the basis for our 204 - 2025 budget preparation and have helped us maintain strong bond ratings while minimizing borrowing costs.



COUNCILMEMBER ORLANDO highlighted the importance of using the right keywords, such as bonds, financial statements, and stability, to attract investors for purchasing Chandler Bonds.

### **Mayor and Council**

14. Resolution No. 5776 Recognizing the Harm of Violence Among the Youth in the Community, Condemning all Violence Among the Youth in the Community, and Reaffirming the City's Commitment to Investigate and Prevent Youth Violence in Chandler  
Move City Council adopt Resolution No. 5776 recognizing the harm of violence among the youth in the community, condemning all violence among the youth in the community, and reaffirming the City's commitment to investigate and prevent youth violence in Chandler.

### **Public Works and Utilities**

15. Resolution No. 5765 Authorizing the Application and Award of a Bureau of Reclamation Grant in the Amount of \$5,000,000  
Move City Council pass and adopt Resolution No. 5765 authorizing the application and award of a grant in the amount of \$5,000,000, from the United States Bureau of Reclamation (BOR), for the Advanced Metering Infrastructure (AMI) Project; and authorizing the City Manager to enter into a grant agreement and take all action necessary to implement the grant.

COUNCILMEMBER ORLANDO asked for a briefing on how this impacts the average resident.

JOHN KNUDSON, Public Works & Utilities Director, gave a briefing on Resolution No. 5765. In recent years, our utility company has actively pursued grants related to water conservation. We seek a grant from the Bureau of Reclamation as part of their WaterSMART Grants Program. This grant will help us upgrade our water meters to a more sophisticated system that transmits information daily. This will allow us to move more quickly towards an automated meter reading infrastructure we are currently exploring. Our project is moving forward, and we will install data collectors throughout the city while improving our meter infrastructure. The \$5 million from this grant will enable us to keep our rates low while maintaining our high level of service.

COUNCILMEMBER ORLANDO said we will reduce the number of people needed to read meters and that we are already transitioning.

MR. KNUDSON said that automatic metering could reduce the number of people needed for meter readings, but those same individuals will have to undergo IT training to handle other issues. It remains to be seen if the program can achieve this goal with fewer people or different training.

COUNCILMEMBER ORLANDO said the focus is not on reducing staff, but rather on better utilizing their capabilities. Last week, you emphasized the need for more troubleshooters who can fix things that go wrong, rather than just reading meters and moving on to the next house. Therefore, there will be more troubleshooters now, who will be able to do their job efficiently.



MR. KNUDSON said the automatic meter infrastructure allows residents to monitor their water usage daily. This helps with water conservation by detecting leaks quickly.

16. Professional Services Agreement No. ST2309.201, with Olsson, Inc., for the Alma School Road Improvements (Germann Road to Queen Creek Road) Design Services  
Move City Council award Professional Services Agreement No. ST2309.201, to Olsson, Inc., for the Alma School Road Improvements (Germann Road to Queen Creek Road) Design Services, in an amount not to exceed \$741,307.12.
17. Purchase of Water Maintenance Piping Recoating Services  
Move City Council approve the purchase of water maintenance piping recoating services, from Joseph Painting Company, Inc., dba JPCI Services, utilizing Town of Gilbert Agreement No. 321000003, in an amount not to exceed \$130,000.
18. Resolution No. 5764 Authorizing the Acquisition of Real Property in Fee and Easement as Required for the Price Road Frontage Sewer Rehab Project (WW2210)  
Move City Council pass and adopt Resolution No. 5764 authorizing the acquisition of real property in fee and easement as required for the Price Road Frontage Sewer Rehab Project (WW2210), from two parcels described in Exhibits "A" and "B"; authorizing the city's real estate administrator to sign, on behalf of the city, the purchase agreement and any other documents necessary to facilitate the acquisition; and authorizing relocation assistance as may be required by law.
19. Professional Services Agreement No. ST2404.201, with Strand Associates, Inc., for the Willis Road (Vine Street to 1,700' East, between Alma School Road and Arizona Avenue) Design Services  
Move City Council award Professional Services Agreement No. ST2404.201, to Strand Associates, Inc., for the Willis Road (Vine Street to 1,700' East, between Alma School Road and Arizona Avenue) Design Services, in an amount not to exceed \$204,262.
20. Professional Services Agreement No. ST2407.201, with Stanley Consultants, Inc., for the Arizona Avenue and Warner Road Intersection Design Services  
Move City Council award Professional Services Agreement No. ST2407.201 to Stanley Consultants, Inc., for the Arizona Avenue and Warner Road Intersection Design Services, in an amount not to exceed \$195,791.13.
21. Professional Services Agreement No. ST2112.451, with Tristar Engineering and Management, Inc., for the Alley Rehab PM10 Dust Emissions Reduction Construction Management Services  
Move City Council award Professional Services Agreement No. ST2112.451, to Tristar Engineering and Management, Inc., for the Alley Rehab PM10 Dust Emissions Reduction 2



(FMA 3, 16, 25, 39, and 40) Construction Management Services, in an amount not to exceed \$354,897.

22. Construction Agreement No. ST2112.401 with Cactus Transportation II, Inc., dba Cactus Asphalt, for the Alley Rehab PM10 Dust Emissions Reduction  
Move City Council award Construction Agreement No. ST2112.401 to Cactus Transportation II, Inc., dba Cactus Asphalt, for the Alley Rehab PM10 Dust Emissions Reduction 2 (FMA 3, 16, 25, 39, and 40), in an amount not to exceed \$2,927,207.70.

COUNCILMEMBER ELLIS asked for a briefing.

JOHN KNUDSON, Public Works & Utilities Director, gave a briefing on item 22. Chandler has 111 miles of alleys, of which eight miles are paved asphalt, and the remaining 103 miles are unpaved. Alleys are primarily used for accessing the rear of homes, solid waste collection, and utility corridors. The adjacent property owners are responsible for alley maintenance, but the city has programs to maintain and rehabilitate them. One such program is dust mitigation for the 103 miles of unpaved alleys, for which the city has received grants to pave with asphalt millings. The city has two memos for the alley rehabilitation program. The first phase will be completed in 2024, where they will accomplish about 10 miles, and the last phase in 2026, where they will pave the last 20 miles. Once completed, they plan to restart the process and maintain the alleys with grant funding.

COUNCILMEMBER ELLIS asked about the slow progress of the ongoing projects and asked why they could not be completed simultaneously.

MR. KNUDSON said getting grant funding from the state and county is difficult due to environmental surveys and design work required. Utility coordination is also necessary due to shallow alleys with cables that must be buried deeper. The project takes about two years, including environmental and design work before bidding out the job.

COUNCILMEMBER ELLIS said all projects should be completed by 2027, with ongoing maintenance to follow.

MR. KNUDSON said tonight represented an additional 10 miles, and then the 2026 program will cover the final 20 miles. These two phases represent 30 of the 103 miles that will be accomplished by then. However, it is not just this program that takes care of the alleys. Our street folks also have other programs where they clean up and maintain the alleys. They are constantly traveling through the alleys to ensure accessibility and cleanliness.

COUNCILMEMBER ELLIS said that many people would be happy with this.



## Action Agenda

23. Preliminary Development Plan, PLH23-0027 Layton Lakes Village Shops, Located at the Southeast Corner of Gilbert Road and Queen Creek Road  
Move City Council approve Preliminary Development Plan PLH23-0027 Layton Lakes Village Shops for a site layout and building architecture for a car wash and a mixed-use retail/office building, subject to the conditions as recommended by Planning and Zoning Commission.

MAYOR HARTKE said Councilmember Orlando requested to pull this item to the action agenda.

COUNCILMEMBER ORLANDO said that staff is working on a stipulation, so we may not get action on it if that comes through.

24. Resolution No. 5769 Accepting the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, and Demonstrating Compliance with Arizona Revised Statutes §9-481(H) and ARS §41-1494  
Move City Council pass and adopt Resolution No. 5769 accepting the Annual Comprehensive Financial Report (ACFR) and related financial audit reports submitted by Heinfeld, Meech & Co., P.C., for the fiscal year ended June 30, 2023, and demonstrating compliance with Arizona Revised Statutes (ARS) §9-481(H) and §41-1494.

## Informational

25. December 20, 2023, Planning and Zoning Commission Meeting Minutes

## Adjourn

The meeting was adjourned at 7:21 p.m.

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

\_\_\_\_\_  
Mayor

Approval Date of Minutes: February 22, 2024



## **Certification**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Chandler, Arizona, held on the 5th day of February 2024. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of February, 2024.

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City Clerk



# Meeting Minutes

## City Council Special Meeting

February 8, 2024 | 4:00 p.m.  
Council Chambers Conference Room  
88 E. Chicago St., Chandler, AZ



### Call to Order

The meeting was called to order by Mayor Kevin Hartke at 4:00 p.m.

### Roll Call

#### Council Attendance

Mayor Kevin Hartke  
Vice Mayor OD Harris  
Councilmember Angel Encinas  
Councilmember Christine Ellis  
Councilmember Mark Stewart  
Councilmember Matt Orlando  
\*Councilmember Jane Poston

#### Appointee Attendance

Josh Wright, City Manager  
Kelly Schwab, City Attorney  
Dana DeLong, City Clerk

\*Councilmember Poston attended telephonically.

#### Staff in Attendance

Tadd Wille, Assistant City Manager  
Dawn Lang, Deputy City Manager / CFO  
Andy Bass, Deputy City Manager  
Alexis Apodaca, Mayor & Council Public Affairs Senior Manager  
Matt Dunbar, Budget and Policy Assistant Director  
Matt Burdick, Communications & Public Affairs Director

### Discussion

1. Budget Workshop #1, Fiscal Year 2024-25
  1. Opening Remarks
  2. Resident Budget Survey Feedback
  3. Financial Policies and Considerations



4. Preliminary Budget
  - a. General Fund Forecast Inflows and Outflows
  - b. Major Revenues, Expenditures, and Drivers
  - c. Public Safety Personnel Retirement System (PSPRS)
  - d. Preliminary Capital Improvements Plan (CIP)
  - e. Property Tax Discussion
5. Key Budget Dates
6. Closing Remarks

MAYOR HARTKE called for a staff presentation.

JOSHUA WRIGHT, City Manager, introduced the discussion item.

DAWN LANG, Deputy City Manager / CFO, presented the following presentation.

- FY 2024-25 Budget Workshop #1
- Agenda
  - Resident Budget Survey Feedback
    - FY 2024-25 Resident Budget Survey
    - Foundations
  - Financial Policies and Considerations
    - FY 2024-25 Economic Updates
  - FY 2024-25 Preliminary Budget
    - General Fund Forecast Inflows and Outflows
    - Major Revenues/Expenditures and Drivers
    - Public Safety Personnel Retirement System (PSPRS)
    - Preliminary Capital Improvement Plan (CIP) Overview
    - Property Tax Discussion
- Chandler Budget Process Timeline

COUNCILMEMBER ORLANDO asked how staff utilizes input received via the budget survey.

MS. LANG said it will be discussed in the presentation.

MATT DUNBAR, Budget and Policy Assistant Director, continued the presentation.

- Resident Budget Survey Feedback
- FY 2024-25 Resident Budget Survey
  - The survey ran from November 27, 2023, through January 12, 2024
  - CAPA assisted with a video ad campaign to encourage participation
  - Continued expanded the outreach on social media
  - Additional facilities provided paper copies, signage and survey QR codes
  - Emailed working lists of residents to encourage participation with Boards & Commissions, Recreation and Library users



- The survey consisted of 17 total questions and was offered in English, Spanish, and Mandarin
- Each focus area was allotted 1-2 questions on the full survey, each with a comment box for written responses
- Tested a custom survey engine that provided an additional 633 responses for a total participation level of 1,768
- Budget Survey Results
- Budget Survey Results
- Original Budget Survey Comment Themes

COUNCILMEMBER STEWART asked if the survey directly addresses housing.

MR. DUNBAR said the survey does not address housing; it was a comment received in the open response to the Neighborhoods focus area.

MR. DUNBAR continued the presentation.

- Original Budget Survey Comment Themes
- Custom Survey Comment Themes

MAYOR HARTKE said this is the first time we have done this custom survey, so we can work on extracting data in later years.

MR. DUNBAR agreed and said there was additional fields for demographic input. It adds a different context to data received.

COUNCILMEMBER ORLANDO asked if there were specific ideas connected to the themes mentioned, how does staff interpret responses into action for the city.

MR. DUNBAR answered that sometimes responses are more specific, but when categorized for this presentation, they are placed into broader categories.

COUNCILMEMBER ORLANDO said staff can take these specific requests and move forward with related actions.

COUNCILMEMBER ELLIS asked what the difference was between last year's survey responses.

MR. DUNBAR said there are more comments about approving affordable housing, requesting fewer apartments due to traffic concerns, and supporting multi-modal transportation for walking and biking were common.

MS. LANG continued the presentation.

- Financial Policies and Considerations



- Strategic Framework Guides Decision Making
  - Our Brand: a safe, diverse, equitable and inclusive community that connects people, chooses innovation and inspires excellence.
  - Focus Areas: Community Safety, Connectivity, Economic Vitality, Neighborhoods, Quality of Life, Sustainability & Technology
- Financial Policies – Revised and updated by Council January 14, 2016
  - Chandler’s 9 Financial Policies Institutionalize Strong Financial Management Practices
  - Operating Management\*
  - Capital Management\*
  - Reserves (Apr. 27, 2023)
  - Debt Management\*
  - Long-Range Financial Planning
  - Grant Management\*
  - Investment (May 28, 2020)\*
  - Accounting, Auditing, and Financial Reporting\*
  - Pension Funding (annual update; April 27, 2023)\*
  - \*Recommended updates included on February 8, 2024 Council agenda, Res. #5768
- FY 2024-25 Financial Considerations
  - Economy has seen inflation and supply chain issues easing. Federal Reserve monetary policy is being closely watched.
  - Growth of sustainable (ongoing) revenue was reset in FY 2023-24 to reflect forecasted development increases, but is being reviewed for additional growth
  - Finalizing large infrastructure projects and spending on federal grants (ARPA, ERA, etc.). Decisions on related ongoing levels continue.
  - Possible recession or self-inflicted downturn remains in most economists’ predictions due to consumer confidence, interest rates, fuel pricing and a potential drop in home values.
  - Residential Rental legislation impact will start January 2025, with full \$11M ongoing impact realized in FY 2025-26.
  - Development revenues lower on single family residential but increasing again with 197 permits issues in last 6 months.

COUNCILMEMBER STEWART noted that inflation may have stopped increasing, but it is not decreasing.

MS. LANG said inflation is stable, but still at a high.

MR. DUNBAR continued the presentation.

- National Economic Indicators
- National Inflation Now Trending Lower
- Lower Inflation means prior year high spending remains, but new increases are lower



MAYOR HARTKE asked when we will know the impacts of recent Chandler developments like Scheels on local sales tax.

MR. DUNBAR said that we can start to see effects two months after opening – so the next quarter after they open, we can see the impacts. Ongoing benefits are still unknown.

MAYOR HARTKE estimated seeing results in August.

MR. DUNBAR said yes, likely in year-end reports.

MS. LANG added that we are also behind on seeing holidays sales reported, but we will see them soon, we anticipate a strong 2023 holiday season.

MR. DUNBAR continued the presentation.

- Citywide Inflationary Impacts
  - Operating
    - Many contracts, chemicals and utilities have continued to see increases
  - Capital
    - Projections again increased +8.5% 1<sup>st</sup> year, then +5%, then +3.5% thereafter
    - Materials still showing effects of inflations are asphalt, steel, pipes, data fiber, anything cement-based, and anything with a computer chip
    - Projects are being costed based on market

COUNCILMEMBER STEWART asked if delaying our non-essential capital projects is an option.

MR. WRIGHT answered that we examine CIP projects on a yearly basis and some are pushed out. Some get more likely, and some get less likely, however it is a balance with what residents need.

MAYOR HARTKE

MR. DUNBAR continued the presentation.

- National Recession Gauge showing mixed results

COUNCILMEMBER STEWART asked what reporting we trust.

MR. DUNBAR said instead of judging reports from a national level, we look to our local economy for recession and economy health indicators.

MR. DUNBAR continued the presentation.

- Local Growth still projected

MS. LANG continued the presentation.



- Sound Budgeting Practices Support Financially Sustainable Goals
  - Chandler maintained AAA Bond Ratings from Moody's, Fitch, and S&P rating agencies and increased ETRO rating from Moody's
    - Continued adherence to all fiscal policies & strong reserves
    - Planned pay-off of pension obligation
    - Re-affirmed ratings at end of 2023
  - Chandler is structurally balanced
    - Ongoing revenues support ongoing expenditures
    - One-time revenues support one-time expenditures
  - Chandler maintains strong reserves
    - 15% General Fund contingency reserve
    - Recommend Budget Stabilization Reserve at \$10M
  - Chandler manages expenditures to meet service demands
    - Maximize grant opportunities
    - Weigh positions vs. contracting
    - Ensure service continuity – Temp vs Employee
    - Start Modified Zero Based Budgeting to verify funding requirements to provide services
  - Control Primary Property Tax
    - Provide options to match expenditure needs or right size

COUNCILMEMBER STEWART asked what amount the 15% General Fund contingency reserve is.

MS. LANG said the contingency reserve is around \$45 million.

COUNCILMEMBER STEWART confirmed that this amount is carried over, not a new collection every year.

MS. LANG said that is correct.

COUNCILMEMBER ORLANDO requested information on our grant applications, and how many grants Chandler has successfully acquired, it is important to know how we are maximizing the use of these dedicated funds.

MR. WRIGHT said an update will be provided.

MS. LANG added that grants are often seen only when approved by council – we have recently put in place a procedure for departments to follow when seeking their own grants, to be able to track that metric.



COUNCILMEMBER STEWART said that the budget survey has such great feedback from our residents but asked about the balance between providing great services and monitoring budget increases.

MS. LANG noted that each year that balance is a challenge. Chandler is still growing, every time we add CIP, we add operations and maintenance costs. The question is about predictability and growth, which Chandler has not attained. We focus on maintaining what we have, while still allowing for new growth asked for through citizen response and in the strategic plan.

MAYOR HARTKE added that we will discuss our spending priorities between one-time and ongoing funds.

COUNCILMEMBER STEWART emphasized the importance of being mindful of this budget.

COUNCILMEMBER POSTON asked if the employee count includes temporary employees.

MS. LANG said the estimate only includes our full-time equivalent count, made up of part time and full-time employees.

COUNCILMEMBER POSTON requested more information on the number and type of temporary employees.

MS. LANG said that information will be provided.

MR. DUNBAR continued the presentation.

- FY 2024-25 Preliminary Budget
- FY 2024-25 General Fund Operating Revenues and Expenditures
- Ongoing / One-Time Local Sales Tax (TPT) Preliminary Revenues

COUNCILMEMBER STEWART said that this forecast chart is a good thing to look at.

MS. LANG said we anticipate this forecast to be close to the real outcome.

COUNCILMEMBER ORLANDO noted that the 81% spent of the estimated budget is closer to the projection.

MS. LANG said this considers only what we know today.

MAYOR HARTKE added that this is realistically what only Chandler spends, not including outside funds from collaborators.



MS. LANG agreed, and said this preliminary forecast still has a chance for updates before it is finalized.

MR. DUNBAR continued the presentation.

- New & Expanding Employers
  - Intel
    - Manufacturing
    - \$20B investment
    - 3,000 jobs
  - NXP
    - Manufacturing
    - Expansion in campus
    - 100 jobs
  - Viavi
    - Manufacturing
    - 104,000 SF facility
    - 233 jobs
  - Comtech
    - R&D/Manufacturing
    - 147,000 SF facility
    - 400 jobs
  - Advantest
    - Manufacturing
    - Multi-facility project
    - 400 jobs
  - Stryker
    - Manufacturing
    - 104,000 SF
    - 280 jobs
  - Edwards
    - Manufacturing
    - 200,000 SF
    - 200 jobs
  - EMD Electronics
    - Manufacturing
    - 75,000 SF facility
    - 100 jobs
- New & Expanding Employers
  - Insight
    - IT solutions
    - HQ relocation
    - 1,500 jobs



- Northrop Grumman
  - Manufacturing
  - 617,000 SF campus
  - 500 new jobs
- ASML
  - Semiconductor Svcs.
  - 38,00 SF expansion
  - 100 new jobs
- Rinchem
  - Semiconductor / Dist.
  - 50,000 SF expansion
  - 25 jobs
- Clarivate Analytics
  - Adv. Business Svcs.
  - 30,000 SF office
  - 150 jobs
- YES
  - Manufacturing
  - 123,000 SF facility
  - 100 jobs
- VirTra
  - Manufacturing
  - 76,000 SF facility
  - 140 jobs
- Bestway
  - Recreation Products
  - 130,000 SF U.S. HQ
  - 150 jobs
- New & Expanding Employers
  - CVS Health
    - Healthcare
    - 100,000 SF office
    - 500 jobs
  - Toyota Financial Services
    - Financial Services
    - 63,000 SF office
    - 300 jobs
  - Waymo
    - Autonomous vehicles
    - 66,000 SF testing & maintenance facility
  - Z Modular
    - Manufacturing



- 222,000 SF facility
  - 150 jobs
- Isola
  - Manufacturing
  - 118,000 SF new HQ
  - 90 jobs
- Armor Works
  - Manufacturing
  - 70,000 SF new HQ
  - 85 jobs
- Laser Components
  - R&D / Manufacturing
  - 29,000 SF facility
  - 40 jobs
- Mechanicalkeyboards.com
  - Showroom / Logis.
  - 74,000 Sf facility
  - 40 jobs
- Key Local Sales Tax Revenues by Category
- Expanding Resident Base
- State Shared Revenues (In Millions)
- New Decision Package Requests Expenditures “Outflows”

COUNCILMEMBER ORLANDO confirmed if the value for the increase includes some of the already noted offsets.

MAYOR HARTKE added that it is not a net new FTE but a new funding source.

MR. DUNBAR mentioned that everything approved for one time funding will be in one time or ongoing this year.

MS. LANG continued the presentation.

- Optional Priorities for Ongoing Dollars
  - 1. Maintain existing service levels within core programs and strategic focus areas
  - 2. Continue converting successful one-time-funded programs and personnel to ongoing, sustainable sources
  - 3. Execute Strategic Framework priorities
  - 4. Continue to honor pension and other labor and personnel commitments to remain an employer of choice
  - 5. Service enhancements or additions, considering the option of one-time pilot programs first



MAYOR HARTKE noted that “Continue to honor pension and other labor and personnel commitments to remain an employer of choice” should be above “Execute Strategic Framework priorities”.

MS. LANG said it would make sense to shift those priorities. It is about PSPRS and ASRS commitments.

COUNCILMEMBER ORLANDO noted that this priority is a given.

MS. LANG said that the phrasing of that priority can be changed to incorporate it into maintain existing service levels.

MR. WRIGHT said that for non-labor employees, we have to set merit and market increases that are updated annually.

COUNCILMEMBER ORLANDO asked for more information on “Execute Strategic Framework priorities”.

MR. WRIGHT mentioned that there are some new programs to add – rather than ranking them the same, the Strategic Framework items are looked at more closely.

MS. LANG explained that is about the thought process when ranking priorities for funding.

COUNCILMEMBER ORLANDO that fulfilling our obligations is number one, followed by maintaining existing service levels.

MAYOR HARTKE said that there is a need for flexibility.

COUNCILMEMBER STEWART said maintaining our core competencies is not optional, we need to identify our must haves. Councilmember Stewart requested to return to this slide later.

MAYOR HARTKE said we are in agreement.

MR. WRIGHT summarized that we need to focus on our core competencies, with new additions coming in second priority.

MS. LANG continued the presentation.

- Effect of Strong Revenue Growth on One-Time Fund Balance

MAYOR HARTKE asked if there is an estimate of our over amount.



MS. LANG said an approximation will be provided. Last year's carryforward has been incorporated into the current year estimate.

MS. LANG continued the presentation.

- Priorities for One-Time Dollars
  - 1. Reinvest in existing aging infrastructure, neighborhoods & systems
  - 2. Operating and capital spending to advance Strategic Framework goals
  - 3. Maintain reserves sufficient to meet financial policies
  - 4. New initiatives and capital, including sustainability
  - Paid down large unfunded PSPRS liability to generate ongoing savings
- Public Safety Personnel Retirement System Update
- PSPRS Unfunded Liability Pay-Down Benefits
  - Generates ongoing savings by reducing annual contribution (est. cumulative \$8-\$10M over next three years; already built into forecast to fund projected public safety wage needs)
    - June 30, 2023 Actuarial Valuation Report reflects \$50M
    - \$73M payment not reflected until June 2024
  - Annual unfunded liability now managed through smaller one-time payments
    - Market conditions and public safety salary growth will impact annual projections
  - Secured future of public safety personnel
- PSPRS Actuarial Report Results 6/30/23
- PSPRS Net Unfunded Liability Balances Update
- PSPRS Employee/Employer Rates Comparison | Fire
- PSPRS Employee/Employer Rates Comparison | Police

MR. DUNBAR continued the presentation.

- Preliminary Discussion: Capital Improvement Plan (CIP)
- Fiscal Foundations – “Making it Happen”
  - Current 10-Year CIP Council Guidelines
    - Minimize increase in property taxes
    - Re-imagine resident amenities scheduled for replacement
    - Prioritize aging infrastructure
    - Finish planned construction of streets, parks, fiber and utility systems
    - Prior to adding capital, ensure related ongoing O&M can be supported
    - Utilize master plans to guide long-term capital investment
    - Deliver on commitments made to residents through 2021 bond election
    - Balance inflation, workload, and timely completion of high-visibility and grant-funded projects
- Continued Focus on Chandler's Aging Infrastructure
  - 65.7 square miles
  - 2,090 miles of streets



- 28,515 Street lights
- 238 signalized intersections
- 1,238 miles of potable water lines
- 958 miles of sanitary sewer
- 31 operating wells
- 69 developed parks (1,317 acres)
- 51 lighted fields
- 61 municipal buildings
- 821 fleet vehicles / trucks
- Maintaining high quality of life for our 285,554 residents
- Capital Project Review in Workshop #3
  - New Year CIP Considerations
    - Inflation continues to cause project cost increases
    - Bond authorization being utilized at faster pace. Additional authorization will be needed sooner
    - Studies completed which may cause some CIP adjustments
    - Some scope creep on projects needs addressed
    - Prop 400 extension is crucial funding stream for many transportation projects
      - Financial impact if referendum fails is \$12M Operating and \$101.8M Capital in current CIP

COUNCILMEMBER ELLIS asked about where we are at with the bond authorization output.

MR. DUNBAR said that it depends on the area – there is higher spending on streets and public safety, while we anticipated the bond authorization to last us until year 7, the scope is creeping closer than expected.

MAYOR HARTKE said later this year we will revisit where we are at with the 2021 bond projects.

MR. DUNBAR continued the presentation.

- Preliminary Property Tax Discussion Assessed Values Not Yet Received
- Property Tax Rate Comparison
- Breakdown of \$1 of Typical Chandler Property Tax Bill
  - Public Schools and Community College Districts 70 cents
  - Maricopa County & Special Districts 19 cents
  - City of Chandler 11 cents
  - Based on 2023 Tax Bill information. Exact split will vary depending on the school district and any other special taxing districts on the bill.
- Property Tax Policy Recommendation
  - Maintain Secondary Rate sine bond election anticipated an increase in assessed values
  - Evaluate Primary Rate options



- Offset appreciation in assessed values, if expenditure levels allow
- Offset entire increase for primary rate, if expenditure levels allow
- Keep rate flat to capture the increased valuation
- Primary Rate will be continuously evaluated until Tentative Budget adoption and can be revisited if revenue needs change

COUNCILMEMBER STEWART said that residents would pay more.

MR. DUNBAR answered that if the valuation of their property increases, they will pay the same rate, but a higher amount would fund the projects in the CIP.

COUNCILMEMBER STEWART asked what the average amount is.

MR. DUNBAR said valued rates have not come in.

MAYOR HARTKE estimated it would be around 5%.

MR. DUNBAR agreed with the 5% estimate, but was unsure of new buildings added which change value.

MAYOR HARTKE said that specific ideas on the secondary and primary tax rates will be presented later.

MR. DUNBAR said yes, at Workshop #2 the tax rates will be discussed once valuation rates have come in.

MR. DUNBAR continued the presentation.

- Key Budget Dates
- Questions?

## Adjourn

The meeting was adjourned at 5:41 pm.

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

\_\_\_\_\_  
Mayor

Approval Date of Minutes: February 22, 2024



## **Certification**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of Chandler, Arizona, held on the 8th day of February 2024. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of February, 2024.

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City Clerk



# Meeting Minutes

## City Council Regular Meeting

February 8, 2024 | 6:00 p.m.  
Chandler City Council Chambers  
88 E. Chicago St., Chandler, AZ



### Call to Order

The meeting was called to order by Mayor Kevin Hartke at 6:01 p.m.

### Roll Call

#### Council Attendance

Mayor Kevin Hartke  
Vice Mayor OD Harris  
Councilmember Angel Encinas  
Councilmember Christine Ellis  
Councilmember Mark Stewart  
Councilmember Matt Orlando  
\*Councilmember Jane Poston

#### Appointee Attendance

Josh Wright, City Manager  
Kelly Schwab, City Attorney  
Dana DeLong, City Clerk

\*Councilmember Poston attended telephonically.

Mayor Hartke asked for a moment of silence for the Chandler family involved in a helicopter crash.

### Invocation

The invocation was given by Susan Stevens-Clarke, Chandler Baha'i Community.

### Pledge of Allegiance

The Pledge of Allegiance was led by Vice Mayor Harris.

### Consent Agenda and Discussion

Airport



1. Final Adoption of Ordinance No. 5077 Approving an Amendment to Lease No. 017 with Chandler Aviation Services, Inc.  
Move City Council adopt Ordinance No. 5077 to approve a lease amendment with Chandler Aviation Services, Inc., and authorize the Mayor to execute the amendment and the City Manager or his designee to sign all related documents and take all action necessary or appropriate to implement this Ordinance.

### City Clerk

2. Approval of Minutes  
Move City Council approve the Council meeting minutes of the Work Session of January 11, 2024, the Work Session of January 22, 2024, the Study Session of January 22, 2024, and the Regular Meeting of January 25, 2024.
3. Board and Commission Appointments  
Move City Council approve the Board and Commission appointments as recommended.
4. Resolution No. 5777 Providing Notice of the Primary and General Elections to be held on August 6, 2024, and November 5, 2024, Respectively  
Move City Council pass and adopt Resolution No. 5777 designating and providing notice of the 2024 Primary and General Elections to be held on August 6, 2024, and November 5, 2024, respectively; and authorizing the City Clerk to enter into agreements, as required, to provide election services for the 2024 Primary and General Elections.

### City Manager

5. Professional Services Agreement No. ST2106.201, Amendment No. 2, with TY Lin International, for the Frye Road Protected Bike Lanes (½ Mile West of Arizona Avenue to Paseo Trail/Consolidated Canal) Design Services  
Move City Council award Professional Services Agreement No. ST2106.201, Amendment No. 2, to TY Lin International for the Frye Road Protected Bike Lanes (½ Mile West of Arizona Avenue to Paseo Trail/Consolidated Canal) Design Services, in an amount not to exceed \$176,801.

### Community Services

6. Purchase and Installation of Audio Visual Equipment for Tumbleweed Recreation Center  
Move City Council approve the purchase and installation of audio video equipment, utilizing the Mohave Educational Services Cooperative contract No. 20F-CCS-1003, with Commercial Computer Services, Inc., dba CCS Presentation Systems, in an amount not to exceed \$105,284.

### Development Services



7. Introduction and Tentative Adoption of Ordinance No. 5078, PLH23-0058 Boddy Residence Rezoning and Preliminary Development Plan, 121 S. Dakota Street, Generally Located 1/4 Mile North of the Northwest Corner of Frye Road and Arizona Avenue

Rezoning

Move City Council introduce and tentatively adopt Ordinance No. 5078 approving rezoning from Multiple-Family Residential District (MF-2) to Planned Area Development (PAD) for a single-family residence, subject to the conditions as recommended by Planning and Zoning Commission.

Preliminary Development Plan

Move City Council approve Preliminary Development Plan PLH23-0058 Boddy Residence for site layout and building architecture, subject to the conditions as recommended by Planning and Zoning Commission.

8. Introduction and Tentative Adoption of Ordinance No. 5080, Rezoning, Preliminary Development Plan, and Preliminary Plat, PLH23-0015/PLT23-0024 Highland Place, Southeast Corner of Alma School Road and Highland Street, Generally Located ¼ Mile South of the Southeast Corner of Alma School and Warner Roads.

Rezoning

Move City Council introduce and tentatively adopt Ordinance No. 5080 approving PLH22-0015 Highland Place, rezoning from Single-family (SF-18) district to Planned Area Development (PAD) for medium-density residential, subject to the conditions recommended by Planning and Zoning Commission.

Preliminary Development Plan

Move City Council approve Preliminary Development Plan PLH22-0015 Highland Place for site layout and building architecture for duplexes, subject to the conditions recommended by Planning and Zoning Commission.

Preliminary Plat

Move City Council approve Preliminary Plat PLT23-0024, subject to the conditions recommended by Planning and Zoning Commission.

YURI KANAGUCHI, Chandler, shared concerns about developments coming in on Highland Place that would affect traffic. Ms. Yanaguchi inquired what kind of housing development this would be.

MAYOR HARTKE said this development is not an affordable housing unit.



DAVID DE LA TORRE, Planning Manager, explained that the development is four duplexes, made up of eight units total. Units will be up for sale. It went through the regular planning process, which included a neighborhood meeting where comments from neighbors were heard.

COUNCILMEMBER STEWART asked what comments from the neighbors were submitted.

MR. DE LA TORRE answered that comments were about the distance between the neighborhood to the east and the duplexes. The applicant created a landscape buffer and changed arrangement of the development. The applicants also made other changes based on neighborhood requests.

COUNCILMEMBER STEWART asked to address the traffic concerns in the adjacent neighborhood.

COUNCILMEMBER ORLANDO mentioned that attendance at the neighborhood meeting was pleased with the accommodations made by the applicant. Councilmember Orlando thanked the neighborhood and speaker for asking after these changes.

VICE MAYOR HARRIS thanked the speaker.

9. Introduction and Tentative Adoption of Ordinance No. 5079, Rezoning and Preliminary Development Plan, PLH23-0053 Cambridge Medical Facility, North of the Northwest Corner of Gilbert Road and Insight Way, Generally Located ¼ Mile South of the Southwest Corner Gilbert and Germann Roads

#### Rezoning

Move City Council introduce and tentatively adopt Ordinance No. 5079 approving PLH23-0053 Cambridge Medical Facility, Rezoning to increase Mid-Rise Overlay allowing building heights up to 75 feet, subject to the conditions as recommended by Planning and Zoning Commission.

#### Preliminary Development Plan

Move City Council approve Preliminary Development Plan PLH23-0053 Cambridge Medical Facility for site layout and building architecture for a medical development, including a specialty hospital and medical offices, subject to the conditions as recommended by Planning and Zoning Commission.

Item no. 10 was moved from the Consent Agenda to the Action Agenda.

Item no. 23 was moved from the Action Agenda to the Consent Agenda.

23. Preliminary Development Plan, PLH23-0027 Layton Lakes Village Shops, Located at the Southeast Corner of Gilbert Road and Queen Creek Road



Move City Council approve Preliminary Development Plan PLH23-0027 Layton Lakes Village Shops for a site layout and building architecture for a car wash and a mixed-use retail/office building, subject to the conditions as recommended by Planning and Zoning Commission.

### **Facilities and Fleet**

11. Purchase of Air Handler System Retrofit Services from MESA Energy Systems, Inc., dba EMCOR Services Arizona

Move City Council approve the purchase of air handler system retrofit services, for the Boys and Girls Club of the Valley Chandler Compadres Branch, from MESA Energy Systems, Inc., dba EMCOR Services Arizona, utilizing the State of Arizona Contract No. CTR049764, in an amount not to exceed \$614,840.

12. Agreement No. BF3-936-4600, with CFP Back Flow Services, Inc., for Fire Protection Services  
Move City Council approve Agreement No. BF3-936-4600 with CFP Backflow Services, Inc., for fire protection services, in an amount not to exceed \$790,310, for the period of one year, beginning February 8, 2024, through February 7, 2025.

### **Management Services**

13. Resolution No. 5768 Updated Financial Policies for Operating Management, Debt Management, Grant Management, Investment, Accounting Auditing and Financial Reporting, and Pension Funding

Move City Council pass and adopt Resolution No. 5768, adopting updated Financial Policies for Operating Management, Debt Management, Grant Management, Investment, Accounting Auditing and Financial Reporting, and Pension Funding, and accepting the City's share of assets and liabilities under the Public Safety Personnel Retirement System Actuarial Valuation Report.

### **Public Works and Utilities**

14. Resolution No. 5765 Authorizing the Application and Award of a Bureau of Reclamation Grant in the Amount of \$5,000,000

Move City Council pass and adopt Resolution No. 5765 authorizing the application and award of a grant in the amount of \$5,000,000, from the United States Bureau of Reclamation (BOR), for the Advanced Metering Infrastructure (AMI) Project; and authorizing the City Manager to enter into a grant agreement and take all action necessary to implement the grant.

15. Professional Services Agreement No. ST2309.201, with Olsson, Inc., for the Alma School Road Improvements (Germann Road to Queen Creek Road) Design Services

Move City Council award Professional Services Agreement No. ST2309.201, to Olsson, Inc., for the Alma School Road Improvements (Germann Road to Queen Creek Road) Design Services, in an amount not to exceed \$741,307.12.



16. Purchase of Water Maintenance Piping Recoating Services  
Move City Council approve the purchase of water maintenance piping recoating services, from Joseph Painting Company, Inc., dba JPCI Services, utilizing Town of Gilbert Agreement No. 321000003, in an amount not to exceed \$130,000.
17. Resolution No. 5764 Authorizing the Acquisition of Real Property in Fee and Easement as Required for the Price Road Frontage Sewer Rehab Project (WW2210)  
Move City Council pass and adopt Resolution No. 5764 authorizing the acquisition of real property in fee and easement as required for the Price Road Frontage Sewer Rehab Project (WW2210), from two parcels described in Exhibits "A" and "B"; authorizing the city's real estate administrator to sign, on behalf of the city, the purchase agreement and any other documents necessary to facilitate the acquisition; and authorizing relocation assistance as may be required by law.
18. Professional Services Agreement No. ST2404.201, with Strand Associates, Inc., for the Willis Road (Vine Street to 1,700' East, between Alma School Road and Arizona Avenue) Design Services  
Move City Council award Professional Services Agreement No. ST2404.201, to Strand Associates, Inc., for the Willis Road (Vine Street to 1,700' East, between Alma School Road and Arizona Avenue) Design Services, in an amount not to exceed \$204,262.
19. Professional Services Agreement No. ST2407.201, with Stanley Consultants, Inc., for the Arizona Avenue and Warner Road Intersection Design Services  
Move City Council award Professional Services Agreement No. ST2407.201 to Stanley Consultants, Inc., for the Arizona Avenue and Warner Road Intersection Design Services, in an amount not to exceed \$195,791.13.
20. Professional Services Agreement No. ST2112.451, with Tristar Engineering and Management, Inc., for the Alley Rehab PM10 Dust Emissions Reduction Construction Management Services  
Move City Council award Professional Services Agreement No. ST2112.451, to Tristar Engineering and Management, Inc., for the Alley Rehab PM10 Dust Emissions Reduction 2 (FMA 3, 16, 25, 39, and 40) Construction Management Services, in an amount not to exceed \$354,897.
21. Construction Agreement No. ST2112.401 with Cactus Transportation II, Inc., dba Cactus Asphalt, for the Alley Rehab PM10 Dust Emissions Reduction



Move City Council award Construction Agreement No. ST2112.401 to Cactus Transportation II, Inc., dba Cactus Asphalt, for the Alley Rehab PM10 Dust Emissions Reduction 2 (FMA 3, 16, 25, 39, and 40), in an amount not to exceed \$2,927,207.70.

## **Consent Agenda Motion and Vote**

Councilmember Orlando moved to approve the Consent Agenda items 1-21 with the exception of item 10 and the addition of item 23, of the February 8, 2024, Regular City Council Meeting; Seconded by Councilmember Ellis.

Motion carried unanimously (7-0).

## **Action Agenda Item No. 22**

22. Resolution No. 5776 Recognizing the Harm of Violence Among the Youth in the Community, Condemning all Violence Among the Youth in the Community, and Reaffirming the City's Commitment to Investigate and Prevent Youth Violence in Chandler

Move City Council adopt Resolution No. 5776 recognizing the harm of violence among the youth in the community, condemning all violence among the youth in the community, and reaffirming the City's commitment to investigate and prevent youth violence in Chandler.

MELISSA CICONTE, Chandler, spoke about what we can do to prevent teen violence, and listed teaching kids right from wrong, enforcing consequences, and providing a safe supportive environment for kids to speak up without fear or judgement. Chandler can act to support youth so that neighboring communities can follow in suit. We will need continued support to create a safe community.

NICK LORD, Chandler, stated that the impact of teen violence is more widespread than imagined. Mr. Lord urged everyone to think about what else can be done to prevent teen violence in our community. Mr. Lord thanked the city for taking actions to prevent teen violence.

BRIDGET VEGA thanked Chandler for opening a conversation on preventing teen violence. Chandler takes pride in its community. Ms. Vega mentioned a Teen Violence subcommittee partnering with Gilbert. Ms. Vega asked for a moment of silence in memory of Preston Lord.

OLGA LOPEZ, Chandler, spoke about her son and in support of the need to acknowledge and address teen violence. Neighboring communities should take Chandler as an example in supporting violence prevention.

MARK JACOBO, Mesa, spoke about his son and in support of the need to address teen violence. Mr. Jacobo shared the foundation created in support of his son to bring awareness and educate people about teen violence.



MAYOR HARTKE thanked the speakers for speaking tonight, and we stand with you, and we will continue to see how we can be a part of solutions in Chandler.

COUNCILMEMBER ORLANDO thanked Mayor Hartke for bringing this forward.

MAYOR HARTKE thanked council and staff for their unity.

## **Action Agenda Item No. 22 Motion and Vote**

Councilmember Stewart moved to adopt Resolution No. 5776 recognizing the harm of violence among the youth in the community, condemning all violence among the youth in the community, and reaffirming the City's commitment to investigate and prevent youth violence in Chandler; Seconded by Vice Mayor Harris.

Motion carried unanimously (7-0).

## **Action Agenda Item No. 10**

10. Introduction and Tentative Adoption of Ordinance No. 5075, City Code Amendments, PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse, amending Chapter 30 Property Maintenance, Chapter 35 Land Use and Zoning, Chapter 39 Sign Code, and Chapter 44 Garbage and Refuse  
Move City Council introduce and tentatively adopt Ordinance No. 5075 approving PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse, text amendments to:

A. Section 35-200 Definitions of the Zoning Code relating to mid-rise development, bar, and other updates, as recommended by Planning and Zoning Commission.

B. Section 35-305 Use Permit, relating to renewal enforcement, as recommended by Planning and Zoning Commission.

C. Articles IV. AG-1-Agricultural District, V. SF-33-Single Family District, VI. SF-18-Single Family District, VI.1. SF-10 Single Family District, VIII. MF-1-Medium Density Residential District, IX. MF-2-Multiple Family Residential District, and X. MF-3-High Density Residential District of Chapter 35 Land Use and Zoning, cleaning up language and permitting single family homes on parcels zoned multifamily residential that are less than 12,000 square feet, as recommended by Planning and Zoning Commission.



D. Sections 35-1203, 35-1503, 35-1703, and 35-1902.4, granting authority to the Planning Administrator to reduce front yard setbacks within the Infill Incentive District, as recommended by Planning and Zoning Commission

E. Sections 35-1802 General Requirements and 35-1804 Parking Schedule, relating to parking requirements, as recommended by Planning and Zoning Commission.

F. Section 35-1902.8(c) Site Development Plan, allowing the Planning Administrator to administratively approve more than two free-standing pads, as recommended by Planning and Zoning Commission.

G. Section 35-1902 Site Development Plan, relating to drive-through requirements, use of shipping containers, and screening of roof-mounted equipment, as recommended by Planning and Zoning Commission.

H. Section 35-2100 Table of Permitted Uses for Nonresidential Districts, modifying the layout, adding new previously unlisted uses, clarifying ancillary use provisions, and other related changes, as recommended by Planning and Zoning Commission.

I. Section 35-2202 Accessory Buildings and Guest Quarters, permitting accessory dwelling units within single-family lots, as recommended by Planning and Zoning Commission.

J. Section 35-2204 General, relating to perimeter wall requirements, as recommended by Planning and Zoning Commission.

K. Sections 35-2202.1, 35-2205, and 35-2208, relating to open-air ramadas, swimming pool setbacks, and satellite dish antenna requirements, as recommended by Planning and Zoning Commission.

L. Section 35-2215 Home Occupation, as recommended by Planning and Zoning Commission.

M. Chapter 39 Sign Code, relating to murals and temporary sign requirements, as recommended by Planning and Zoning Commission.

N. Chapter 30 Property Maintenance, relating to vehicles, trespassing light, landscaping maintenance, and abatement cost.

O. Chapter 44 Garbage and Refuse, relating to conversion from alley refuse pickup to curbside.



COUNCILMEMBER STEWART asked to confirm that with the passage of these code changes, there is not any hindrance to home based businesses.

LAUREN SCHUMANN, Principal Planner, shared the following presentation.

- Motion L. Home Occupation
  - Proposed: Permitted uses include but not limited to personal services, consulting, or therapist
  - Prohibit motor vehicle service, animal services, massage therapy, and general medical offices
  - One employee and one customer appointment can occur at a time, recommended at P&Z work session
  - Operational hours 8 am to 7 pm
  - Examples: piano lessons, seamstress, beauty services, photographer, therapist
- Motion L. Home Occupation
  - Business activities may take place in a garage so long as no permanent modifications are made to the garage thus maintaining the ability to park vehicles
  - The activity shall not generate vehicular or pedestrian traffic that alters the neighborhood character
  - All business-related vehicles shall park on-site to the greatest extent possible.
  - \*\*P&Z added swim lessons as a permitted use

MAYOR HARTKE clarified that not all types of businesses are allowed, some types of businesses like automotive mechanics would not be permitted. The intent is to allow non-intrusive businesses to a neighborhood.

MS. SCHUMANN agreed.

COUNCILMEMBER STEWART asked about the enforcement of section N.: Chapter 30 Property Maintenance, relating to vehicles, trespassing light, landscaping maintenance, and abatement cost.

KELLY SCHWAB, City Attorney, said that violations of Chapter 30 are civil offenses, which mean violators are cited and subjected to a fine, which could advance to municipal court. For continued offenses, it could advance to a class 1 misdemeanor. Enforcement would be limited to the current rights of the court to enforce civil offenses.

COUNCILMEMBER STEWART asked if there are any cases where an individual has lost their home due to a civil offense code violation.

MS. SCHWAB said this is not an offense that a property could be placed under lien for. It would not affect ownership or property value.



COUNCILMEMBER STEWART thanked staff for the changes made in section K. Sections 35-2202.1, 35-2205, and 35-2208, relating to open-air ramadas, swimming pool setbacks, and satellite dish antenna requirements, as recommended by Planning and Zoning Commission.

VICE MAYOR HARRIS asked about section L.: L. Section 35-2215 Home Occupation, as recommended by Planning and Zoning Commission, and asked to revisit this section in a year.

MAYOR HARTKE asked for a report on these code changes in one year, and thanked staff for the work done to allow our community more freedom.

## **Action Agenda Item No. 10 Motion and Vote**

Councilmember Ellis moved to introduce and tentatively adopt Ordinance No. 5075 approving PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse; Seconded by Vice Mayor Harris.

Motion carried unanimously (7-0) with the exception of Item E. Sections 35-1802 General Requirements and 35-1804 Parking Schedule, relating to parking requirements, as recommended by Planning and Zoning Commission which passed 6-1, Councilmember Encinas dissenting on Item E.

## **Action Agenda Item No. 24**

24. Resolution No. 5769 Accepting the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023, and Demonstrating Compliance with Arizona Revised Statutes §9-481(H) and ARS §41-1494

Move City Council pass and adopt Resolution No. 5769 accepting the Annual Comprehensive Financial Report (ACFR) and related financial audit reports submitted by Heinfeld, Meech & Co., P.C., for the fiscal year ended June 30, 2023, and demonstrating compliance with Arizona Revised Statutes (ARS) §9-481(H) and §41-1494.

KRISTI SMITH, Financial Services Assistant Director, introduced Corey Arvizu, Audit and Consulting Partner, and Joshua Jumper, Audit Partner, of Heinfeld, Meech & Co., P.C.

MR. ARVIZU presented the following presentation.

- Presentation of the City of Chandler Annual Financial Audit for the Fiscal Year Ended June 30, 2023
- Requirements
  - The City is required by City Charter and State Statute to issue an annual audited financial report, and federal law requires the City to undergo an annual single audit (A-133) of federal financial assistance



- Effective September 29, 2021, ARS §9-481(H), as amended by Laws 2021, Ch 427, §1, auditors must present audit results and any findings to the Council in a regular meeting without the use of a consent agenda within 90 days of audit completion
- ACFR posted online; at least 3 years reports.
- Importance of the Audit
  - Verify management representations regarding finances
  - Demonstrate stewardship and accountability to:
    - Citizens
    - Governing body
    - Grantors
    - State agencies
    - Federal agencies
    - Bond holders
    - IRS
    - Creditors
  - Review compliance with certain laws and regulations
  - Governing body ultimately must ensure management fulfills its responsibility

MR. JUMPER continued the presentation.

- Audit Process
  - Engagement letter and initial planning of the audit began in May
  - Site visits in July, August, October, and November
  - Various audit procedures performed remotely between site visits
  - Audit reports issued in December & January
- Audit Related Reports Issued
  - Audit communication to those charged with governance
  - Annual Comprehensive Financial Report (ACFR)
  - Single Audit Reporting Package
    - Report on internal control for audit under *Government Auditing Standards*
    - Report in internal control and compliance for federal awards as required
  - Agreed-upon procedures report for ADEQ landfill requirements
  - Annual expenditure limitation report
- Key Items from FY2022-23
  - Unmodified (clean) audit opinion dated December 22, 2023
  - No internal control deficiencies noted
  - COVID-19 related funding required significant attention and focus for audit team
    - Approximately \$14.5M spent in fiscal year 2023
  - Implementation of GASB 96 related to subscription based technology agreements
- Other Important Communication
  - Communication to those charged with governance provided by the audit firm at the completion of the audit also includes the following:



- Engagement letter provided by the audit firm to management at the initiation of the audit
- Management representation letter provided by management to the audit firm at the completion of the audit
- Questions?

VICE MAYOR HARRIS thanked the audit team and the financial services team for their work. This confirms Chandler's responsible spending on running a great city.

COUNCILMEMBER ORLANDO asked if this annual audit gets back to the federal government similar to past COVID audits.

MR. JUMPER said that in the single audit reporting package which gets filed, it includes the schedule of federal expenditure awards – all federal dollars the city has received and spent, the federal government has deemed COVID funds as higher risk, so are looked at with higher scrutiny.

COUNCILMEMBER ORLANDO asked if this audit is forwarded to the federal government to ensure compliance with these requirements.

MR. ARVIZU answered that yes, as part of the report distribution process, it is distributed to different federal agencies.

COUNCILMEMBER ORLANDO said there is value in satisfying federal requirements.

## **Action Agenda Item No. 24 Motion and Vote**

Vice Mayor Harris moved to pass and adopt Resolution No. 5769 accepting the Annual Comprehensive Financial Report (ACFR) and related financial audit reports submitted by Heinfeld, Meech & Co., P.C., for the fiscal year ended June 30, 2023, and demonstrating compliance with Arizona Revised Statutes (ARS) §9-481(H) and §41-1494; Seconded by Councilmember Encinas.

Motion carried unanimously (7-0).

## **Informational**

25. December 20, 2023, Planning and Zoning Commission Meeting Minutes

## **Unscheduled Public Appearances**

None.



## **Current Events**

### **Mayor's Announcements**

MAYOR HARTKE shared the Chandler Sports Hall of Fame event on Saturday, February 17 celebrating the induction and honoring of new members.

MAYOR HARTKE invited the community to attend the State of the City on Thursday, February 15 celebrating the year's successes.

### **Council's Announcements**

COUNCILMEMBER ENCINAS thanked residents of the Pueblo Viejo for attending the downtown neighborhood outreach meeting, and to staff for their work on hearing residents needs.

COUNCILMEMBER ELLIS mentioned her attendance at the National Haitian American Elected Officials Network (NHAEON) Leadership Summit.

COUNCILMEMBER ELLIS recognized the Aging Made Easier conference put on by Neighbors Who Care as a great opportunity for the community to get resources on aging.

VICE MAYOR HARRIS congratulated Councilmember Ellis on her achievement on an honorary doctorate's degree in humanities.

VICE MAYOR HARRIS recommended the community visit the Ocotillo Farmers Market on weekends.

VICE MAYOR HARRIS announced that the opening of Chandler Fire Station #2 was a success. This project was authorized by voters at the 2021 bond election and increases the capacity for our first responders in north Chandler. Vice Mayor Harris thanked staff for their work on completing this project.

COUNCILMEMBER STEWART congratulated Judge Skupin, City Magistrate for her appointment to the Arizona Judicial Court and chair of the Arizona Supreme Court committee on limited jurisdiction courts.

COUNCILMEMBER STEWART invited the community to enjoy parks like Chandler's Veterans Oasis Park during the spring weather.

### **City Manager's Announcements**

MR. WRIGHT recognized Kennedy Terrell, Recreation Coordinator, for being named one of the top 30 under 30 recreational professionals by the National Recreation and Park Association.



## Adjourn

The meeting was adjourned at 7:13 p.m.

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

Approval Date of Minutes: February 22, 2024

## Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of Regular Meeting of the City Council of Chandler, Arizona, held on the 8th day of February 2024. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of February, 2024.

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





**City Council Memorandum      City Clerk's Office    Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**From:** Dana DeLong, City Clerk  
**Subject:** Resolution No. 5779 Providing Notice of the 2024 Primary and General Elections

---

**Proposed Motion:**

Move City Council pass and adopt Resolution No. 5779, repealing Resolution No. 5777; designating and providing notice of the 2024 Primary and General Elections to be held on July 30, 2024, and November 5, 2024, respectively; and authorizing the City Clerk to enter into agreements, as required, to provide election services for the 2024 Primary and General Elections.

**Background/Discussion**

On February 9, 2024, Governor Hobbs signed HB 2785 which effectively changed the date of the 2024 Primary Election from August 6, 2024, to July 30, 2024. The House Bill was effective immediately. On February 8, 2024, the City Council adopted Resolution No. 5777 providing notice of the Primary Election to be held on August 6, 2024. Resolution No. 5779 will repeal Resolution No. 5777 and provide notice of the Primary Election to be held on July 30, 2024.

As provided for in the Chandler City Charter and in consolidation with the statewide election dates, Resolution No. 5779 designates July 30, 2024, as the date of the Primary Election and November 5, 2024, as the date of the Regular (General) Election for the City of Chandler.

The Primary Election will be held for the purpose of electing three councilmembers. Any candidates for the office of councilmember may be declared at the Primary Election if they receive a majority of all votes cast. If at the Primary Election, there are any offices to which no candidate was declared elected, then a runoff (General) election will be held.



A candidate must file the required nomination papers and signature petitions no later than 5:00 p.m. on April 1, 2024, in order to have their name placed on the ballot. The last day to register to vote is July 1, 2024, to be eligible to vote in the Primary Election; and October 7, 2024, to be eligible to vote in the General Election.

In addition, the resolution authorizes the City Clerk to enter into an agreement with Maricopa County Elections Department and any necessary vendors to coordinate the administration of the elections in regard to services and fees.

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### **Attachments**

Resolution No. 5779



## **RESOLUTION NO. 5779**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, REPEALING RESOLUTION NO. 5777; PROVIDING NOTICE OF THE PRIMARY AND GENERAL ELECTIONS TO BE HELD ON JULY 30, 2024, AND NOVEMBER 5, 2024, RESPECTIVELY; DESIGNATING THE PURPOSE OF THE ELECTION AND THE DEADLINE FOR VOTER REGISTRATION; DESIGNATING THE PLACE AND DATE FOR CANDIDATES TO FILE NOMINATION PAPERS; AND AUTHORIZING THE CITY CLERK TO ENTER INTO ANY AGREEMENTS NECESSARY TO PROVIDE SERVICES FOR SUCH ELECTIONS.

WHEREAS, the holding of Primary and General Elections is enabled by law and prescribed by the City of Chandler Charter; and

WHEREAS, the Arizona legislature approved election House Bill 2785 which was signed by Governor Hobbs on February 9, 2024 with an emergency clause making House Bill 2785 effective immediately; and

WHEREAS, the terms of three Councilmembers will expire in January 2025.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

- Section 1. That July 30, 2024, has been set as the time for holding the Primary Election in the City of Chandler for the purpose of electing three Councilmembers. Any candidate for the office of councilmember may be declared elected at the Primary Election if he/she receives a majority of the votes cast. If at the Primary Election there are any offices to which no candidate was declared elected, then a runoff (General) election will be held on November 5, 2024.
- Section 2. The last day to register to vote is July 1, 2024, to be eligible to vote in the Primary Election; and October 7, 2024, to be eligible to vote in the General Election.
- Section 3. That candidates seeking municipal office may obtain nomination materials by contacting the Chandler City Clerk, 175 S. Arizona Avenue. Candidates may file the nomination materials at the Chandler City Clerk office beginning March 2, 2024, but no later than 5:00 p.m. on April 1, 2024.
- Section 4. That the City Clerk is authorized to enter into any agreements with the Maricopa County Elections Department and any necessary vendors to provide election services for the July 30, 2024, Primary Election and November 5, 2024, General Election.



PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this 22<sup>nd</sup> day of February 2024.

ATTEST:

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CITY CLERK

---

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5779 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the 22<sup>nd</sup> day of February 2024, and that a quorum was present thereat.

---

CITY CLERK

APPROVED AS TO FORM:

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CITY ATTORNEY





**City Council Memorandum      City Magistrate Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
**From:** Alicia Skupin, City Magistrate  
**Subject:** Purchase of Replacement Furniture

---

**Proposed Motion:**

Move City Council approve the purchase of replacement furniture, utilizing the State of Arizona Contract No. CTR067399, with Elontec LLC, in an amount not to exceed \$193,545.

**Background/Discussion:**

The Chandler Municipal Court building was built in 1998 with seven active courtrooms that currently house 42 full-time employees. The court's furniture has not been updated since the building was originally constructed and, through time and use, is showing visible signs of damage. Since 2022, court staff have been seeking estimates from various vendors on replacing all courthouse furniture. Due to inflation, the scope of this contract has been limited to staff areas and jury deliberation room furniture replacement. This request includes purchasing replacement furniture for court staff areas and two jury deliberation rooms.

**Evaluation:**

The State of Arizona competitively solicited and awarded a contract for statewide furniture, products, and related services. The City has a current agreement with the State of Arizona allowing for the cooperative usage of the State's contracts. Staff recommend the cooperative use of this contract.

**Financial Implications:**



The City Council has previously approved decision packages for replacement of court furniture. This project is a planned expense in the Fiscal Year '23-'24 annual budget.

| Fiscal Impact                  |                                |                                     |               |                |
|--------------------------------|--------------------------------|-------------------------------------|---------------|----------------|
| Account No.                    | Fund Name                      | Program Name                        | Dollar Amount | CIP Funded Y/N |
| 401.1291.6210.0000.6GG673.0000 | General Gov't Capital Projects | Courts Customer Service Enhancement | \$190,000     | Y              |
| 101.1050.5360.0000.000000.0000 | General Fund                   | Courts Customer Service Enhancement | 3,545         | N              |





**City Council Memorandum**  
**Policy Memo No. TP24-11**

**Government Relations & Transportation**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Ryan Peters, Strategic Initiatives Director  
Jason Crampton, Transportation Planning Manager  
**From:** Nancy Jackson, Transportation Planning Program Coordinator  
**Subject:** Resolution No. 5771 Authorizing the execution of a license to use Salt River Project property, located at the Consolidated Canal between Germann Road and Chandler Heights Road, to conduct the annual City of Chandler Family Bike Ride.

---

**Proposed Motion:**

Move City Council pass and adopt Resolution No. 5771 authorizing the execution of a license to use Salt River Project property, located at the Consolidated Canal between Germann Road and Chandler Heights Road, to conduct the annual City of Chandler Family Bike Ride.

**Background:**

The City of Chandler Family Bike Ride along the Paseo Trail began in 2009 and provides families a great opportunity to exercise and celebrate bicycling for recreation and as a way to replace automobile trips to work, school and other locations. This year's community event will be held Saturday, April 6, 2024, with an anticipated 300-350 residents in attendance. For this year's event, the participants will gather at the Chandler Park and Ride for a leisurely 7.4-mile ride south to Crossbow Park and back.

The City of Chandler continues to offer a virtual ride option, allowing participants to choose which event works best for them. Virtual participants are encouraged to safely ride with families and friends around their local parks, trails, and neighborhoods during the week of April 7-14, 2024. To develop a sense of community, participants are encouraged to share their experience with posts,



pictures, and videos through their personal social media accounts and on the City of Chandler's Facebook event page.

To facilitate the in-person event, Salt River Project (SRP) requires the City to enter into a license agreement for use of the canal property. The 7.4-mile ride will start at the City's Park and Ride facility at 2100 S. Hamilton Street (adjacent to Tumbleweed Park), travel south to Crossbow Park at 4520 S. Crossbow Place (south of Ocotillo Road and west of McQueen Road), and return to the Park and Ride facility. The Chandler Fire and Police departments, as well as many volunteers, will participate to ensure the event is fun and safe.

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### **Attachments**

Resolution 5771 for 2024 Family Bike Ride

SRP Special Use License for 2024 Family Bike Ride

2024 Family Bike Ride map



## RESOLUTION NO. 5771

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, APPROVING A LICENSE TO ENTER AND USE A PORTION OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT PROPERTY LOCATED AT THE CONSOLIDATED CANAL FROM GERMANN ROAD TO CHANDLER HEIGHTS ROAD TO CONDUCT THE ANNUAL CITY OF CHANDLER FAMILY BIKE RIDE EVENT.

WHEREAS, the City of Chandler desires to conduct the annual City of Chandler Family Bike Ride Event on April 6, 2024, with in-person participants using a portion of the Salt River Project (“SRP”) Agricultural Improvement and Power District Consolidated Canal from Germann Road to Chandler Heights Road; and

WHEREAS, SRP is willing to license the use of the designated area; and

WHEREAS, the City will use the canal to safely facilitate and conduct the event for the benefit of the general public; and

WHEREAS, the City and SRP have negotiated a License Agreement for such purpose.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chandler, Arizona, as follows:

Section 1. Approves the License Agreement between the City of Chandler and Salt River Project Agricultural Improvement and Power District, in the form attached hereto as Exhibit “A” and incorporated herein by reference.

Section 2. Authorizes the Mayor of the City of Chandler to execute the Agreement on behalf of the City of Chandler.

PASSED AND ADOPTED by the Council of the City of Chandler, Arizona, this \_\_\_\_ day of February 22, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR



CERTIFICATION

I HEREBY CERTIFY that the foregoing Resolution No. 5771 was duly passed and adopted by the Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of February, 2024 and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY





## **LICENSE TO USE SALT RIVER PROJECT PROPERTY**

Subject to the following terms and conditions, **SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**, an agricultural improvement district, organized and existing under the laws of the State of Arizona (Licensor), hereby gives the undersigned, and **CITY OF CHANDLER** (Licensee) hereby accepts a revocable and nonassignable license (License) to enter upon and use property of Licensor at the following location(s) **THE CONSOLIDATED CANAL FROM GERMANN ROAD TO CHANDLER HEIGHTS ROAD**.

### **TERMS AND CONDITIONS:**

1. Licensee may use the Licensed Property for the following purpose and no other to conduct: **THE CITY OF CHANDLER FAMILY BIKE RIDE on Saturday, April 6, 2024, between 6:00am to 11:30am on the Consolidated Canal from Germann Rd. to Chandler Heights Road.**

**\*\*Licensee shall not have any balloons on the canal.**

**\*\* Licensee shall not have any umbrellas, canopies, or tents on the canal**

**\*\* Licensee shall be responsible for dust control issues.**

**\*\* Licensee is responsible for all crowd control and safety participants.**

**\*\* Licensee is aware that there are High Voltage Lines along the canal in this area.**

**\*\* Licensee shall not impede access to the Licensed Property or any canals and electrical equipment by SRP personnel and service vehicles.**

**\*\* Licensee shall not cause the introduction of any chemical substance or other pollutant into the waters of the canal.**

2. To the extent not prohibited by law or expressly excepted herein, Licensee, its successors and assigns ("Indemnitors"), shall indemnify, release, and hold harmless Licensor, Association and the United States of America ("Indemnitees") and the directors, officers, employees, agents, successors and assigns thereof, against and from any damage, loss or liability caused in whole or in part by Licensee, regardless of whether caused in part by Indemnitees or any of them, and suffered by Indemnitees as a result of any claim, demand, lawsuit or action of any kind, whether such damage or loss is to person or property, arising out of, resulting from or caused by: (a) the acts or omissions of Licensee, its agents, contractors, officers, directors, or employees; (b) Licensee's use or occupancy of the Licensed Property for the purposes contemplated by this License, including but not limited to claims by third parties who are invited or permitted onto the Licensed Property, either expressly or impliedly, by Licensee or by the nature of Licensee's improvement or other use of the Licensed Property pursuant to this License; (c) Licensee's failure to comply with or fulfill its obligations established by this License or by law. Such obligation to indemnify shall extend to and encompass all costs incurred by Licensor in defending against such claims, demands, lawsuits or actions, including but not limited to attorney, witness and expert



witness fees, and any other litigation related expenses. Indemnitors' obligation pursuant to this Section shall not extend to any damage, loss or liability as a result of any claim, demand, lawsuit or action of any kind, whether such damage, loss or liability is to person or property arising out of, resulting from or caused by the sole, exclusive acts or omissions of Indemnitees, their contractors, directors, officers, employees, agents, successors or assigns for which Licensor shall indemnify, release and hold harmless Indemnitors. Licensor's obligation to indemnify Indemnitors shall extend to and encompass all costs incurred by Indemnitors in defending against such claims, demands, lawsuits or actions, including but not limited to attorney, witness and expert witness fees, and any other litigation related expenses. The provisions of this Section shall survive termination of this License.

3. Licensee shall cause no construction or no installation of improvements upon the Licensed Property without prior written approval of Licensor.
4. In the event that Licensee fails to comply with any condition of this License or upon revocation or termination of this license by Licensor, Licensee shall remove at its cost, within ten (10) days after written notice, any improvements or installation placed on the Licensed Property pursuant to this License.
5. In the event Licensee fails to cure any default of performance of this License or to remove its property as specified above, Licensor may remove Licensee's improvements from the Licensed Property and any and all cost and expense incurred by Licensor thereby shall be chargeable to Licensee and payable within ten (10) days after a statement of such expense and cost has been mailed to Licensee at the address designated beneath its signature below. Licensee hereby releases Licensor, the United States of America, and the Salt River Valley Water Users' Association from all claims for damages resulting from such removal.
6. Licensee shall keep in good maintenance and repair the Licensed Property and any improvement and installations situated thereon and shall maintain a neat public appearance for the Licensed Property.
7. Insurance:
  - a. Without limiting any liabilities or any other obligations of Licensee, Licensee shall provide and maintain, and require its contractors and agents to provide and maintain, with forms and insurers acceptable to Licensor, and until all obligations under the License are satisfied, the minimum insurance coverages, as follows:
    - i. Worker's compensation insurance to cover obligations imposed by applicable federal and state statutes and employer's liability insurance with a minimum limit of One Million and No/100 Dollars (\$1,000,000.00).
    - ii. Commercial general liability insurance with a minimum combined single limit of Two Million and No/100 Dollars (\$2,000,000.00) each occurrence. The policy shall include coverage for bodily injury liability, property damage liability, personal injury liability, and contractual liability for liability assumed under this License. The policy shall contain a severability of interest's provision.



- iii. Comprehensive automobile liability insurance with a combined single limit for bodily injury and property damage of not less than Two Million and No/100 Dollars (\$2,000,000.00) each occurrence with respect to Licensee's vehicle, whether owned, hired or non-owned, assigned to or used in the performance of the work.
- b. The policies required by Sections 10(i) and 10(ii) hereof shall be endorsed to include Licensor, members of its governing bodies, its officers, agents and employees as additional insureds and shall stipulate that the insurance afforded for Licensor, members of its governing bodies, its officers, agents and employees shall be primary insurance and that any insurance carried by Licensor, members of its governing bodies, its officers, agents or employees shall be excess and not contributory insurance.
- c. The Licensee shall require its contractors or agents to waive their rights of recovery and require their insurers providing the required coverages to waive all rights of subrogation against Licensor and members of its governing bodies, its officers, agents and employees for matters arising out of this License.
- d. Prior to commencing activities under this License, Licensee and its contractors shall furnish Licensor with Certificates of Insurance as evidence that policies providing the required coverages, conditions and limits are in full force and effect. Such certificates shall provide that not less than thirty (30) days advance notice of cancellation, termination, or alteration shall be sent directly to Licensor addressed as follows:

Supervisor, Property Management, PAB10W  
Salt River Project  
P.O. Box 52025  
Phoenix, Arizona 85072-2025

The insurance policies may provide coverages that include deductibles or self-insured retentions. Such deductibles or self-insured retentions must be declared to Licensor. Licensee and its contractors shall be solely responsible for deductibles and/or self-insured retentions, and SRP, at its option, may require Licensee to secure the payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

- 8. Licensee hereby assumes and accepts all liability and responsibility for initiation and completion of response, cleanup, and corrective and remedial action, and the cost thereof, required on the Licensed Property and any other affected premises due to any action taken during use of the Licensed Property that results in release of any hazardous substance within the meaning of the Federal Comprehensive Environmental Response, Compensation and Liability Act - 42 U.S.C. § 9601 et seq., or the Arizona Environmental Quality Act - A.R.S. § 49-101 et seq., as such laws have been or are amended from time to time, or regulated substance within the meaning of Subtitle I of the Federal Resource Conservation and Recovery Act (Underground Storage Tanks) - 42 U.S.C. § 6991 et seq., or the Arizona Underground Storage Tank Law - A.R.S. § 49-1001 et seq., as such laws have been or are amended from time to time. This Section 8 shall survive termination of this License.
- 9. This License may be terminated by Licensor at any time upon twenty-four hours' notice to Licensee, or in the event of a breach of any provision herein, such termination shall be effective immediately upon notice to Licensee.



10. Licensee shall comply with all requirements of all statutes, acts, ordinances, regulations, codes, and standards of legally constituted authorities with jurisdiction applicable to Licensee's use of the Licensed Property. Licensee shall obtain or cause to be obtained at its expense, all permits, approvals and authorizations required by Licensee's actions pursuant to this License.

11. THIS LICENSE IS NOT TO BE CONSTRUED OR INTERPRETED AS EXCLUSIVE IN ANY WAY, OR AS A "RESERVATION" OF THE LICENSED PROPERTY. THE CANAL BANKS ARE AT ALL TIMES TO REMAIN OPEN FOR PUBLIC RECREATIONAL AND OTHER AUTHORIZED USES. LICENSEE SHALL TAKE NO ACTION OR CONDUCT ITS ACTIVITIES IN A MANNER WHICH OBSTRUCTS OR IMPEDES THESE OTHER USES OF THE CANAL BANK.

**LICENSOR:**

**SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT**

**LICENSEE:**

**CITY OF CHANDLER**

LAND DEPARTMENT

Date:

Date:

\_\_\_\_\_  
MAYOR

PM - 051310  
License, To Use SRP Property

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY



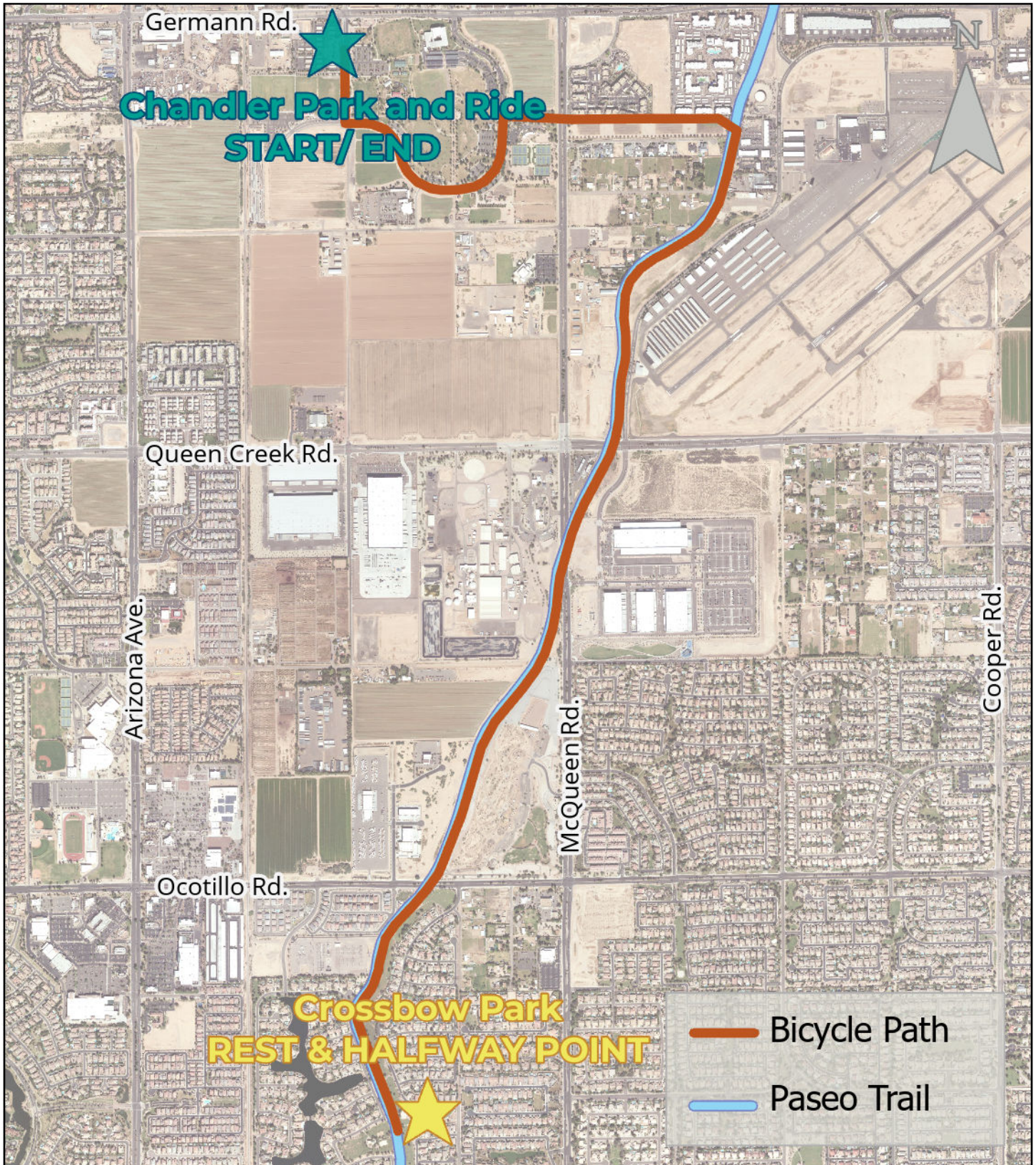


# 16th Annual



## CHANDLER

Family Bike Ride







**City Council Memorandum**  
**Policy Memo No. TP24-13**

**Government Relations & Transportation**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Ryan Peters, Strategic Initiatives Director  
**From:** Jason Crampton, Transportation Planning Manager  
**Subject:** Resolution No. 5778, Authorizing a Grant Application for, and Acceptance of Grant Funds from, the ATTAIN Federal Grant Program in the Amount of \$6.57 Million

---

**Proposed Motion:**

Move City Council pass and adopt Resolution No. 5778 authorizing a grant application for, and acceptance of grant funds from, the ATTAIN federal grant program in the amount of \$6,570,000.

**Background:**

The ATTAIN (Advanced Transportation Technology and Innovation) federal grant program, offered through the United States Department of Transportation, has made \$60 million available this fiscal year for projects that employ advanced transportation technologies. The City of Chandler currently operates an advanced transportation service via Chandler Flex. Chandler Flex is a microtransit service that utilizes smartphone apps and advanced algorithms to efficiently route vehicles and match them with passengers to provide a modern and convenient form of public transportation.

Through this grant application, the city would attempt to leverage ATTAIN federal funding to further enhance Chandler Flex service. The ATTAIN grant, if awarded, would provide funding to integrate the Chandler Flex and Valley Metro apps and to add autonomous vehicles to the fleet. App integration would allow passengers to purchase fare and ride on both Chandler Flex and Valley Metro while using a single app instead of needing to navigate multiple apps for a single trip. Autonomous vehicles would be deployed in and around the downtown Chandler



area for three years, serving key activity centers and the most transit-dependent populations in the city.

### **Financial Implications:**

This grant application requests \$6.57 million in federal funding over three years. The local match for the city would be \$490,000 in year one, \$400,000 in year two, and \$400,000 in year three. The local match would not use the city's general fund, but rather state lottery proceeds distributed to the city. These lottery proceeds can only be used for public transit.

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### **Attachments**

Resolution 5778

ATTAIN Grant Application



## **RESOLUTION NO. 5778**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING A GRANT APPLICATION FOR, AND ACCEPTANCE OF GRANT FUNDS FROM, THE ADVANCED TRANSPORTATION TECHNOLOGY AND INNOVATION (ATTAIN) PROGRAM BY THE U.S. DEPARTMENT OF TRANSPORTATION IN THE AMOUNT OF \$6.57 MILLION.

WHEREAS, the Chandler Flex (microtransit) service provides a modern form of public transportation in the City of Chandler; and

WHEREAS, the Advanced Transportation Technology and Innovation (ATTAIN) Program by the U.S. Department of Transportation (USDOT) can provide federal funding to support further technological advancements in the Chandler Flex service, including autonomous vehicles and integration with the Valley Metro app; and

WHEREAS, City of Chandler's Transportation Planning staff submitted an ATTAIN grant application, requesting \$6.57 million in federal funding over three years to further the above-stated technological advancements, as more specifically described in the application materials, which are incorporated herein by reference; and

WHEREAS, if the grant is awarded in the full amount requested, a local match of \$490,000 in year one, \$400,000 in year two, and \$400,000 in year three will be required, which may be funded by the state lottery proceeds distributed each said year to the City of Chandler for use in public transit; and

WHEREAS, the USDOT requires express authorization from the governing body for the grant application and any related grant documents and agreement, and the City Manager's Office has determined that the City can comply with the terms of the grant.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

- Section 1. Authorizing City of Chandler's Transportation Planning staff to submit this Resolution and the ATTAIN grant application materials to the U.S. Department of Transportation.
- Section 2. Authorizing the City Manager or his designee(s) to execute the grant application, grant disclosure forms, and grant agreement, and take such actions necessary to comply with the terms of the grant and perform all acts necessary to give effect to this Resolution.



Section 3. Authorizing the acceptance of the ATTAIN grant funds up to the maximum amount awarded over three years and the coinciding contribution of City of Chandler funds derived from yearly distribution of state lottery proceeds, if ATTAIN funds are granted, up to \$490,000 in year one, \$400,000 in year two, and \$400,000 in year three.

PASSED AND ADOPTED by the Council of the City of Chandler, Arizona, this \_\_\_\_ day of February, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the foregoing Resolution No. 5778 was duly passed and adopted by the Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of February, 2024 and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY





# The City of Chandler

2023 USDOT ATTAIN Application

Volume 1. Technical Application

Project TRANSCEND

February 2, 2024





## Section I. Cover Page

|  |  |
|--|--|
| Project Name   | Project TRANSCEND  |
| Eligible Entity Applying to Receive Federal Funding  | The City of Chandler   |
| Total Project Cost (from all sources)  | \$8,218,538  |
| ATTAIN Request   | \$6,574,830<br>Please refer to Attachment B for an itemized budget and Vol 2., Exhibit 1 for letters of local match commitment.  |
| Are matching funds restricted to a specific project component? If so, which one?   | No   |
| State(s) in which the project is located   | Arizona  |
| Is the project currently programmed in the: <ul style="list-style-type: none"> <li>• Transportation Improvement Program</li> <li>• Statewide Transportation Improvement Program</li> <li>• MPO Long Range Transportation Plan</li> <li>• State Long Range Transportation Plan</li> </ul>   | While the project is not currently programmed in the TIP, Chandler has confirmed with its MPO, the Maricopa Association of Governments (MAG) that the City can include the project in the next TIP round should they be awarded. Please see MAG's letter of support in Attachment A. Recommendations for innovative mobility solutions are also listed in Chandler's 2019 Transportation Master Plan and the joint Chandler/Valley Metro Price Road Flexible Transit Study (see footnotes <sup>12</sup> ). |
| Technologies Proposed to Be Deployed (briefly list)  | <ul style="list-style-type: none"> <li>- Integrated Transit Trip Planning and Booking Platform (Fixed route, AV microtransit, and conventional microtransit)</li> <li>- Automated Vehicle Deployment</li> <li>- Rider Facing Booking Portal</li> </ul>   |
| Will the project use connected vehicle technologies? If so, which technologies will be used—for instance, will the project use: <ul style="list-style-type: none"> <li>• DSRC/5.9 GHz spectrum?</li> <li>• Cellular/4G/5G communications?</li> <li>• Another connectivity technology? (please specify e.g., bluetooth, RFID, etc.)</li> </ul> If the connectivity technology has yet to be determined, please specify "TBD". | The May Mobility Automated Vehicles will use 4G/5G communications.   |
| Will the project use automated driving system technologies?  | Yes  |
| Rural Considerations: <ul style="list-style-type: none"> <li>a) Is the project serving a rural area? A rural area is an area with a population of less than 50,000 residents (according to the 2010 census)</li> <li>b) If yes, how much ATTAIN funding is being requested to be put toward serving the rural area?</li> </ul>   | No   |

<sup>1</sup>[https://www.chandleraz.gov/sites/default/files/Chandler-TMP\\_Final-Report\\_01-09-20\\_lr.pdf](https://www.chandleraz.gov/sites/default/files/Chandler-TMP_Final-Report_01-09-20_lr.pdf)

<sup>2</sup>[https://vulcan-production.nyc3.cdn.digitaloceanspaces.com/projects/downloads/price-road-flexible-transit-study/price\\_road\\_flexible\\_transit\\_study\\_rpt\\_final.pdf](https://vulcan-production.nyc3.cdn.digitaloceanspaces.com/projects/downloads/price-road-flexible-transit-study/price_road_flexible_transit_study_rpt_final.pdf)



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## Section II. Project Narrative

### Project Summary

**Project Summary:** The City of Chandler pursues a \$6,574,830 ATTAIN grant to elevate the City's on-demand microtransit service "Chandler Flex" through Project TRANSCEND, integrating Automated Driving System (ADS)-equipped vehicles (AVs) and facilitating the integration of the Chandler Flex Rider App with the Valley Metro Regional App. Project TRANSCEND is designed for the local context: it focuses on the City's vulnerable communities (K-12 and college level students and those living in low-income census blocks) and accommodation of the area's extreme temperatures, ensuring climate-sensitive, affordable, accessible, efficient transportation.

**Project Overview:** Existing transit services in the City of Chandler include fixed-route transit services provided by the regional transit authority, Valley Metro, as well as the Chandler Flex on-demand microtransit service. Chandler Flex was created to fill critical gaps in the existing Valley Metro bus system, as much of the Chandler area lacks access to frequent service. Since its launch in July 2022, Chandler Flex has facilitated over 50,000 trips, with more than half related to school commutes. Despite its positive impact, Chandler Flex faces challenges in meeting rising demand, yielding longer wait times and difficulties in fulfilling trip requests. Furthermore, the lack of integration with the Valley Metro network can lead to confusion and inconvenience for residents using both fixed-route and microtransit. As temperatures continue to rise throughout the region, Chandler Flex aims to maintain and expand its essential role, especially for those most at risk from extreme heat, by providing a reliable and safe transportation option.

Project TRANSCEND will deploy two key technological advancements:

1. **Launch AVs in the Flex Fleet:** The grant will pave the way for the incorporation of 5 hybrid-electric AVs into the Chandler Flex fleet. These AVs will operate within the following census tracts, all identified as disadvantaged by the USDOT Climate and Economic Justice Screening Tool and the ETC Explorer Tool:
  - a. 04013523002, where 13% of households do not have access to a vehicle;
  - b. 04013522903, where 65% of the population lives at or below 200% of the federal poverty line; and
  - c. 04013523104, where 13% of people ages 25 years or older do not have a high school diploma. This community is also in the 90th percentile for share of households where no one over age 14 speaks English very well.
2. **Integration of Regional Trip Planning Apps:** Grant funding will also enable the integration of the Chandler Flex Rider App with the Valley Metro Regional app. Both interfaces will empower riders to plan and pay for their trips across modes (fixed route, microtransit, and AV microtransit), promoting a more connected and efficient transportation system at the regional level.

The proposal recognizes the critical need to protect Chandler's most vulnerable residents, especially students, from the city's extreme temperatures. The City plans to leverage technology and innovation to develop a transportation system that focuses on both efficient movement and the well-being of its users. To support these objectives and better understand their effectiveness, the City has included funding for a research and evaluation



study in its proposal. This study will be conducted by CALSTART, in collaboration with Arizona State University (ASU) and the Arizona Commerce Authority (ACA), and will evaluate how Project TRANSCEND tackles key issues such as mobility, safety, and environmental concerns.

Project TRANSCEND supports the following objectives and outcomes:

- 287,000 residents living in Chandler will experience improved transportation
- 91,100 residents (living within the Chandler Flex zone) will be directly served with on-demand Chandler Flex services, including 56% of residents who identify as non-white or Hispanic/Latino and 11% who currently live in poverty;
- 31,500 (living in the Project TRANSCEND AV zone) will be directly served with on-demand AV Chandler Flex services, including 75% who identify as non-white or Hispanic/Latino and 23% who currently live in poverty;
- 3 Areas of Persistent Poverty census tracts will be served with on-demand AV Chandler Flex services;
- Increase Chandler Flex monthly ridership to over 4,000 trips across the entire service (inclusive of both microtransit and AV microtransit);
- Replace SOV trips (50% of AV trips would have otherwise been served by SOVs)
- Provision of an estimated 36,000 AV trips over the course of the three-year project term;
- Deep-link integration of the Chandler Flex app with the Valley Metro Regional App to facilitate intermodal trip planning and payment; and
- Publish a final report that analyzes the safety, mobility, and environmental impacts of Project TRANSCEND

## Geographic Area

Project TRANSCEND's (Transforming Regional Automated Navigation for Student Commutes and Environmental Deterrents) will be deployed in Chandler, Arizona, an urban hub within Maricopa County that covers 65 square miles and is home to 287,000 residents. The city area plays a crucial role as a regional employment center and economic driver within the Phoenix urbanized area. Based on the 2020 census, Chandler is a melting pot with 45% of residents identifying as a minority (non-white or of Hispanic/Latino descent). Socio-economic data reveals an 8% poverty rate, while 24% of the population is under 18, slightly exceeding the national average of 22%.

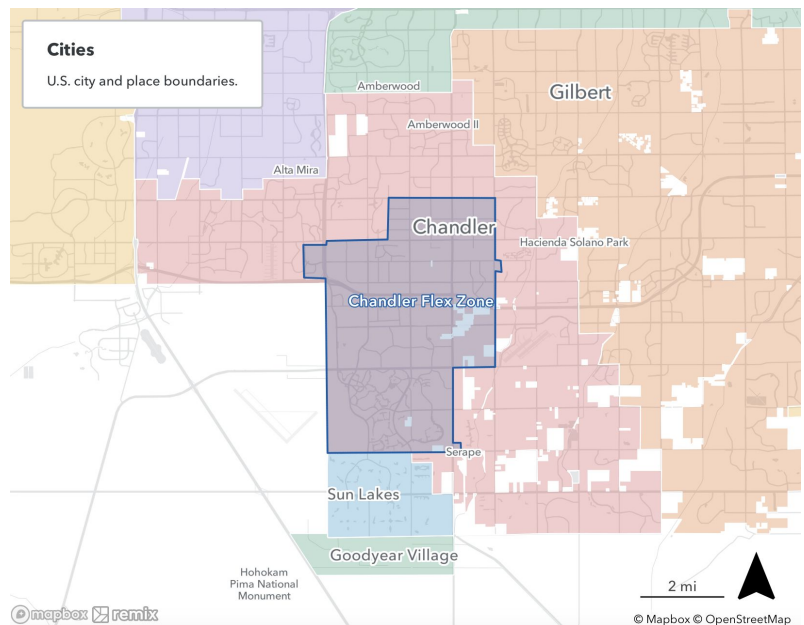


Figure 1: Chandler Flex Zone Boundary and City of Chandler Boundaries



In July 2022, the city responded to community mobility challenges by introducing the Chandler Flex microtransit service, located in a 21-square mile zone within the city. The primary objectives were to expand transportation access, foster regional connectivity, and enhance overall transportation equity. Within the Chandler Flex zone, 56% of residents identify as non-white or Hispanic/Latino, and 11% currently live in poverty. Since its inception, Chandler Flex has proven to be a vital transportation solution, serving over 3,000 riders on a monthly basis.

A key impetus behind the service's establishment was the digitization and expansion of the transit network, specifically to complement K-12 school transportation needs. Within the Chandler Flex zone, there is a dedicated 2-square mile section that exclusively serves student travel to and from schools. To date, student ridership constitutes over 50% of the monthly Chandler Flex trips. The student zone is also home to two low-income census blocks (04013523002, 04013522903; also Areas of Persistent Poverty census blocks). Meaningfully, 75% of the population in this zone identify as non-white or Hispanic/Latino, and 23% currently live in poverty.

The proposed AV services under Project TRANSCEND will operate within this “student zone”, (AVs will be available to both students and the general population) as well as the adjacent two square miles in downtown Chandler. The TRANSCEND zone is home to three low-income and AoPP census blocks (04013523002, 04013522903, and 04013523104). The AVs will also make connections to Chandler Gilbert Community College (CGCC) to facilitate workforce development and training opportunities. Please refer to the table and maps below.

Table 1: Demographics

| Demographic   | City of Chandler                                    | Chandler Flex Zone                                  | Chandler Flex, School Only Zone    | Project TRANSCEND Zone                              |
|---|---|---|------------------------------------|---|
| % of the population that identifies as non-white or Hispanic/Latino | 45%   | 56%   | 75%                                | 72%   |
| Percentage of the population living in poverty                      | 8%  | 11%   | 23%                                | 21%   |
| Areas of Persistent Poverty Census Blocks                           | 3 total (04013523002, 04013522903, and 04013523104) | 3 total (04013523002, 04013522903, and 04013523104) | 2 total (04013523002, 04013522903) | 3 total (04013523002, 04013522903, and 04013523104) |

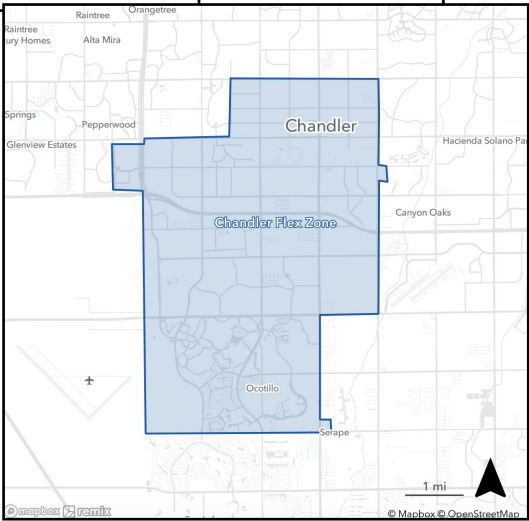


Figure 2: Chandler Flex Zone Boundary

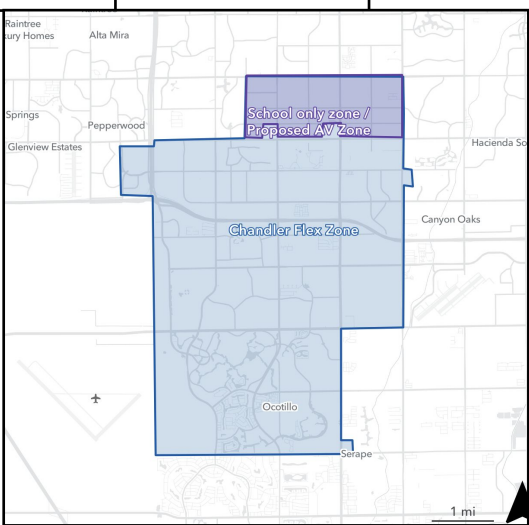


Figure 3: Chandler Flex + School Only Zone



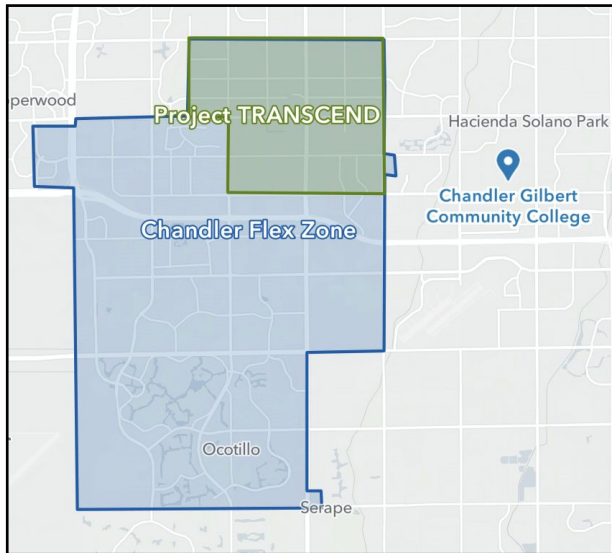


Figure 4: Chandler Flex and Project TRANSCEND Zones

## Real-World Issues and Challenges

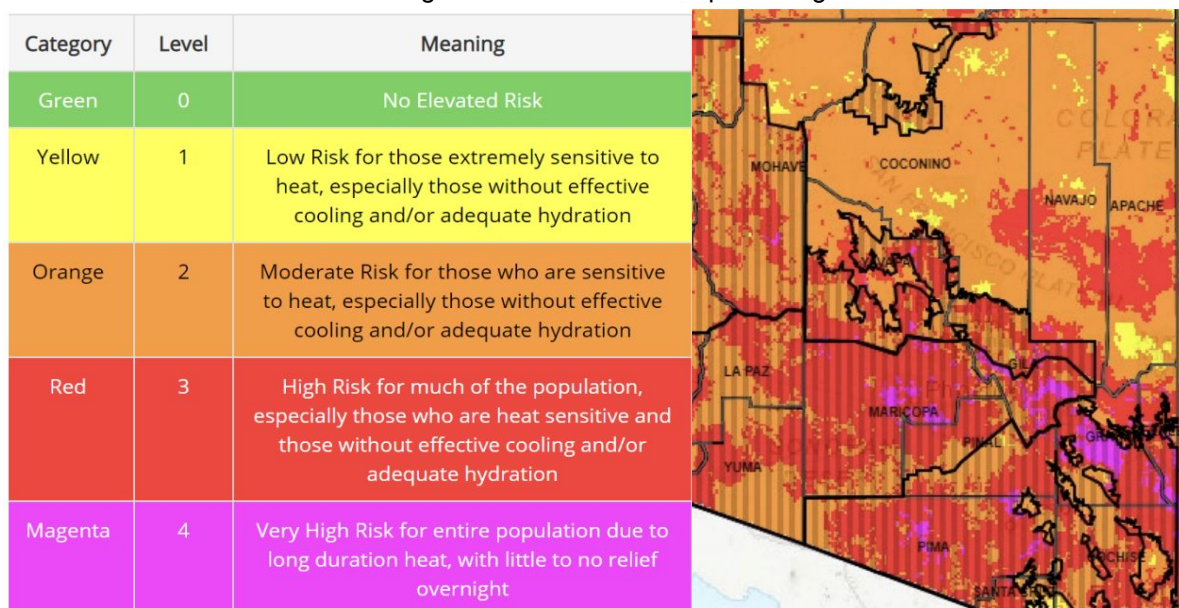
Chandler, an urban hub, is experiencing a growing demand for innovative transportation solutions. The real-world challenges faced by the Chandler community that prompt the need for Project TRANSCEND can be categorized in three main ways:

- A. **Safety Challenges:** Includes heat-related safety issues as well as rising collision rates in Maricopa County. Key concerns include the heightened vulnerability of certain groups (e.g., students) to extreme heat, the urban heat island effect, and the difficulties encountered during transit in high temperatures;
- B. **Environmental Challenges:** Heavy reliance on single-occupancy vehicles (SOVs), contributing to traffic congestion and higher emissions; and
- C. **Mobility Challenges:** Lack of connected transportation infrastructure throughout the City, resulting in unreliable travel experiences and inefficient transportation connections.

### **Safety Challenges: Disproportionate impacts of heat on priority groups and during transit**

The City of Chandler, located in Maricopa County, Arizona, faces severe heat-related safety concerns, primarily due to its extreme temperatures and the urban heat island effect. This area records an average of 110 days per year with temperatures above 100°F, posing significant risks, especially to vulnerable groups like younger students. Children are more susceptible to heat-related illnesses due to their physiological characteristics, such as higher surface area-to-body mass ratios and lower sweating capacities. These factors underscore the need for specific strategies to ensure safe transit for this demographic.<sup>3</sup>

Figure 5: Arizona Heat Map and Legend



<sup>3</sup><https://www.azdhs.gov/documents/preparedness/epidemiology-disease-control/extreme-weather/heat/managing-extreme-heat-recommendations-for-schools.pdf>



The challenges faced by Chandler residents due to heat are compounded by limited cooling options during travel. Many rely on air conditioning in personal vehicles, but this comes with financial strains, such as maintenance and higher fuel costs, particularly during summer traffic. Public transportation users often endure thermal discomfort at transit stops, which lack adequate shade and feature hot metal benches. This uncomfortable environment leads to significant impacts on daily life, including missing school, work, and other appointments due to the challenges posed by extreme heat. These issues highlight the importance of developing heat-sensitive solutions in public transportation to improve residents' mobility, comfort, and access to essential services.

A review of existing policies in the City of Phoenix indicates a significant gap in addressing heat-related transportation issues. An ASU study “Are State and Local Policies Addressing Community Concerns about Extreme Heat?” identified 51 regional policies related to heat. Notably, very few of these policies addressed transportation strategies.

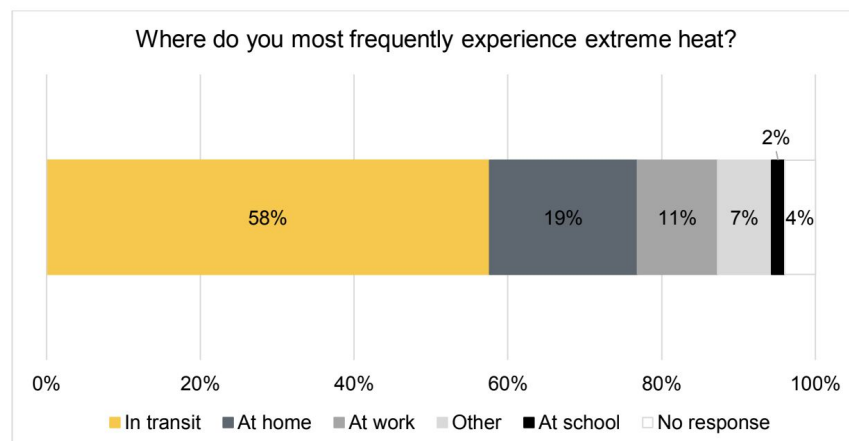
Finally, Project TRANSCEND's implementation of AV technology in Chandler's transportation infrastructure directly addresses the city's urgent need for enhanced safety outcomes, in light of the alarmingly high crash rates reported by the National Highway Traffic Safety Administration (NHTSA) in Maricopa County. According to NHTSA, Maricopa County, AZ has extremely high crash rates, constituting 71.65% of all crashes statewide and 52.04% of fatal accidents statewide. In Chandler alone, annual fatal crashes rose from 14 to 19 between 2019 and 2022. Additionally, according to the ETC Explorer Tool, within census tract 04013523002, traffic fatalities are estimated to be 6.50 per 100k people between 2017-2021—considerably higher than nearby communities. AVs hold the potential to reduce such crashes.

### Environmental Challenges: Heavy Reliance on SOVs

In Chandler, the over-reliance on SOVs presents significant environmental challenges. SOVs contribute to traffic congestion, increase emissions, and as a result, hinder the efficiency and appeal of public transportation systems, ultimately impacting the city's sustainability and quality of life.

Extreme heat significantly impacts public transit usage in the city, leading to a preference for SOVs. A recent ASU survey reveals that 60% of community members selected public transit as the number one place they experience excessive heat, with home being the second most common location for heat-related discomfort at a distant 19%. As a result of the extreme heat experienced during transportation, 90% of respondents said that they resort to personal vehicles, friends', family's, or co-workers' vehicles as their primary mode of transportation, leaving only 10% who selected public transportation, carpooling, walking, biking, and taxis or ride-sharing services.<sup>4</sup>

Figure 6: Survey Response Data



<sup>4</sup>[https://morrisoninstitute.asu.edu/sites/default/files/are\\_state\\_and\\_local\\_policies\\_addressing\\_community\\_concerns\\_about\\_extreme\\_heat.pdf](https://morrisoninstitute.asu.edu/sites/default/files/are_state_and_local_policies_addressing_community_concerns_about_extreme_heat.pdf)



Additionally, the daily experiences of Chandler residents highlight a strong preference for SOVs over public transit, primarily due to the inefficiencies of the current public transportation system. For instance, a journey from Chandler High School in the north to Hamilton High School in the south takes about 90 minutes or even multiple hours using public transportation. This includes a nearly 2-mile walk to access the transit system. In contrast, traveling the same distance by car takes about 10 minutes. As a result, most families opt for SOVs. This reliance on private vehicles causes significant congestion around schools during pick-up and drop-off times, leading to extended travel times, frequent tardiness, and increased local emissions.

Traffic congestion is a prominent issue in Chandler, notably along major routes like Interstate 10, where residents often face lengthy delays, especially when traveling to areas like Casa Grande (south of Chandler). The City has attempted to address this through various lane expansion projects, including on Chandler Heights Road, Queen Creek Road, and Cooper Road. However, the effectiveness of these infrastructure improvements is limited without a corresponding decrease in the use of SOVs.

### **Mobility Challenges: Lack of Integrated Transportation Infrastructure**

In Chandler, mobility challenges are significantly influenced by the lack of integrated transportation infrastructure. The city's transit services include the Chandler Flex microtransit service and fixed-route transit services provided by Valley Metro. Valley Metro's fixed-route bus system in Chandler covers over 50 miles, offering local and express services, and connects to Mesa's light rail, which extends service to Tempe and Phoenix.

The Chandler Flex microtransit service was introduced to address the gaps in Chandler's transit service, particularly in areas with infrequent transit. Within Chandler, only one bus route (the 112) operates with frequent 15 minute headways, as indicated by thick purple lines on the below transit map. In contrast, the Chandler Flex service allows for on-demand, shared rides, emphasizing K-12 student need but open to all residents.

However, despite Chandler Flex's role in bridging transit gaps, its effectiveness in improving mobility is limited by its lack of integration with the Valley Metro Regional App. This lack of connection between microtransit and fixed-route services through a single booking and payment app presents a major barrier to efficient transit use. Users relying on both Chandler Flex and Valley Metro services face a fragmented transportation experience, needing to navigate two separate systems for coordination, booking, and payment. This disjointed process can lead to inefficiencies and discourage the use of one or both services. The goal of establishing a cohesive, user-friendly transit network in Chandler is hindered by this lack of integration, highlighting the need for a more unified approach to improve the city's transportation ecosystem.



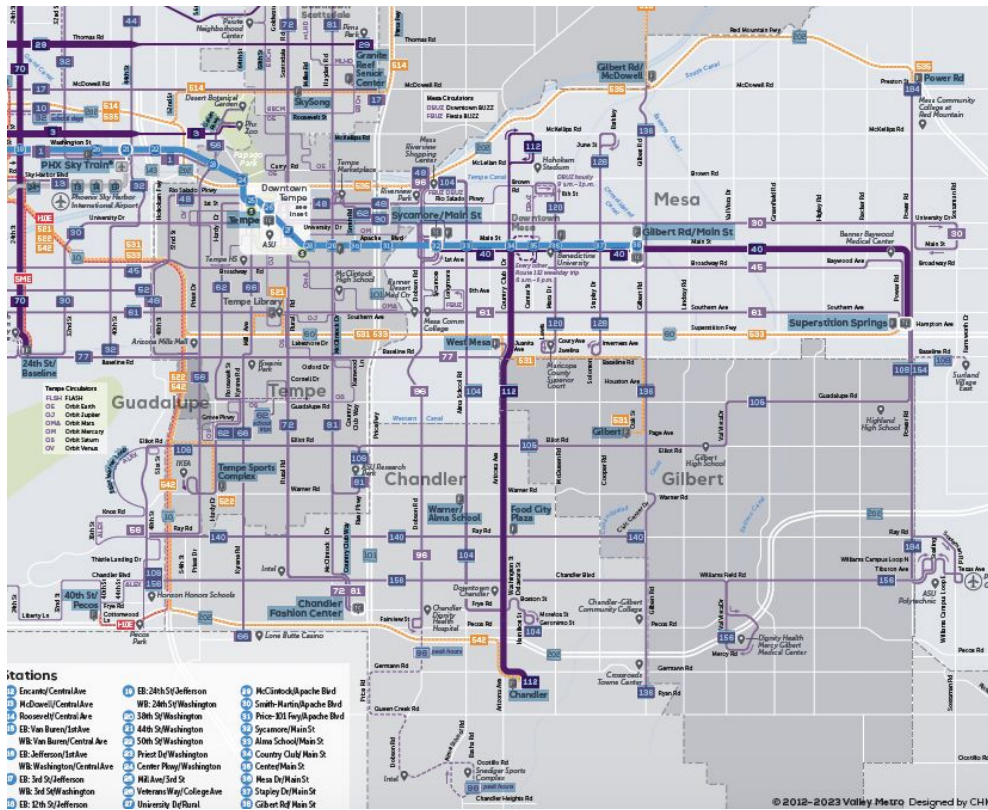


Figure 7: Map of Chandler Transportation System

## Program Vision, ATTAIN Goals, and DOT Focus Areas

### Program Vision

Project TRANSCEND is a collaboration between public and private entities, aiming to tackle transportation challenges in Chandler, with a particular focus on K-12 and CGCC students and heat-related transportation barriers. Key partners include:

- The City of Chandler, serving as the grant recipient and project leader;
- Via Transportation, serving as the operations and software provider for the Chandler Flex service; and software provider for Project TRANSCEND;
- May Mobility, serving as the operations provider for Project TRANSCEND; and
- Arizona State University, Arizona Commerce Authority, and CALSTART, jointly serving as the research and evaluation team

Project TRANSCEND builds upon the success of the Chandler Flex service to introduce 5 hybrid-electric AVs into the fleet. These AVs will operate within an area in Chandler identified as having significant need, encompassing three Areas of Persistent Poverty census blocks and serving transit-dependent and heat-sensitive groups, students in particular. Project TRANSCEND will broaden access within the “school-only” zone, allowing the general population to access the AVs for non-school-related trips. Finally, TRANSCEND AVs will make connections to CGCC to facilitate training opportunities and workforce development in the AV space. The integration of AVs into Chandler's microtransit service represents a notable advancement in public transit innovation. While existing AV technology, including in Arizona, has predominantly focused on private robotaxi applications, this deployment aims to democratize AVs for sustainable, affordable, and convenient public transit. Beyond AVs, the grant will also enable the integration of the Chandler Flex Rider App with the Valley Metro Regional app. Both interfaces will empower riders to plan and pay for their trips on either app, promoting a more connected and efficient transportation system at the regional level.



### ATTAIN Goals

In addition to achieving the above objectives, Project TRANSCEND will successfully advance ATTAIN's Program Goals, as outlined below.

**(1) Reduction in the number and severity of traffic crashes and an increase in driver, passenger, and pedestrian safety;**

Integrating automated driving systems into Chandler's public transportation holds promise to substantially diminish both the frequency and severity of SOV collisions, significantly enhancing overall road safety.

**(2) Delivery of economic benefits by reducing delays, improving system performance and throughput, and providing for the efficient and reliable movement of people, goods, and services;**

Residents of Chandler experience long and increasing commutes, often due to congestion or inefficient connections to regional transit. By providing Chandler residents with a reliable transportation solution that arrives in minutes, individuals will be able to cut down on commute times and travel to school and work more efficiently.

**(3) Demonstration, quantification, and evaluation of the impact of these advanced technologies, strategies, and applications towards improved safety, efficiency, equity, and sustainable movement of people and goods;**

The Project TRANSCEND team will have access to data sets to analyze service efficiency over time. This will include dashboards such as operation metrics (cost per hour, riders served per hour), rider experience metrics (rider satisfaction rating, number of repeat users), and rider growth metrics (number of daily rides, number of unique riders) all of which can be shared with FHWA and other transit operators throughout the country. Additionally, the application is supported by a strong research team (composed of ASU, ACA, and CALSTART) who will be responsible for producing a report on TRANSCEND's safety, mobility, and environmental impacts. These findings will also be shared with FHWA at the end of the three-year project term.

**(4) Improvement in the mobility of people and goods;**

Project TRANSCEND will enhance individual mobility in Chandler, particularly focusing on providing better access to vital locations such as schools, transit hubs, and essential services. This project is especially significant considering Chandler's extreme summer heat, which often impedes mobility. By facilitating easier, more comfortable transit during these challenging periods, TRANSCEND will not only ensure consistent access to essential services and educational institutions but also improve the overall quality of life for all students and residents alike.

**(5) Improvement in the durability and extension of the life of transportation infrastructure;**

One of the greatest threats to transportation infrastructure (highways and local streets) is the excess of SOVs on the road. Chandler Flex is designed to support modeshift and encourage individuals to use accessible transit instead of SOVs, thus reducing the number of vehicles on the road and extending the life of existing transportation infrastructure.



**(6) Reduced costs and improved return on investments, including through the enhanced use of existing transportation capacity;**

Project TRANSCEND effectively reduces costs and boosts return on investments by enhancing transportation efficiency and leveraging existing resources. Expanding service coverage increases accessibility and ridership, generating higher revenues. The project integrates AVs and conventional vehicles under one service, leading to improved punctuality, shorter wait times, and reduced travel durations, which heighten customer satisfaction and increase overall usage. Advanced app integration with existing transit infrastructure maximizes the use of current capacities, minimizing the need for new investments. The use of AVs can further lower operating costs in the future due to labor cost savings.

**(7) Protection of the environment and delivery of environmental benefits that alleviate congestion and streamline traffic flow;**

The project will enable significant environmental benefits by unlocking the full suite of regional transit options, using real-time data to direct riders to the most cost effective and sustainable mode for their journey. For instance, the service has been designed to ensure that riders who request trips that can be served efficiently by existing fixed-route buses are routed directly to those services. The software will instruct riders to use the existing bus and rail services for those trips, ensuring that the microtransit service does not “cannibalize” existing transit services. This will limit congestion and improve traffic flow by making all transit modes more efficient and accessible, reducing the need for SOV trips and increasing the number of riders carried by existing transit services. The microtransit vehicles and AVs will also be hybrid-electric, contributing to further emissions reduction.

**(8) Measurement and improvement of the operational performance of the applicable transportation networks**

Chandler aims to enhance operational performance for riders and administrators and will closely monitor key metrics throughout the project. These include average passenger wait time, trip duration, the number of intermodal connections made, and intermodal ticket purchases, along with other critical performance indicators. This approach ensures continuous improvement in service efficiency and user experience.

**(9) Collection, dissemination, and use of real-time transportation-related information including, but not limited to work zone, weather, transit, and paratransit, to improve mobility, reduce congestion, and provide for more efficient and accessible, and integrated transportation, including access to safe, reliable, and affordable connections to employment, education, healthcare, freight facilities, and other services**

Project TRANSCEND will collect real-time service data to inform service improvements and increase safe, reliable, and affordable connections to various points of interest throughout the region. AVs generate vast amounts of data that can be utilized to further refine transportation system management. This data can provide insights into traffic patterns, peak travel times, and passenger preferences, allowing for more informed decision-making and resource allocation.

**(10) Facilitating account-based payments for transportation access and services and integrate payment systems across modes**

Both the Chandler Flex and Valley Metro apps will allow for account-based payments to utilize the AV service. The apps will facilitate account-based payments; riders have the option to pay with their credit and debit cards, PayPal, among other potential fare systems. Additionally, passengers will have access to contactless open payments and full end-to-end visibility with GTFS-feed integration for riders seeking out multimodal trips via both Valley Metro fixed route and Chandler Flex. This will reduce friction for the rider and improve the overall rider experience by enabling the individual to simultaneously book various modes of transportation through a “one-stop shop” app.



**(11) Monitoring transportation assets to improve infrastructure management, reduce maintenance costs, prioritize investment decisions, and ensure a state of good repair**

The project will provide valuable service and performance data that will enable smart and more data-driven decisions on resource planning and maintenance (e.g., identifying locations that require road maintenance, identifying if a traffic sign is obscured or damaged, etc).

**(12) Accelerated deployment of V2V, V2I, vehicle-to-pedestrian, and technologies associated with automated vehicle applications and other advanced technologies**

The introduction of AVs is expected to accelerate efficiency in transportation by optimizing route management and reducing travel times. AVs, equipped with advanced sensors and AI algorithms, can navigate traffic more effectively and potentially decrease the incidence of accidents caused by human error. Additionally, the project not only introduces innovative automated vehicle technology but also aims to ensure its accessibility to the city's most vulnerable and disadvantaged populations.

**(13) Integration of advanced technologies into transportation system management and operations**

The integration of the Chandler Flex Rider App with the Valley Metro Regional App will allow for a more efficient user experience, enabling easy planning and booking of transit across different modes of transportation. The combined use of these apps, along with the data generated by AVs, can lead to improved synchronization of transportation services. This integration can enhance real-time updates, route optimization, and passenger notifications, thus improving overall system responsiveness.

**(14) Reproducibility of successful systems and services for technology and knowledge transfer to other locations facing similar challenges**

The City of Chandler is poised to be a transportation leader across the state and throughout the country. Project TRANSCEND will provide insights that expand the public transportation industry's understanding of AVs, building on an existing body of research that includes the FTA-funded Valley Metro/ASU/Waymo Study and the North Carolina Department of Transportation (NCDOT) Connected Autonomous Shuttle Study.<sup>56</sup> In tracking key metrics over time—including revenue vehicle hours/miles, vehicle hours/miles, unlinked passenger trips/boardings, and passenger miles—Chandler and the research team will offer a blueprint for other transit operators in their shared goal to improve quality and cost efficiency.

**(15) N/A**

**DOT Focus Areas**

Project TRANSCEND will successfully advance DOT Focus Areas, as outlined below.

- 1) **State of Good Repair:** Project TRANSCEND will significantly enhance Chandler's public transportation system by introducing 5 new vehicles into the Chandler Flex fleet. This initiative not only adds to the overall vehicle count but also substantially reduces the average age of the existing fleet. Moreover, the incorporation of AVs into the fleet serves as a catalyst for broader improvements in the city's infrastructure. The City, along with other public entities, will be motivated to enhance the compatibility of roadways with AVs. This includes addressing fundamental aspects such as clear lane markings, uniform pavement without potholes, properly functioning and visible traffic signals, and legible signs. By instigating these improvements, Project TRANSCEND not only transforms the public transit experience but also contributes significantly to maintaining the overall state of good repair for the City of Chandler.

<sup>5</sup><https://www.transit.dot.gov/sites/fta.dot.gov/files/2021-09/FTA-Report-No-0198%20REVISED.pdf>

<sup>6</sup><https://www.ncdot.gov/divisions/integrated-mobility/innovation/cassi/Documents/cassi-ncdot-cary-final-report.pdf>



- 2) Integration of Intelligent Transportation Systems with the Smart Grid and other energy distribution and charging systems: N/A
- 3) Advanced public transportation systems: Project TRANSCEND will introduce AVs into the Chandler Flex fleet, thus leading to a new level of precision and predictability in public transportation. The vehicles, in conjunction with advanced on-demand routing software, will optimize routes, reduce delays, and enhance overall system efficiency, ensuring a more reliable and timely service for passengers. Additionally, the potential for increased safety through AVs make the implementation of these technologies a transformative step toward creating a truly advanced public transportation system. Integrated booking and payment platforms will streamline the user experience, allowing passengers to plan journeys, make payments, and access various modes of transportation through one app. This will not only simplify the process for users but also foster a more efficient and sustainable public transportation system.
- 4) Efficiency of Freight Movement: N/A
- 5) Rural Opportunities to Use Transportation for Economic Success (ROUTES) Initiative: N/A
- 6) Complete Trip Program: The implementation of May Mobility's AV, the Toyota Sienna Autono-MaaS, aligns with the objectives of the Complete Trip program, as the vehicle is specifically designed for mass transit use, featuring an automatic ramp that complies with the ADA. When an accessible ride is requested through the Chandler Flex rider app, May's shuttle can accommodate one wheelchair user along with two additional riders. Upon launch, the vehicles will likely retain a "driving attendant" in the vehicle who will not only ensure ADA compliance but also provide assistance according to ADA standards and perform necessary safety and security measures.

Over time, the project (led by the City and Via's Community Engagement Team) will continue to assess the impacts and effectiveness of accessible technologies by soliciting input from users with mobility impairments. This will involve soliciting input from advocacy groups, individuals with disabilities, and relevant organizations to understand their specific needs and challenges. Collaborative workshops, surveys, and feedback sessions will be organized to gather insights on the user experience. Regular and open communication channels will be established to ensure ongoing engagement and feedback, allowing the project team to continuously refine and improve the accessibility features of the AV, ensuring it aligns with the evolving needs of the community.

- 7) Data Availability: The data generated from Via's routing and software platform as well as the integrated booking apps will enable informed choices in route planning, resource allocation, and service improvements. To facilitate data collection and sharing, Project TRANSCEND's research team will collect and analyze key metrics on safety, mobility, and environmental impacts over the 3-year deployment period and will publish its findings in a publicly available report at the end of the contract term.



## Transportation Systems and Services

The transportation systems and services included in TRANSCEND encompass a comprehensive suite of tools and applications including:

- **Chandler Flex Rider App:** An integral part of the project, the Rider App or “Chandler Flex App” is fully accessible and aims to drive service adoption by delivering a superior user experience. It features QR code scanning for driverless rider verification, on-hand customer support, and post-ride feedback and surveys. Designed with accessibility at the forefront, the app accommodates the needs of individuals with visual, audio, cognitive, or mobility challenges.
- **Via Software:** The project incorporates Via's proprietary algorithms on each vehicle (both conventional and AV). The software is designed to enhance vehicle utilization, reduce travel time, and efficiently serve riders.
- **VOC (Via Operations Center):** The Via Operations Center (VOC) serves as a fleet management tool, enabling the efficient deployment of both AVs and conventional vehicles within a single service. Operators can manage deployments and access an analytics portal designed for reporting to regulatory bodies such as the USDOT.

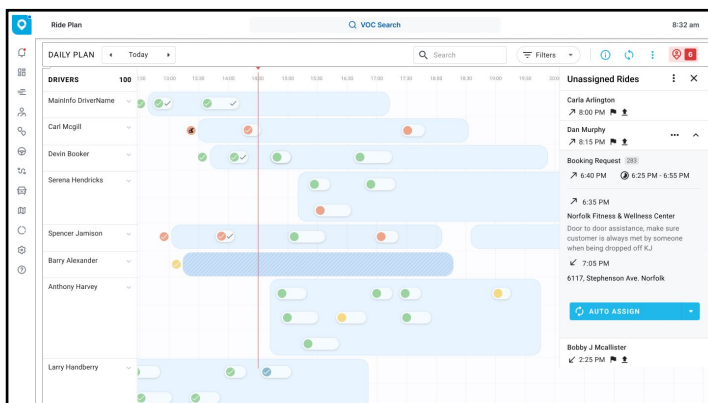


Figure 8: VOC Ride Plan

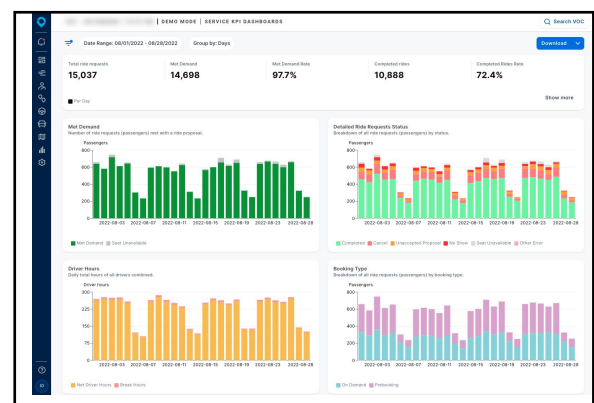


Figure 9: VOC Data Dashboard

- **May Mobility Automated Driving System-equipped Vehicles (AV):** The project incorporates May Mobility's automotive-grade, hybrid electric vehicle, the Toyota Sienna Autono-MaaS, which is well-suited for microtransit. Capable of navigating mixed traffic on public roads in full autonomy with speed limits of up to 35 mph, it can seat up to 5 passengers. One AV within the fleet will also be wheelchair accessible. Via and May Mobility have collaboratively launched 6 on-demand transit services since 2021, providing over 50,000 AV rides across the United States.
- **May Mobility's Automated Driving System-equipped Driving Technology:** May's technology operates in mixed traffic on public streets in multiple locations today. Its patented Multi-Policy Decision-Making (MPDM) algorithm is at its core. Rather than requiring a playbook for every possible roadway scenario, MPDM uses simulations as its “imagination” to safely navigate city streets. MPDM uses thousands of simulations per second to predict the behaviors of all agents (vehicles, pedestrians, bicycles, animals, etc.) in the AV's environment. It uses these simulations to determine the best course of action based on safety, passenger comfort, and predictability for other road users.





Figure 10: May Mobility Automated Vehicle

- App with Integration Capabilities:** The Chandler Flex and Valley Metro Regional apps will remain distinct, but users will have the ability to book all available transit services, including AV and conventional microtransit and fixed-route options, on either app. This means that whether using the Chandler Flex app or the Valley Metro app, riders can conveniently schedule trips across both services. See below for an example of an intermodal trip proposal on a microtransit Rider App.

## Deployment Plan and Project Schedule

The deployment plan for Project TRANSCEND in Chandler is structured to implement and maintain advanced and integrated transportation technologies in Chandler. The plan emphasizes safety, community engagement, continuous improvement, and scalability, aiming for long-term sustainability and replication of success in other regions.

### Phase 0: Service Planning & Design (Month 1 - Month 3):

The Service Planning & Design Phase will incorporate the signing of all contracts and the activation of grant funds. Concurrently, project

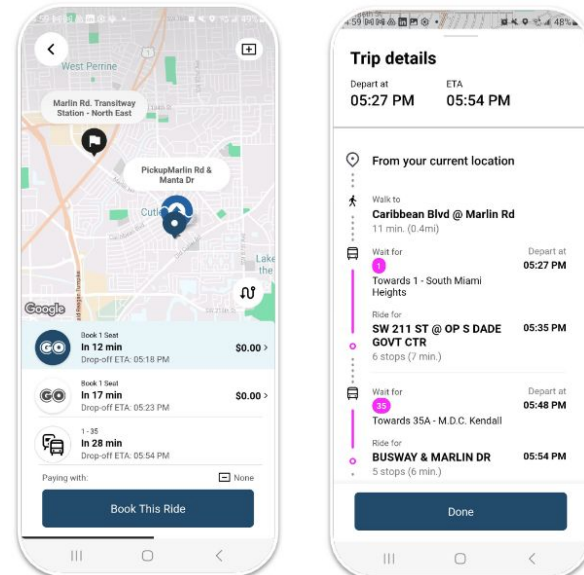


Figure 11: Intermodal Trip Proposal on Via App

partners will craft a comprehensive service design plan, outlining the integration of AVs into the Chandler Flex service. This phase is pivotal for establishing a collaborative framework with key partners Via Transportation and May Mobility, defining their roles and responsibilities, and setting up robust project management structures. A significant portion of this phase will also be dedicated to initiating technology assessments and procuring the necessary hardware and software resources essential for the project's backbone.

#### Deliverables:

- Execution of contracts and activation of grant funds.
- Development of a comprehensive service design plan, integrating AVs into Chandler Flex service.
- Establishment of a collaborative framework with Via Transportation, May Mobility, CALSTART, ASU, and ACA, including defined roles and responsibilities
- Initiation of technology assessments and procurement of essential hardware and software resources.



### Phase 1: Technology Integration (Month 2 - Month 6):

During this phase, project partners will focus on scoping the integration of the Chandler Flex app with the Valley Metro Regional app, ensuring a user-friendly, cohesive digital experience for passengers. This phase will also include integrating the AVs with Via's technology to enable seamless communication of ride data between the two technology systems.

#### Deliverables:

- Scoping and integration of the Chandler Flex app with the Valley Metro Regional app
- Integration of AVs with Via's technology for efficient ride data communication.
- Development of a cohesive digital experience for passengers

### Phase 2: Research Study Kick-Off and Data Collection Plan (Month 3 - Month 5)

CALSTART, ACA, and ASU will work with the City of Chandler, Via, and May Mobility to identify primary variables and develop a detailed test plan to describe the data collection and technical analysis work. A secure and safe data collection and storage process will be identified and implemented. Data sources include but are not limited to: the Via platform, capital/operating/maintenance costs, City of Chandler transit and equity KPIs.

#### Deliverables:

- Identification of primary variables for the research study.
- Development of a detailed test plan for data collection and technical analysis.
- Establishment of a secure and efficient data collection and storage process.
- Gathering of data from various sources including the Via platform, cost metrics, and city transit KPIs.

### Phase 3: AV Technology Testing (Month 3- Month 5):

As Project TRANSCEND prepares for deployment in Chandler, this next phase will encompass rigorous testing and customization of AVs. A strong emphasis will be placed on providing robust climate control systems within the AVs, crucial for Chandler's extreme temperatures. In addition, May Mobility will also build in accessible features for people with disabilities for a comfortable rider experience. The introduction of real-time monitoring systems will be a key feature, providing live updates on weather and traffic conditions, thereby enhancing safety and operational efficiency.

The testing regimen begins with closed-course track testing, where AV performance is evaluated in controlled environments. May Mobility will lead this effort, using their advanced simulation platforms for in-vehicle software validation and rigorous track testing. These simulations aim to ensure that the vehicles can safely and effectively navigate the intended Operational Design Domain (ODD). Following successful simulations and track tests, AVs will be tested on local roads to generate high-definition maps, adhering to strict safety protocols. This stage will also involve proactive vehicle inspection to guarantee adherence to high safety and performance standards.

#### Deliverables:

- Closed-course track testing of AVs led by May Mobility.
- Advanced simulation platforms for in-vehicle software validation.
- Real-time monitoring systems development for weather and traffic updates.
- Road testing of AVs for high-definition mapping and safety protocol adherence.
- Proactive vehicle inspection for safety and performance standards.



#### Phase 4: Training and Community Development (Month 4- Month 6):

This phase is multifaceted, encompassing comprehensive training programs for staff and active community engagement. Project partners will roll out extensive training programs for city staff, designed to equip personnel with essential skills and knowledge for managing the new systems and vehicles. Training will cover various aspects of operations, safety protocols, and customer service, ensuring a well-prepared team for the project's launch.

Alongside training exercises, the City of Chandler, in collaboration with Via's Marketing and Community Engagement teams, will embark on a robust community outreach campaign. This campaign aims to raise public awareness about Project TRANSCEND, highlighting its benefits and operational details. Educational outreach activities, distribution of informational materials, and surveys will be key strategies in this campaign. These initiatives are crucial for building public trust and enthusiasm for the new service and for gathering valuable feedback to fine-tune the service according to community needs and expectations.

#### **Deliverables:**

- Comprehensive training programs for city staff on new systems and vehicles.
- Robust community outreach campaign for public awareness of Project TRANSCEND.
- Distribution of educational materials and conducting surveys for community feedback.

#### Phase 5: In-Person Launch & Operations Support (Month 6):

During this phase, all partners will be present on-the-ground to perform final training and provide support during the initial launch period. Recognizing the challenges of introducing innovative AV services, Via places importance on face-to-face interactions to build trust in the new system. The in-person support will be complemented by a dedicated Partner Support Manager and 24/7 technical support to ensure ongoing assistance and operational efficiency for the City of Chandler's AV transportation service. This structured deployment plan aims to guarantee a successful launch and long-term operational success.

#### **Deliverables:**

- Final training sessions for staff before the launch.
- In-person support from partners during the initial launch.
- Provision of a dedicated Partner Support Manager and 24/7 technical support.

#### Phase 6: Project TRANSCEND Deployment, Long-Term Operation and Maintenance (Month 6 - Month 42, 3-year deployment period):

This phase is characterized by the implementation of a continuous monitoring and maintenance program, covering all technological components, including AVs and app interfaces. The project will regularly update its software and hardware systems, staying abreast of advancements in transportation technology. Continuous community feedback mechanisms will play a crucial role in assessing service satisfaction and identifying improvement areas. For instance, riders will receive targeted communications — including surveys, on-board feedback, and in-app push questions — asking for their input on an ongoing basis to improve services over time. This phase also includes regular training sessions for new staff and refresher courses for existing staff, ensuring a consistently high level of service delivery. A sustainable financial model for operations will be established, exploring avenues like public-private partnerships, fare adjustments, and additional grant opportunities. Regular review and update of safety and emergency response protocols will be undertaken to ensure the highest safety standards.



Deliverables:

- Continuous monitoring and maintenance program for all technological components.
- Regular software and hardware updates. Continuous community feedback mechanisms for service improvement.
- Regular training and refresher courses for staff.
- Development of a sustainable financial model for operations.
- Regular review of safety and emergency response protocols.

Phase 7: Data Evaluation and Final Report (Month 6 - Month 42. 3-year research period):

This is an ongoing phase that will see the continuous collection and analysis of data on ridership, service efficiency, safety incidents, and user satisfaction. The insights gleaned from this data will be instrumental in making informed decisions on service improvements, expansions, and policy formulations. Regular reports will be provided to stakeholders, including the City of Chandler, ATTAIN grant authorities, and the public, detailing the project's performance against set goals and benchmarks. The data collected will also be utilized to inform the academic research study led by CALSTART, ACA, and ASU. Final deliverables for that team will include design interventions such as an interactive guidebook, factsheets, infographics, or short videos, all with the goal of contributing to the broader knowledge base in the field of automated driving systems and integrated transportation systems. Please see Attachment C for a more detailed scope of work outlining the timeline for the research study.

Deliverables:

- Detailed scope of work outline for the research study timeline.
- Continuous collection and analysis of data on various performance metrics
- Regular reporting to stakeholders on project performance.
- Utilization of data for academic research study
- Production of design interventions like guidebooks, factsheets, and videos.

**Obstacles to Deployment, Regulations and Exemptions**

No regulatory obstacles are anticipated for the project, as May Mobility's AVs meet FMVSS requirements and do not require any NHTSA waiver for public road operation. In addition, Arizona's positive reception of previous AV deployments indicate a likely positive reception to the proposed project. May Mobility has been operating AV's on public roads in Arizona since April 2022 (specifically in Sun City). Additionally, the on-demand software platform (powered by Via) will have the capacity to present service data (including trip denials or missed trips) in the exact format requested by regulatory agencies, such as the National Transit Database (NTD), or American Disabilities Act (ADA). May Mobility holds permits to operate both with and without autonomous vehicles on public roads with a safety operator.

Project partners do not anticipate any legislative obstacles to deployment, as the State of Arizona has been proactive in establishing favorable legislation for AVs, dating back to 2015 when Governor Doug Ducey signed Executive Order 2015-09. This order outlined the state's process for the safe development and testing of autonomous and connected vehicle technologies. Subsequently, Executive Order 2018-04, titled "Advancing Autonomous Vehicle Testing and Operating; Prioritizing Public Safety," further regulates AVs, including fully automated ones, ensuring adherence to all relevant laws, including A.R.S. Title 28 (Transportation), and rules set by the Arizona Department of Transportation (ADOT) and the Department of Public Safety (DPS). Notably, in 2021, HB 2813 was passed, codifying key elements of Executive Order 2018-04 into state law.



Finally, project partners anticipate an easy adoption of the AV service, as Chandler and Maricopa County residents are accustomed to AVs in their everyday environment. A significant precursor to this project was the successful pilot program in 2016, where Valley Metro partnered with Waymo to integrate AVs into Valley Metro's RideChoice program. This initiative, designed to cater to paratransit-certified individuals and older adults, demonstrated high levels of safety and comfort among participants. With this positive precedent, project partners foresee a straightforward adoption of AV services in Project TRANSCEND, given the community's established acceptance and comfort with AVs.

## **Quantifiable System Performance Improvements**

The project will achieve various quantifiable system performance improvements such as:

1. **Reducing Overall Costs:** The project will reduce costs for both the agency as well as local users of the service.

*Administrative cost reduction:* Automated booking, dispatch, and reassignment technology will lead to more administrative and cost efficiencies. The software will consolidate all workflows and service data (for both conventional and AV service) into one intuitive administrative console and efficiently manage service exceptions — significantly reducing delays, no shows, and missed trips. Even as Chandler's services grow, the project will reduce operating costs by automating service management and driving high vehicle utilization, resulting in better service using fewer vehicles, fewer miles traveled, and fewer dollars in comparison to new fixed route services in the area. Overall, Project TRANSCEND will enhance current transportation operations by providing service in areas where fixed route service is not cost-effective.

*Rider cost savings:* According to the 2017 American Public Transportation Association's (APTA) January Transit Savings Report, the average transit user can save \$9,738 annually when switching their daily commute from a single occupancy vehicle to public transit.<sup>7</sup> Accounting for the fact that gas prices have fluctuated tremendously since 2017 (average gas price in 2022 was between \$4-\$5 compared to \$2-3 in 2017 according to USA Today) and discounting the cost savings to 2024 rates, an individual living in the identified service area who switches entirely from SOV-use to transit would save closer to \$13,827 annual savings in 2024.<sup>89</sup>

2. **Optimizing System Efficiency:** Riders can expect a maximum 15-minute wait time and reasonable overall travel time. Chandler will be able to adjust parameters continually to prioritize efficient service. On average, the vehicle utilization (riders served per vehicle per hour) of Chandler Flex is 3.1, and that number is expected to increase as more riders take advantage of the service. The service has also been designed to ensure that riders who request trips that can be served efficiently by existing fixed-route buses are routed directly to those services. The software will instruct riders to use the existing bus and rail services for those trips, ensuring that the microtransit service does not "cannibalize" existing transit services. This will optimize the overall system by reducing the need for SOV trips and increasing the number of riders carried by existing transit services, thus limiting congestion and improving traffic flow.
3. **Improving Access to Transportation:** The project is designed to improve access to transportation by deploying effective on-demand microtransit in an area with limited public transit service and significant barriers to existing fixed route service. The proposed

<sup>7</sup><https://www.metro-magazine.com/10034517/mass-transit-users-can-save-9-738-annually-says-apta-report>

<sup>8</sup><https://www.usatoday.com/story/money/2022/05/17/why-gas-prices-continue-rise-record/9798086002/>



project will also offer proven solutions for coordinating multiple modes within a single, integrated platform to support network-wide connectivity. Through integration with publicly-available transit data (GTFS) feeds, the Chandler Flex App can display real-time schedule information about other modes including the Valley Metro fixed route bus schedule. Functionally, the Rider App will offer users multimodal trip proposals with real-time schedule information (e.g., walking distance, wait time, price, etc.). With this solution, Chandler will be able to drive efficient coordination and communication across all modes in the regional transit network. Chandler will also measure ridership increases, particularly along fixed routes that the Chandler Flex service connects to, to demonstrate the effectiveness of the service in increasing ridership across all transit services.

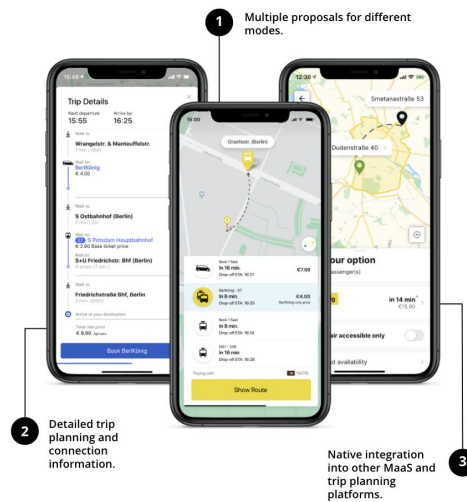


Figure 12:  
Trip Planning  
Scenario on  
Via App

4. **Facilitating payment for Transportation:** Riders will have the ability to book and pay for their microtransit and fixed route trips on the app or by phone. In addition to offering credit card payment, the service will offer multiple payment options for passengers without bank accounts, including cash cards and electronic vouchers which may be purchased at convenient locations in Chandler's service area. For every trip booked, the rider will be able to see in-app notifications and messages, real-time vehicle and wait time tracking, and post-ride ratings. For those without access to a smartphone, a dispatcher will call the rider when the vehicle is approaching. In addition to the above system performance improvements, Project TRANSCEND will track the following metrics over the project term to continually assess performance (more metrics will be tracked for the purposes of the research study).

| Key Metric  | Suggested Benchmark  | Data Source   | Collection Frequency |
|---|--|---|----------------------|
| Increased ridership on local public transit       | At least 100 passenger boardings per weekday   | Via data dashboard  | Monthly              |
| Improved air quality and reduced carbon emissions | Service should achieve lower emissions compared to the baseline scenario of replaced modes that would otherwise have been used for these trips | Via rider surveys on mode replacement (i.e., "how would you have completed this trip if Chandler Flex didn't exist?") | Annually             |
| Improved rider satisfaction                       | Service should achieve average customer satisfaction of 3.5 out of 5 stars or better   | Via data dashboard  | Monthly              |



|   |  |   |          |
|---|--|---|----------|
| Improved on-time arrival rates (potentially school on-time arrival rates)   | Service should achieve a 95% on-time arrival rate  | Via data dashboard  | Annually |
| Shorter passenger wait times and improved access to transportation services | Target average wait time (among all rides) should be in the range of 15 minutes for Chandler Flex. Compare Chandler Flex average waiting time vs. Valley Metro fixed-route average service frequency | Via data dashboard, Valley Metro bus schedules (ingested via GTFS files using Remix software) | Monthly  |
| Compare AVs with conventional vehicles to obtain unique insights            | The research team will set clear benchmarks during the deployment. KPIs will include rider satisfaction surveys, completed trips, pick-up wait times, on-time arrival, etc.                          | Via data dashboard, research team dashboard   | Annually |

Table 2: Sample of tracked KPIs

## ATTAIN Program Areas

**Safety:** Project TRANSCEND, with its focus on safety-oriented features and strategies, is set to substantially improve safety in the Chandler community. This initiative will be particularly advantageous for K-12 students and other vulnerable groups, addressing safety concerns in the following integrated areas:

**Protection from Extreme Temperatures:** The project acknowledges the risks posed by Chandler's extreme temperatures and addresses these by equipping AVs with essential supplies like water and portable fans. These AVs will act as mobile safety havens, offering not just a climate-controlled environment to shield passengers from harsh outdoor conditions, but also as a safe and well-timed connection to other fixed route bus stops. Each AV in the Chandler Flex service will include a climate control system to provide a secure environment during extreme weather conditions, adapting operations such as air conditioning and route planning (to reduce required walk distance, for example) in response to changing weather, particularly during periods of excessive heat.

**Reduction in Human-Error-Related Crashes:** The AVs, equipped with advanced sensors, cameras, and AI algorithms, will effectively reduce crashes by detecting and responding to road situations more efficiently than human drivers. They will consistently adhere to traffic laws, such as speed limits and signals, thereby reducing the likelihood of human-error-related crashes and ensuring a safer road environment by minimizing risky driving behaviors like speeding and reckless driving. Additionally, AVs eliminate the risks associated with driver fatigue and impairment, common contributors to traffic accidents. These vehicles are capable of real-time predictive analysis and decision-making, adjusting operation preemptively in response to traffic and road conditions, and providing swift emergency responses.

**Data-Driven Improvements in Transportation Safety:** Project TRANSCEND will also offer data-driven improvements in transportation safety. The continuous collection and analysis of data from AVs facilitate the ongoing refinement of operational algorithms, leading to constant enhancements in safety features. This wealth of data also aids city planners and policymakers in making informed decisions about road infrastructure, traffic management, and pedestrian safety. Looking ahead, there is potential for AVs to integrate with city traffic control systems, allowing for more coordinated and efficient traffic management, which could further reduce accident rates.

**Improved Safety in Student Transportation:** The introduction of AVs in student transportation across the Chandler Unified School District will address safety concerns associated with traditional student transportation methods. Arizona's 2022 adoption of a new student



transportation law allows for more flexible busing options for K-12 schools, including the use of 11-to-15 passenger vans and the elimination of the requirement that all drivers hold a commercial driver's license. While this may lead to greater efficiency for school district's with a widely dispersed student population, concerns have arisen throughout the state regarding safety, particularly in rollover crashes. Notably, over half of the 235 people killed in such accidents in 11-to-15 passenger vans between 2010 and 2019 were ejected, and 69% were not wearing seatbelts. AVs can address this safety risk by eliminating the need for human drivers, incorporating electronic stability control, and refusing to start the vehicle without seatbelt verification, thus preventing the dangers associated with rollovers that are prevalent in other models.

**Mobility**: Project TRANSCEND is set to revolutionize mobility and equity in Chandler and produce the following benefits:

**Enhanced Chandler Flex Service with AV Integration**: This initiative involves integrating Autonomous Vehicles (AVs) into the existing Chandler Flex service, enhancing its capability to provide on-demand connections to essential locations like the Chandler Regional Medical Center, Tumbleweed Park, Northrop Grumman, City Hall, and more. The service also plays a pivotal role in facilitating first and last-mile mobility connections to various Valley Metro fixed route bus stops, including 542 Chandler Express, 72 Rural Rd, 112 Arizona Ave, 156 Chandler Blvd, and 140 Ray Rd.

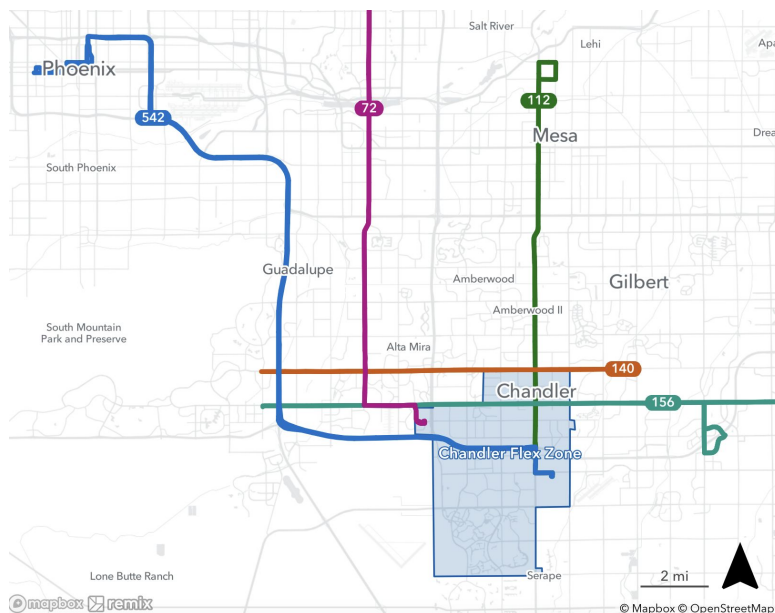


Figure 13: Active Valley Metro fixed route lines that run through Chandler + Chandler Flex zone

**Improved Accessibility to High-Need Educational Institutions**: Project TRANSCEND is a comprehensive initiative that targets equitable access to education, with a specific focus on Title I schools in the Chandler Flex zone, including Chandler High School and Willis Junior High School. This focus is crucial to ensure K-12 students from diverse socioeconomic backgrounds have uninterrupted and reliable access to educational opportunities. A major aspect of this initiative is addressing the issue of traffic congestion during school pickup and drop-off times, a notable problem at Chandler High School. Alleviating this congestion is key to improving daily mobility, enhancing student attendance, and boosting student performance. TRANSCEND supports the city's objective of reducing dependence on private vehicles for school commutes. Additionally, Project TRANSCEND will open up the Flex service to provide AV trips to CGCC, facilitating workforce development opportunities for college-level students in the automated technology sector.



**Socio-Economic Benefits:** Project TRANSCEND aims to provide more affordable and accessible transportation options, especially for low-income residents. For instance, the project will offer no-cost fares to economically disadvantaged residents. By improving access to education and employment opportunities, the project will not only facilitate community development but also contribute to long-term socio-economic benefits. Enhanced mobility leads to better education and employment outcomes, higher incomes, and improved quality of life, fostering economic well-being for the community.

**Engagement with Vulnerable Communities and Public Engagement Strategy:** Moving forward, the City of Chandler will continue to work with community organizations, such as Improving Chandler Area Neighborhoods (ICAN) and AZCEND, to engage the most vulnerable residents and ensure the service remains equitable in design. Education and marketing efforts will be conducted through door-to-door canvassing in the AV-zone as well as the broader Chandler Flex zone, and the City will host community events to inform residents of the expanded AV service. The City fully anticipates high demand and utilization of the service and is determined to ensure that resources are able to meet efficiency goals that lead to a positive rider experience. The project team has designed a public engagement strategy to give riders and other stakeholders ample opportunities to provide feedback and ask questions before launch, and throughout the life of the project. We propose focusing outreach and engagement efforts on the following strategies:

1. **Convene stakeholders and conduct interviews:** The City will interview a range of stakeholders to understand perceived strengths/weaknesses in the current services; likely benefits of improving transit services, and; highest priorities for improving transit.
2. **Facilitate focus groups:** Open by invitation to specific groups, Chandler Flex will host focus groups to get insight on self identified barriers and concerns with AV service.
3. **Consult with community groups:** Working with community-based organizations including those focused on social services, common interests, faith-based and advocacy groups will give Chandler access to priority populations. These groups include: ICAN and AZCEND; among others.

As the community outreach plan evolves, it will be important to share concepts, strategies, and potential recommendations with the community to gather feedback and build buy-in.

**Environmental Benefits:** Project TRANSCEND's strategy to tackle climate change in Chandler combines several key approaches, offering multiple benefits:

**Reduction in GHG Emissions and Promotion of Sustainable Commuting:** In 2006, Arizona became one of the first states to develop a Climate Action Plan, which inspired Arizona counties and cities to develop climate plans and other policies of their own. In 2021, the City of Phoenix released its Climate Action Plan, which targets a 50% reduction in GHG emissions by 2030 and net-zero emissions by 2050.<sup>10</sup> A central aspect of the Phoenix CAP is to shift commuting behaviors, increasing the use of walking, biking, transit, or car sharing to 40% by 2030. Despite these efforts, only 14% within the Chandler Flex zone opt for these sustainable commuting methods. Additionally, the transportation sector remains a significant contributor to GHG emissions in Phoenix, accounting for 47% of the city's emissions. Project TRANSCEND aims to change this by providing accessible, affordable transit options, and by promoting shared microtransit through AVs. This is further supported by the integration of the Chandler Flex app

<sup>10</sup><https://www.phoenix.gov/oepsite/Documents/2021ClimateActionPlanEnglish.pdf>



with the Valley Metro app, streamlining the shift from single-occupancy vehicles. This multifaceted approach not only reduces SOV use but also decreases overall vehicle miles traveled, supporting Chandler's and the broader region's sustainability agenda and alleviating traffic congestion.

**Hybrid Electric Vehicles and Building Climate Resilience:** Project TRANSCEND's introduction of May Mobility's hybrid electric AVs into Chandler's transportation system is a pivotal step towards reducing greenhouse gas (GHG) emissions in the transportation sector. These hybrid electric vehicles are inherently more fuel-efficient and emit fewer GHGs than conventional gasoline-powered vehicles. This shift is particularly significant in urban settings like

Chandler, where the frequent starts and stops of city driving can significantly benefit from the efficiency of hybrid technology. By reducing reliance on conventional combustion engines, these vehicles (known for their low tailpipe emissions) contribute to a substantial decrease in carbon dioxide and other GHG emissions, and criteria-air pollutant emissions such as nitrogen oxides (NOx) and particulate matter (PM).

### Workforce Development, Job Quality, and Wealth Creation

Project TRANSCEND offers substantial advantages for workforce development, job quality, and wealth creation.

**Workforce Development:** The integration of AV technology in Chandler's public transit system necessitates a workforce skilled in emerging technologies, creating demand for specialized training in areas like robotics, computer science, and engineering. This is in line with U.S. Bureau of Labor Statistics projections, which foresee an 11% growth in computer and information technology jobs from 2019 to 2029, significantly faster than the average for all occupations combined. Moreover, May Mobility will play a crucial role in organizing and hosting workforce development activities. These include conducting listening sessions, focus groups, and workshops to gauge workforce transportation needs, and developing career paths for local operators in roles such as site managers, technicians, ambassadors for customer support in fully driverless operations, and tele-assist operators for remote support. These initiatives will extend to CGCC students, particularly the pipeline of students connected to the CGCC AI Program. All CGCC students will begin to receive access to the Chandler Flex AV service (in traveling to and from campus from the existing Chandler Flex zone) should the City receive funding for this project.

**Job Quality:** The growth of high-tech jobs in the AV industry, often offering competitive salaries and career advancement opportunities, directly improves job quality. These jobs typically offer higher median wages than the median wage for all occupations. The workforce development initiatives by May Mobility further support this, aiming to support STEM and innovation career paths for CGCC students, and provide templates for creating higher-skilled, higher-paying job opportunities in Chandler, the Phoenix-metro area, and Arizona. May Mobility will work closely with the CGCC team to ensure that initiatives are aligned with existing curriculums.

**Wealth Creation:** Project TRANSCEND can indirectly contribute to wealth creation within the community. The introduction of AVs is likely to attract businesses and investments in related sectors, fostering an ecosystem of innovation and entrepreneurship. A study by Intel predicts that AVs could create a new "passenger economy," valuing it at \$7 trillion by 2050, indicating the vast potential for economic growth in this sector.



## **Leveraging Existing Investments**

Chandler has a plan in place to leverage and optimize existing advanced transportation technology investments to ensure that the service complements and enhances the region's transportation infrastructure. This includes 1) creating a service that is intermodal by nature and 2) building off previous technology investments and statewide commitments to accelerate benefits in the region.

## **Intermodal Capabilities**

Residents of Chandler currently have access to 5 fixed-route buses that operate in the northern portion of the Chandler Flex service area at 15-30 minute frequencies: 542 Chandler Express, 72 Rural Rd, 112 Arizona Ave, 156 Chandler Blvd, and 140 Ray Rd. Project TRANSCEND's app integration component has been designed to facilitate connections to these Valley Metro bus routes and in turn, increase access through transfers to higher frequency routes such as Route 112 on Arizona Avenue in Chandler and Mesa and high-speed rail stations on Main Street in Mesa and Apache Blvd in Tempe. Riders will have the ability to plan and pay for intermodal trips on both Chandler Flex and Valley Metro apps, thus expanding overall network coverage and increasing access to previously hard-to-reach places.

## **Previous Technology Investments**

Given that May Mobility's vehicles are hybrid-electric, the City plans to leverage existing electric charging infrastructure. Currently, the City owns 25 charging stations. In downtown Chandler, 16 stations are open to the public near Dr. A.J. Chandler Park, City-owned parking garages and the Downtown Chandler Library. Nine other stations are used specifically for the City Fleet, including a new solar charging station.

## **Buy America Act**

May Mobility has secured Buy America waivers for the Toyota Sienna Autono-MaaS in previous deployments. May will work with regulators and project stakeholders to comply with Federal regulators including FTA and FHWA processes for Buy America compliance.

| <b>Technology Summary</b>  | <b>Addressed by Application</b> |
|--|---------------------------------|
| 1. Advanced traveler information systems   | Yes                             |
| 2. Advanced transportation management technologies   | Yes                             |
| 3. Advanced transportation technologies to improve emergency evacuation and response by Federal, State, and local authorities  | N/A                             |
| 4. Infrastructure maintenance, monitoring, and condition assessment  | Yes                             |
| 5. Advanced public transportation systems  | Yes                             |
| 6. Transportation system performance data collection, analysis, and dissemination systems  | Yes                             |
| 7. Advanced safety systems, including V2V and V2I communications, technologies associated with automated vehicles, and other collision avoidance technologies, including systems using cellular technology | Yes                             |



|   |     |
|---|-----|
| 8. Integration of intelligent transportation systems with the Smart Grid and other energy distribution and charging systems   | N/A |
| 9. Integrated corridor management systems   | N/A |
| 10. Advanced parking reservation or variable pricing system or system to assist trucks locate available truck parking   | N/A |
| 11. Electronic pricing, toll collection, and payment systems  | Yes |
| 12. Technology that enhances high occupancy vehicle toll lanes, cordon pricing, or congestion pricing   | N/A |
| 13. Integration of transportation service payment systems   | Yes |
| 14. Advanced mobility and access technologies, such as dynamic ridesharing and information systems to support human services for elderly and disabled individuals   | Yes |
| 15. Retrofitting DSRC technology deployed as part of an existing pilot program to C-V2X technology, subject to the condition that the retrofitted technology operates only within the existing spectrum allocations for connected vehicle systems | N/A |
| 16. Advanced transportation technologies, in accordance with the research areas described in section 6503 of title 49   | Yes |

Table 3: Technology Summary

### **Automated Driving System-Equipped Vehicle Safety**

The vehicles will comply with all applicable safety requirements set by the NHTSA, the FTA, and the FMCSA as well as applicable regulations set by FMVSS and FMCSR. Please see below for additional detail.

- **Safety First:** May's shuttle is fully FMVSS-compliant and meets the highest standards for vehicle safety. With OEM quality hardware, complete sensor coverage, redundant safety features, and a purpose-built Drive by wire (Dbw) system that allows for attendant-free operations, this platform is built for the present and future of autonomous transportation.
- **Flexible & Accessible:** With a fully ADA-compliant automatic wheelchair accessible ramp and restraint system, May's shuttle can seat one wheelchair user plus two additional riders when an accessible ride is requested. When no wheelchair users are riding, flexible jump seats enable seating for up to 5 passengers.
- **Road-Ready, Today:** With an operating speed of 25-30 mph+ in autonomy, May Mobility's vehicles operate on public roads, in mixed traffic, and in complex environments. No additional infrastructure is required to deploy a May service as its vehicles use a unique vision-based approach to navigate through signalized intersections safely. Via and May Mobility have had zero accidents to date across their joint deployments.



## Section III - Management Structure

### Applicant Organization

The City of Chandler will serve as the primary administrator of the project and will contract with USDOT and other project partners (further detailed in the section below) to ensure a successful project deployment. Specifically, the City of Chandler's Transportation Policy Division will take lead on relationship management and project execution. The Transportation Policy Division is made up of three individuals who will contribute to this project: one Transportation Planning Manager and two Transportation Planning Coordinators. The Department has significant experience managing transportation funds (including CDBG funds) which will be leveraged to manage ATTAIN project funding.

### Partnership Plan

The City of Chandler will serve as the primary administrator for the project. In addition to ensuring the demonstration's ongoing alignment with ATTAIN program objectives, Chandler will offer strong local partnerships, knowledge of local transportation infrastructure and public transit operations, leverage various existing communication channels to increase ridership, and deliver strategic guidance for the design and ongoing delivery of the project. Chandler will also serve as the financial and legal custodian, receiving funds and establishing formal contractual agreements with sub-applicants that outline financial terms and mutual expectations. All partners will be afforded the opportunity for multiple rounds of contract review. Please see the following section for an overview of each subcontractors' roles and responsibilities.

The strength of the Chandler ATTAIN project is rooted in a governance and decision-making framework that values collaboration and stakeholder input. Chandler recognizes the distinct roles and experience of each sub-applicant, which includes Via, May Mobility, CALSTART, ACA, and ASU. To foster an open and inclusive governance structure, Chandler has established regular meetings that are designed to accommodate the varying contributions of each partner. Weekly meetings with Via will ensure real-time understanding of operational updates, while bi-weekly meetings with Via and May will delve into project outcomes and community perception. Monthly meetings with the research team will be used to ensure that all partners have access to the required data and are on track with the identified milestones. Quarterly meetings with the entire team are dedicated to assessing service design changes and the project's overall impact.

To further address any potential inequities, the project will implement the following strategies:

- Adopt of a shared vision and goals document at the Kickoff Meeting to create a sense of common ownership;
- Leverage existing feedback loops;
- Distribute monthly progress reports to maintain transparency and accountability; and
- Establish clear communication channels with a primary point of contact for each subcontractor.

### Proposed Subcontractors

The subcontractors for program operations will consist of Via Transportation, May Mobility, CALSTART, ACA, and ASU. Please see below for company profiles and an outline of their proposed responsibilities.



Via Transportation, Inc. ("Via") was established in 2012 with a simple yet ambitious mission: to build software that powers the world's most convenient and efficient mobility solutions. Over the past twelve years, Via has developed the most sophisticated technology and operational expertise for powering diverse mobility services, including microtransit, automated transit, paratransit, and school transportation. Via's transit technology has powered over 100 million rides around the world, working in partnership with over 600 cities, transit agencies, and departments of transportation in 40 countries. Via is the only mobility company with direct experience deploying AVs across a variety of vehicle form factors, geographies, and transit use cases to provide tens of thousands of on-demand, shared, and AV rides around the world. Via will continue to operate the Chandler Flex service on behalf of the City of Chandler, sourcing drivers and vehicles while providing the full microtransit technology suite along with rider marketing, customer support, fare collection, driver recruitment and training, fleet acquisition and maintenance, and ongoing data reporting and analysis tools. In addition, Via will supervise and advise on every aspect of Project TRANSCEND's service design and delivery, including the integration of AVs. Below is an overview of Via's roles and responsibilities:

- **Service Design:** Via's in-house team of service design experts and consultants will work closely with the City and May Mobility to finalize project goals, key KPIs, and service design, as well as manage the contracting process.
- **Launch:** Via's launch team will work closely with May Mobility to oversee the full end-to-end implementation of the automated driving system technology including mapping, integration, testing, quality assurance, and training of all relevant personnel.
- **Operations:** Via's operations team will work closely with the City and May Mobility to manage day-to-day operations. May Mobility has committed to hiring a dedicated site manager on the ground in Chandler.
- **Partner Success:** Via's designated Partner Success team member will be the day-to-day partner for Project TRANSCEND, orchestrating business review meetings, continuously monitoring service performance, and driving iterative improvements.
- **Rider Growth:** The service will be supported by Via's Rider Growth team to ensure ongoing service growth, cultivate strong partnerships with local community organizations, and identify opportunities for long term funding.

May Mobility was founded in 2017 with a vision to transform cities through automated transportation solutions that create a safer, greener, more accessible world. One of the first companies to deploy a publicly-available AV service, May's driving automation technology can navigate mixed traffic on city streets today. Since its founding, May has deployed its shuttles in nine cities across the United States and Japan and provided more than 325,000 publicly available rides. Below is an overview of May's roles and responsibilities:

- **Regulatory Approvals:** Typically, May's launch operations include obtaining the appropriate local, state, and federal regulatory approvals to operate an AV service in Chandler. However, given that May has already successfully obtained regulatory approval for operations in AZ, this step will not be necessary.
- **Site Operations:** May will hire local operations staff to run Project TRANSCEND, including site supervisors and AV operators (AVOs). The local operations teams will report up to a dedicated local Site Manager whose sole responsibility is the day-to-day operational success of the deployment. Specialists at May headquarters will support May's local teams, including experts in-vehicle hardware, driving automation technology, and field engineering. They will stay in regular contact with the Site Manager and monitor performance remotely. May will also source office space and garaging.



- **Central Operations Platform:** Via operation center hubs will provide dispatchers with live service information, service design levers, and data reports, while May Mobility will contribute additional AV-specific data reporting, including telemetry and autonomy performance.
- **Maintenance:** May's operations team will follow a daily checklist to guide each day of safe operations. Site supervisors will monitor service remotely through May's operations hub, a virtual interface that tracks the shuttle's location, sensor data, and overall health. In addition to regular maintenance on the vehicles, engineering teams will regularly improve the entire AV hardware and software package that makes up May's AVs. May's automated driving technology is upgraded as new technology develops, and the replacement of shuttle components provides technical improvements with economic feasibility. All updates/maintenance will be scheduled at regular intervals during off-periods when the shuttles are not in active service.

In addition to the above two partners, the Project TRANSCEND's research team will consist of Arizona State University, Arizona Commerce Authority, and CALSTART. Below is an overview of their roles and responsibilities:

CALSTART is a national nonprofit whose model for change has proven effective, time and again, since its founding in 1992. CALSTART works with its member companies and agencies to build a high-tech clean-transportation industry that creates jobs, cuts air pollution and oil imports and curbs climate change. The organization works with the public and private sectors to knock down barriers to innovation, progress and drive the transportation industry to a clean and prosperous future. CALSTART accelerates the pace of technology and is a market building organization. Below is an overview of CALSTART's roles and responsibilities:

- **Project Management:** CALSTART will serve as the project manager for the research and evaluation portion of the project to assess the impact of AV technology on the efficiency, economics, and performance of the integrated transportation systems - Valley Metro, Chandler Flex, and Project TRANSCEND.
- **Equity Benefits and Outcomes:** CALSTART will focus on assessing the project's equity outcomes and benefits, especially as they pertain to students and individuals living with low-income.
- **Marketing and Community Engagement:** CALSTART will support the City of Chandler and Via's Marketing and Community Engagement teams to implement best practices, design engagement activities, and interview leadership at K-12 schools, CGCC, and other higher education schools in the Chandler Flex operating zone to uncover transportation gaps that Project TRANSCEND can address.
- **Publishable and Reusable Blueprint Materials:** CALSTART will manage the design of useful knowledge translation interventions to optimize this work's impact and advance the transportation sector in the United States.

The Arizona Commerce Authority (ACA) is the state's leading economic development organization with a streamlined mission to grow and strengthen Arizona's economy. The ACA uses a three-pronged approach to advance the overall economy: recruit, grow, create – *recruit* out-of-state companies to expand their operations in Arizona; work with existing companies to *grow* their business in Arizona and beyond; and partner with entrepreneurs and companies large and small to *create* new jobs and businesses in targeted industries. On-going research for this portion of the report will be led by Dr. Jeffrey Wishart from the ACA/Science Foundation Arizona (SFAz) (and who is also an adjunct at ASU). Below is an overview of ACA's roles and responsibilities:



- **Safety Benefits and Outcomes:** ACA will focus on assessing the project's safety outcomes and benefits. This assessment requires three (3) elements: metrics and measurement methods, evaluation methodology, and acceptance criteria and benchmark.

Arizona State University is a public four-year higher education institution. The university exemplifies a new prototype for the American public research university. At ASU, the culture of innovation and inclusion draws pioneering researchers to the faculty and attracts highly qualified students from all 50 states and more than 130 nations. ASU is expanding academic and entrepreneurial opportunities for every type of learner at all stages of life. Below is an overview of ACA's roles and responsibilities:

- **Environmental Benefits and Outcomes:** ACA will focus on assessing the project's environmental outcomes and benefits.

### Flow Chart

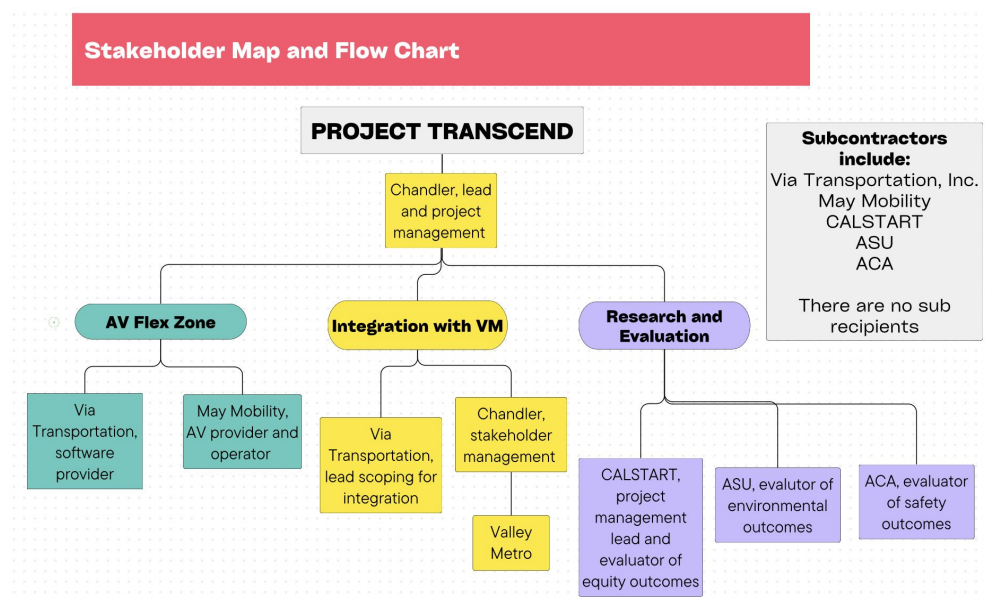


Figure 14:  
Flow Chart

## Section IV – Staffing Description

### Key Personnel

Project TRANSCEND will be a collaborative effort involving representatives from various entities, including the City of Chandler, Via Transportation, May Mobility, Arizona Commerce Authority, Arizona State University, and CALSTART. Each entity and its selected team members has a demonstrated history of successful collaboration and the successful delivery of innovative transportation solutions. Please refer to the resumes exhibit which includes resumes for Key Personnel in addition to a few other resumes.



| Organization             | Name           | Title                               | Role  | Involvement |
|--------------------------|----------------|-------------------------------------|---|-------------|
| City of Chandler         | Jason Crampton | Transportation Planning Manager     | Program Manager   | 15%         |
| City of Chandler         | Nancy Jackson  | Transportation Planning Coordinator | Assistant Program Manager                                   | 25%         |
| Via Transportation, Inc. | Joe Martin     | Partner Success Manager             | Day-to-day oversight of Chandler Flex and Project TRANSCEND | 40%         |
| May Mobility             | Taylor Gygi    | Senior Business Development Manager | Day-to-day oversight of Project TRANSCEND                   | 40%         |
| CALSTART                 | Alise Crippen  | Technical Project Manager II        | Project Manager for the Research and Evaluation Team        | 30%         |

Table 4: Key Personnel for Project TRANSCEND

### **Primary Point of Contact**

Jason Crampton, Transportation Planning Manager at the City of Chandler, will be the Program Manager on the project and will be responsible for coordinating amongst all parties. In addition, he will serve as the primary point of contact.



**The following attachment is not included in the view since it is not a read-only PDF file.**

**Upon submission, this file will be transmitted to the Grantor without any data loss.**

**2. City of Chandler-Arizona-2023 and 2024-ATTAIN-Vol. 2.pdf**



**The following attachment is not included in the view since it is not a read-only PDF file.**

**Upon submission, this file will be transmitted to the Grantor without any data loss.**

**3. City of Chandler-Arizona-2023 and 2024-ATTAIN-Resumes.pdf**



Project TRASCEND  
City of Chandler  
Application to 2024 USDOT ATTAIN Program

Attachment A, Letters of Support

**Table of Contents**

| Organization                               | Signatory   |
|--|---|
| 1. Valley Metro                            | Jessica Mefford-Miller, CEO                                       |
| 2. United States Senate                    | Senator Mark Kelly and Senator Kyrsten Sinema                     |
| 3. City of Phoenix                         | Jesús Sapien, Public Transit Director                             |
| 4. Chandler Gilbert Community College      | Jenna Kahl, Associate Vice President of Institutional Advancement |
| 5. Chandler Unified School District        | Dan Serrano, Executive Director of High Schools                   |
| 6. Maricopa Association of Governments     | Ed Zuercher, Executive Director                                   |
| 7. Downtown Chandler Community Partnership | Rebecca Hill, Executive Director                                  |
| 8. Chandler Chamber of Commerce            | Terri Kimble, President & CEO                                     |
| 9. CALSTART                                | Jasna Tomić, Ph.D., Vice President                                |
| 10. Arizona Chamber of Commerce            | Sandra Watson, President & CEO                                    |
| 11. Arizona State University               | Ram M. Pendyala, Professor and Director                           |
| 12. Via Transportation, Inc.               | Zack Wasserman, Chief Strategy Officer                            |
| 13. May Mobility                           | Daisy Wall, Senior Director of Government Business                |





101 N. 1st Ave. Suite 1400  
Phoenix, AZ 85003  
valleymetro.org  
602.253.5000

January 5, 2024

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Buttigieg:

On behalf of Valley Metro Regional Public Transportation Authority, I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation (USDOT). This letter aims to highlight the key benefits of the proposed project, which seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implementing measures to safeguard against extreme heat conditions, particularly for students.

Since July 2022, the City of Chandler has demonstrated remarkable success with the introduction of the Chandler Flex microtransit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50% being students. The current application to the USDOT ATTAIN program seeks to elevate this success by integrating AVs into the Chandler Flex fleet.

If successfully secured, the grant will fund the expansion of Chandler Flex as well as the introduction of autonomous vehicles (AVs) into the service. This expansion will democratize the technology, benefiting not only students but also other individuals residing, working, and traveling within the zone, notably encompassing two low-income census blocks. The grant will also facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

The integration of AVs into Chandler's microtransit service represents a significant leap in innovation for public transit. Unlike previous AV deployments in Arizona, which have predominantly focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit. By incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of autonomous technology to disadvantaged and low-income riders. To analyze project success, the project will



also include an evaluation in collaboration with key stakeholders, including the Arizona Department of Commerce, Arizona State University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., vehicle performance during extreme heat conditions), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.

As the regional public transportation provider and owner of the Valley Metro regional transit app, Valley Metro is committed to supporting the City of Chandler's efforts associated with this project. Valley Metro has assisted Chandler's microtransit efforts in the past by conducting flexible transit studies that lay the initial framework for a new or expanded microtransit service. Valley Metro will continue to support Chandler by working together to scope out the requirements to integrate the Valley Metro app with the Chandler Flex app. Valley Metro is committed to enhancing the customer experience, which would be achieved in part by an integration of this kind.

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit.

Thank you for your consideration of this application.

Sincerely,



Jessica Mefford-Miller  
Chief Executive Officer



**United States Senate**  
WASHINGTON, DC 20510-0309

January 26, 2024

Honorable Pete Buttigieg  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Ave, SE  
Washington, D.C. 20590

Dear Secretary Buttigieg,

We write regarding the Advanced Transportation Technology and Innovation (ATTAIN) proposal submitted by the City of Chandler, Arizona for \$6 million in funding. Funding from this program will help the City of Chandler enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex Service.

Since July 2022, the City of Chandler has demonstrated remarkable success with the introduction of the Chandler Flex micro transit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50 percent being students. The City of Chandler now seeks to build upon this success by integrating AVs into the Chandler Flex fleet. Unlike previous AV deployments in Arizona, which have predominantly focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit and extend those benefits to disadvantaged and low-income riders.

Programs such as ATTAIN will help the City of Chandler carry out its goal of introducing AVs to its micro transit and making transportation more accessible. This grant will also facilitate a seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. The project will also include an evaluation in collaboration with key stakeholders, including the Arizona Department of Commerce, Arizona State University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., vehicle performance during extreme heat conditions), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.

In accordance with all existing rules, regulations, and ethical guidelines, we respectfully request you give this proposal full and fair consideration as you make this important funding decision.

Sincerely,



A handwritten signature in blue ink that reads "Mark Kelly". The letters are cursive and fluid.

Mark Kelly  
United States Senator

A handwritten signature in blue ink that reads "Kyrsten Si-". The signature is cursive and ends with a long horizontal stroke.

Kyrsten Sinema  
United States Senator





February 2, 2024

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Buttigieg,

On behalf of the city of Phoenix, which is the region's designated recipient for Federal Transit Administration grant funding, I am writing in support of the city of Chandler's application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program, by the U.S. Department of Transportation. This project seeks to enhance public transit by introducing autonomous vehicles (AVs) into Chandler's existing Flex microtransit service, and implementing measures to safeguard against extreme heat conditions, particularly for students.

The Chandler Flex microtransit service started in July 2022 with a focus on improving student transportation. The service caters to over 3,000 riders monthly, approximately 50% are students. The grant will fund the expansion of Chandler Flex with the introduction of AVs into the service for those who reside, work and travel within the program's service zone, notably an area encompassing two low-income census blocks. The funding will facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing Flex riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

Previous AV deployments in Arizona focused on private "robotaxi" service, but by incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of AV technology to disadvantaged and low-income riders. The project will collaborate with key stakeholders to assess AV performance, especially during extreme heat weather conditions, to gather information needed to create a blueprint for similar transformative projects in other cities.

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge DOT to support this initiative, as it aligns with the goals of advancing innovation in public transit.

Thank you for your consideration of this application.

A handwritten signature in black ink, appearing to read "J. Sapien".

Jesús Sapien  
Public Transit Director, City of Phoenix

cc:





# CHANDLER-GILBERT COMMUNITY COLLEGE

A MARICOPA COMMUNITY COLLEGE

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

February 2, 2024

Dear Secretary Buttigieg,

On behalf of Chandler Gilbert Community College, I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation. This letter aims to highlight the key benefits of the proposed project, which seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implementing measures to safeguard against extreme heat conditions, particularly for students.

Since July 2022, the City of Chandler has demonstrated remarkable success with the introduction of the Chandler Flex microtransit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50% being students. The current application to the USDOT ATTAIN program seeks to elevate this success by integrating AVs into the Chandler Flex fleet.

If successfully secured, the grant will fund the expansion of Chandler Flex as well as the introduction of autonomous vehicles (AVs) into the service. This expansion will democratize the technology, benefiting not only students but also other individuals residing, working, and traveling within the zone, notably encompassing two low-income census blocks. The grant will also facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

The integration of AVs into Chandler's microtransit service represents a significant leap in innovation for public transit. Unlike previous AV deployments in Arizona, which have predominantly focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit. By incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of autonomous technology to disadvantaged and low-income riders. To analyze project success, the project will also include an evaluation in collaboration with key stakeholders, including the Arizona Department of Commerce, Arizona State University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., vehicle performance during extreme heat conditions), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.





# CHANDLER-GILBERT COMMUNITY COLLEGE

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## A MARICOPA COMMUNITY COLLEGE

Chandler Gilbert Community College students could greatly benefit from Chandler Flex transportation service. Additionally, the utilization of autonomous vehicles creates an interesting opportunity in which students will have the opportunity to experience and possibly research into new forms of high-technology transportation.

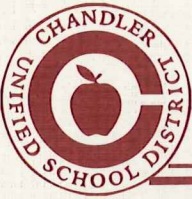
This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit. Thank you for your consideration of this application. If you have any questions, please feel free to contact me at [jenna.kahl@cgc.edu](mailto:jenna.kahl@cgc.edu).

**Jenna Kahl**

**Chandler-Gilbert Community College**  
**MARICOPA COMMUNITY COLLEGES**

Associate Vice President of Institutional Advancement  
2626 E. Pecos Road, Chandler, AZ 85225





## CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

James T. Perry Administration Center • 1525 West Frye Road • Chandler, AZ 85224  
(480) 812-7000 • FAX: (480) 224-9353

"Dedicated to Excellence"

Franklin R. Narducci, Superintendent

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

February 2, 2024

Dear Secretary Buttigieg,

On behalf of Chandler Unified School District, I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation. This letter aims to highlight the key benefits of the proposed project, which seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implementing measures to safeguard against extreme heat conditions, particularly for students.

Since July 2022, the City of Chandler has demonstrated remarkable success with the introduction of the Chandler Flex microtransit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50% being students. The current application to the USDOT ATTAIN program seeks to elevate this success by integrating AVs into the Chandler Flex fleet.

If successfully secured, the grant will fund the expansion of Chandler Flex as well as the introduction of autonomous vehicles (AVs) into the service. This expansion will democratize the technology, benefiting not only students but also other individuals residing, working, and traveling within the zone, notably encompassing two low-income census blocks. The grant will also facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

The integration of AVs into Chandler's microtransit service represents a significant leap in innovation for public transit. Unlike previous AV deployments in Arizona, which have predominantly focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit. By incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of autonomous technology to disadvantaged and low-income riders. To analyze project success, the project will also include an evaluation in collaboration with key stakeholders, including the Arizona Department of Commerce, Arizona State

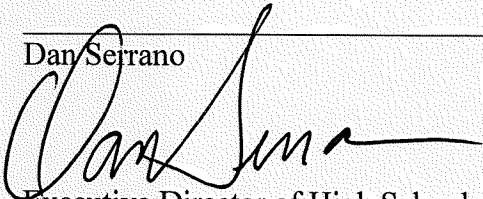


University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., vehicle performance during extreme heat conditions), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.

Chandler and Hamilton High School students currently utilize Chandler Flex to get to and from school when they need to access the school outside of normal bus hours or if they live outside of the normal bus service area. Many students have already benefited from the service, and an enhancement to the service would further benefit our students.

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit. Thank you for your consideration of this application. If you have any questions, please feel free to contact me at [serrano.dan@cusd80.com](mailto:serrano.dan@cusd80.com).

Dan Serrano

A handwritten signature in black ink, appearing to read 'Dan Serrano', is written over a horizontal line.

Executive Director of High Schools  
Chandler Unified School District  
1525 West Frye Road  
Chandler, AZ 85224



January 12, 2024

The Honorable Pete Buttigieg  
Secretary, U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590-0001

Dear Secretary Buttigieg:

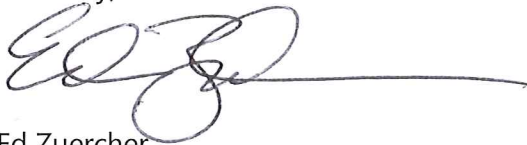
The Maricopa Association of Governments (MAG) is pleased to support the City of Chandler's application for the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program. The city's project seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex microtransit service and implementing measures to safeguard against extreme heat conditions, particularly for students. MAG is the designated metropolitan planning organization for the greater Phoenix region.

In July 2022, the city introduced the Chandler Flex microtransit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50 percent being students. The project seeks to improve on this success by integrating AVs into the Chandler Flex fleet. The grant will also integrate the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level. The project will also have an evaluation component in collaboration with the Arizona Department of Commerce, Arizona State University, and CALSTART assessing the performance of AVs in the public transit system.

The project aligns with regional goals of safety, mobility, and responsiveness.

We appreciate your favorable consideration on this application.

Sincerely,



Ed Zuercher  
Executive Director  
Maricopa Association of Governments



Downtown Chandler Community Partnership  
Rebecca Hill  
Executive Director  
100 W. Boston St., Suite 5  
Chandler, AZ 85225

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

February 2, 2024

Dear Secretary Buttigieg,

On behalf of Downtown Chandler Community Partnership, I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation. This letter aims to highlight the key benefits of the proposed project, which seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implementing measures to safeguard against extreme heat conditions, particularly for students.

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Downtown Chandler Community Partnership  
Rebecca Hill  
Executive Director  
100 W. Boston St., Suite 5  
Chandler, AZ 85225

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit. Thank you for your consideration of this application. If you have any questions, please feel free to contact me at [rebecca@downtownchandler.org](mailto:rebecca@downtownchandler.org).

A handwritten signature in cursive script, reading "Rebecca Hill", written over a horizontal line.

**Rebecca Hill, Executive Director**  
Downtown Chandler Community Partnership (DCCP)  
100 W. Boston St., Suite 5  
Chandler, AZ 85225





February 2, 2024

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Buttigieg,

On behalf of Chandler Chamber of Commerce, I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation. This letter aims to highlight the key benefits of the proposed project, which seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implementing measures to safeguard against extreme heat conditions, particularly for students.

Since July 2022, the City of Chandler has demonstrated remarkable success with the introduction of the Chandler Flex microtransit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50% being students. Moreover, Chandler Flex provides service to local industry professionals at businesses such as Microchip, Intel and Northrup Grumman. The current application to the USDOT ATTAIN program seeks to elevate this success by integrating AVs into the Chandler Flex fleet.

If successfully secured, the grant will fund the expansion of Chandler Flex as well as the introduction of autonomous vehicles (AVs) into the service. This expansion will democratize the technology, benefiting not only students but also other individuals residing, working, and traveling within the zone, notably encompassing two low-income census blocks. The grant will also facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

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with key stakeholders, including the Arizona Department of Commerce, Arizona State University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., vehicle performance during extreme heat conditions), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit. Thank you for your consideration of this application. If you have any questions, please feel free to contact me at [Terri@ChandlerChamber.com](mailto:Terri@ChandlerChamber.com).

A handwritten signature in black ink, reading 'Terri Kimble'. The signature is fluid and cursive, with the first name 'Terri' and last name 'Kimble' clearly distinguishable.

**Terri Kimble**  
**President & CEO**  
**Chandler Chamber of Commerce**





The Honorable Pete Buttigieg  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

February 1, 2024

Dear Secretary Buttigieg:

**Clean Transportation  
Technologies and Solutions**

[www.calstart.org](http://www.calstart.org)

Board of Directors

**Mr. John Boesel**  
CALSTART

**Mr. Yuri Freedman**  
Southern California Gas  
Company

**Mr. Andrei Greenawalt**  
Via

**Ms. Karen Hamberg**  
Deloitte LLP  
Chair Emeritus

**Ms. Chelle Izzi**  
Walmart

**Ms. Julia Grinshpun**  
JP Morgan

**Mr. Mark Patten**  
NextEra Energy

**Ms. Katie Sloan**  
Southern California Edison

**Mr. Chris Stoddart**  
New Flyer of America

**Ms. Cynthia Williams**  
Ford Motor Company

**Mr. Bob Wyman**  
Earthshot

On behalf of CALSTART, I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation. We believe Project TRANSEND will enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implement measures to safeguard against extreme heat conditions.

CALSTART is pleased to bring our industry leading expertise in transportation planning and equity, community engagement, and third-party technology validation to carry out key research efforts that will provide better understanding of the performance, economic, and accessibility impacts of Project TRANSEND. In line with CALSTART's mission of transforming transportation and accelerating the deployment and accessibility of innovative mobility solutions, Project TRANSEND's integration of AVs into Chandler's microtransit service represents a significant leap in innovation for public transit. While previous AV deployments in Arizona have predominantly focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit solutions. By incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of autonomous technology to disadvantaged and low-income riders.

To measure project success, the project includes a robust evaluation phase. In collaboration with key stakeholders, Arizona Department of Commerce, and Arizona State University, the CALSTART team will assess AV performance (*i.e.*, mobility, safety, environmental benefits). The results of the evaluation will provide valuable insights that can be replicated for similar transformative projects in other cities.

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. **We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit.**

Thank you for your consideration of this application. If you have any questions, please feel free to contact me at [jtomic@calstart.org](mailto:jtomic@calstart.org).

Sincerely,

Jasna Tomić, Ph.D.  
Vice President

OFFICES IN :

48 S. Chester Ave PASADENA, CA 91106 | 1607 Cole Blvd. LAKEWOOD, CO 80401 | 67 35<sup>th</sup> St. 5<sup>th</sup> floor Ste B508 BROOKLYN, NY 11232 |  
2600 Tenth Street, Suite 407, BERKELEY, CA 94710 | 200 E. Big Beaver TROY, MI 48083 | 168 Smolian Circle, SANTA ROSA BEACH, FL 32459



February 2, 2024

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Buttigieg,

On behalf of Arizona Commerce Authority (ACA), I am writing in support of the City of Chandler, Arizona's (Arizona) application to the 2023 U.S. Department of Transportation Advanced Transportation Technology and Innovation (ATTAIN) Program. This support letter highlights the key benefits of the proposed project, enhancing public transit by introducing automated vehicles (AVs) into the existing Chandler Flex service, and implementing measures to safeguard against extreme heat conditions, particularly for students.

Since July 2022, the City of Chandler has demonstrated remarkable success with the introduction of the Chandler Flex microtransit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50% being students. The USDOT ATTAIN program could elevate this success by integrating AVs into the Chandler Flex fleet.

If successfully secured, the This grant would fund the expansion of Chandler Flex as well as the introduction of autonomous vehicles (AVs) into the service. This expansion would democratize the technology, benefiting not only students but also other individuals residing, working, and traveling within the zone which encompasses two low-income census blocks. The grant would also facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

The integration of AVs into Chandler's microtransit service represents a significant innovation for public transit. Unlike previous AV deployments in Arizona, many of which have focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit. By incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of autonomous technology to disadvantaged and low-income riders. To analyze project success, the project will also include an evaluation in collaboration with key stakeholders, including the ACA, Arizona State University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., mobility, safety, environmental benefits), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.





The ACA is the State of Arizona's economic development organization with a focused mission to grow and strengthen Arizona's economy. The ACA has worked with the City of Chandler since its inception in 2011. For the proposed TRANSCEND project, ACA has extensive relevant experience to support its successful completion:

- Automated Vehicle Research and Deployments – The ACA commits to leverage its collaborations and expertise in the Institute of Automated Mobility and Science Foundation Arizona to contribute to the project's successful execution and evaluation plan, specifically in the Safety and Public Impact objective.
- Funding support – The ACA commits to an indirect contribution of \$48,944 in time and \$15,000 in resources over the 3-year program for a total of \$63,944 over the period of performance

This grant proposal is more than a mere investment in transportation. It signifies a commitment to progress, inclusivity, and safety in the community of Chandler. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit. Thank you for your consideration of this application. If you have any questions, please feel free to contact me at [sandraw@azcommerce.com](mailto:sandraw@azcommerce.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Watson", with a long horizontal flourish extending to the right.

---

**Sandra Watson**  
**President & CEO**  
**Arizona Commerce Authority**  
**100 N. 7<sup>th</sup> Ave, Suite 400**  
**Phoenix, AZ 85007**



February 2, 2024

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Buttigieg,

On behalf of AZ Board of Regents on behalf of Arizona State University, I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation. This letter aims to highlight the key benefits of the proposed project, which seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implementing measures to safeguard against extreme heat conditions, particularly for students.

Since July 2022, the City of Chandler has demonstrated remarkable success with the introduction of the Chandler Flex microtransit service. This service has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50% being students. The current application to the USDOT ATTAIN program seeks to elevate this success by integrating AVs into the Chandler Flex fleet.

If successfully secured, the grant will fund the expansion of Chandler Flex as well as the introduction of autonomous vehicles (AVs) into the service. This expansion will democratize the technology, benefiting not only students but also other individuals residing, working, and traveling within the zone, notably encompassing two low-income census blocks. The grant will also facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

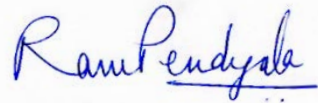
The integration of AVs into Chandler's microtransit service represents a significant leap in innovation for public transit. Unlike previous AV deployments in Arizona, which have predominantly focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit. By incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of autonomous technology to disadvantaged and low-income riders. To analyze project success, the project will also include an evaluation in collaboration with key stakeholders, including the Arizona Department of Commerce, Arizona State University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., mobility, safety, environmental benefits), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.



The Arizona State University research team, including multiple faculty members and three Ph.D. students, is poised to play a pivotal role in supporting the integration of autonomous vehicles (AVs) into Chandler's microtransit service. Our focus will be on conducting in-depth data analysis and user experience surveys, particularly assessing the AVs' impact on urban mobility, safety, and environmental sustainability. Collaborating closely with the City of Chandler and key stakeholders, we aim to provide insightful evaluations and practical recommendations to enhance both the technological and community aspects of this innovative public transit project, ensuring its effectiveness, accessibility, and alignment with sustainable urban development goals.

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit. Thank you for your consideration of this application. If you would like any additional information, please do not hesitate to call me at 480-297-8724 or reach me by e-mail at [pendyala@asu.edu](mailto:pendyala@asu.edu). Thank you very much for your time and consideration.

Sincerely,



Ram M. Pendyala  
Professor and Director





February 2, 2024

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Buttigieg,

On behalf of Via Transportation, Inc. I am writing in support of the City of Chandler's (Arizona) application to the 2023 Advanced Transportation Technology and Innovation (ATTAIN) Program recently released by the U.S. Department of Transportation. This letter aims to highlight the key benefits of the proposed project, which seeks to enhance public transit by introducing autonomous vehicles (AVs) into the existing Chandler Flex service and implementing measures to safeguard against extreme heat conditions, particularly for students.

Since July 2022, Via has partnered with the City of Chandler to deliver the Chandler Flex microtransit service. This service has had tremendous success and has significantly improved student transportation, catering to over 3,000 riders monthly, with approximately 50% of those trips serving student pick-ups and drop-offs. The current application to the USDOT ATTAIN program seeks to elevate this success by integrating AVs into the Chandler Flex fleet.

If successfully secured, the grant will fund the expansion of Chandler Flex as well as the introduction of autonomous vehicles (AVs) into the service. This expansion will democratize the technology, benefiting not only students but also other individuals residing, working, and traveling within the zone, notably encompassing two low-income census blocks. The grant will also facilitate the seamless integration of the Chandler Flex Rider App into the Valley Metro Regional app, providing riders with a user-friendly interface to plan and pay for their trips efficiently. This integration will contribute to a more connected and streamlined transportation system at the regional level.

The integration of AVs into Chandler's microtransit service represents a significant leap in innovation for public transit. Unlike previous AV deployments in Arizona, which have predominantly focused on private robotaxis, this initiative aims to provide safe, affordable, and convenient public transit. By incorporating AVs into Chandler's existing public transit system and making them on-demand and shared, the project promotes environmental sustainability, safety, and extends the benefits of autonomous technology to disadvantaged and low-income riders. To analyze project success, the project will also include an evaluation in collaboration with key stakeholders, including the Arizona Department of Commerce, Arizona State University, and CALSTART. The evaluation will rigorously assess AV performance (i.e., mobility, safety, environmental benefits), offering valuable insights and creating a replicable blueprint for similar transformative projects in other cities.





Via partners with cities and transit agencies across the globe, harnessing the power of data to optimize networks of buses, shuttles, wheelchair accessible vehicles (WAVs), school buses, autonomous vehicles, electric vehicles, and more. Via powers over 600 TransitTech deployments globally and, for each of its deployments, Via configures its system to serve each partners' unique goals while bringing global expertise to bear on local challenges.

This grant proposal extends beyond a mere investment in transportation; it signifies a commitment to progress, inclusivity, and the safety of the Chandler community. We strongly urge USDOT to support this initiative, as it aligns with the goals of advancing innovation in public transit. Thank you for your consideration of this application. If you have any questions, please feel free to contact me at [zack@ridewithvia.com](mailto:zack@ridewithvia.com)

DocuSigned by:

*Zack Wasserman*

59BB4A4E225C423...

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**Zack Wasserman**  
**Chief Strategy Officer**  
**Via Transportation, Inc.**





January 29, 2024

Honorable Pete Buttigieg  
Secretary, U.S. Department of Transportation  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Secretary Buttigieg and members of the USDOT ATTAIN grant review committee:

May Mobility would like to offer our strong support for the TRANSCEND (Transforming Regional Autonomous Navigation for Student Commutes and Environmental Deterrents) grant application to the United States Department of Transportation's Advanced Transportation Technology and Innovation (ATTAIN) program. The City of Chandler, Arizona is aimed at leveraging ATTAIN funds through the TRANSCEND project to elevate the on-demand microtransit service "Chandler Flex," which is intended to integrate autonomous vehicles (AVs) and facilitate the integration of the Chandler Flex Rider App with the Valley Metro Regional App. Focused on the city's vulnerable communities, particularly students, the project will launch in low-income census blocks and is designed to tackle extreme temperatures, ensuring climate-sensitive and efficient transportation.

May Mobility is an autonomous vehicle and technology company that works with cities and transit agencies to provide accessible, shared autonomous transportation. We operate FMVSS compliant, automotive-grade hybrid electric vehicles, utilizing the Toyota Sienna Autono-MaaS vehicles. We have also proven through other deployments, including a long standing deployment in Arizona, that our vehicles are capable of navigating mixed traffic environments autonomously on public roads. Through this grant initiative, we look forward to providing on-demand autonomous transportation and to scaling that operation in a way that provides value to underserved riders in Maricopa County. The City of Chandler will partner with May Mobility, Via, Maricopa County, and Valley Metro Regional Public Transportation Authority to deliver these services and connect transportation disadvantaged communities to essential needs and economic opportunity.

May Mobility is committed to supporting the successful delivery of the TRANSCEND program by participating as a key member of the project team. In addition to the key climate and extreme temperature-related objectives of the TRANSCEND program, we are also aware and committed to upholding additional ATTAIN program goals, including improvement in the mobility of people and goods in underserved communities, demonstration of the impact of advanced transportation technologies on equity and environmental justice, and incentivizing travelers to share trips.

Thank you for considering the TRANSCEND grant application for ATTAIN program funding.

Sincerely,

Daisy Wall, Senior Director of Government Business  
May Mobility



**The following attachment is not included in the view since it is not a read-only PDF file.**

**Upon submission, this file will be transmitted to the Grantor without any data loss.**

**5. City of Chandler-Arizona-2023 and 2024-ATTAIN-Attachment B.xlsx**



# Project TRANSCEND

## Research and Evaluation Study, Scope of Work

### 1. Overview

Project TRANSCEND's Research and Evaluation Study, under the management of CALSTART, in collaboration with Arizona State University (ASU) and the Arizona Commerce Authority (ACA), aims to assess the project's impact on Chandler's transportation system. This integrated scope of work aligns the efforts of CALSTART, ASU, and ACA towards the unified goal of transforming Chandler's transportation landscape, emphasizing mobility, sustainability, and safety, with a special focus on the needs of students and other vulnerable groups.

### 2. Background

The ACA, with its research organizations the Institute of Automated Mobility (IAM) and Science Foundation Arizona (SFAz), has conducted AV research since 2018. One major research focus has been on AV safety, where key initiatives include: (1) the development of SAE J3237, an SAE Recommended Practice on driving assessment metrics that is in the balloting stage based on IAM and SFAz work, as well as (2) the Automated Vehicle Test and Evaluation Process (AV-TEP) Mission which is a safety case-based framework that can be used by AV developers and regulators to evaluate the safety of AVs during the development process and after deployment.<sup>1</sup> The ACA is collaborating with the project AV developer, May Mobility, to demonstrate the AV-TEP framework, comparing how the implementation will vary for industry AVs with IP concerns versus research AVs with open data platforms. These multi-year efforts and the wide expertise that has been developed will be leveraged for the current project.

### 3. Objectives

- **Mobility Enhancement:** Implement and assess the effectiveness of automated vehicle (AV) technology to improve mobility within the integrated transportation systems.
- **Environmental Sustainability:** Assess strategies to reduce emissions and traffic congestion and improve sustainable public transit.

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<sup>1</sup> <https://www.sae.org/standards/content/j3237/>



- **Safety and Public Impact:** Assess the safety benefits of AV integration in Chandler's transportation system, particularly focusing on students' needs and well-being.

## 4. Stakeholders

**CALSTART** is a national nonprofit whose model for change has proven effective, time and again, since its founding in 1992. CALSTART works with its member companies and agencies to build a high-tech clean-transportation industry that creates jobs, cuts air pollution and oil imports and curbs climate change. The organization works with the public and private sectors to knock down barriers to innovation, progress and drive the transportation industry to a clean and prosperous future. CALSTART accelerates the pace of technology and is a market building organization. Below is an overview of CALSTART's roles and responsibilities:

- **Project Management:** CALSTART will serve as the project manager for the research and evaluation portion of the project to assess the impact of AV technology on the efficiency, economics, and performance of the integrated transportation systems - Valley Metro, Chandler Flex, and Project TRANSCEND.
- **Equity Benefits and Outcomes:** CALSTART will focus on assessing the project's equity outcomes and benefits, especially as they pertain to students and individuals living with low-income.
- **Marketing and Community Engagement:** CALSTART will support the City of Chandler and Via's Marketing and Community Engagement teams to implement best practices, design engagement activities, and interview leadership at K-12 schools, CGCC, and other higher education schools in the Chandler Flex operating zone to uncover transportation gaps that Project TRANSCEND can address.
- **Publishable and Reusable Blueprint Materials:** CALSTART will manage the design of useful knowledge translation interventions to optimize this work's impact and advance the transportation sector in the United States.

**The Arizona Commerce Authority (ACA)** is the State of Arizona's economic development organization with a streamlined mission to grow and strengthen Arizona's economy. The ACA uses a three-pronged approach to advance the overall economy: recruit, grow, create – *recruit* out-of-state companies to expand their operations in Arizona; work with existing companies to *grow* their business in Arizona and beyond; and partner with entrepreneurs and companies large and small to *create* new jobs and businesses in targeted industries. On-going research for this portion of the report will be led by Dr. Jeffrey Wishart from the ACA/Science Foundation Arizona (SFAz) (and who is also an adjunct at ASU). Below is an overview of ACA's roles and responsibilities:

- **Safety Benefits and Outcomes:** ACA will focus on assessing the project's safety outcomes and benefits. This assessment requires three (3) elements: metrics and measurement methods, evaluation methodology, and acceptance



criteria and benchmark.

**Arizona State University** is a public four-year higher education institution. The university exemplifies a new prototype for the American public research university. At ASU, the culture of innovation and inclusion draws pioneering researchers to the faculty and attracts highly qualified students from all 50 states and more than 130 nations. ASU is expanding academic and entrepreneurial opportunities for every type of learner at all stages of life. Below is an overview of ACA's roles and responsibilities:

- **Environmental Benefits and Outcomes:** ACA will focus on assessing the project's environmental outcomes and benefits.

## **5. Combined Detailed Tasks and Deliverables**

### **Task 1: Project Management and Reporting (CALSTART)**

- Regular coordination meetings
- Execution and monitoring of project objectives
- Quarterly reporting and invoicing
- Deliverable:
  - Comprehensive progress and final reports

### **Task 2: Data Collection and Analysis (CALSTART, ASU, and ACA)**

- Develop and implement data collection test plans
- Data analysis on usage patterns, trip lengths, and economic impact
- Deliverable:
  - Quarterly data progress reports
  - Detailed Data Collection Test Plan

### **Task 3: Transportation Mobility Study (CALSTART)**

- Develop a transportation mobility assessment methodology
- Evaluate transportation system connectivity and economics
- Deliverable:
  - Transportation Mobility Dashboard
  - Assessment Report

### **Task 4: Training Program Development and Environmental Evaluation (ASU)**

- Develop training modules for transit and AV workforce
- Technical assistance for safety and environmental challenges
- Deliverable:
  - Training materials
  - Evaluation plans
  - Environmental impact reports

### **Task 5: Safety Objectives and Public Safety Impact Assessment (ACA)**

- Development of safety metrics and measurement methods
- Evaluation of public safety impact



- Deliverable:
  - Public safety impact report

#### **Task 6: School Engagement and Community Integration (CALSTART)**

- Interviews and data collection from schools
- Design and implementation of community engagement activities
- Deliverables:
  - Blueprint for enhancing school transportation services and community engagement plans

#### **Task 7: Design Interventions for Knowledge Transfer (CALSTART, ASU, and ACA)**

- Establish and manage a Working Group
- Develop knowledge translation resources
- Deliverables:
  - Interactive guidebook
  - Factsheets
  - Infographic
  - Short videos

## **6. Timeline**

### **Year 1**

- Q1-Q2: Project initiation, team meetings, and data collection test plan development
- Q3-Q4: Implementation of data collection, initial school engagements, and training program development

### **Year 2**

- Q1-Q2: Data analysis, mobility study commencement, and continued school engagements
- Q3-Q4: Progress reports, evaluation of initial safety metrics, and community engagement activities

### **Year 3**

- Q1-Q2: Finalize mobility study, safety assessment, and knowledge translation materials
- Q3-Q4: Project wrap-up, final reporting, and dissemination of findings

## **7. Budget: 1,996,885**

The full cost of the three-year budget for the Project TRANSCEND Research and Evaluation study is \$1,996,885. Please see Vol. 2 of this application for a detailed breakdown of the budget.





**City Council Memorandum      Communications and Public Affairs Memo No.**  
**N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Matthew Burdick, Communications and Public Affairs Director  
**From:** Matt Burdick, Communications and Public Affairs Director  
**Subject:** Agreement No. CP3-966-4488, Amendment No. 2, for Overflow Photocopying and Printing Services

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**Proposed Motion:**

Move City Council approve Agreement No. CP3-966-4488, Amendment No. 2, with LithoTech, Inc., for overflow photocopying and printing services, increasing the spending limit by \$49,000, for the existing term ending August 24, 2024.

**Background/Discussion:**

The overflow contract is used to supplement the city's in-house photocopying and printing services to fulfill requests for high quantity, complex or oversize materials. The contract enables forms, newsletters, calendars, financial reports, posters and banners to be printed for the city. So far this fiscal year, the overflow contract has been used to fulfill 2-7 print requests each month.

**Evaluation:**

On August 18, 2022, the City approved an agreement with LithoTech, Inc., for overflow photocopying and printing services for a one-year term, with the option of four (4) one-year extensions. The extension from August 25, 2023, through August 24, 2024, in the amount of \$95,000, was administratively approved. The current term of the agreement is still in effect. Staff is requesting an increase to the spending limit that was previously approved administratively. The total revised contract amount is not to exceed \$144,000. All other terms of the original agreement remain unchanged.

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## Fiscal Impact

| Account No.   | Fund Name    | Program Name | Dollar Amount | CIP Funded Y/N |
|---------------|--------------|--------------|---------------|----------------|
| 101.1210.5309 | General Fund | N/A          | \$144,000     | N              |

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## Attachments

Agreement





City Clerk Document No. \_\_\_\_\_

City Council Meeting Date: February 22, 2024

**AMENDMENT TO CITY OF CHANDLER AGREEMENT  
OVERFLOW PHOTOCOPYING AND PRINTING SERVICES  
CITY OF CHANDLER AGREEMENT NO. CP3-933-4488**

THIS AMENDMENT NO. 2 (Amendment No. 2) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Litho Tech Inc., (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made \_\_\_\_\_, 20\_\_\_\_ (Effective Date).

**RECITALS**

WHEREAS, the Parties entered into an agreement for overflow photocopying and printing services (Agreement); and

WHEREAS, the term of the Agreement was August 25, 2023, through August 24, 2024, with the option of up to four (4) one-year extensions; and

WHEREAS, the City wishes to amend the Agreement for overflow photocopying and printing services in an amount not to exceed \$144,000.

**AGREEMENT**

NOW THEREFORE, the Parties agree as follows:

1. The recitals are accurate and are incorporated and made a part of the Agreement by this reference.
2. Section IV is amended to read as follows: The City will pay the Contractor the per unit cost set forth in Exhibit B of the original Agreement, which is incorporated into and made a part of this Amendment No. 2 by this reference. Total payments made to the Contractor during the term of this Amendment No. 2 will not exceed \$144,000.
3. All other terms and conditions of the Agreement remain unchanged and in full force and effect. If a conflict or ambiguity arises between this Amendment No. 2 and the Agreement, the terms and conditions in this Amendment No. 2 prevail and control.



IN WITNESS WHEREOF, the Parties have entered into this Amendment on the Effective Date.

**FOR THE CITY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**FOR THE CONTRACTOR**

By: Greg Schutsky \_\_\_\_\_

Its: Sales Manager \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

City Attorney

*TMB*

**ATTEST:**

By: \_\_\_\_\_

City Clerk





## City Council Memorandum      Development Services      Memo No. 24-005FA

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
 Andy Bass, Deputy City Manager and Acting Development Services Director  
**From:** Mikayela Liburd, Associate Planner  
**Subject:** PLH23-0058 Boddy Residence Final Adoption of Ordinance No. 5078

**Request:** Rezoning from Multi-Family District (MF-2) to Planned Area Development (PAD) for a single-family residence with an accessory building.

**Location:** 121 S Dakota Street, more generally located 1/4 mile North of the northwest corner of Frye Road and Arizona Avenue

**Applicant:** Robert Boddy

### Proposed Motion:

Move City Council adopt Ordinance No. 5078 rezoning the parcel from Multiple-Family Residential District (MF-2) to Planned Area Development (PAD) for a single-family residence, subject to the conditions as recommended by Planning and Zoning Commission.

### Background Data:

- The subject site is part of the Townsite of Chandler subdivision
- Zoned Multiple-Family Residential District (MF-2)
- Site is approximately 0.17 acres (7,200 square feet)

### Surrounding Land Use Data:

|       |                           |       |                          |
|-------|---------------------------|-------|--------------------------|
| North | Single-family residential | South | Multi-family residential |
|-------|---------------------------|-------|--------------------------|



|      |                           |      |   |
|------|---------------------------|------|---|
| East | Single-family residential | West | Dakota Street, then single family-residential |
|------|---------------------------|------|---|

### General Plan and Area Plan Designations:

|              |                         |           |
|--------------|-------------------------|-----------|
|              | Existing                | Proposed  |
| General Plan | Neighborhoods           | No Change |
| Area Plan    | Redevelopment Area Plan | No Change |

### Proposed Development

|                            |  |
|----------------------------|--|
| Lot Size                   | Approximately 7,205 sq. ft.  |
| Proposed Building Setbacks | Front: 20'<br>Side: 5' & 5'<br>Rear: 10'                                       |
| Square Footage             | Principal Building: 2,249 sq. ft.<br>Casita: 336 sq. ft.                       |
| Lot Coverage               | 36%  |
| Parking Provided           | Uncovered: 2<br>Covered: 2 Side by Side<br>2 Tandem<br>Total: 6 Parking Spaces |

### Review and Recommendation

The subject site is a vacant, single-family lot located within a single-family neighborhood within the original Chandler townsite that is currently zoned Multi-Family District (MF-2). The applicant's request is to approve a rezoning from MF-2 to Planned Area Development (PAD) for a single-family residence with an accessory building. As part of this request, the applicant is requesting deviations from the required 25 ft. front yard and 5 & 10 ft. side yard setbacks. Proposed setbacks of 5 ft. on both side yards and 20 ft. for the front yard are being requested. These setbacks are consistent with other single family/duplex units in the neighborhood that have recently been approved by the City Council. Planning Staff has reviewed the request and supports the proposal, citing consistency with the General Plan and Zoning Code. The proposal is consistent with the policies of the General Plan, which call for a variety of housing choices and a compatible mix of housing choices within the Neighborhoods Designation. Planning and Zoning Commission recommends approval subject to conditions.

### Public / Neighborhood Notification



- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting sign was posted on the site and on social media via NextDoor.
- A neighborhood meeting was held virtually on November 16, 2023. No one attended other than the applicant.
- As of the writing of this memo, Planning staff is not aware of any opposition to the request.

## **Planning and Zoning Commission Vote Report**

**Ordinance was introduced and tentatively adopted on February 8, 2024.**

Planning and Zoning Commission meeting January 17, 2024

Motion to Approve

In Favor: 6    Opposed: 0    Absent: 1 (Heumann)

Commissioner Velasquez commented on the proposed architecture for the main building, asking that the applicant to consider adding some windows to the wall of the left elevation.

## **Recommended Conditions of Approval**

Rezoning

Planning and Zoning Commission recommends the City Council approve the rezoning from MF-2 to PAD for single-family residential with an accessory building, subject to the following conditions:

1. Development shall be in substantial conformance with the attached development booklet kept on file in the City of Chandler Planning Division, on file in PLH23-0058 Boddy Residence-Development Booklet, modified by such conditions included at the time the exhibits were approved by the City Council and/or as thereafter amended, modified or supplemented by the City Council.
2. Uses permitted on the property shall be those permitted in the Single-Family (SF-8.5) zoning district, except as modified by condition herein.
3. The homebuilder/lot developer shall provide a written disclosure statement, for the signature of any potential buyer, acknowledging that the property is located adjacent to or nearby the "Entertainment District" which may contain land uses that create adverse noise and other externalities. The "Purchase Contracts" and the property deed shall include a disclosure statement outlining that the site is



adjacent to the Entertainment District. The responsibility for notice rests with the homebuilder/lot developer, and shall not be construed as an absolute guarantee by the City of Chandler for receiving such notice.

4. Developer shall provide all required right-of-way dedications and/or easements as determined by the Development Services Director at the time of construction plan review.

5. Developer shall complete 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.

6. Landscaping in all rights-of-way shall be maintained by the adjacent property owner. Additionally, hardscape improvements located behind the sidewalk and within the right-of-way shall be maintained by the adjacent property owner.

7. Minimum setbacks shall be as provided below:

| Property Line | Building Setback    |
|---------------|---------------------|
| Front Yard    | 20 ft.              |
| Side Yard     | 5 ft. for each side |
| Rear Yard     | 10 ft               |

8. Maximum Lot Coverage shall be 45%

9. Maximum Building Height shall not exceed twenty-five (25) feet in height at the building setback line, except any building may exceed such height provided that at no point it projects above a line sloping inward and upward at a forty-five (45) degree angle at the required setback line to a maximum height of thirty-five (35) feet.

---

### **Attachments**

Ordinance 5078

Vicinity Maps

PLH23-0058 Boddy Residence Development Booklet



## **ORDINANCE NO. 5078**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING THE ZONING CODE AND MAP ATTACHED THERETO, BY REZONING A PARCEL FROM MULTIPLE-FAMILY RESIDENTIAL (MF-2) TO PLANNED AREA DEVELOPMENT (PAD) FOR A SINGLE-FAMILY RESIDENCE WITH AN ACCESSORY BUILDING IN CASE PLH23-0058 (BODDY RESIDENCE), LOCATED AT 121 S. DAKOTA STREET WITHIN THE CORPORATE LIMITS OF THE CITY OF CHANDLER, ARIZONA; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR PENALTIES.

WHEREAS, an application for rezoning certain property within the corporate limits of Chandler, Arizona, has been filed in accordance with Article XXVI of the Chandler Zoning Code; and

WHEREAS, the application has been published in a local newspaper with general circulation in the City of Chandler, giving fifteen (15) days' notice of time, place, and date of public hearing; and

WHEREAS, a notice of such hearing was posted on the property at least seven (7) days prior to the public hearing; and

WHEREAS, the City Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission as required by the Zoning Code.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

Section 1.      Legal Description of Property:

### EXHIBIT 'A'

Said parcel is hereby rezoned from Multi-Family Residential District (MF-2) to Planned Area Development (PAD) for a single-family residence with an accessory structure, subject to the following conditions:

1. Development shall be in substantial conformance with the attached development booklet kept on file in the City of Chandler Planning Division, on file in PLH23-0058 Boddy Residence-Development Booklet, modified by such conditions included at the time the exhibits were approved by the City Council and/or as thereafter amended, modified, or supplemented by the City Council.



2. Uses permitted on the property shall be those permitted in the Single-Family (SF-8.5) zoning district, except as modified by condition herein.
3. The homebuilder/lot developer shall provide a written disclosure statement, for the signature of any potential buyer, acknowledging that the property is located adjacent to or nearby the “Entertainment District” which may contain land uses that create adverse noise and other externalities. The purchase contracts and the property deed shall include a disclosure statement outlining that the site is adjacent to the Entertainment District. The responsibility for notice rests with the homebuilder/lot developer, and this ordinance shall not be construed as an absolute guarantee by the City of Chandler for receiving such notice.
4. Developer shall provide all required right-of-way dedications and/or easements as determined by the Development Services Director at the time of construction plan review.
5. Developer shall complete 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.
6. Landscaping in all rights-of-way shall be maintained by the adjacent property owner. Additionally, hardscape improvements located behind the sidewalk and within the right-of-way shall be maintained by the adjacent property owner.
7. Minimum setbacks shall be as provided below:

| <b>Setback</b> | <b>Distance</b> |
|----------------|-----------------|
| Front Yard     | 20 ft.          |
| Side Yard      | 5 ft. each side |
| Rear Yard      | 10 ft.          |

8. Maximum Lot Coverage shall be 45%.
9. Maximum Building Height shall not exceed twenty-five (25) feet in height at the building setback line, except any building may exceed such height provided that at no point it projects above a line sloping inward and upward at a forty-five (45) degree angle at the required setback line to a maximum height of thirty-five (35) feet.



INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 5078 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2024, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY TA

Published in the Arizona Republic on:



EXHIBIT "A"

LEGAL DESCRIPTION – Boddy Residence

121 S Dakota Street

Lot 543, Chandler, according to the Plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 5 of Maps, Page 34.











# **PLH23-0058 Boddy Residence-Development**

## **Booklet**

### **Table of Contents**

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| Site Plan.....            | 4  |
| Main Home Elevations..... | 5  |
| Casita Elevations.....    | 7  |
| Floor Plan Main Home..... | 8  |
| Floor Plan Casita.....    | 10 |



10/9/2023

**City of Chandler**

215 E Buffalo St.  
Chandler, AZ 85225

RE: Home for the Boddy Family  
APN: 303-09-057  
121 S Dakota St, Chandler, AZ 85225

In April of this year, my wife and I purchased this vacant lot in Downtown Chandler and have been working with Pat Anderson, owner of CAD Services AZ, on designing and laying out our vision for the construction of a modern farmhouse-style single family home and casita. We are recent empty nesters and are excited about moving out of the suburbs and into the city center. We believe our proposal aligns nicely with the broader vision for the Downtown Chandler entertainment district plans and will encourage other homeowners and developers to continue to transition the neighborhood.

We are proposing a change in zoning from MF-2 to PAD and requesting a slight setback variance to allow for the construction of a single family residence and casita.

The existing 7,205 sf lot fronts S Dakota St, borders the alleyway on the north and east sides and has water, sewer and electricity available at the back of the lot. We will connect both the main house and casita to existing water and sewer and will work with APS to bring service to both structures underground from the existing utility poles.

The proposed project involves the construction of a modern farmhouse-style 1.5 story single-family home and casita. The design is a fusion of traditional farmhouse elements and contemporary aesthetics which will add to the overall aesthetic of the downtown neighborhood.

The main home will have 2,260 sf of livable space, a 928.5 sf garage (standard 2 car side-by-side entry at the front of the house and 2 car tandem along the south side of the home), 137 sf covered front porch, 280 sf covered patio in the rear and 250 sf partially covered second story balcony. The home will feature 3 bedrooms, 2.5 bathrooms, great room, kitchen, dining room, laundry room, office and loft.

The casita will have 336 sf of livable space and include 1 bedroom, 1 bathroom and great room area which includes a kitchenette (no stove/oven). The casita will match the primary home in terms of construction materials, roofing and colors.

The total proposed covered square footage on the lot, including the casita, is 3,000 sf, or 42% of total square footage.



We are proposing the following changes to zoning and setbacks:

- Re-zone from MF-2 to PAD
- Due to limited lot width, we're requesting a reduced setback on the north side of the home to 5' (borders alleyway), which brings total side yard setbacks to 10' to accommodate the proposed house layout.
- Requesting a reduced setback in the front, west side, of the home to 20' to allow space to spread out the main house, eventual swimming pool and casita. Rear setback, east side, will be 10'.

The exterior of the main house and casita will be a combination of smooth stucco and vertical board and batten. The body will primarily be painted with Sherwin Williams Snowbound (SW-7004) with accents painted in Behr Asphalt Gray (N520-6d). The main entry door will be painted Sherwin Williams Courtyard Green (SW-6440). Roofing material will be a combination of architectural shingles and standing seam metal roof and will be similar in color as the Asphalt Gray body accent paint.

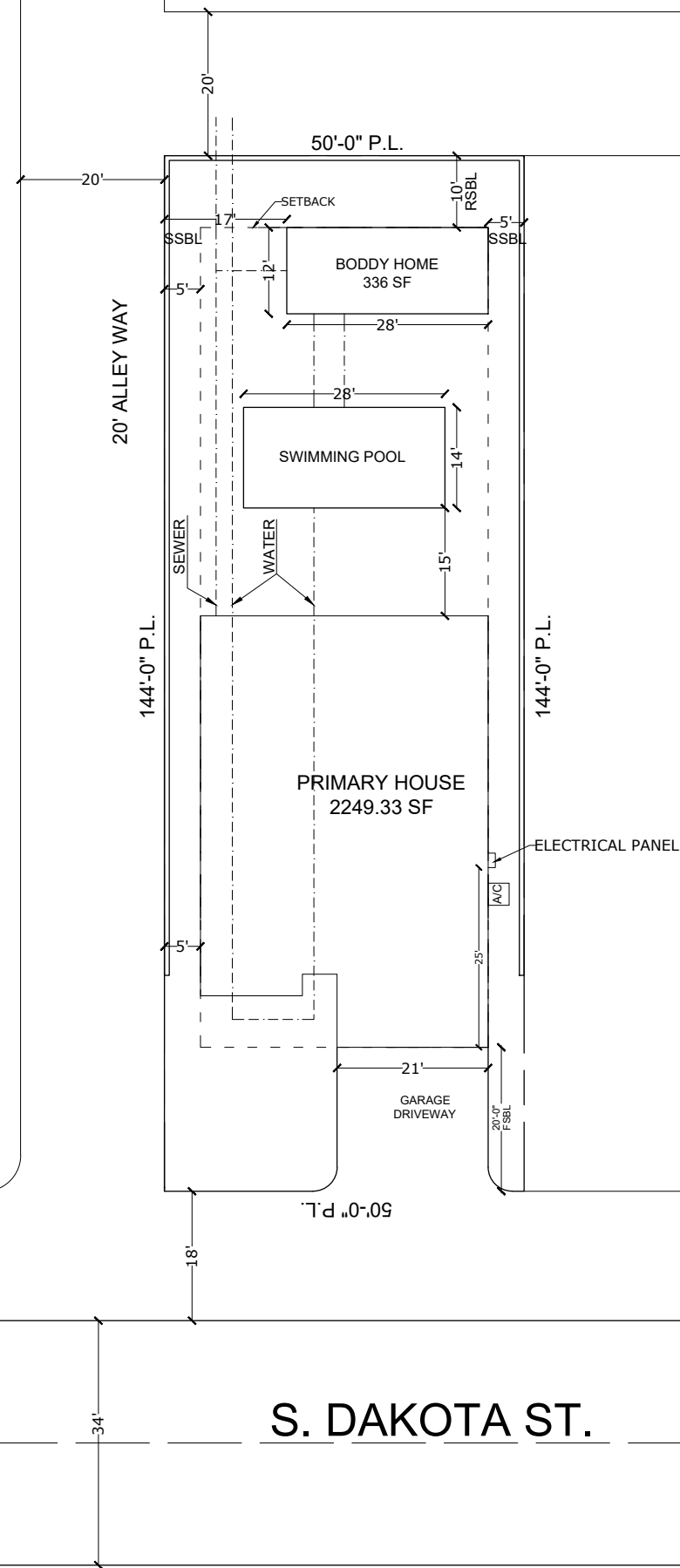
We are dedicated to working closely with the Planning and Zoning Department and City Hall officials to ensure that the project aligns with the city's vision while providing an appealing modern living space that contributes positively to Downtown's aesthetic evolution. This project will have no effect on the cost of constructing new housing in the area.

Please let us know if you have any questions.

Sincerely,

Robert and Alisen Boddy

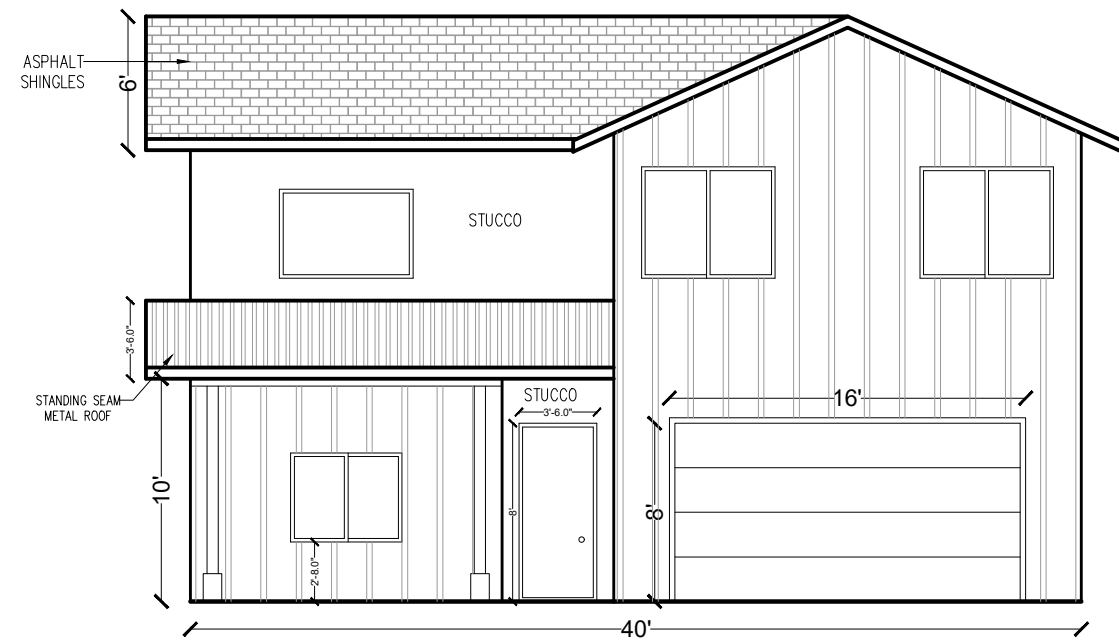




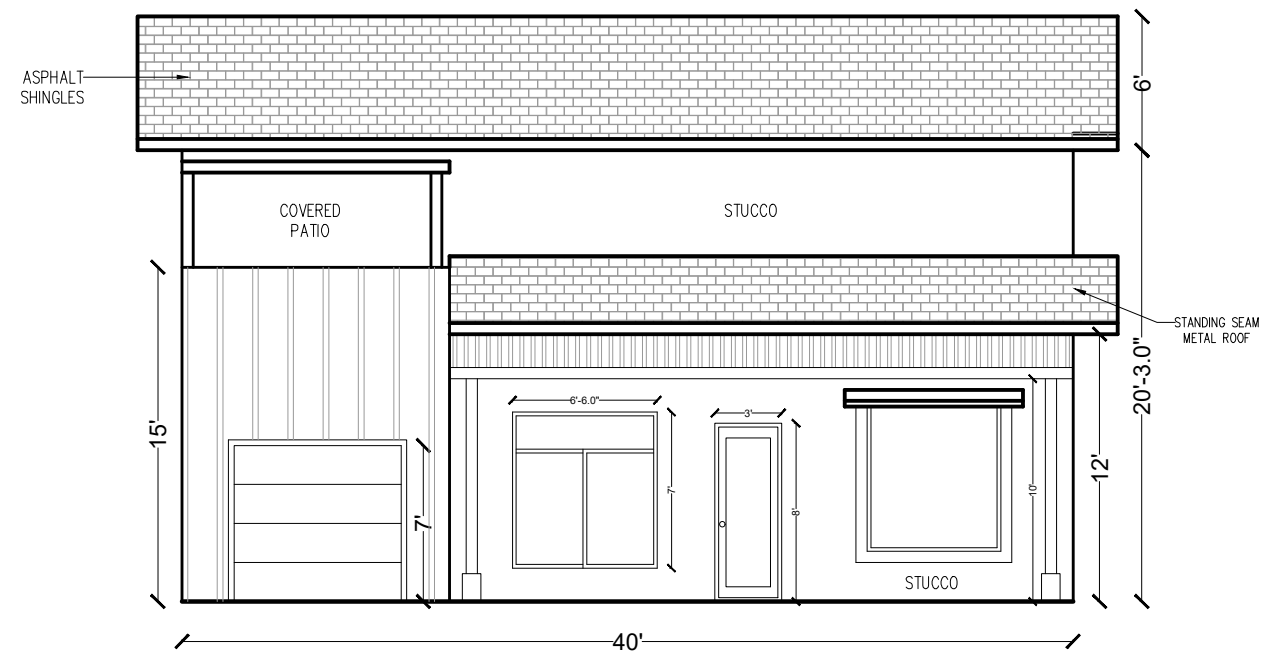
2018 INTERNATIONAL BUILDING CODE  
2018 INTERNATIONAL RESIDENTIAL CODE  
2018 INTERNATIONAL MECHANICAL CODE  
2017 NATIONAL ELECTRICAL CODE  
2018 INTERNATIONAL PLUMBING CODE  
2018 INTERNATIONAL FUEL GAS CODE  
2018 INTERNATIONAL EXISTING BUILDING CODE  
2018 INTERNATIONAL ENERGY CONSERVATION CODE  
2018 INTERNATIONAL PROPERTY MAINTENANCE CODE  
2018 INTERNATIONAL FIRE CODE  
2010 ADA CODE



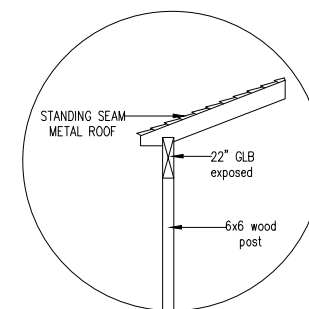




FRONT ELEVATION

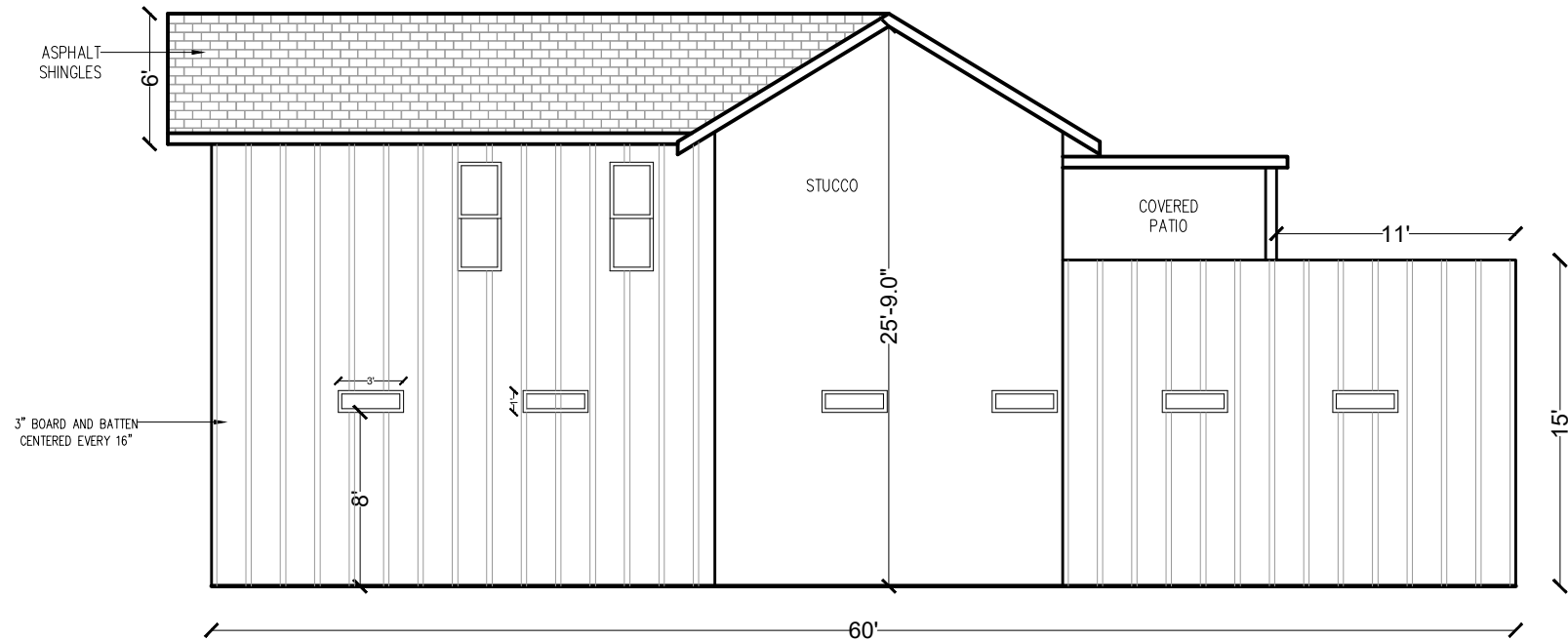


REAR ELEVATION

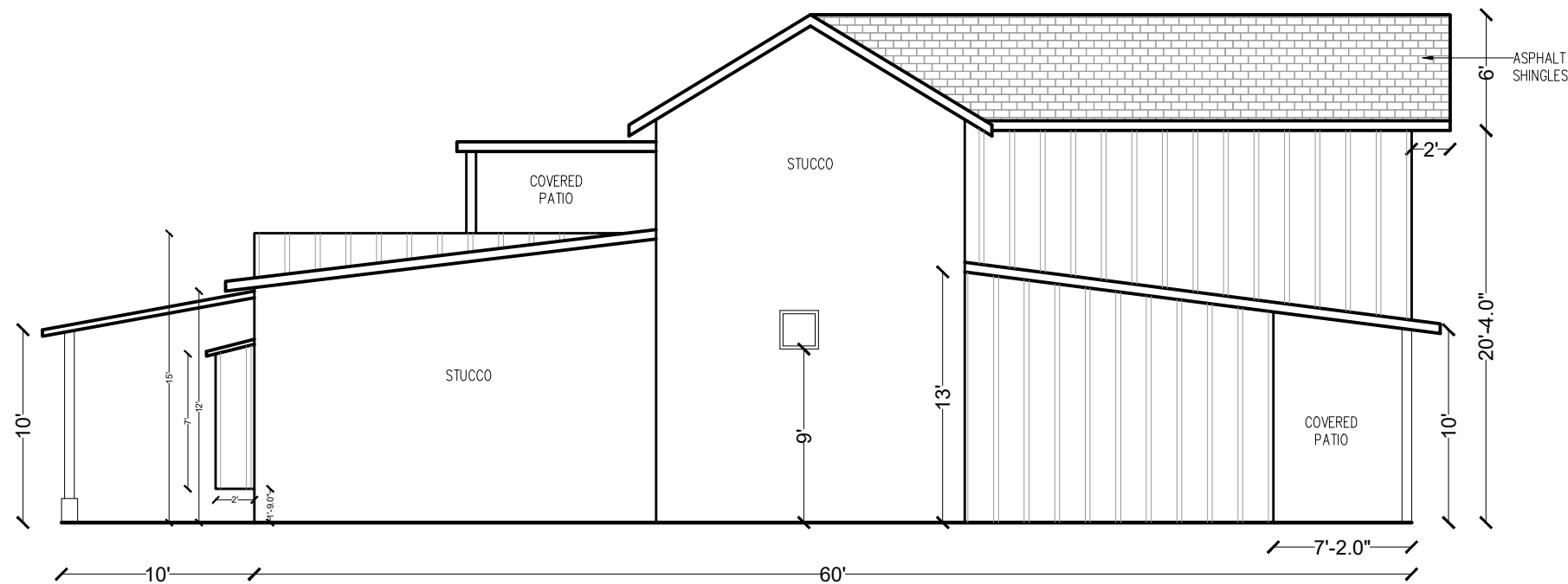


|         |                                |            |      |             |             |          |             |
|---------|--------------------------------|------------|------|-------------|-------------|----------|-------------|
| Project | ROBBIE AND ALI BODDY RESIDENCE | Structure  | ---- | Drg. Title  | Drawn by    | Date     | Scale       |
|         |                                | Plumbing   | ---- | ELEVATIONS  |             |          | 1/8" = 1'   |
|         |                                | Electrical | ---- | Drg. Status | Drg. Issued | Revision | Sheet size: |
|         |                                | Contractor | ---- |             | ---         | 00       | A3          |





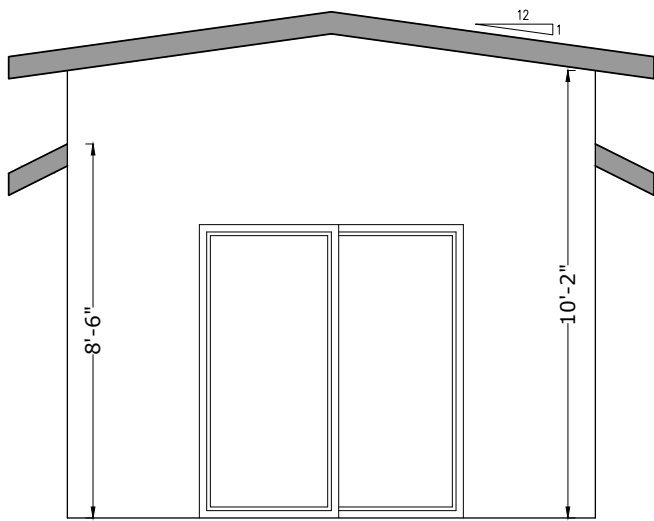
RIGHT SIDE ELEVATION



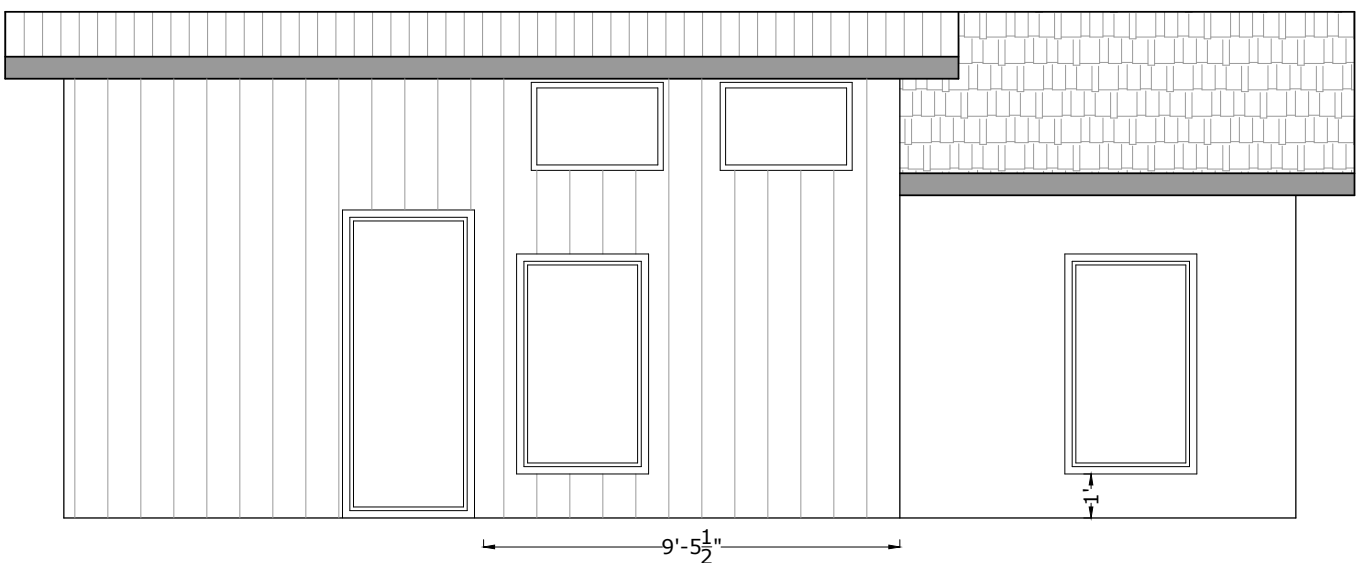
LEFT SIDE ELEVATION

|         |                                |            |       |             |             |          |             |
|---------|--------------------------------|------------|-------|-------------|-------------|----------|-------------|
| Project | ROBBIE AND ALI BODDY RESIDENCE | Structure  | ----- | Drg. Title  | Drawn by    | Date     | Scale       |
|         |                                | Plumbing   | ----- | ELEVATIONS  |             |          | 1/8" = 1'   |
|         |                                | Electrical | ----- | Drg. Status | Drg. Issued | Revision | Sheet size: |
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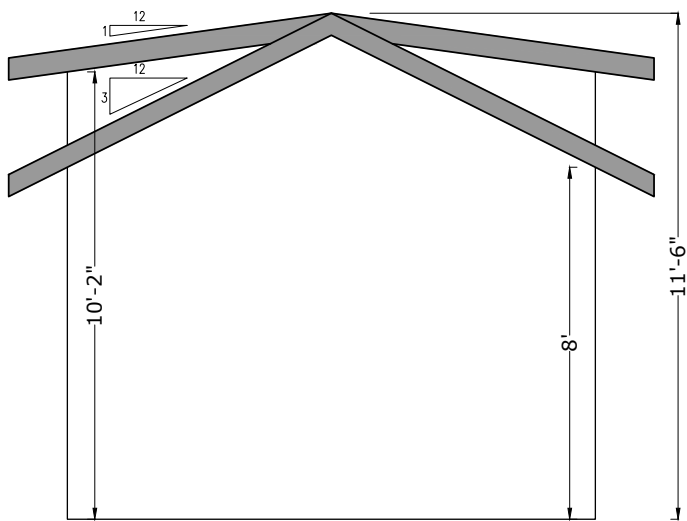




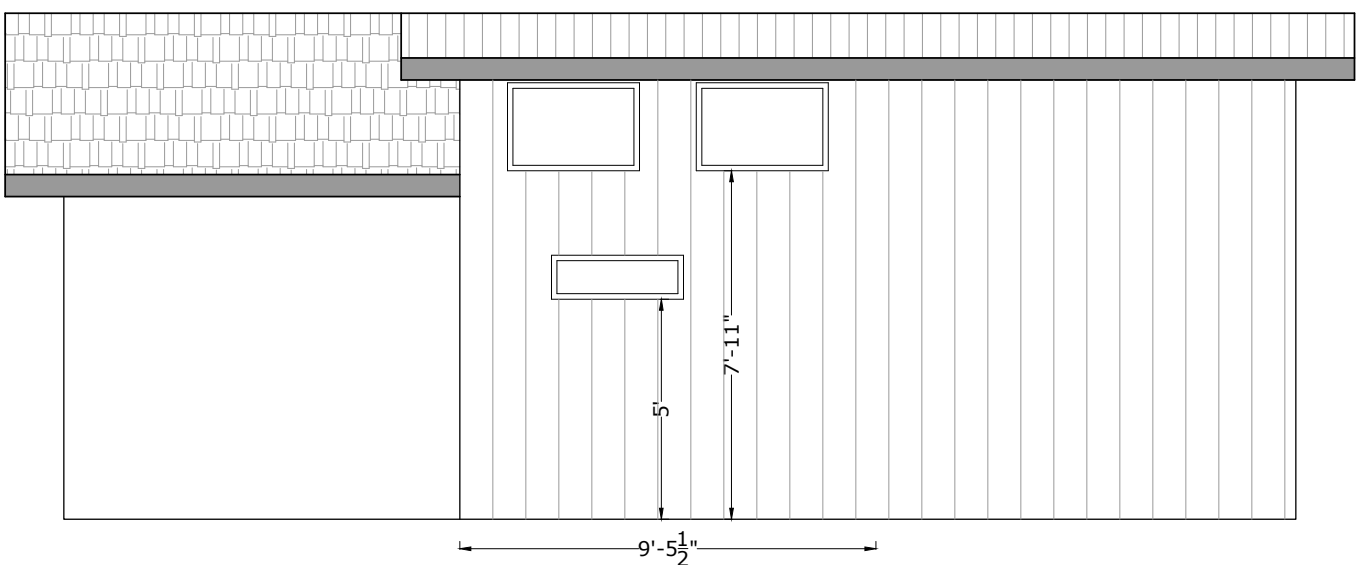
FRONT ELEVATION



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



# ELEVATIONS

SCALE: 1/2" = 1' - 0"



CAD Services AZ LLC  
www.cadservicesaz.com  
CONTACT: caddrafteraz@gmail.com

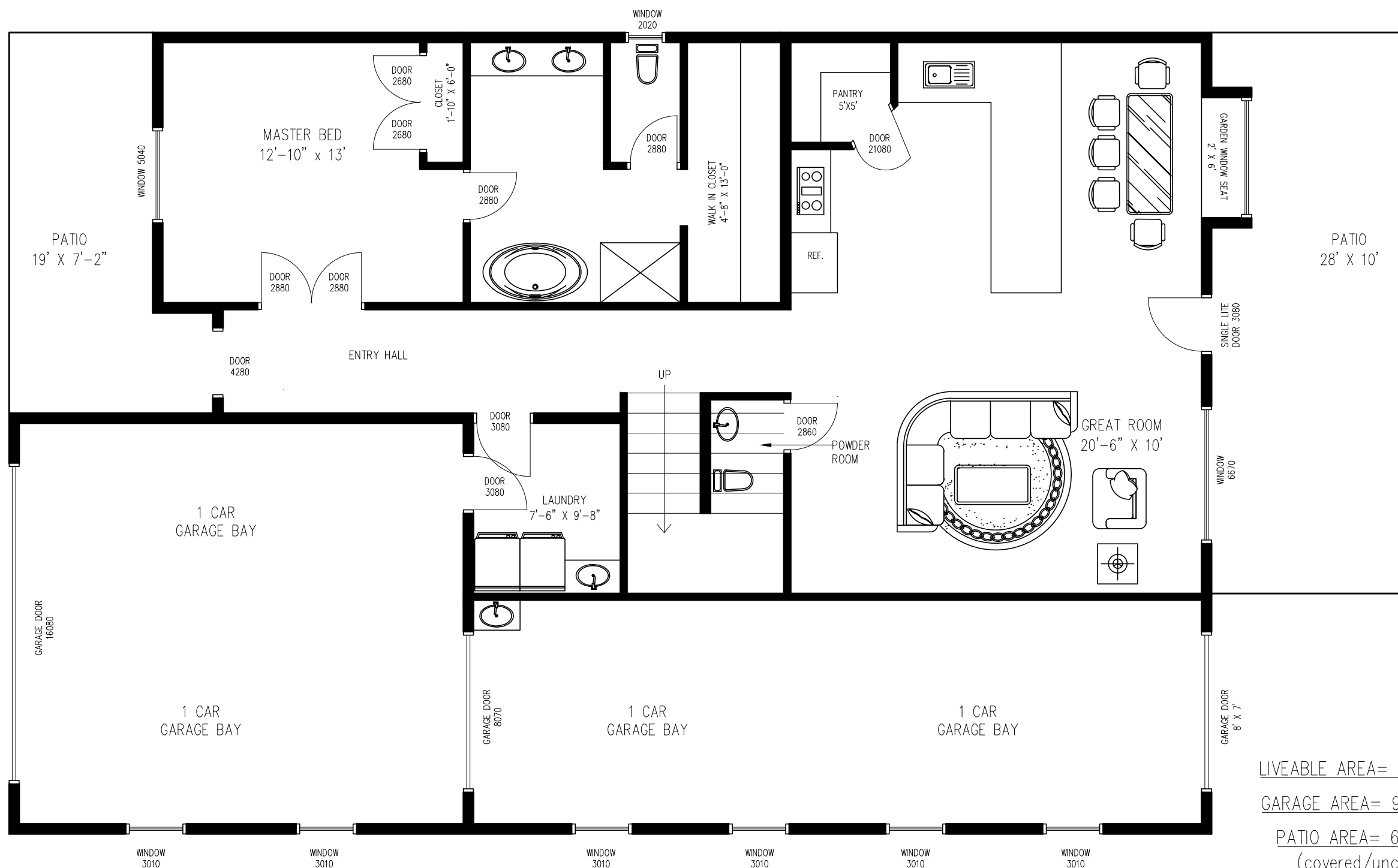
BODDY HOME  
121 S. DAKOTA STREET  
CHANDLER, AZ, 85225  
APN: 303-09-057

ELEV-1  
PAGE 3 OF 5  
ELEVATIONS  
DRAWN 17/10/2023



FRONT

REAR

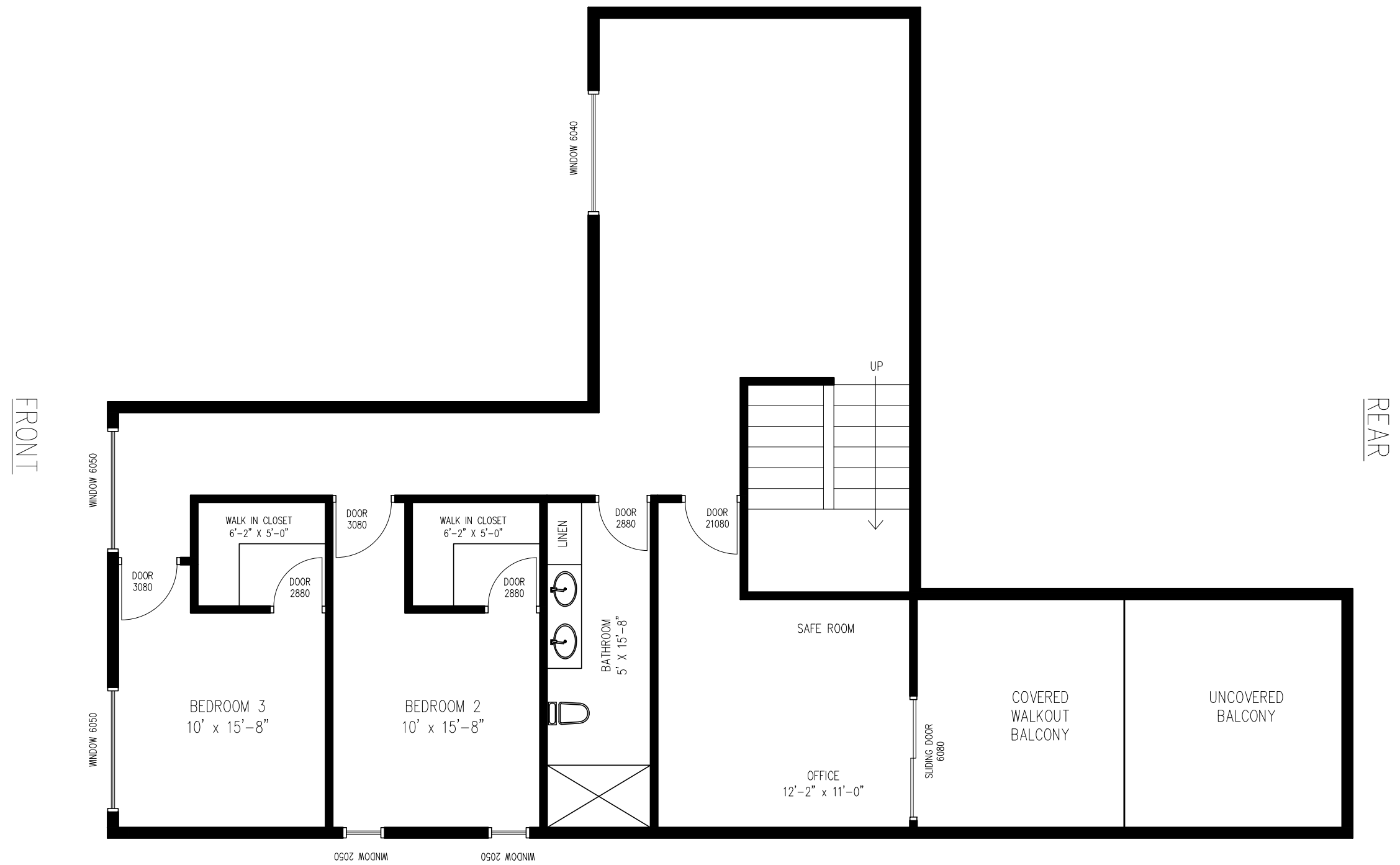


FIRST FLOOR

LIVEABLE AREA= 2260 sq. ft.  
GARAGE AREA= 928.5 sq. ft.  
PATIO AREA= 670 sq. ft.  
(covered/uncovered)

|         |                                |            |      |             |            |             |          |             |
|---------|--------------------------------|------------|------|-------------|------------|-------------|----------|-------------|
| Project | ROBBIE AND ALI BODDY RESIDENCE | Structure  | ---- | Drg. Title  | FLOOR PLAN | Drawn by    | Date     | Scale       |
|         |                                | Plumbing   | ---- |             |            |             |          | 3/16" = 1'  |
|         |                                | Electrical | ---- | Drg. Status |            | Drg. Issued | Revision | Sheet size: |
|         |                                | Contractor | ---- |             |            | ---         | 00       | A3          |

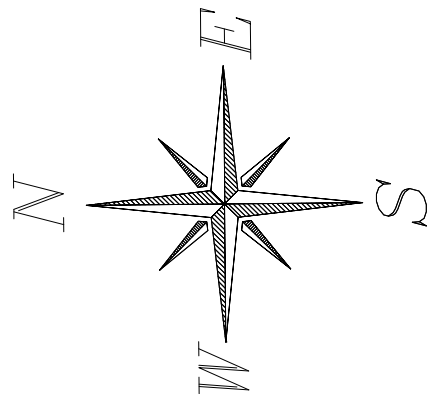
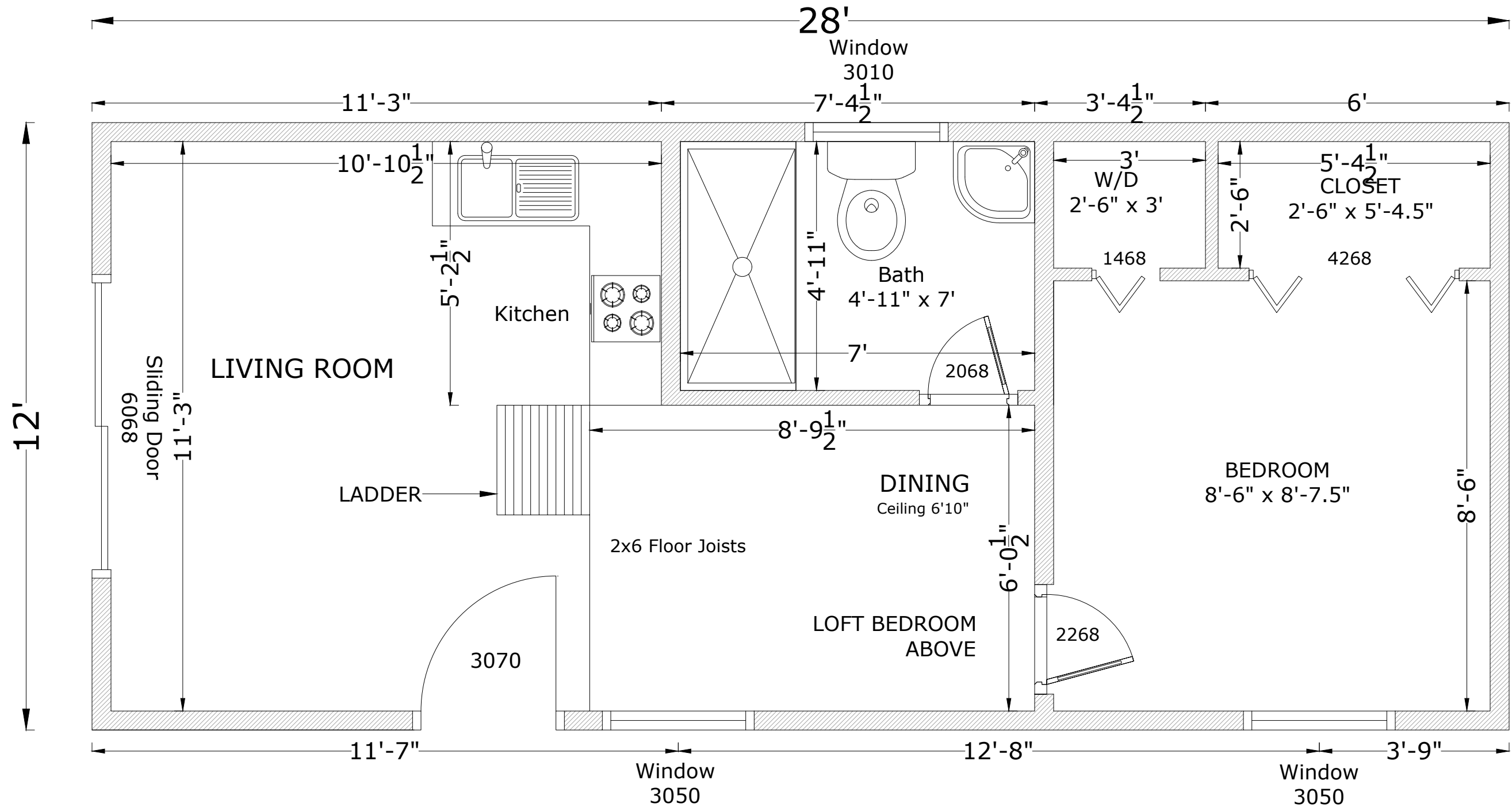




SECOND FLOOR

|         |                                |            |       |             |             |          |             |
|---------|--------------------------------|------------|-------|-------------|-------------|----------|-------------|
| Project | ROBBIE AND ALI BODDY RESIDENCE | Structure  | ----- | Drg. Title  | Drawn by    | Date     | Scale       |
|         |                                | Plumbing   | ----- | FLOOR PLAN  |             |          | 3/16" = 1'  |
|         |                                | Electrical | ----- | Drg. Status | Drg. Issued | Revision | Sheet size: |
|         |                                | Contractor | ----- |             | ---         | 00       | A3          |





## FIRST FLOOR PLAN

SCALE: 1" = 1' - 0"





**City Council Memorandum      Development Services    Memo No. 24-008FA**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Andy Bass, Deputy City Manager and Acting Development Services Director  
**From:** Lauren Schumann, Planning Senior Program Manager  
**Subject:** PLH23-0053 Cambridge Medical Facility  
Final Adoption of Ordinance No. 5079

**Request:** Rezoning to increase Mid-Rise Overlay allowing building heights up to 75 feet

**Location:** North of the northwest corner of Gilbert Road and Insight Way, generally located ¼ mile south of the southwest corner Gilbert and Germann roads

**Applicant:** Anthony Pings; Pings & Associates

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**Proposed Motion:**

**Rezoning**

Move City Council adopt Ordinance No. 5079 approving PLH23-0053 Cambridge Medical Facility, Rezoning to increase Mid-Rise Overlay allowing building heights up to 75 feet, subject to the conditions as recommended by Planning and Zoning Commission.

**Background Data:**

- 2006- Zoned Planned Area Development (PAD) for mixed-use development including commercial, an indoor self-storage facility, and office within a 42-acre site; Mid-Rise Overlay allowing two 75-foot tall offices along the western boundary
- 2007- Phase 1 of Watermark was constructed
- 2015- Lincoln Preparatory Academy, a state-chartered public school, was constructed over the northern 400 feet, making the 2006 conceptual site plan obsolete on the remaining parcel
- 2020- Subject site received Mid-Rise Overlay approval for building heights up



to 65 feet for a indoor climbing gym (never constructed)

- Subject site is approximately 8.1 acres and the last vacant property of the original 42-acre site
- Subject site is zoned PAD for Regional Commercial (C-3) uses; the proposed use of a hospital and medical office is a permitted use
- Request is to increase Mid-Rise Overlay over the remaining parcel allowing for building heights up to 75 feet and Preliminary Development Plan for site layout and building architecture

### Surrounding Land Use Data:

|       |  |       |   |
|-------|--|-------|---|
| North | Lincoln Preparatory Academy (grades 6-12)    | South | Commercial retail and indoor self-storage facility (45 feet tall) |
| East  | Gilbert Road, then single-family subdivision | West  | The Forum (co-working space) and a day care                       |

### General Plan and Area Plan Designations:

| Plan                              | Existing                                 | Proposed  |
|-----------------------------------|--|-----------|
| General Plan                      | Employment, Chandler Airpark Growth Area | No Change |
| Chandler Airpark Area Plan (CAAP) | Commercial                               | No Change |

### Proposed Development

|                            |   |
|----------------------------|---|
| Proposed Buildings         | Two buildings within three towers:<br>South & Central Towers: Specialty hospital with 99 beds and surgery area totaling approximately 156,000 square feet<br><br>North Tower: Medical office building; three-stories; totaling approximately 50,200 square feet; automated parking garage with four subterranean floors |
| Provided Building Setbacks | Required building setback from Gilbert Road: 50 feet<br>Provided for North Tower: Approximately 174 feet  |
| Proposed Building Height   | South & Central Towers: 4 stories with a proposed maximum height of 75 feet; majority of building heights are 45 to 62 feet with tower features extending up to 73 feet and 4 inches<br><br>North Tower: 3 stories with a proposed maximum height of 56 feet  |



|                            |   |
|----------------------------|---|
|                            | and 6 inches; majority of building heights are 45 to 50 feet  |
| Proposed Building Material | <ul style="list-style-type: none"> <li>• Flagstone/Sandstone in three earth tone colors</li> <li>• Cement plaster stucco in white</li> <li>• Non-reflective glazing</li> <li>• Metal reveals and trim caps with brushed stainless steel</li> <li>• Corrugated Metal Panel with no perforations used on the building and to screen roof mounted equipment</li> </ul>   |
| Parking Spaces Required    | <p>1 space per 3 beds for hospital at South &amp; Central Tower</p> <p>1 space per 150 square feet medical office at North Tower</p>  |
| Parking Spaces Provided    | <p>649 parking spaces</p> <p>Due to the site's size, the medical user is proposing the city's first subterranean automated parking garage containing four floors with 283 parking bays available to employees and visitors; during business hours, a parking attendant will be on-site to assist. Since persons will not occupy vehicles during use of the automated parking garage, parking spaces can be reduced in width to allow for more capacity.</p>   |
| Access to Site             | <p>-Subject site will be accessed from an existing curb cut to be developed along Gilbert Road, from a private collector street within the Watermark development to the south, and from existing access to the north.</p> <p>-The proposed development will utilize all existing access to the property and no new ingress or egress is proposed.</p> <p>-An existing drive connecting to the school to the north is required to be maintained as cross access between properties.</p> <p>- Pedestrian pathways are provided throughout the site, connecting to the existing commercial to the south.</p> |
| Hours of Operation         | <p>South &amp; Central Towers contain the specialty hospital, which provides limited services and will have overnight patients for extended times after recovery, 24 hours per day and 7 days per week; hospital does not receive emergency ambulances or offer a helicopter landing pad</p> <p>North Tower contains medical offices typically open Monday through Friday from 6 a.m. to 8 p.m.</p>   |

## Review and Recommendation



The subject site has been zoned commercial since 2006 under a large, 42-acre master planned mixed-use development called Watermark at Chandler Airpark. Uses permitted under the mixed-use zoning included an indoor self-storage facility, office, a day care, and all commercial uses. The southeast corner of the plan developed as depicted within the the 2006 Watermark case. However, in 2015 a publicly funded school developed on the northern quarter portion, making the master plan obsolete for the subject site. The 2006 conceptual plan included two 2-story offices, two free-standing pads, and three inline shops. The subject site is approximately 8.12 acres and includes the last remaining properties within the master plan.

The use of a medical facility and hospital is a permitted use under the current zoning. The request is to increase the permitted building heights through a Mid-Rise Overlay allowing heights up to 75 feet. Historically, the Watermark development has entitled Mid-Rise Overlay approvals over two portions of the overall development; the first approval occurred in 2006, permitting two office buildings at 75 feet along the western border. The second occurred on a portion of the subject site along Gilbert Road in 2020 for a climbing gym permitting heights up to 65 feet, which was never constructed. Planning staff supports the request to increase the Mid-Rise Overlay over the entire remaining parcel as height within the development has been envisioned since 2006. Furthermore, the developer has been cognizant of location of building heights and location of window placement on higher level floors facing to the east towards the single-family residential. A majority of building heights range from 45 to 62 feet, with enhanced tower features increased to approximately 74 feet. Medical uses often require higher ceilings for equipment installation.

This request also includes a PDP for site layout and building architecture. The development will utilize all existing access points to the site and has not opted to create new access points to avoid overflow parking from adjacent users. Due to proposed square footage and required parking, the developer has decided to provide a four-story, automated, subterranean parking garage below the north medical office tower, which is the first of its type in the city. The site contains three towers within two buildings connected with an enclosed skybridge at the third floor; an outdoor healing garden is located between the buildings. The developer has included lushly landscaped seating areas with obelisk marker at the south entrance to the property and used a generous number of date palms at the entrances to the buildings. A drop-off area has been provided at the main entrances to both buildings using shaded metal canopies with stone bases. The applicant has asked for a waiver to eliminate required landscape planters within the surface parking lot and, in lieu, is proposing to provide enhanced landscaping planters in front of spaces to provide shade for all spaces versus one shade tree



for every 12 spaces.

The subject site is located between the existing Watermark mixed-use development and the school to the north; the proposed property becomes the bridge between the two developments. The applicant and staff have worked together to incorporate architectural features and colors back to the Watermark development. The applicant is proposing to use flagstone as the main material in three earth-tone colors with a white cement plaster stucco as a secondary material and metal panel and non-reflective glazing used as accent materials. The applicant proposes a high quality of material and design regarding massing of building features.

Planning staff has reviewed and supports the request for mid-rise overlay and preliminary development for site layout and building architecture. The proposal meets the goals of design within the Chandler Airpark Area Plan and the General Plan. Planning and Zoning Commission recommends approval.

### **Public / Neighborhood Notification**

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting sign was posted on the site and on social media via NextDoor.
- Due to the Mid-Rise Overlay request, two neighborhood meetings and an extended notification were required. Both meetings were held in-person. The first neighborhood meeting was held on November 15, 2023, and five households attended. Attendees had concerns regarding the type of hospital and level of service offered. The applicant clarified it was not a standard hospital that accepted walk-ins or was set up as a trauma center, but rather it specializes in elective surgery. Residents had concerns about the proposed height adjacent to their homes across Gilbert Road. The applicant provided an exhibit showing the towers set back from 372 feet to 637 feet from homes and explained special attention was used regarding placement of windows in areas where overnight stays could occur.
- The second neighborhood meeting was held on November 16, 2023, and five property owners attended. All concerns focused on traffic: traffic within the area and from the school, as well as a signal requested by residents at the entrance of the Watermark development along Gilbert Road. Staff were in attendance and stated per the City's Traffic standards, signals shall be separated at least a quarter mile. The residents also asked the developer to create another access point at the northwest corner of the property through The Forum's retention basin to get access to Stearman Drive. The applicant



and staff stated this request was not possible and best practice is to minimize access points to avoid potential traffic conflicts with adjacent users.

- As of the writing of this memo, Planning staff is not aware of any opposition to the request to increase building heights. Staff received a phone call with concerns related to accessible parking and an email about building heights obstructing television signals.

## **Airport Commission Conflict Evaluation**

Airport Commission meeting December 13, 2023

Motion to find no conflict with existing or planned airport uses.

In Favor: 6    Opposed: 0    Absent: 1 (Wakefield)

The Airport Commission reviewed the request in accordance with the Airport Conflicts Evaluation Process. The Airport Manager has issued an Airport Conflicts Evaluation (ACE) report indicating that the Airport Commission determined that the proposed development does not constitute a conflict with existing or planned airport uses since the proposed development is a safe distance from the aircraft approach path. Airport Commissioners discussed the possibility to reduce the enhanced towers. However, Airport staff stated the school to the north recently received approval from the Federal Aviation Administration (FAA) to install 75-foot ball field poles, north of the subject site. The Airport Commission unanimously voted "no conflict" regarding current and future operations of the proposed increase in building height.

## **Planning and Zoning Commission Vote Report**

Planning and Zoning Commission meeting January 17, 2024

Motion to Approve

In Favor: 6    Opposed: 0    Absent: 1 (Heumann)

## **Recommended Conditions of Approval**

**Ordinance was introduced and tentatively adopted on February 8, 2024.**

## **Rezoning**

Planning and Zoning Commission recommends the City Council approve the Rezoning to increase Mid-Rise Overlay allowing building heights up to 75 feet, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled "Cambridge Medical Facility" and kept on file in the City of



Chandler Planning Division, in File No. PLH23-0053, 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. Building heights shall be limited to a maximum height of seventy-five (75) feet.
3. Uses shall be consistent with uses permitted in C-3 Regional Commercial District.
4. No television, communication towers or stand-alone antennas shall be constructed on the property. All structures on the property shall remain below the protective surfaces as defined in Federal Aviation Regulation part 77 and/or in relation to limits established in FAA determined Terminal Procedures (TERPS). All construction cranes shall be installed and operated in accordance with FAA rules and regulations including notification through the filing of FAA Form 7460-1, Notice of Proposed Construction or Alteration.
5. Prior to building permit issuance for any structures the developer shall provide a DETERMINATION OF NO HAZARD TO AVIATION approval as issued by the FAA after filing an FAA Form 7460, Notice of Proposed Construction or Alteration.
6. Right-of-way dedications to achieve full half-widths, including turn lanes and deceleration lanes, per the standards of the Chandler Transportation Plan.
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.
8. The developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.
9. The landscaping in all rights-of-way shall be maintained by the adjacent property owner or property owners' association.
10. The landscaping in all open-spaces shall be maintained by the adjacent property owner or property owners' association, and shall be maintained at a level consistent with or better than at the time of planting.



---

## **Attachments**

Ordinance 5079

Vicinity Maps

2006 Master Plan

Development Booklet

Airport Conflicts Evaluation

Letters of Concern



## **ORDINANCE NO. 5079**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING THE ZONING CODE AND MAP ATTACHED THERETO, BY REZONING A PARCEL TO INCREASE THE MID-RISE OVERLAY ALLOWING HEIGHTS UP TO SEVENTY-FIVE (75) FEET IN CASE PLH23-0053 (CAMBRIDGE MEDICAL FACILITY) LOCATED NORTH OF THE NORTHWEST CORNER OF GILBERT ROAD AND INSIGHT WAY, WITHIN THE CORPORATE LIMITS OF THE CITY OF CHANDLER, ARIZONA; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR PENALTIES.

WHEREAS, an application for rezoning certain property within the corporate limits of Chandler, Arizona, has been filed in accordance with Article XXVI of the Chandler Zoning Code; and

WHEREAS, the application has been published in a local newspaper with general circulation in the City of Chandler, giving fifteen (15) days' notice of the time, place, and date of public hearing; and

WHEREAS, a notice of such hearing was posted on the property at least seven (7) days prior to the public hearing; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission as required by the Zoning Code.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

Section 1.     Legal Description of Property:

LOTS 2B-1 AND 2B-2, A MINOR LAND DIVISION OF LOTS 2B-1 & 2B-2 A MINOR LAND DIVISION MAP OF LOT 2B OF A REPLAT OF VERSANTE AT CHANDLER AIRPARK LOT 2 INTO LOTS 2A & 2B, BOOK 1330 OF MAPS, PAGE 22, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDER IN BOOK 1606 OF MAPS, PAGE 47.

Said parcel is hereby rezoned to increase the Mid-Rise Overlay allowing for building heights up to 75 feet, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled, "Cambridge Medical Facility" and kept on file in the City of Chandler Planning Division, in File No. PLH23-0053, 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



Chandler City Council.

2. Building heights shall not exceed 75 (seventy-five) feet in height.
3. Uses shall be consistent with uses permitted in C-3 Regional Commercial District.
4. No television, communication towers or stand-alone antennas shall be constructed on the property. All structures on the property shall remain below the protective surfaces as defined in Federal Aviation Regulation part 77 and/or in relation to limits established in FAA determined Terminal Procedures (TERPS). All construction cranes shall be installed and operated in accordance with FAA rules and regulations including notification through the filing of FAA Form 7460-1, Notice of Proposed Construction or Alteration.
5. Prior to building permit issuance for any structures the developer shall provide a DETERMINATION OF NO HAZARD TO AVIATION approval as issued by the FAA after filing an FAA Form 7460, Notice of Proposed Construction or Alteration.
6. Right-of-way dedications to achieve full half-widths, including turn lanes and deceleration lanes, per the standards of the Chandler Transportation Plan.
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.
8. The developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.
9. The landscaping in all rights-of-way shall be maintained by the adjacent property owner or property owners' association.
10. The landscaping in all open-spaces shall be maintained by the adjacent property owner or property owners' association, and shall be maintained at a level consistent with or better than at the time of planting.

Section 2. The Planning Division of the City of Chandler is hereby directed to enter such changes and amendments as may be necessary upon the Zoning Map of said Zoning Code in compliance with this Ordinance.



Section 3. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance, or any parts hereof, are hereby repealed.

Section 4. In any case, where any building, structure, or land is used in violation of this Ordinance, the Planning Division of the City of Chandler may institute an injunction or any other appropriate action in proceeding to prevent the use of such building, structure, or land.

Section 5. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, then this entire ordinance is invalid and shall have no force or effect.

Section 6. A violation of this Ordinance shall be a Class 1 misdemeanor subject to the enforcement and penalty provisions set forth in Section 1-8.3 of the Chandler City Code. Each day a violation continues, or the failure to perform any act or duty required by this Ordinance or the Zoning Code, shall constitute a separate offense.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR



CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 5079 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2024, and that a quorum was present thereat.

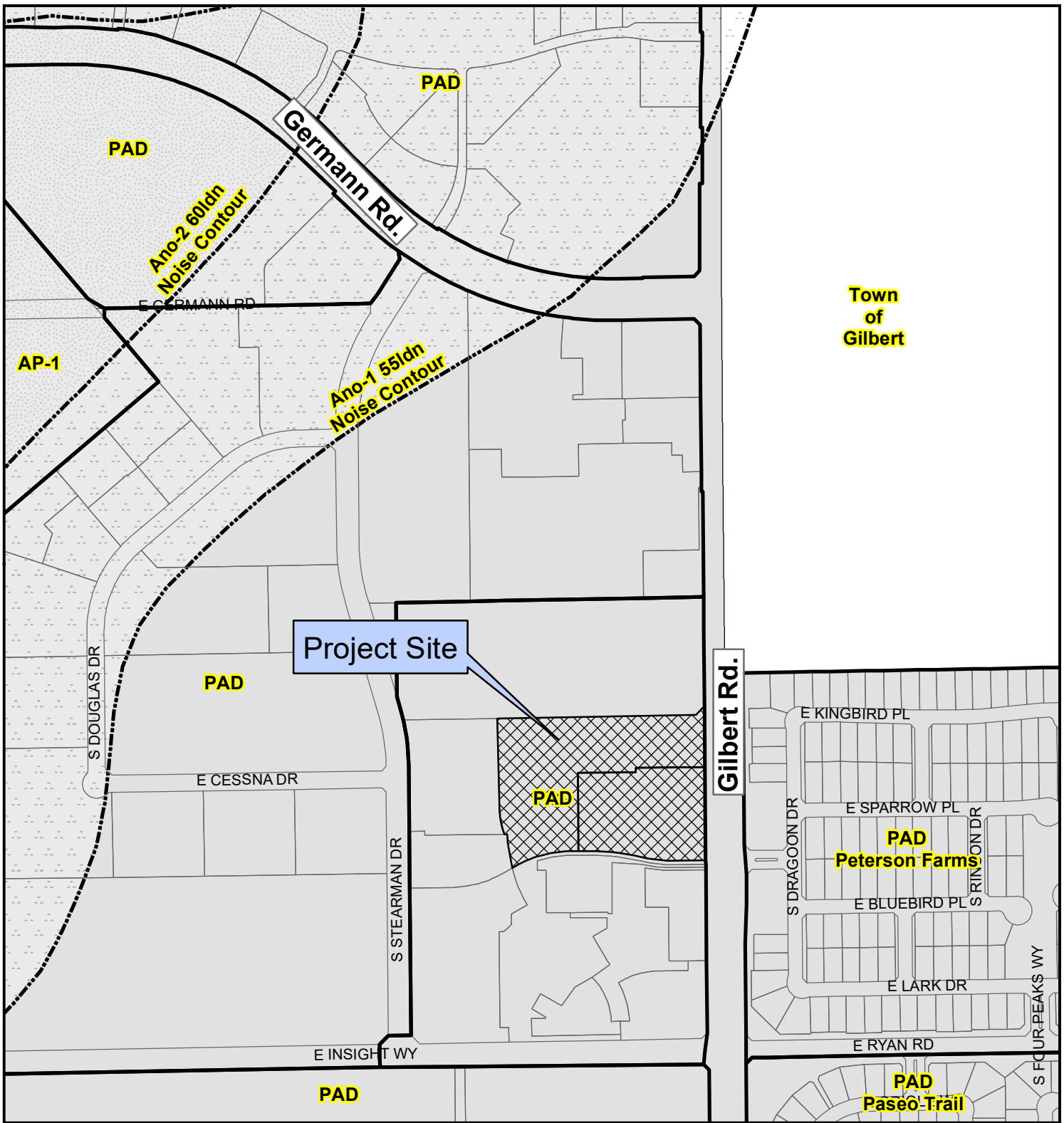
\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY TA

Published:





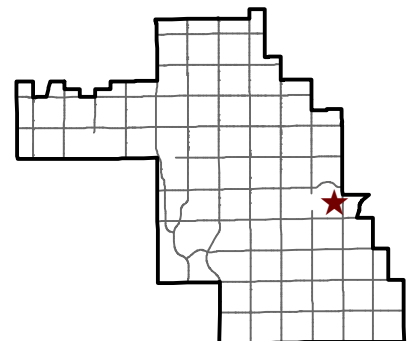
### PLH23-0053 Cambridge Medical Facility



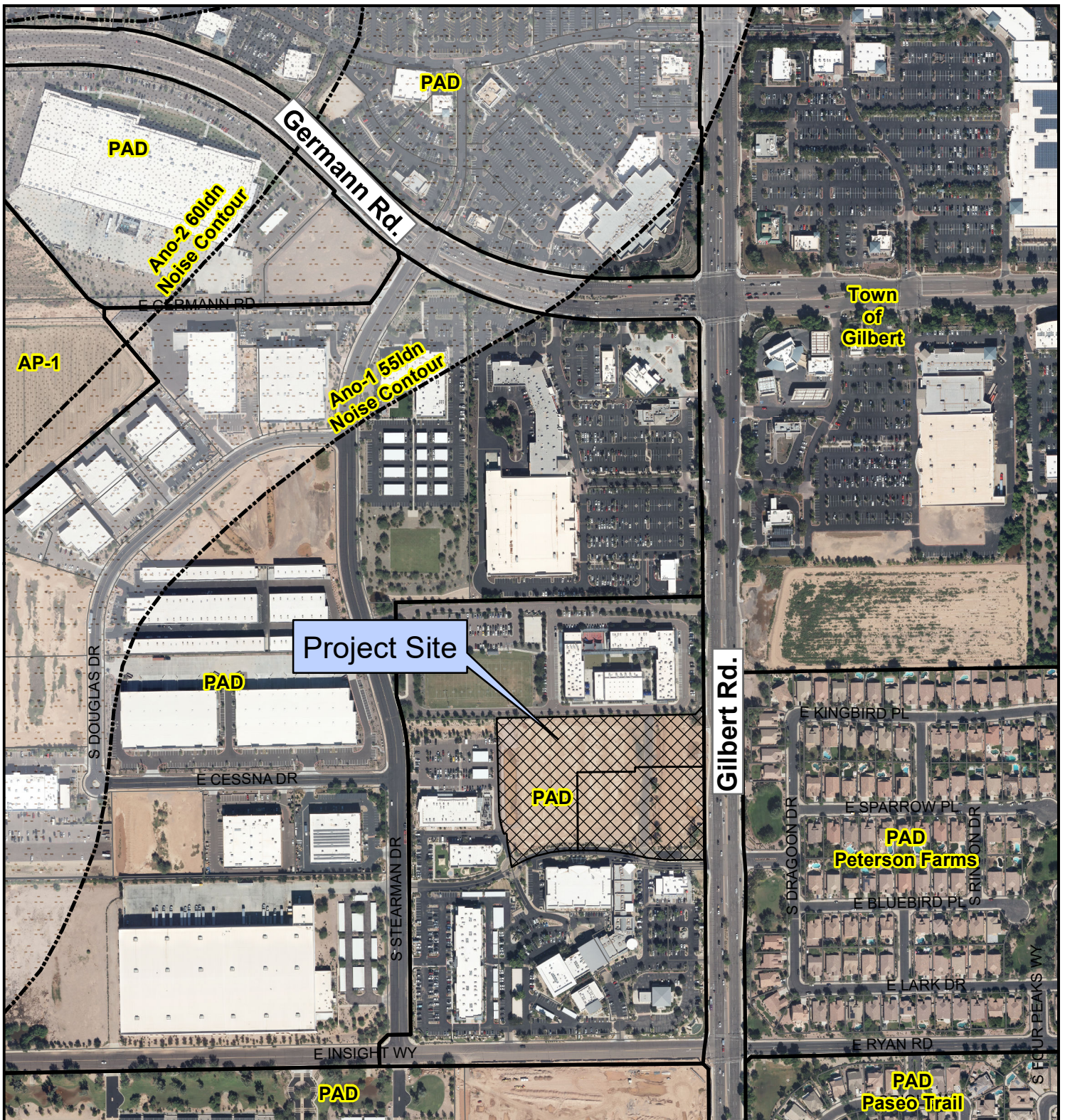
**Proposed Project Details**  
Rezoning to increase Mid-Rise Overlay allowing  
building heights up to 75 feet  
8.1 acres  
Medical Facility



City of Chandler Planning Division  
[chandleraz.gov/planning](https://chandleraz.gov/planning)  
For more information visit:  
<https://gis.chandleraz.gov/planning>







## PLH23-0053 Cambridge Medical Facility

### Proposed Project Details

Rezoning to increase Mid-Rise Overlay allowing building heights up to 75 feet

8.1 acres

Medical Facility

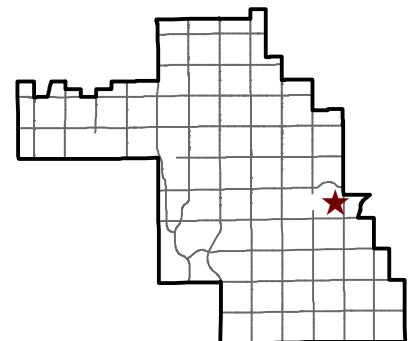


City of Chandler Planning Division

[chandleraz.gov/planning](http://chandleraz.gov/planning)

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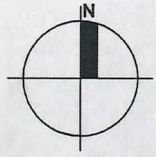


## 2006 Approved Master Site Plan (DVR06-008)

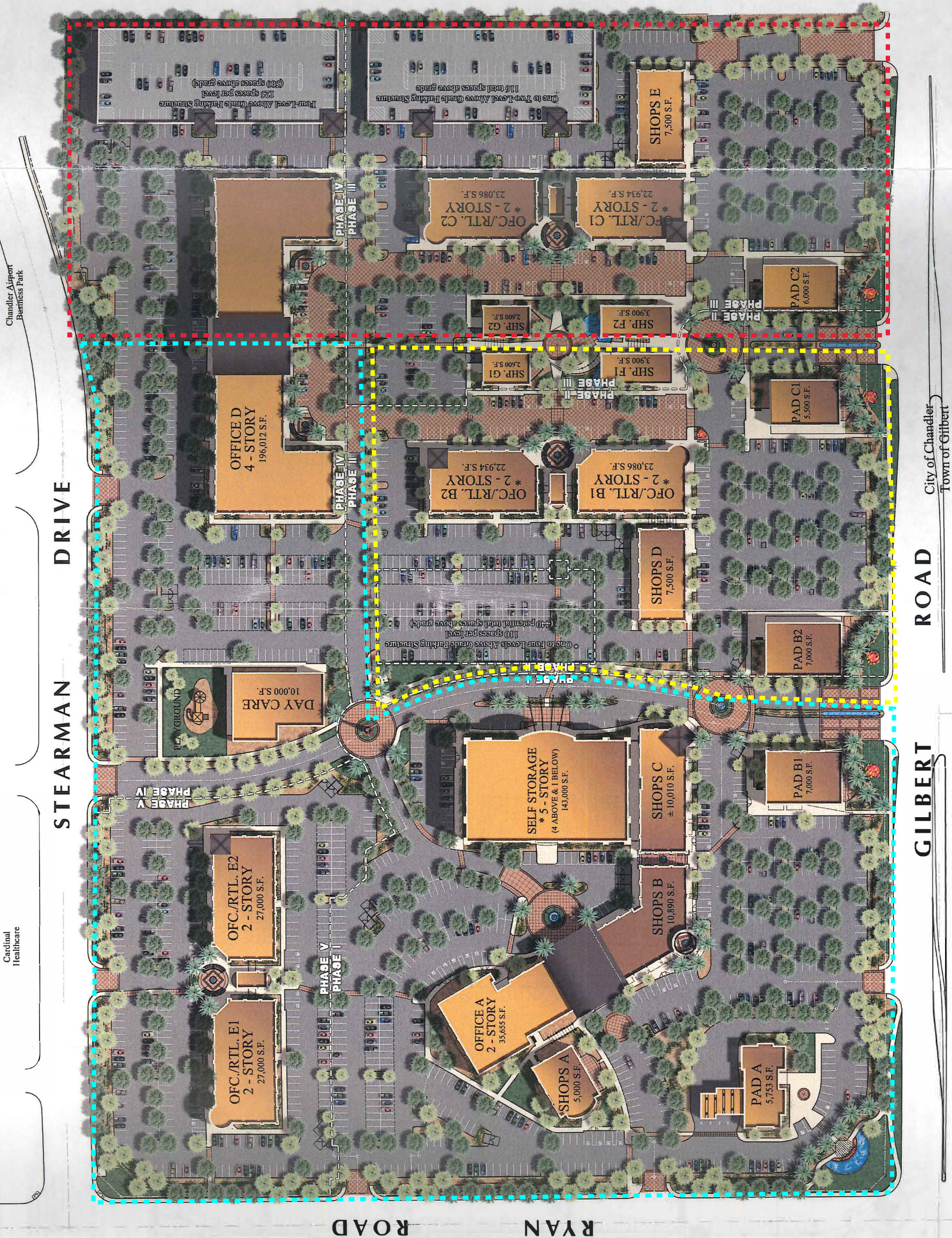
## Blue Outline; Existing Watermark Development

**Red Outline: Lincoln Preparatory Academy constructed in 2015**

### Yellow Outline: Subject Site - remaining undeveloped parcel



# SITE PLAN



City of Chandler  
Town of Gilbert

# ROAD

**GILBERT**



WATERMARK





Project PLH23-0053

# Cambridge Medical Facility

2300 S. Gilbert Road, Chandler, AZ 85286



**Pings & Associates**

1/4/24







ANTHONY C. PINGS  
AND ASSOCIATES

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- X1 Approved Master Site Plan 2006
- 6809 ALTA Sheets 1-3
- 6809 Topographic Plan Sheets 1-4





**Project PLH23-0053  
Cambridge Medical Facility  
2300 S. Gilbert Road, Chandler, AZ 85286**

**PROJECT NARRATIVE**

**General Overview**

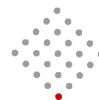
This medical complex is composed of two buildings configured in three towers. The central and south tower structures are four story structures developed under the hospital classification as defined by the city's zoning code. The north tower is a three story medical office use. This is a focused medical facility expanding medical options for the patients served.

**Entitlement**

The project uses are in keeping with the site's current PAD permitting all Regional Commercial (C-3) zoning uses. This application is to expand the mid-rise overlay. This is to allow building up to 75' in height, which includes the integrated mechanical screens that conceal all mechanical equipment. This overlay already exists on a third of the site and on the parcel immediately west of this project. This increase in allowed height is critical to allow for the higher floor to floor heights needed in medical structures, and to screen the large mechanical systems needed by this comprehensive medical development. This is not a general lease space project. The development is designed to the needed services. Without the mid-rise overlay expansion, this project will need to be relocated to another larger site.

As background, the 2006 40 acre master plan (DVR 06-008) included two four story buildings with the mid-rise overlay needed for these buildings. (Sheet X1) This parcel was developed as single story buildings.

We are developing the last parcel of this larger master plan. In this, we have relocated these previously expected mid-rise height buildings east of the original location to our parcel, as a four and a three story structure. Our request for expansion of the mid-rise overlay on this parcel is in keeping with the original master plan. This is a normal implementation adjustment needed as a master planned project is developed.







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## **Housing Impact**

Approving this application has no affect or impact on the city's housing market, as this parcel is not zoned for residential use. The hospital and medical office buildings are expected and allowed zoning uses. This is not a rezone for use, it is for the unique needs of this medical facility.

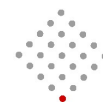
The unique construction materials and construction trades are not typically used in residential projects and are not financially compatible with residential development.

## **Waivers Requested**

Our development has two unique approaches that are also a part of this review. The integrated landscape and parking design is based on all parking areas to include fully landscaped planters between all the parking isles. This allows for a uniform visual barrier between parking isles and for a more complete tree canopy. This alternate approach differs from the standard of a planting island for every 12 stalls per 35-1903.6(C(4)). This island approach to landscaping is in conflict with the required fire lane access of 15' height in the drive lane areas. Our alternate design allows for a full tree canopy respecting fire truck access needs. Our solution provides more landscaping (per Drawing D12). We are asking for a waiver for this needed alternate design approach.

Along the north property line, which is an existing 20' landscape area, we are proposing a 10' to curb landscape area, adding to the existing landscaping buffer. Technically this has the 2'-6" parking encroaching on the normally 10' landscape setback. This north parcel property owner continues to own the adjacent north property. It is our intent to provide a comprehensive landscape design across the 10' within our property and then add 20' on the north side to give a more unified landscaping approach. We need a waiver to encroach 2'-6" into the 10' landscaped area within our property.

This development needs to have the above mid-rise overlay onsite expansion and the two minor landscape development approaches.







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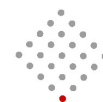
## **Hospital, Central & South Towers**

This hospital function consists of inpatient and outpatient services, along with support and administration functions located within the dual four story towers. All uses/functions are as expected within the zoning classification of a hospital. Hospital transport to and from the medical center is not expected to be on an emergency basis, as common for other hospital facility trauma services. Ambulance service, when used, is expected to primarily be used for non-emergency transport. The facility provides a specialized service line focused on extended services not always available in a typical hospital. The national average hospital stay is less than five days. Our patient mix will include these short stay patients, but is focused on long stay patients to allow for extended treatment services. This is a hospital by zoning and licensing determination and our services provided are within expected hospital services. This will complement the existing area's service providers and provide the Chandler area with additional in-depth and extended service lines. The functions within include inpatient beds, with a mix of standard acuity and sub-acute beds.

This is currently designed to be 99 beds of all classifications, or less. Surgery facility functions are provided for both in and outpatient services. An Urgent Care/ED(HOPD) function is part of the facility but will serve a targeted patient population and not be a typical walk-in hospital unit. An advanced diagnostic imaging unit is included.

## **MOB - North Tower**

This is a medical office function, housing the medical offices of specialty practitioners. No patient rooms are within the north tower. The ground floor is targeted to the physical therapy unit with a 'hot office'. The hot office is a term for an office which visiting physicians can use the suite on a day by day basis. This allows us to bring specialists into the area when the patient volume would not normally allow the service to have a full time office in this medical service area. It allows us to extend the quality of care provided. Education and outreach is the cornerstone of effective medical services. The individual practices are encouraged to provide patient education, including in small groups, within the practice space. The central tower administration floor does have a conference room for larger meetings, including public education on such topics as cancer. This will be community driven, sporadic and typically after hours, such as 6:00 p.m.







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The north tower, north side provides the entry point for the four level subterranean automated parking system (see Sheet A5). This is required because the site is undersized for our needed uses. It also provides secure parking for patients and staff, in a climate dampened structure. We have designed this to have robotic EV charging for vehicles while they are in the storage structure. These will be added if/as the need is defined by the facility users. The automated parking is available to patients as well as staff. A concierge assistant is expected to be available to facilitate use during normal business hours. The parking system provides 283 stalls of the total parking provided. Site signage will identify this parking option for the patients. The automated garage system will be controlled by an established guest's cell phone, or a visiting guest using the check-in kiosk in the interior reception corridor/entry portal. A person drives into the vault receiving room, then exits this area into the adjacent corridor. The vehicle is scanned for drop-off compliance. The visitor obtains their cars recovery information on cell or the kiosk.

### **Hours of Operation**

The hospital facility functions are 24 hour, 7 days a week. The after hours, after 10:00 p.m. and before 6:00 a.m. have limited use. This facility has limited after hours admitting.

The medical office is a standard medical use with normal hours of operation, from 6:00 a.m. to 8:00 p.m. Monday through Friday. Some after hours and weekend use is expected to support the hospital, but this is limited and will generally not involve outside patients.

The project onsite staffing is not known at this time. It is in keeping with industry standards for the defined uses.







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## **Use Overview & Allocation**

### Ground Floor (shared with Central & South Towers)

- ASC/HOPD Surgical Unit
- Urgent Care/Emergency Department
- Diagnostic Imaging
- Services: Kitchen, Materials Management, etc.
- Clinical Services

### Central Tower

#### Second Floor

- 19 Patient Beds
- Surgical Unit

#### Third Floor

- 26 Patient Beds

#### Fourth Floor

- Administration

### South Tower

#### Second Floor

- 18 Patient Beds

#### Third Floor

- 18 Patient Beds

#### Fourth Floor

- 16 Patient Beds

### North Tower

#### Subterranean

- 283 Automated Parking Bays

#### Ground Floor

- 3 Automated Parking Receiving Ports
- Physical Therapy
- Hot Office (Multi-Medical Tenants)

#### Second Floor

- Medical Lease Space

#### Third Floor

- Medical Lease Space





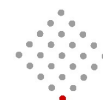


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## Project Area Recap

|  |                  |                          |
|--|------------------|--------------------------|
| Site Area  |                  | 353,098 SF<br>8.21 acres |
| <u>Hospital<br/>Central and South Tower Building</u>               |                  |                          |
| Ground Floor (shared)  | 49,000 SF        |                          |
| Second Floor   | 42,000 SF        |                          |
| Third Floor  | 38,000 SF        |                          |
| Fourth Floor   | <u>27,000 SF</u> |                          |
| Subtotal:  | 156,000 SF       | 156,000 SF               |
| <u>North Tower (with auto parking)<br/>Medical Office Building</u> |                  |                          |
| Ground Floor, Leaseable<br>(Parking Receiving Bays 1,700 SF)       | 16,200 SF        |                          |
| Second Floor   | 17,000 SF        |                          |
| Third Floor  | <u>17,000 SF</u> |                          |
| Subtotal:  | 50,200 SF        | <u>50,200 SF</u>         |
| Project Total:   |                  | 206,200 SF               |
| Site Yield:  |                  | 58.4%                    |
| Lot Coverage   |                  |                          |
| Site Area:   | 353,263 SF       |                          |
| Building Area:   | 66,200 SF        | 18%                      |
| Paving Area:   | 227,329 SF       | 64%                      |
| Landscaping:   | 59,737 sf        | 18%                      |

This is a mixed medical use facility with time of use considerations.







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### **Bed Allocation, South & Central Towers**

|              | South Tower | Central Tower | North Tower | Total     |
|--------------|-------------|---------------|-------------|-----------|
| Ground Floor | --          | --            | --          | 0         |
| Second Floor | 18          | 19            | --          | 37        |
| Third Floor  | 18          | <u>26</u>     | --          | 44        |
| Fourth Floor | <u>18</u>   | --            |             | <u>18</u> |
| Total:       | 54          | 45            | 0           | 99        |

### **Project Statistics**

|   |   |
|---|---|
| South & Central Towers, Hospital Up to 99 Beds                  | 156,000 SF / Four Stories                                     |
| North Tower, Medical Offices                                    | 50,200 SF Plus Subterranean Parking Structure, non-occupiable |
| <b>Parking Required</b>   |   |
| Hospital, 99 bds at 3 stalls per bed                            | 297 stalls  |
| Medical Office, 50,200 SF @ 150 SF                              | <u>335 stalls</u>   |
|   | <b>632 stalls</b>   |
| <b>Parking Provided</b>   |   |
| Surface<br>Standard<br>Handicapped<br>Standard<br>Van<br>Total: | 344 stalls<br><br>18 stalls<br><u>4 stalls</u><br>366 stalls  |
| Subterranean/Automated (all handicapped accessible)             | <u>283 stalls</u>   |
| <b>Total Project:</b>   | <b>649 stalls</b>   |
| Delivery Loading Zones  | 4 stalls  |
| Drop off/Pick up Loading  | 7 stalls  |







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## Site Design

This is a comprehensive design which incorporates and supports the existing and established area access and needs.

The parcel is developed within a larger previously adopted master plan and is the last large parcel. The site area is comprised of two parcels, APN 303-31-382 A&B. Our design is based on two buildings, maintaining two parcels, adjusting the existing internal parcel lot lines to match our needs, as shown on the site development plan. This will also allow for separate financing of the buildings, and allow phasing of construction for the two buildings, if needed.

The overall project layout is based on providing a unified campus, with direct public/patient access which is immediately perceivable. This includes a developed pedestrian access system from which all services can be accessed. As shown, this pedestrian access continues through the site and ties into the north and south project circulation systems. To complete this public use and access, the patient/public parking field is in the southeast area, while staff parking is in the northwest area. This provides a natural separation and allows for shorter access without competition for parking. The north building has automated subterranean parking below building.

This layout maintains the primary entry drive from the southeast Watermark drive entry and traffic circle, and the Gilbert Road existing right in, right out, driveway. Both are marked with a stone clad marker obelisk, in keeping with the overall Watermark improvements. The onsite tie to the north drive is maintained in its current location. This Gilbert Road access will be shared with the adjacent school facility as originally planned. This second Gilbert Road access point will serve the project and adjacent facilities. There is an existing cross parcel access roadway that is maintained in a relocated configuration.

The SES (Service Entrance Section) is located on the staff and service side, west side of the central and south towers. It is supported by staff parking, loading zones, and delivery stalls. It is architecturally integrated in the building design. The north tower is an MOB, with limited direct service. For incidental deliveries, a delivery stall is provided using the direct access corridor for the automated parking system. If larger deliveries are needed, these would be delivered to the facility material management system in the north/south tower SES.







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The site setbacks are in keeping with both the building setback and parking setbacks, including the Gilbert Road 20' parking setback. The needed landscape areas are provided. Proximity to the residential development across Gilbert Road has focused the overall building design and layout. The buildings are “tilted” using the three story north tower as a screening structure. See Site Proximity Plan Sheet M2.

The north tower is a medical office building with normal day use medical office functions. No patient use. The fourth floor of the central tower is administrative use.

Both buildings have been moved away from Gilbert Road to give greater separation. See the provided area map showing the distance to the residential units.

### **Building Design**

To complete this project, and its 2006 40 acre master plan, great care has been taken to respect each adjacent function, to provide a bridge between the completed architecture. In this, these dissimilar uses with their unique function driven architectural statements have been incorporated with architectural articulation needed for this unique major medical function.

The project's design intentionally bridges between the south Watermark commercial development and the north educational facility. As the provided design documents demonstrate, the layout reflects the warmth and massing articulation of the south Watermark development and specifically keys off the unique articulation of this development, including the square window patterns and the introduction of surface articulation, common in the Watermark project. The exterior design reflects the medical use and updates the Watermark design, while adding the unique design needs of this intense medical use. The adjacent Lincoln Preparatory Academy is respected and transitions with the use of the interactive facade planes prevalent in this facility. The use of simple yet staggered vertical planes reflected the Academy's design approach. This bridge of the existing architectural vocabulary is updated to reflect today's architectural needs and expressed in the unique needs of this medical facility.

In this design we are using area specific materials with a focus on three colors of sandstone/flagstone. Natural materials and colors known and unique to the larger natural area. This is mixed with the white cement plaster specifically picking up the Watermark articulation approach. The glazing is a solar grey product, without a reflective surface, as needed for the air traffic in this unique location.







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As defined in the city's design guidelines, the building has a layered stepping effect combined with the material change modular massing, and intentionally uses a progression of colors and textures, with the Flagstone red being part of the entry articulation. Entry canopies are at the public entries. The primary tower entry has an extensive public drop-off / pickup canopy that ties the north and central tower's entry.

The overall project design respects the existing area's established architecture and blends between the differing design statements. It is articulated within today's needed medical vocabulary for a facility and function of this significant level of investment.

The 75' maximum height allows us to step the buildings massing for both aesthetic and functional reasons. This stepping from two story to four story in the same building is intentional. It is supported and driven by use, integrated with the design intent. This also allows the significant roof mechanical fields to become an accent by their associated mechanical roof screens that covers all equipment.

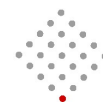
The roof areas of all buildings are designed to include solar cell panels, if and when appropriate.

View angles and shading were an intentionally and inherent part of this design. The angle of the project's siting is based on the sun angle affects on the interior use. The layout also respects the residential area across Gilbert Road. The layout naturally provides distance and screening for the view angle, with all inpatient services farthest away, and the day use north tower closest. The north tower will not have inpatient rooms with the use being normal business hours, not 24 hours stays.

The floor plates with utilization layouts are provided to illustrate building shell design and internal uses to illustrate the view and function within each area. Final space plans are not yet available as the business plan driving these is still in flux.

### **Fire Department Considerations**

The project consists of two different uses. The hospital occupancy, I-2 and the medical office building, B occupancy with fire separated automated parking. The hospital is a defend-in-place facility with separate smoke separation zones to allow for patients and staff staging in a fire event. As the floor plates show, the exit stairs are separated and more than code requires, to provide any exit/entry needs. The area between the south and central tower is tied together with a service core which







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has a fire separated area with a stairwell and a separately provided EM power hospital elevator for fire use, as deemed necessary by the fire department during any event.

The north tower MOB is a typical medical office with expected immediate evacuation during an event. It is served by three stairs to ensure access. The subterranean parking vault will have dual access ladders for fire personnel access with a ventilation system able to be increased by fire staff if a fire does start. We will work interactively with the Department in the final design of this unique area.

The hospital is expected to be a Type IIA, fire rated non-combustible building with an I-2 occupancy. The medical office is a type IIB, non-rated, non-combustible structure with a B occupancy use, with fire separation between the B occupancy and automated parking 'S' occupancy. Both buildings have full fire sprinklers and smoke detection systems. They also have a hazard communication system.

The site circulation has been designed to provide full fire vehicle access to all areas. All drive isles are 26' wide and as shown on the site plan, and the needed turning radius has been designed into all parking areas. The need for aerial fire apparatus has been laid out, with the recommended truck staging areas shown on the site plan. These are designed to gain multiple access to each roof surface. Additionally, in the south and central tower building, there is an on-roof fire/service access stair from the south tower for service and fire personnel. Once entering the third floor roof and the fourth floor roof levels, all roof levels can be reached,

Both buildings have a fire control room with the fire needed information, control panel, fire riser, and fire line booster pump.

The site is served from an existing fire line water stub on the south entry drive, with an onsite looping system to a new POC in the north drive lane. This system serves the fire hydrants and building fire suppression system. It is a separate dedicated line with appropriate back flow device protection.

## **Landscape**

The landscape design has been an integral part of the larger design of the project. Creating landscape areas that allow for appropriate landscape density is a key part of the larger design. As the site plan shows, parking field isles are intentionally separated with 8' landscape planters allowing full tree planting between all drive isles. We have included a detail showing the layout within this planting strip (per Detail D12). The public parking field on the east Gilbert Road side is designed with







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planting to allow visual access for the project. The west staff parking areas have a heavier planting canopy.

There are a number of seating areas designed into the project. These are designed to the medical user's Healing Garden standards. These are personal seating areas with hard scape and landscape integration. These will have a healing garden accent tree. We are source larger Baobab trees for this focus. An accent tree location plan shows the expected locations of palm trees (per Sheet S4). These have been located to accent the entry areas of the project. This plan also shows the healing garden access trees, Baobab.

The desert museum palo verde tree has been removed from our landscape palette (per Sheet L3).

As discussed in our pre-design, we intend to work interactively with the city staff to create this unique approach to this project's landscape design. This will respect the Watermark plant direction, yet add to it in medically appropriate ways. This initial submission includes a concept site rendering and our proposed plant material pallet. We expect to work with the city to articulate the planting pallet, then generate the specific layout designs.

This system will be irrigated from the existing reclaimed water system along Gilbert Road.

## **Signage**

The existing monument sign is being removed. See the site plan for the sign location and the sign detail sheet set with the new monument sign design and layout, Drawings D9 & D10. The yet to be finalized project name and logo is included with possibly two tenants' signage on the lower section of the monument sign. The signage logo and lettering will be indirect lit.

The on-building signage is on the exterior elevations and is included with this application. This will be the building name and project logo. This will be indirect lit. Reference Sheets E1 & E4.

There are two marker obelisks at the entry points to reflect the Watermark obelisk. These are stone clad with a log, no wording. See Site Plan S1 and Details D13 & D14. The balance of signage, including directional signs and service signs are within the current signage criteria and will be submitted as the project is permitted.







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## Civil

The overall site design provides a unifying design for this established area. This includes the vehicular traffic and pedestrian access within and through the project. This is in keeping with the established overall development standards and master plan expectations.

The sewer system is based on two established POC's for this system on the south and the north of the project.

The domestic water system loops through the site, serving each building separately with a booster pump in each building. These are serviced from existing street lines and stubs.

Power is served from an existing easement on the west property line.

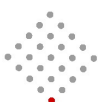
The power system feeds the corporation yard, which provide all the services for the project. The electricity serves both buildings and has the project transformer west of the building, immediately adjacent the electrical room. The corporation yard includes an emergency generator with an above ground diesel tank.

There is an oxygen tank in this yard and a recycling trash compactor. Wet refuse is in the adjacent trash enclosure. The medical office building north tower has a separate recycling and trash bin enclosure located out of the sight lines backing up on the landscape buffer. .

There is a parking screen wall along Gilbert Road. This serves to introduce the project and provide a visual screen of the cars. See Detail D11 for this design which is adapted from the Watermark designs.

The included grading plan establishes the drainage pattern. The specific elevations are still in flux as we are attempting to limit the off-hall generated from the subterranean parking basement. The shown flow patterns will remain. The final elevations may be updated.

This system moves the storm runoff water to four dry well areas, each with a retention area/basin..These will include a subterranean tank as an integrated part of the design. The system will provide storm water retention for the defined 100 year, 2 hour storm event, including the defined runoff from Gilbert Road and the west area. This in addition to our onsite generated water.







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## Recap

The medical functions provided in this major medical development are unique to the Phoenix area. The development of services needed to bring this delivery system to life has been years in formation. It is our desire to continue our interactive work with the city to locate this facility here. The benefit for patients cannot be overstated. This also brings specialty services to Chandler that are not, and would not, be present without this larger facility. The payroll to support these services is extensive, based on high paying positions directly benefiting the residential and business services of Chandler.

It is our hope to continue our city relationship to bring this project to reality and to Chandler. On the entitlement side, we need very little. Expand the existing mid-rise overlay in keeping with the existing overall master plan, and approving two minor landscape driven waivers. We can continue working together on implementation of the architectural articulation and development. We look forward to working as a team in the entitlement and permitting phases to bring this medical facility to Chandler.

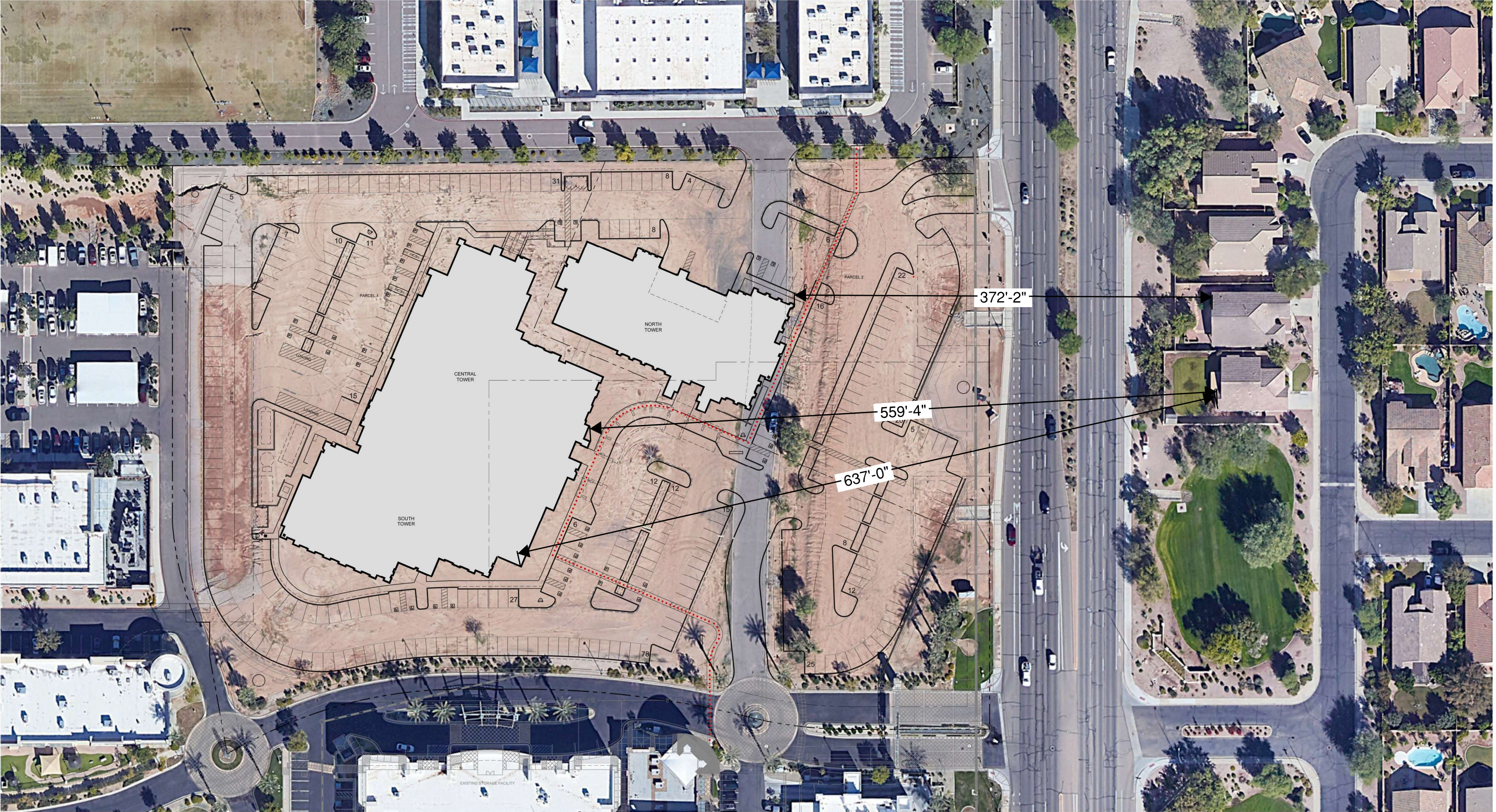






CAMBRIDGE MEDICAL FACILITY  
AERIAL SITE IMAGE



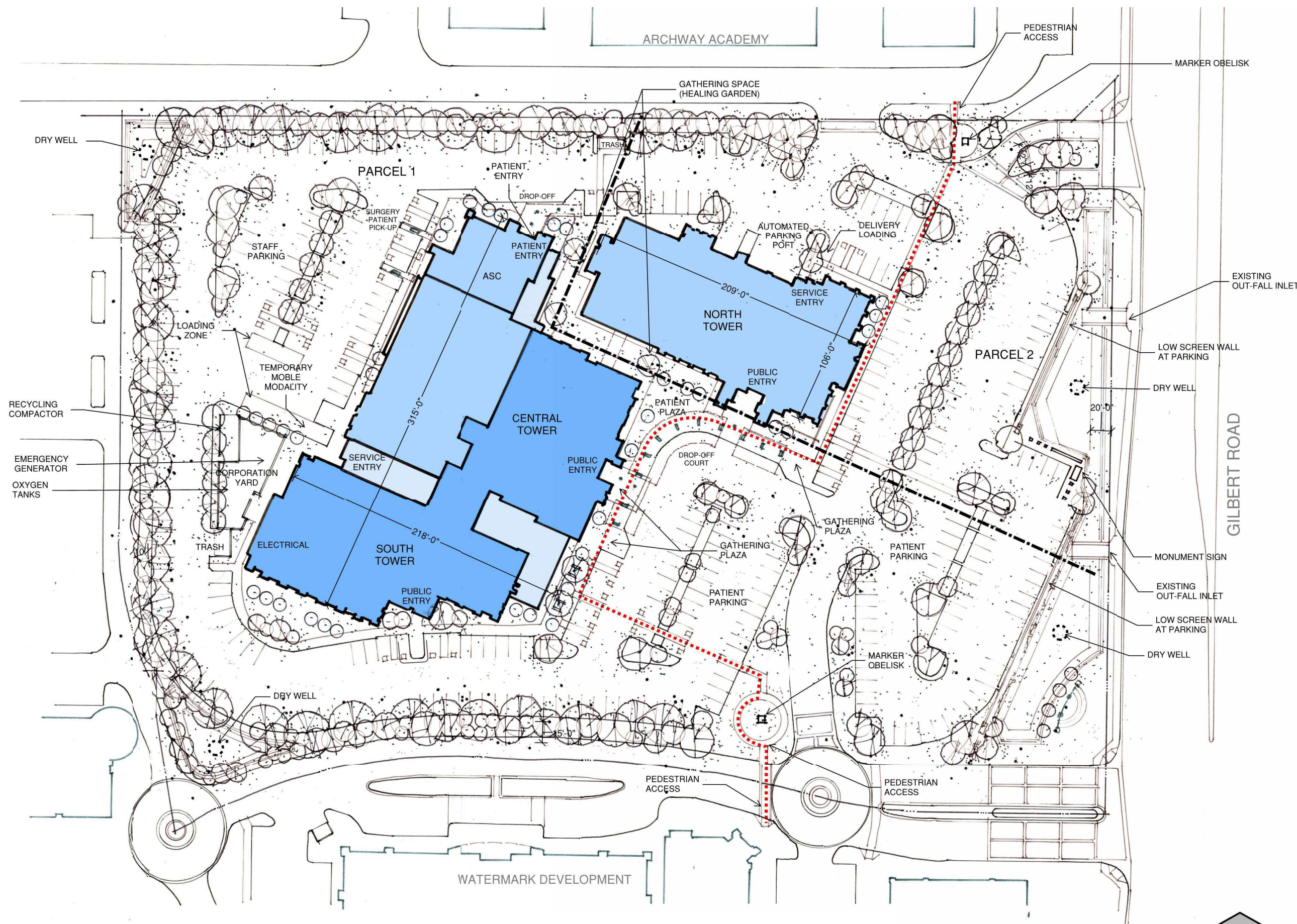


SCALE :1"=80'-0"



CAMBRIDGE MEDICAL FACILITY  
SITE PROXIMITY PLAN

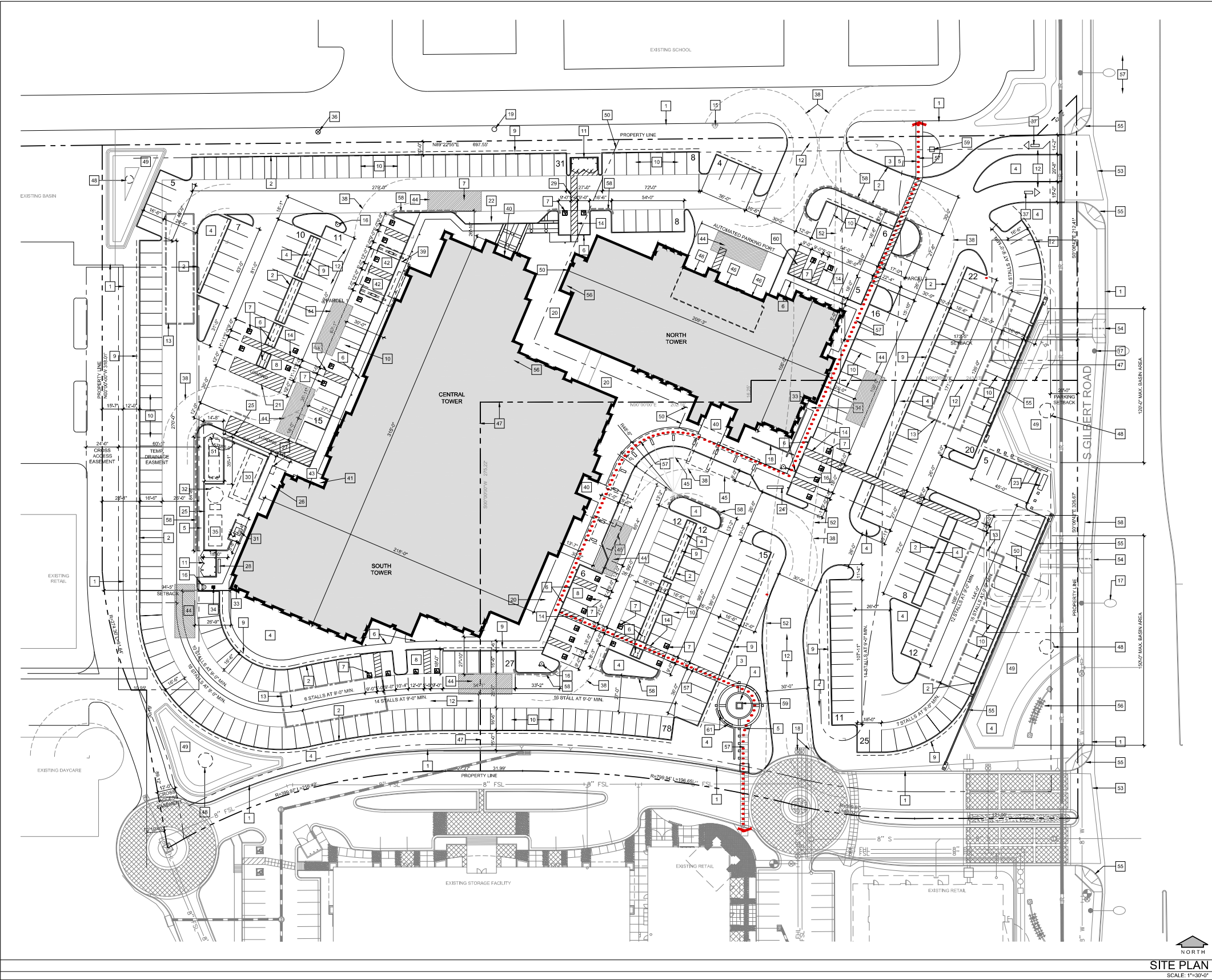




CAMBRIDGE MEDICAL FACILITY  
SITE PLAN







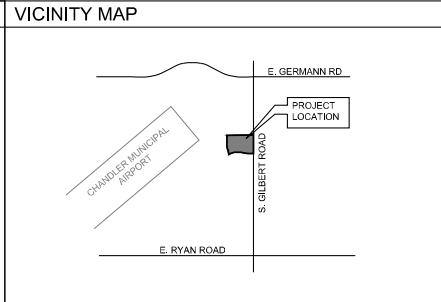
| SITE PLAN KEY NOTES |  |
|---------------------|--|
| NO.                 | DESCRIPTION  |
| 1.                  | EXISTING 48" HIGH CONCRETE CURB TO REMAIN  |
| 2.                  | NEW 6" HIGH CONCRETE CURB, TYP.  |
| 3.                  | CONCRETE WALK  |
| 4.                  | LANDSCAPE AREA   |
| 5.                  | 4'-0" MIN. ACCESSIBLE PATH OF TRAVEL AT SIDEWALKS (5% MAX. SLOPE, 2% MAX. CROSS SLOPE) |
| 6.                  | ACCESSIBLE STALL, POLE SIGN  |
| 7.                  | APPROVED 3'x3' HANDICAP PARKING SYMBOL   |
| 8.                  | VAN ACCESSIBLE PARKING STALL AND LOADING AREA  |
| 9.                  | LINE OF VEHICLE OVERHANG, 2'-6" TYP.   |
| 10.                 | STANDARD PARKING STALL   |
| 11.                 | TRASH ENCLOSURE PER CITY STANDARD  |
| 12.                 | AC PAVING  |
| 13.                 | UNDERGROUND STORM WATER STORAGE TANKS  |
| 14.                 | NEW 5'-0" MIN. STRIPED OFF-LOAD AREA FOR ACCESSIBLE PARKING (TYP.)                     |
| 15.                 | EXISTING FIRE HYDRANT  |
| 16.                 | PROPOSED LOCATION OF NEW FIRE HYDRANT  |
| 17.                 | EXISTING STREET LIGHT / POWER POLE TO REMAIN - UPGRADE AS REQUIRED                     |
| 18.                 | EXISTING WATER, SEWER AND FIRELINE UTILITY CONNECTION POINTS TO SITE                   |
| 19.                 | EXISTING P.O.C. FOR SEWER, VERIFY LOCATION   |
| 20.                 | HEALING GARDEN / PLAZA   |
| 21.                 | NEW LOADING ZONE 12'-0" x 40'-0" MIN. PER CITY STANDARDS                               |
| 22.                 | PASSENGER LOADING ZONE   |
| 23.                 | MONUMENT SIGN (UNDER SEPARATE PERMIT)  |
| 24.                 | DIRECTIONAL SIGN   |
| 25.                 | 10' HIGH CHALK WALL AT EQUIPMENT YARD  |
| 26.                 | STAFF PATIO  |
| 27.                 | BICYCLE PARKING  |
| 28.                 | PROPOSED GAS METER LOCATION  |
| 29.                 | 5'-0" MIN. WIDE STRIPPED AREA OF ACCESSIBLE PATH TO TRASH ENCLOSURE                    |
| 30.                 | EMERGENCY GENERATOR  |
| 31.                 | NEW ELECTRICAL TRANSFORMER AND PAD   |
| 32.                 | BULK OXYGEN TANK   |
| 33.                 | INDICATES LOCATION OF FIRE RISER ROOM  |
| 34.                 | INDICATES LOCATION OF PIV AND FDC.   |
| 35.                 | DIESEL TANK, ABOVE GROUND  |
| 36.                 | NEW TAP FOR FIRE WATER SERVICES  |
| 37.                 | ONE WAY TRAFFIC  |
| 38.                 | INDICATES 45'-0" OUTSIDE DIA. TURNING RADIUS FOR FIRE APPARATUS                        |
| 39.                 | PATIENT PICK-UP CANOPY   |
| 40.                 | PUBLIC / PATIENT ENTRY   |
| 41.                 | STAFF ENTRY  |
| 42.                 | PATIENT DISCHARGE / PICK-UP STALLS   |
| 43.                 | SERVICE ENTRY  |
| 44.                 | HATCH INDICATES AREA OF FIRE LADDER TRUCK STAGING ACCESS TO BUILDING                   |
| 45.                 | STEEL PATIENT DROP-OFF CANOPY  |
| 46.                 | ENTRY TO AUTOMATED BELOW GROUND PARKING  |
| 47.                 | EXISTING PARCEL LINE TO BE ABANDON   |
| 48.                 | DRY WALL   |
| 49.                 | WATER RETENTION BASIN, MAX. 50% ON CHANDLER STREET FRONTAGE                            |
| 50.                 | PROPOSED PARCEL LINE   |
| 51.                 | COMPACTOR FOR RECYCLABLE MATERIAL  |
| 52.                 | EXISTING PAVED ROAD TO BE REMOVED  |
| 53.                 | EXISTING DRIVE APPROACH TO REMAIN  |
| 54.                 | EXISTING OUT FALL INLET TO REMAIN, MODIFY OUTLET                                       |
| 55.                 | 36" HIGH SCREEN WALL WITH STONE CAP  |
| 56.                 | DOMESTIC WATER BOOSTER PUMP  |
| 57.                 | PEDESTRIAN ACCESS THROUGH SITE   |
| 58.                 | DASHED LINE INDICATES RED PAINTED FIRE CURB  |
| 59.                 | MARKER OBELISK WITH PLAZA  |
| 60.                 | LOADING FOR DELIVERIES AND SERVICES  |
| 61.                 | BENCH SEATING  |

| BUILDING DATA               |                     |
|-----------------------------|---------------------|
| BUILDING DATA               |                     |
| BUILDING AREA:              |                     |
| CENTRAL / SOUTH TOWER:      | 156,000 S.F.        |
| NORTH TOWER:                | 50,200 S.F.         |
| <b>TOTAL BUILDING AREA:</b> | <b>206,200 S.F.</b> |
| BUILDING HEIGHT:            |                     |
| CENTRAL / SOUTH TOWER:      | 73'-4" MAX. HEIGHT  |
| NORTH TOWER:                | 56'-6" MAX. HEIGHT  |

| PARKING DATA                             |                            |
|--|----------------------------|
| PARKING REQUIREMENTS                     |                            |
| PARKING REQUIRED:                        |                            |
| HOSPITAL, 96 BEDS AT 3 STALLS / BED      | 287 STALLS                 |
| MEDICAL OFFICE BUILDING 150 S.F. / STALL |                            |
| 50,200 S.F. / (150 S.F. / STALL) =       | 335 STALLS                 |
|  | <b>632 STALLS REQUIRED</b> |
| PARKING PROVIDED:                        |                            |
| SURFACE PARKING STALLS                   | 334 STALLS                 |
| ACCESSIBLE STALLS                        | 18 STALLS                  |
| STANDARD ACC.                            | 4 STALLS                   |
| VAN ACC.                                 |                            |
| <b>TOTAL SURFACE PARKING:</b>            | <b>366 STALLS.</b>         |
| SUBTERRANEAN PARKING:                    | 283 STALLS.                |
| <b>TOTAL PROJECT:</b>                    | <b>649 STALLS</b>          |
| DELIVERY LOADING:                        | 3 STALLS                   |
| DROP OFF / PICK UP LOADING:              | 7 STALLS                   |

| SIGNAGE ANALYSIS |          |
|------------------|----------|
| MONUMENT SIGNAGE |          |
| SIGN             | AREA     |
| A                | 164 S.F. |

|  |            |
|--|------------|
| ALLOWABLE SIGN AREA:   |            |
| BUILDING FRONTAGE = 243'-0" x 1.5 FT. / LINEAL FOOT OF BUILDING FRONTAGE |            |
| ALLOWED AREA:  | 215.5 S.F. |
| ACTUAL AREA - SIGN 'A':  | 164 S.F.   |



| GENERAL SITE NOTES |   |
|--------------------|---|
| NO.                | DESCRIPTION   |
| 1.                 | ALL SITE IMPROVEMENTS, INCLUDING LANDSCAPE AND SITE CLEANUP, MUST BE COMPLETED PRIOR TO CERTIFICATE OF OCCUPANCY FOR ANY BUILDING WITHIN A PHASE.   |
| 2.                 | NO OBSTRUCTIONS TO VIEW SHALL BE ERECTED, CONSTRUCTED OR PARKED WITHIN THE SIGHT VISIBILITY AREA. ALL TREES WITHIN THE LINE OF SIGHT WILL MAINTAIN A CANOPY HEIGHT ABOVE 6" CURB ELEVATION. ALL SHRUBS IN THIS AREA MAY NOT REACH A MATURE HEIGHT OVER 24".   |
| 3.                 | ALL PLANT MATERIALS ARE GUARANTEED FOR A MINIMUM PERIOD OF SIXTY (60) DAYS FROM THE DATE OF FINAL APPROVAL BY THE CITY. ANY PLANT MATERIALS, WHICH ARE NOT APPROVED BY THE CITY PRIOR TO OCTOBER 1 OF THE CALENDAR YEAR IN WHICH THEY ARE INSTALLED, SHALL BE FURTHER GUARANTEED UNTIL MAY 20 OF THE FOLLOWING CALENDAR YEAR. |
| 4.                 | TREES, SHRUBS, VINES, GROUND COVER AND TURF THAT HAVE TO BE REPLACED UNDER TERMS OF THE GUARANTEE, SHALL BE GUARANTEED FOR AN ADDITIONAL 60 DAYS FROM THE DATE OF REPLACEMENT.  |
| 5.                 | ALL PLANT MATERIALS MUST BE MAINTAINED IN HEALTH AND VIGOR AND BE ALLOWED TO ATTAIN NATURAL SIZE AND SHAPE IN ACCORDANCE WITH THE ORIGINALLY APPROVED LANDSCAPE PLAN.   |
| 6.                 | PARKING LOT TREES MUST HAVE A MINIMUM CLEAR CANOPY DISTANCE OF 5'.  |

| NO. | DESCRIPTION  |
|-----|--|
| 7.  | ALL LANDSCAPE AREAS SHALL BE GRADED SO THAT FINISHED GRADE SURFACES OF ALL NON-LIVING MATERIALS I.E. DECOMPOSED GRANITE, CRUSHED ROCK, MULCH, ETC. ARE ONE AND ONE HALF INCHES BELOW CONCRETE OR OTHER PAVED SURFACES.                           |
| 8.  | TREES MUST BE PLACED A MINIMUM OF 5' FROM SIDEWALK AND PUBLIC ACCESS-WAYS. SHRUBS MUST BE, AT MATURITY, 3' FROM ALL SIDES OF A FIRE HYDRANT, PIV OR FDC.   |
| 9.  | ALL LANDSCAPING SHALL BE MAINTAINED BY THE LANDOWNER OR THE LESSOR IN COMPLIANCE WITH THE ZONING CODE.   |
| 10. | THERE SHALL BE NO OBSTRUCTION OF SITE SIGNAGE BY LANDSCAPE PLANT MATERIAL, AND THAT SUCH MUST BE RELOCATED AN/OR CORRECTED BEFORE THE FIELD INSPECTION WILL ACCEPT/PASS THE SIGN IN THE FIELD OR ISSUE A CERTIFICATE OF OCCUPANCY FOR A PROJECT. |
| 11. | ALL TRANSFORMER BOXES, METER PANELS AND ELECTRIC EQUIPMENT, BACKFLOW DEVICES OR ANY OTHER UTILITY EQUIPMENT NOT ABLE OR REQUIRED TO BE SCREENED BY LANDSCAPING OR WALLS, SHALL BE PAINTED TO MATCH THE BUILDING COLOR.                           |
| 12. | ALL WALLS OVER 7' IN HEIGHT, SITE LIGHTING, SIGNAGE, RAMADAS AND SHADE STRUCTURES REQUIRE SEPARATE SUBMITTAL AND PERMITS.  |

| NO. | DESCRIPTION  |
|-----|--|
| 13. | ALL TREES SHALL COMPLY WITH THE LATEST AMENDED EDITION OF THE "ARIZONA NURSERY ASSOCIATION - RECOMMENDED TREE SPECIFICATIONS." (THIS IS TO BE NOTED IN THE PLANT LEGENDS ON EACH SHEET). |
| 14. | ADD CURRENT CITY OF CHANDLER "CIVIL ENGINEERING RECLAIMED WATER NOTES" TO IRRIGATION PLAN WHEN USING EFFLUENT WATER FOR IRRIGATION.  |
| 15. | ADD CERTIFICATION TO THE COVER SHEET: I HEREBY CERTIFY THAT NO TREE OR BOULDER IS DESIGNED CLOSER THAN SIX FEET TO THE FACE OF PUBLIC STREET CURB.                                       |
| 16. | ALL SITE IMPROVEMENTS, INCLUDING LANDSCAPE AND SITE CLEANUP, MUST BE COMPLETED PRIOR TO CERTIFICATE OF OCCUPANCY FOR ANY BUILDING WITHIN A PHASE.  |
| 17. | ALL ROOF MOUNTED MECHANICAL EQUIPMENT SHALL BE FULL SCREENED BY PARAPET WALLS EQUAL TO, OR GREATER THAN, THE HIGHEST POINT ON THE MECHANICAL EQUIPMENT.                                  |
| 18. | SOLID MASONRY WALLS AND GATES EQUAL TO, OR GREATER THAN, THE HIGHEST POINT ON THE MECHANICAL EQUIPMENT SHALL SCREEN ALL GROUND MOUNTED MECHANICAL EQUIPMENT.                             |
| 19. | ALL EXTERNAL LIGHTING SHALL BE LOCATED AND DESIGNED TO PREVENT RAYS FROM BEING DIRECTED OFF THE PROPERTY UPON WHICH THE LIGHTING IS  |

| NO. | DESCRIPTION  |
|-----|--|
| 20. | LOCATED.   |
| 21. | THE FIRE DEPARTMENT DOUBLE CHECK ASSEMBLY SHALL BE PAINTED TO MATCH THE ADJACENT WALL COLOR.   |
| 22. | SIGNS REQUIRE SEPARATE PERMIT.   |
| 23. | THERE SHALL BE NO OBSTRUCTION OF SITE SIGNAGE BY LANDSCAPE PLANT MATERIAL, AND THAT SUCH MUST BE RELOCATED/CORRECTED BEFORE THE FIELD INSPECTION WILL ACCEPT/PASS THE SIGN IN THE FIELD OR ISSUE A CERTIFICATE OF OCCUPANCY FOR A PROJECT. |
| 24. | ALL TRANSFORMER BOXES, METER PANELS AND ELECTRIC EQUIPMENT, BACKFLOW DEVICES OR ANY OTHER UTILITY EQUIPMENT NOT ABLE TO BE OR REQUIRED TO BE SCREENED BY LANDSCAPING OR WALLS, SHALL BE PAINTED TO MATCH THE BUILDING COLOR.               |
| 25. | ALL WALLS OVER 7' IN HEIGHT, SITE LIGHTING, SIGNAGE, RAMADAS AND SHADE STRUCTURES REQUIRE SEPARATE SUBMITTAL AND PERMITS.  |

| SITE DATA          |   |
|--------------------|---|
| APN                | 303-31-382 A&B  |
| ZONE:              | PARCEL LINES TO BE RELOCATED WITH A LOT LINE ADJUSTMENT PAD (C-3) MIDRISE OVERLAY |
| SITE AREA:         | 8.12 AC   |
| SETBACKS:          | 20'-0" LANDSCAPE SETBACK 10'-0"   |
| EXISTING LAND USE: | VACANT / PARKING  |
| PROPOSED LAND USE: | MEDICAL OFFICE BUILDING   |
| LOT COVERAGE:      |   |
| SITE AREA:         | 353,263 S.F.  |
| BUILDING AREA:     | 65,200 S.F. 18%   |
| PAVING AREA:       | 227,335 S.F. 64%  |
| LANDSCAPING:       | 59,737 S.F. 18%   |

Anthony C. Pings and Associates

Architecture  
Planning and  
Interior Design

6121 North Theta #301, Fresno CA 93710  
(P) 559-439-0700, (F) 559-439-0708  
www.pings.com

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Project Architect Approval:  
Consultant:

Project Name:

SITE DEVELOPMENT FOR

CAMBRIDGE MEDICAL  
FACILITY

Chandler, AZ

Sheet Title:  
Site Plan

Project Number  
431.0

Project Contact:  
ANTHONY PINGS

Scale:  
AS NOTED

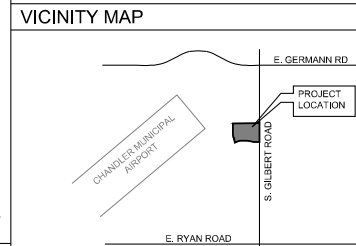
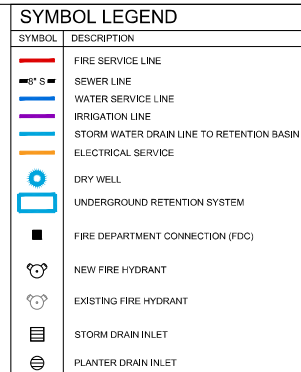
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Revisions  
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Drawing  
**S1**  
Sheet of





  
 NORTH  
**UTILITY PLAN**  
 SCALE: 1"=30'-0"



Project Architect Approval: \_\_\_\_\_

Consultant: \_\_\_\_\_

Project Name: \_\_\_\_\_

SITE DEVELOPMENT FOR  
**CAMBRIDGE MEDICAL  
FACILITY**  
Chandler, AZ

Sheet Title:

Utility Plan

|                  |               |
|------------------|---------------|
| Project Number   | 431.0         |
| Project Contact: | ANTHONY PINGS |
| Scale:           | AS NOTED      |

| Issue Date: | Issue Description: |
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| Sheet       | of                 |









CAMBRIDGE MEDICAL FACILITY  
LANDSCAPING PLAN









# PROPOSED LANDSCAPE PALETTE

## TREES

screening

*Quercus Sp*  
*Live Oak*

*Prosopis Sp*  
*Mesquite*

*Acacia Aneura*  
*Mulga*

*Olneye Tessota*  
*Ironwood*

*Acacia Sp*  
*Acacia*

*Chilopsis linearis*  
*'Seedless' Desert Willow*

*Caesalpinia Sp*  
*Bird Of Paradise*

*Pistacia X Sp*  
*Pistache*

*Ulmus Sp*  
*Elm*

*Chilopsis Sp*  
*Desert Willow*

focal

*Phoenix dactylifera*  
*Date Palm*

*Baobab, Adansonia digitata*  
*or SPECIMEN TREE*  
*(to be determined by and approved by owner)*

## SHRUBS

screening

*Tecoma Sp*  
*Tecoma*  
*Leucophyllum frutescens*  
*Texas Sage*

*Bougainvillea Sp*  
*Bougainvillea shrub-form*

*Dodonaea Sp*  
*Dodonaea*

*Eremophila Sp*  
*Blue Bells*

*Oleander Sp*  
*Oleander*

*Salvia Sp*  
*Savlia*

*Ruellia Sp*  
*Ruellia*

*Rosemary Sp*  
*Rosemary*

*Nolina Sp*  
*Nolina*

## ACCENTS

*Yucca Sp*  
*Yucca*

*Cacti Sp*  
*Cactus*

*Muhlenbergia Sp*  
*Muhly*

*Dasyilirion Sp*  
*Desert Spoon*

*Bougainvillea Sp (staked)*  
*Bougainvillea (remove stake & espalier)*

*Hesperaloe Sp*  
*Yucca*

*Agave SP*  
*Agave*

*Aloe Sp*  
*Aloe*

*Fouquieria splendens*  
*Ocotillo*



LASKIN & ASSOCIATES, INC.

LANDSCAPE ARCHITECTS

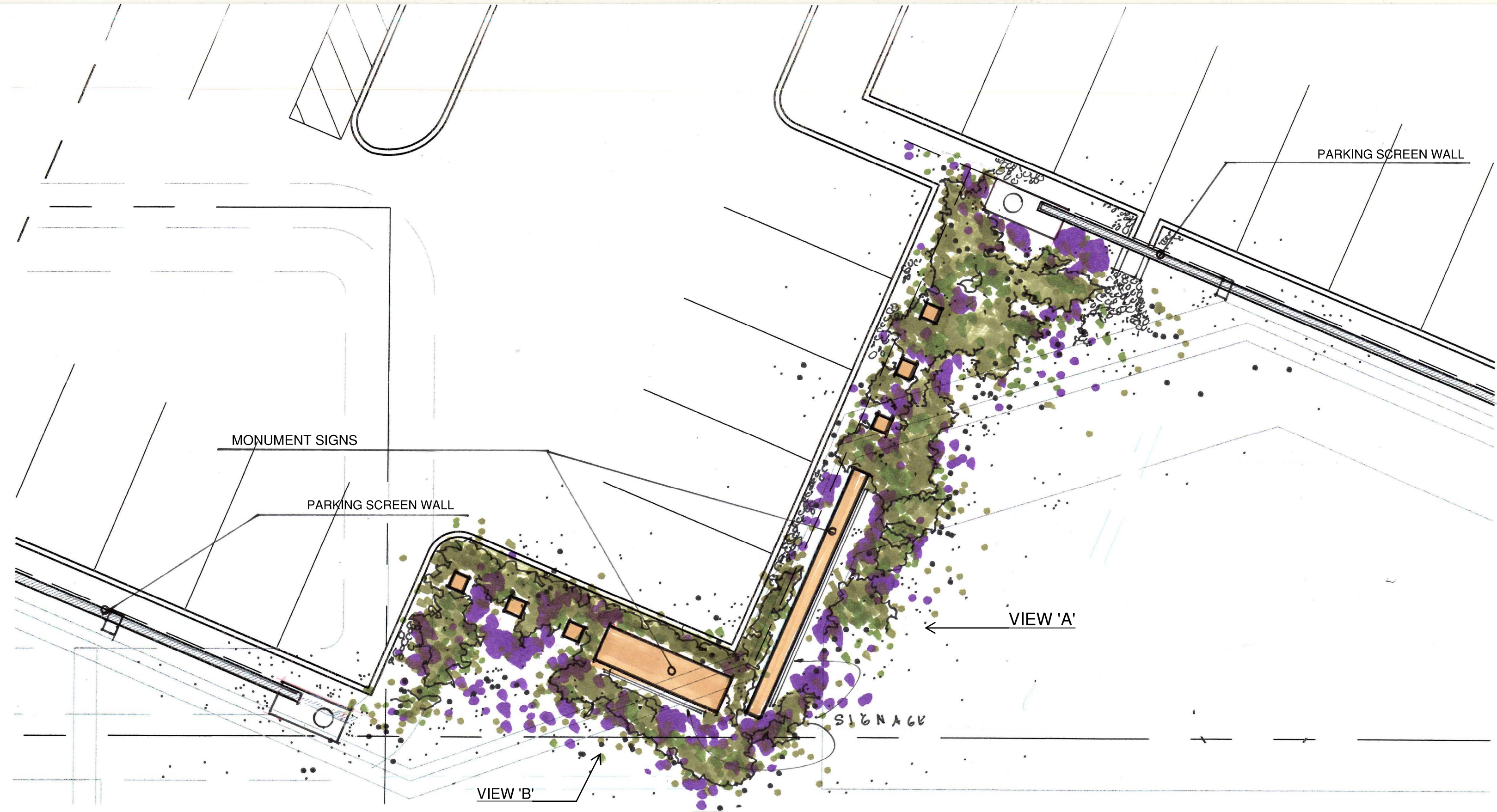
5013 E. Washington St.  
Suite 110

Phoenix, Arizona 85034

p (602) 840-7771

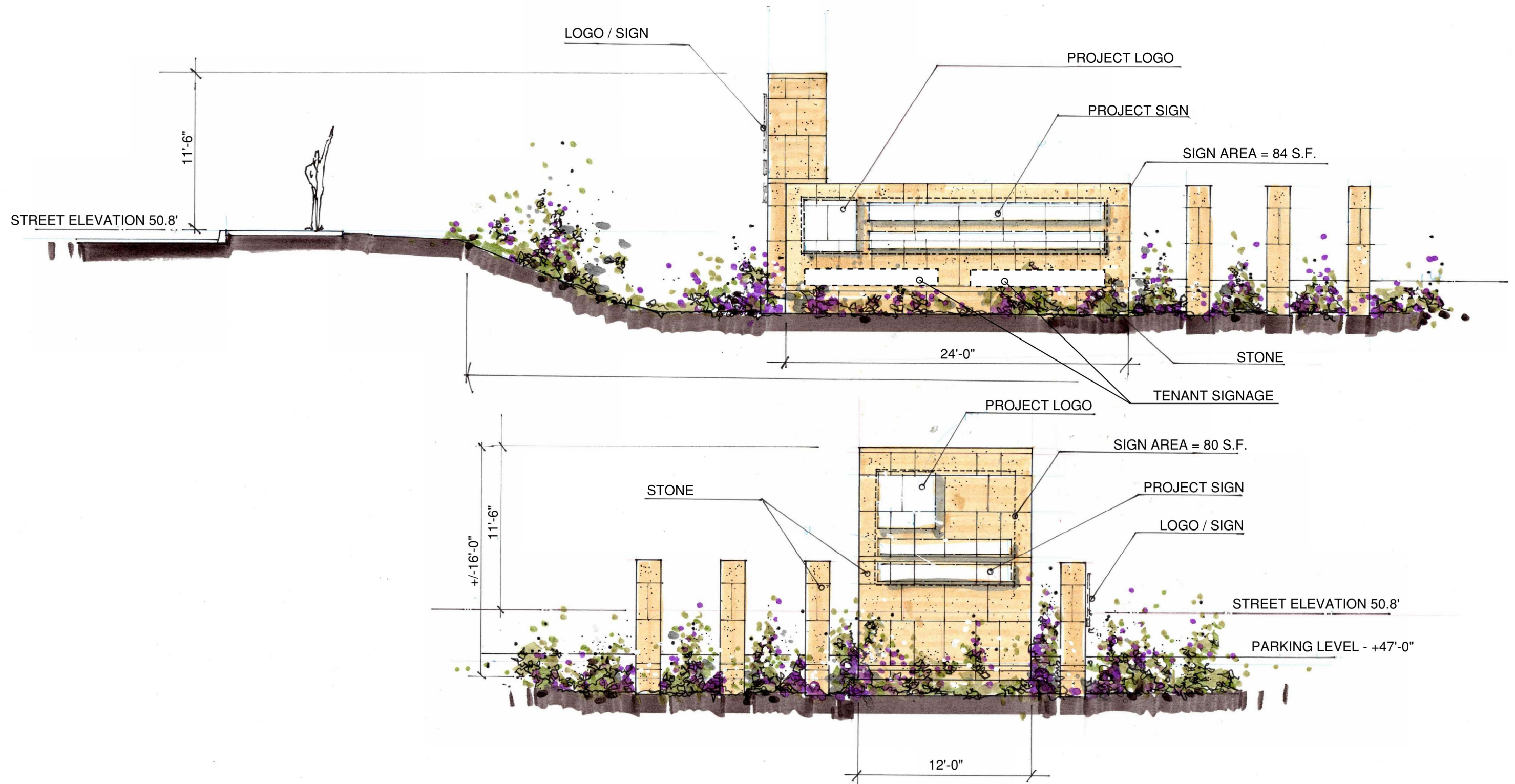
www.laskindesign.com





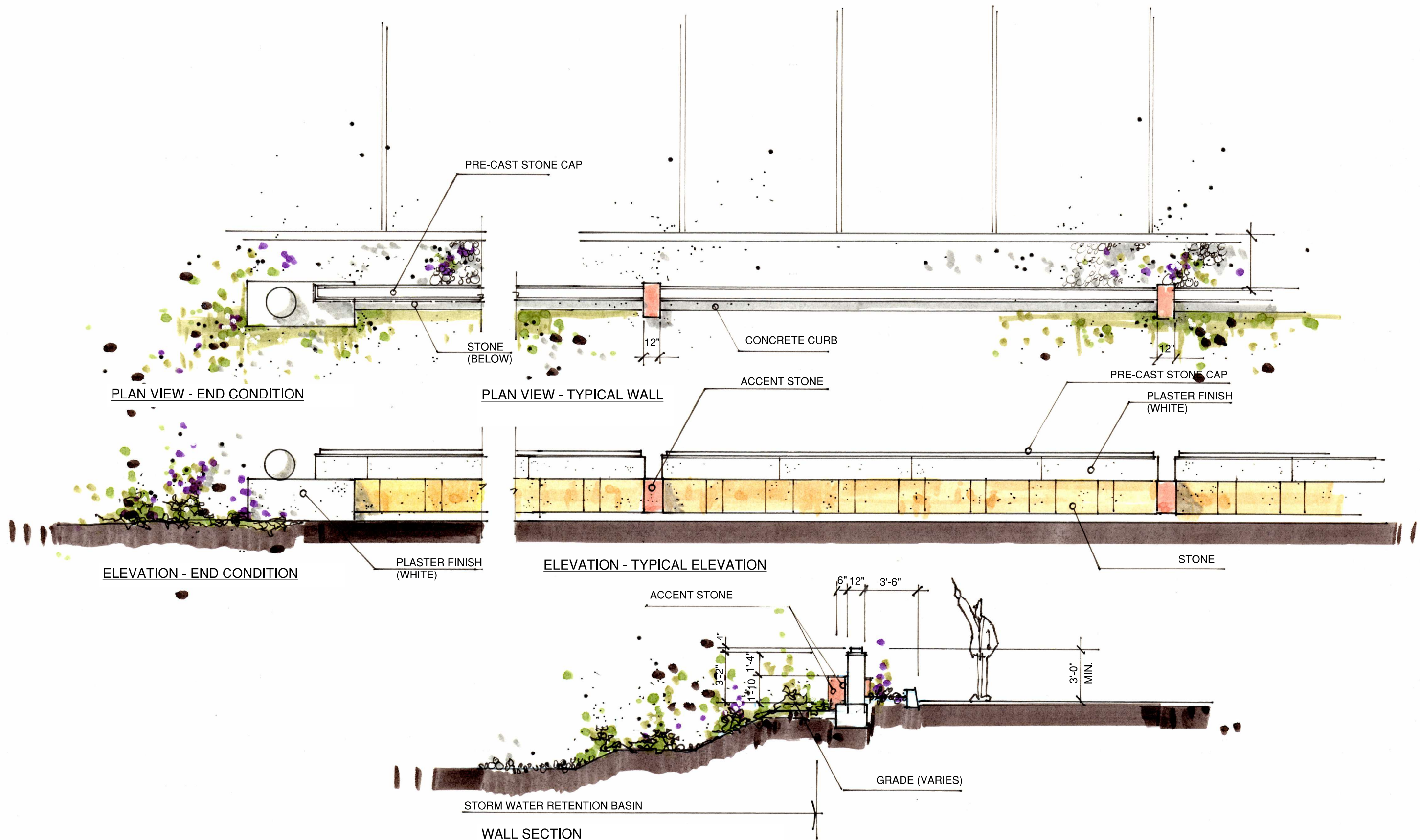
CAMBRIDGE MEDICAL FACILITY  
MONUMENT SIGN PLAN





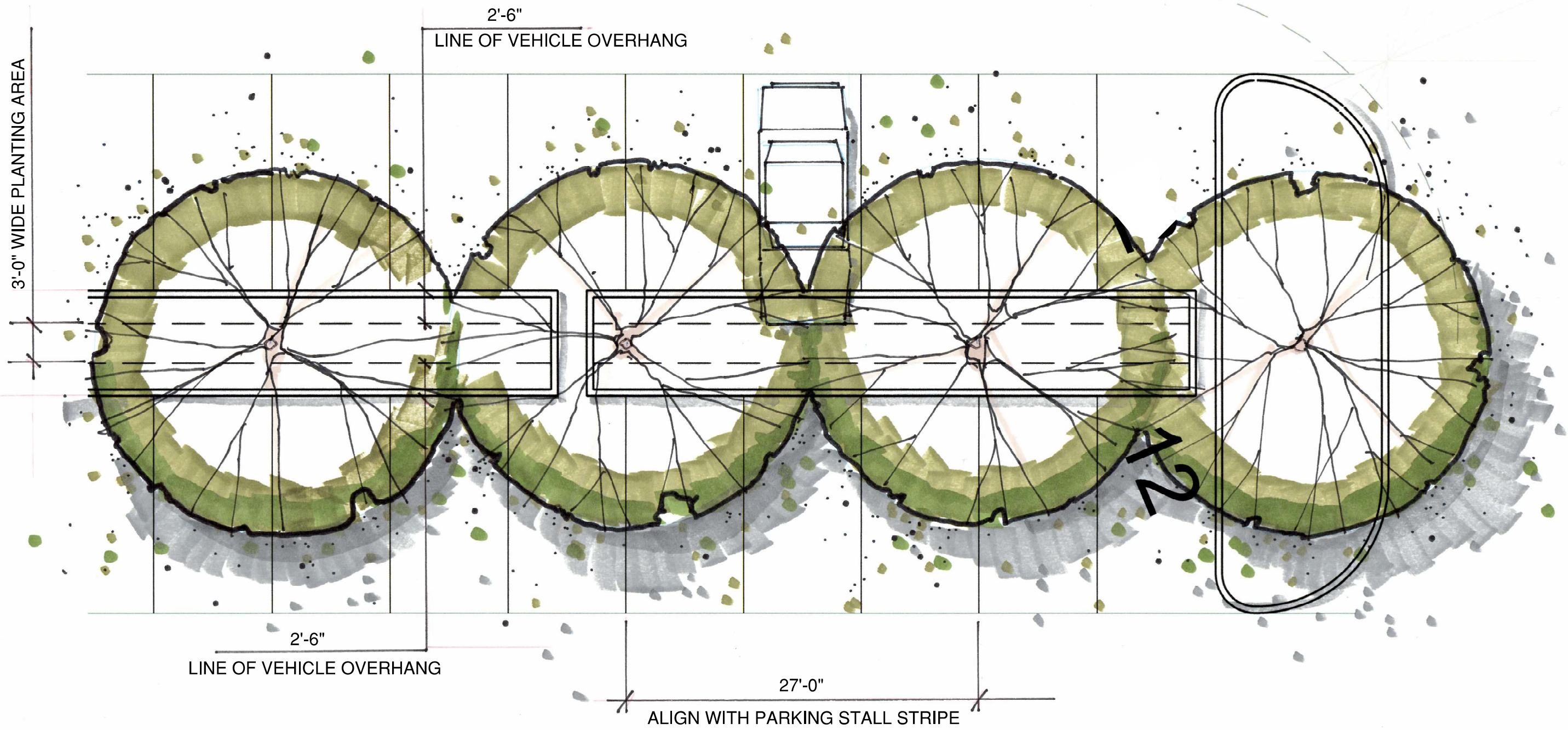
CAMBRIDGE MEDICAL FACILITY  
MONUMENT SIGN ELEVATIONS





CAMBRIDGE MEDICAL FACILITY  
PARKING SCREEN WALL



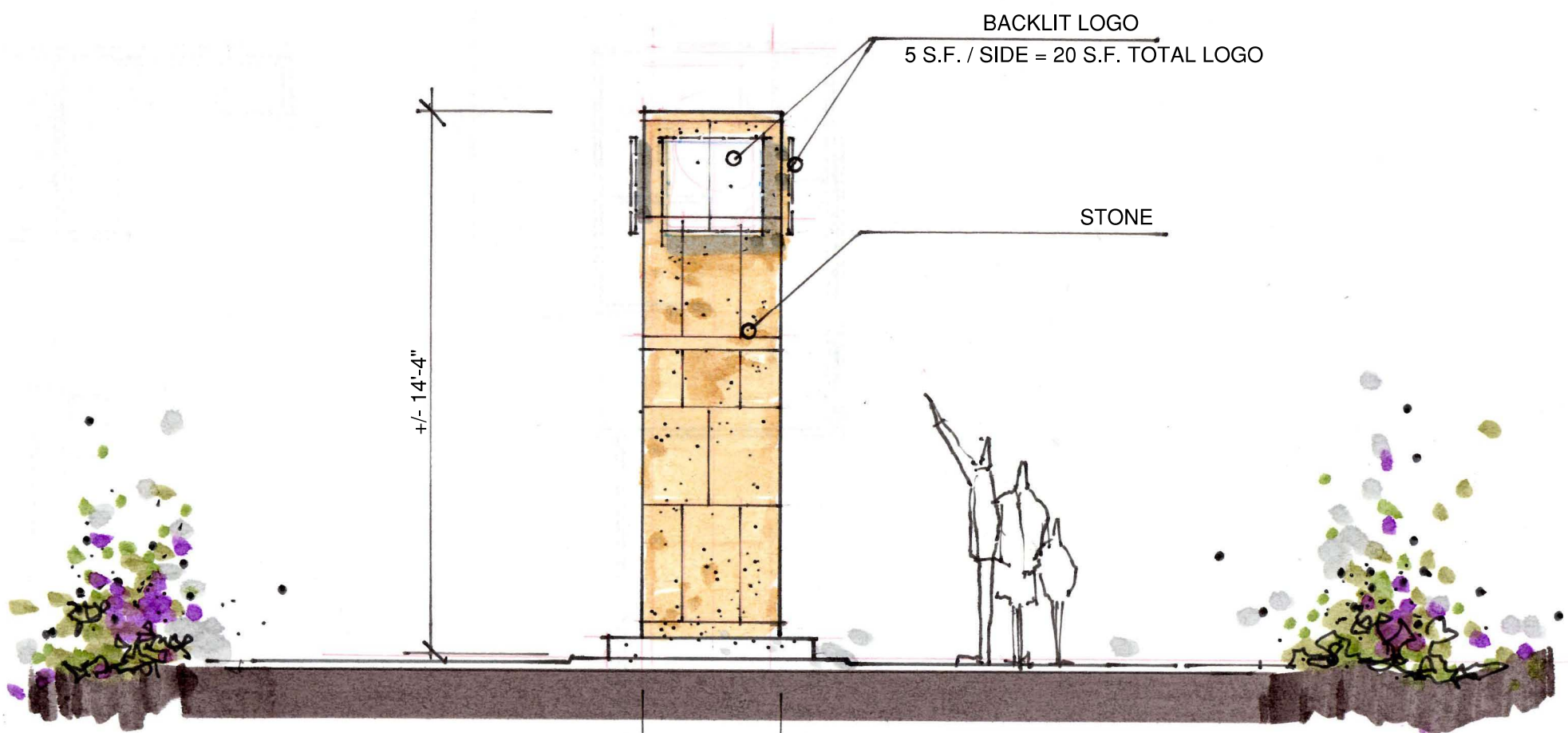




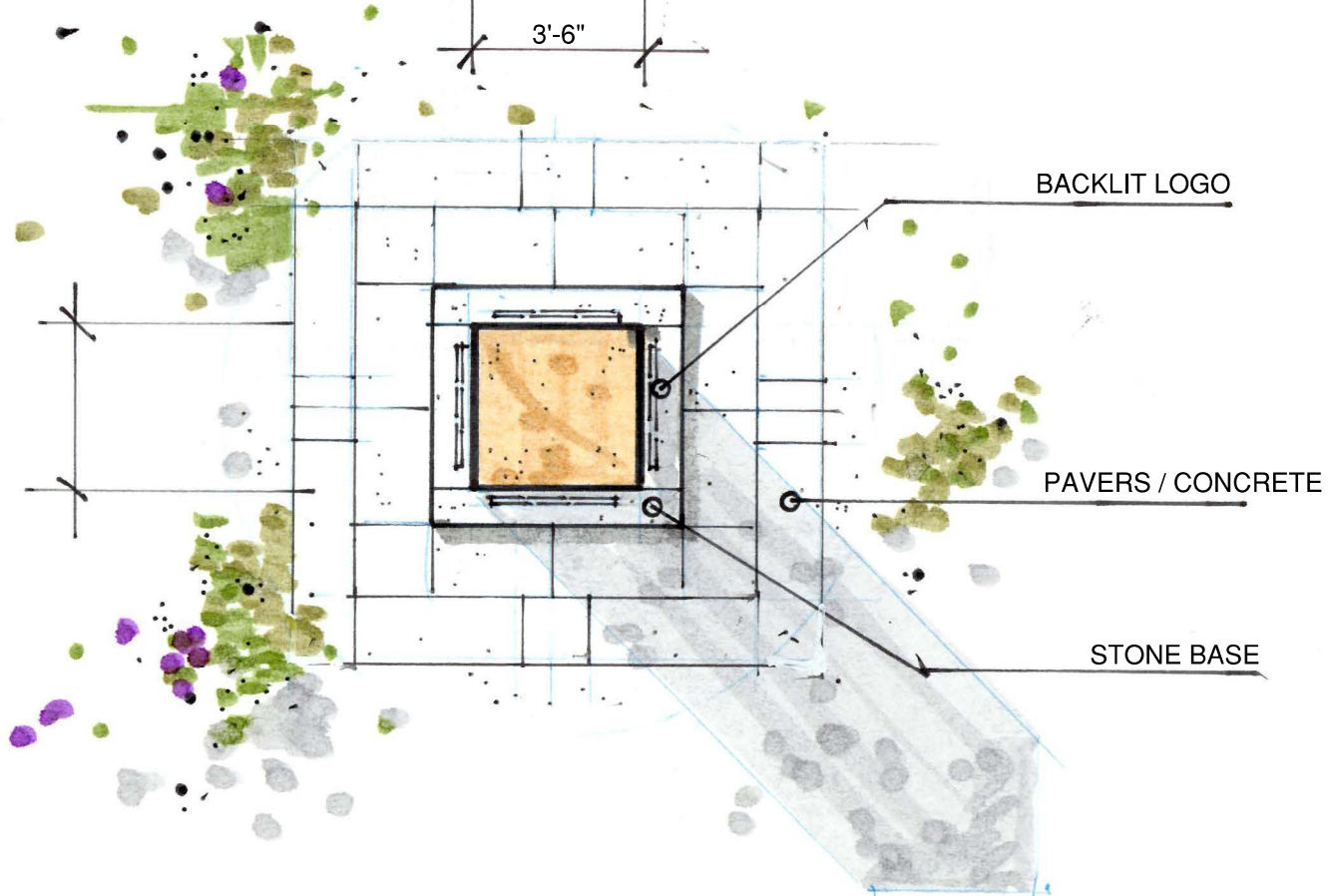


CAMBRIDGE MEDICAL FACILITY  
MARKER OBELISK SITE PLAN



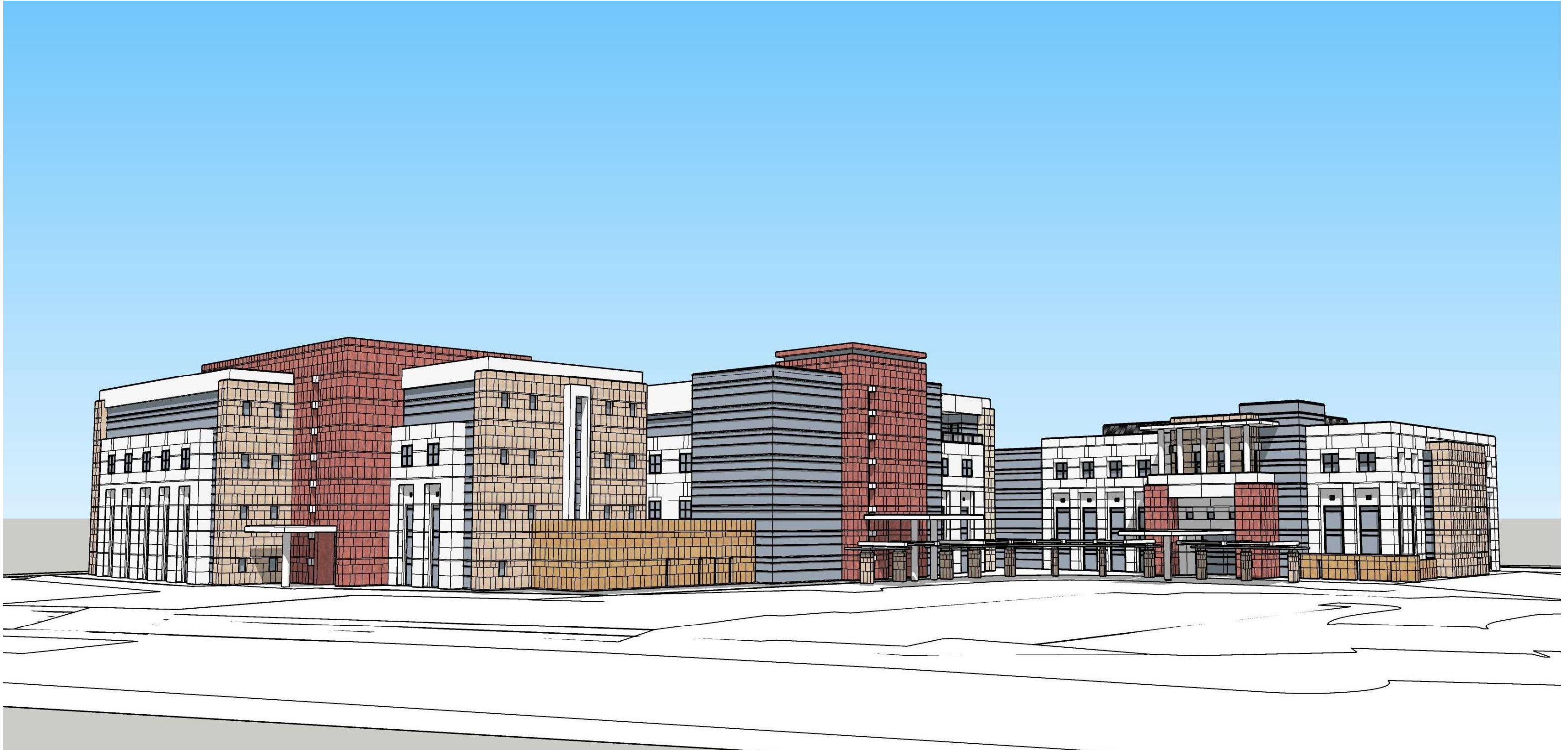


ELEVATION



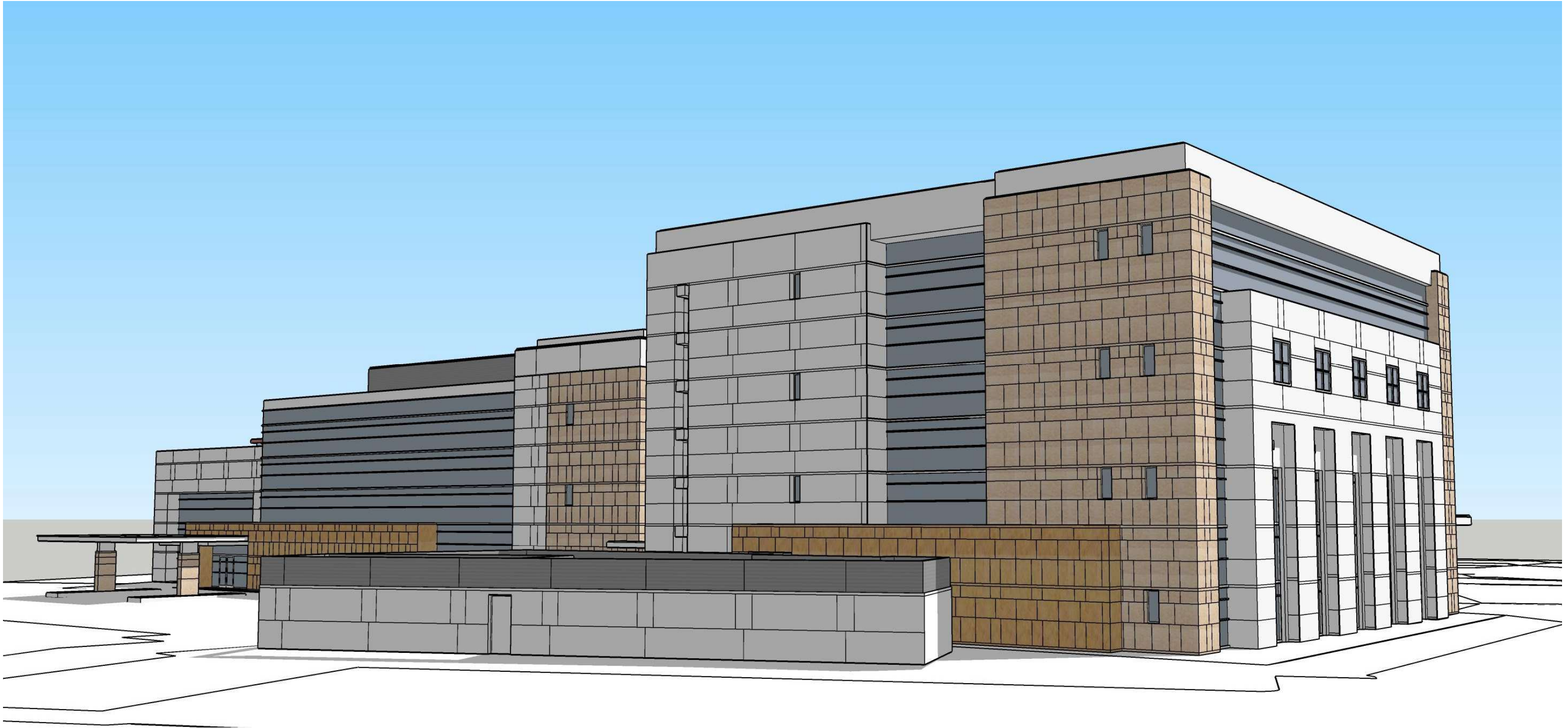
PLAN VIEW





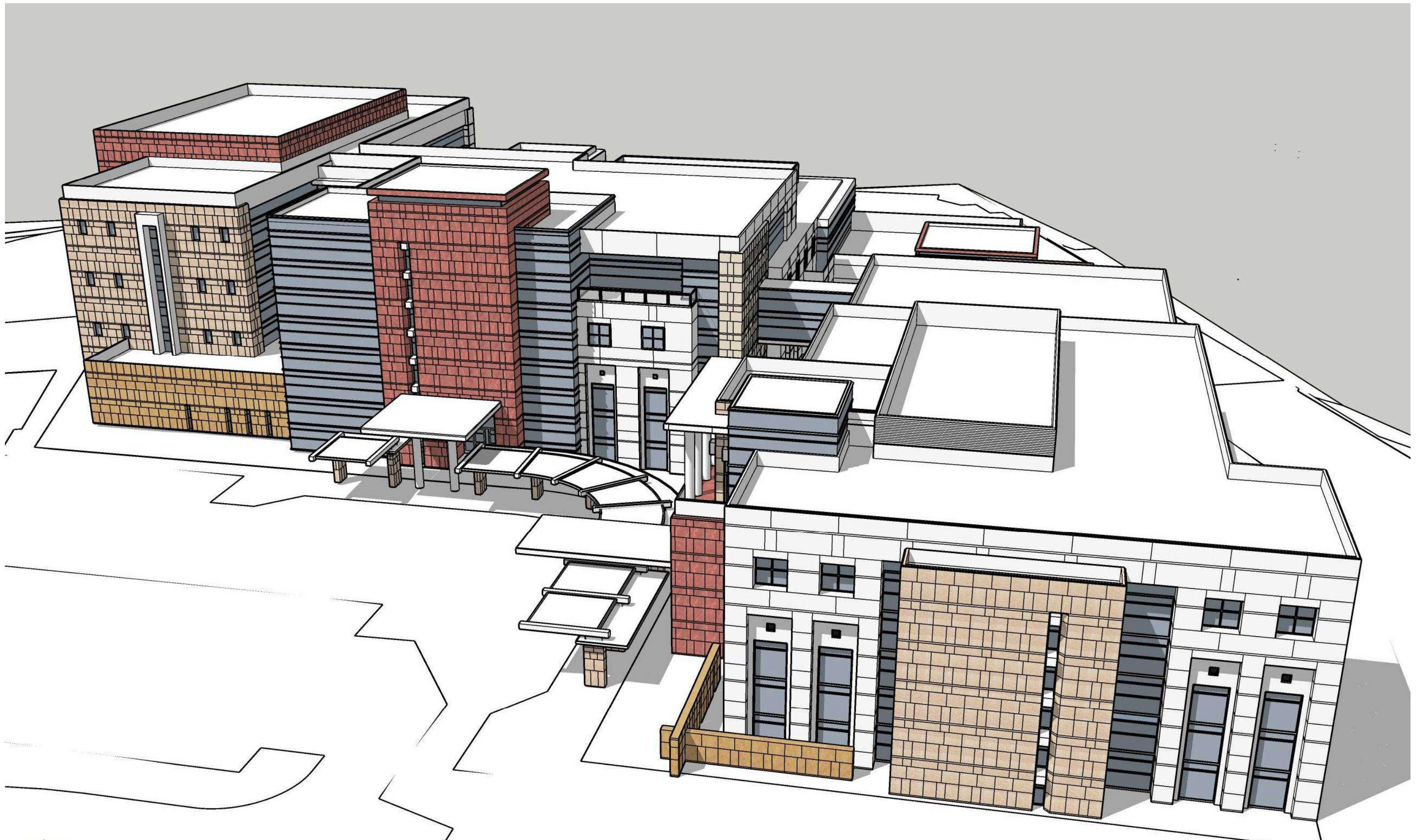
CAMBRIDGE MEDICAL FACILITY  
ENTRY PERSPECTIVE





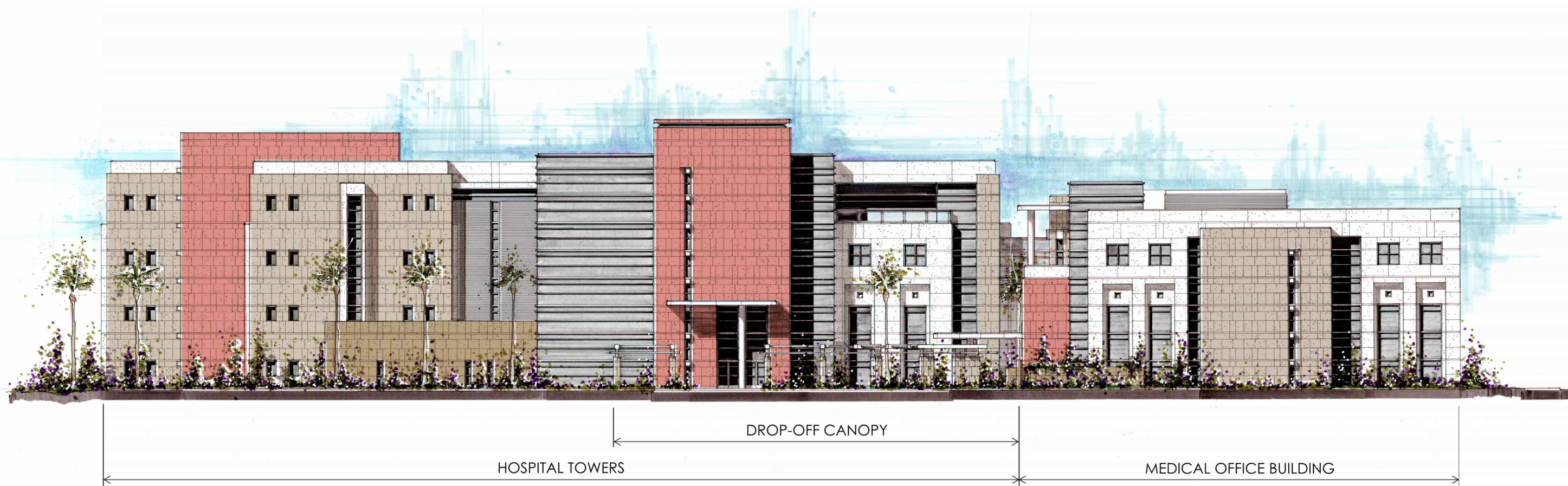
CAMBRIDGE MEDICAL FACILITY  
WEST ELEVATION





CAMBRIDGE MEDICAL FACILITY  
AERIAL VIEW - PATIENT DROP-OFF CANOPY





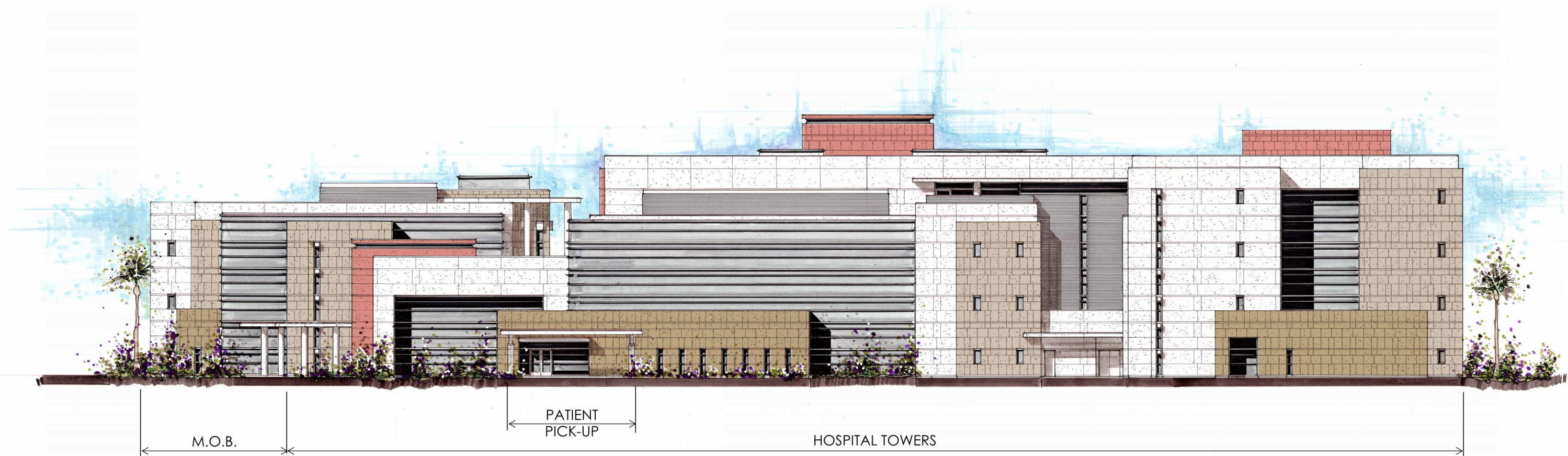
C A M B R I D G E   M E D I C A L   F A C I L I T Y  
E A S T   E L E V A T I O N - G I L B E R T   R O A D   V I E W





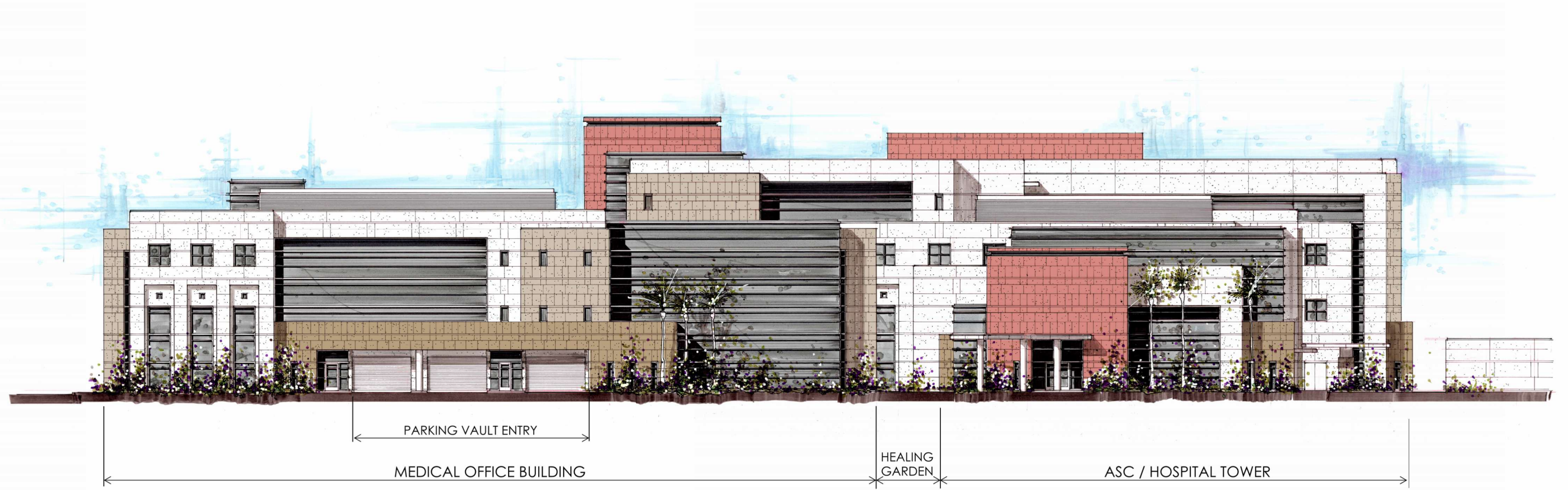
CAMBRIDGE MEDICAL FACILITY  
SOUTH ELEVATION





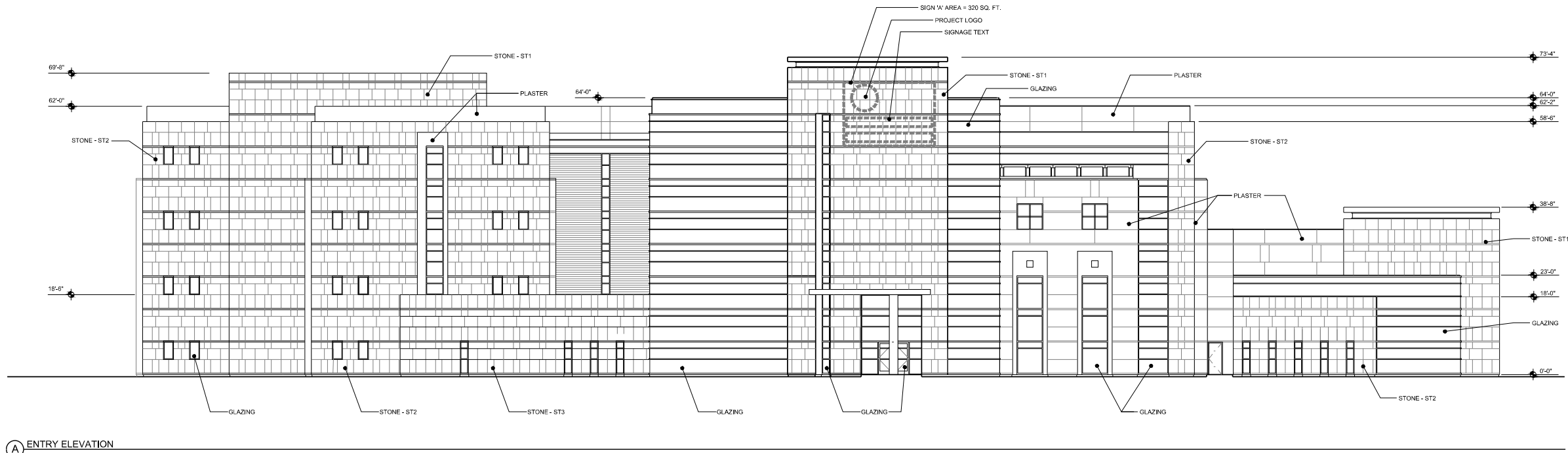
CAMBRIDGE MEDICAL FACILITY  
WEST ELEVATION



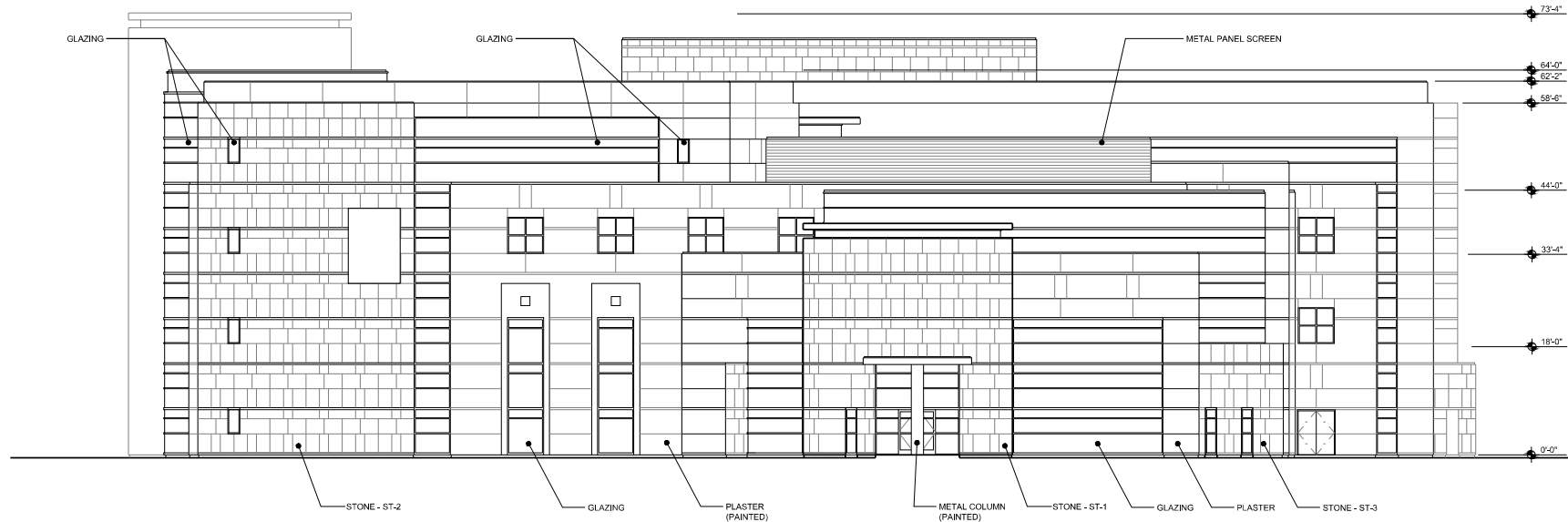


CAMBRIDGE MEDICAL FACILITY  
NORTH ELEVATION / PARKING VAULT ENTRY





A ENTRY ELEVATION



B NORTH ELEVATION

| MATERIAL LEGEND |                                |
|-----------------|--------------------------------|
| SYMBOL          | DESCRIPTION                    |
| STONE - ST-1    | NATURAL FLAGSTONE - SEDONA RED |
| STONE - ST-2    | NATURAL FLAGSTONE - BUFF       |
| STONE - ST-3    | NATURAL FLAGSTONE - GOLDEN     |

| SIGNAGE ANALYSIS  |          |
|---|----------|
| WALL SIGNAGE  |          |
| SIGN  | AREA     |
| A   | 320 S.F. |
| ALLOWABLE SIGN AREA:  |          |
| BUILDING FRONTAGE = 243'-0" x 2 FT / LINEAL FOOT OF BUILDING FRONTAGE |          |
| ALLOWED AREA:   | 486 S.F. |
| ACTUAL AREA - SIGN 'A':   | 320 S.F. |
| MONUMENT SIGNAGE  |          |
| SIGN  | AREA     |
| A   | 320 S.F. |
| ALLOWABLE SIGN AREA:  |          |
| BUILDING FRONTAGE = 243'-0" x 2 FT / LINEAL FOOT OF BUILDING FRONTAGE |          |
| ALLOWED AREA:   | 486 S.F. |
| ACTUAL AREA - SIGN 'A':   | 320 S.F. |

VICINITY MAP

WEST

EAST

SOUTH

NORTH

SIGN FRONTAGE 243'-0"

SCALE: 3/32" = 1'-0"

EXTERIOR ELEVATIONS

SCALE: 3/32" = 1'-0"

6121 North Thesta #301, Fresno CA 93710  
(P) 559-438-0700, (F) 559-438-0708  
www.pings.com

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Project Architect Approval:

Consultant:

Project Name:

SITE DEVELOPMENT FOR

CAMBRIDGE MEDICAL  
FACILITY  
Chandler, AZ

Sheet Title:

Exterior Elevations

Project Number

431.0

Project Contact:

ANTHONY PINGS

Scale:

AS NOTED

Issue Date: Issue Description:

6-26-23 PRELIM. DESIGN

Revisions

No.

Revision :

Drawing

E1

Sheet

of



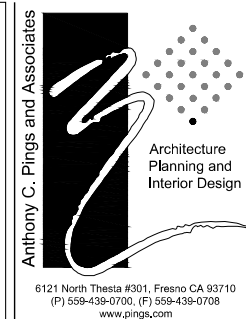






| SIGNAGE ANALYSIS |          |
|------------------|----------|
| WALL SIGNAGE     |          |
| SIGN             | AREA     |
| A                | 320 S.F. |

| MONUMENT SIGNAGE |          |
|------------------|----------|
| SIGN             | AREA     |
| A                | 320 S.F. |
|                  |          |

VICINITY MAP

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|                             |  |
|-----------------------------|--|
| Project Architect Approval: |  |
| Consultant:                 |  |

Project Name: \_\_\_\_\_

SITE DEVELOPMENT FOR

# CAMBRIDGE MEDICAL FACILITY

Chandler, AZ

Sheet Title:

Exterior Elevations

|                  |
|------------------|
| Project Number   |
| 431.0            |
| Project Contact: |
| ANTHONY PINGS    |
| Scale:           |
| AS NOTED         |

| Issue Date: | Issue Description: |
|-------------|--------------------|
| 6-26-23     | PRELIM. DESIGN     |

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Drawing  
**E3**  
 Sheet of





ALLOWABLE SIGN AREA:

BUILDING FRONTAGE = 102'-0" x 2 FT / LINEAL FOOT = 204 S.F.

|                         |          |
|-------------------------|----------|
| ALLOWED AREA:           | 204 S.F. |
| ACTUAL AREA - SIGN 'B': | 120 S.F. |

A vicinity map showing the North Tower (a large grey rectangle) and the South Tower (a smaller white rectangle). The map includes a compass rose with 'NORTH' at the top and 'SOUTH' at the bottom. A north arrow is located at the bottom right. The map is bounded by 'WEST' on the left and 'EAST' on the right. A vertical line labeled 'D' is on the left, and a horizontal line labeled 'A' is at the bottom. A horizontal line labeled 'B' is on the right, and a vertical line labeled 'C' is at the top. The North Tower is labeled 'NORTH TOWER'.



|                             |
|-----------------------------|
| Project Architect Approval: |
| Consultant:                 |

Project Name:

SITE DEVELOPMENT FOR  
**CAMBRIDGE MBI  
FACILITY**  
Chandler, AZ

Sheet Title:

Exterior Elevations -  
North Tower

|                  |               |
|------------------|---------------|
| Project Number   | 431.0         |
| Project Contact: | ANTHONY PINGS |
| Scale:           | AS NOTED      |

| Issue Date: | Issue Description |
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Drawing

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of





## EXTERIOR ELEVATIONS



Project Architect Approval: \_\_\_\_\_  
Consultant: \_\_\_\_\_

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Project Name: \_\_\_\_\_

SITE DEVELOPMENT FOR  
**CAMBRIDGE MEMORIAL  
FACILITY**  
Chandler, AZ

Sheet Title:

Exterior Elevations -  
North Tower

Project Number  
431.0

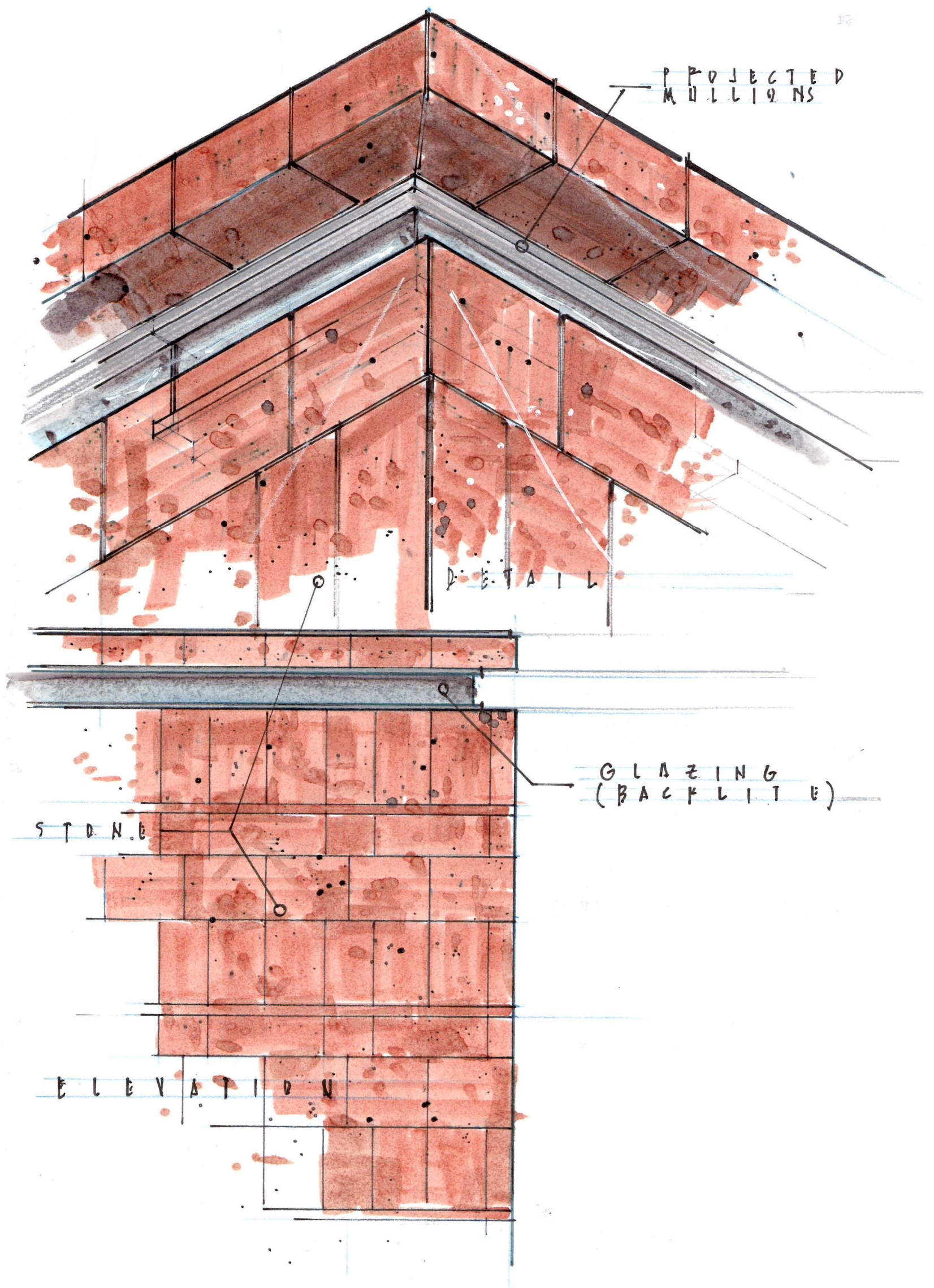
Project Contact:  
ANTHONY PINGS

Scale:  
AS NOTED

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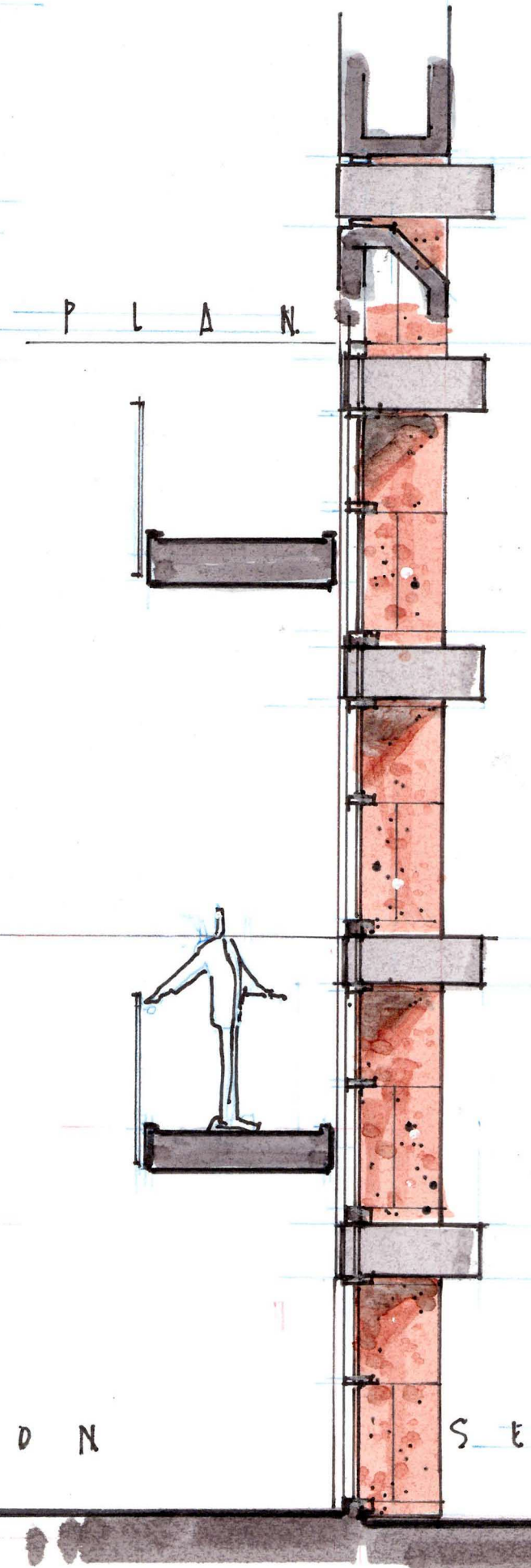
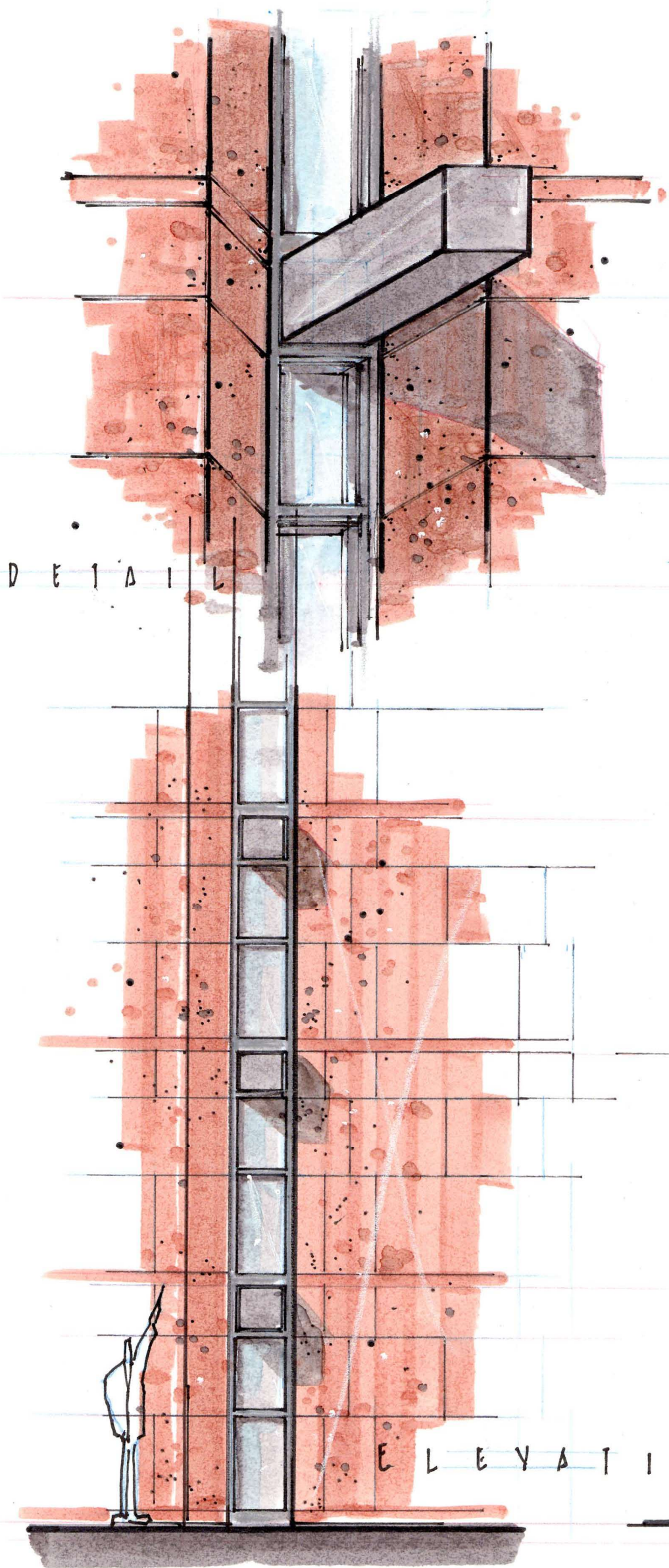
Drawing  
**E5**  
Sheet of





CAMBRIDGE MEDICAL FACILITY  
TOWER CORNICE DETAIL





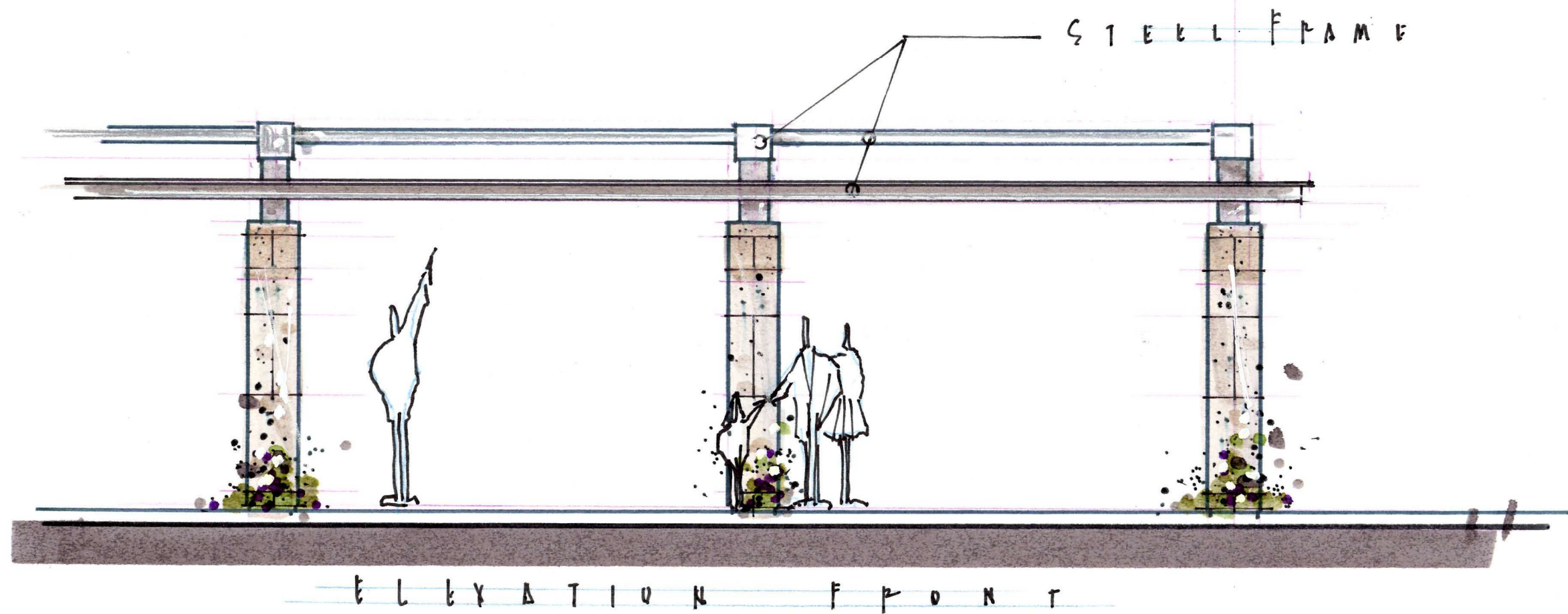
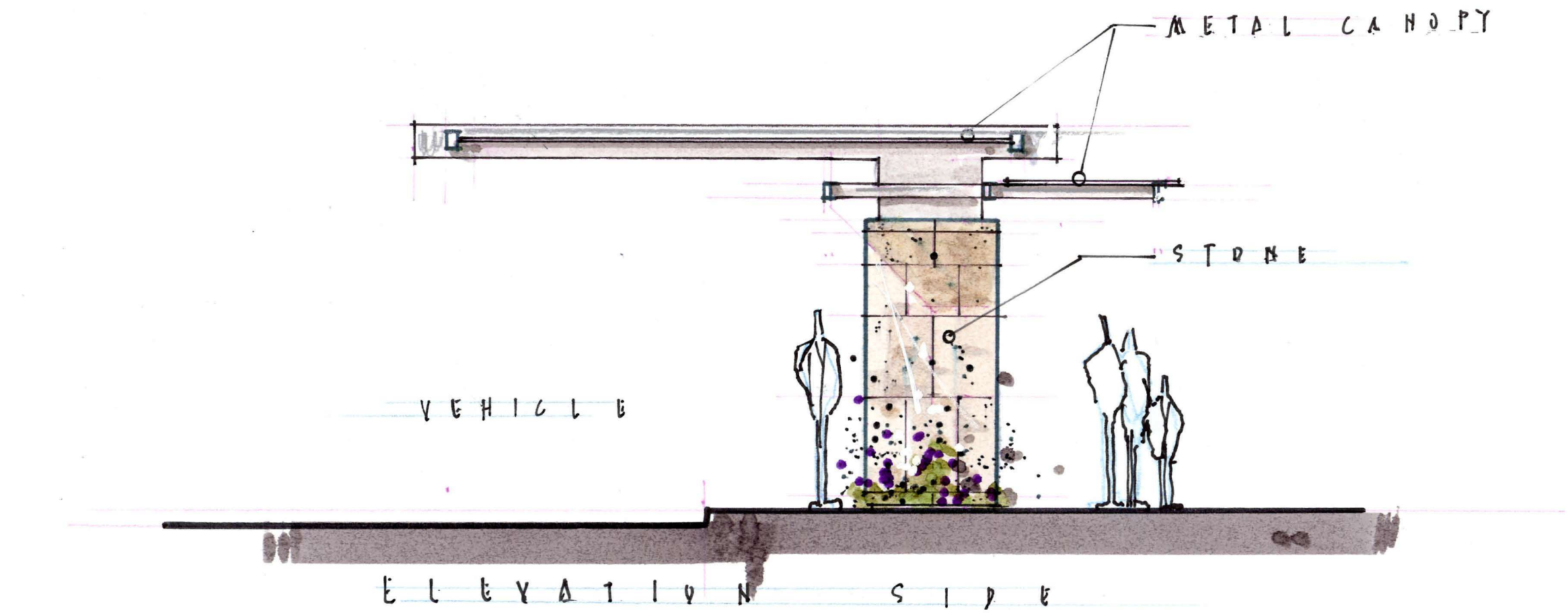
D E T A I L

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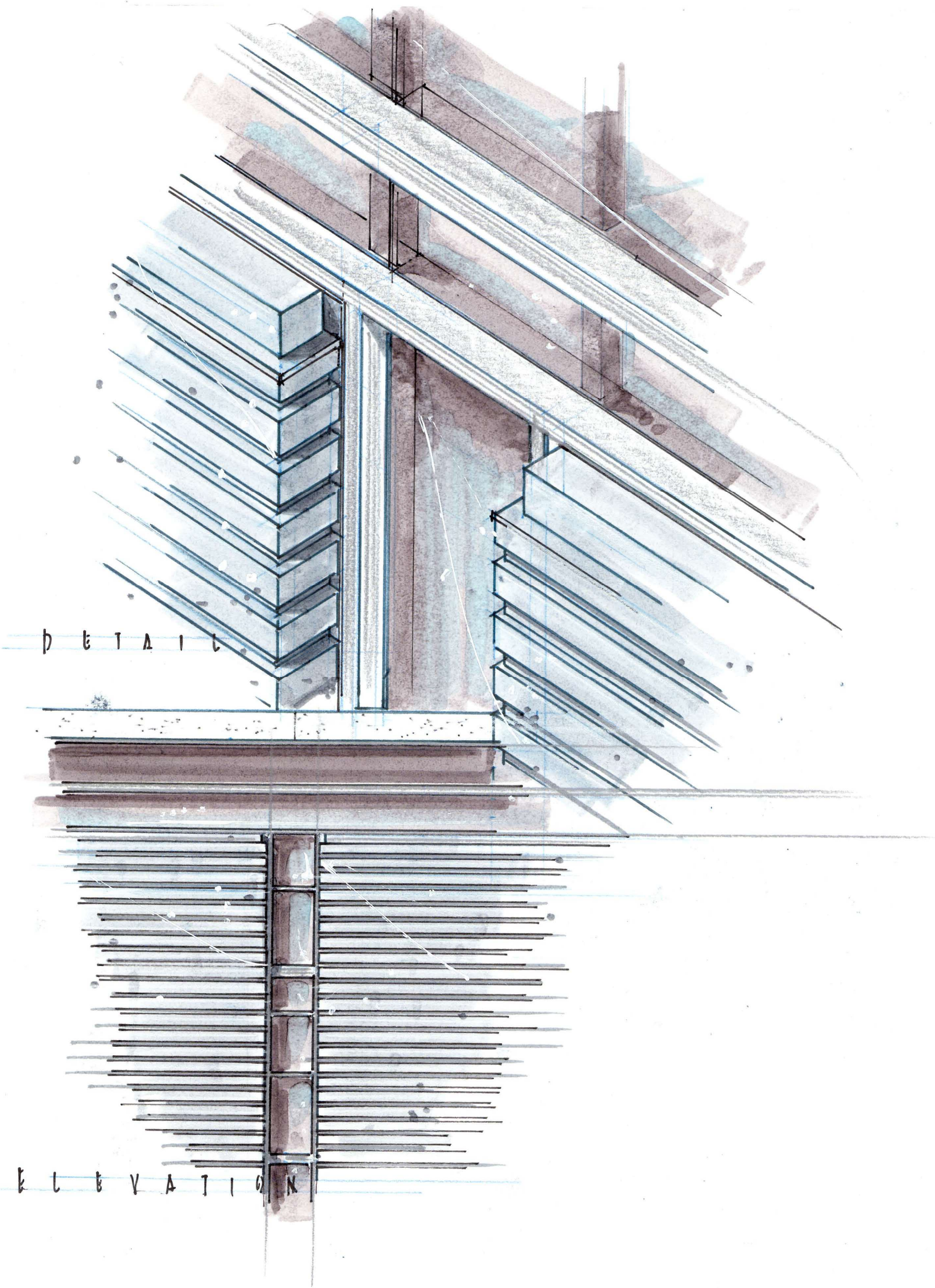
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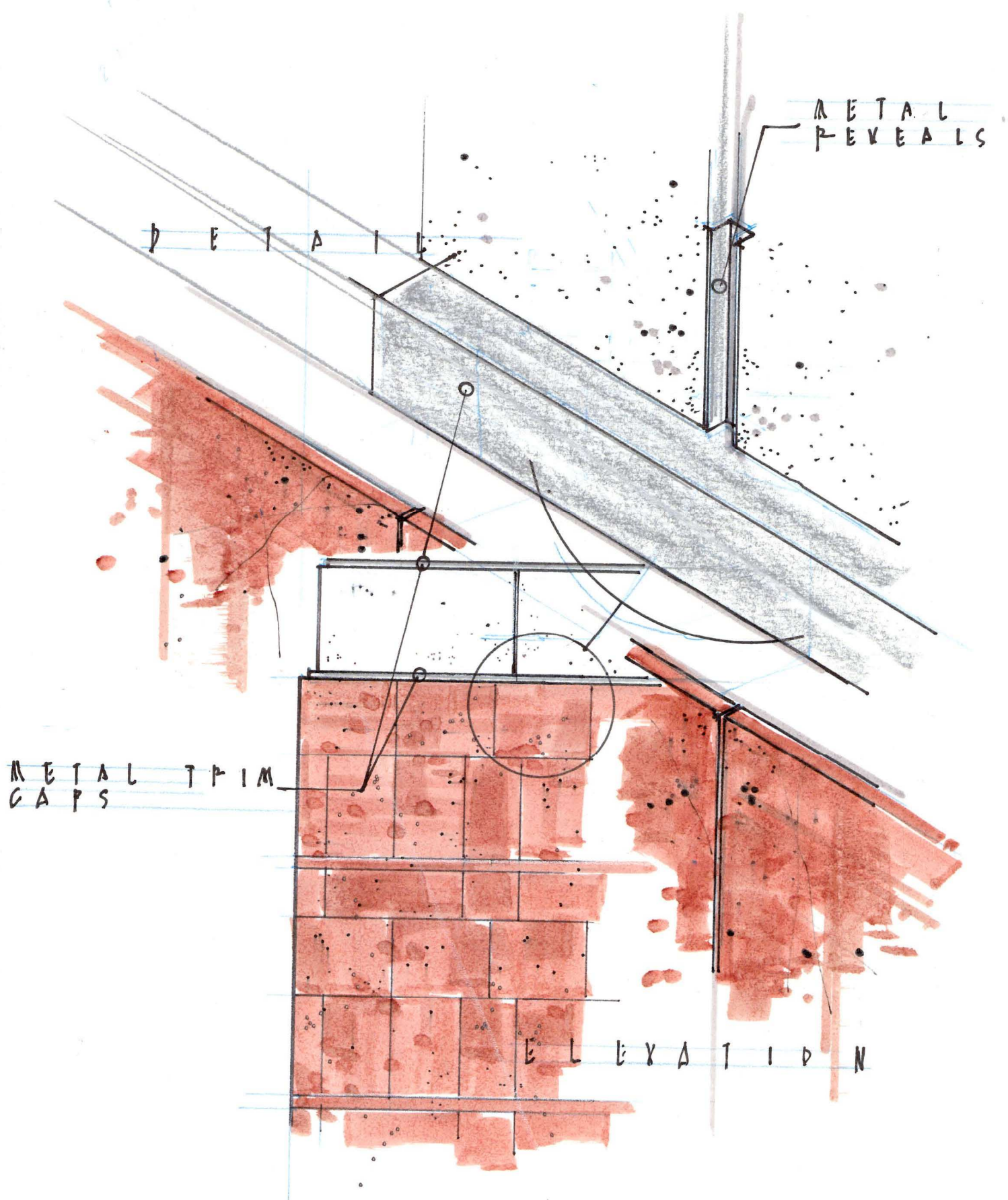


CAMBRIDGE MEDICAL FACILITY  
PATIENT DROP-OFF CANOPY

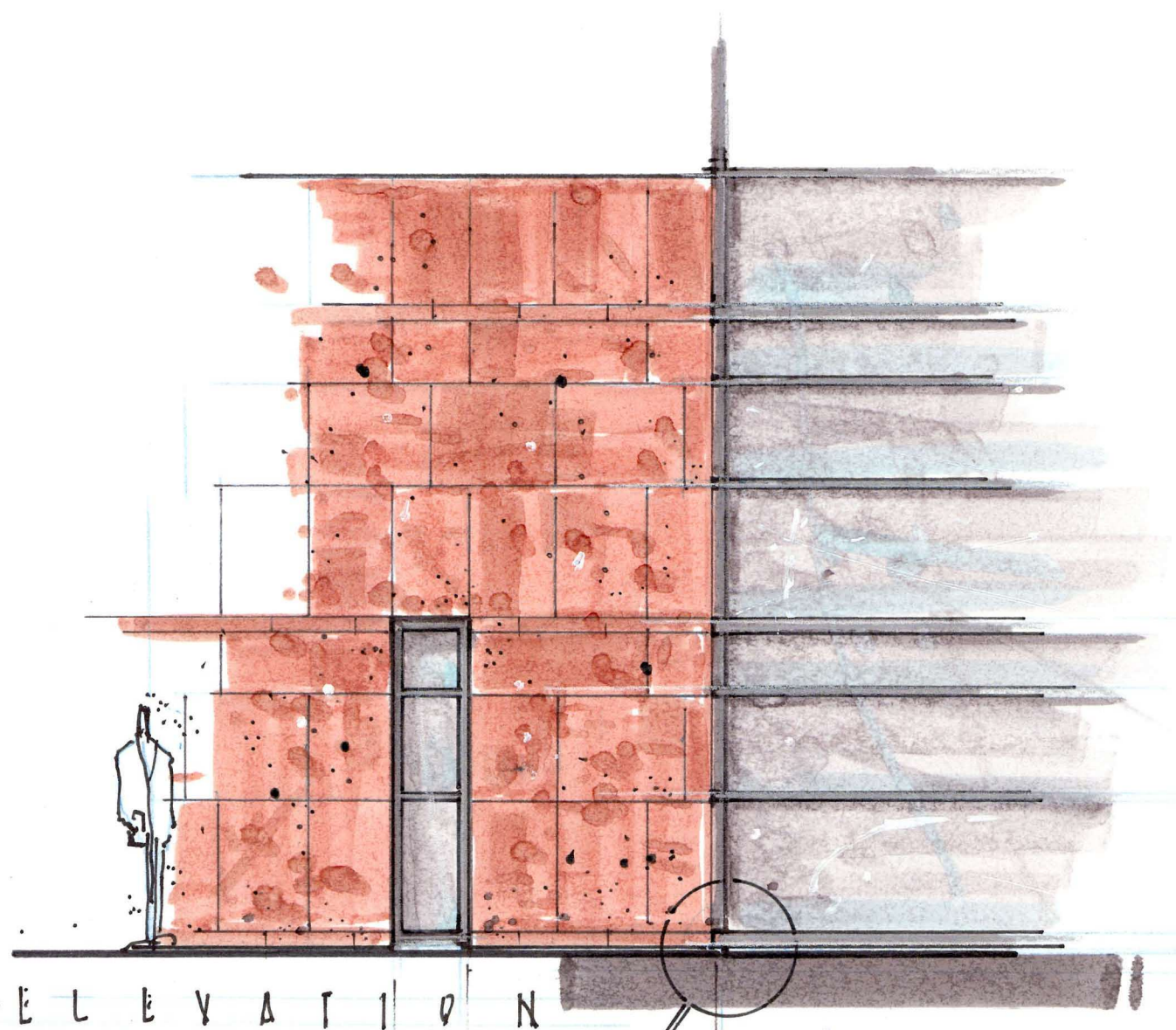




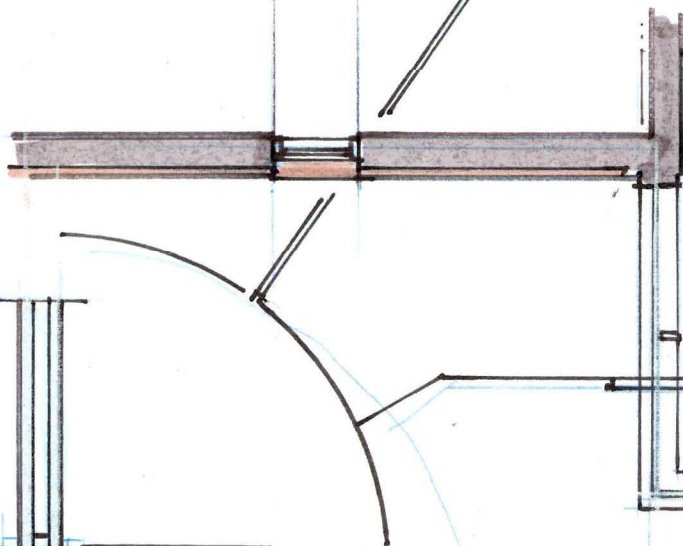








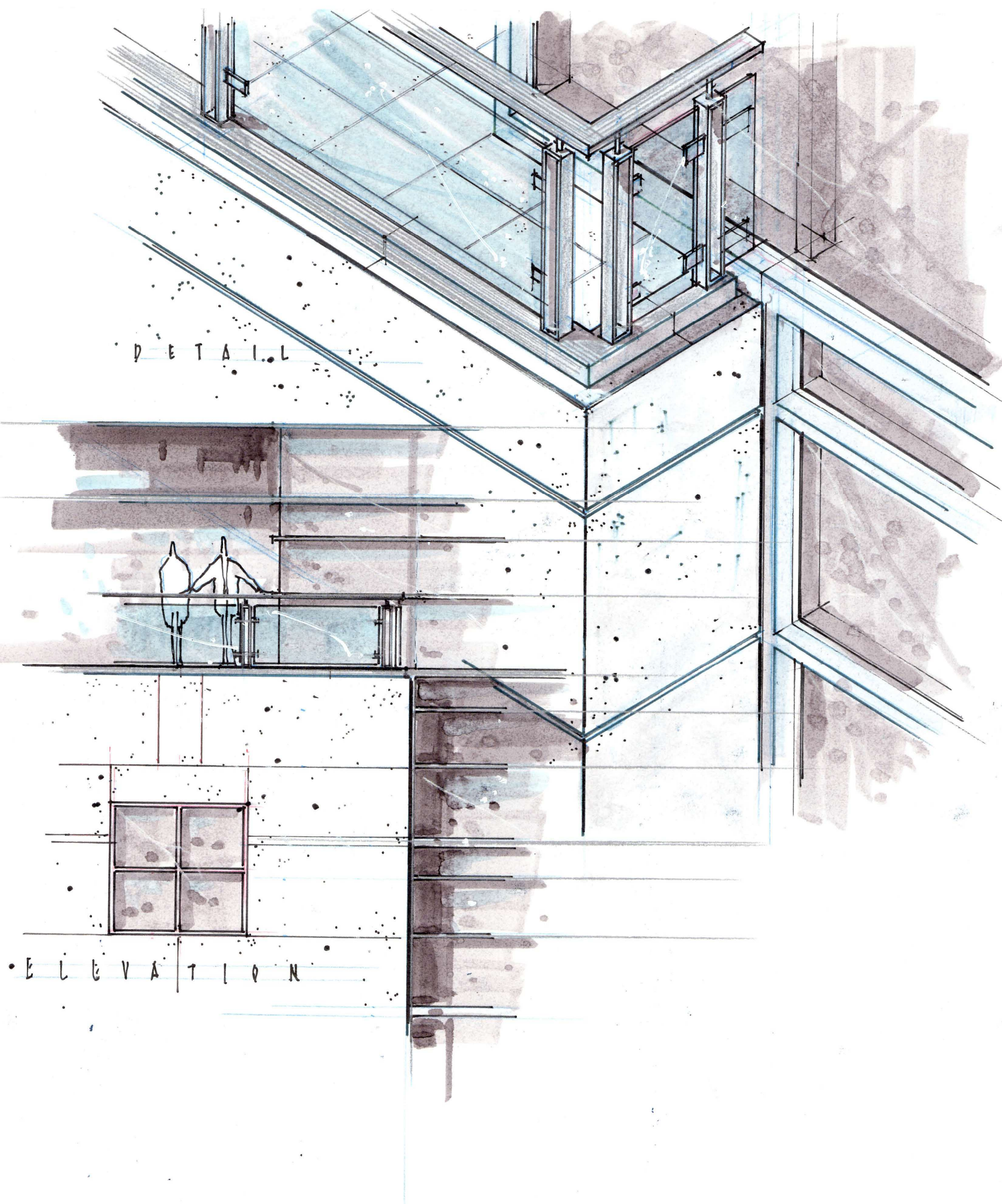
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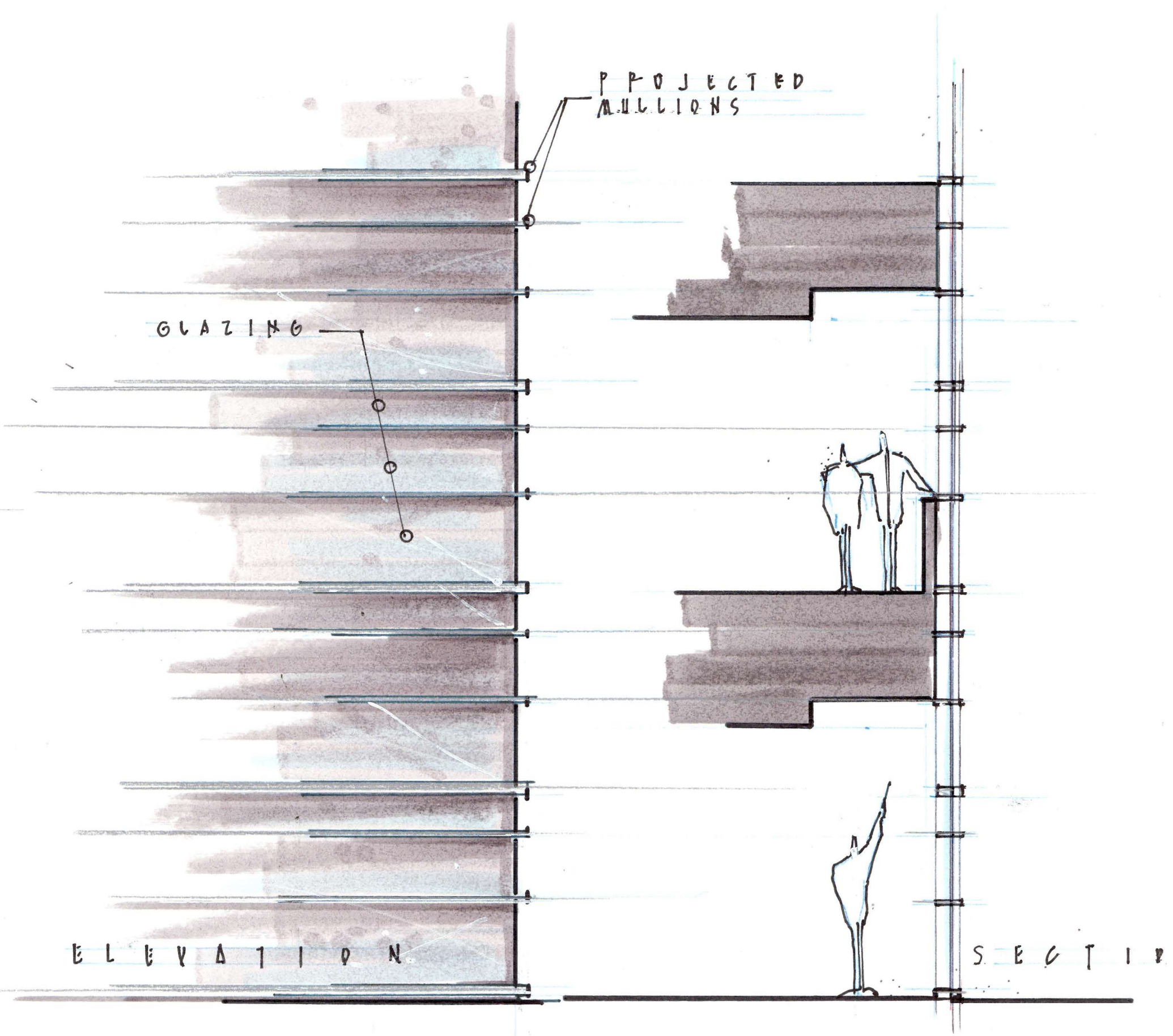
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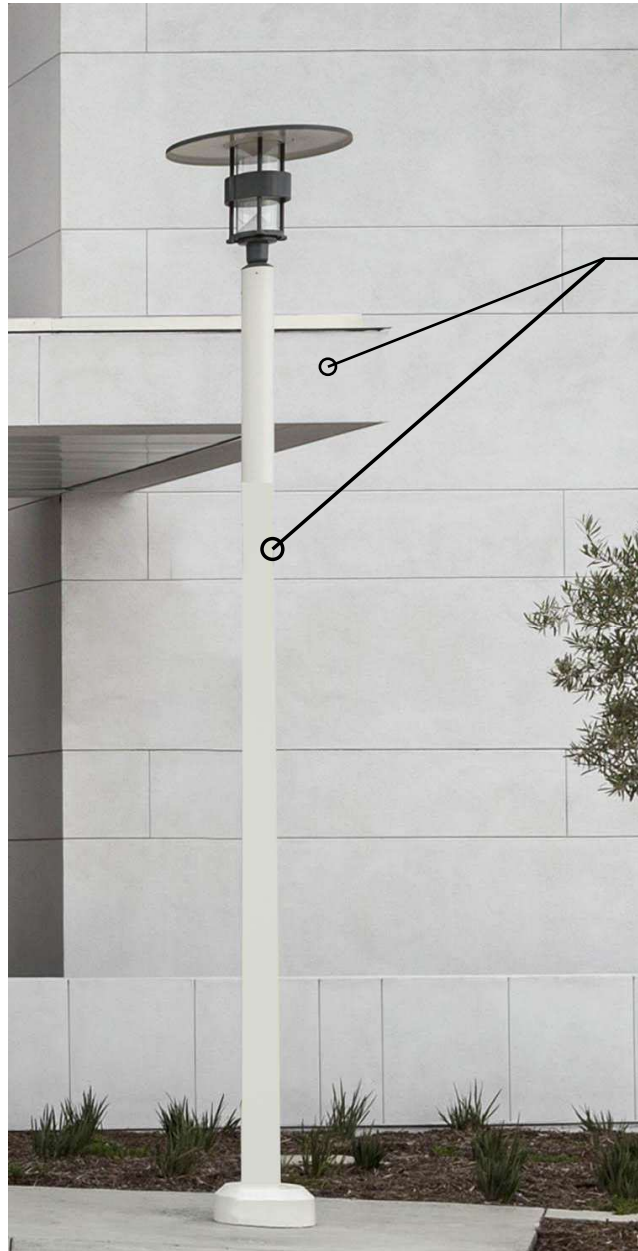












STEEL PANEL CANOPY /  
COLUMNS  
(WHITE)



STOREFRONT / GLAZING SYSTEM

VITRO SOLARGRAY  
INSULATED GLAZING

MILL FINISH ALUMINUM

PARAPET CAP / FLASHING  
BRUSHED STAINLESS STEEL



CORRUGATED METAL PANEL  
(GRAY FINISH)  
OPAQUE - NO PERFORATIONS

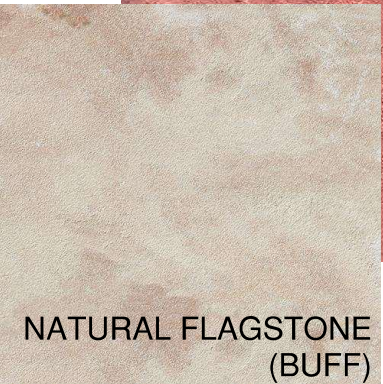


3-COAT PLASTER SYSTEM - SAND FINISH -  
WHITE (MILL FINISH FRY REVEAL SYSTEM)

NATURAL FLAGSTONE  
(SEDONA RED)



NATURAL FLAGSTONE  
(BUFF)



NATURAL FLAGSTONE  
(GOLDEN)







SCALE: 3/32" = 1'-0"

A map of the study area showing the locations of the South Tower, Central Tower, and North Tower. The South Tower and Central Tower are shaded gray, while the North Tower is white. A north arrow is located in the bottom right corner.





SCALE: 3/32" = 1'-0"

A map showing the layout of the three towers of the World Trade Center. The South Tower and Central Tower are shaded gray, while the North Tower is white. An arrow points to the right, indicating the direction of the view.

Project Name:

**CAMBRIDGE MEDICAL  
FACILITY**  
Chandler, AZ

| Issue Date: | Issue Description: |
|-------------|--------------------|
| 6-26-23     | PRELIM. DESIGN     |

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| Revisions |            |
| No.       | Revision : |

## A2

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SCALE: 3/32" = 1'-0"



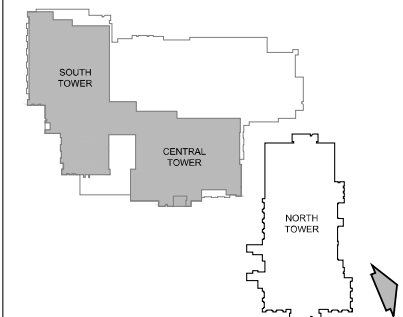
Sheet 5 of 5

of

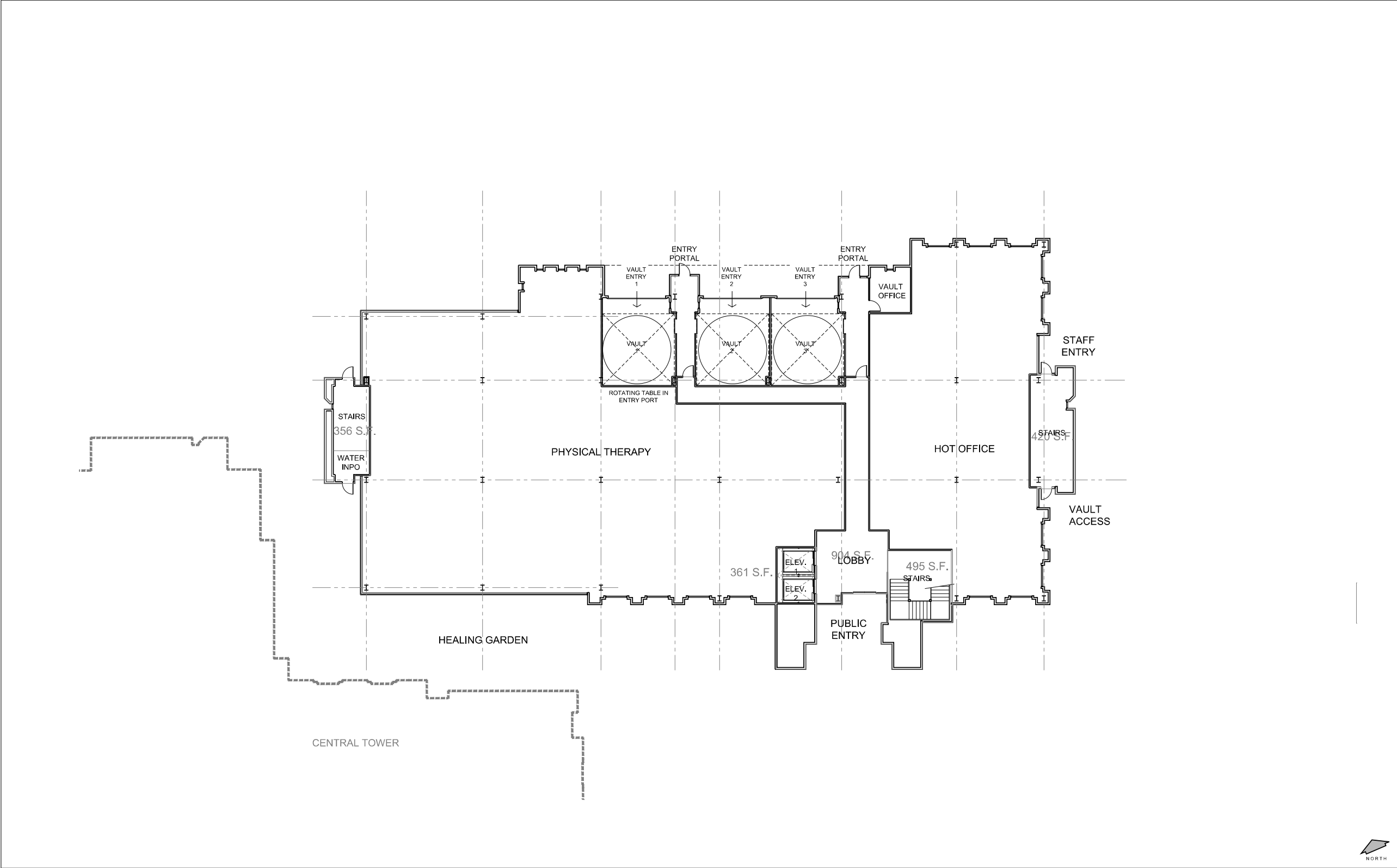




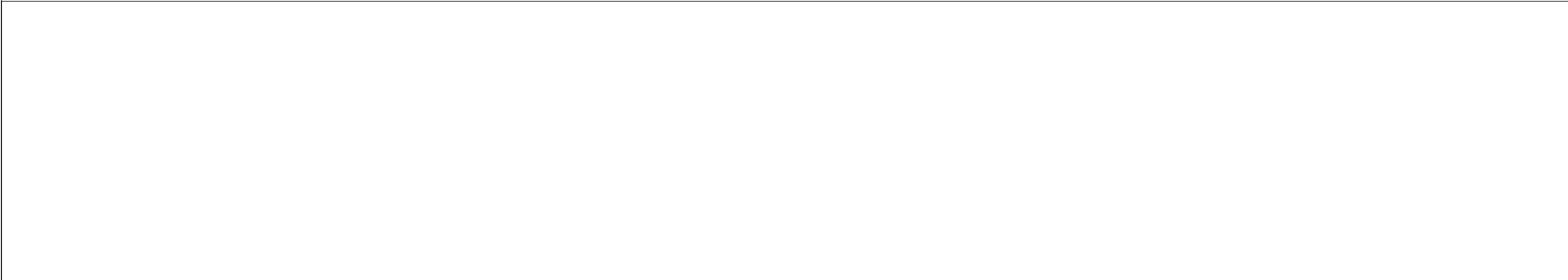
SCALE: 3/32" = 1'-0"







OVERALL FLOOR PLAN - GROUND FLOOR  
SCALE: 3/32" = 1'-0"



Project Architect Approval:  
Consultant:

Project Name:

SITE DEVELOPMENT FOR  
**CAMBRIDGE MEDICAL  
FACILITY**  
Chandler, AZ

Sheet Title:

**Overall Floor Plan  
Ground Floor  
North Tower**

Project Number  
431.0  
Project Contact:  
ANTHONY PINGS  
Scale:  
AS NOTED

| Issue Date: | Issue Description: |
|-------------|--------------------|
| 6-26-23     | PRELIM. DESIGN     |

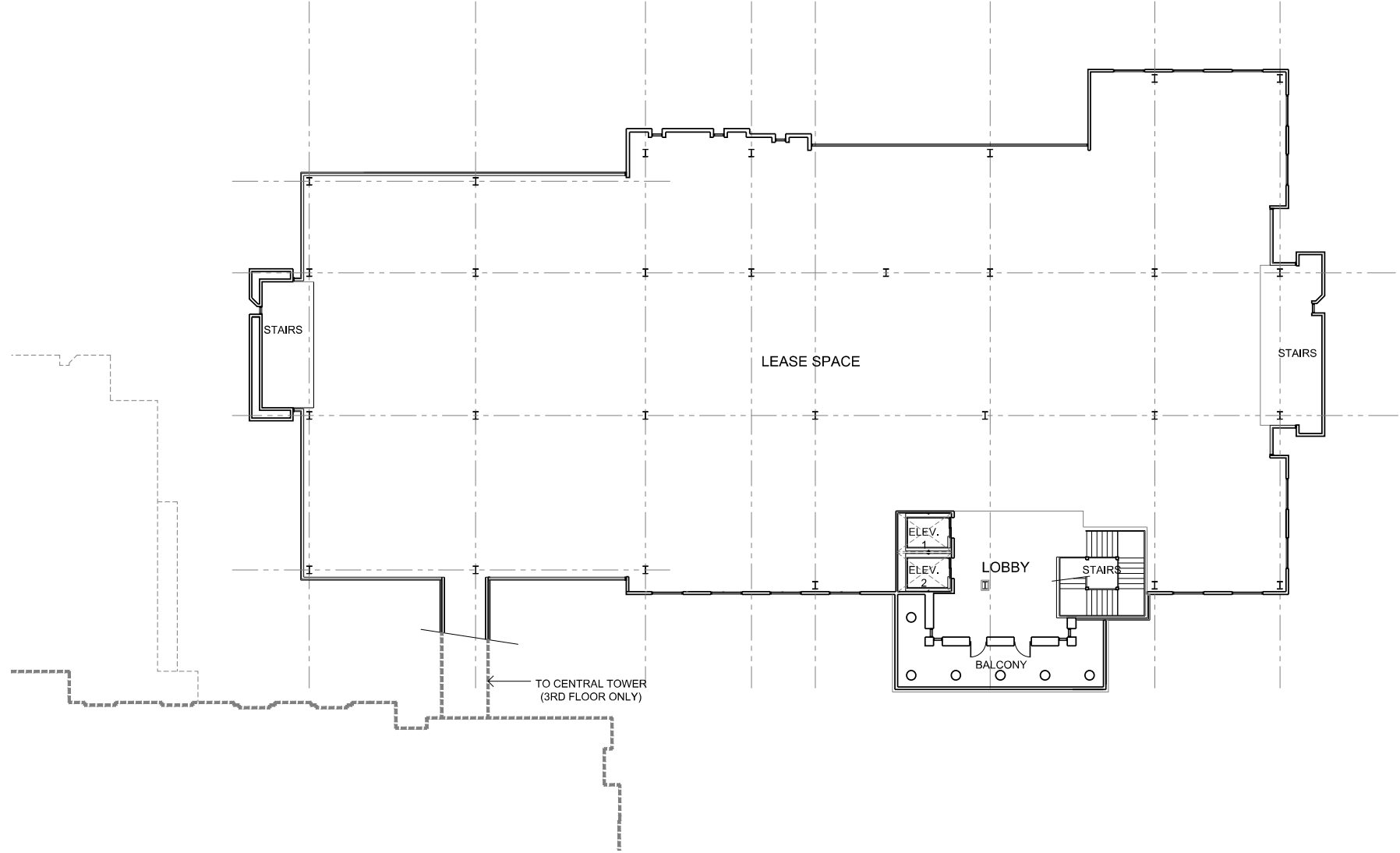
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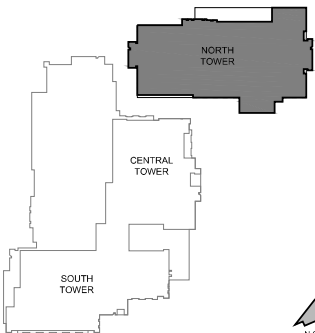





OVERALL FLOOR PLAN - THIRD FLOOR

SCALE: 3/32" = 1'-0"

VICINITY MAP



Anthony C. Pings and Associates



Architecture  
Planning and  
Interior Design

6121 North Thesta #301, Fresno CA 93710  
(P) 559-439-0700, (F) 559-439-0708  
www.pings.com

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LOCAL REPRESENTATIVE: ANTHONY C. PINGS AND ASSOCIATES, CHANDLER, AZ



Project Architect Approval:  
Consultant:

Project Name:

SITE DEVELOPMENT FOR

# CAMBRIDGE MEDICAL FACILITY

Chandler, AZ

Sheet Title:  
**Overall Floor Plan  
Third Floor  
North Tower**

Project Number  
431.0  
Project Contact:  
ANTHONY PINGS  
Scale:  
AS NOTED

| Issue Date: | Issue Description: |
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| 6-26-23     | PRELIM. DESIGN     |

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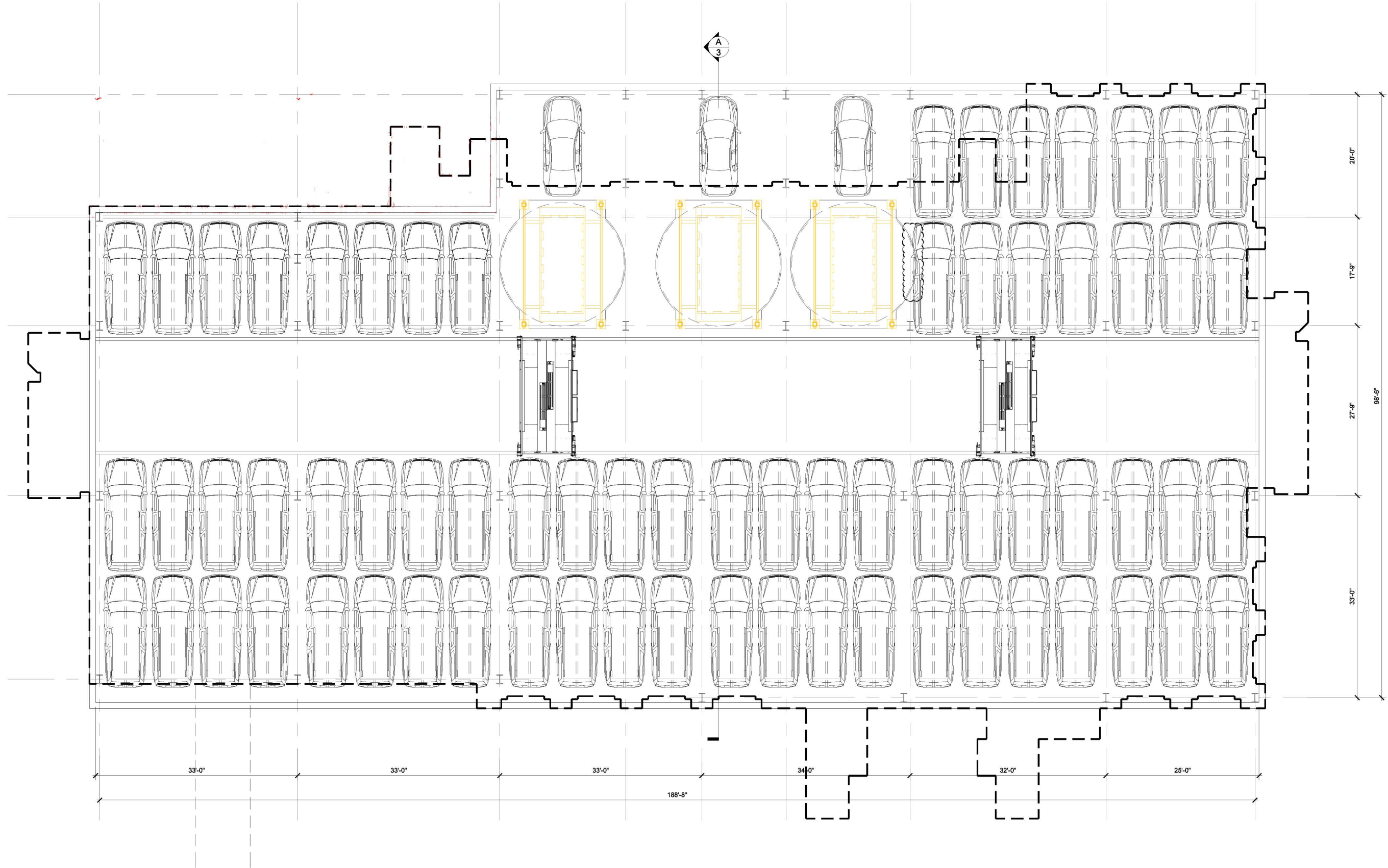
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Drawing

A7

Sheet of





PARKING LEVEL CAPACITY: 71 CARS  
TOTAL PARKING CAPACITY: 284 CARS

Project:  
CHANDLER MEDICAL CENTER  
CHANDLER, AZ

Description:  
TYPICAL PARKING LEVEL  
(P-1 - P-4)

File Name:  
20230530 - V1

Scale:  
1/16" = 1'-0"

Revisions:

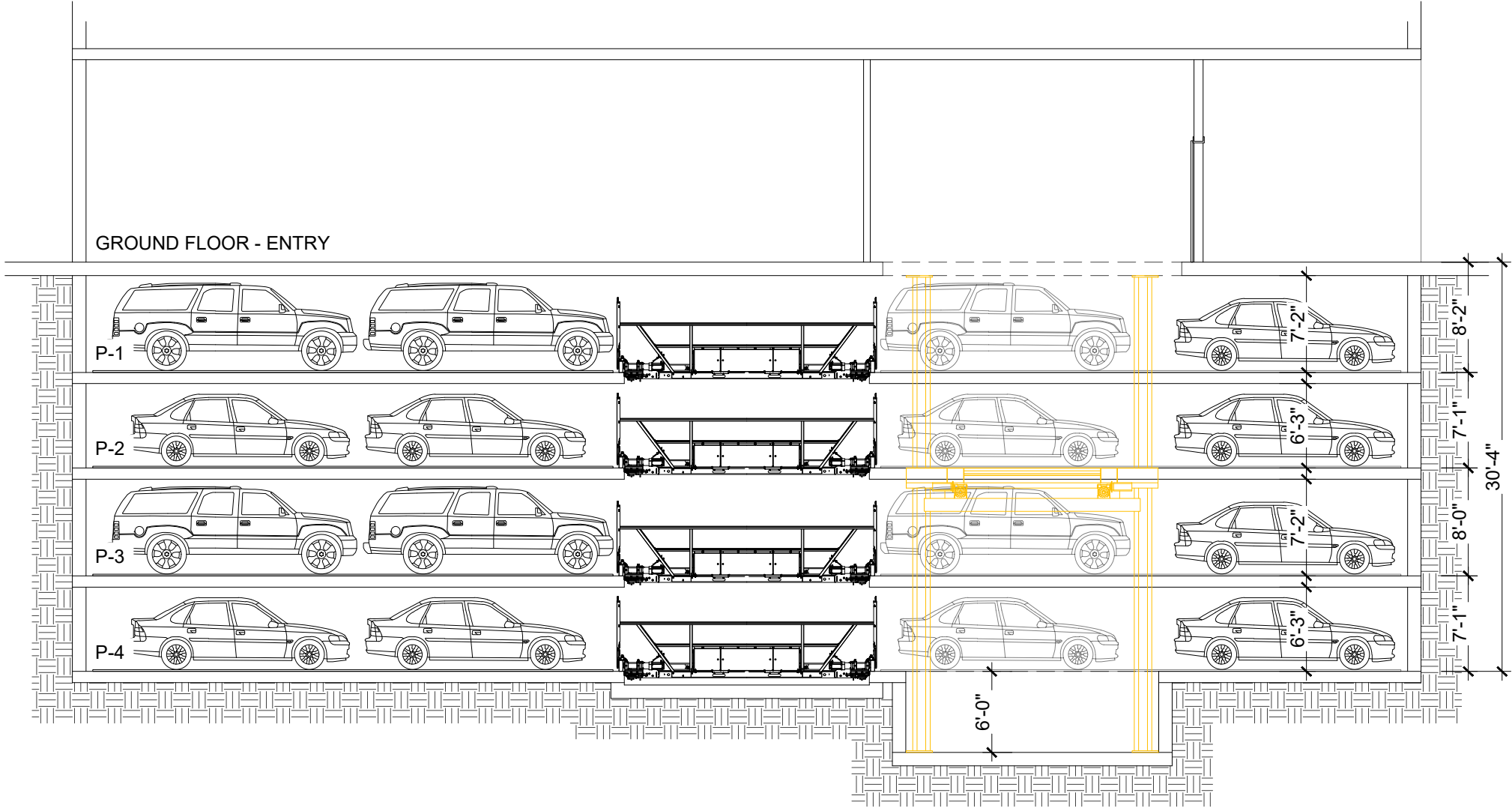
Sheet:  
01 of 03

Date:  
05.30.23

- ☐ - FOR EXECUTION
- ☐ - FOR TENDER ONLY
- ☒ - FOR EXPLANATORY

  
UTRON Parking  
401 Hackensack Ave, Suite 505  
Hackensack, NJ 07601  
Tel: 201-592-1444  
Fax: 201-592-1544





Project:  
CHANDLER MEDICAL CENTER  
CHANDLER, AZ

Description:  
SECTION A

File Name:  
20230530 - V1

Scale:  
NTS

Revisions:

Sheet:  
03 of 03

Date:  
05.30.23

- ☐ - FOR EXECUTION
- ☐ - FOR TENDER ONLY
- ☒ - FOR EXPLANATORY





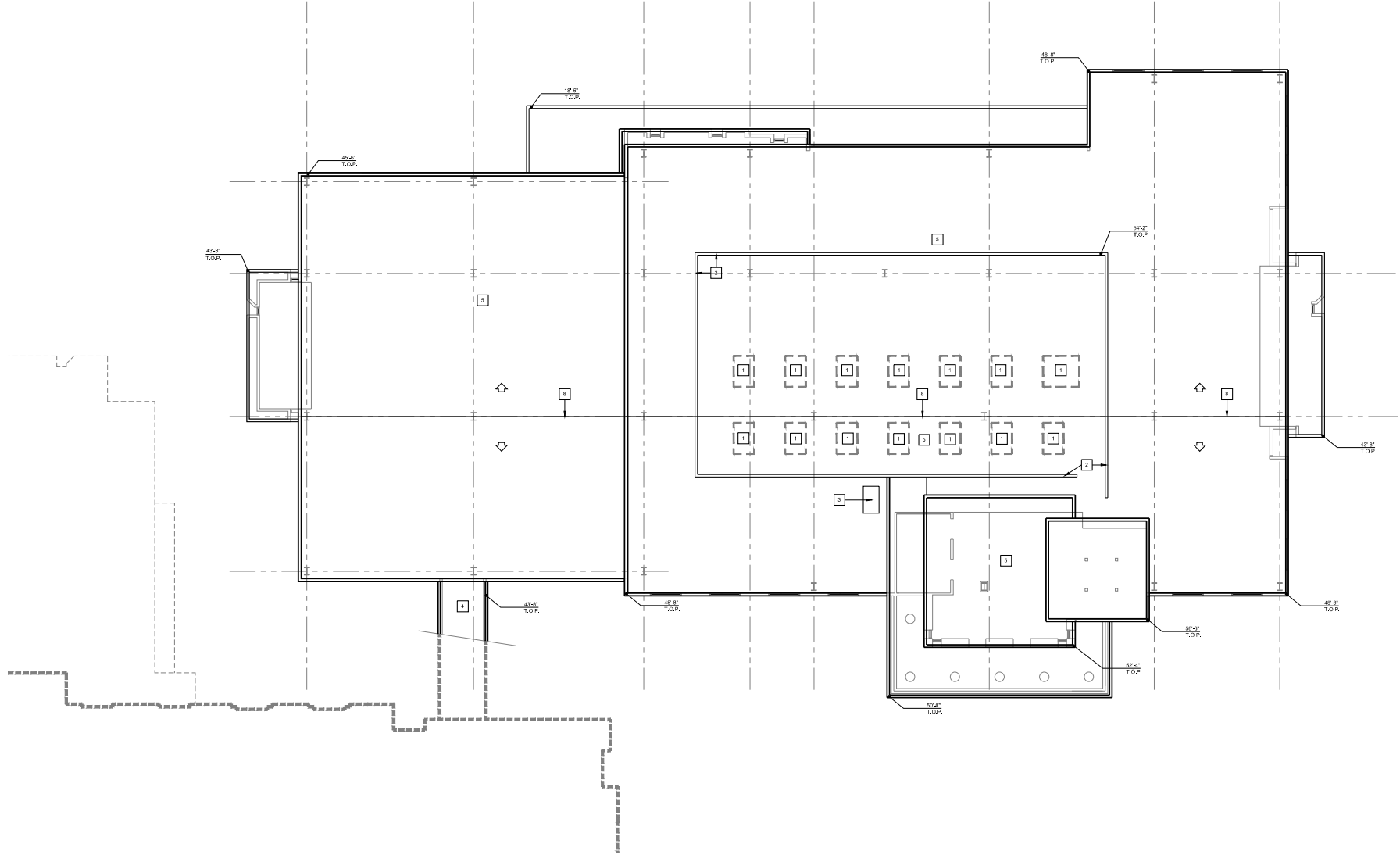
SCALE: 3/32" = 1'-0"

Drawing

**A10**

Sheet of





ROOF PLAN - NORTH TOWER  
SCALE: 3/32" = 1'-0"

| GENERAL NOTES |  | ROOF NOTES                                 | VICINITY MAP                                  |
|---------------|--|--|---|
| NO.           | DESCRIPTION  | NO.  |   |
| 1.            | ALL ROOF MOUNTED EQUIPMENT SHALL BE AT OR BELOW ADJACENT PARAPET WALLS | 1.   | MECHANICAL EQUIPMENT                          |
|               |  | 2.   | SCREEN PARAPET WALL - OPAQUE, NO PERFORATIONS |
|               |  | 3.   | ROOF ACCESS STAIRWELL                         |
|               |  | 4.   | BRIDGE TO NORTH TOWER                         |
|               |  | 5.   | ROOFING                                       |
|               |  | 6.   | BALCONY                                       |
|               |  | 7.   | RAILING                                       |
|               |  | 8.   | RIDGE   |
|               |  | 9.   | VALLEY  |
|               |  | SYMBOL LEGEND                              |   |
|               |  | XX ——— HEIGHT<br>T.O.P. ——— TOP OF PARAPET |   |
|               |  | ↘ ROOF SLOPE TO DRAIN                      |   |



Project Architect Approval:  
Consultant:

Project Name:

SITE DEVELOPMENT FOR  
**CAMBRIDGE MEDICAL  
FACILITY**  
Chandler, AZ

Sheet Title:  
**Roof Plan  
North Tower**

Project Number  
431.0  
Project Contact:  
ANTHONY PINGS  
Scale:  
AS NOTED

| Issue Date: | Issue Description: |
|-------------|--------------------|
| 6-26-23     | PRELIM. DESIGN     |

| Revisions |            |
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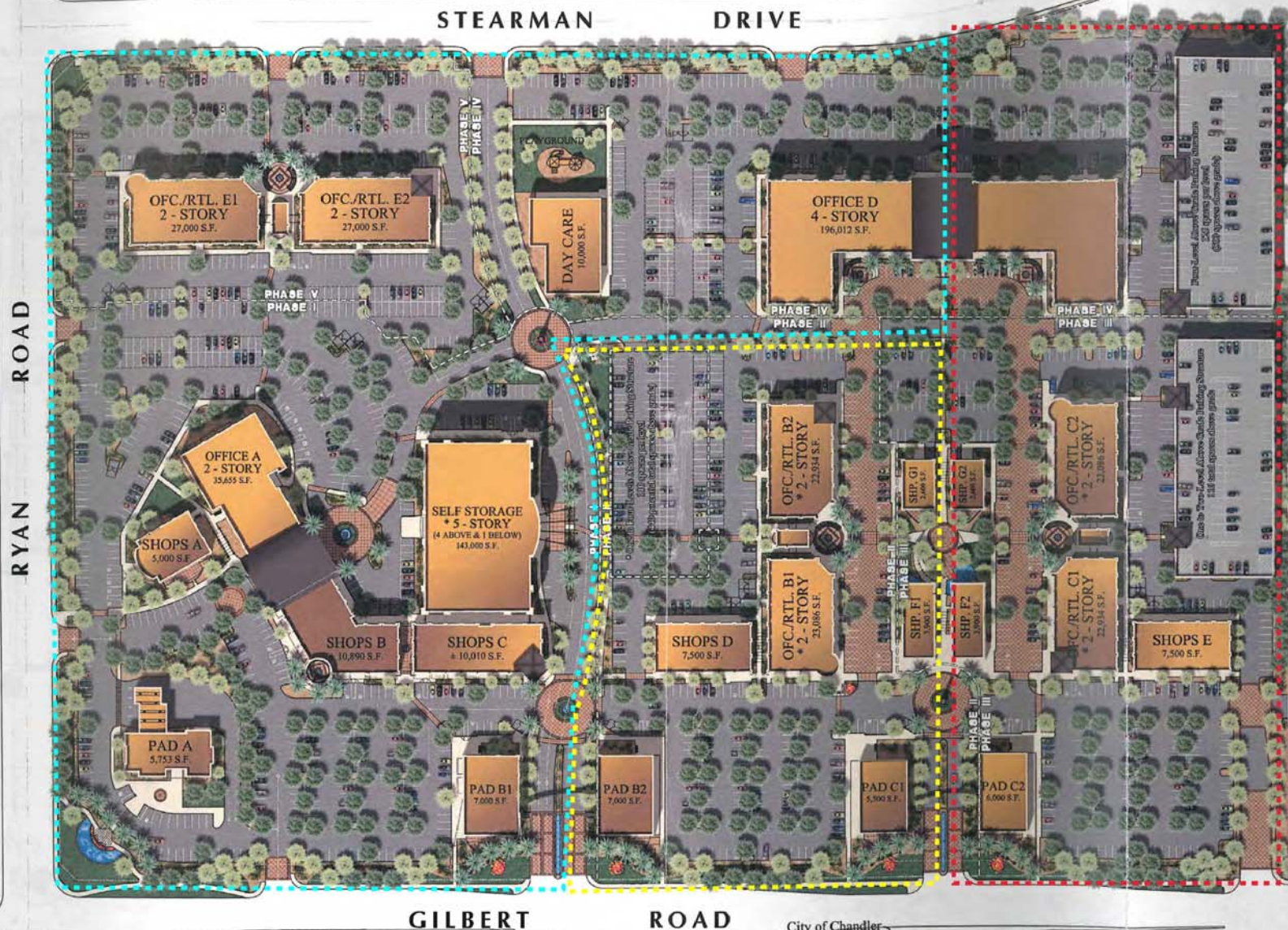


# 2006 Approved Master Site Plan (DVR06-008)

Blue Outline: Existing Watermark Development

Red Outline: Lincoln Preparatory Academy constructed in 2015

Yellow Outline: Subject Site - remaining undeveloped parcel





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# ALTA / NSPS LAND TITLE SURVEY VERSANTE AT CHANDLER AIRPARK, LOT 2

A PORTION OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 5 EAST  
OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

## NOTES

THIS SURVEY IS BASED ON A SPECIAL REPORT, FOR INFORMATIONAL PURPOSES ONLY, ISSUED BY FIRST AMERICAN TITLE INSURANCE COMPANY NO. NCS-1178929-PHX1 DATED MAY 12, 2023 AT 7:30 A.M.

THE SURVEYOR'S SCOPE-OF-SERVICES IS LIMITED TO PROVIDING SERVICES IN A MANNER CONSISTENT WITH THE DEGREE OF CARE AND SKILL ORDINARILY EXERCISED BY MEMBERS OF THE LAND SURVEY PROFESSION CURRENTLY PRACTICING UNDER SIMILAR CONDITIONS. SCHEDULE "B" ITEM DOCUMENTS MAY CONTAIN ENCUMBRANCES WHICH AFFECT THE SUBJECT PROPERTY IN A MANNER THE SURVEYOR IS NOT QUALIFIED TO INTERPRET AND/OR ARE NOT WITHIN THE SURVEYOR'S SCOPE-OF-SERVICES. IT IS RECOMMENDED THAT INTERESTED AND AFFECTED PARTIES OBTAIN LEGAL COUNSEL FOR ADDITIONAL INTERPRETATION OF ALL SCHEDULE "B" DOCUMENTS REFERENCED IN THE TITLE REPORT.

THE SURVEYOR HAS RELIED SOLELY ON INFORMATION SUPPLIED TO THE SURVEYOR FROM EITHER THE CLIENT OR THE TITLE COMPANY AND HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR ADDITIONAL EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER MATTERS THAT MAY AFFECT THE SUBJECT PROPERTY.

THIS SURVEY WAS COMPLETED USING GLOBAL POSITIONING SYSTEM (GPS) EQUIPMENT. THE MONUMENTS LOCATED ARE WITHIN THE POSITIONAL TOLERANCES RECOMMENDED AND SHOWN IN SECTION 3E OF THE MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS EFFECTIVE FEBRUARY 23, 2021.

THE SITE HAS PHYSICAL ACCESS TO SOUTH GILBERT ROAD AS OBSERVED IN THE PROCESS OF CONDUCTING THE SURVEY FIELDWORK.

PURSUANT TO TABLE "A" ITEM 6, THE SURVEYOR HAS SHOWN THE ZONING CLASSIFICATION AS SET FORTH BY THE LOCAL AGENCY OF JURISDICTION AND OR IDENTIFIED IN A ZONING REPORT OR LETTER AS PROVIDED TO THE SURVEYOR BY THE CLIENT OR CLIENT'S REPRESENTATIVE AS REFERENCED ON THIS SURVEY. A ZONING REPORT OR LETTER HAS NOT BEEN PROVIDED AT THE TIME OF THIS SURVEY.

PURSUANT TO TABLE "A" ITEM 7, THERE ARE NO BUILDINGS ON THE SUBJECT PROPERTY.

PURSUANT TO TABLE "A" ITEM 16, THE SURVEYOR DID NOT OBSERVE RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS OBSERVED IN THE PROCESS OF CONDUCTING THE FIELDWORK.

PURSUANT TO TABLE "A" ITEM 17, THE SURVEYOR HAS NOT BEEN INFORMED OF ANY CHANGES IN THE PROPOSED RIGHTS OF WAY. ADDITIONALLY, ANY CHANGES IN RIGHTS OF WAY, WHICH HAVE ALREADY OCCURRED, SHOULD BE VERIFIED BY ADDITIONAL TITLE SEARCH. THE SURVEYOR HAS NOT OBSERVED ANY RECENT STREET OR SIDEWALK CONSTRUCTION IN THE PROCESS OF CONDUCTING THE FIELDWORK.

PURSUANT TO TABLE "A" ITEM 20, THE CLIENT AND THE SURVEYOR HAVE NEGOTIATED TO ADDITIONALLY SHOW UTILITIES, AS REPRESENTED AND SHOWN HEREON.

## LEGAL DESCRIPTION

LOTS 2B-1 AND 2B-2, A MINOR LAND DIVISION OF LOTS 2B-1 & 2B-2 A MINOR LAND DIVISION MAP OF LOT 2B OF A REPLAT OF VERSANTE AT CHANDLER AIRPARK LOT 2 INTO LOTS 2A & 2B, BOOK 1330 OF MAPS, PAGE 22, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDER IN BOOK 1606 OF MAPS, PAGE 47.

## REFERENCE DOCUMENTS

- FINAL PLAT OF VERSANTE AT CHANDLER AIRPARK, A COMMERCIAL SUBDIVISION WITHIN THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 904, PAGE 14, MARICOPA COUNTY RECORDS.
- A MINOR LAND DIVISION MAP OF LOTS 7 THRU 15 OF VERSANTE AT CHANDLER AIRPARK BOOK 904, PAGE 14, MCR AND LANDSCAPE TRACT OF CHANDLER AIRPORT BUSINESS PARK BOOK 952, PAGE 50, MCR, BEING A PORTION OF THE NORTHEAST QUARTER OF SECITON 12, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 1223, PAGE 20, MARICOPA COUNTY RECORDS.

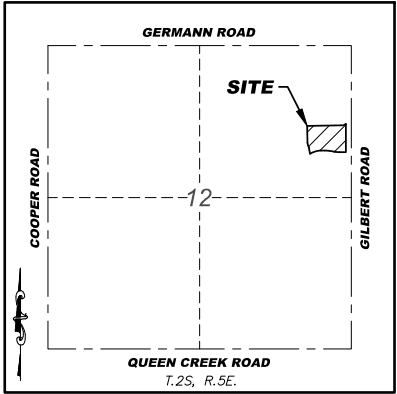
## UTILITY MAP NOTE

DATE UTILITY MAPS ORDERED: 5/31/2023

| UTILITY TYPE | PROVIDER | STATUS   |
|--------------|----------|----------|
| ELECTRIC     | SRP      | RECEIVED |
| GAS          | SWG      | RECEIVED |
| TELEPHONE    | CL       | RECEIVED |
| TELEVISION   | COX      | RECEIVED |
| WATER        | COC      | RECEIVED |
| SEWER        | COC      | RECEIVED |
| STORM        | COC      | RECEIVED |

## SCHEDULE 'B' ITEMS

- TAXES FOR THE FULL YEAR OF 2023. (THE FIRST HALF IS DUE OCTOBER 1, 2023 AND IS DELINQUENT NOVEMBER 1, 2023. THE SECOND HALF IS DUE MARCH 1, 2024 AND IS DELINQUENT MAY 1, 2024.) (NOT A SURVEY MATTER)
- ANY CHARGE UPON SAID LAND BY REASON OF ITS INCLUSION IN ROOSEVELT WATER CONSERVATION DISTRICT. (AFFECTS, BLANKET IN NATURE)
- ANY CHARGE UPON SAID LAND BY REASON OF ITS INCLUSION IN ROOSEVELT IRRIGATION DISTRICT. (AFFECTS, BLANKET IN NATURE)
- ANY CHARGE UPON SAID LAND BY REASON OF ITS INCLUSION IN WATERMARK OWNERS ASSOCIATION. (NO DOCUMENT PROVIDED)
- RESTRICTIONS, DEDICATIONS, CONDITIONS, RESERVATIONS, EASEMENTS AND OTHER MATTERS SHOWN ON THE PLAT OF VERSANTE AT CHANDLER AIRPARK, AS RECORDED IN PLAT RECORD BOOK 904 OF MAPS, PAGE(S) 14 AND CERTIFICATE OF CORRECTION RECORDED AS 2010-82031 OF OFFICIAL RECORDS, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE 42 USC 3604(C). (AFFECTS ALL LOTS) (AFFECTS, REFERENCED HEREON)
- DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS, RECORDED IN 2007-0249242 OF OFFICIAL RECORDS, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE 42 USC 3604(C). (AFFECTS ALL LOTS) (AFFECTS, BLANKET IN NATURE)
- AN EASEMENT FOR GAS PIPELINE AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 2008-0205027 OF OFFICIAL RECORDS. (AFFECTS ALL LOTS) (AFFECTS -- BLANKET IN NATURE, NO DEFINED LOCATION OF EASEMENT)
- AN EASEMENT FOR POWER DISTRIBUTION FACILITIES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 2008-0682802 OF OFFICIAL RECORDS. (AFFECTS LOT 2B-2) (AFFECTS, REFERENCED HEREON)
- RESTRICTIONS, DEDICATIONS, CONDITIONS, RESERVATIONS, EASEMENTS AND OTHER MATTERS SHOWN ON THE PLAT OF MINOR LAND DIVISION MAP, AS RECORDED IN PLAT RECORD BOOK 1223 OF MAPS, PAGE(S) 20, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE 42 USC 3604(C). (AFFECTS ALL LOTS) (AFFECTS, REFERENCED HEREON)
- AN EASEMENT FOR ACCESS DRIVEWAY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 2014-703032 OF OFFICIAL RECORDS. (AFFECTS ALL LOTS) (AFFECTS, NO DEFINED DESCRIPTION AND/OR PLACEMENT PROVIDED IN LEGAL DESCRIPTION -- GRAPHICALLY LOCATED)
- AN EASEMENT FOR TRANSMISSION AND DISTRIBUTION OF ELECTRICITY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED AS 2017-0247538 OF OFFICIAL RECORDS. (AFFECTS LOT 2B-1) (AFFECTS, REFERENCED HEREON)
- RESTRICTIONS, DEDICATIONS, CONDITIONS, RESERVATIONS, EASEMENTS AND OTHER MATTERS SHOWN ON THE PLAT OF A RE-PLAT OF VERSANTE AT CHANDLER AIRPARK LOT 2 TO LOTS 2A AND 2B, AS RECORDED IN PLAT RECORD BOOK 1330 OF MAPS, PAGE(S) 22, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE 42 USC 3604(C). (AFFECTS ALL LOTS) (AFFECTS, REFERENCED HEREON)
- RESTRICTIONS, DEDICATIONS, CONDITIONS, RESERVATIONS, EASEMENTS AND OTHER MATTERS SHOWN ON THE PLAT OF A MINOR LAND DIVISION OF LOTS 2B-1 & 2B-2 A MINOR LAND DIVISION MAP OF LOT 2B, AS RECORDED IN PLAT RECORD BOOK 1606 OF MAPS, PAGE(S) 47, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE 42 USC 3604(C). (AFFECTS ALL LOTS) (AFFECTS, REFERENCED HEREON)
- RESTRICTIONS, DEDICATIONS, CONDITIONS, RESERVATIONS, EASEMENTS AND OTHER MATTERS SHOWN ON THE PLAT OF A MINOR LAND DIVISION OF LOTS 2B-1 & 2B-2 A MINOR LAND DIVISION MAP OF LOT 2B, AS RECORDED IN PLAT RECORD BOOK 1606 OF MAPS, PAGE(S) 47, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE 42 USC 3604(C). (AFFECTS ALL LOTS) (AFFECTS, REFERENCED HEREON)
- WE FIND NO OUTSTANDING VOLUNTARY LIENS OF RECORD AFFECTING SUBJECT PROPERTY. AN INQUIRY SHOULD BE MADE CONCERNING THE EXISTENCE OF ANY UNRECORDED LIEN OR OTHER INDEBTEDNESS WHICH COULD GIVE RISE TO ANY SECURITY INTEREST IN THE SUBJECT PROPERTY. (NOT A SURVEY MATTER)
- WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS. (NOT A SURVEY MATTER)



VICINITY MAP  
N.T.S.

## AREA

LOT 2B-1 CONTAINS 217,637 SQUARE FEET OR 4.996 ACRES, MORE OR LESS.  
LOT 2B-2 CONTAINS 135,461 SQUARE FEET OR 3.110 ACRES, MORE OR LESS.

SUBJECT PROPERTY CONTAINS 353,098 SQUARE FEET OR 8.106 ACRES, MORE OR LESS.

## ADDRESS

NO ADDRESS PROVIDED

APN: 303-31-382A & 303-31-382B

## PARKING

NO STRIPED PARKING AT THE TIME OF SURVEY

## BENCHMARK

FOUND 3" CITY OF CHANDLER BRASS CAP FLUSH  
CITY OF CHANDLER SURVEY BENCHMARK NUMBER 41A, SEC. 12, T.2S., R.5E.

ELEVATION = 1249.40' NAVD '88

## BASIS OF BEARING

BASIS OF BEARING FOR THIS SURVEY IS A BEARING OF SOUTH 00°06'42" EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, ACCORDING TO THE FINAL PLAT OF VERSANTE AT CHANDLER AIRPARK RECORDED IN BOOK 904, PAGE 14, MARICOPA COUNTY RECORDS, ARIZONA.

## ZONING

ZONE: PAD (PLANNED AREA DEVELOPMENT)  
ZONING INFORMATION OBTAINED FROM MARICOPA COUNTY ASSESSORS WEBSITE.

\*PER 2021 ALTA MINIMUM STANDARD DETAIL REQUIREMENTS: CURRENT ZONING CLASSIFICATION, BUILDING SETBACK REQUIREMENTS AND HEIGHT AND FLOOR SPACE AREA RESTRICTIONS ARE TO BE PROVIDED TO THE SURVEYOR BY THE INSURER. THE CLASSIFICATION, REQUIREMENTS AND RESTRICTIONS HAVE NOT BEEN PROVIDED AT THE TIME OF THIS SURVEY. THE ZONING CLASSIFICATIONS SHOWN ARE FOR REFERENCE.

## FLOOD ZONE

ACCORDING TO THE FLOOD INSURANCE RATE MAP #04013C2743 M, DATED 11/04/2015, THIS PROPERTY IS LOCATED IN FLOOD ZONE "X". AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.

## CERTIFICATION

TO: FIRST AMERICAN TITLE INSURANCE COMPANY;  
TRANSFORMATIVE MEDICAL OF ARIZONA, LLC &  
SUN PROPERTY HOLDINGS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

THIS IS TO CERTIFY THAT THIS MAP AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2021 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(A), 7(A), 8, 9, 13, 16, 17, AND 20 OF TABLE A THEREOF.

FIELD WORK WAS COMPLETED JUNE 08, 2023

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2401 W. PEORIA AVE, SUITE 130  
PHOENIX, AZ 85029  
PHONE: 602-957-3350  
MBANTA@RICKENGINEERING.COM

DATE



OPTIMUS  
CIVIL DESIGN GROUP  
4450 E COOPER ROAD, SUITE 200  
PHOENIX, AZ 85040  
PH: (602) 364-9300 FAX: (602) 364-9400

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SURVEYOR

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602.957.3350  
rickengineering.com

**RICK**  
ENGINEERING COMPANY

San Diego - Riverside - San Luis Obispo - Sacramento - Orange - Tucson - Phoenix - Las Vegas - Denver

DRAWN BY: JTJ | SCALE: N.T.S.  
CHECKED BY: MAB | DATE: 7/14/23

ALTA / NSPS LAND TITLE SURVEY  
VERSANTE AT CHANDLER  
AIRPARK, LOT 2  
CHANDLER, ARIZONA



PROJECT NO.  
6809  
SHEET NO. 1 OF 3



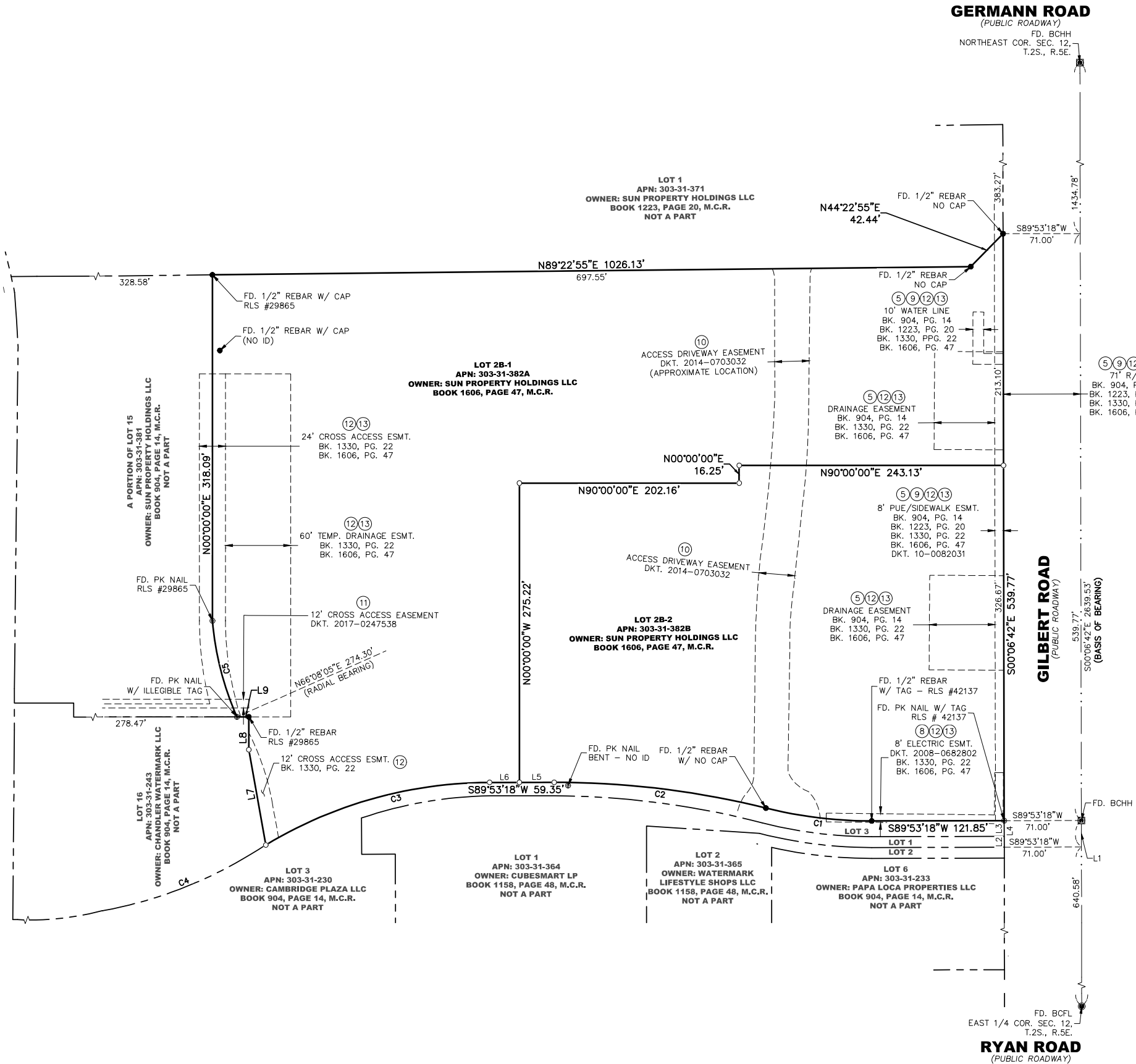
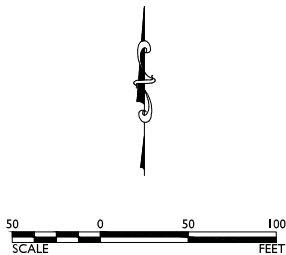
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| CURVE TABLE |           |         |         |                     |
|-------------|-----------|---------|---------|---------------------|
| CURVE       | DELTA     | RADIUS  | LENGTH  | CHORD               |
| C1          | 14°05'04" | 399.97' | 98.32'  | N83°04'10"W 98.07'  |
| C2          | 14°05'06" | 799.94' | 196.65' | N83°04'11"W 196.16' |
| C3          | 30°59'38" | 399.97' | 216.36' | S74°23'29"W 213.73' |
| C4          | 33°34'59" | 400.00' | 234.45' | N73°05'48"E 231.11' |
| C5          | 19°08'30" | 274.30' | 91.64'  | S14°17'40"E 91.21'  |

| LINE TABLE |             |        |
|------------|-------------|--------|
| LINE       | DIRECTION   | LENGTH |
| L1         | S00°06'42"E | 24.40' |
| L2         | S00°06'42"E | 10.00' |
| L3         | S00°06'42"E | 14.40' |
| L4         | S00°06'42"E | 24.40' |
| L5         | S89°53'18"W | 32.00' |
| L6         | S89°53'18"W | 27.35' |
| L7         | N10°07'33"W | 88.99' |
| L8         | N00°00'00"E | 30.19' |
| L9         | N90°00'00"W | 10.95' |

### LEGEND

- ① SCHEDULE "B" ITEM PER TITLE REPORT
- COR. CORNER
- FD. FOUND
- M.C.R. MARICOPA COUNTY RECORDS
- BK./PG. BOOK & PAGE
- DKT. DOCKET NUMBER
- APN ASSESSOR PARCEL NUMBER
- R/W RIGHT OF WAY
- FOUND 'PK' NAIL
- FOUND 1/2" REBAR
- SET 1/2" REBAR WITH TAG RLS# 38175
- FOUND BRASS CAP FLUSH (BCFL)
- FOUND BRASS CAP IN HANDHOLE (BCHH)
- ⊠ FOUND CHISELED 'X'
- BOUNDARY LINE
- - - SECTION LINE
- - - EASEMENT LINE
- ADJACENT BOUNDARY LINE



| NO. | BY | DATE | REVISION |
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DRAWN BY: JTJ | SCALE: 1" = 50'  
CHECKED BY: MAB | DATE: 7/14/23

**ALTA / NSPS LAND TITLE SURVEY**  
**VERSANTE AT CHANDLER**  
**AIRPARK, LOT 2**  
**CHANDLER, ARIZONA**





| CURVE TABLE |           |         |         |                     |
|-------------|-----------|---------|---------|---------------------|
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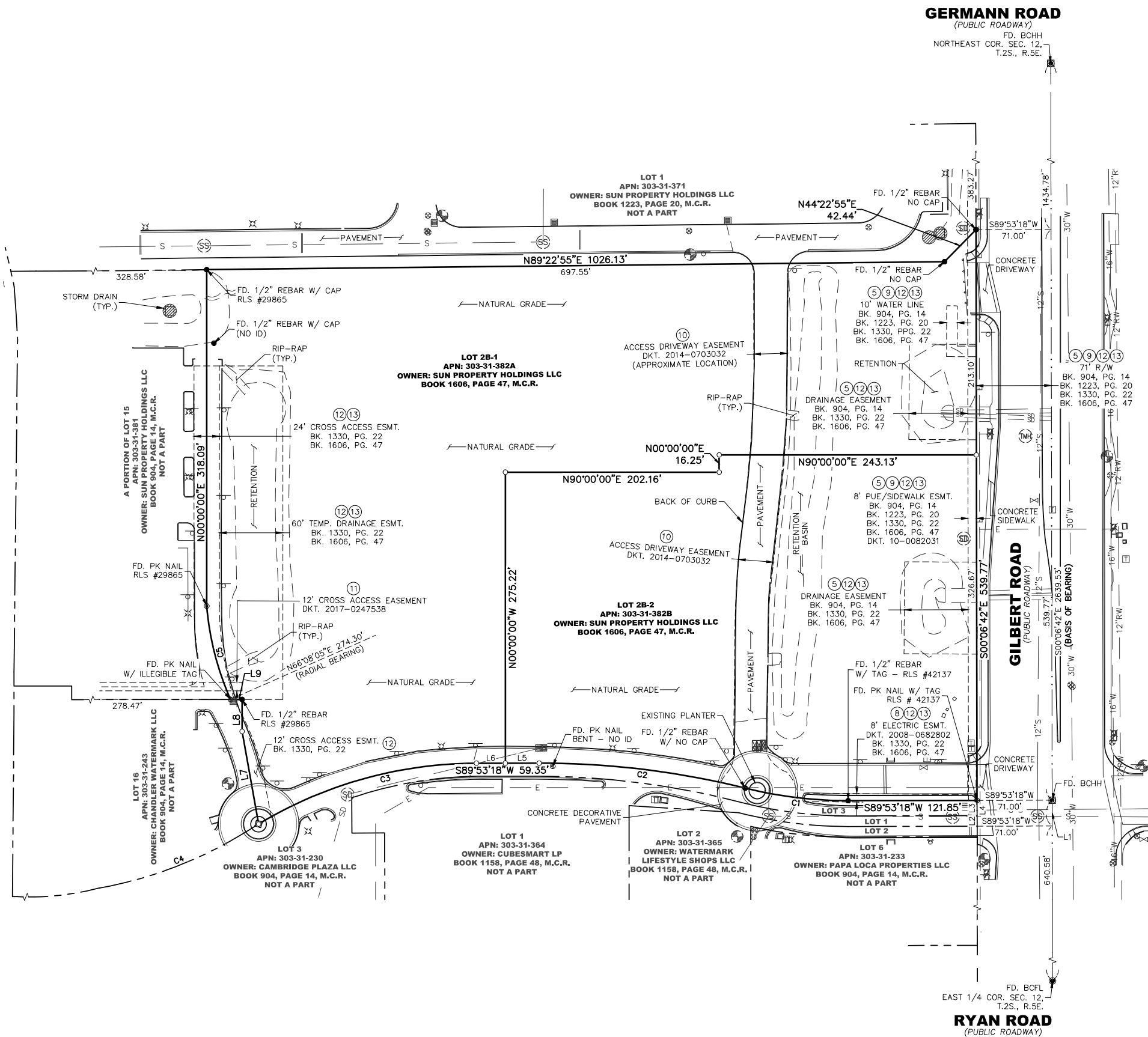
### LEGEND

- ① SCHEDULE "B" ITEM PER TITLE REPORT

- |         |                                   |
|---------|-----------------------------------|
| COR.    | CORNER                            |
| FD.     | FOUND                             |
| M.C.R.  | MARICOPA COUNTY RECORDS           |
| BK./PG. | BOOK & PAGE                       |
| DKT.    | DOCKET NUMBER                     |
| APN     | ASSESSOR PARCEL NUMBER            |
| R/W     | RIGHT OF WAY                      |
| ⊙       | FOUND 'PK' NAIL                   |
| ●       | FOUND 1/2" REBAR                  |
| ○       | SET 1/2" REBAR WITH TAG RLS# 3817 |
| ●       | FOUND BRASS CAP FLUSH (BCFL)      |
| ■       | FOUND BRASS CAP IN HANDHOLE (BCH) |
| ⊠       | FOUND CHISELED 'X'                |

- BOUNDARY LINE  
SECTION LINE  
EASEMENT LINE  
ADJACENT BOUNDARY LINE  
UNDERGROUND WATER LINE  
UNDERGROUND SEWER LINE  
UNDERGROUND ELECTRIC LINE

- CATCH BASIN  
WATER CHECK VALVE  
DRY WELL  
ELECTRIC JUNCTION BOX  
FIRE HYDRANT  
STORM DRAIN MANHOLE  
SEWER MANHOLE  
TELEPHONE MANHOLE  
WATER METER  
WATER VALVE  
FIRE DEPARTMENT CONNECTION  
GAS VALVE  
LIGHT POLE  
SIGN  
TELEPHONE RISER



**ALTA / NSPS LAND TITLE SURVEY  
VERSANTE AT CHANDLER  
AIRPARK, LOT 2  
CHANDLER, ARIZONA**

**RICK**  
ENGINEERING COMPANY

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502 957 3350

rickengineering.com

[illegible]

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PHOENIX, AZ 85040  
PH: (602) 286-9300 FAX: (602) 286-9400

Contact Arizona 811 at least two full working days before you begin excavation

 ARIZONA 811

Call 811 or click [Arizona811.com](http://Arizona811.com)

PROJECT NO.  
**6809**  
SHEET NO. 3 OF 3

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TOPOGRAPHIC SURVEY  
VERSANTE AT CHANDLER AIRPARK, LOT 2

A PORTION OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 5  
EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

NOTES

ANY UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND REQUESTED UTILITY DRAWINGS. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES. NOT ALL UTILITY COMPANIES CONTACTED HAVE PROVIDED FACILITY MAPS FOR THEIR UNDERGROUND UTILITIES AND NOT ALL COMPANIES MARKED THEIR FACILITIES BEFORE THE FIELD SURVEY WAS COMPLETED.

THE SURVEYOR HAS RELIED SOLELY ON INFORMATION SUPPLIED TO THE SURVEYOR FROM EITHER THE CLIENT OR THE TITLE COMPANY AND HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER MATTERS THAT MAY AFFECT THE SUBJECT PROPERTY.

LEGAL DESCRIPTION

LOTS 2B-1 AND 2B-2, A MINOR LAND DIVISION OF LOTS 2B-1 & 2B-2 A MINOR LAND DIVISION MAP OF LOT 2B OF A REPLAT OF VERSANTE AT CHANDLER AIRPARK LOT 2 INTO LOTS 2A & 2B, BOOK 1330 OF MAPS, PAGE 22, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDER IN BOOK 1606 OF MAPS, PAGE 47.

FLOOD ZONE

ACCORDING TO THE FLOOD INSURANCE RATE MAP #04013C2743 M, DATED 11/04/2015, THIS PROPERTY IS LOCATED IN FLOOD ZONE "X". AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.

BASIS OF BEARING

BASIS OF BEARING FOR THIS SURVEY IS A BEARING OF SOUTH 00°06'42" EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, ACCORDING TO THE FINAL PLAT OF VERSANTE AT CHANDLER AIRPARK RECORDED IN BOOK 904, PAGE 14, MARICOPA COUNTY RECORDS, ARIZONA.

AREA

LOT 2B-1 CONTAINS 217,637 SQUARE FEET OR 4.996 ACRES, MORE OR LESS.  
LOT 2B-2 CONTAINS 135,461 SQUARE FEET OR 3.110 ACRES, MORE OR LESS.

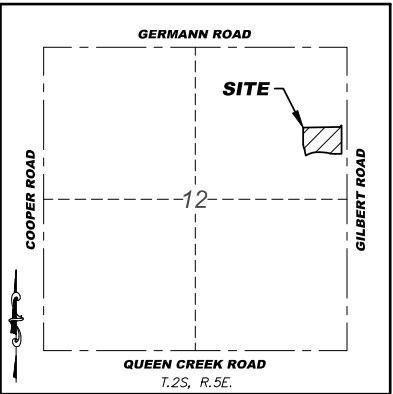
SUBJECT PROPERTY CONTAINS 353,098 SQUARE FEET OR 8.106 ACRES, MORE OR LESS.

ADDRESS

NO ADDRESS PROVIDED  
APN: 303-31-382A & 303-31-382B

BENCHMARK

FOUND 3" CITY OF CHANDLER BRASS CAP FLUSH  
CITY OF CHANDLER SURVEY BENCHMARK NUMBER 41A, SEC. 12, T.2S., R.5E.  
ELEVATION = 1249.40' NAVD '88



VICINITY MAP  
N.T.S.

LEGEND

- ① SCHEDULE "B" ITEM PER TITLE REPORT
- COR. CORNER
- FD. FOUND
- M.C.R. MARICOPA COUNTY RECORDS
- BK./PG. BOOK & PAGE
- DKT. DOCKET NUMBER
- APN. ASSESSOR PARCEL NUMBER
- R/W RIGHT OF WAY
- FOUND 'PK' NAIL
- FOUND 1/2" REBAR
- SET 1/2" REBAR WITH TAG RLS# 38175
- FOUND BRASS CAP FLUSH (BCFL)
- FOUND BRASS CAP IN HANDHOLE (BCHH)
- ⊠ FOUND CHISELED 'X'
- ⊠ CATCH BASIN
- ⊠ WATER CHECK VALVE
- ⊠ DRY WELL
- ⊠ ELECTRIC JUNCTION BOX
- ⊠ FIRE HYDRANT
- ⊠ STORM DRAIN MANHOLE
- ⊠ SEWER MANHOLE
- ⊠ TELEPHONE MANHOLE
- ⊠ WATER METER
- ⊠ WATER VALVE
- ⊠ FIRE DEPARTMENT CONNECTION
- ⊠ GAS VALVE
- ⊠ LIGHT POLE
- ⊠ SIGN
- ⊠ TELEPHONE RISER
- BOUNDARY LINE
- SECTION LINE
- EASEMENT LINE
- ADJACENT BOUNDARY LINE
- UNDERGROUND WATER LINE
- UNDERGROUND RECLAIMED WATER LINE
- UNDERGROUND SEWER LINE
- UNDERGROUND STORM LINE
- UNDERGROUND ELECTRIC LINE

CERTIFICATION

THIS IS TO CERTIFY THAT THIS MAP CORRECTLY REPRESENTS A SURVEY MADE UNDER MY SUPERVISION DURING THE MONTH OF JUNE, 2023, AND THAT THE SURVEY IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

MICHAEL A. BANTA  
2401 W. PEORIA AVE, SUITE 130  
PHOENIX, AZ 85029  
PHONE: 602-957-3350  
MBANTA@RICKENGINEERING.COM



OPTIMUS  
CIVIL DESIGN GROUP  
460 E COOPER ROAD, SUITE 100  
PHOENIX, AZ 85040  
PH: (602) 265-9300 FAX: (602) 265-9400

SURVEYOR:

2401 W PEORIA AVE, STE 130  
PHOENIX, AZ 85029  
602.957.3350

RICK  
ENGINEERING COMPANY  
San Diego - Riverside - San Luis Obispo - Sacramento - Orange - Tucson - Phoenix - Las Vegas - Denver

TOPOGRAPHIC SURVEY  
VERSANTE AT CHANDLER  
AIRPARK, LOT 2  
CHANDLER, ARIZONA

Contact Arizona 811 at least two full  
working days before you begin excavation  
ARIZONA 811  
Call 811 or click Arizona811.com

PROJECT NO.  
6809  
SHEET NO. 1 OF 4

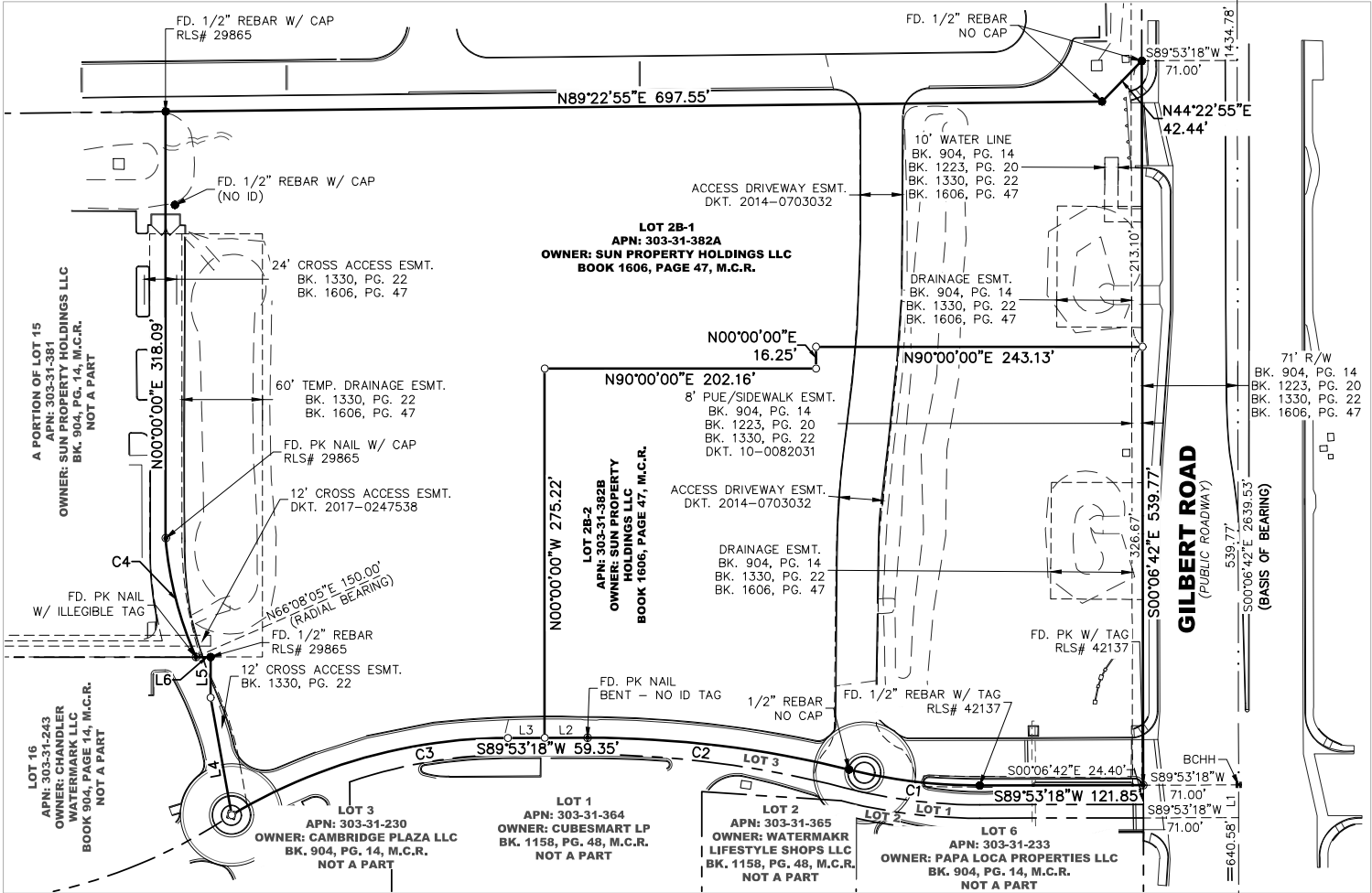
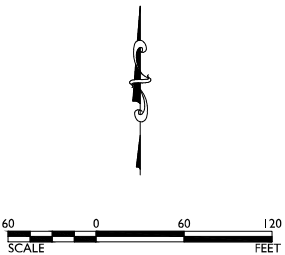
UTILITY MAP NOTE

DATE UTILITY MAPS ORDERED: 5/31/2023

| UTILITY TYPE | PROVIDER | STATUS   |
|--------------|----------|----------|
| ELECTRIC     | SRP      | RECEIVED |
| GAS          | SWG      | RECEIVED |
| TELEPHONE    | CL       | RECEIVED |
| TELEVISION   | COX      | RECEIVED |
| WATER        | COC      | RECEIVED |
| SEWER        | COC      | RECEIVED |
| STORM        | COC      | RECEIVED |

| CURVE TABLE |           |         |         |                     |
|-------------|-----------|---------|---------|---------------------|
| CURVE       | DELTA     | RADIUS  | LENGTH  | CHORD               |
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| C4          | 19°08'30" | 274.30' | 91.64'  | S14°17'40"E 91.21'  |

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| L4         | N10°07'33"W | 88.99' |
| L5         | N00°00'00"E | 30.19' |
| L6         | N90°00'00"W | 10.95' |



SEE SHEET 4

SEE SHEET 3

SEE SHEET 2

FD. BCFL  
EAST 1/4 COR., SEC. 12,  
T.2S., R.5E.



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LEGEND

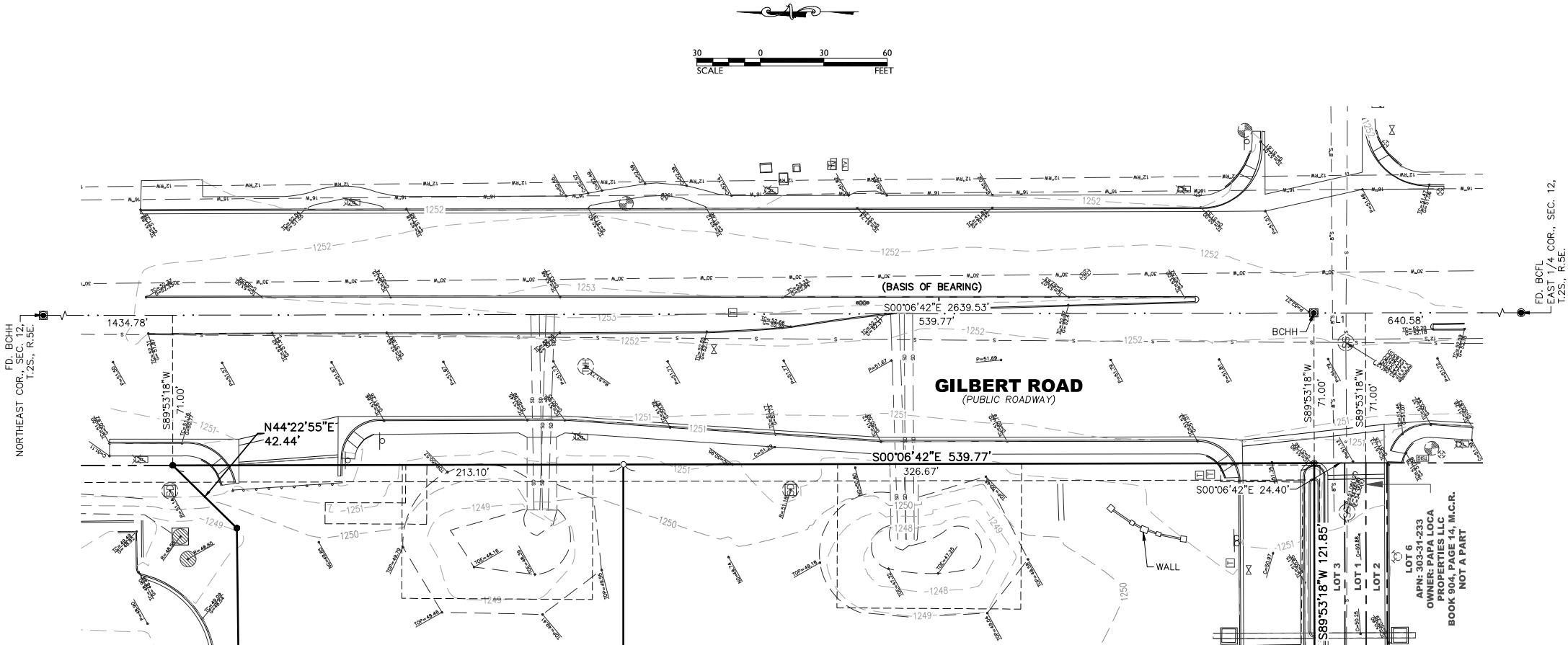
- ① SCHEDULE "B" ITEM PER TITLE REPORT  
COR. CORNER  
FD. FOUND  
M.C.R. MARICOPA COUNTY RECORDS  
BK./PG. BOOK & PAGE  
DKT. DOCKET NUMBER  
APN ASSESSOR PARCEL NUMBER  
R/W RIGHT OF WAY  
C CONCRETE ELEVATION  
P PAVEMENT ELEVATION  
R RIM ELEVATION  
G GUTTER ELEVATION  
TC TOP OF CURB ELEVATION  
NG NATURAL GRADE  
● FOUND 'PK' NAIL  
● FOUND 1/2" REBAR  
○ SET 1/2" REBAR WITH TAG RLS# 38175  
● FOUND BRASS CAP FLUSH (BCFL)  
● FOUND BRASS CAP IN HANDHOLE (BCHH)  
✱ FOUND CHISELED 'X'

- ☐ CATCH BASIN  
☐ WATER CHECK VALVE  
☐ DRY WELL  
☐ ELECTRIC JUNCTION BOX  
☐ FIRE HYDRANT  
☐ STORM DRAIN MANHOLE  
☐ SEWER MANHOLE  
☐ TELEPHONE MANHOLE  
☐ WATER METER  
☐ WATER VALVE  
☐ FIRE DEPARTMENT CONNECTION  
☐ GAS VALVE  
☐ LIGHT POLE  
☐ SIGN  
☐ TELEPHONE RISER

- BOUNDARY LINE  
— SECTION LINE  
- - - EASEMENT LINE  
— ADJACENT BOUNDARY LINE  
— UNDERGROUND WATER LINE  
— UNDERGROUND SEWER LINE  
— UNDERGROUND ELECTRIC LINE

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### LEGEND

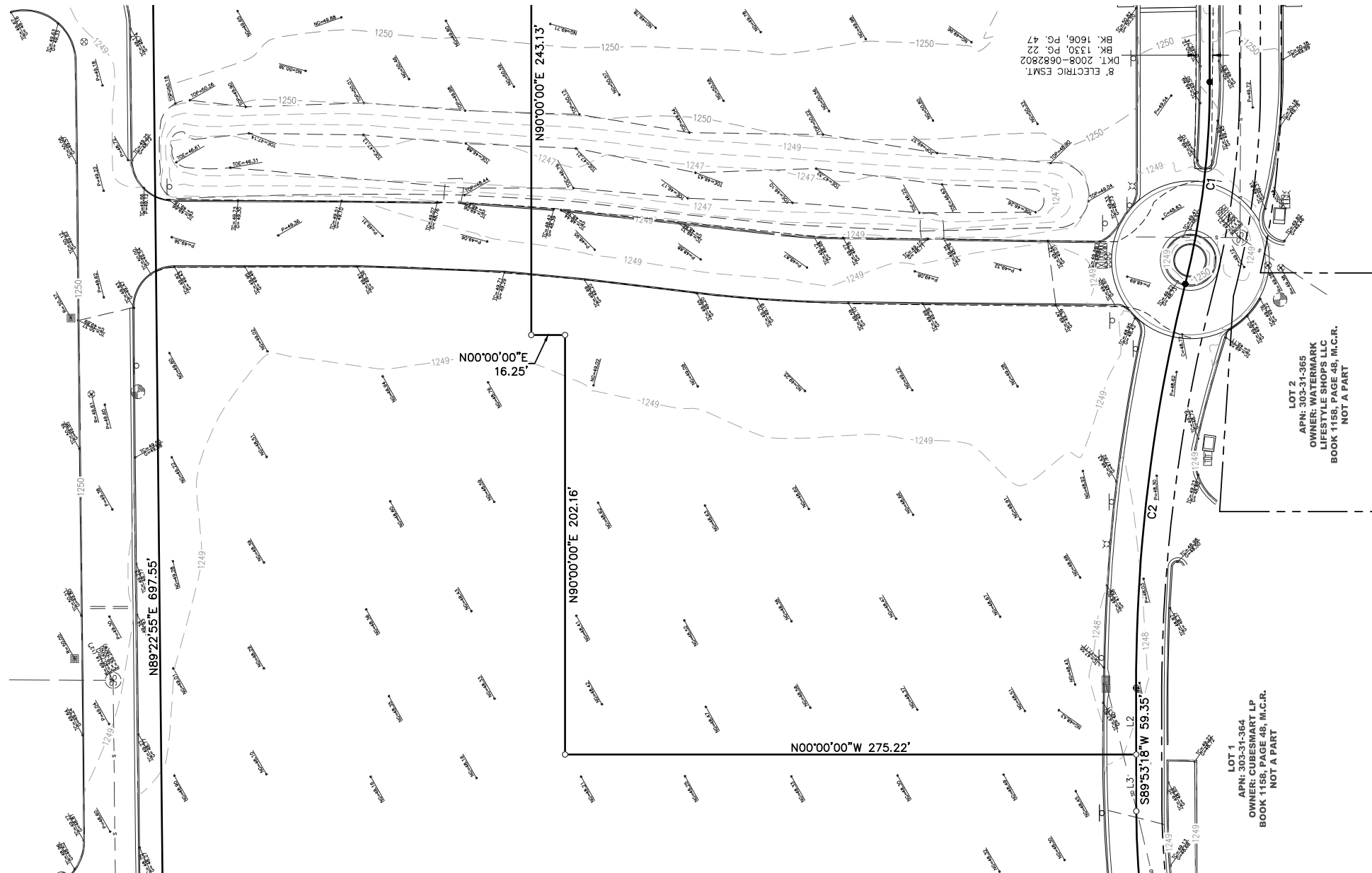
- |         |                                    |
|---------|------------------------------------|
| ①       | SCHEDULE "B" ITEM PER TITLE REPORT |
| COR.    | CORNER                             |
| FD.     | FOUND                              |
| M.C.R.  | MARICOPA COUNTY RECORDS            |
| BK./PG. | BOOK & PAGE                        |
| DKT.    | DOCKET NUMBER                      |
| APN     | ASSESSOR PARCEL NUMBER             |
| R/W     | RIGHT OF WAY                       |
| C       | CONCRETE ELEVATION                 |
| P       | PAVEMENT ELEVATION                 |
| R       | RIM ELEVATION                      |
| G       | GUTTER ELEVATION                   |
| TC      | TOP OF CURB ELEVATION              |
| NG      | NATURAL GRADE                      |
| ⊙       | FOUND 'PK' NAIL                    |
| ●       | FOUND 1/2" REBAR                   |
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| ●       | FOUND BRASS CAP FLUSH (BCFL)       |
| ⊠       | FOUND BRASS CAP IN HANDHOLE (BCHH) |
| ⊗       | FOUND CHISELED 'X'                 |

BOUNDARY LINE  
SECTION LINE  
EASEMENT LINE  
ADJACENT BOUNDARY LINE  
W UNDERGROUND W WATER LINE  
S UNDERGROUND S SEWER LINE  
E UNDERGROUND E ELECTRIC LINE

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WATER CHECK VALVE  
DRY WELL  
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STORM DRAIN MANHOLE  
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TELEPHONE RISER



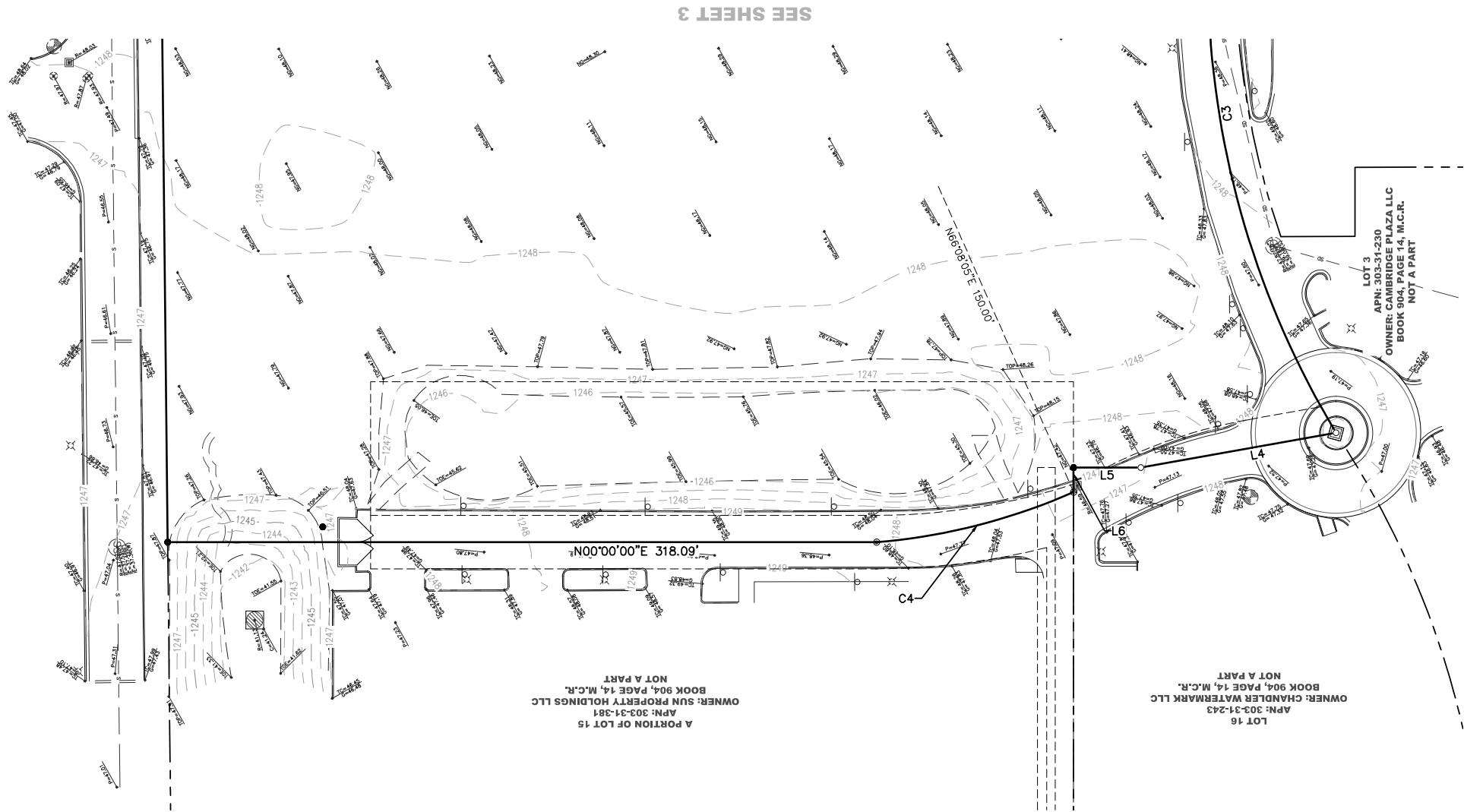


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LEGEND

|         |                                    |
|---------|------------------------------------|
| ①       | SCHEDULE "B" ITEM PER TITLE REPORT |
| COR.    | CORNER                             |
| FD.     | FOUND                              |
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|  |                            |
|--|----------------------------|
|  | CATCH BASIN                |
|  | WATER CHECK VALVE          |
|  | DRY WELL                   |
|  | ELECTRIC JUNCTION BOX      |
|  | FIRE HYDRANT               |
|  | STORM DRAIN MANHOLE        |
|  | SEWER MANHOLE              |
|  | TELEPHONE MANHOLE          |
|  | WATER METER                |
|  | WATER VALVE                |
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|  | GAS VALVE                  |
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|  | SIGN                       |
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PROJECT NO.  
6809  
SHEET NO. 4 OF 4

TOPOGRAPHIC SURVEY  
VERSANTE AT CHANDLER  
AIRPARK, LOT 2  
CHANDLER, ARIZONA

**RICK**  
ENGINEERING COMPANY

2401 W PEORIA AVE, STE 130  
PHOENIX, AZ 85029  
602.957.3350  
rickengineering.com  
San Diego - Riverside - Sacramento - Orange - Tucson - Phoenix - Las Vegas - Denver  
DRAWN BY: JTJ | SCALE: 1" = 30'  
CHECKED BY: MAB | DATE: 7/14/2023



| NO. | BY | DATE | REVISION |
|-----|----|------|----------|
|     |    |      |          |
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|     |    |      |          |

**OPTIMUS**  
CIVIL DESIGN GROUP  
4600 E COOLIDGE BLVD., SUITE 100  
PHOENIX, AZ 85040  
PH: (602) 265-9300 FAX: (602) 265-9400





## MEMORANDUM

**DATE:** December 14, 2023

**TO:** Kevin Mayo

**FROM:** Airport Staff

**SUBJECT:** Cambridge Medical Facility  
Near Northwest Corner of Insight Way and Gilbert Road

At their December 13, 2023 meeting, the Chandler Airport Commission ("Commission") discussed the above-referenced project.

Finding: The Commission determined the proposed development **does not constitute a conflict** with existing or planned airport operations.

Conflict(s) Cited: None.

The Commission voted 6-0 to forward a report to the Zoning Administrator and the City Council indicating the finding noted above.

cc: Ryan Reeves  
Lauren Schumann





**Subject:** Airport Conflict Evaluation  
Cambridge Medical Hospital  
Near Northwest Corner of Insight Way and Gilbert Road

**Recommendation**

Staff recommends the Airport Commission ("Commission") present an Airport Conflict Evaluation (ACE) report to the Zoning Administrator and City Council with a finding of "no conflict with airport uses" for the proposed Cambridge Medical Hospital development.

**Background**

The project is a 99-bed specialty hospital and medical office building complex located on approximately 8.12 acres north of the northwest corner of Gilbert Road and Insight Way (*Exhibit A - Vicinity Map, Exhibit B - Property Location*). The property is zoned PAD for C-3 type uses. Adjacent land uses include commercial and commerce park uses. The request is to permit a mid-rise overlay to allow building heights up to 75 feet.

In 2020, the site received prior approval for a climbing gym with mid-rise overlay for building heights up to 65 feet.

The site is approximately two-tenths (0.20) of a mile to the east of the Airport property line and is not located within any noise contours (*Exhibit A- Vicinity Map, Exhibit B- Property Location*).

The proposed development consists of three (3) buildings totaling approximately 1.32 million square feet (SF) (*Exhibit C - Site Plan*). The north building is a medical office building totaling approximately 50,200 square feet with a subterranean, four-level parking garage with 283 parking bays. The maximum building height for the north building is 56'6". The central and south buildings are a 99-bed specialty hospital consisting of 156,000 square feet with four (4) stories. The central and south building heights range from 65 to 70 feet tall with a single 75-foot tower feature.

The City of Chandler General Plan designates the property for Employment and Growth Areas. The 2021 Chandler Airpark Area Plan (CAAP) designates the property as Commercial Office (*Exhibit D – Chandler Airpark Area Plan Land Use Plan*).



## **Analysis and Stipulations**

The proposed development is consistent with the CAAP. Commercial and industrial land uses are generally compatible with airport operations. The property will experience daily overflights from aircraft on takeoff and landing (*Exhibit E – Flight Tracks*).

Based on the proposed building heights, the proposed development does not appear to pose a hazard to flight safety or be an airspace obstruction. The proposed building height does not appear to impact the approach and departure surfaces for either runway. *Final building structures, including all rooftop objects, must not impact the approach and departure surfaces for the Airport's runways.*

The owner/applicant must file a Notice of Proposed Construction (FAA Form 7460-1) with the Federal Aviation Administration (FAA) for the final structure heights, including, without limitation, all rooftop antennas, parapets, light poles, and other equipment. The form may be submitted online at <https://oeaaa.faa.gov/oeaaa/external/portal.jsp>. The FAA-assigned numbers for all evaluation cases must be provided to Airport Administration.

The owner/applicant must ensure that its contractors file a Notice of Proposed Construction (FAA Form 7460-1) with the FAA for temporary construction equipment including, without limitation, cranes, drilling rigs, and concrete boom pumps. The form may be submitted online at <https://oeaaa.faa.gov/oeaaa/external/portal.jsp>. The FAA-assigned numbers for all evaluation cases must be provided to Airport Administration. *The owner/applicant and its contractors must coordinate directly with Airport Administration at least thirty (30) calendar days before starting vertical construction.*

The proposed project does not indicate the use of rooftop solar panels. If solar panels are anticipated to be installed, the owner/applicant must complete a solar study and coordinate with Airport Administration to ensure that glare will not interfere with aircraft on approach or takeoff.

The proposed project's building design must not create reflectivity issues with aircraft in the traffic pattern and on approach or takeoff (*Exhibit F – Building Elevations*). The use of non-reflective glazing and non-reflective paint is encouraged.

## **Findings**

- ☒ **No Conflict**
- ☐ **High Conflict**
- ☐ **Moderate Conflict**
- ☐ **Low Conflict**

Specific Area(s) of Conflict: **Not applicable.**



Recommended Corrective Actions: **Not applicable.**

**Proposed Motion**

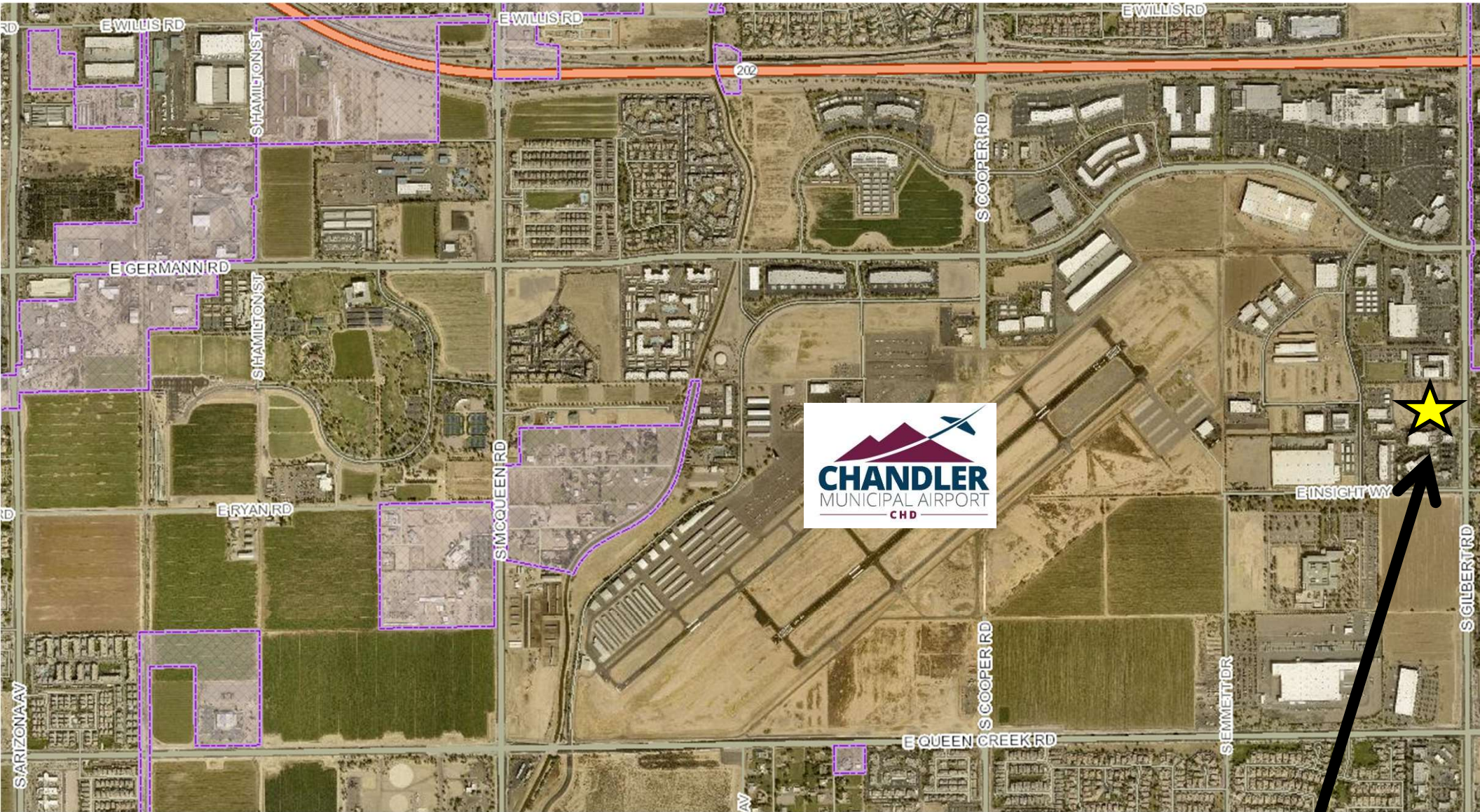
None. This item of for discussion only.

**Attachments**

- A. Vicinity Map
- B. Property Location
- C. Site Plan
- D. Chandler Airpark Area Plan Land Use Plan
- E. Flight Tracks
- F. Building Elevations



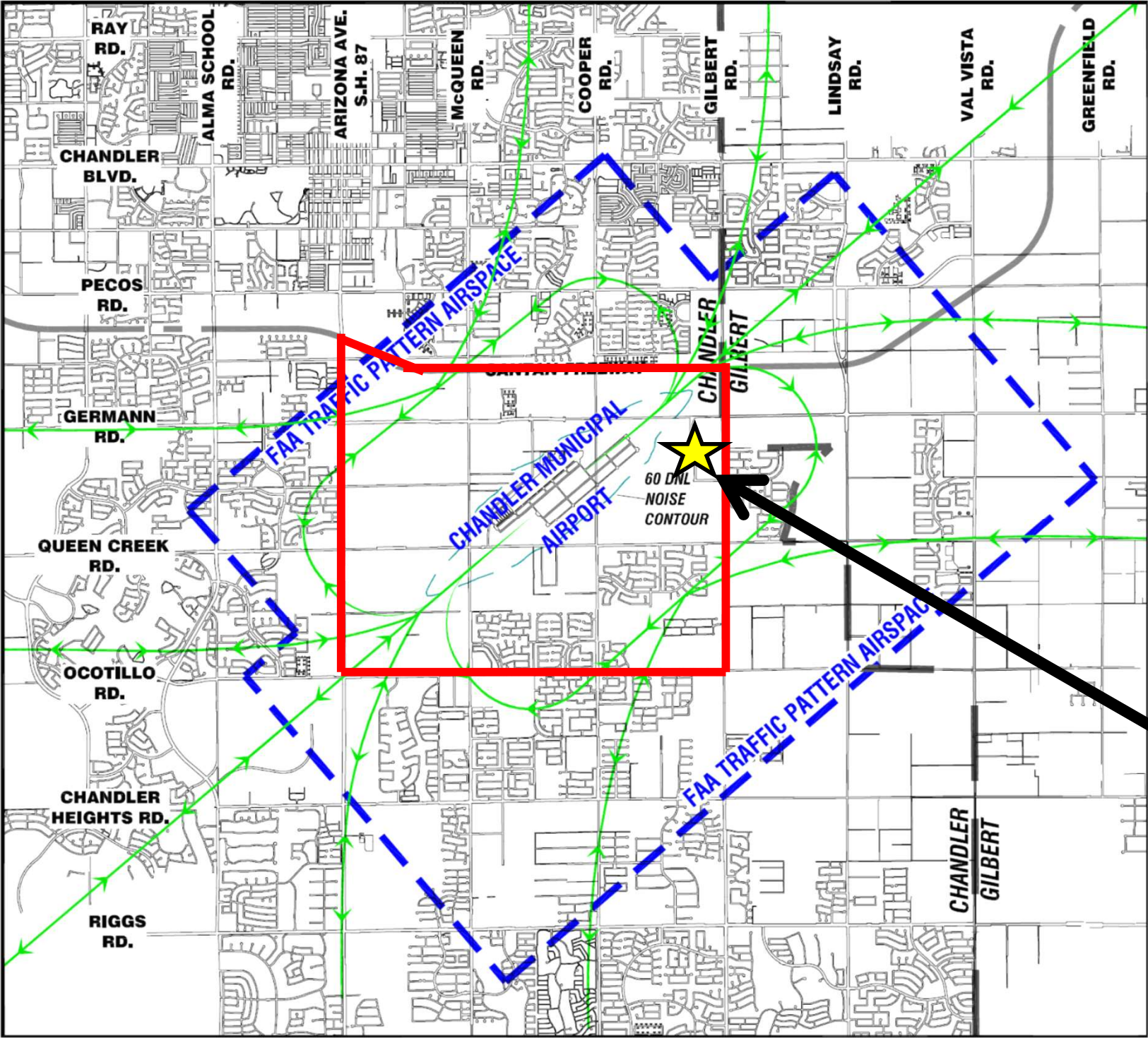
Exhibit A: Vicinity Map



Property Location



Exhibit B: Property Location



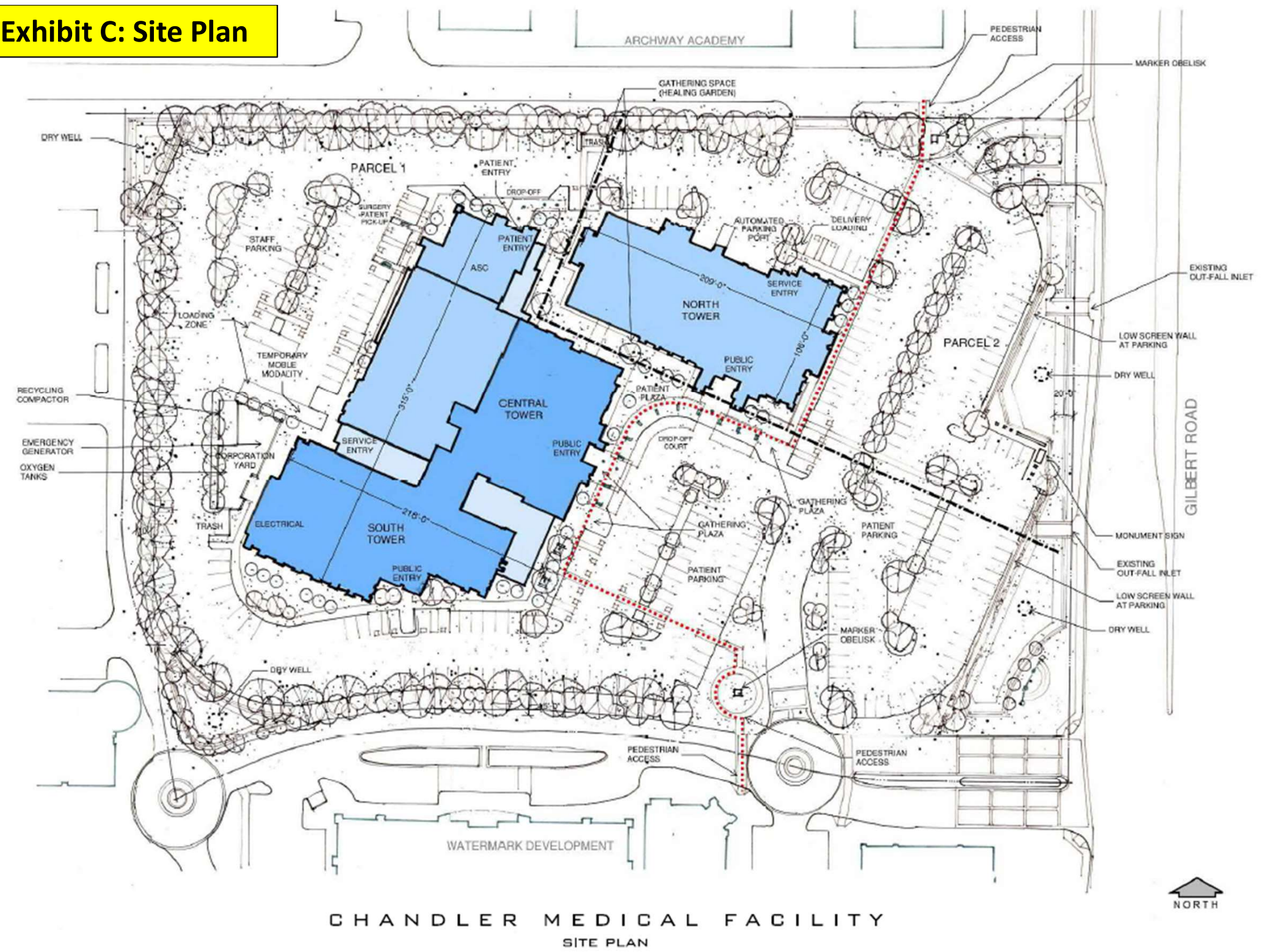
- GENERAL FLIGHT TRACK  
TRACKS CAN VARY BY 1/2 MILE OR MORE ON EITHER SIDE
- FAA TRAFFIC PATTERN AIRSPACE
- CITY OF CHANDLER PLANNING AREA BOUNDARY

- Property Location
- Airpark Area

Property Location

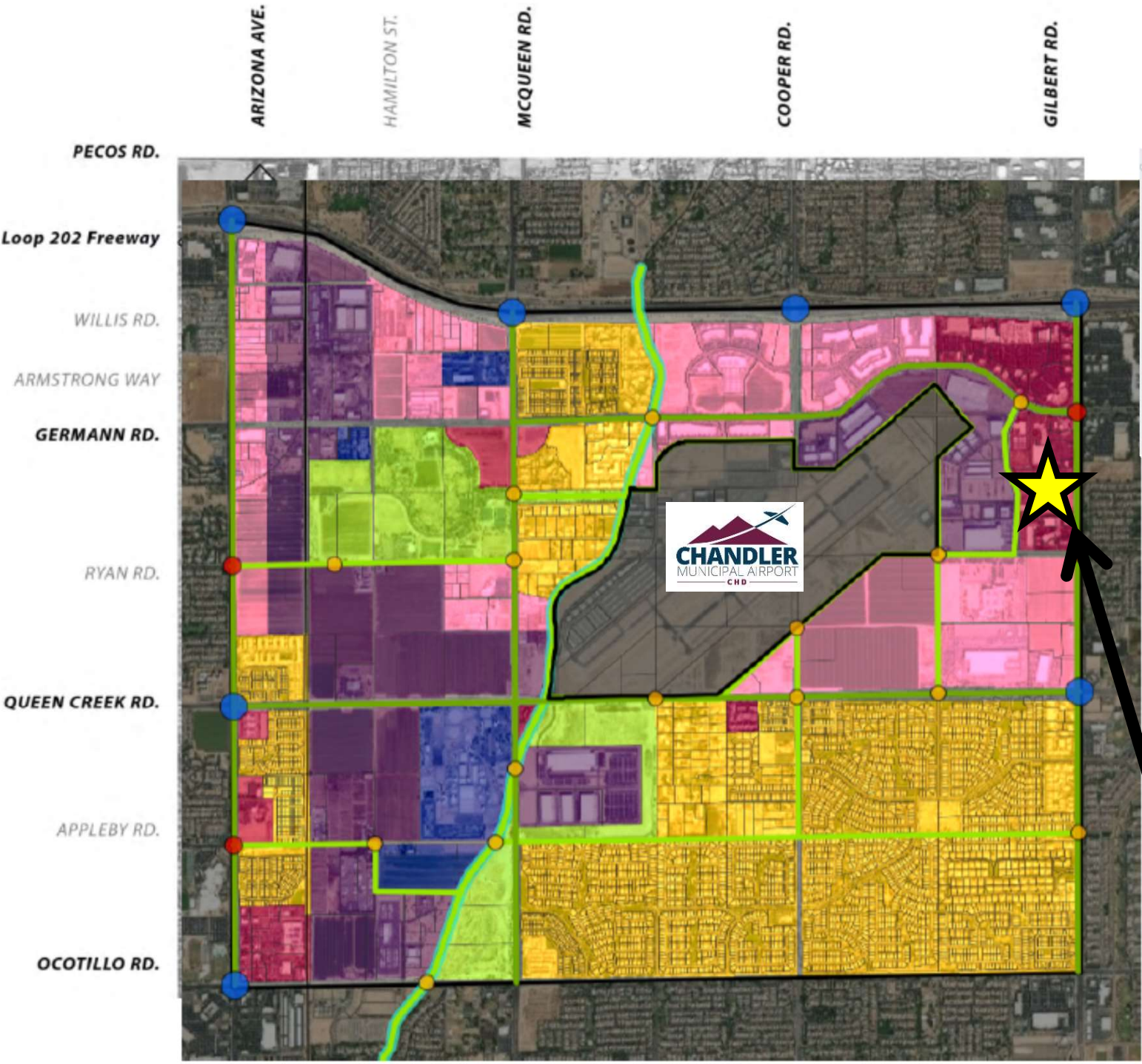


Exhibit C: Site Plan





# Exhibit D: Chandler Airpark Area Plan – Land Use Plan



**Airpark Area Land Use Element**

The Airpark Area Land Use Plan map identifies six types of land use districts appropriate to the Airpark Area:

- Innovation District
- Commercial-Office District
- Industrial District
- Residential District
- Civic District
- Park District

Property Location



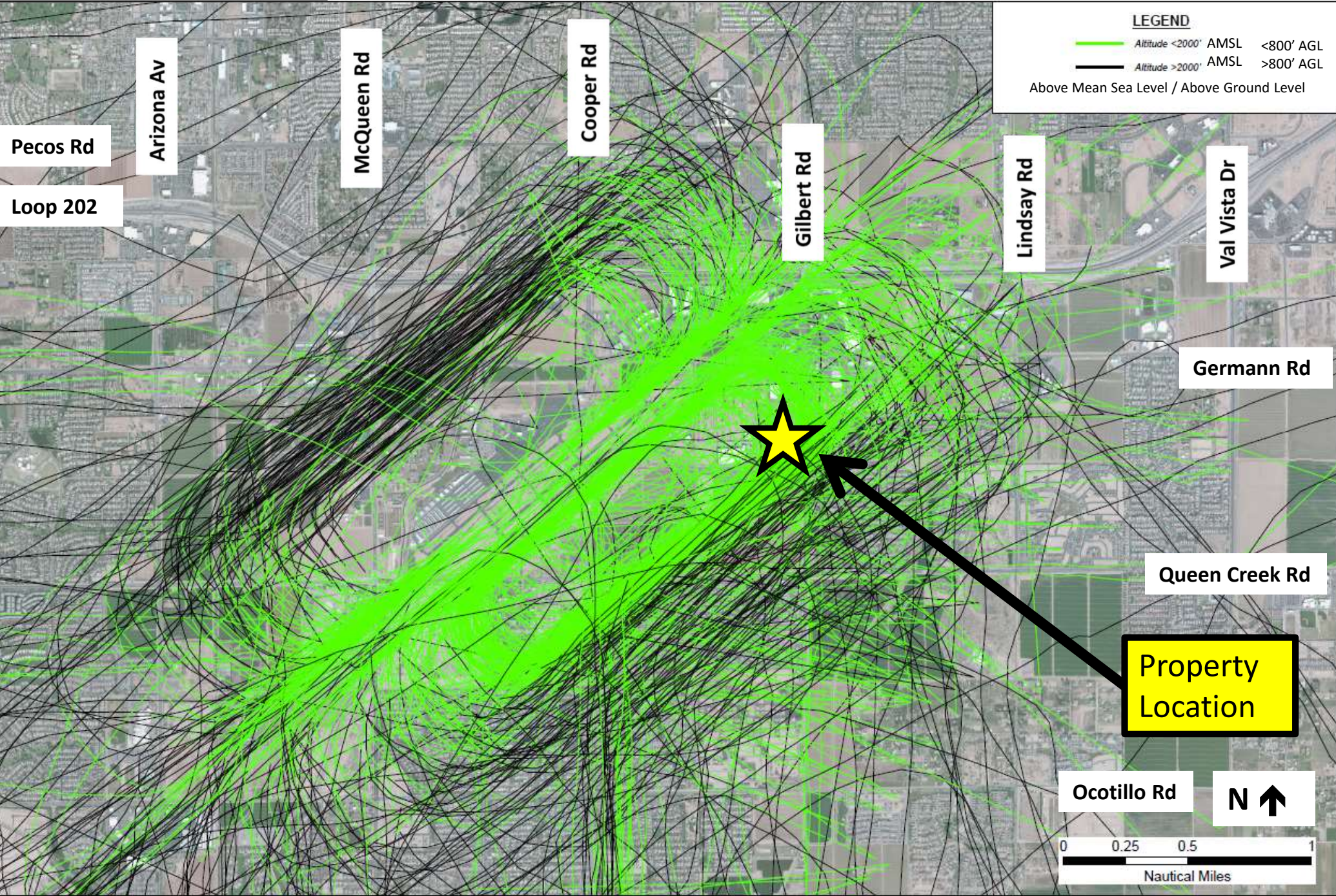
# Exhibit E: Flight Tracks

CHANDLER MUNICIPAL AIRPORT - 2/5/13 All Operations

LEGEND

- Altitude <2000' AMSL <800' AGL
- Altitude >2000' AMSL >800' AGL

Above Mean Sea Level / Above Ground Level





# Exhibit F: Building Elevations

East Elevation



South Elevation





# Exhibit F: Building Elevations

West Elevation



North Elevation





## Lauren Schumann

---

**From:** jlalicata@cox.net  
**Sent:** Saturday, December 23, 2023 1:42 PM  
**To:** Lauren Schumann  
**Subject:** PLH23-0053, Cambridge Medical Facility

Has anyone considered that a 75-foot high building at this location may impact the ability of residents of Peterson Farms and surrounding subdivisions from being able to receive Over-The-Air television signals being transmitted from South Mountain?

Sincerely,

James LaLicata  
3045 E Sparrow Pl  
Chandler AZ 85286

**CAUTION:** This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.





**City Council Memorandum      Development Services    Memo No. 24-006**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
 Andy Bass, Deputy City Manager and Acting Development Services Director  
**From:** Harley Mehlhorn, Planner  
**Subject:** PLH23-0015/PLT23-0024 Highland Place  
 Final Adoption of Ordinance No. 5080  
**Request:** Rezoning from Single-family (SF-18) district to Planned Area Development (PAD) for medium-density residential  
**Location:** Southeast corner of Alma School Road and Highland Street, generally located ¼ mile south of the southeast corner of Alma School and Warner roads  
**Applicant:** Jessica Sarkissian, Upfront Planning

**Proposed Motion:**

Move City Council adopt Ordinance No. 5080 approving PLH22-0015 Highland Place, rezoning from Single-family (SF-18) district to Planned Area Development (PAD) for medium-density residential, subject to the conditions recommended by Planning and Zoning Commission.

**Background Data:**

- Subject site is approximately 0.9 acres in size
- Subject site currently zoned SF-18
- Site currently consists of two parcels
- Fire Station 2 is located directly across Highland Street

**Surrounding Land Use Data:**

|       |                                      |       |                       |
|-------|--------------------------------------|-------|-----------------------|
| North | Highland Street, then a fire station | South | PAD for Single-Family |
|-------|--------------------------------------|-------|-----------------------|



|      |       |      |  |
|------|-------|------|--|
| East | SF-18 | West | Alma School Road, then PAD for Single-Family |
|------|-------|------|--|

### General Plan and Area Plan Designations:

| Plan         | Existing      | Proposed  |
|--------------|---------------|-----------|
| General Plan | Neighborhoods | No Change |

### Proposed Development

|                         |   |
|-------------------------|---|
| Proposed Land Use       | Medium density residential (4 duplex buildings)   |
| Number of Units         | 8   |
| Proposed Density        | 8.9 du/ac   |
| Minimum Lot Area        | 1,800 sq. ft.   |
| Maximum Building Height | 32'   |
| Maximum Lot Coverage    | 50%   |
| Square Footage          | ~1,700 per unit   |
| Setbacks                | Front: 18'<br>Side: 10' between duplexes where applicable and as shown in the development booklet<br>Rear: 10' excepting covered patios, which are 3' |

### Review and Recommendation

The General Plan identifies the site as Neighborhoods, which allows for consideration of varying degrees of density depending on site-specific circumstances. The proposed density is consistent with General Plan guidance which allows for medium densities of up to 12 dwelling units per acre along arterial roads and to serve as a density transition, both of which apply to the subject site. The proposed density is 8.9 du/ac, which is within the considerable parameters set by the General Plan. The proposed product is in-scale with the nearby single-family developments and the proposed height and architectural style further increase its compatibility.

The units are organized on either side of a drive aisle which bifurcates the site and terminates in a hammer-head turn around. Sidewalks frame the central drive with parking and the community amenities, which consist of seating and a grill area, centrally located on-site directly across the drive from each other. Full length



and width driveways lead to the required off-street parking for each unit. The site layout allows for a landscape buffer on the south and east, which serves to transition to the existing single-family homes abutting the property.

The proposed development utilizes two different elevations with variation on the main theme of "Modern Farmhouse". High quality materials such as board and batten, siding, and masonry veneer are proposed. Further, the window treatments extend to all sides and accent features adorn each side equally, satisfying the "four-sided" architecture requirement. Each unit is provided with a 20x20 garage as well as a driveway leading thereto. Each unit also features a private backyard with a covered patio area and open yard space.

The applicant has worked with surrounding property owners to increase compatibility and address concerns. The proposed 30' height is consistent with the scale of the area and windows have been placed strategically as to limit the privacy impact on surrounding neighbors. Lastly, a landscape buffer has been provided which is generously planted and provides a visual and auditory buffer to the existing single-family homes surrounding the property.

Staff finds the proposed rezoning and preliminary development plan align with the goals of the General Plan. Planning & Zoning Commission recommends approval.

### **Public / Neighborhood Notification**

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting sign was posted on the site and on social media via NextDoor.
- A neighborhood meeting was held on September 9th, 2023, at which the abutting homeowners of the property to the east attended in opposition, citing density.
- As of the writing of this memo, Planning staff has received one call of support for the project and is aware of opposition from the property owner to the east, though they indicated that they do appreciate the lengths the applicant has gone to in an attempt to be accommodating.

### **Planning and Zoning Commission Vote Report**

Planning and Zoning Commission meeting January 17, 2024

Motion to Approve

In Favor: 6    Opposed: 0    Absent: 1 (Heumann)



At the Planning and Zoning Commission meeting, Vice Chair Koshiol asked a clarifying question regarding the size and orientation of the rear windows on the two duplexes on the eastern side of the property which abut existing residential. Staff has confirmed that the smaller window size is being utilized on the rear elevation of those buildings.

## **Recommended Conditions of Approval**

### **Ordinance was introduced and tentatively adopted on February 8, 2024**

Planning and Zoning Commission recommends the City Council adopt PLH23-0015 Highland Place, rezoning from Single-Family Residential (SF-18) to Planned Area Development (PAD) for medium density residential, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled, "Highland Place" and kept on file in the City of Chandler Planning Division, in File No. PLH23-0015, 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 Chandler City Council.
2. Residential dwelling units shall be permitted at a maximum density of 9 dwelling units per acre.
3. 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.
4. The landscaping on abutting rights-of-way shall be maintained by the adjacent property owner or property owners' association.
5. Minimum setbacks, maximum lot coverage and building height shall be as provided below:

| Property Line        | Building Setback  |
|----------------------|---|
| Front Yard           | 18'   |
| Side Yards           | 10' between duplexes where applicable and as shown in the Development Booklet |
| Rear Yard            | 10' excepting covered patios which have a setback of 3'                       |
| Maximum Lot Coverage | 50%   |



|                            |     |
|----------------------------|-----|
| Maximum<br>Building Height | 32' |
|----------------------------|-----|

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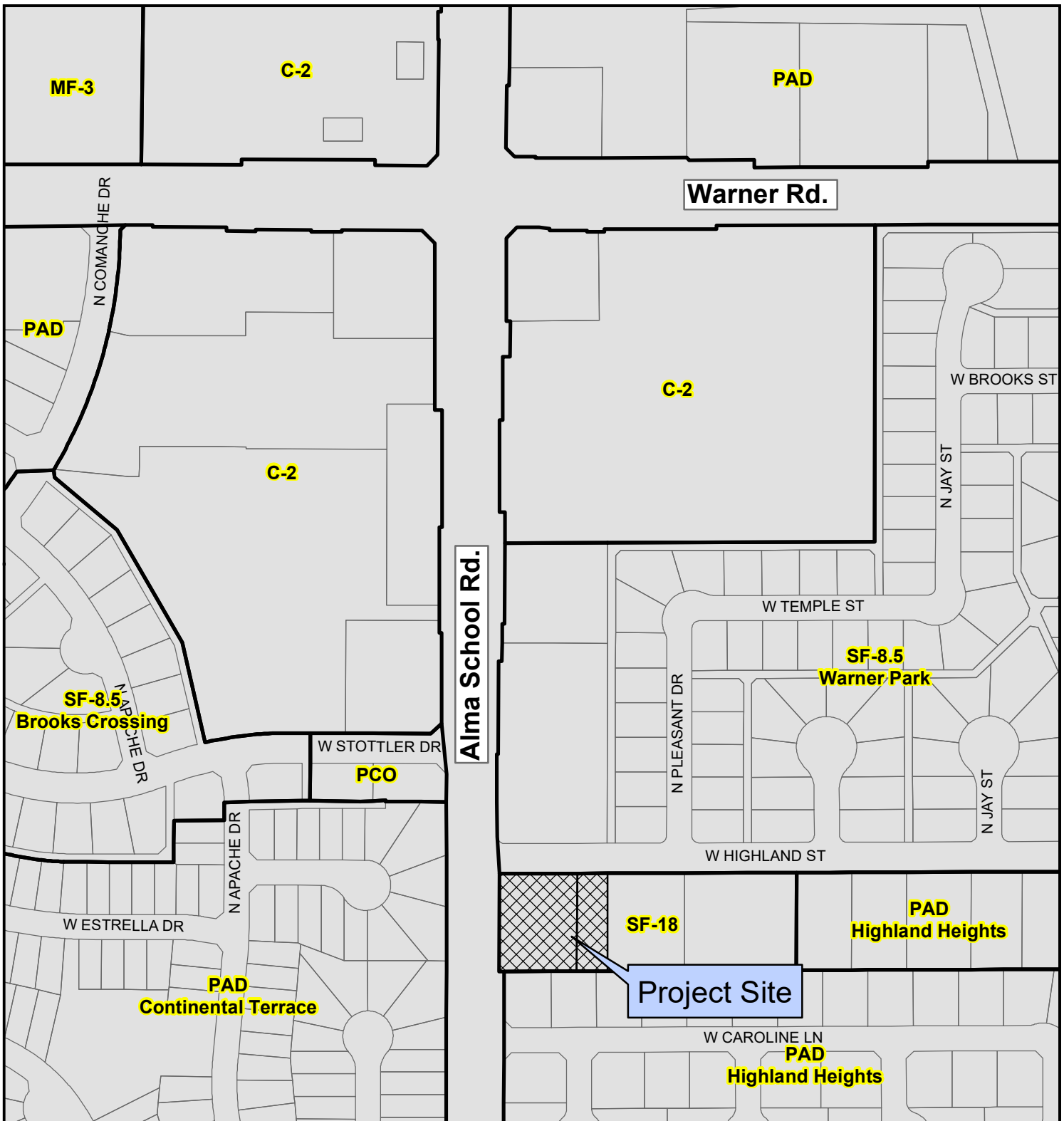
## Attachments

Vicinity Maps

Ordinance 5080

Development Booklet





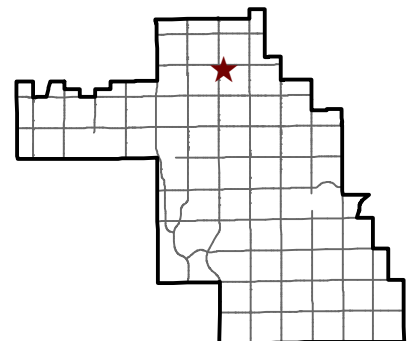
## PLH23-0015 Highland Place



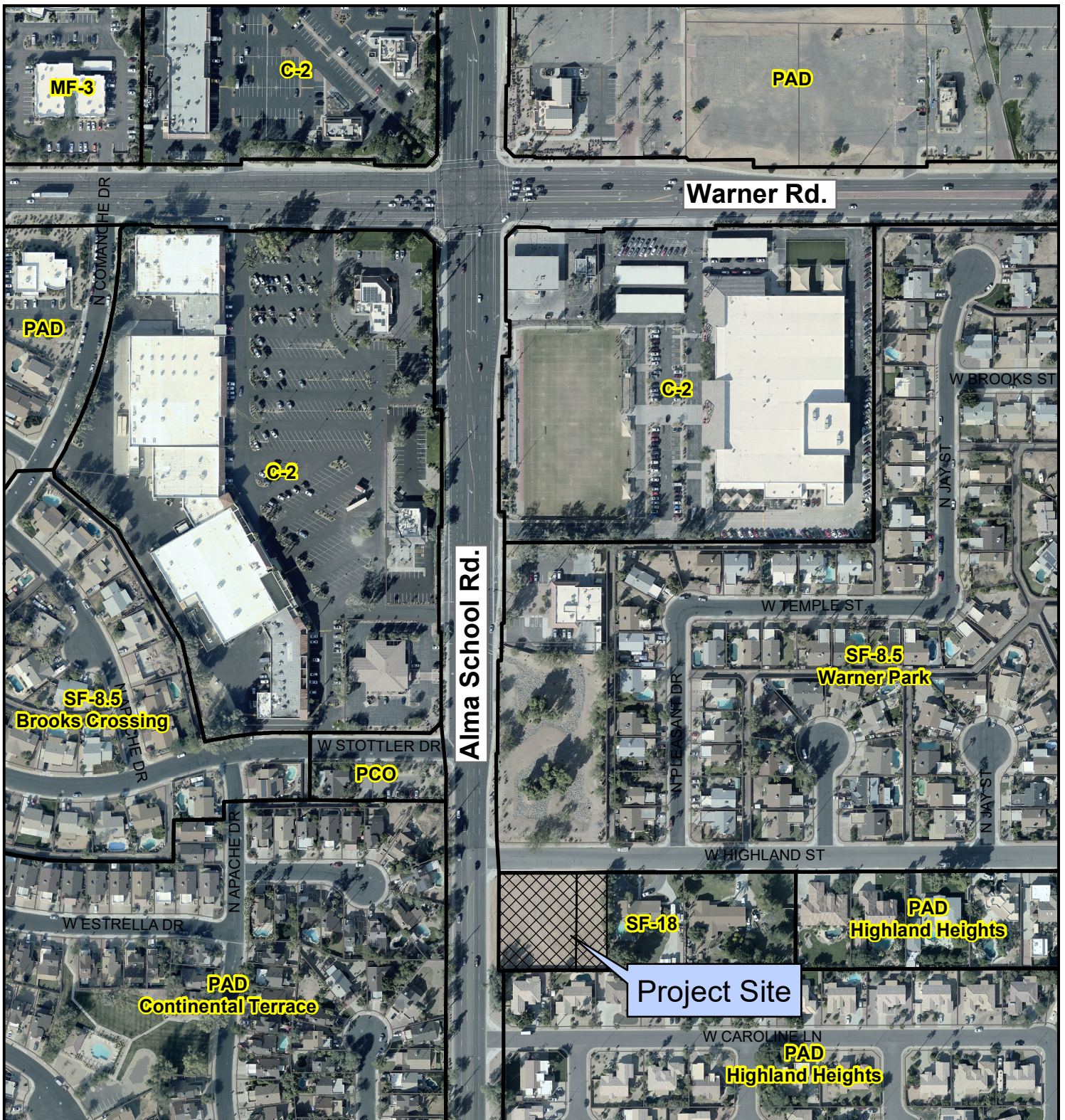
**Proposed Project Details**  
 Rezoning to Medium Density Residential  
 0.9 acres  
 PDP for Duplexes (8 units)  
 Preliminary Plat



City of Chandler Planning Division  
[chandleraz.gov/planning](https://chandleraz.gov/planning)  
 For more information visit:  
<https://gis.chandleraz.gov/planning>







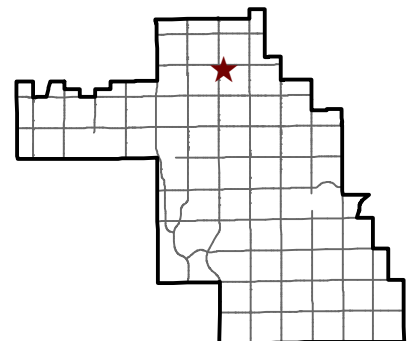
## PLH23-0015 Highland Place



**Proposed Project Details**  
 Rezoning to Medium Density Residential  
 0.9 acres  
 PDP for Duplexes (8 units)  
 Preliminary Plat



City of Chandler Planning Division  
[chandleraz.gov/planning](http://chandleraz.gov/planning)  
 For more information visit:  
<https://gis.chandleraz.gov/planning>





## **ORDINANCE NO. 5080**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING THE ZONING CODE AND MAP ATTACHED THERETO, BY REZONING A PARCEL FROM SINGLE-FAMILY DISTRICT (SF-18) TO PLANNED AREA DEVELOPMENT (PAD) FOR MEDIUM-DENSITY RESIDENTIAL IN CASE PLH23-0015 (HIGHLAND PLACE) LOCATED AT THE SOUTHEAST CORNER OF ALMA SCHOOL ROAD AND HIGHLAND STREET WITHIN THE CORPORATE LIMITS OF THE CITY OF CHANDLER, ARIZONA; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR PENALTIES.

WHEREAS, an application for rezoning certain property within the corporate limits of Chandler, Arizona, has been filed in accordance with Article XXVI of the Chandler Zoning Code; and

WHEREAS, the application has been published in a local newspaper with general circulation in the City of Chandler, giving fifteen (15) days' notice of the time, place, and date of public hearing; and

WHEREAS, a notice of such hearing was posted on the property at least seven (7) days prior to the public hearing; and

WHEREAS, the City Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission as required by the Zoning Code.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

Section 1.      Legal Description of Property:

EXHIBIT 'A'

Said parcel is hereby rezoned from Single-Family (SF-18) to Planned Area Development (PAD) for Medium-Density Residential, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet entitled "Highland Place," and kept on file in the City of Chandler Planning Division, in File No. PLH23-0015, 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 Chandler City



Council.

2. Residential dwelling units shall be permitted at a maximum density of 9 dwelling units per acre.
3. 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.
4. The landscaping on abutting rights-of-way shall be maintained by the adjacent property owner or property owners' association.
5. Minimum setbacks, maximum lot coverage, and building height shall be as provided below:

| Property Line           | Setbacks  |
|-------------------------|---|
| Front Yard              | 18'   |
| Side Yard               | 10' between duplexes where applicable and as shown in the Development Booklet |
| Rear                    | 10' excepting covered patios which have a setback of 3'                       |
| Maximum Lot Coverage    | 50%   |
| Maximum Building Height | 32'   |

Section 2. The Planning Division of the City of Chandler is hereby directed to enter such changes and amendments as may be necessary upon the Zoning Map of said Zoning Code in compliance with this Ordinance.

Section 3. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance, or any parts hereof, are hereby repealed.

Section 4. In any case, where any building, structure, or land is used in violation of this Ordinance, the Planning Division of the City of Chandler may institute an injunction or any other appropriate action in proceeding to prevent the use of such building, structure, or land.

Section 5. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, then this entire ordinance is invalid and shall have no force or effect.



Section 6. A violation of this Ordinance shall be a Class 1 misdemeanor subject to the enforcement and penalty provisions set forth in Section 1-8.3 of the Chandler City Code. Each day a violation continues, or the failure to perform any act or duty required by this Ordinance or the Zoning Code, shall constitute a separate offense.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 5080 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2024, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY TA  
Published:



Exhibit A

## LEGAL DESCRIPTION

PARCEL NO. 1 (APN # 302-42-591):

THE WEST 208.73 FEET OF THE NORTH 224.20 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GIL AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 30 FEET THEREOF, AND ALSO

EXCEPT THE WEST 55 FEET THEREOF

PARCEL NO. 2 (APN # 302-42-468):

THE WEST 61.5 FEET OF THE EAST 218.76 FEET OF THE WEST 427.47 FEET OF THE NORTH 224.20 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 30 FEET THEREOF.



# Highland Place at *Alma School & Highland*

Narrative  
A Rezoning PAD and PDP  
on approximately 0.91 net acres  
located at the southeast corner of Alma School Road  
and Highland Street

Case number: PL23-0015  
Submitted: February 28, 2023  
Resubmitted: December 4, 2023





## ***Principals and Development Team***

### *Property Owner/ Developer:*

**AIM Realty of AZ LLC**  
2610 E. Lovebird Lane  
Gilbert, AZ 85297



### *Home Builder:*

**Rainey Homes of AZ**  
259 East 500 South  
Bountiful, UT 84010  
*Contact: Joe Rainey*  
*Contact: Mike Hansen*  
P: (801) 726-4321  
P: (602) 872-6418  
E-mail: [joe.rainey@raineyhomes.com](mailto:joe.rainey@raineyhomes.com)  
E-mail: [mike.hansen@raineyhomes.com](mailto:mike.hansen@raineyhomes.com)



### *Attorney/Applicant:*

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2575 East Camelback Road  
Phoenix, AZ 85016  
*Attorney: Rodney Jarvis*  
P: (602) 530-8000  
F: (602) 530-8500



### *Consultant:*

**Bowman Consulting Group Ltd**  
1600 N. Desert Drive, Suite 210  
Tempe, AZ 85281  
*Contact: John Gray*  
P: (480) 629-8830



### *Landscape:*

**Sherwood Outdoors**  
17718 E. San Carlos Way  
Gilbert, AZ 85298  
*Contact: Nahi Montgomery*  
Phone: (480) 246-4916





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### **List of Exhibits**

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| Vicinity Aerial                         |
| Aerial                                  |
| Existing Zoning Map                     |
| Conceptual Site Plan                    |
| Conceptual Landscape Plan               |
| Conceptual Elevations (Building Type A) |
| Conceptual Elevations (Building Type B) |
| Conceptual Renderings                   |
|   |
|   |
|   |
|   |
|   |



## A. EXECUTIVE SUMMARY

On behalf of our client, AIM Realty of AZ, we are pleased to submit the Highland Place PAD Rezoning and Preliminary Development Plan (“PDP”) request for an approximate 0.91 net acre infill subject site located at the southeast corner of Alma School Road and Highland Street (see below Vicinity Map). The overall property consists of two parcels and is identified in Maricopa County Assessor’s database as APNs: 302-42-468 and 302-42-591. The project is proposed as a multifamily residential community featuring 8 luxury units located within 4 duplex buildings. Utah-based developer AIM Realty of Arizona Inc. is proposing a community on this site that will appeal to higher-income earners looking for a luxury residential experience with modern design, enhanced interiors, and highly usable common amenities that is near shopping and employment corridors.



Vicinity Map

This subject site for Highland Place consists of two properties that have been zoned SF-18 (Single-Family District) for decades. The eastern parcel is only 61.50’ wide and 11,935 square feet in size which is below the minimum width and lots size of 18,000 square feet in the SF-18 district. Historical aerial records show that as far back as 1996



this property has been vacant and undeveloped. The property is rectangular in shape with approximately 215' of frontage on Highland Street and 194' of frontage on Alma School Road. The property is generally bounded by a residential subdivision on the south, a residential home on the east, Alma School Road on the west and Highland Street on the north.

The purpose of the proposed PAD Rezoning and PDP is to create specific standards to guide the development of the subject property so that it fits seamlessly within the surrounding area. We are concurrently filing a PDP ("Preliminary Development Plan") application with this PAD rezoning for specific site plan, landscape plan, architecture and design approval of the proposed community and its residential structures.

Special attention has been used on the proposed building architecture, building placement and open space areas to provide a distinct, upscale living environment for the residents of this community. The design and use of various materials will create architectural focal points within the project. All of the architectural elements will tie together to provide a strong identity for the site that complements the surrounding properties and creates an inviting atmosphere for both residents and guests. This well-conceived infill concept offers to add to the diverse housing types in this growth area of the Chandler.

This property is located adjacent to an arterial roadway, and it makes sense for slightly higher density than the typical residential subdivision around 8.7 du/acre. The proposed duplex development is planned to have 8 units within the 0.91 net acre lot. Single-family residential subdivision density varies but are typically in the range of 4 to 5 du/ac. The proposed PAD rezone is to allow a healthy mixture of homes in the community. We believe a luxury medium-density community is a perfect fit. This multi-family duplex community will offer a luxury housing alternative to the apartment projects nearby but will still provide the needed density to take full advantage of and provide financial support to the surrounding commercial area. This type of duplex community is not one the City has in great supply. Accordingly, this community will also provide a valuable housing alternative for the City.

When consideration is given to existing land uses and the proposed site layout along with the project amenities, we believe this request helps protect the character of large neighborhoods in the area. The area has changed. Planning principles suggest higher densities or non-residential land uses should locate adjacent to commercial corners and/or arterial streets with transitions of lower densities away from these types of uses and intensities. This application does exactly that. While not a high-density multi-family residential or non-residential land use, this request provides an appropriate lower and compatible residential density land use that acts as a transition to the adjacent arterial street. This proposed request becomes a transition. More importantly, with landscape buffers along the southern and eastern portion of the project, this request provides an appropriate transition to the homes to the east and south.



## **B. SITE, LOCATION and CONTEXT**

### **1. Site, Location and Acreage**

The subject site consists of approximately 0.91 net acres and two street frontages- Alma School Road and Highland Street. Access to the lots is from Highland Street. The subject property is a rectangular shaped site and currently vacant and undeveloped. This property is approximately 215' of width from west to east along Highland Street and is approximately 194' deep from north to south. The property is currently undeveloped and adjacent to an arterial street. There is an existing block wall along the east and south that separates this Property from the adjacent uses to the east and south.

Highland Place is generally bounded by a residential subdivision along the south; a single-family residential lot along the east; Alma School Road on the west; and a Highland Street on the north. The lot to the north of Highland Street is an open space/retention area that is owned by the City of Chandler.

### **2. Topography and Natural Features**

The existing property topography is relatively flat with a slight slope from the northeast to southwest and with no natural features.

### **3. Surrounding Context**

The site enjoys excellent regional access due to its strategic location being approximately 2.25 miles east of the Loop 101 Freeway. Freeway interchanges already exist at Warner Road and Ray Road. The property also enjoys close proximity to downtown Chandler, the Chandler Fashion Center, numerous restaurants, Chandler Regional Medical Center and nearby employment corridors. The property is situated in an area of the City which includes a wide spectrum of complementary uses, including commercial shopping center, convenient uses and both multi-family and single-family residential uses.

The Land Uses, General Plan Land Use designations, and existing Zoning for the subject site and properties surrounding the subject site are as follows:

| <b>Surrounding Land Uses, General Plan and Zoning</b> |   |               |   |
|---|---|---------------|---|
|   | Land Use  | General Plan  | Zoning  |
| On site   | Vacant undeveloped lots.                                  | Neighborhoods | SF-18 (Single-Family District)                          |
| North   | Beyond Highland Street, City of Chandler, retention basin | Neighborhoods | Beyond Highland Street, SF-8.5 (Single-Family District) |
| South   | Single family   | Neighborhoods | PAD (Planned Area                                       |



|      |  |               |  |
|------|--|---------------|--|
|      | residential.                                       |               | Development)                                       |
| East | Single family residential                          | Neighborhoods | SF-18 (Single-Family District)                     |
| West | Beyond Alma School Road, Single family residential | Neighborhoods | Beyond Alma School, PAD (Planned Area Development) |

### **C. GENERAL PLAN CONFORMANCE**

The City of Chandler's General Plan Future Land Use Plan map designates this property and the surrounding properties as "Neighborhoods." This category allows a range of residential densities and a variety of non-residential uses such as commercial, institutional, public facilities, and commercial offices based upon location and other criteria described in the text of the general plan. The subject property is a rectangular shaped property that has been zoned SF-18 and vacant for decades. This property is truly an infill parcel with development or streets on all four sides. The properties to the south are zoned PAD and the property to the east is zoned SF-18. A single residential home abuts the property to the east and approximately 3 residential homes back to the property to the south. A City owned retention basin is located immediately to the north across Highland Street and zoned SF-8.5 with a new fire station located on it. There is an existing block wall along the south and east boundaries of the subject property which creates a buffer to the residential development. The properties to the west, beyond Alma School Road (a four-lane with center turn lane arterial street), are residential lots backing to Alma School Road. Those properties are zoned PAD for residential lots. Topography of the vacant property is relatively flat with primarily access via Highland Street.

Given the site's proximity to the nearby employment areas, shopping and commercial centers, and the Loop 101 freeway, this community will be a positive support to area. Furthermore, the slight increase in density from this project will serve as a transition between Alma School Road and the adjacent residential development to the east. It also provides an alternative housing type to the traditional large scale multifamily developments and one that is compatible with the area.

There is a tax base and economic benefit derived by this proposal. The increased population of residences with an expanded income created by new residences translates into additional retail sales tax when residents shop and dine at local and area businesses. Future residents will surely take advantage of the site's close proximity to a wide variety of shopping, entertainment venues and restaurants. Additionally, with the collection of sales tax for online retail purchases, increases in residential density equate to an increase in tax revenue for the City.

This rezoning and the companion PDP request will pave the way for a lower medium density community that is compatible with the existing single-family land uses in the surrounding area. It will also create a needed transition of density between the vehicular



activity and noise from Alma School Road and the existing neighborhood to the east. It will convert this underdeveloped challenging site into an attractive residential community that will serve a needed market. It will also support the nearby retail, restaurants, and office buildings. Moreover, the site plan incorporates adequate landscaped buffers along the east and south adjacent to the existing residential home and community. It also provides a significant landscape setback from along the existing residential to allow for the unique buffering design.

The proposed PAD Rezoning and PDP will be compatible with the existing single family residential to the east and south and does not adversely impact any portion of the planning area. It will create an excellent land use that appropriately buffers existing neighborhoods and complements the overall mix of housing in the area and in the City. This development will provide a logical land use for this small, underutilized parcel. In addition, new residents resulting from the townhome community will support local businesses within Chandler.

Based upon the analysis provided above, we believe the proposed PAD Rezoning and PDP is compatible with the development pattern of this area and the overall intent and goals of the General Plan. As such it will be beneficial to the surrounding area.

#### **D. REZONING REQUEST**

This request proposes to change the zoning on these 2 parcels that have remained vacant for decades to a single cohesive “PAD” Planned Area Development zoning district to allow for a fully integrated medium density planned residential community with its own unique layout, house product, pocket park, open spaces with a residential theme. The proposed medium-density development with 8 units within 4 buildings is an appropriate use of this challenging infill property. This residential townhouse community will act as a perfect transition and buffer from the adjacent five lane arterial street to the existing homes to the east.

The formal request is to Rezone the approximate 0.91 net acre property from the current SF-18 (“Single-Family District”) to Planned Area Development (“PAD”) along with PDP approval. The request will allow the proposed multifamily residential community featuring 8 luxury unit located within 4 duplex buildings.

The PAD option provides a mechanism for quality projects to be developed on challenging parcels. The purpose of the PAD is to encourage the establishment of a functional and attractive residential community. AIM Realty of AZ proposes an innovative and well-designed residential community in a cohesive plan that fits seamlessly into the community. The project has been designed to integrate open space and recreational areas to provide an exceptional quality of life for all the future residents. The intent of this application is to allow for the development of a site for a residential community under a common PAD.



This document provides detailed description of the allowed land uses, design theme and criteria, and landscape and open space concepts. The purpose and intent of this document is to:

- Encourage imaginative and innovative planning of this infill residential parcel with the existing and surrounding residential;
- Encourage quality house product design through lot size, width, setbacks, orientation;
- Establish a unique neighborhood that has a distinctive character and sense of place; and
- Promote the efficient use of this infill residential parcel by enabling the development of this parcel that would otherwise be difficult to develop.

This Highland Place community will incorporate attractive architecture, innovative sign design, and upgraded community amenities all within an infill parcel. It will serve as a transition project that is a hybrid between traditional multifamily projects and traditional single-family detached lots to the east and south. It will implement the City's vision for new residential development along the Alma School corridor. As stated previously, the proposed density is important in this location, given the site's convenient access to the Loop 101, nearby employment corridor, and nearby shopping area.

There is a need to provide a mixture of densities, variety of house product and various lot sizes to create a residential base to support the near-by commercial uses, balance the City's housing stock and to provide an appropriate transition from Alma School to the existing residential community. The proposed community caters to buyers who are looking for a hybrid experience between traditional multifamily and traditional single-family communities. Traditional multifamily projects feature higher density, larger project footprints, communal parking, neighbors sometimes above and below, and no private open space. This project provides a medium-density community with only 8 units. In that sense, it will function like a luxury residential enclave. Each resident will have private parking adjacent to the units and private rear yards. There will be no neighbors living above or below, and each house will have its own private open space.

Traditional single-family communities are also much larger in size, feature front yards and larger backyards to develop and maintain, and generally have community amenities geared toward kids and families. This community will be a small intimate community where neighbors will become very accustomed to each other—providing better security and a greater sense of community. The rear yards will be sized for those looking for an outdoor space that still allows for low maintenance. And the amenities will feature highly usable amenities.

The Highland Place PAD meets all the City requirements and also provides a cohesive and comprehensive working document to describe the guidelines and standards for implementation of the development. This zoning change provides additional housing choices for people seeking to live in an infill setting with close access to a major freeway (the Loop 101), major nearby commercial developments, the Chandler Fashion Center



at the Loop 101 and 202 interchange, and nearby employment corridors, and Downtown Chandler.

### **E. PDP REQUEST**

AIM Realty of AZ proposes a new residential community on a site that is currently vacant and undeveloped. The proposed site plan layout shows a single access points to/from Highland Street. The physical design of the residential development is dictated by the property's size, shape, and location. The proposed layout is designed with an emphasis on simplicity of a single drive design that will serve buildings on both sides of the drive aisle. The single drive concept helps create that feeling of a small, exclusive enclave community.

For Highland Place, the builder, Rainey Homes of AZ, is proposing an 8-unit (within 4 residential duplex buildings) community on approximately 0.91 net acres located at the southeast corner of Alma School Road and Highland Street. The overall project density of 8.8 du/ac. The buildings along Highland Street are side oriented and setback approximately 15' from Highland Street. This allows for a nicely appointed open space/landscape buffer area that acts as the project's main focal point and create a sense of arrival into the community. It also provides as generous landscaped frontage along Highland Street.

A continuous landscape strip is provided adjacent to Alma School Road and Highland Street and along both sides of the entrance to the property which terminates on to the internal landscape buffer to create a pleasant drive up and a sense of arrival to this community. A landscape strip is also provided adjacent to existing residential development to provide further separation from the existing homes to the east and south.

The proposed setback, buffers, building design and development standards ensure a compatible transition between the existing residential area to the east and south and Alma School Road. As mentioned, Alma School Road is a five-lane arterial street which is designed to accommodate large volumes of traffic in a north-south direction. Again, this request provides an appropriate residential community and transition between the higher intensity arterial street and the existing residential to the south and east.

This community is designed as a community with tree-lined streets and landscaped open space areas and amenities to provide residents with an appealing, active environment to play, relax, and socialize with each other. The layout and design create an attractive development that faces all homes on this property inward onto the property's internal drive.

The eastern building units are setback a minimum of 30' from the east property line to allow for a significant open space/landscape buffer area that acts as a buffer to the single home along the east side of this community. The rear wall will be developed to the zoning standard of six feet along Alma School and Highland Street and eight feet abutting existing residential.





AIM REALTY

The southern units are setback a minimum of 42' from the south property line to allow for the turnaround, additional parking, amenity area and an open space/landscape buffer area that acts as a buffer to the single home along the south side of this community.

Each unit will include its own two-car garage measuring to 20x20 clear space and front yard driveway directly adjacent to the unit and its own private, fenced-in rear yard space.

There are two types of buildings proposed. The first building type is Building Type A which consists of 2 attached 2-story units (Duplex). This building type are the buildings located on the west side of the property. Building Type A elevations will have smaller higher up windows on the second story master bedroom. The second building type is Building Type B which is similar to Building Type A except provide normal sized windows on the second story. See below elevations.



*Building Type A*



*Building Type B*



Greater buffers have been added on the south and east side of the site, adjacent to the single-family lot. Furthermore, the developer has provided a product that limits the views by removing the second story windows from the master bedrooms on those two buildings located on the east side of the development.

Each unit within these building clusters includes a 2-car garage, front driveway and private rear yards. Access to each individual unit is from the main private drive aisle. Each of the 8 two-story units include individual private rear yards. Each of the building clusters are separated by a minimum 10' open space area.

Consistent with the high-end living experience being created, each unit will have a private garage, and a private backyard. In addition to each home's private outdoor yard space, the project will also include community amenities. The amenities will include a nicely landscaped community entrance, a tot lot and seating area with gathering space with seating in a common open space.

It should be noted that in addition to the individual private rear yards the community also provides a larger common open space area with amenities. Furthermore, this community is proposing a minimum of 40% common open space. This amount of open space is beneficial to the community as a whole and supports more resident interaction in the amenity areas.

We find that this type of product and community is currently undersupplied in Chandler. For a City's housing supply to be sustainable, a variety of different housing products and communities is important. This proposal would provide a high-end townhome community for the segment of the market looking for such a product—and we believe the size of that segment is significantly growing at this time.

This residential community will be very positive for this area by providing a townhome style development that is a different style of attached homes that is both vibrant and compatible with the existing residential uses in the area while responding to the demand for the type of market housing demand offered by this community. This proposal is an appropriate transition from the existing 5-lane arterial street west of the Site to the residential community to the east and will be compatible with the residential development south and east of the Site.

## ***F. LIST OF USES***

The following list of uses is intended to define authorized Permitted Uses, Conditional Use Permit and Accessory Uses within the Highland Place PAD.

### **Permitted Uses.**

- A. Single-family dwelling.
- B. Two-family dwellings.
- C. Townhouses.



- D. Multi-family dwellings (subject to site development plan).
- E. Home occupations as defined in Article II.
- F. Signs in accordance with the Chandler Sign Code [Chapter 39].
- G. Storage shed as defined by Article II.
- H. One (1) accessory building as defined by Article II.
- I. Fences, walls and landscape screens not exceeding seven (7) feet in height adjacent or contiguous to side or rear yard lines and not [more than] three (3) feet in height adjacent or contiguous to front yard lines.
- J. Swimming pools, private, in accordance with Article XXII [section 2205] of this Code.

**Uses permitted by use permit.**

- A. Churches, schools, public buildings and facilities.
- B. Elderly care housing.
- C. Any other uses the City Council determines are compatible and in the best interests of the community.

## G. DEVELOPMENT STANDARDS

The Development Standards for this PAD are set forth in the table below. Building setbacks will comply with the attached Development Standards. Landscape setback shall comply as shown on the PDP plan and streets design shall comply with the City of Chandler's Street guideline details.

| Development Standards        |                               |
|------------------------------|-------------------------------|
| Minimum Net Lot Area         | 1,800 sq. ft                  |
| Minimum Width                | 30'                           |
| Minimum Depth                | 50'                           |
| Minimum Perimeter Setback    |                               |
| Alma School Road             | 10'                           |
| Highland Street              | 15'                           |
| South                        | 40'                           |
| East                         | 20'                           |
| Separation between buildings | 10'                           |
| Minimum Front Lot Setback    | 15'                           |
| Minimum Rear Lot Setback     | 10'                           |
| Side Lot Setback             | 0' with 10' between buildings |
| Maximum Density Net Acre     | 8.9 du/ac                     |
| Maximum Structure Height     | 30'                           |
| Maximum % Lot Coverage       | 50%                           |



## H. DESIGN GUIDELINES

Careful consideration has been taken into the design and layout of Highland Place to ensure compatibility with the adjacent residential communities. This project offers future residents an intimate sense of community and opportunities to interact together as neighbors, via thoughtful community design, and home orientation to the central amenity.

The attached “Conceptual Renderings” are illustrations of how the multifamily residential and site plan may be developed. All buildings shall be designed with 4-sided architecture and share common architectural elements. The design team has kept consistent with the goal of creating a unique residential community that uses various materials, colors, and architectural features to break up the building massing.

This project is designed as a community with landscaped open space areas and amenities to provide residents with an appealing, active environment to play, relax, and socialize with each other. The layout and design create an attractive development that faces all lots on this property inward onto the property’s internal street and open space.

|                        |  |
|------------------------|--|
| <b>Building Design</b> | <p>All residential buildings will conform to the City of Chandler’s, except as modified by this PAD.</p> <p>The attached “Conceptual Rendering” examples are representations intended to illustrate and establish a level of quality which will be the benchmark against the City’s review. While the applicant may submit elevations, which differ in some ways from the representations shown in this PAD submittal, the intent of the submittal exhibits is to establish a level of foundational quality.</p>   |
| <b>Materials</b>       | <p>Approved exterior wall materials include the following list, unless otherwise expanded with approved by the Planning Division:</p> <ul style="list-style-type: none"> <li>• Common clay brick</li> <li>• Granite</li> <li>• Marble, or other natural stone</li> <li>• Tile cladding</li> <li>• Concrete masonry unit (provided that surfaces are integrally colored, painted, stained, or have attractive exposed aggregate which must be approved as to color and texture)</li> <li>• Architectural metal</li> <li>• Stucco or plaster (synthetic systems simulating stucco or plaster are permitted)</li> <li>• Concrete, pre-cast or poured in place</li> <li>• Glass</li> <li>• Metal panels and/or trim</li> <li>• Metal and composite panels</li> </ul> |



|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• Metals (polished and rusted)</li> <li>• Perforated metals and meshes</li> <li>• Stucco</li> <li>• Exposed finished structural steel</li> <li>• Stone</li> <li>• Masonry</li> </ul> <p>Green-Screen or Green walls including trellises to reduce excessive radiant heat in pedestrian areas.</p> <p>Any pitched roof structure shall use concrete tiles or “pre-finished” metal roofing or other acceptable material as approved by Planning Division. Flat roofs shall be non-reflective material (minimum SRI of 78 for non-occupiable roof patios).</p> |
|--|--|

|                  |   |
|------------------|---|
| <b>Amenities</b> | <p>This development will provide the following:</p> <ul style="list-style-type: none"> <li>• Seating Area</li> <li>• Ramada</li> <li>• Tot Lot</li> <li>• Grassed Activity Area with Seating</li> </ul> <p>Other form of amenity may be used instead of any one of the above as administratively approved by the Planning Division.</p> |
|------------------|---|

|                                |   |
|--------------------------------|---|
| <b>Paving Materials Design</b> | <p>Pedestrian crossing area shall have a different color, texture or material to define these areas with one of the following methods:</p> <ul style="list-style-type: none"> <li>• Stamped concrete or asphalt</li> <li>• Interlocking concrete pavers</li> <li>• Stained concrete</li> <li>• Integral colored concrete.</li> <li>• Or other acceptable method as approved by the Planning Division.</li> <li>• All materials within the Pedestrian crossing shall meet ADA requirements and may not create a significant noise issue with vehicle traffic.</li> </ul> |
|--------------------------------|---|

|                     |  |
|---------------------|--|
| <b>Walls/Fences</b> | <p>Thematic wall and/or fence shall be utilized along Alma School Road to provide a cohesive project as approved by the Planning Division. Up to 8’ tall wall is permitted. Approved wall materials include the following list, unless otherwise approved by the Planning Division:</p> <ul style="list-style-type: none"> <li>• Metals, wrought iron, view fencing, steel tube (polished and rusted).</li> <li>• Perforated metals and meshes.</li> <li>• Architectural masonry products as CMU, integral color CMU, textured CMU.</li> </ul> |
|---------------------|--|



|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• Architectural masonry bricks and veneers.</li> <li>• Architectural metal works, stand alone or integrated into masonry walls.</li> <li>• Stucco or synthetic applied to all exposed surfaces of masonry CMU.</li> <li>• Poured in place concrete works.</li> </ul> |
|--|---|

|                        |   |
|------------------------|---|
| <b>Lighting Design</b> | <p>All lighting shall comply with the City of Chandler Code.</p> <p>All exterior lighting on the site is to be shielded from view of the light source off-site to the extent feasible. Parking lot fixtures and wall lights shall not exceed 25' in height.</p> |
|------------------------|---|

|                                 |  |
|---------------------------------|--|
| <b>Main Project Entry Point</b> | <p>Main project entry point shall be created to convey the identity of the development. The main project entry point shall be designed as part of the overall development and shall be approved by the City.</p> |
|---------------------------------|--|

## **I. LANDSCAPE CONCEPT**

The landscape plan uses plants that are low water use and consistent with the proposed architectural character of the homes. Drought resistant plants and trees will be the predominant materials used in the overall landscape design for entry areas and streetscape using colorful accent materials incorporated in open space areas and other featured spaces. Some turf will be used in landscape tracts to also create an oasis feel in certain featured locations. The landscaping along Alma School is designed as an integral part of the project's landscape theme and includes plant materials compatible with the surrounding area.

## **J. SIGNS**

All signage shall comply with the City's Sign Code, Chapter 39 of the Zoning Ordinance.

## **K. PHASING PLAN**

The intent is to develop Highland Place in one phase. Forecasting the pace is challenging because it depends upon market conditions. However, all needed off-site and on-site improvements will be constructed as approved by the City. These infrastructure improvements will provide proper access to streets, pedestrian routes, water, and sewer connections into the City system, on-site stormwater retention, and perimeter streetscape improvements adjacent to the parcel.



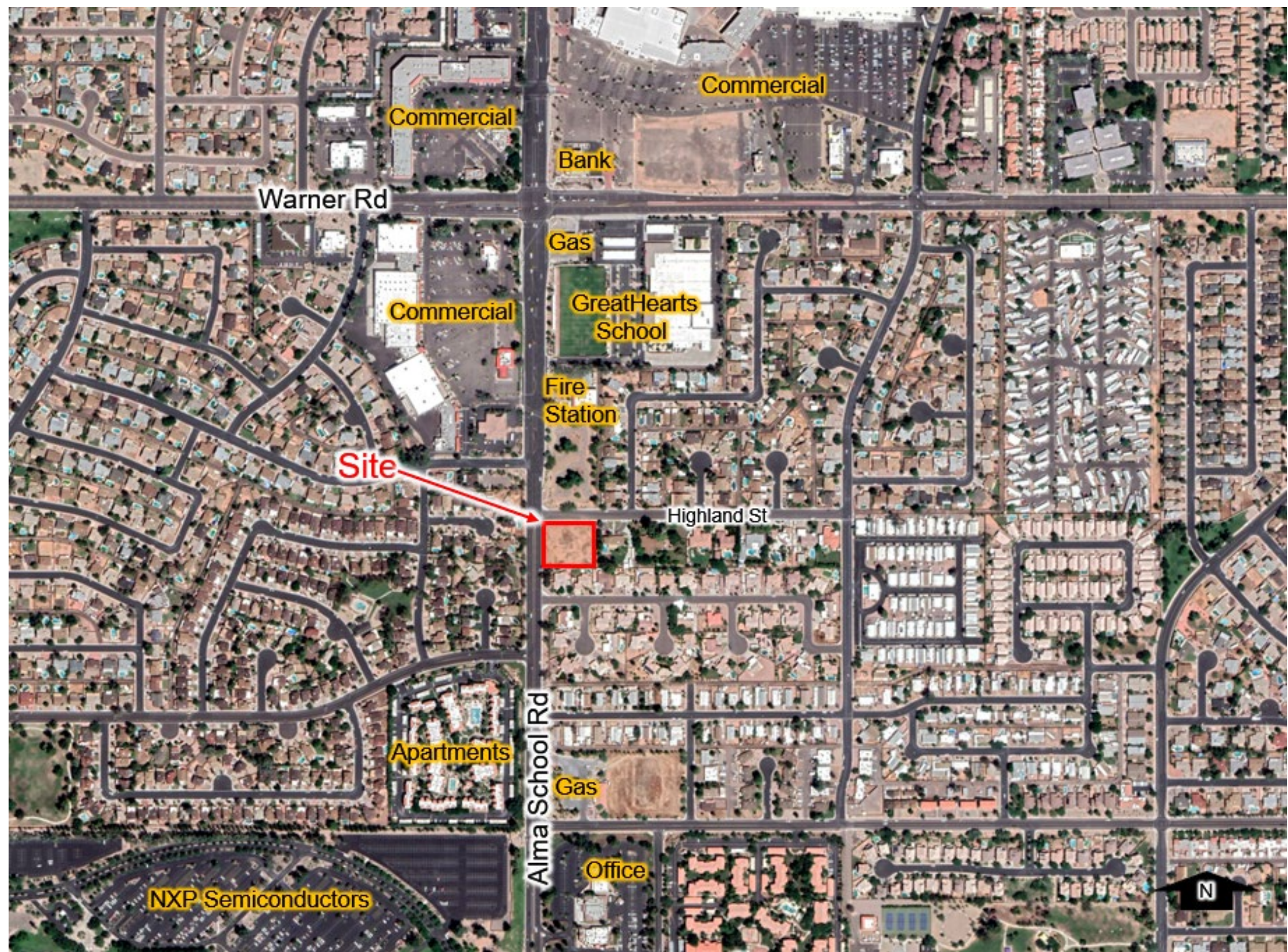
## **L. CONCLUSION**

The intent of the overall proposal for “Highland Place” is to provide a residential development that complements the area while upholding the planning principles and supporting the economic goals and objectives of the City of Chandler and nearby shopping and employment core. The infill site will be transformed into an attractive, high-quality residential development that will enhance the streetscape appearance with attractive new architectural designs, open space areas, amenities, and lush landscaping features along both Alma School Road and Highland Street.

The overall project will attract residents looking for an enhanced level of living with on-site amenities. These new residents and their guests will become customers and patrons of all the nearby shopping, restaurants, and entertainment venues.

We believe this community will be warmly embraced at this location and will be a benefit for Chandler. The subject parcel is rectangular with two street frontages and would be difficult for many developers. The concern for such parcels is finding a developer and community type that can be successful within those site parameters and maintain the level of quality the City wants. The proposed community can navigate those challenges very well and will deliver a quality product to the City.



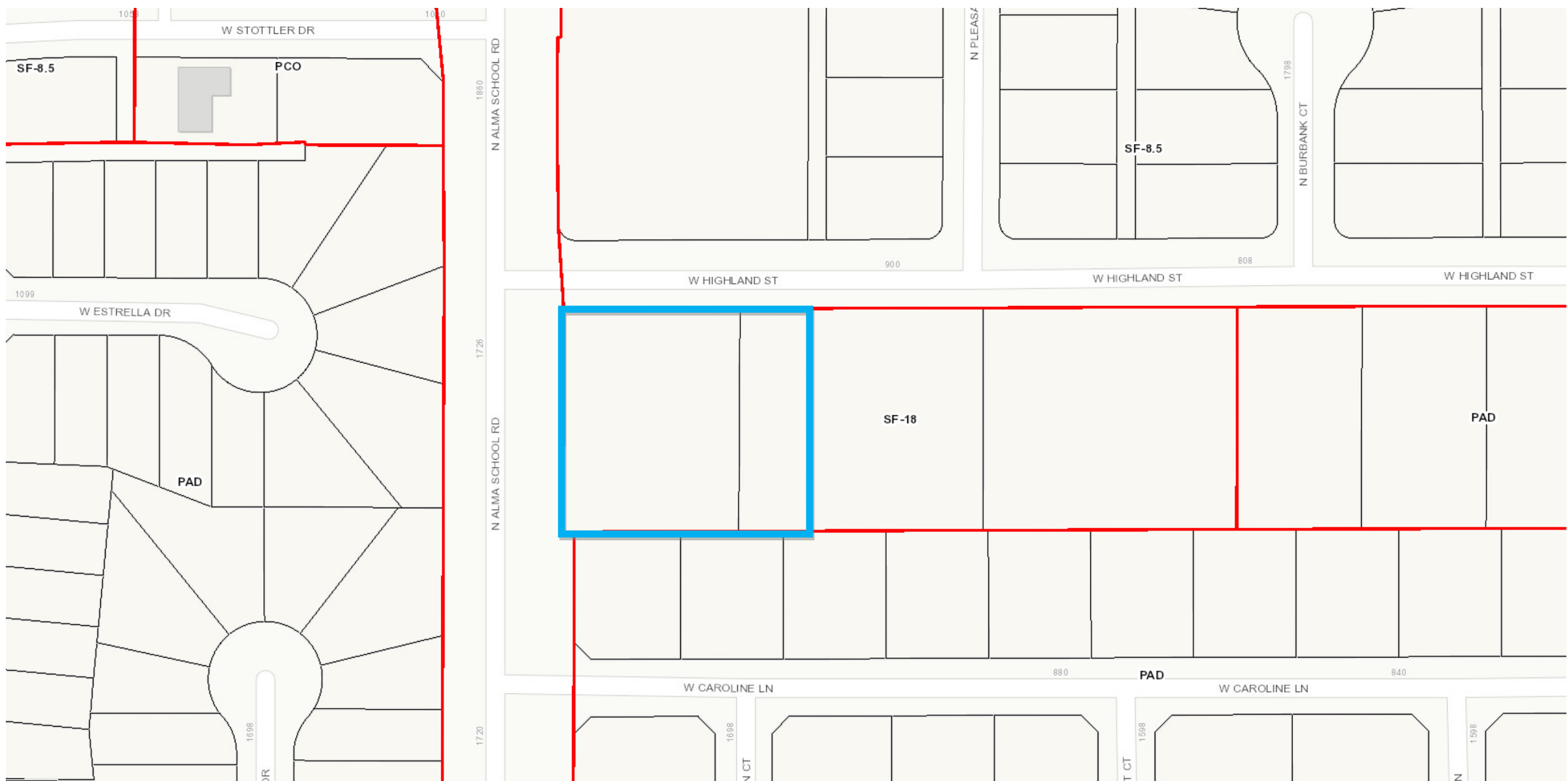


*Vicinity Aerial*







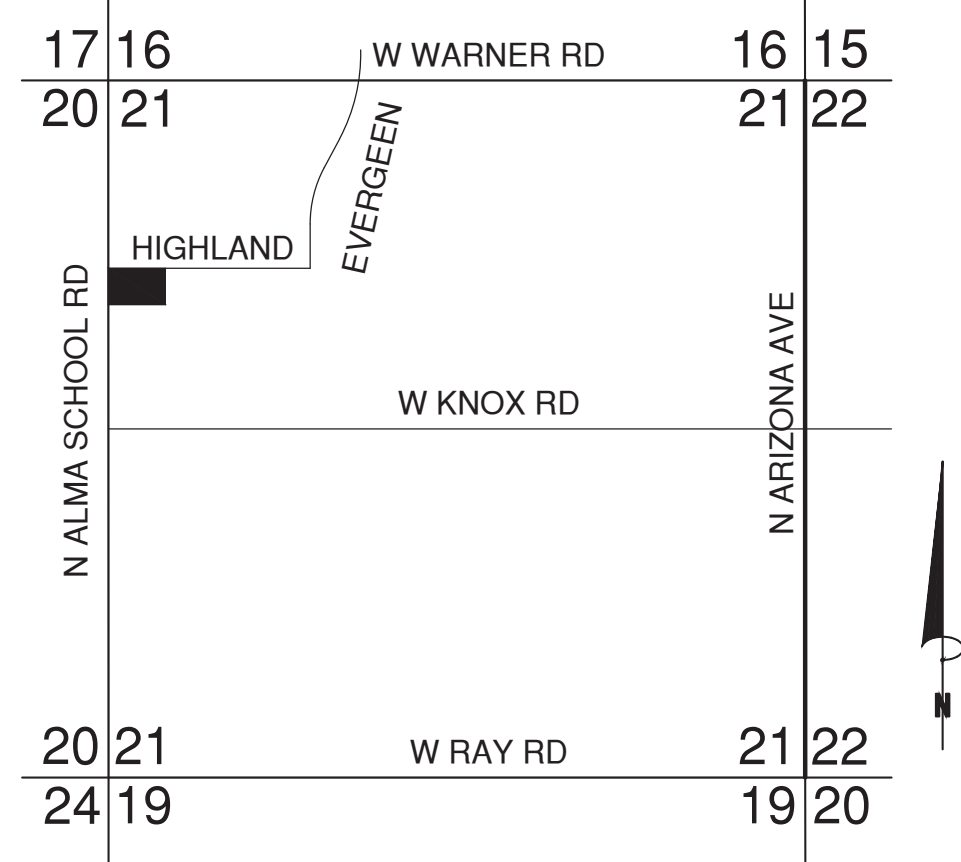


Existing Zoning Map



AIM REALTY OF ARIZONA  
PRELIMINARY SITE PLAN  
ALMA SCHOOL AND HIGHLAND  
CITY OF CHANDLER ARIZONA

A PORTION OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH,  
RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,  
MARICOPA COUNTY, ARIZONA



VICINITY MAP  
N.T.S.

SITE DATA

GROSS AREA: 48,255 SF = 1.11 AC  
NET AREA: 39,856 SF = 0.91 AC  
LOT COVERAGE: 24.1%  
OPEN SPACE: 41.6%  
PARKING REQUIRED: 16 (2 SPACES/UNIT)  
PARKING PROVIDED 32 (4 SPACES/UNIT)

SITE SETBACK DATA

PERIMETER SETBACKS  
ALMA SCHOOL ROAD (WEST) = 10'  
HIGHLAND STREET (NORTH) = 15'  
SOUTH PERIMETER = 40'  
EAST PERIMETER = 20'

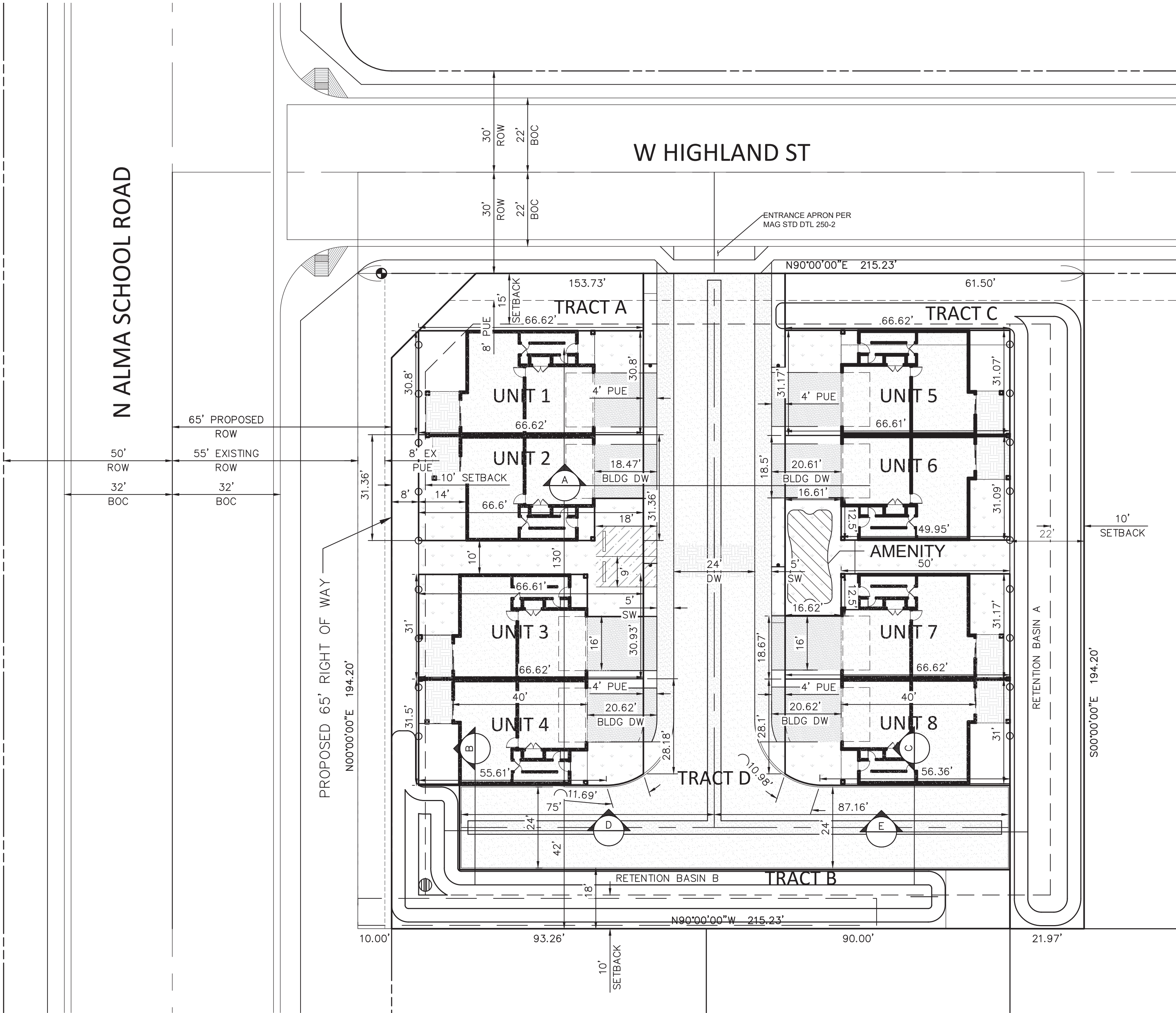
INDIVIDUAL LOT SETBACKS  
FRONT LOT LINE = 15'  
REAR LOT LINE = 10'  
SIDE LOT LINE = 0' WITH 10' BETWEEN BUILDINGS

ZONING

CURRENT = SF-18  
PROPOSED = PLANNED AREA DEVELOPMENT (PAD)

| LOT AREA TABLE |               |
|----------------|---------------|
| UNIT #         | LOT AREA (SF) |
| 1              | 2051.87       |
| 2              | 1908.32       |
| 3              | 1854.87       |
| 4              | 2088.88       |
| 5              | 2072.95       |
| 6              | 1860.58       |
| 7              | 1868.48       |
| 8              | 2086.62       |

| TRACT AREA TABLE |                 |
|------------------|-----------------|
| TRACT            | TRACT AREA (SF) |
| A                | 987.56          |
| B                | 5811.20         |
| C                | 6475.84         |
| D                | 10,474.23       |



ENGINEER

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CONTACT: JOHN GRAY

OWNER

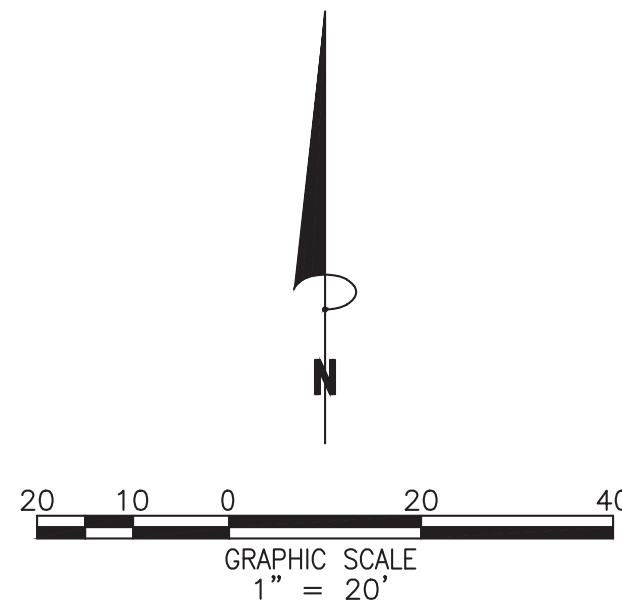
AIM Realty of Arizona  
2610 E. LOVEBIRD LANE  
GILBERT, AZ 85297  
PH: (801) 726-4321  
CONTACT: JOE RAINEY  
EMAIL: joe.rainey@raineyhomes.com

LEGAL DESCRIPTION

A PORTION OF NORTHWEST QUARTER OF SECTION 21,  
TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA AND  
SALT RIVER BASE AND MERIDIAN,  
MARICOPA COUNTY, ARIZONA

LEGEND

- BRASS CAP FLUSH
- MONUMENT AS NOTED
- BRASS CAP IN HANDHOLE
- BOUNDARY LINE
- CENTERLINE
- LOT LINE
- EASEMENT LINE
- RIGHT OF WAY
- PROPOSED FENCE
- AMMENITY

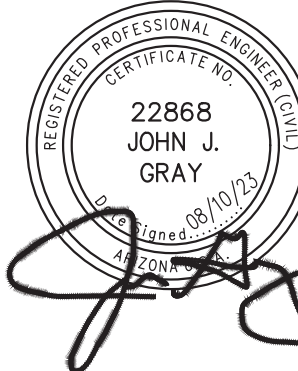


Bowman

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1600 N. Desert Drive, Ste 210  
Tempe, Arizona 85281  
Phone: (480) 629-8830  
www.bowmanconsulting.com  
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PRELIMINARY SITE PLAN  
AIM REALTY OF ARIZONA  
MARICOPA COUNTY  
CHANDLER, ARIZONA

051170-01-001  
PROJECT NUMBER



PLAN STATUS

| DATE    | DESCRIPTION   |
|---------|---------------|
| SET     | DLR           |
| DESIGN  | DRAWN         |
| SCALE   | H:            |
|         | V:            |
| JOB No. | 051170-01-001 |
| DATE :  | 08/10/23      |

| DATE    | DESCRIPTION   |
|---------|---------------|
| SET     | DLR           |
| DESIGN  | DRAWN         |
| SCALE   | H:            |
|         | V:            |
| JOB No. | 051170-01-001 |
| DATE :  | 08/10/23      |

|         |               |
|---------|---------------|
| DATE    | DESCRIPTION   |
| SET     | DLR           |
| DESIGN  | DRAWN         |
| SCALE   | H:            |
|         | V:            |
| JOB No. | 051170-01-001 |
| DATE :  | 08/10/23      |

|         |               |
|---------|---------------|
| DATE    | DESCRIPTION   |
| SET     | DLR           |
| DESIGN  | DRAWN         |
| SCALE   | H:            |
|         | V:            |
| JOB No. | 051170-01-001 |
| DATE :  | 08/10/23      |



Wall Plan  
HIGHLAND PLACE

CITY OF CHANDLER ARIZONA

A PORTION OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH,  
RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,  
MARICOPA COUNTY, ARIZONA

SITE DATA

GROSS AREA: 48,260 SF = 1.11 AC  
NET AREA: 39,653 SF = 0.91 AC  
NUMBER OF LOTS: 8  
LOT COVERAGE: 39.6%  
OPEN SPACE: 60.3%  
PARKING REQUIRED: 16 (2 SPACES/UNIT)  
PARKING PROVIDED: 34 (4 SPACES/UNIT + 2 GUEST SPACES)

BUILDING SETBACK DATA

FRONT = 15' (NORTH SIDE)  
BACK = 40' (SOUTH SIDE)  
SIDE = 10' (WEST SIDE)  
SIDE = 20' (EAST SIDE)

ZONING

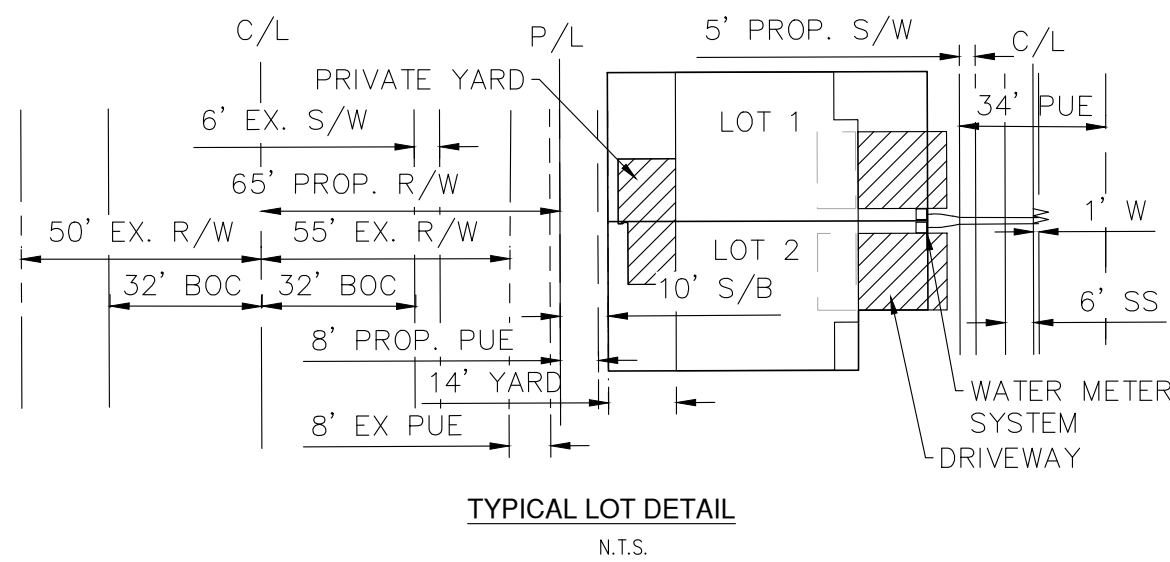
CURRENT = SF-18  
PLANNED AREA DEVELOPMENT (PAD) = MF-1

SF / SINGLE FAMILY  
MF / MULTI FAMILY

| LOT AREA TABLE |               |
|----------------|---------------|
| UNIT #         | LOT AREA (SF) |
| 1              | 2070.56       |
| 2              | 1889.94       |
| 3              | 1859.18       |
| 4              | 2081.42       |
| 5              | 2082.92       |
| 6              | 1863.94       |
| 7              | 1861.93       |
| 8              | 2071.62       |
| TOTAL          | 15781.52      |

| TRACT AREA TABLE |                 |                                 |
|------------------|-----------------|---------------------------------|
| TRACT            | TRACT AREA (SF) | TRACT USE                       |
| A                | 1093.04         | OPEN SPACE                      |
| B                | 12298.71        | OPEN SPACE, AMMENITY, RETENTION |
| C                | 10480.85        | PRIVATE DRIVE, UTILITY ESMT.    |
| TOTAL            | 23872.60        |                                 |

| RETENTION TABLE |                      |                      |
|-----------------|----------------------|----------------------|
| BASIN           | VOLUME REQUIRED (CF) | VOLUME PROVIDED (CF) |
| A               | 5,560                | 5,574                |



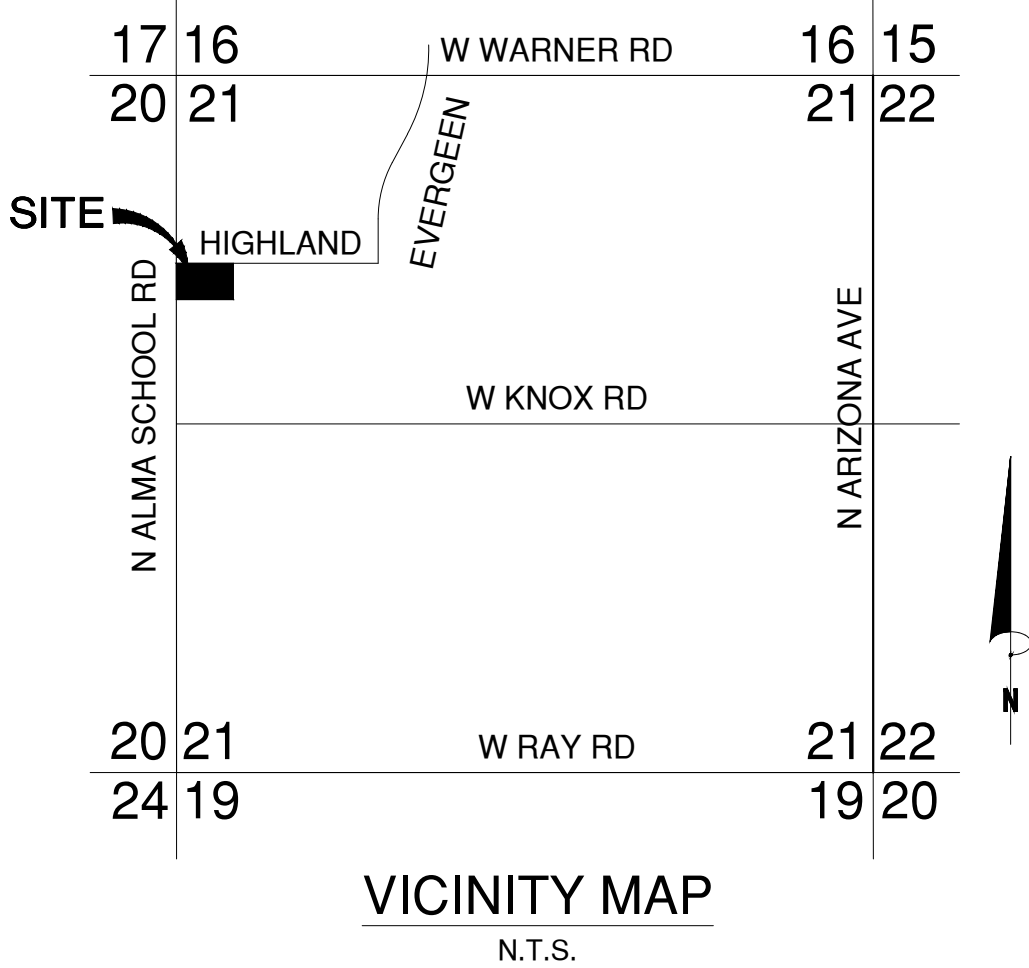
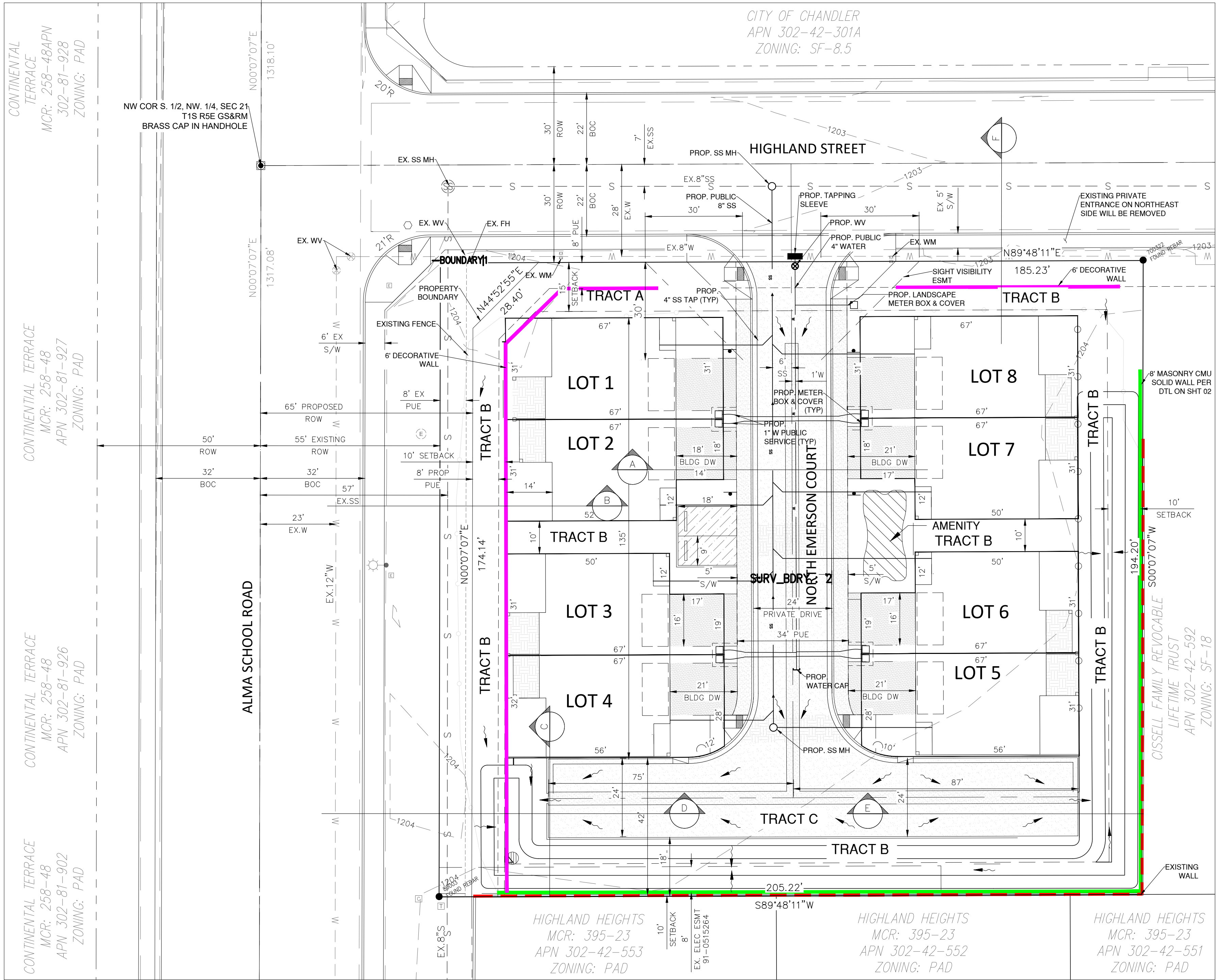
NOTE:

Visibility easements restrictions: Any object, wall, structure, mound or landscaping (mature) over 24" in height is not allowed within the easement except trees trimmed to not less than 6" above ground. Trees shall be spaced not less than 8' apart.

Infrastructure will not be phased and will be built all at once.

BENCHMARK

#23, NGVD29 ELEVATION 1208.829, SECTION 21, T1S, R5E, 3" CITY OF CHANDLER  
BRASS CAP IN CONCRETE, FLUSH, BETWEEN WARNER RD AND RAY RD; 530' WEST  
OF ARIZONA AVE AT INTERSECTION OF KNOX RD AND OREGON ST. EQUATION 1.781,  
NAVD88 ELEVATION 1210.61.



ENGINEER

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EMAIL: jgary@bowman.com  
CONTACT: JOHN GRAY

OWNER/DEVELOPER

AIM Realty of Arizona, LLC  
2610 E. LOVEBIRD LANE  
GILBERT, AZ 85297  
PH: (801) 726-4321  
CONTACT: JOE RAINEY  
EMAIL: joe.rainey@raineyhomes.com

LEGAL DESCRIPTION

PARCEL NO. 1 (APN # 302-42-591):  
THE WEST 208.73 FEET OF THE NORTH 224.20 FEET OF THE SOUTHWEST  
QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH,  
RANGE 5 EAST OF THE GIL AND SALT RIVER BASE AND MERIDIAN, MARICOPA  
COUNTY, ARIZONA;

EXCEPT THE NORTH 30 FEET THEREOF, AND ALSO

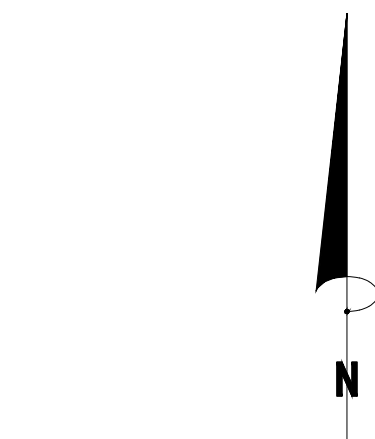
EXCEPT THE WEST 55 FEET THEREOF

PARCEL NO. 2 (APN # 302-42-468):  
THE WEST 61.5 FEET OF THE EAST 218.76 FEET OF THE WEST 427.47 FEET OF  
THE NORTH 224.20 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST  
QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA  
AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 30 FEET THEREOF.

LEGEND

- BRASS CAP FLUSH
- MONUMENT AS NOTED
- ⊗ BRASS CAP IN HANDHOLE
- ⦿ FIRE HYDRANT
- BOUNDARY LINE
- - - CENTERLINE
- - - LOT LINE
- - - EASEMENT LINE
- - - RIGHT OF WAY
- - ○ PROPOSED FENCE
- W - PROPOSED WATER LINE
- S - PROPOSED SEWER LINE
- - - EXISTING WATER LINE
- - - EXISTING SEWER LINE
- AMMENITY



20 10 0 20 40  
GRAPHIC SCALE  
1" = 20'

C.O.C. Log No. PLT23-0024

Bowman

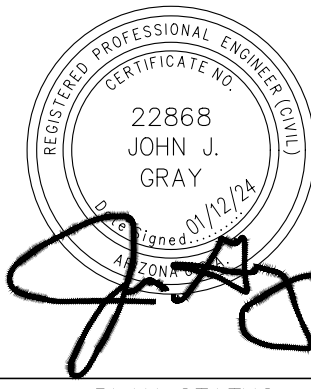
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Tempe, Arizona 85281  
Phone: (480) 629-8830  
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MARICOPA COUNTY

A PRELIMINARY PLAT OF  
HIGHLAND PLACE

CHANDLER, ARIZONA

051170-01-001  
PROJECT NUMBER



PLAN STATUS

| DATE    | DESCRIPTION   |      |
|---------|---------------|------|
| DLR     | DLR           | JUG  |
| DESIGN  | DRAWN         | CHKD |
| SCALE   | H:            | V:   |
| JOB No. | 051170-01-001 |      |
| DATE :  | 01/12/24      |      |

SHEET PP01 OF PP02



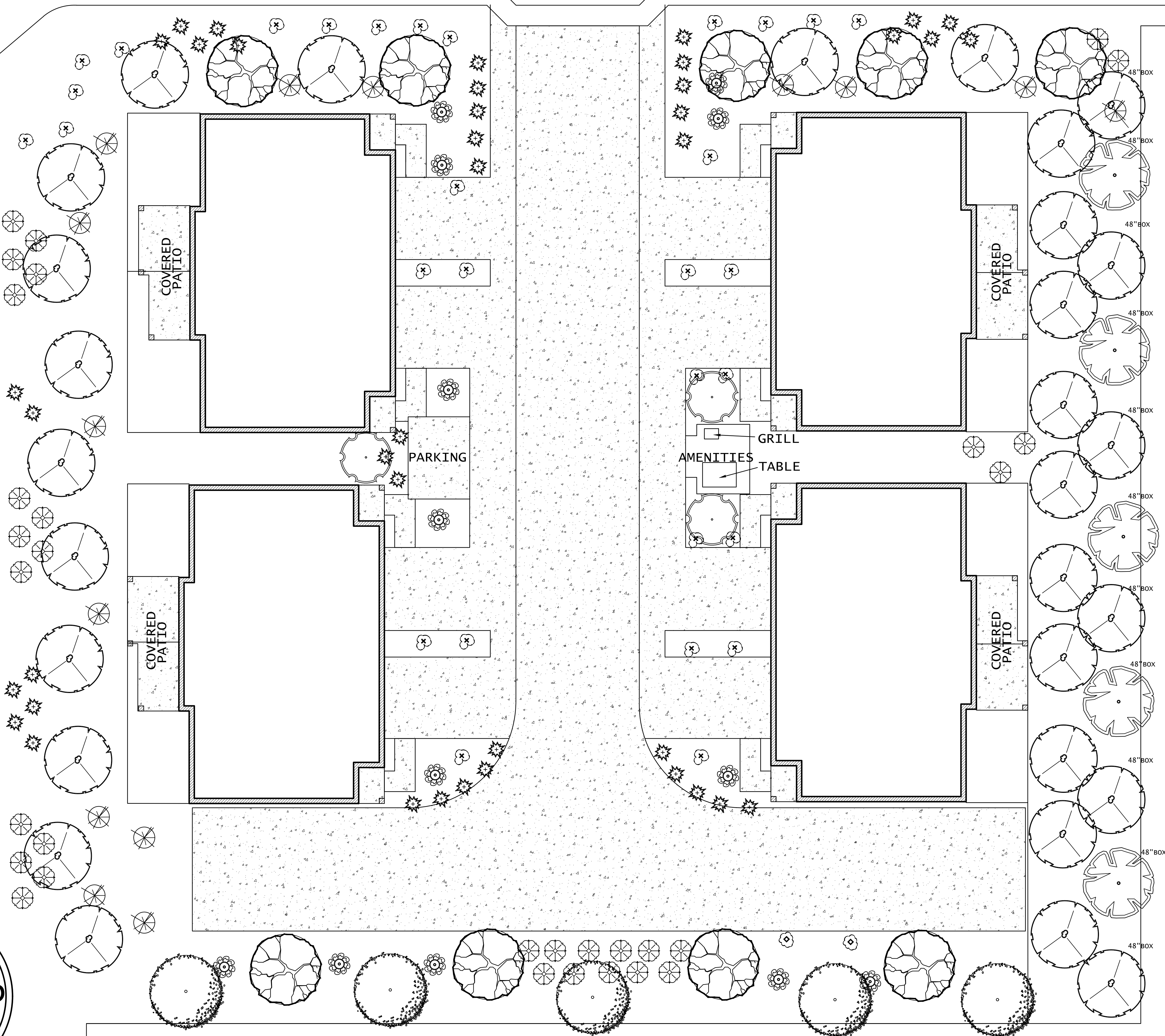




HIGHLAND

ALMA SCHOOL

Rev:  
12/7/22  
6/30/23  
10/10/23  
-  
-



TREES

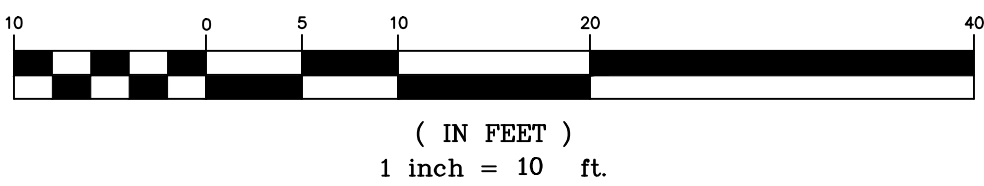
|                   |              |              |
|-------------------|--------------|--------------|
| CHASTE TREE       | 4            | 24" BOX      |
| SOUTHERN LIVE OAK | 4            | 48" BOX      |
| ARIZONA ASH       | 23 @ 36" BOX | 29 @ 48" BOX |
| CHILEAN MESQUITE  | 6            | 36" BOX      |
| TIPUANA           | 9            | 36" BOX      |

SHRUBS

|  |    |        |
|--|----|--------|
| REGAL MIST                               | 11 | 5 GAL. |
| BUSH MORNING GLORY                       | 12 | 5 GAL. |
| PURPLE HOPSEED                           | 38 | 5 GAL. |
| RED BIRD OF PARADISE                     | 14 | 5 GAL. |
| TORCHGLOW BOUGAINVILLEA                  | 15 | 5 GAL. |
| RED YUCCA                                | 40 | 5 GAL. |
| ASSORTED LANTANA: GOLD MOUND, DALLAS RED | 31 | 5 GAL. |



GRAPHIC SCALE

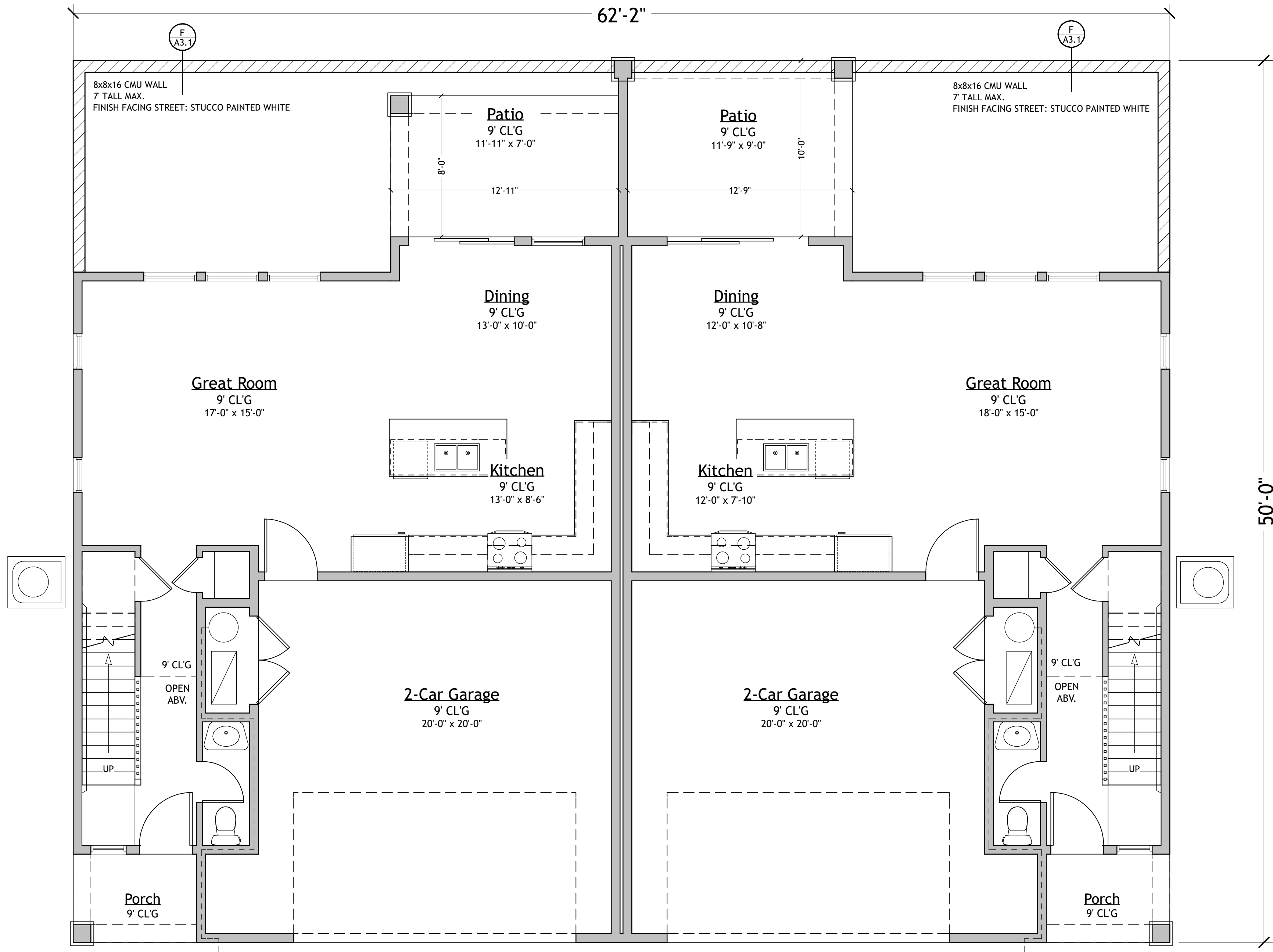


AIM REALITY OF ARIZONA  
'HIGHLAND PLACE'  
ALMA SCHOOL & HIGHLAND ST.  
CITY OF CHANDLER, ARIZONA

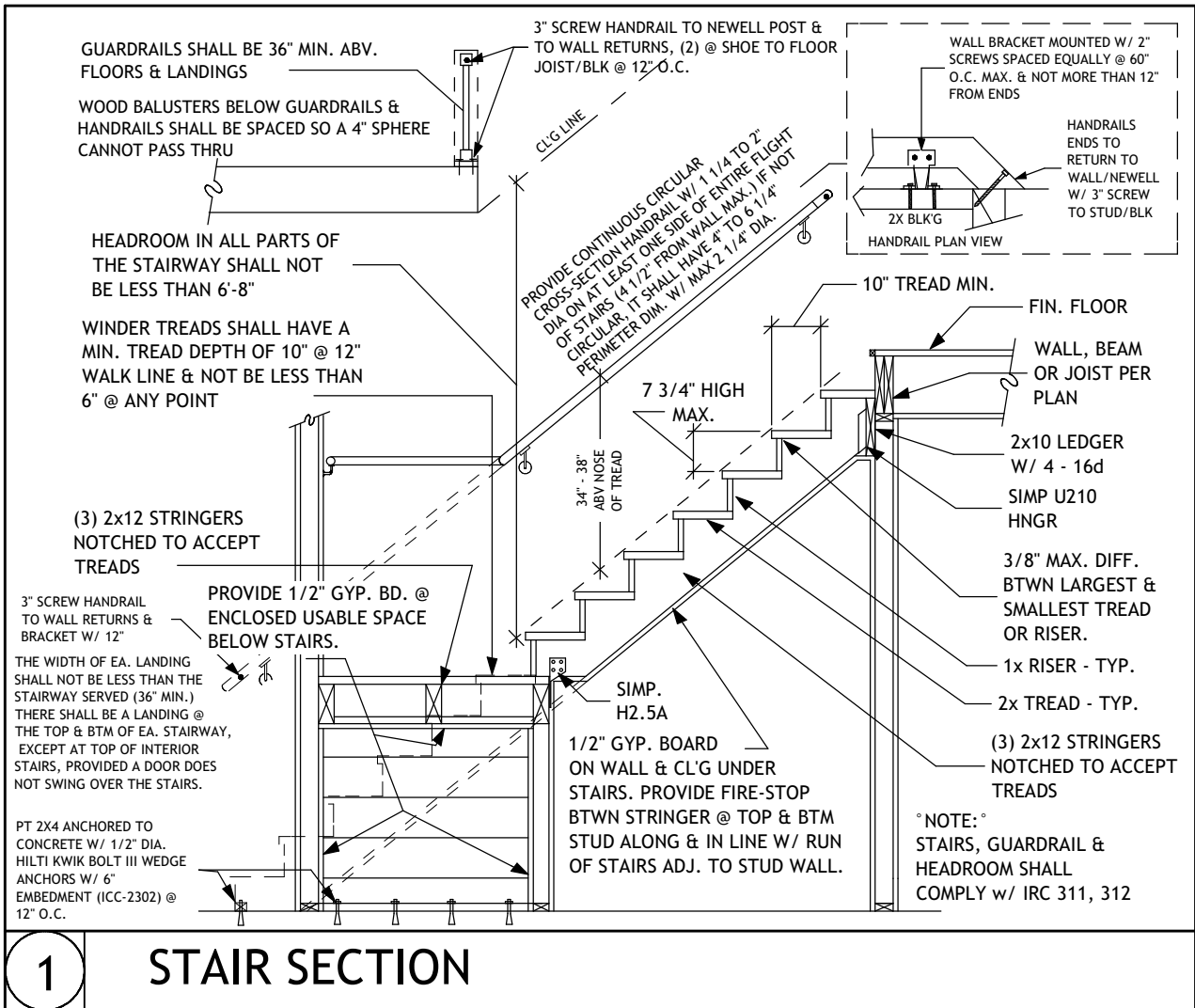


JOB:  
ALMA SCHOOL &  
HIGHLAND  
Date:  
10/7/22  
Designer:  
NOHI MONTGOMERY  
480-246-4916  
Scale:  
1/10" = 1'  
Page:  
1 of 1





ELEVATION A & B  
MAIN FLOOR



- FLOOR PLAN NOTES:**
- XXXXXXXXXXXX = INT. BEARING WALLS  
\* SEE SHEET A3.1 FOR ADDITIONAL NOTES
- FINISHING NOTES:**
- A. PRODUCE JOINTS WHICH ARE TRUE, TIGHT AND WELL FASTENED. CONCEAL SHRINKAGE. MITER EXTERIOR JOINTS. COPE INTERIOR JOINTS. MITER OR SCARF END-TO-END JOINTS. INSTALL TRIM USING PIECES AS LONG AS POSSIBLE. INSTALL ITEMS STRAIGHT, TRUE, LEVEL, PLUMB AND FIRMLY ANCHORED IN PLACE. NAIL TRIM WITH FINISH NAILS OF PROPER DIMENSION TO HOLD THE MEMBER FIRMLY IN PLACE WITHOUT SPLITTING THE WOOD. NAIL EXTERIOR TRIM WITH GALVANIZED NAILS, MAKING JOINTS TO EXCLUDE WATER AND SETTING IN WATERPROOF GLUE OR SEALANT. ON EXPOSED WORK, SET NAILS FOR PUTTY.
- B. BEFORE CAULKING, INSURE THAT ALL JOINTS AND SPACES ARE CLEAN, DRY, FREE OF DUST, LOOSE PARTICLES AND OTHER FOREIGN MATERIALS; THAT METALS ARE FREE OF ALL RUST, MILL SCALE, COATINGS, OIL AND GREASE; THAT ALUMINUM SURFACES THAT HAVE PROTECTIVE COATINGS ARE CLEANED WHEREVER SEALANT IS TO BE PLACED, AND FIXTURE SURFACES ARE CLEAN & LABELS REMOVED IN AREA OF SEALANT APPLICATION.
- C. CAULK OR OTHERWISE SEAL ALL EXTERIOR JOINTS AROUND WINDOWS AND DOOR FRAMES; BETWEEN WALL SOLE PLATES AND FLOORS, & BETWEEN EXTERIOR WALL PANELS; PENETRATIONS IN WALLS, CEILINGS, AND FLOORS FOR PLUMBING, ELECTRICAL OR GAS LINES; OPENINGS IN ATTIC FLOORS; ALL OTHER OPENINGS IN THE BUILDING ENVELOPE.

- FLOOR PLAN KEYNOTES**  
(NOT ALL KEY NOTES MAY BE USED)
- 1 - ELECTRIC APPLIANCE  
2 - GAS APPLIANCE  
3 - WATER HEATER W/ DRAIN PAN ABV. +18" PLATFORM T&P LINE AND DRAIN FROM PAN TO EXTERIOR  
4 - GARBAGE DISPOSAL  
5 - ICE LINE FROM R.O.  
6 - VENT THRU THE ROOF SEE M1.1 FOR DETAILS  
7 - ATTIC ACCESS - 22X30 MIN. OPENING. SEE ARCH NOTE "G" ON GN1 & DETAIL 1 ON M1.1  
8 - SOFT WATER W/ LOOP  
9 - GAS SHUT-OFF VALVE WITHIN 4 FEET OF FIREPLACE  
10 - COMBUSTION AIR W/ VENTING PER MECHANICAL PLAN  
11 - STAND ALONE TUB  
12 - SOAKING TUB  
13 - JETTED TUB W/ ACCESS PANEL  
14 - POT FILLER  
15 - DRAIN AT ICE MAKER, NO PUMP  
16 - MAKE-UP VANITY  
17 - FRAME BOX COLUMN W/ +30" FRAME BASE W/ BRICK VENEER (SEE ELEVATIONS)  
18 - POST W/ HOLLOW COLUMN WRAP  
19 - SKYLIGHT (ICC PER SHEET GN1)  
20 - ARCH TOP OPENING - SEE ELEVATIONS @ EXTERIOR  
21 - FLAT TOP OPENING  
12" BELOW CLGS < 11' (U.N.O.)  
18" BELOW CLGS > 11' (U.N.O.)  
SEE ELEVATIONS @ EXTERIOR (VERIFY W/ OWNER)  
22 - +36" RAILING - SPACED SO THAT A 4" SPHERE CANNOT PASS THRU  
23 - HI-LO SHELF W/ CLOTHING RODS  
24 - HIGH SHELF W/ CLOTHING ROD  
25 - FULL CABINET  
26 - +16" SEAT  
27 - NICHE - SILL @ 3', HDR @ 8'-6"  
28 - DESK  
29 - 6 SHELVES  
30 - 5 SHELVES  
31 - SOUND INSULATED WALL  
32 - TEMPERED GLASS  
33 - SILL @ 5' MIN., TEMPERED NOT REQUIRED  
34 - 2X6 WALL - PLUMBING WHERE OCCURS  
35 - 1" STEP MAX  
36 - 4" STEP  
37 - STEP VARIES  
38 - STOOP - 6" WIDER THAN EACH SIDE OF OPENING 36" DEEP (MIN.)  
39 - +36" FLUSH COUNTER TOP @ ISLAND  
40 - +42" BAR TOP  
41 - SHOWER TILE TO 6' MIN. SEE NOTE 1, B & C ON GN1  
42 - ROD @ SHOWER  
43 - MEDICINE CABINET  
44 - SLIDING BARN DOOR  
45 - +18" FRAMED PLATFORM  
46 - +4" RAISED DRYING AREA BUILT W/ 4X4X8 CMU  
47 - 1 3/4" SOLID CORE (20 MIN. RATED) TIGHT-FITTING, SELF-CLOSING & SELF-LATCHING DOOR W/ GASKET & SWEEP  
48 - GARAGES SHALL BE SEPARATED FROM THE RESIDENCE & ITS ATTIC AREA BY MEANS OF MIN. 1/2-INCH GYPSUM BOARD APPLIED TO THE GARAGE SIDE (WALLS & CEILING).  
49 - GARAGES BENEATH HABITABLE ROOMS SHALL BE SEPARATED FROM ALL HABITABLE ROOMS ABOVE BY NOT LESS THAN 5/8-INCH TYPE "X" GYPSUM BOARD OR EQUAL.

SQUARE FOOTAGE CALCULATIONS

| LEFT UNIT   | RIGHT UNIT  |
|---|---|
| MAIN LIVABLE: 715 SQ. FT.<br>UPPER LIVABLE: 1,011 SQ. FT.<br>TOTAL LIVABLE: 1,726 SQ. FT.                   | MAIN LIVABLE: 715 SQ. FT.<br>UPPER LIVABLE: 1,004 SQ. FT.<br>TOTAL LIVABLE: 1,719 SQ. FT.   |
| GARAGE: 457 SQ. FT.<br>PATIO: 103 SQ. FT.<br>PORCH: 35 SQ. FT.<br>NON-LIVABLE: 595 SQ. FT.                  | GARAGE: 457 SQ. FT.<br>PATIO: 133 SQ. FT.<br>PORCH: 35 SQ. FT.<br>NON-LIVABLE: 625 SQ. FT.  |
| DIFFERENT THAN RIGHT UNIT   |   |
| DUPEX TOTALS<br>MAIN LIVABLE: 1,430 SQ. FT.<br>UPPER LIVABLE: 2,015 SQ. FT.<br>TOTAL LIVABLE: 3,445 SQ. FT. | MAIN LIVABLE: 884 SQ. FT.<br>PATIO: 236 SQ. FT.<br>PORCH: 100 SQ. FT.<br>NON-LIVABLE: 1,220 SQ. FT.<br>TOTAL: 4,665 SQ. FT.<br>FOOTPRINT: 2,650 SQ. FT. |

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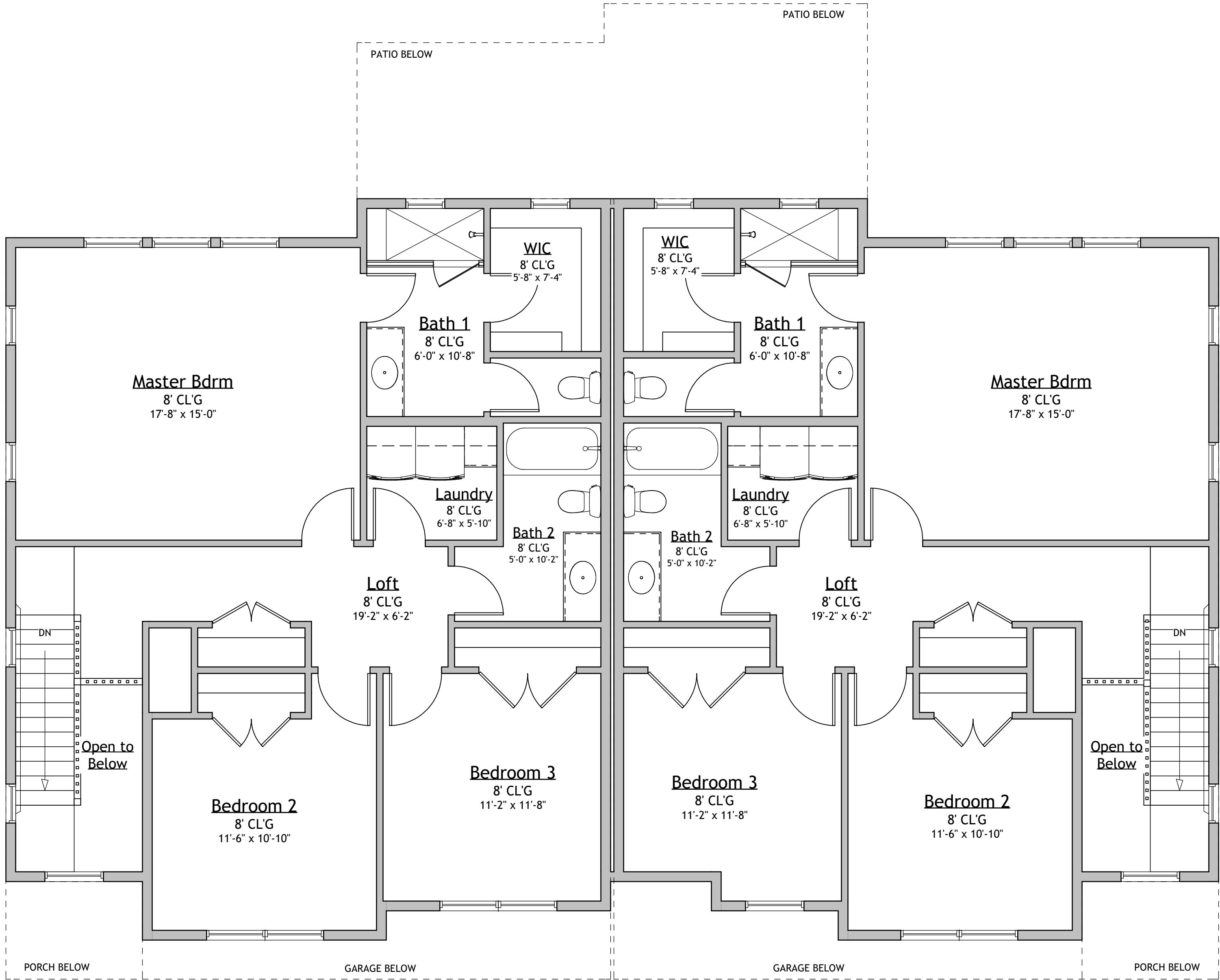
HIGHLAND PLACE  
ALMA SCHOOL RD. & HIGHLAND ST.

ELEVATION A & B  
MAIN FLOOR  
FLOOR PLAN

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A1.1-AB  
OF 27





ELEVATION A  
UPPER FLOOR

- FLOOR PLAN NOTES:**
- XXXXXXXXXXXX = INT. BEARING WALLS  
\* SEE SHEET A3.1 FOR ADDITIONAL NOTES
- FINISHING NOTES:**
- A. PRODUCE JOINTS WHICH ARE TRUE, TIGHT AND WELL FASTENED. CONCEAL SHRINKAGE. MITER EXTERIOR JOINTS. COPE INTERIOR JOINTS. MITER OR SCARF END-TO-END JOINTS. INSTALL TRIM USING PIECES AS LONG AS POSSIBLE. INSTALL ITEMS STRAIGHT, TRUE, LEVEL, PLUMB AND FIRMLY ANCHORED IN PLACE. NAIL TRIM WITH FINISH NAILS OF PROPER DIMENSION TO HOLD THE MEMBER FIRMLY IN PLACE WITHOUT SPLITTING THE WOOD. NAIL EXTERIOR TRIM WITH GALVANIZED NAILS, MAKING JOINTS TO EXCLUDE WATER AND SETTING IN WATERPROOF GLUE OR SEALANT. ON EXPOSED WORK, SET NAILS FOR PUTTY.
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- C. CAULK OR OTHERWISE SEAL ALL EXTERIOR JOINTS AROUND WINDOWS AND DOOR FRAMES; BETWEEN WALL SOLE PLATES AND FLOORS, & BETWEEN EXTERIOR WALL PANELS; PENETRATIONS IN WALLS, CEILINGS, AND FLOORS FOR PLUMBING, ELECTRICAL OR GAS LINES; OPENINGS IN ATTIC FLOORS; ALL OTHER OPENINGS IN THE BUILDING ENVELOPE.

- FLOOR PLAN KEYNOTES**  
(NOT ALL KEY NOTES MAY BE USED)
- 1 - ELECTRIC APPLIANCE  
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5 - ICE LINE FROM R.O.  
6 - VENT THRU THE ROOF SEE M1.1 FOR DETAILS  
7 - ATTIC ACCESS - 22X30 MIN. OPENING. SEE ARCH NOTE "G" ON GN1 & DETAIL 1 ON M1.1  
8 - SOFT WATER W/ LOOP  
9 - GAS SHUT-OFF VALVE WITHIN 4 FEET OF FIREPLACE  
10 - COMBUSTION AIR W/ VENTING PER MECHANICAL PLAN  
11 - STAND ALONE TUB  
12 - SOAKING TUB  
13 - JETTED TUB W/ ACCESS PANEL  
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15 - DRAIN AT ICE MAKER, NO PUMP  
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23 - HI-LO SHELF W/ CLOTHING RODS  
24 - HIGH SHELF W/ CLOTHING ROD  
25 - FULL CABINET  
26 - +16" SEAT  
27 - NICHE - SILL @ 3', HDR @ 8'-6"  
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29 - 6-SHELVES  
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32 - TEMPERED GLASS  
33 - SILL @ 5' MIN., TEMPERED NOT REQUIRED  
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36 - 4" STEP  
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SQUARE FOOTAGE CALCULATIONS

| LEFT UNIT                             |               | RIGHT UNIT     |               |
|---------------------------------------|---------------|----------------|---------------|
| MAIN LIVABLE:                         | 715 SQ. FT.   | MAIN LIVABLE:  | 715 SQ. FT.   |
| *UPPER LIVABLE:                       | 1,011 SQ. FT. | UPPER LIVABLE: | 1,004 SQ. FT. |
| TOTAL LIVABLE:                        | 1,726 SQ. FT. | TOTAL LIVABLE: | 1,719 SQ. FT. |
| GARAGE:                               |               | GARAGE:        |               |
| *PATIO:                               | 103 SQ. FT.   | PATIO:         | 133 SQ. FT.   |
| PORCH:                                | 35 SQ. FT.    | PORCH:         | 35 SQ. FT.    |
| NON LIVABLE:                          | 595 SQ. FT.   | NON LIVABLE:   | 625 SQ. FT.   |
|                                       |               |                |               |
| ***** DIFFERENT THAN RIGHT UNIT ***** |               |                |               |
| <b>DUPEX TOTALS</b>                   |               |                |               |
| MAIN LIVABLE:                         | 1,430 SQ. FT. |                |               |
| UPPER LIVABLE:                        | 2,015 SQ. FT. |                |               |
| TOTAL LIVABLE:                        | 3,445 SQ. FT. |                |               |
| GARAGE:                               |               | 884 SQ. FT.    |               |
| PATIO:                                | 236 SQ. FT.   |                |               |
| PORCH:                                | 100 SQ. FT.   |                |               |
| NON-LIVABLE:                          | 1,220 SQ. FT. |                |               |
| TOTAL:                                |               | 4,665 SQ. FT.  |               |
| FOOTPRINT:                            |               | 2,650 SQ. FT.  |               |

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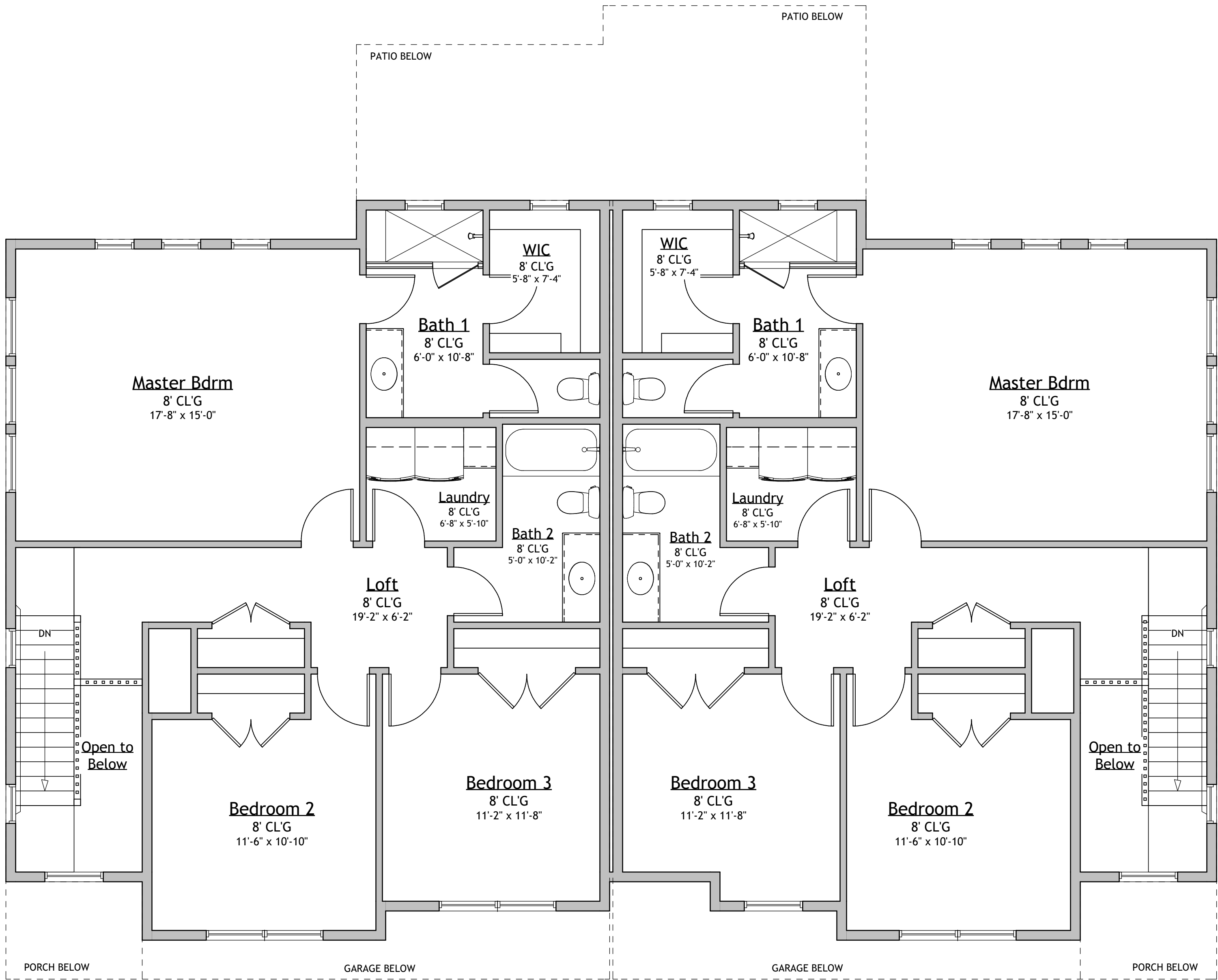
HIGHLAND PLACE  
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ELEVATION A  
UPPER FLOOR  
FLOOR PLAN

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OF 27





ELEVATION B  
UPPER FLOOR

FLOOR PLAN NOTES:

XXXXXXXXXXXX = INT. BEARING WALLS  
\* SEE SHEET A3.1 FOR ADDITIONAL NOTES

FINISHING NOTES:

- A. PRODUCE JOINTS WHICH ARE TRUE, TIGHT AND WELL FASTENED. CONCEAL SHRINKAGE. MITER EXTERIOR JOINTS. COPE INTERIOR JOINTS. MITER OR SCARF END-TO-END JOINTS. INSTALL TRIM USING PIECES AS LONG AS POSSIBLE. INSTALL ITEMS STRAIGHT, TRUE, LEVEL, PLUMB AND FIRMLY ANCHORED IN PLACE. NAIL TRIM WITH FINISH NAILS OF PROPER DIMENSION TO HOLD THE MEMBER FIRMLY IN PLACE WITHOUT SPLITTING THE WOOD. NAIL EXTERIOR TRIM WITH GALVANIZED NAILS, MAKING JOINTS TO EXCLUDE WATER AND SETTING IN WATERPROOF GLUE OR SEALANT. ON EXPOSED WORK, SET NAILS FOR PUTTY.
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FLOOR PLAN KEYNOTES  
(NOT ALL KEY NOTES MAY BE USED)

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8 - SOFT WATER W/ LOOP  
9 - GAS SHUT-OFF VALVE WITHIN 4 FEET OF FIREPLACE  
10 - COMBUSTION AIR W/ VENTING PER MECHANICAL PLAN  
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12 - SOAKING TUB  
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SEE ELEVATIONS @ EXTERIOR (VERIFY W/ OWNER)  
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23 - HI-LO SHELF W/ CLOTHING RODS  
24 - HIGH SHELF W/ CLOTHING ROD  
25 - FULL CABINET  
26 - +16" SEAT  
27 - NICHE - SILL @ 3", HDR @ 8'-6"  
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32 - TEMPERED GLASS  
33 - SILL @ 5" MIN., TEMPERED NOT REQUIRED  
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36 - 4" STEP  
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48 - GARAGES SHALL BE SEPARATED FROM THE RESIDENCE & ITS ATTIC AREA BY MEANS OF MIN. 1/2-INCH GYPSUM BOARD APPLIED TO THE GARAGE SIDE (WALLS & CEILING).  
49 - GARAGES BENEATH HABITABLE ROOMS SHALL BE SEPARATED FROM ALL HABITABLE ROOMS ABOVE BY NOT LESS THAN 5/8-INCH TYPE "X" GYPSUM BOARD OR EQUAL.

SQUARE FOOTAGE CALCULATIONS

| LEFT UNIT      |               | RIGHT UNIT     |               |
|----------------|---------------|----------------|---------------|
| MAIN LIVABLE:  | 715 SQ. FT.   | MAIN LIVABLE:  | 715 SQ. FT.   |
| UPPER LIVABLE: | 1,011 SQ. FT. | UPPER LIVABLE: | 1,004 SQ. FT. |
| TOTAL LIVABLE: | 1,726 SQ. FT. | TOTAL LIVABLE: | 1,719 SQ. FT. |
| GARAGE:        | 457 SQ. FT.   | GARAGE:        | 457 SQ. FT.   |
| PATIO:         | 103 SQ. FT.   | PATIO:         | 133 SQ. FT.   |
| PORCH:         | 35 SQ. FT.    | PORCH:         | 35 SQ. FT.    |
| NON-LIVABLE:   | 595 SQ. FT.   | NON-LIVABLE:   | 625 SQ. FT.   |

\*DIFFERENT THAN RIGHT UNIT

| DUPLICATE TOTALS |               |
|------------------|---------------|
| MAIN LIVABLE:    | 1,430 SQ. FT. |
| UPPER LIVABLE:   | 2,015 SQ. FT. |
| TOTAL LIVABLE:   | 3,445 SQ. FT. |

|              |               |
|--------------|---------------|
| GARAGE:      | 884 SQ. FT.   |
| PATIO:       | 236 SQ. FT.   |
| PORCH:       | 100 SQ. FT.   |
| NON-LIVABLE: | 1,220 SQ. FT. |

|            |               |
|------------|---------------|
| TOTAL:     | 4,665 SQ. FT. |
| FOOTPRINT: | 2,650 SQ. FT. |

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HIGHLAND PLACE  
ALMA SCHOOL RD. & HIGHLAND ST.

ELEVATION B  
UPPER FLOOR  
FLOOR PLAN

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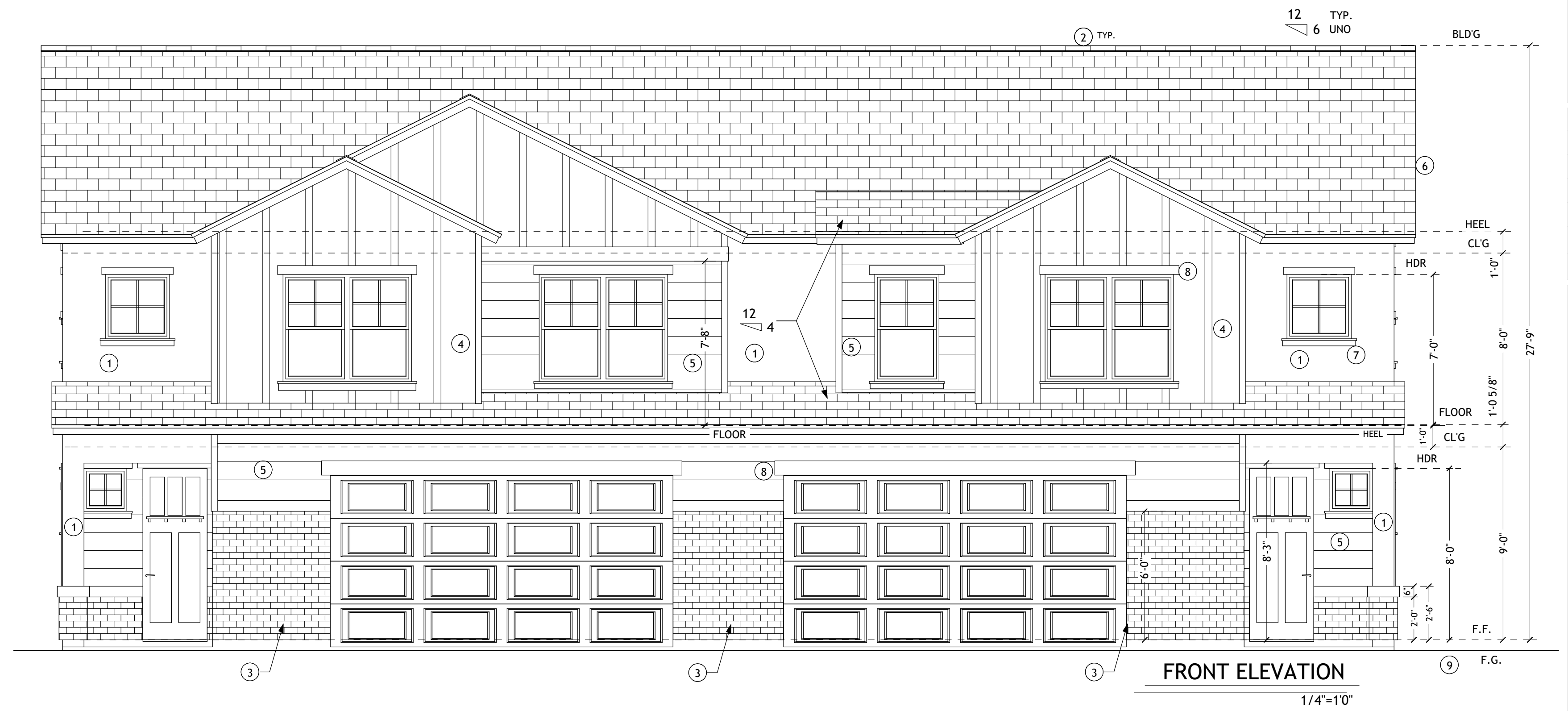
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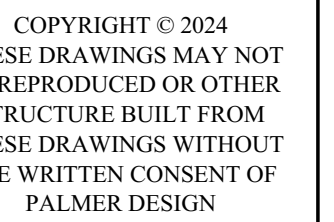
SHEET:

A1.3-B  
OF 27






- ## ELEVATION KEYNOTES:
- (NOT ALL KEY NOTES MAY BE USED)
- |   |   |
|---|---|
| ① - SMOOTH FINISH STUCCO<br>COLOR PER CONTRACTOR<br>(ICC REPORT PER SHEET G01)          | ④ - 12" OVERHANG W/ 8" FASCIA   |
| ② - CEMENTED TILE, COLOR & TYPE<br>PER CONTRACTOR (ICC PER SHEET G01)                   | ⑦ - STUCCO POUP-OUT @ WINDOW/<br>DOOR SURROUND/SILL/CAP.<br>PROFILE PER DESIGN, COLOR<br>PER CONTRACTOR               |
| ③ - CULTURED BRICK COLOR & TYPE<br>PER CONTRACTOR (ICC PER SHEET G01)                   | ⑧ - HARDIE BOARD DOOR & WINDOW<br>SURROUNDS/SILL/CAP/TRIM<br>PROFILE BY DESIGN, COLOR<br>PER CONTRACTOR (ICC PER G01) |
| ④ - HARDIE BOARD & BATTEN SIDING,<br>COLOR PER CONTRACTOR<br>(ICC REPORT PER SHEET G01) | ⑨ - GRADE FROM BUILDING SHALL<br>FALL A MIN. 6" WITHIN 10 FEET - TYP  |
| ⑤ - HARDIE BOARD LAP SIDING,<br>COLOR PER CONTRACTOR<br>(ICC REPORT PER SHEET G01)      |   |

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HIGHLAND PLACE  
ALMA SCHOOL RD. & HIGHLAND ST.

## ELEVATIONS 3&W EXTERIOR ELEVATIONS

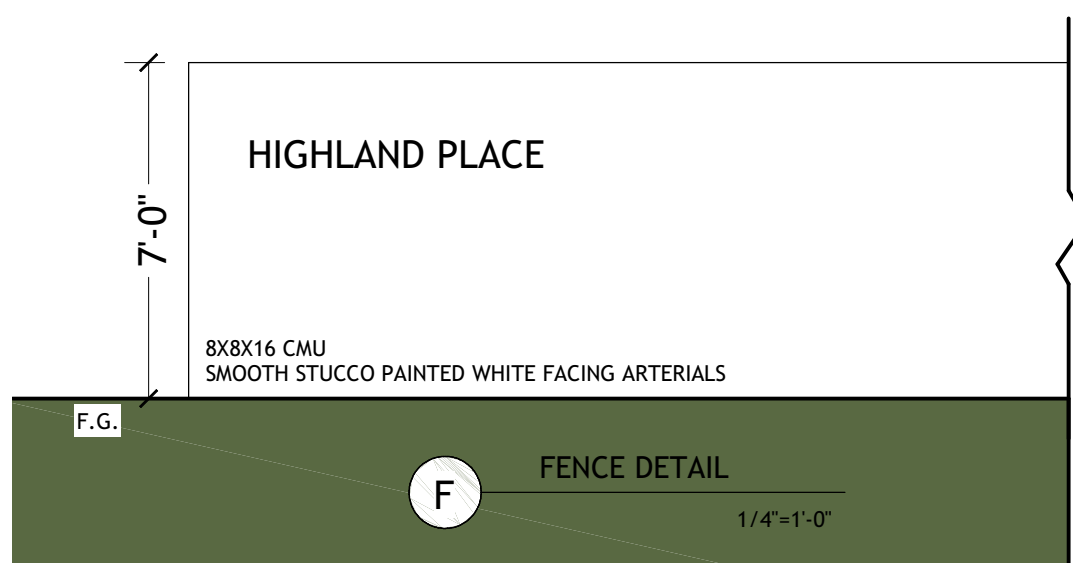
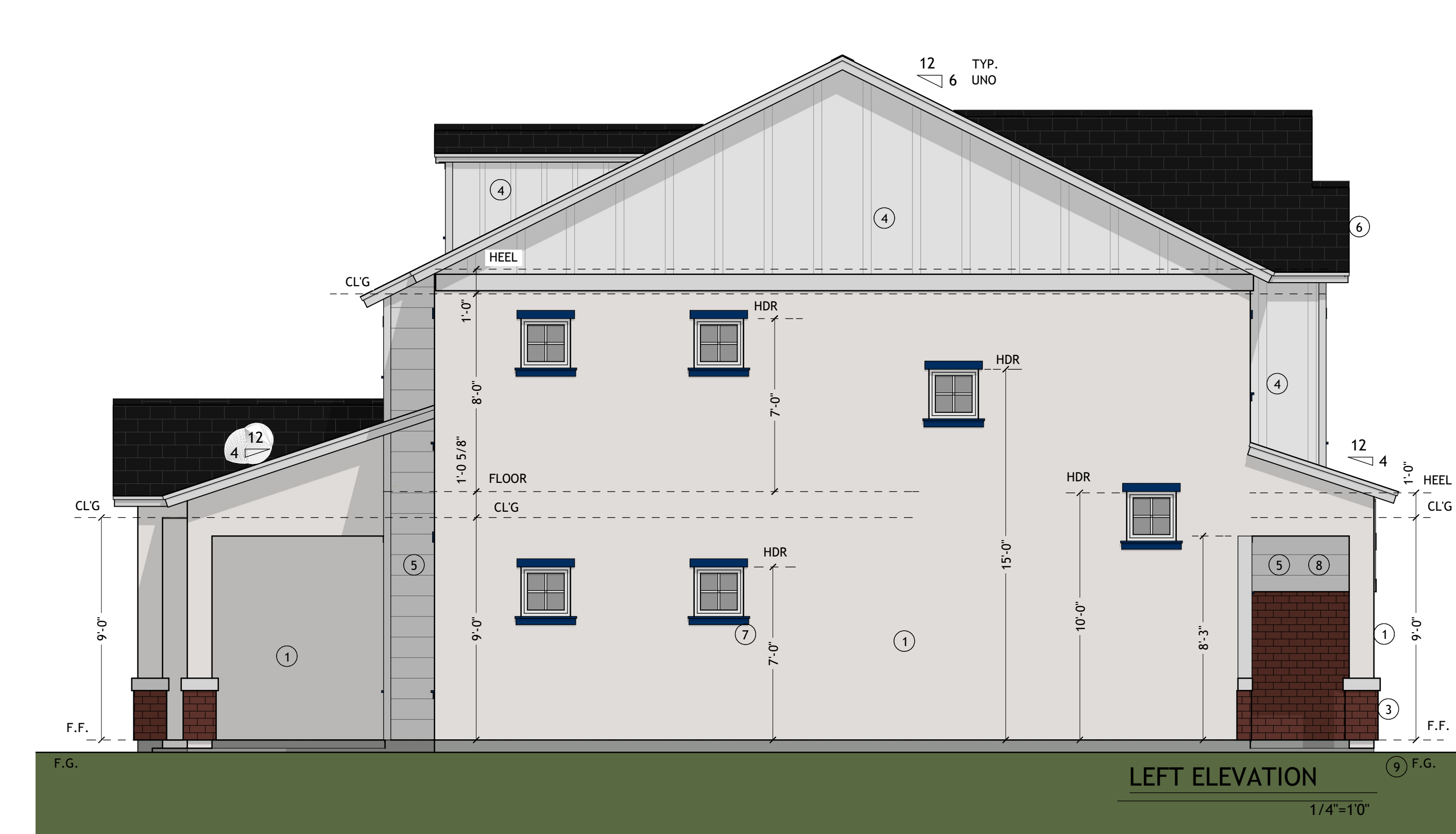
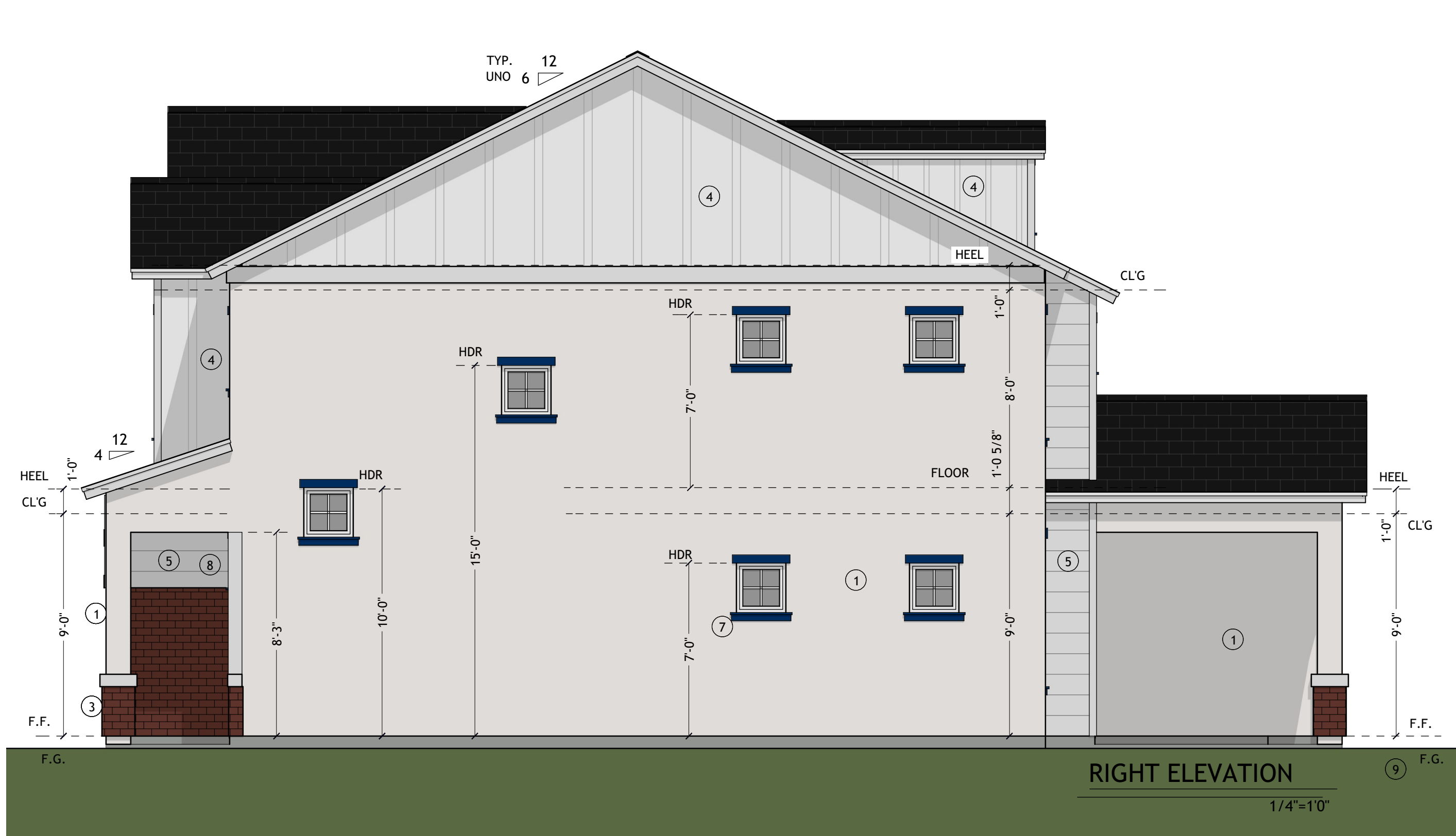


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| SCALE:   | 1/4" = 1' 0" |
| DRAWN:   | BEN PALMER   |
| CHECKED: |              |
| PROJECT: |              |

**A3.1-A**  
OF 27





## ELEVATION A

| ELEVATION KEYNOTES:<br>(NOT ALL KEY NOTES MAY BE USED)                                  |   |
|---|---|
| 1 - SMOOTH FINISH STUCCO<br>COLOR PER CONTRACTOR<br>(ICC REPORT PER SHEET GN1)          | 6 - 12" OVERHANG W/ 8" FASCIA   |
| 2 - CONCRETE TILE - COLOR & TYPE<br>PER CONTRACTOR (ICC PER GN1)                        | 7 - STUCCO POP-OUT @ WINDOW/<br>DOOR SURROUND/SILL/CAP.<br>PROFILE PER DESIGN, COLOR<br>PER CONTRACTOR                |
| 3 - CULTURED BRICK COLOR & TYPE<br>PER CONTRACTOR (ICC PER GN1)                         | 8 - HARDIE BOARD DOOR & WINDOW<br>SURROUNDS/SILL/CAP/TRIM<br>PROFILE BY DESIGN, COLOR<br>PER CONTRACTOR (ICC PER GN1) |
| 4 - HARDIE BOARD & BATTEN SIDING.<br>COLOR PER CONTRACTOR<br>(ICC REPORT PER SHEET GN1) | 9 - GRADE FROM BUILDING SHALL<br>FALL A MIN. 6" WITHIN 10 FEET - TYP.   |
| 5 - HARDIE BOARD LAP SIDING.<br>COLOR PER CONTRACTOR<br>(ICC REPORT PER SHEET GN1)      |   |

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HIGHLAND PLACE

ALMA SCHOOL RD. & HIGHLAND ST.

ELEVATION A

COLOR EXTERIOR

ELEVATIONS

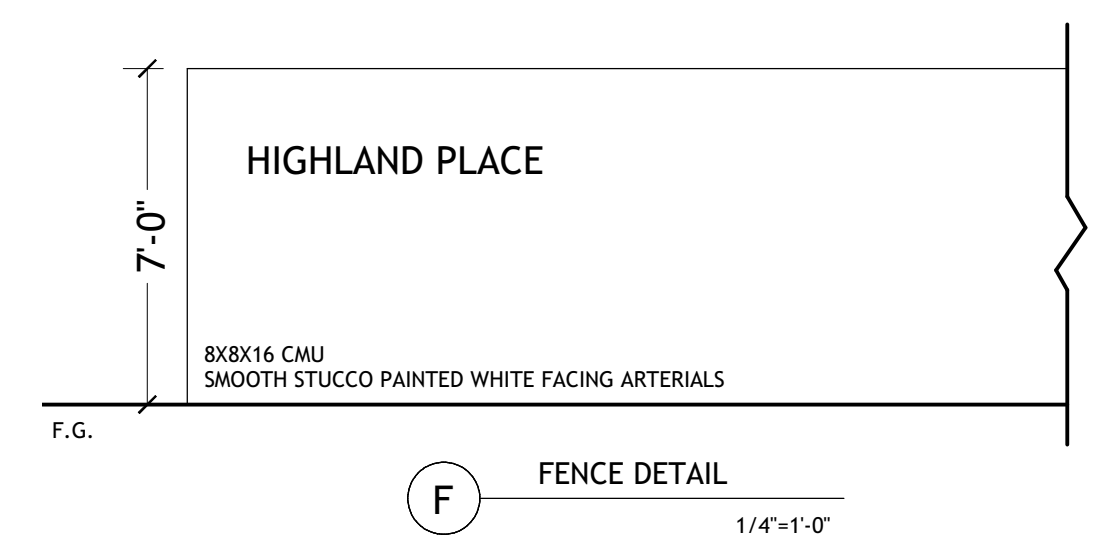
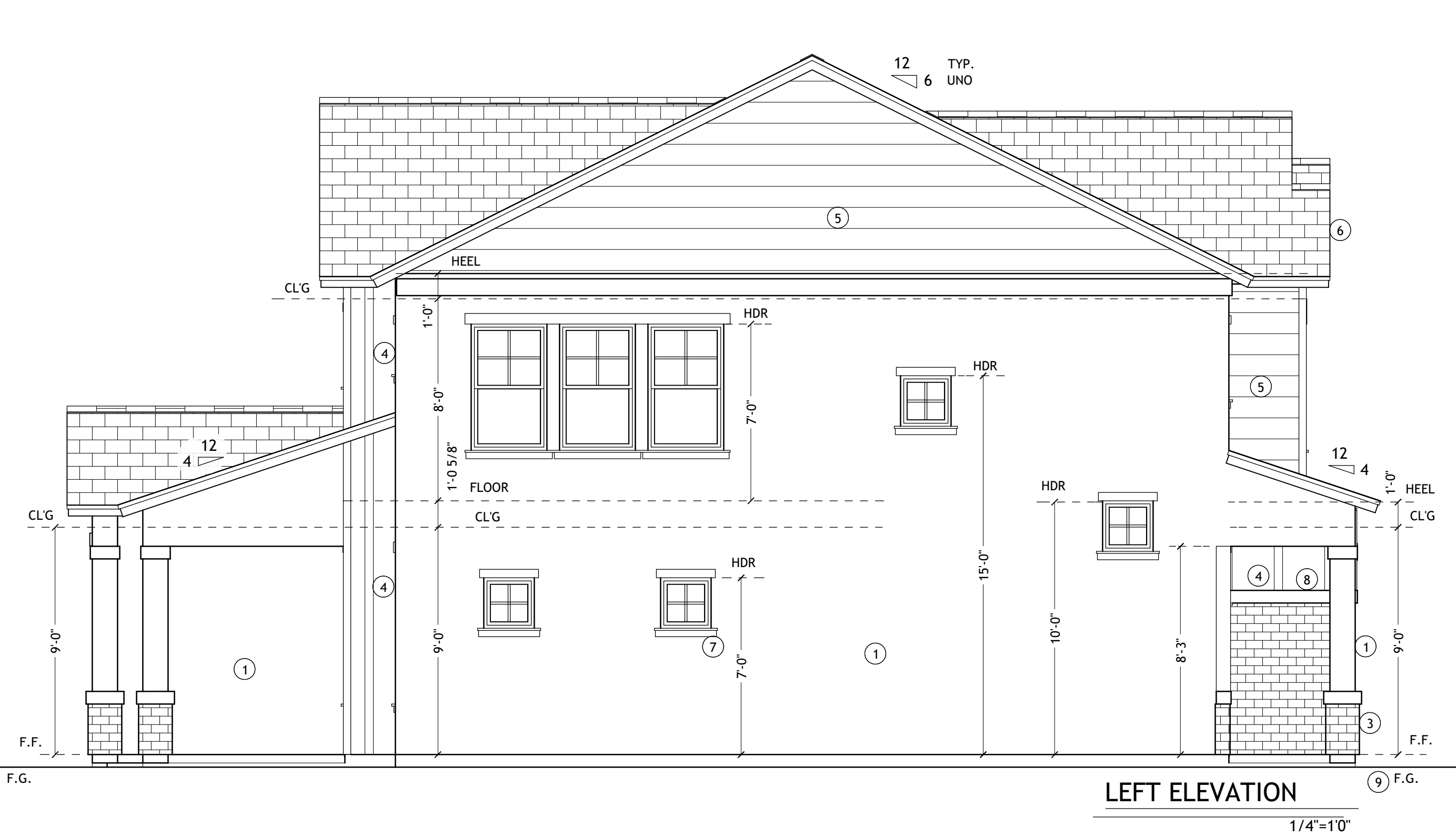
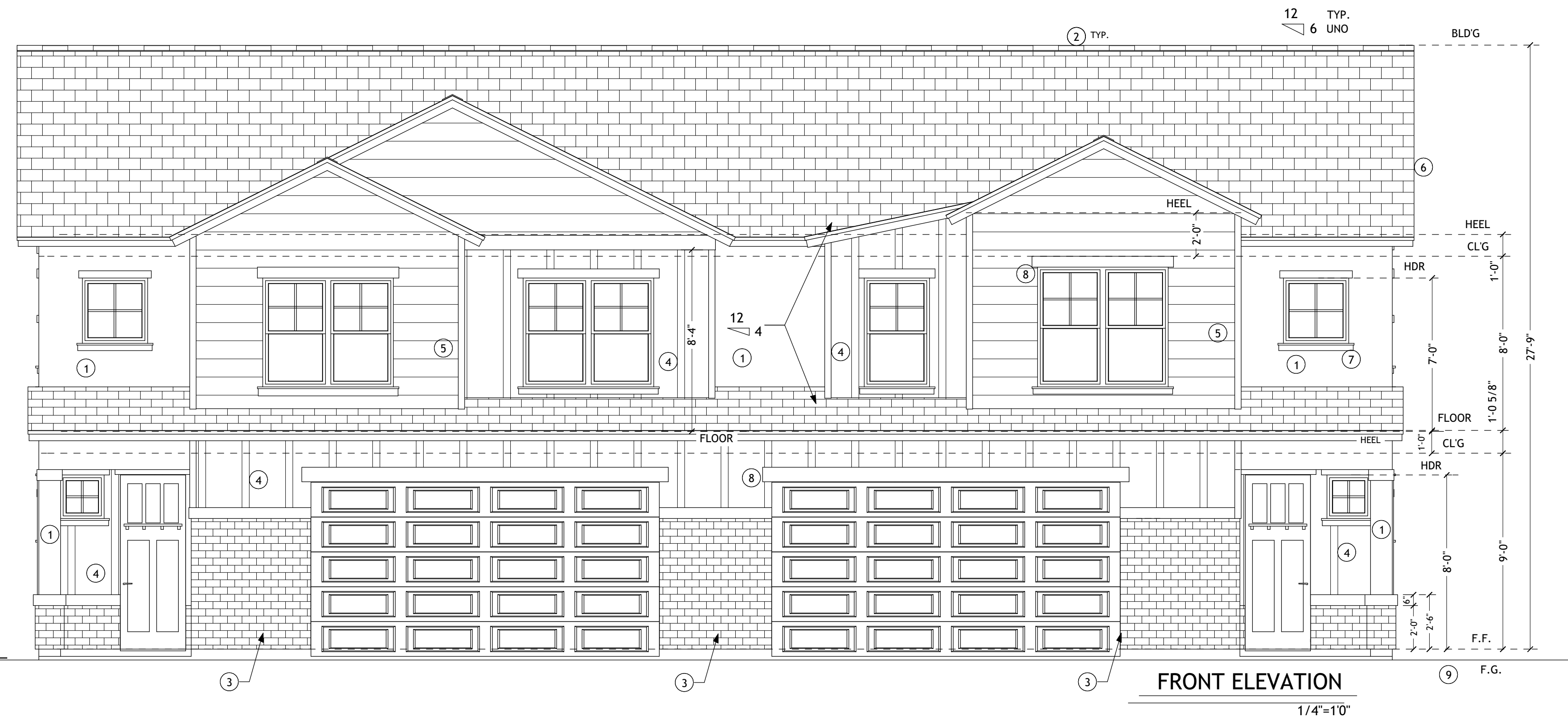
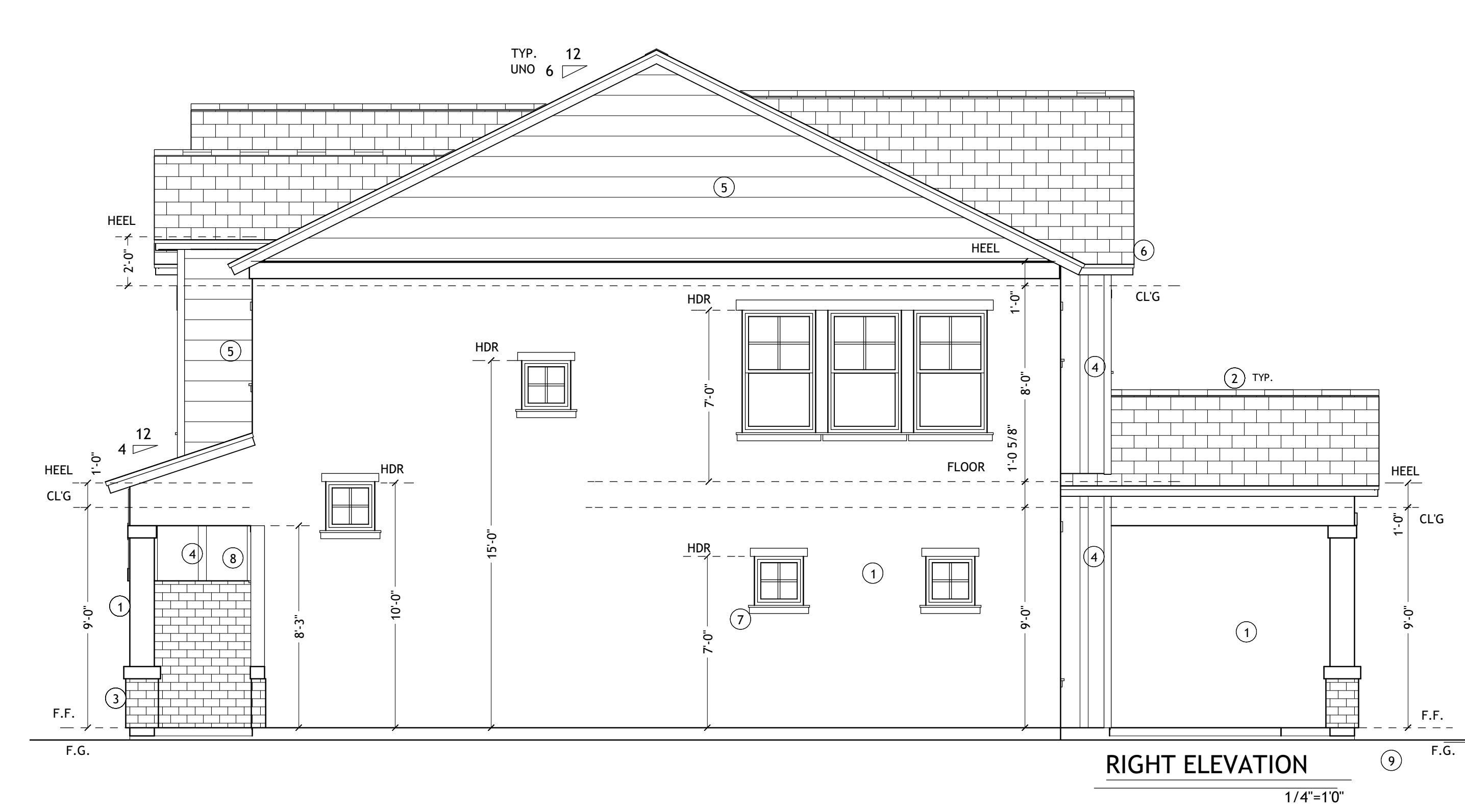
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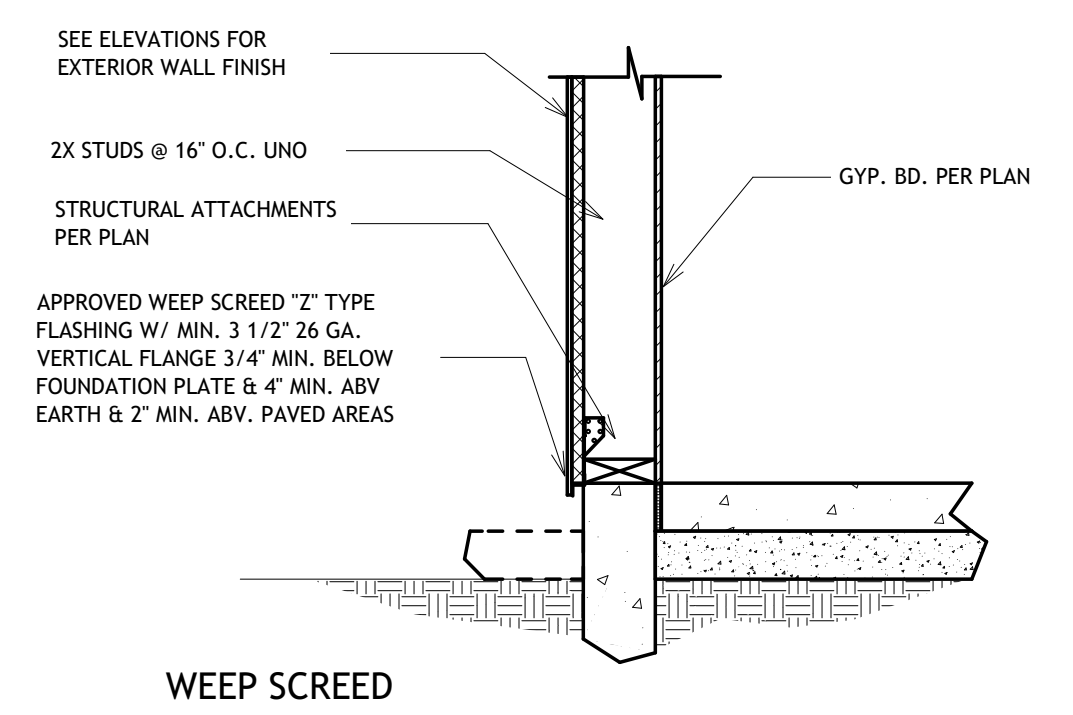
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## ELEVATION B

- ELEVATION KEYNOTES:**  
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  - 3. CULTURED BRICK COLOR & TYPE  
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  - 4. HARDIE BOARD & BATTEN SIDING.  
COLOR PER CONTRACTOR  
(ICC REPORT PER SHEET GN1)
  - 5. HARDIE BOARD LAP SIDING.  
COLOR PER CONTRACTOR  
(ICC REPORT PER SHEET GN1)
  - 6. 12" OVERHANG W/ 8" FASCIA  
STUCCO POP-OUT @ WINDOW/  
DOOR SURROUND/SILL/CAP.  
PROFILE PER DESIGN, COLOR  
PER CONTRACTOR
  - 7. HARDIE BOARD DOOR & WINDOW  
SURROUNDS/SILL/CAP/TRIM  
PROFILE BY DESIGN, COLOR  
PER CONTRACTOR (ICC PER GN1)
  - 8. GRADE FROM BUILDING SHALL  
FALL A MIN. 6" WITHIN 10 FEET - TYP.



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HIGHLAND PLACE

ALMA SCHOOL RD. & HIGHLAND ST.

ELEVATION B  
B&W EXTERIOR  
ELEVATIONS

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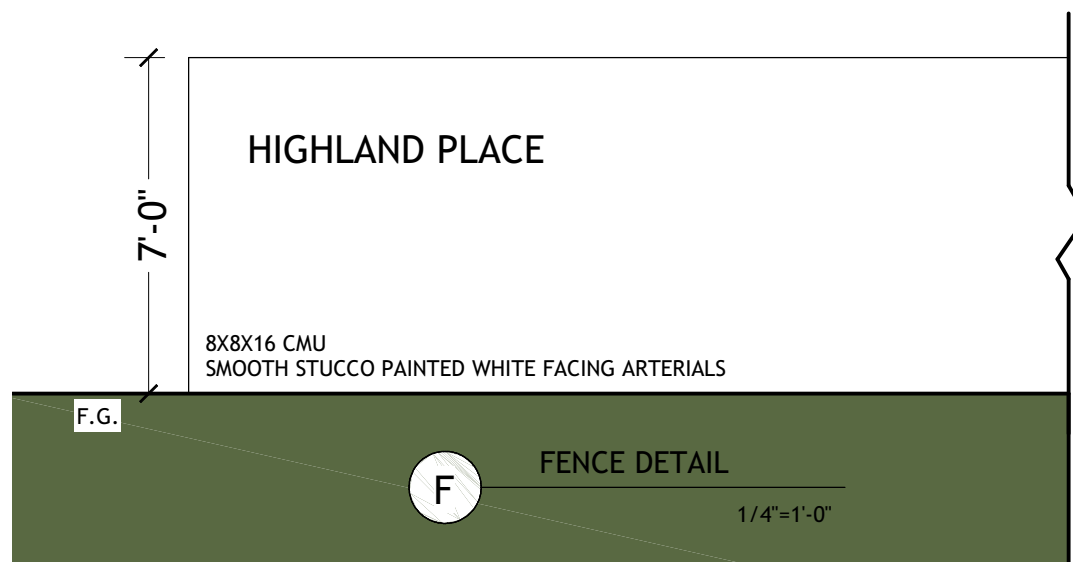
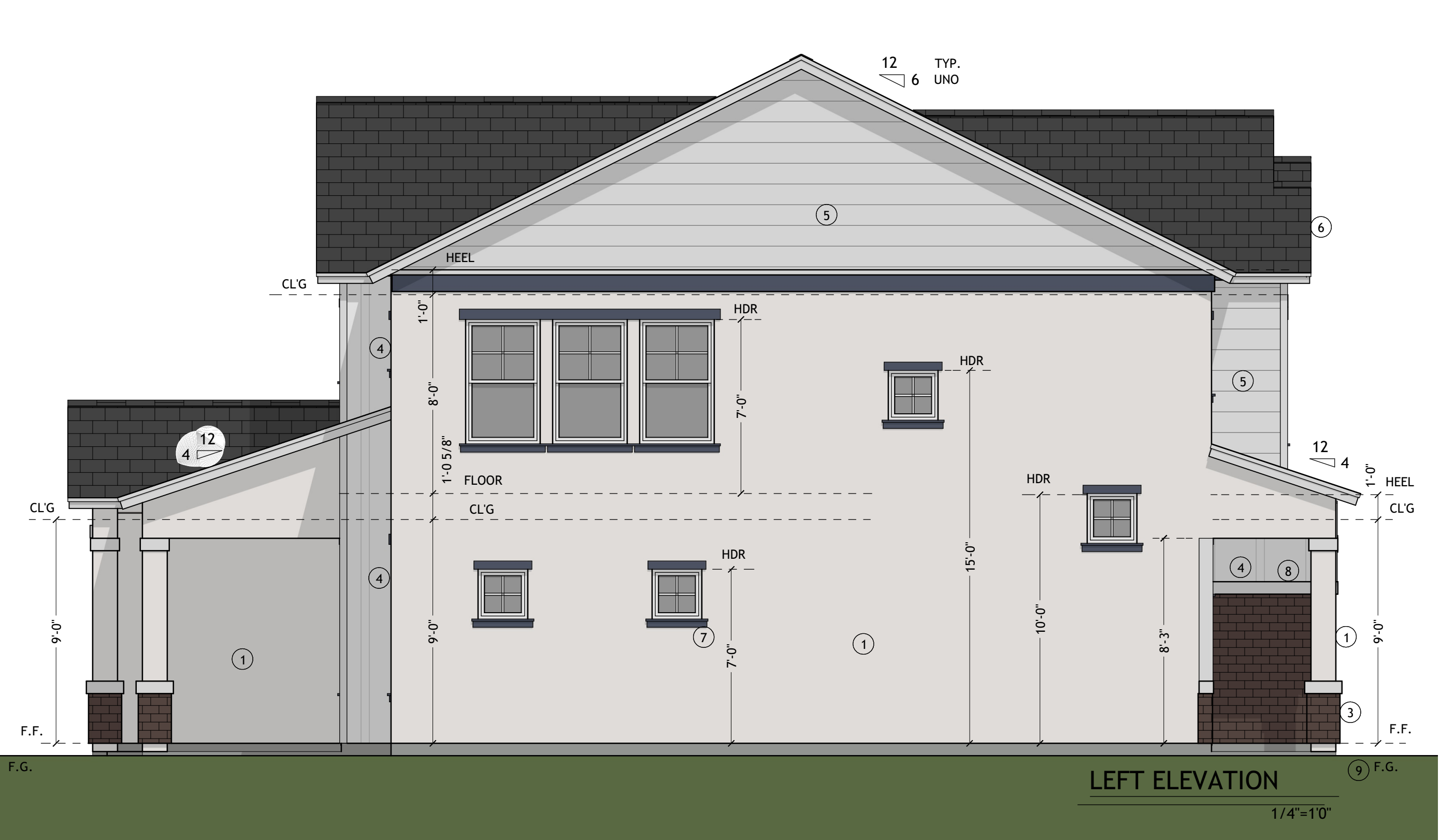
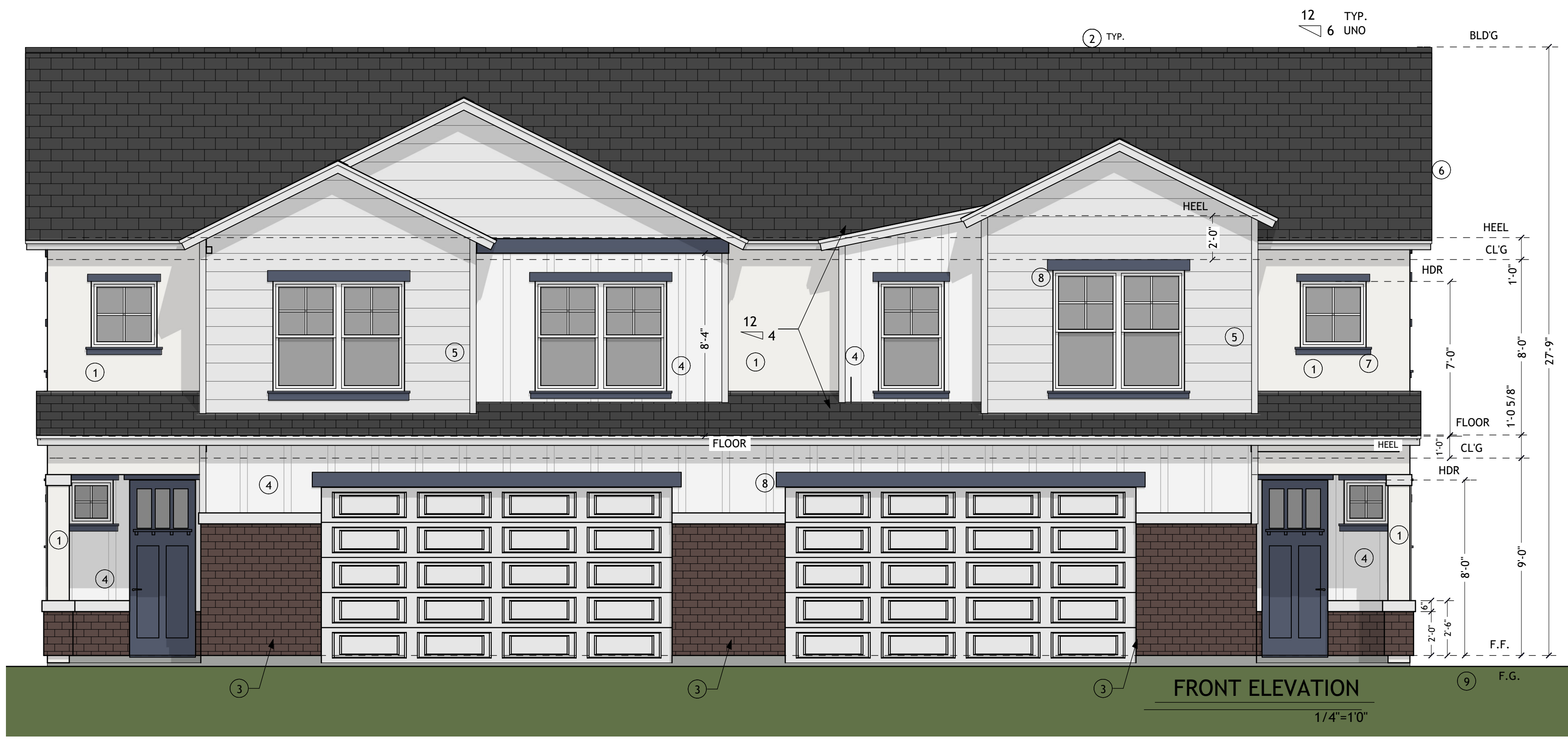
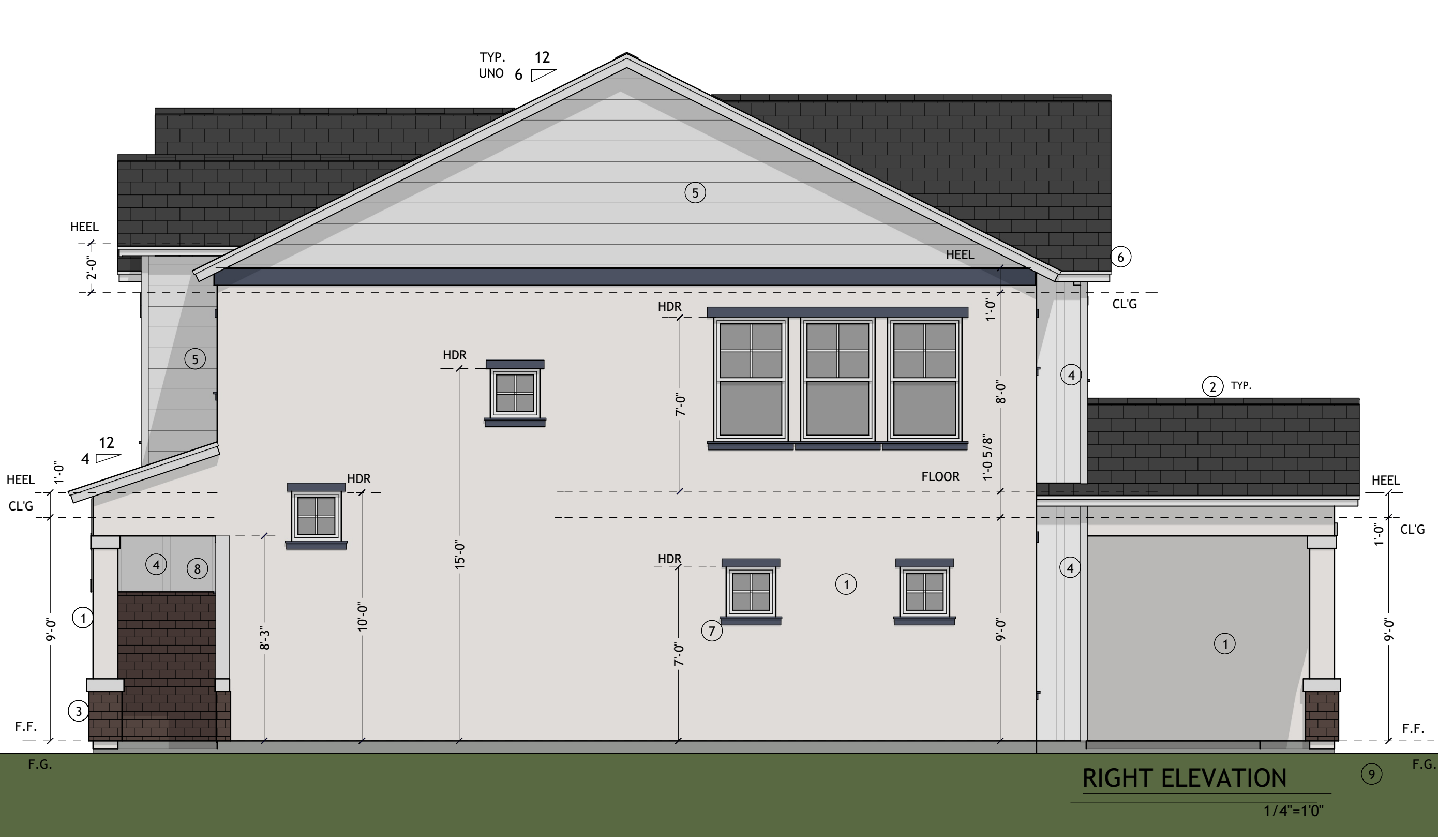
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HIGHLAND PLACE  
ALMA SCHOOL RD. & HIGHLAND ST.

ELEVATION B  
COLOR EXTERIOR  
ELEVATIONS

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ELEVATION B

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**HIGHLAND PLACE**

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ALMA SCHOOL RD. & HIGHLAND ST.

**ELEVATION A**  
**ROOF PLAN**



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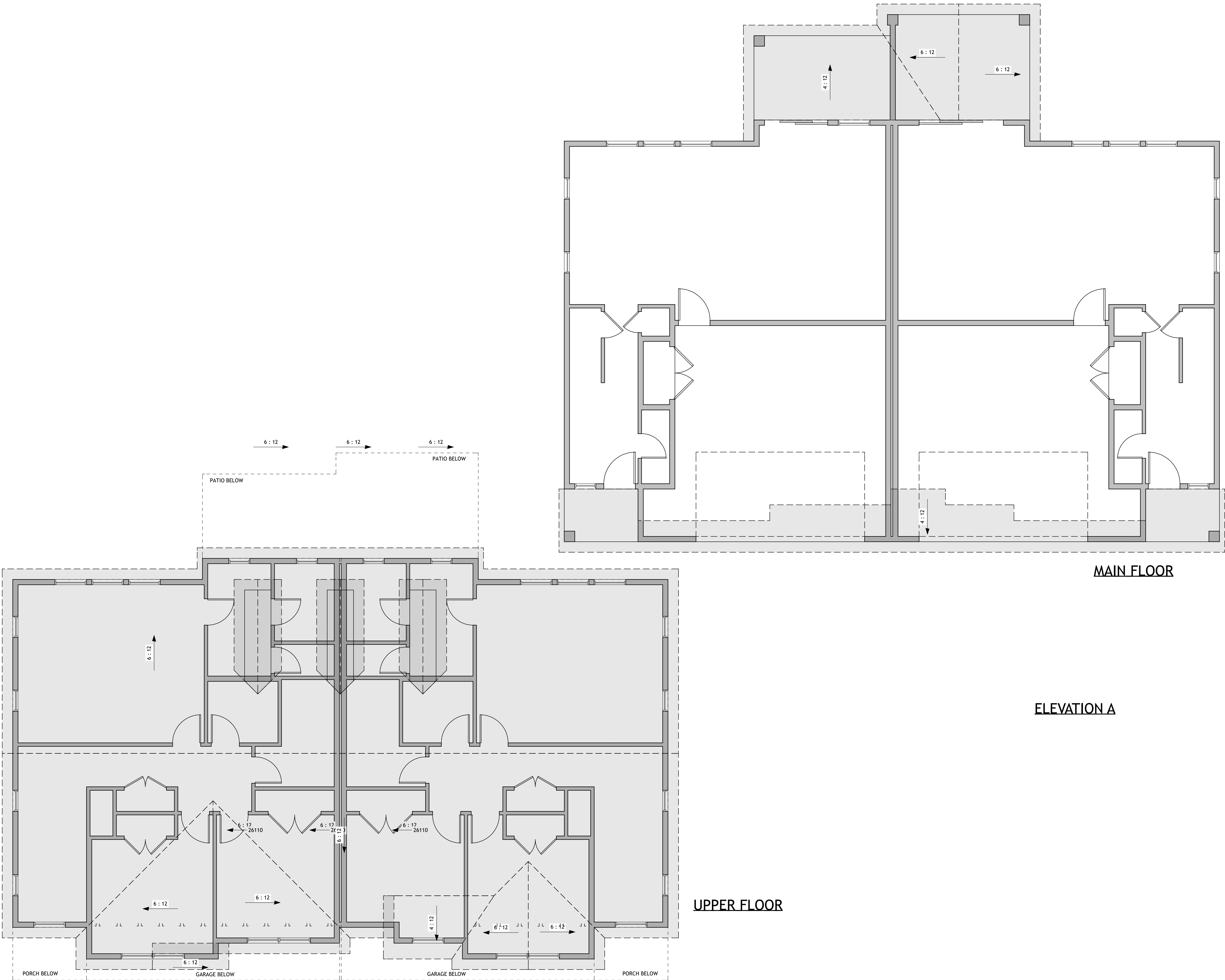
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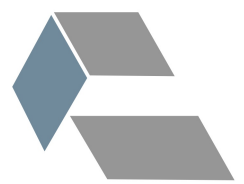
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HIGHLAND PLACE

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ELEVATION B

ROOF PLAN

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**City Council Memorandum      Development Services      Memo No. 24-007FA**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Andy Bass, Deputy City Manager and Acting Development Services Director  
**From:** Lauren Schumann, Planning Senior Program Manager  
**Subject:** PLH23-0026 City Code Amendments related to Zoning, Property  
Maintenance, & Refuse  
Final Adoption of Ordinance No. 5075

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**Proposed Motion:**

Move City Council adopt Ordinance No. 5075 approving PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Refuse, text amendments to:

- A. Section 35-200 Definitions of the Zoning Code relating to mid-rise development, bar, and other updates, as recommended by Planning and Zoning Commission.
- B. Section 35-305 Use Permit, relating to renewal enforcement, as recommended by Planning and Zoning Commission.
- C. Articles IV. AG-1-Agricultural District, V. SF-33-Single Family District, VI. SF-18-Single Family District, VI.1. SF-10 Single Family District, VIII. MF-1-Medium Density Residential District, IX. MF-2-Multiple Family Residential District, and X. MF-3-High Density Residential District of Chapter 35 Land Use and Zoning, cleaning up language and permitting single family homes on parcels zoned multifamily residential that are less than 12,000 square feet, as recommended by Planning and Zoning Commission.
- D. Sections 35-1203, 35-1503, 35-1703, and 35-1902.4, granting authority to the Planning Administrator to reduce front yard setbacks within the Infill Incentive District, as recommended by Planning and Zoning Commission



E. Sections 35-1802 General Requirements and 35-1804 Parking Schedule, relating to parking requirements, as recommended by Planning and Zoning Commission.

F. Section 35-1902.8(c) Site Development Plan, allowing the Planning Administrator to administratively approve more than two free-standing pads, as recommended by Planning and Zoning Commission.

G. Section 35-1902 Site Development Plan, relating to drive-through requirements, use of shipping containers, and screening of roof-mounted equipment, as recommended by Planning and Zoning Commission.

H. Section 35-2100 Table of Permitted Uses for Nonresidential Districts, modifying the layout, adding new previously unlisted uses, clarifying ancillary use provisions, and other related changes, as recommended by Planning and Zoning Commission.

I. Section 35-2202 Accessory Buildings and Guest Quarters, permitting accessory dwelling units within single-family lots, as recommended by Planning and Zoning Commission.

J. Section 35-2204 General, relating to perimeter wall requirements, as recommended by Planning and Zoning Commission.

K. Sections 35-2202.1, 35-2205, and 35-2208, relating to open-air ramadas, swimming pool setbacks, and satellite dish antenna requirements, as recommended by Planning and Zoning Commission.

L. Section 35-2215 Home Occupation, as recommended by Planning and Zoning Commission.

M. Chapter 39 Sign Code, relating to murals and temporary sign requirements, as recommended by Planning and Zoning Commission.

N. Chapter 30 Property Maintenance, relating to vehicles, trespassing light, landscaping maintenance, and abatement cost.

O. Chapter 44 Garbage and Refuse, relating to conversion from alley refuse pickup to curbside.

**Background:**



- April 2023: City Council Work Session occurred to discuss potential code amendments referred as "Project Cornucopia" Code Amendments; City Council requested additional research
- August 2023: Proposed code amendments divided into two categories to align with City Council's adopted Strategic Framework; the Neighborhoods and Economic Vitality Council subcommittees met to discuss potential zoning code amendments
- September 2023: Planning Commission Work Session occurred for feedback and guidance regarding potential zoning code amendments
- Fall 2023: Revisions made to address concerns from both City Council and Planning and Zoning Commission
- October 2023: Draft of proposed changes emailed to interested stakeholders and posted on City's website for public feedback
- November 15, 2023: Planning and Zoning Commission meeting for Zoning Code related items; recommended approval to the City Council with three amendments
- January 17, 2024: Three revisions to the proposed text amendment subsequent to discussions with the Arizona Multi-Housing Association (AMA); AMA has since provided a letter in support of the proposed code amendments
- January 22, 2024: City Council Work Session to review all proposed code updates; Council removed the recommended affordable multi-family parking requirements and restrictions to the number of vehicles stored in a backyard. Further, Council requested a modification to the home-based business changes, stating, "Business activities may take place in a garage so long as no permanent modifications are made to the garage thus maintaining the ability to park vehicles." All other recommended code updates remain unchanged since the Work Session in the proposed ordinance.

| Proposed Code Amendment  | Intent  | Amendment Summary  |
|--|---|--|
| Allow administrative review to modify building setbacks within properties located within Infill Incentive District when quality of | Encourage developers to invest in older areas of the City, which today may require PAD and/or PDP amendments. The 8-month (average) process cannot be reduced without infringing on critical components such as | Criteria are identified within five subsections to encourage a high quality of design by providing but not limited to a variety of material, increased landscaping, activation of street frontage, providing usable spaces within the areas encroaching into front yard setbacks, innovative design ideas, maintenance of parking and on-site circulation, and |



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| <p>design is warranted</p>  | <p>staff review, neighborhood outreach or statutory notification periods for public hearings.</p> <p>In order to facilitate infill and redevelopment in older areas of Chandler, staff is proposing the ability to administratively review and approve waivers to building setbacks if the proposed design exceeds the intent of commercial design standards and the precedence for high quality design in lieu of the public hearing process for commercial and industrial properties.</p> <p>The amendment would encourage developers to provide higher quality designs in lieu of going through the 8-month public hearing process.</p> | <p>maintaining required setbacks and buffers from adjacent residential. If all criteria are met, the Zoning Administrator may reduce a front yard setback by 25 feet along arterial streets and 15 feet along a collector street. The reduction identified is half of the required setback. Only properties located within the Infill Incentive District are eligible if meeting all the criteria established.</p> <p>Sections 35-1203, 35-1503, 35-1703, and 35-1902.4</p> |
| <p>Allow administrative ability to allow more than one free-standing pad per arterial street in lieu of amending the Preliminary Development Plan</p> | <p>Staff has seen a heightened request for more free-standing pads within larger developments due to consumer trends and the market. In order to accommodate desired development within the city, this change will administratively allow more than one</p>  | <p>In order to accommodate, encourage, and promote infill development or redevelopment, the Zoning Administrator may approve more than two free-standing pads per development after having made a finding that such deviation, on balance, will result in environmental quality superior to that otherwise attainable without such deviation.</p> <p>Criteria established requiring high</p>  |



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|  | <p>free-standing pad per arterial street if proposed design exceeds the intent of commercial design standards and the precedence for high quality design in lieu of the public hearing process. The intent of the following standard is to encourage creative and innovative design techniques, quality and merit administratively.</p>  | <p>quality of design, design of site, and ensuring all traffic circulations remains on-site.</p> <p>Planning and Zoning Commission added, "No more than one high turnover user per street frontage" to prohibit multiple high turnover drive-throughs by right.</p> <p>Section 35-1902.8(c)</p>                        |
| <p>Modify requirements for drive-through queuing lanes</p> | <p>Double drive-thru lanes have become very common in recent years. The zoning code requires 150 feet of queuing from start of queuing lane to the pick-up window and also providing a minimum of six (6) vehicles from order box to the start of the queuing lane for high turnover users. Businesses often propose to divide the required queuing length between two lanes. However, this could create traffic circulation issues when businesses close one of the lanes and causes queuing to spill onto adjacent parcels or streets.</p> | <p>The proposed amendment would require total queuing to occur within one lane and any additional lanes would be extra, but not be counted towards the requirement.</p> <p>The amendment would also replace six (6) vehicles with 120 feet to avoid unclear dimensions for developers.</p> <p>Section 35-1902.8(c)</p> |



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| Establish minimum queuing length for secondary pick-up windows used for online orders | <p>Businesses providing pick-up windows for pre-order or online orders only request a shorter queuing lane as orders are prepared prior to the customer arriving on-site and customers are given a time for pick-up. The current code does not differentiate between online orders or onsite orders and requires 150 feet for all queuing lanes.</p> <p>Planning and Zoning Commission recommended more queuing during the work session meeting. The request has been increased from forty feet to sixty feet.</p> | <p>The proposed amendment would require a minimum of sixty (60) feet of queuing from start of queuing lane to pick-up window for pick-up windows used for pre-orders. Menu boards would be prohibited.</p> <p>Section 35-1902.8(c)</p> |
| Use of Shipping Containers for non-residential and residential development            | <p>Staff has seen multiple requests for shipping containers to be used for development. The current code prohibits the use of metal buildings if seen from arterial streets. The intent of the current code was to prohibit pre-manufactured metal buildings.</p>  | <p>The proposed amendment would permit shipping containers if designed creatively with additional material for both residential and non-residential development.</p> <p>Section 35-1902.5(d)</p>                                       |
| Increase height that would require a Mid-Rise Overlay                                 | <p>A Mid-Rise Overlay (MRO) is required for buildings exceeding forty-five (45) feet in height and processed</p>   | <p>Increase requirement for Mid-Rise Development from forty-five (45) feet to fifty-five (55) feet to accommodate the screening of large roof-mounted equipment.</p>   |



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|   | <p>through a rezoning. MRO was intended to regulate buildings five-stories or taller. The issue is that 3 and 4-story buildings are frequently surpassing MRO heights because of increases in height between floors and of roof-mounted mechanical equipment.</p> <p>The intent is to allow 3 to 4-story buildings to increase the height of parapets to completely screen all roof mounted equipment without having to obtain a MRO.</p>                             | Section 35-200   |
| Reducing requirements to completely screen roof-mounted equipment | <p>The current code requires all roof-mounted equipment to be completely screened from all views. For new development, the preference is to screen equipment by top of parapet. If a secondary screening method is used to screen equipment on an existing building, material and massing needs to be architecturally integrated with the building's design to avoid a box around a box.</p> <p>Staff research reveals other cities require complete screening as</p> | <p>In order to accommodate, third generation users of aging industrial buildings within larger business parks not seen from arterial roads, the proposed amendment would allow the Zoning Administrator to waive roof-mounted screening.</p> <p>The proposed amendment also allows the Zoning Administrator to reduce or waive requirements to screen roof-mounted equipment on buildings fifty-five (55) feet or taller, if located as to not be visible.</p> <p>As proposed, the code would continue to require all equipment to be screened if the development is adjacent to residential or visible from an arterial street. No changes to commercial development.</p> |



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|                                  | <p>viewed from across the street. The proposed code amendment is to not lessen screening requirements but to allow for flexibility for aging industrial business parks or situations where screening can be waived.</p> <p>City Council added language to ensure screening occurred adjacent to residential development.</p> | Section 35-1902.5(c)   |
| Permit "For Lease" banners signs | Per the Sign Code, temporary banners shall not be displayed for more than thirty (30) days within each six (6) month period. Property owners have asked to display "For Lease" or "Space Available" banners as long as the suite is unoccupied.  | <p>The proposed amendment allows 'space available' or 'for lease' banners for nonresidential uses to remain over unoccupied spaces for one (1) year. A permit is required and shall be renewed yearly to assist in maintenance of the temporary signs.</p> <p>Section 39-10.3</p>  |
| Murals                           | The Sign Code is currently silent regarding murals. The concern is deciphering murals as either art or signage. Murals with associated text can be considered signage.   | <p>The proposed amendment clearly distinguishes signage from murals by adding definition and clarifying that images depicting commercial messages are signs. Murals consisting of no commercial message, would be allowed by right.</p> <p>Staff would provide a cursory review to ensure no commercial messages were depicted within the proposed murals.</p> <p>Section 39-3</p> |



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| Medical Parking         | <p>The current code only classifies two types of medical regarding uses and parking; hospitals at three (3) spaces per bed and medical, dental offices, and clinics at one (1) space per one hundred and fifty (150) square feet. The medical market has evolved to include several outpatient services, which require different amounts of parking since they do not operate like a general doctor's office serving multiple patients within an hour.</p>                                     | <p>The proposed amendment categorizes types of medical uses and associated parking requirements. For specialist medical users or out-patient surgery centers, a parking ratio of one (1) space per two-hundred (200) square feet is the recommended ratio by Urban Land Institute (ULI).</p> <p>Section 35-1804(3)</p>                               |
| Flex industrial parking | <p>Industrial development has grown exponentially in the past five years. Currently, Chandler has approximately 2.4 million square feet of flex industrial buildings under construction. The current parking ratio for industrial is either:</p> <p>Manufacturing at one (1) space per one-thousand (1,000) square feet; or</p> <p>Warehousing requiring one (1) space per five hundred (500) square feet for the first ten thousand (10,000) square feet plus one (1) space/five thousand</p> | <p>The proposed amendment codify the parking ratio that staff has been administratively requiring; a minimum parking ratio of two (2) parking spaces per one-thousand (1,000) square feet. The proposed ratio would accommodate various industrial users including research and development and all ancillary offices.</p> <p>Section 35-1804(4)</p> |



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|                                    | <p>(5,000) square feet for remaining warehouse. Both uses shall park office at a rate of one (1) per two-hundred and fifty (250) square feet.</p> <p>Recent flex industrial developments have been attracting users that require more parking due to their mix of office, manufacturing and other similar more intensive uses. As such, staff has been administratively requiring 2 spaces/1,000 sq. ft. on all flex industrial development for at least the last year if the user is not identified.</p> |  |
| Revise the Table of Permitted uses | <p>Three objectives are proposed:</p> <p>1. Reorganize the table to group by common uses; currently the list is sorted in alphabetical order. There are numerous repeated uses. For example "hotels, motels, tourist homes" is listed later in the list as "motels, hotels, tourist homes" and "tourist homes, hotels and motels".</p> <p>Grouping by common land uses will eliminate repeated entries and make it easier for</p>   | <p>See attached draft Table of Permitted Uses</p> <p>Section 35-2100</p> |



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|  | <p>residents and customers to search for uses.</p> <p>2. Update relevant uses to include but not limited to brewery, cloud kitchen, adult day care, and film studios.</p> <p>3. Identify ancillary uses and percentage permitted; Currently, staff has administratively been allowing ten (10) percent of building areas to be ancillary uses. This has been too restrictive for some employers that wish to move into an existing industrial zoning. For this reason, staff is proposing permitting up to 40% ancillary office within industrial properties.</p> |   |
| Enforcement of Use Permit renewal                                | <p>The current code is silent regarding enforcement of Entertainment Use Permit or Use Permit renewal when the time stipulation is due and an application for renewal has been submitted.</p>   | <p>The proposed amendment would clarify when an application is filed and under the review process, enforcement may be stayed.</p> <p>Section 35-305</p>                         |
| Eliminating Use Permits for a Series 7 Beer and Wine Bar License | <p>In 2018, Liquor Use Permits were eliminated and replaced with Entertainment Use Permits to regulate establishments that sold alcohol to the public and had entertainment activity. The exception was that bars would</p>   | <p>The proposed amendment would eliminate the requirement for a Use Permit for an establishment operating under a Series 7 Beer and Wine Bar License.</p> <p>Section 35-200</p> |



continue to require Use Permits even if they did not plan to have entertainment. The Arizona Department of Liquor issues two types of bar licenses; Series 6 Bar License and Series 7 Beer and Wine Bar License. Series 7 liquor license are utilized by establishments that do not create negative impacts to surrounding properties. Examples of such establishments include Game Show Battle Rooms and Pickleball Kingdom. Staff believes the Use Permit requirement for bars was intended for Series 6 Bar licenses, which are the typical bar establishments that are more likely to impact surrounding properties.

Permit a single-family home within properties zoned multi-family

Areas in and around the downtown were given multi-family zoning in 1960 to align with conditions at that time. Many single-family lots located in those areas had a second dwelling, therefore, determined it was multi-family.

Due to the blanket multi-family zoning over those neighborhoods,

In order to preserve the existing single-family neighborhoods in the downtown area, the proposed amendment would permit one single-family dwelling by right on multi-family zoned properties not exceeding 12,000 square feet.

Articles VIII, IV, & V



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|  | <p>today single-family homes cannot be built on vacant properties or rebuilt (in case of fire, for example) without obtaining a Use Permit.</p> <p>While those areas are currently single-family neighborhoods, all of those lots are considered legal non-conforming.</p>   |  |
| Eliminate requirement for front yard driveways to connect within residential | <p>The current code requires all parking areas on single-family lots to be connected to the required off-street parking spaces (i.e., garage or carport). Staff has seen this create a reoccurring issue for residents who want to add a driveway that leads to a gate on the property's side yard. The current code does not allow parking on the driveway, unless it is connected to the garage. This encourages residents to pave over most of their front yard and creates less desirable curb appeal for neighborhoods.</p> | <p>The proposed amendment would eliminate requirements for on-site parking surfaces to be connected to the garage in order to reduce the amount of pavement used and provide more landscaping within residential front yards.</p> <p>Section 35-1802</p> |
| Permit Accessory Dwelling Units (ADU's) within single-family lots            | <p>Under the 2020 approved zoning code amendments, guest quarters were permitted on single-family lots. Guest quarters did not</p>   | <p>Permit accessory dwelling units on single-family lots meeting the requirements of the accessory building, which one (1) accessory building is permitted per lot, must meet property's building setbacks,</p>  |



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|                  | <p>permit built-in cooking facilities, (i.e. stove or oven). Residents overwhelmingly request to build ADU's with full kitchens to house an aging parent or adult children.</p> <p>Guest quarters will still be permitted as defined above. However, cannot be used for activity requiring a license under Chapter 22 (Short Term Rentals).</p>   | <p>maximum height fifteen (15) feet, and must be architecturally integrated with the main residence. The proposal requires one (1) additional uncovered or covered off-street parking space not obstructing any required off-street parking for the main dwelling. In order to not change the character of the single-family neighborhood, ADU's shall not be used as a short term rental vacation property.</p> <p>Section 35-2204</p>   |
| Home Occupations | <p>Home occupations are currently permitted within residential properties if completely conducted within the dwelling unit, by a member of the family residing therein, and no customers or employees are allowed to come to the dwelling.</p> <p>Planning and Zoning Commission added language indicating that one customer and one employee can be within the property at a time.</p> | <p>The proposed amendment would permit additional uses such as but not limited to personal services, beauty services, photographer, consulting, or therapist allowing one employee and customer appointment to visit during the hours of 8 am to 7 pm. The home occupation can occur within an accessory building or garage if no permanent modifications are made to the garage, thus maintaining the ability to park vehicles. No home occupation shall be permitted that is noxious, offensive, or hazardous by reason of vehicular traffic, generation or emission of noise, vibration, smoke, dust, or other particulate matter, odorous matter, heat, humidity, glare, refuse, radiation, or other objectionable emissions.</p> <p>Planning and Zoning Commission amended to permit swim lessons if meeting all other criteria,</p> |



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|  |   | <p>except permitting outdoor activity.</p> <p>Section 35-2215</p>  |
| Reduce setbacks for residential swimming pools | <p>Currently, the zoning code requires a setback of five feet. This setback was originally derived from the Building Code, which has since been amended. The pool setback is dictated by the Building Code.</p>   | <p>Remove required building setback from Zoning Code as it is already regulated by the Building Code.</p> <p>Section 35-2205</p>   |
| Increase size of residential open air ramadas  | <p>An open air ramada is a structure open on the sides and supporting a roof used for the purpose of providing shade. Permitted open air ramadas cannot exceed 150 square feet, maximum height is ten (10) feet, and setback five (5) feet from property line. Currently, there is no limit to the amount of ramadas that can be placed in a rear yard, however, they must be separated by one (1) horizontal foot.</p> <p>A majority of pre-manufactured ramadas or shade structures exceed maximum square footage permitted per the current code.</p> | <p>Proposal to eliminate maximum square footage and limit total square footage of all ramadas to not exceed thirty (30) percent of the rear yard as measured from the back plane of the house; excluding accessory buildings which can occupy thirty (30) percent of the rear yard as well. Total lot coverage for the property shall be met. Maximum height and setbacks for ramadas will remain unchanged. Ramadas may have one solid wall not exceeding seven (7) feet in height used for the purpose of a media wall and shall exclude chimneys.</p> <p>Without the amendment a property owner can currently cover the entire backyard with ramadas, only separating them by one foot and meeting the five (5) foot setback from property lines. The proposed amendment although removing maximum square footage establishes total area of a rear yard where ramadas can occur.</p> <p>Section 35-2202.1</p> |



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| Require perimeter walls within new development adjacent to residential | <p>The current code does not require minimum wall height or consider grade differences between adjacent developments. Potential grade differences could create privacy concerns.</p>   | <p>For new developments abutting residential areas, add a requirement to maintain or provide a minimum six (6) foot high perimeter wall, as measured from the highest grade within five (5) feet of the new wall.</p> <p>Section 35-2204</p> |
| Prohibit double walls  | <p>The current code is silent but by policy when new development occurs adjacent to existing development staff avoids permitting double walls due to safety concerns. Developers insist on building a new wall adjacent to an existing perimeter wall to avoid having to work with adjacent property owners. Areas between the walls can range from centimeters to in some cases wide enough to access the area. Safety concerns include children or animals getting stuck between or one wall compromising the other wall.</p> <p>At the Planning and Zoning Commission Work Session, staff was asked to permit the Zoning Administrator to waive this requirement if an agreement between adjacent parties could not be reached.</p> | <p>Double walls or fences shall be prohibited unless waived by the Zoning Administrator.</p> <p>Section 35-2204</p>  |



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| Satellite dishes                     | <p>The zoning code restricts height, location, and size of satellite dishes within different zoning districts. The Federal Communications Commission (FCC) regulates and protects requirements for satellite dishes.</p>  | <p>Staff proposes to amend the requirements for satellite dishes to protect visual impacts on neighboring properties while concurrently aligning with requirements of the FCC in lieu of removing completely.</p> <p>Section 35-2208</p>                |
| Guest parking spaces-<br>Residential | <p>The current zoning code does not require designated guest parking spaces within residential development; the amendment is for all residential development excluding apartments.</p> <p>While not currently in code, staff is implementing a policy that requires developments to provide guest parking spaces evenly distributed throughout the development when on-street parking is not available. By codifying the policy, staff can continue to require adequate guest parking spaces within residential developments while at the same time provide more certainty to developers.</p> | <p>If on-street parking is not available, guest parking spaces evenly distributed throughout the development shall occur at the following rate:<br/>0.25 spaces per lot<br/>0.5 spaces per lot without private driveways</p> <p>Section 35- 1804(1)</p> |



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| <p>Multi-family parking requirements</p> | <p>The current code requires covered and uncovered parking spaces per unit based on bedroom counts. The code is silent on requiring guest parking spaces. Through the public hearing process, developers can request to deviate from the required parking spaces.</p> <p>Developments that requested a deviation to the parking requirements have since built and city staff now have observed a parking problem. Residents often park outside the development within neighboring streets as either parking is not available or the development charges residents an extra fee to park within the apartment complex.</p> | <p>The proposed amendment requires additional parking spaces per unit evenly distributed throughout the development for guest parking. Staff researched other municipalities and found Chandler's parking requirements for multi-family is average. However, Chandler is one of the few cities that currently does not require additional spaces for guests.</p> <p>Initially staff proposed 0.25 spaces per unit but reduced to 0.2 after discussions with the Arizona Multi-Housing Association. At the Planning and Zoning Commission meeting, Commission stated concerns with multi-family parking overflowing onto public streets and into surrounding neighborhoods. Commission amended to increase required guest parking to 0.25 per unit.</p> <p>The proposed code amendment would also require all new multi-family developments to assign a certain amount of spaces per unit for the exclusive use of the tenant leasing the unit and may not be made available for use by other tenants or visitors.</p> <p>One covered space shall be required per efficiency, studio, &amp; 1-bedroom unit.</p> <p>Two spaces, one covered, shall be required per 2-bedroom or more bedroom unit.</p> |
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|                                  |  | Section 35-1804(1)  |
| Abatement Costs                  | The requested amendment will provide clarification of the current code. This amendment will allow Neighborhood Preservation to abate any public nuisance or other violations of Chapter 30, thus expanding the ability to use the abatement process.   | The amendment will replace a violation that is "a hazard to public health and safety" to "any public nuisance or other violations as defined in Chapter 30."<br><br>Section 30-14   |
| Land Maintenance                 | The proposed amendment would provide clarification of the current code. The current code reads with an emphasis on a lack of maintenance. This language implies that if the weeds and grass taking over the rock landscape are cut and maintained, the property would be in compliance. This situation creates a blighted and deteriorated appearance in the neighborhood. | Add rock landscaping shall be maintained substantially free of grass and weeds.<br><br>Section 30-18  |
| Vehicles within the right-of-way | The current code addresses personal property in the right of way. The proposed amendment would clarify the code to specifically address vehicles parked blocking the sidewalk.   | No person shall allow, park, or permit to be parked, any vehicle on any private property when such vehicle overhangs into a public sidewalk, street, or otherwise interferes with the free flow of pedestrian or vehicle traffic.<br><br>Section 30-19(J) |



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| Trespassing Lights | Chapter 30 currently does not have a code to address light trespassing on to another property.  | No person shall cause, allow, or permit any exterior lighting rays to be directed off the property upon which the lighting is located on any abutting or adjacent public or private property.<br><br>Section 30-20 |
| Refuse Pick-up     | The proposed code amendment is required to align with current practices. If a neighbor wants to convert from alley refuse pickup to curbside, a neighborhood may vote for the change. | Amend the word "wish" to "vote."<br><br>Section 44-4.5   |

## Public Outreach

- This request was noticed in accordance with the requirements of the Chandler Zoning Code
- Proposed Zoning Code Amendments were posted on City's website for public and stakeholder feedback
- Staff sent electronic notifications for review and comment to frequent applicants (developers and zoning attorneys)
- Staff sent electronic notifications for review and comment to organizations representing the business and development community, including the Chandler Chamber of Commerce, Downtown Chandler Community Partnership (DCCP), Arizona Multihousing Association (AMA), Home Builders Association of Central Arizona (HBACA), Valley Partnership, and Uptown Chandler Steering Committee
- Staff met in-person with DCCP and AMA representees; each subsequently provided comments via email (see attachment)
- The DCCP suggested possible future amendments and the only comment relating to the proposed code amendment was to allow for illuminated signage for businesses adjacent to residential within the downtown
- Staff revised proposed language regarding assigned spaces for multifamily developments based on feedback received from the AMA. The AMA is satisfied with the revised language regarding assigned spaces, but would like the proposed guest parking requirement to be lowered to 0.2 spaces per unit rather than 0.25 spaces per unit recommended by the



## Planning and Zoning Commission

- Staff received a comment from the HBACA via a telephone call which led staff to revise the proposed language clarifying that the required parking space for an ADU can be an existing third space inside a third car garage
- 18 comments submitted through the city's website are attached as public comment; 7 overall support comments regarding ramadas, and ADU's; 7 overall against comments; and 4 general questions

## **Planning and Zoning Commission Vote Report**

Planning and Zoning Commission meeting November 15, 2023

Motion to Approve.

In Favor: 7   Opposed: 0

## **Discussion:**

**Ordinance was introduced and tentatively adopted on February 8, 2024.**

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## **Attachments**

Ordinance No. 5075

Proposed Table of Permitted Uses

Planning and Zoning Commission Meeting Minutes

Public Comments



## **ORDINANCE NO. 5075**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, DECLARING THAT DOCUMENT ENTITLED “2024 AMENDMENTS TO CHANDLER CITY CODE CHAPTERS 30, 35, 39, AND 44” TO BE A PUBLIC RECORD; AMENDING CHAPTER 30 PROPERTY MAINTENANCE SECTIONS 30-14, 30-18, 30-19, AND 30-20, INCLUDING AMENDMENTS REGARDING ABATEMENT COSTS, LAND MAINTENANCE, INOPERABLE VEHICLE STORAGE, AND LIGHTING; AMENDING CHAPTER 35 LAND USE AND ZONING ARTICLES II, III, IV, V, VI, VI.1, VIII, IX, X, XII, XV, XVII, XVIII, XIX, XXI, AND XXII, INCLUDING AMENDMENTS TO THE REGULATION OF HOME OCCUPATIONS, ACCESSORY DWELLING UNITS, PARKING REQUIREMENTS, OPEN-AIR RAMADAS, PERIMETER WALLS, SWIMMING POOL SETBACKS, SATELLITES DISHES, SINGLE-FAMILY WITHIN MULTI-FAMILY ZONED PROPERTIES, USE OF SHIPPING CONTAINERS, REQUIREMENTS FOR DRIVE-THROUGH DEVELOPMENT, SCREENING OF ROOF-MOUNTED EQUIPMENT, MID-RISE DEVELOPMENT HEIGHT, MURALS, TABLE OF PERMITTED USES, USE PERMIT RENEWAL, FRONT YARD BUILDING SETBACKS FOR NON-RESIDENTIAL DEVELOPMENT, AND AMOUNT OF FREE-STANDING PADS PERMITTED; AMENDING CHAPTER 39 SIGN CODE SECTIONS 39.3, 39-7.8, AND 39-10.3, INCLUDING AMENDMENTS TO DEFINITIONS, REGULATION OF SIGNS, AND TEMPORARY SIGNS; AMENDING CHAPTER 44 GARBAGE AND REFUSE SECTION 44-4.5. CONVERSION FROM ALLEY TO CURBSIDE COLLECTION; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR SEVERABILITY.

WHEREAS, in accordance with Ariz. Rev. Stat. § 9-240, the City Council may adopt by ordinance, any change or amendment to the regulations and provisions set forth in the Chandler City Code; and

WHEREAS, notice of this amendment has been published in a local newspaper with general circulation in the City of Chandler, giving fifteen (15) days’ notice of the time, place, and date of public hearing; and

WHEREAS, the City Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission on November 15, 2023.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:



Section 1. That certain document known as the “2024 Amendments to Chandler City Code Chapters 30, 35, 39, and 44,” one paper copy and one electronic copy of which shall remain on file in the Office of the City Clerk, a copy of which is attached to this Ordinance as Exhibit A, is hereby declared to be a public record.

Section 2. That the Chandler City Code is hereby amended by adoption of the amendments contained in the “2024 Amendments to Chandler City Code Chapters 30, 35, 29, and 44.”

Section 3. Providing for Repeal of Conflicting Ordinances.

All ordinances or parts of ordinances in conflict with the provisions of this ordinance, or any parts hereof, are hereby repealed.

Section 4. Providing for Severability.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR



CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 5075 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2024, and that a quorum was present thereat.

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CITY CLERK

APPROVED AS TO FORM:

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CITY ATTORNEY TA

Published:



“2024 Amendments to Chandler City Code Chapters 30, 35, 39, and 44”

The Chandler City Code Chapter 30- Property Maintenance, Chapter 35- Land Use and Zoning, Chapter 39- Sign Code, and Chapter 44- Garbage and Refuse; hereby amended to read as follows (additions in **ALL CAPS**, deletions in ~~strikethrough~~, omitted text indicated by ellipses as “. . .”):

Chapter 30- PROPERTY MAINTENANCE

**30-14. - Abatement costs.**

A. If the owner or occupant of any property within the City does not remove or abate from their property **ANY PUBLIC NUISANCE OR OTHER VIOLATIONS AS DEFINED IN THIS CHAPTER** ~~a violation that constitutes a hazard to public health and safety~~ within thirty (30) days after written notice has been served by the City, the City may, at the expense of the owner or occupant, remove or cause the removal thereof and the ~~record~~-owner **OF RECORD** shall be liable for all costs incurred. The notice shall include the estimated cost of such removal to the City if the owner or occupant does not comply.

. . .

**30-18. - Land maintenance.**

. . .

J. No person shall allow or permit to remain any exterior property condition that presents a blighted or deteriorated appearance including, but not limited to, yards, ground covers, trees, shrubs or other landscaping vegetation that is substantially dead or damaged, characterized by uncontrolled growth or lack of maintenance, or any other similar conditions. **ROCK LANDSCAPING MUST BE MAINTAINED SUBSTANTIALLY FREE OF GRASS AND WEEDS.**

. . .

**30-19. - Vehicles.**

. . .

**J. NO PERSON SHALL ALLOW, PARK, OR PERMIT TO BE PARKED, ANY VEHICLE ON ANY PRIVATE PROPERTY WHEN SUCH VEHICLE OVERHANGS INTO A PUBLIC SIDEWALK, STREET, OR OTHERWISE INTERFERES WITH THE FREE FLOW OF PEDESTRIAN OR VEHICLE TRAFFIC.**

. . .



### 30-20. - Miscellaneous.

...

N. NO PERSON SHALL CAUSE, ALLOW, OR PERMIT ANY EXTERIOR LIGHTING RAYS TO BE DIRECTED OFF THE PROPERTY UPON WHICH THE LIGHTING IS LOCATED ONTO ANY ABUTTING OR ADJACENT PUBLIC OR PRIVATE PROPERTY.

## Chapter 35- LAND USE AND ZONING

### ARTICLE II. - DEFINITIONS

#### 35-200. - Definitions.

*Accessory building:* One (1) detached building which is subordinate and customarily incidental to and on the same lot with a main building, ~~ACCESSORY BUILDINGS MAY include~~ **ing STRUCTURES SUCH AS BUT NOT LIMITED TO** a private garage ~~but not involving any activity used for commercial purposes,~~ WORKSHOP, **ACCESSORY DWELLING UNIT, OR GUEST QUARTER.** Greenhouses and/or hydroponic houses for hobby purposes shall be excluded for this definition.

**ACCESSORY DWELLING UNIT: A SECONDARY DWELLING UNIT SHARING THE LOT OF A LARGER, PRIMARY SINGLE-FAMILY HOME.**

~~*Amusement arcade:* Any building or portion thereof having its primary use devoted to mechanical amusement devices and/or vending machines.~~

**BAR: ANY ESTABLISHMENT OPERATING UNDER A SERIES 6 BAR LICENSE AND SELLING SPIRITUOUS BEVERAGE TO THE PUBLIC.**

**FILM PRODUCTION STUDIO: A BUILDING OR SPACE USED FOR THE PURPOSE OF MAKING FILM PRODUCTIONS. PORNOGRAPHIC FILM PRODUCTION DEPICTING SPECIFIED SEXUAL ACTIVITIES SHALL BE PROHIBITED.**

~~*Home occupation:* Any occupation or profession conducted entirely within a dwelling unit and carried on by a member of the family residing therein and which occupation or profession is clearly incidental and subordinate to the use of the dwelling unit for dwelling purposes and does not change the character thereof, and in connection with which there are no employees other than a member of the immediate family residing in the dwelling unit; provided that no mechanical equipment is used except such that is normally used for domestic, hobby or household purposes; and provided that no commodity is sold upon the premises and provided that no inventory of saleable commodities are kept or stored upon the premises.~~

~~"Home occupation" includes the use of a dwelling unit by a physician, surgeon, dentist, lawyer, clergyman or other professional person for consultation or emergency treatment, but not for the general practice of his/her profession. "Home occupation" does not include clinic, hospital, barbershop, beauty shop, animal hospital, advertising or public relations agency, interior decorator's office or workshop, real estate or insurance office, stockbroker's office or similar use.~~ **A BUSINESS OR PROFESSION**



CONDUCTED IN A DWELLING UNIT OR ACCESSORY BUILDING WITHIN A RESIDENTIAL DISTRICT IN ACCORDANCE WITH STATE AND LOCAL REGULATIONS.

*Mid-rise development:* Any building(s) having a height greater than ~~forty-five (45)~~ FIFTY-FIVE (55) feet as measured from grade, exclusive of any penthouse built on the roof for the sole purpose of housing the mechanical equipment used in the building, and which does not have a height exception under [section 35-2202](#) of this Code.

...

**35-305. Use permits.**

(1) *General use permits:* Land uses permitted by use permit are identified under each zoning district established within this Code. Except as provided in subsections (2), (3), and (4) below, approval of use permits shall be subject to the following standards and procedures:

(a) *Application:* Application procedures for use permits shall be the same as applications for amendments to the Zoning Code as outlined in Article XXVI. The Planning and Zoning Commission shall make a recommendation to [the] City Council on applications after proper advertising of public notices and posting of property.

(b) *Review:* Review and approval of use permits shall include but not be limited to examination of the following factors, where applicable:

1. Consistency with general plan.
2. Ingress and egress to property and proposed structures, pedestrian and vehicular circulation with particular reference to fire protection.
3. Off-street parking and loading.
4. General compatibility of use with adjacent property and property in the district.
5. Impact on public services, including schools, recreation and utilities.
6. Screening and buffering of uses.
7. Signage.
8. Exterior lighting with reference to adjacent properties.
9. Stormwater retention and landscaping.
10. Site and building design for conformance with the general plan and policies and City standards.

(c) *Approval:* Use permits may be granted by the City Council upon a finding that the request:

1. Is in conformance with the general plan and its policies.
2. Will not be detrimental to persons residing or working in the vicinity, to adjacent property, to the neighborhood or to the public welfare in general, and that the use will be in full conformity with the conditions, requirements or standards prescribed by this Code or higher as may be deemed necessary by City Council in any one (1) situation.

Minor changes to the approved plan may be approved by the Zoning Administrator. Any major deviations may be approved by the City Council.

(d) *Timing condition:* Use permits granted by the City Council shall be void if the use is not commenced or substantial construction has not taken place within one (1) year of such Council action or within a time



period stipulated by the Council.

CONTINUATION OF THE USE PERMIT BEYOND THE EXPIRATION DATE SHALL REQUIRE RE-APPLICATION AND APPROVAL BY THE CITY COUNCIL.

ONCE AN APPLICATION IS SUBMITTED, THE ENFORCEMENT ON ANY VIOLATION FOR OPERATING WITHOUT A USE PERMIT IS STAYED UNTIL FINAL VOTE OF THE CITY COUNCIL.

*(E) Revocation or suspension:*

1. In addition to any other penalties or remedies provided by this Zoning Code, the Zoning Administrator may suspend or revoke a use permit upon a finding of:

A material change in the permitted use or the conditions prescribed upon issuance of the use permit has occurred without an amendment to the use permit having been obtained; or

Material noncompliance with the conditions prescribed upon issuance of the use permit or with the representations made by the permit holder in connection with the application for the use permit as to the nature of the conditional use to be conducted; or

Operation of the permitted use in such a manner as to cause a substantial detrimental impact on neighboring persons or property.

2. To suspend or revoke a use permit, the Zoning Administrator shall deliver or mail by certified mail to the address indicated on the use permit application and, if different from application address, the address of the property subject to the use permit, a written notice that the use permit is suspended or revoked and which states the grounds therefore.

Upon written request received by the Zoning Administrator within ten (10) days of the date of the notice by the permit holder, or any person whose use of the permitted property will be adversely affected by the suspension or revocation, the matter will be referred to the Board of Adjustment on an appeal pursuant to the appeal procedures provided under section 35-2503 of this Zoning Code. If an appeal is not received within ten (10) days of the date of the notice, the suspension or revocation shall take effect on the eleventh day after the date of the notice.

The decision of the Board of Adjustment may be appealed as provided in section 35-2503 of this Zoning Code.

3. A USE PERMIT MAY BE RENEWED BY FILING AN APPLICATION FOR RENEWAL AND UPON APPROVAL BY CITY COUNCIL. THE APPLICATION FOR RENEWAL SHALL BE FILED WITH THE ZONING ADMINISTRATOR NOT LESS THAN SIXTY (60) DAYS PRIOR TO EXPIRATION OF THE CURRENT PERMIT. ANY APPLICATION FOR RENEWAL SHALL BE CONSIDERED IN ACCORDANCE WITH THE SAME STANDARDS AND PROCEDURES AS AN ORIGINAL APPLICATION.

(2) *Adult use permits:* A use permit to operate a sexually oriented business shall be obtained pursuant to the provisions of this subsection. Approval of such an adult use permit shall be subject to the following standards and procedures:

...

*(f) Permit renewal:*



1. An adult use permit may be renewed by filing an application for renewal on a form provided by the Zoning Administrator. The application for renewal shall be received by the Zoning Administrator not less than seventy (70) days before the expiration of the permit. When the application for renewal is received less than seventy (70) days before the expiration date, the expiration of the permit shall not be delayed, postponed or otherwise affected.

2. An application for renewal shall be considered following the same procedures as an original application. The application for renewal may be denied for any reason that an original application may be denied or revoked.

3. ONCE AN APPLICATION FOR RENEWAL IS SUBMITTED, THE ENFORCEMENT ON ANY VIOLATION FOR OPERATING WITHOUT A USE PERMIT MAY BE STAYED UNTIL FINAL VOTE OF THE CITY COUNCIL.

...

(3) *Residential child care*: A use permit to operate residential child care, as defined in section 35-200 of this chapter, shall be required in any residential zoning designation, including Planned Area Development (PAD), in accordance with the provisions of this subsection. In Home Day Care, also as defined in Section 35-200 of this chapter, shall be exempt from these requirements. Approval of any use permit to operate residential child care shall be subject to the following standards and procedures:

...

(e) *Use permit effect*. Use permit approval for operating residential child care shall be valid for a period of one (1) year from the date of City Council approval, or for any longer period as may be specified by Council, but shall be deemed void if the use is not commenced by the applicant within nine (9) months after the date of approval for a one (1) year period, or if not commenced within one (1) year after the date of approval for any period greater than one (1) year.

1. Use permit approval for operating residential child care shall be applicable only to the applicant and location identified on the application, and shall not be transferable to any other person or location.

2. A use permit to operate residential child care may be renewed by filing an application for renewal, and upon approval by City Council. The application for renewal shall be filed with the Zoning Administrator not less than sixty (60) days prior to expiration of the current permit. Any application for renewal shall be considered in accordance with the same standards and procedures as an original application.

3. ONCE AN APPLICATION IS SUBMITTED, THE ENFORCEMENT ON ANY VIOLATION FOR OPERATING WITHOUT A USE PERMIT MAY BE STAYED UNTIL FINAL VOTE OF THE CITY COUNCIL.

(4) *Entertainment use permits*: A use permit to provide entertainment activity, as defined in section 35-200 of this chapter, or outdoor seating with external speakers, shall be obtained pursuant to the provisions of this subsection. Approval of an entertainment use permit shall be subject to the following standards and procedures:

(a) *Applicability*:

1. Entertainment activity shall require a use permit, when all of the following criteria are met:

i. Entertainment activity, as defined in section 35-200, is provided, or outdoor seating with external speakers is provided; and

ii. Alcoholic beverages are sold or served AND CONSUMED ON-SITE; and



iii. If live entertainment is not provided outdoors, the property is located six hundred (600) feet or less from a residentially zoned property. Said distance shall be measured from the closest exterior wall or fence of any indoor or outdoor space occupied by the subject establishment to the closest property line of a residentially zoned property; and

iv. If live entertainment is provided outdoors, the property is located one thousand three hundred twenty (1,320) feet or less from a residentially zoned property. Said distance shall be measured from the closest exterior wall or fence of any indoor or outdoor space occupied by the subject establishment to the closest property line of a residentially zoned property.

2. A property with a current liquor use permit shall not be required to obtain an entertainment use permit, unless subject to a condition of approval related to a time limit. Liquor use permit conditions related to entertainment activity shall remain in effect.

...

(g) *Renewal*: An entertainment use permit approved with a time limit shall submit a new application for renewal of the entertainment use permit **NOT LESS THAN SIXTY (60) DAYS** prior to the expiration of the time limit. The application shall be considered, reviewed, approved or denied following the same procedures and criteria as the original application.

**ONCE AN APPLICATION IS SUBMITTED, THE ENFORCEMENT ON ANY VIOLATION FOR OPERATING WITHOUT A USE PERMIT MAY BE STAYED UNTIL FINAL VOTE OF THE CITY COUNCIL.**

(h) *Revocation or suspension*: The Zoning Administrator may suspend or revoke an entertainment use permit pursuant to the criteria and procedures specified in section 35-305.

(Ord. No. 956, § 1, 6-11-81; Ord. No. 2413; § 2, 11-18-93; Ord. No. 2645, §§ 3, 4, 6-13-96; Ord. No. 3063, § 3, 11-18-99; Ord. No. 3240, § 2, 6-14-01; Ord. No. 3421, § 2, 1-23-03; Ord. No. 4278, § 2, 2-24-11; Ord. No. 4513, § II, 11-8-13; Ord. No. 4567, § II, 10-20-14; Ord. No. 4764, § I, 8-10-17; Ord. No. 4846, § 2(Exh.), 12-10-18; Ord. No. 4931, § 2(Exh.), 8-13-20)



## ARTICLE IV. AG-1—AGRICULTURAL DISTRICT

...

### 35-401. Uses permitted.

[The following are uses permitted in this district:]

- (1) Single-family dwellings.
- (2) Field crops such as cotton, grain, vegetables, fruit trees, flowers.
- (3) Raising and marketing of poultry, rabbits and other small domesticated animals provided they are contained within a fence or cage. No slaughtering of animals for commercial purposes.
- (4) Agrarian subdivisions, subject to:
  - (a) Livestock raising and grazing is permitted for a maximum of one (1) livestock animal per seven thousand (7,000) square feet of lot area.
  - (b) No more than one (1) hog, weighing more than fifty (50) pounds, may be kept per thirty-five thousand (35,000) square feet of lot area.
  - (c) All animals must be contained in a stock-tight fence and/or corral. Such fence or corral shall not be permitted closer than one hundred (100) feet to the front property line. For corner lots, no such fence or corral shall be located closer to the side right-of-way line than the principal building.
  - (d) Accessory buildings used specifically for animals and fowl, provided they are located within the area fenced for animals and maintain the same front yard requirements as provided for the principal building.
- (5) Farm roadside stand.
- (6) Riding stables (minimum area, ten (10) acres).
- (7) Home occupations, ~~as defined~~ in ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2215 OF THIS CODE.
- (8) Fences, walls, landscape screens not exceeding seven (7) feet in height adjacent to rear and side property lines and not to exceed three (3) feet in height adjacent to front yard.
- (9) Swimming pools, private, in accordance with Article XXII, section ~~2204~~ {2205} of this Code.
- (10) One (1) accessory building, ~~as defined~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2202 OF THIS CODE.
- (11) Signs are permitted in accordance with the Chandler Sign Code [Chapter 39].
- (12) Storage shed, ~~as defined~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2203 OF THIS CODE.

(Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)



## ARTICLE V. SF-33—SINGLE-FAMILY DISTRICT

...

### 35-501. Uses permitted.

[The following uses are permitted in this district:]

- (1) Single-family dwellings.
- (2) One (1) accessory building, ~~as defined~~ IN ACCORDANCE WITH Article ~~H-XXII~~, SECTION 2202 OF THIS CODE.
- (3) Home occupations, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H-XXII~~, SECTION 2215 OF THIS CODE.
- (4) Storage shed, ~~as defined~~ IN ACCORDANCE WITH Article ~~H-XXII~~, SECTION 2203 OF THIS CODE.
- (5) Signs in accordance with the Chandler Sign Code [Chapter 39].
- (6) Fences, walls, landscape screens not exceeding seven (7) feet in height adjacent to rear and side property lines and not to exceed three (3) feet in height adjacent to front yard.
- (7) Swimming pools, private, in accordance with Article XXII, section ~~2204~~[2205] of this Code.
- (8) Agrarian subdivisions, subject to:
  - (a) Livestock raising and grazing, excluding hogs, pigs, burros, donkeys or roosters, is permitted for a maximum of one (1) animal per ten thousand (10,000) square feet of lot area.
  - (b) Excluding household pets, the raising of poultry, rabbits and other small domesticated animals provided they are contained within a fence or cage.
  - (c) All animals must be contained in a stock-tight fence and/or corral. Such fence or corral shall not be permitted closer than one hundred (100) feet to the front property line. For corner lots, no such fence or corral shall be located closer to the side right-of-way line than the principal building.
  - (d) Field crops, including vegetables and fruit trees.
  - (e) Accessory buildings used specifically for animals and fowl authorized under paragraphs a. and b. above, provided they are located within the area fenced for animals and maintain the same front, side and rear yard requirements as provided for the principal building.

(Ord. No. 955, § 1, 5-28-81; Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)



## ARTICLE VI. SF-18—SINGLE-FAMILY DISTRICT

...

### 35-601. Uses permitted.

[The following uses are permitted in this district:]

- (1) Single-family dwellings.
  - (2) One (1) accessory building, ~~as defined~~ IN ACCORDANCE WITH Article ~~H-XXII~~, SECTION 2202 OF THIS CODE.
  - (3) Home occupations ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2215 OF THIS CODE.
  - (4) Storage shed, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H-XXII~~, SECTION 2203 OF THIS CODE.
  - (5) Signs in accordance with Chandler Sign Code [Chapter 39].
  - (6) Fences, walls and landscape screens not exceeding seven (7) feet in height adjacent or contiguous to rear and side yard lines and not to exceed three (3) feet in height adjacent or contiguous to the front yard lines.
  - (7) Swimming pools, private, in accordance with Article XXII, section 2204 [2205] of this Code.
- (Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)

## ARTICLE VI.1. SF-10—SINGLE-FAMILY DISTRICT

...

### 35-601.1. Uses permitted.

[The following uses are permitted in this district:]

- (1) Single-family dwellings.
- (2) One (1) accessory building, ~~as defined~~ IN ACCORDANCE WITH Article ~~H-XXII~~, SECTION 2202 OF THIS CODE.
- (3) Home occupations as defined ~~by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2215 OF THIS CODE.
- (4) Storage shed, ~~as defined~~ IN ACCORDANCE WITH Article ~~H-XXII~~, SECTION 2203 OF THIS CODE.
- (5) Signs in accordance with the Chandler Sign Code [Chapter 39].



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(6) Fences, walls and landscape screens not exceeding seven (7) feet in height adjacent or contiguous to rear and side yard lines and not to exceed three (3) feet in height adjacent or contiguous to the front yard lines.

(7) Swimming pools, private, in accordance with Article XXII, section 2204 [2205] of this Code.

(Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)

## ARTICLE VIII. MF-1—MEDIUM-DENSITY RESIDENTIAL DISTRICT

...

### 35-801. Uses permitted.

ALL BUILDINGS ARE SUBJECT TO APPROVAL OF SITE DEVELOPMENT PLAN IN ACCORDANCE WITH ARTICLE XIX OF THIS CODE.

~~[The following uses are permitted in this district:]~~

(1) Two-family dwellings.

(2) Multi-family dwellings (subject to site development plan).

(3) Home occupations, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2215 OF THIS CODE.

(4) Signs in accordance with the Chandler Sign Code [Chapter 39].

(5) Storage shed, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2203 OF THIS CODE.

(6) One (1) accessory building, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2202 OF THIS CODE, EXCLUDING ACCESSORY DWELLING UNIT.

(7) Fences, walls and landscape screens not exceeding seven (7) feet in height adjacent or contiguous to side or rear yard lines and not [more than] three (3) feet in height adjacent or contiguous to front yard lines.

(8) Swimming pools, private, in accordance with Article XXII [section 2205] of this Code.

(9) SINGLE-FAMILY DWELLING ON EXISTING LOTS THAT ARE LESS THAN TWELVE THOUSAND (12,000) SQUARE FEET AS OF FEBRUARY 8, 2024. LOTS LESS THAN TWELVE THOUSAND (12,000) SQUARE FEET THAT WERE FIRST SUBDIVIDED ON OR AFTER FEBRUARY 8, 2024 ARE NOT ELIGIBLE FOR A SINGLE-FAMILY DWELLING UNLESS A USE PERMIT IS GRANTED PURSUANT TO THIS CHAPTER.

(Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)

### 35-802. Uses permitted by use permit.

[The following uses are permitted in this district subject to use permit:]

(1) Single-family dwellings FOR EXISTING LOTS EXCEEDING TWELVE THOUSAND (12,000) SQUARE FEET AS OF FEBRUARY 8, 2024.

(2) Townhouses.

(3) Churches, schools, public buildings and facilities.



- 
- (4) Elderly care housing.
  - (5) Any other uses the City Council determines are compatible and in the best interests of the community.
- (Ord. No. 1506, 8-11-85; Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)

## ARTICLE IX. MF-2—MULTIPLE-FAMILY RESIDENTIAL DISTRICT

...

### 35-901. Uses permitted.

All buildings are subject to approval of site development plan in accordance with Article XIX of this Code.

- (1) Multiple-family dwellings.
- (2) Home occupations, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2215 OF THIS CODE.
- (3) Signs in accordance with the Chandler Sign Code [Chapter 39].
- (4) Storage shed, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2203 OF THIS CODE.
- (5) Fences, walls and landscape screens not exceeding seven (7) feet in height adjacent or contiguous to side or rear yard lines and not exceeding three (3) feet in height adjacent or ~~contiguous to side or rear yard lines and not exceeding three (3) feet in height where adjacent or~~ contiguous to front yard lines.
- (6) Swimming pools, private, in accordance with Article XXII [section 2205] of this Code.
- (7) One (1) accessory building, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2202 OF THIS CODE, EXCLUDING ACCESSORY DWELLING UNIT.
- (8) Churches, schools, public buildings and facilities.
- (9) SINGLE-FAMILY DWELLING ON EXISTING LOTS THAT ARE LESS THAN TWELVE THOUSAND (12,000) SQUARE FEET AS OF FEBRUARY 8, 2024. LOTS LESS THAN TWELVE THOUSAND (12,000) SQUARE FEET THAT WERE FIRST SUBDIVIDED ON OR AFTER FEBRUARY 8, 2024 ARE NOT ELIGIBLE FOR A SINGLE-FAMILY DWELLING UNLESS A USE PERMIT IS GRANTED PURSUANT TO THIS CHAPTER.

(Ord. No. 3063, § 3, 11-18-99; Ord. No. 3320, § 1, 12-10-01; Ord. No. 4931, § 2(Exh.), 8-13-20)

### 35-902. Uses permitted by use permit.

[The following uses are permitted in this district subject to use permit:]

- (1) Single-family dwellings- EXISTING LOTS EXCEEDING TWELVE THOUSAND (12,000) SQUARE FEET AS OF FEBRUARY 8, 2024.
- (2) Two-family dwellings.



- 
- (3) Townhouses.
  - (4) Elevator multiple-family structures, including accessory business uses which are primarily for the convenience of the tenants.
  - (5) Offices and office buildings.
  - (6) Elderly care housing.
  - (7) Any other uses the City Council determines are compatible and in the best interests of the community.
- (Ord. No. 1506, 8-11-85; Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)

## ARTICLE X. MF-3—HIGH-DENSITY RESIDENTIAL DISTRICT

...

### 35-1001. Uses permitted.

All buildings are subject to an approved site development plan in accordance with Article XIX of this Code.

- (1) Multiple-family buildings.
  - (2) Elevator multiple-family buildings, including accessory business uses which are primarily for the convenience of the tenants.
  - (3) Churches, schools, public buildings and facilities.
  - (4) Offices and office buildings.
  - (5) Home occupations, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2215 OF THIS CODE.
  - (6) Signs in accordance with the Chandler Sign Code [Chapter 39].
  - (7) Fences, walls and landscape screens not exceeding seven (7) feet in height when adjacent or contiguous to side or rear lot lines and not more than three (3) feet in height when adjacent or contiguous to front yard lines.
  - (8) Swimming pools, private, in accordance with Article XXII [section 2205] of this Code.
  - (9) ONE (1) ~~A~~ accessory building, ~~as defined by~~ IN ACCORDANCE WITH Article ~~H~~ XXII, SECTION 2202 OF THIS CODE.
  - (10) STORAGE SHED IN ACCORDANCE WITH ARTICLE XXII, SECTION 2203 OF THIS CODE.
  - (11) SINGLE-FAMILY DWELLING ON EXISTING LOTS THAT ARE LESS THAN TWELVE THOUSAND (12,000) SQUARE FEET AS OF FEBRUARY 8, 2024. LOTS LESS THAN TWELVE THOUSAND (12,000) SQUARE FEET THAT WERE FIRST SUBDIVIDED ON OR AFTER FEBRUARY 8, 2024 ARE NOT ELIGIBLE FOR A SINGLE-FAMILY DWELLING UNLESS A USE PERMIT IS GRANTED PURSUANT TO THIS CHAPTER.
- (Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)



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**35-1002. Uses permitted by use permit.**

[The following uses are permitted in this district subject to use permit:]

- (1) Single-family dwellings- EXISTING LOTS EXCEEDING TWELVE THOUSAND (12,000) SQUARE FEET AS OF FEBRUARY 8, 2024.
- (2) Two-family dwellings.
- (3) Townhouses.
- (4) Elderly care housing.
- (5) Any other uses the City Council determines are compatible and in the best interests of the community.

**ARTICLE XII. C-1—NEIGHBORHOOD COMMERCIAL DISTRICT**

...

**35-1203. Height and area regulations.**

(1) *Height Regulations:* No building shall exceed thirty (30) feet in height or twenty (20) feet adjacent to residential uses. At the ~~thirty-foot~~ building setback line, a building may exceed such height provided that at no point it projects above a line sloping inward and upward at a forty-five-degree angle at the required height and setback line to a maximum height of forty-five (45) feet.

(2) *Front Yard:* Buildings shall be set back at least fifty (50) feet from the right-of-way line along arterial streets and at least thirty (30) feet from the right-of-way line along all other streets. In the proximity of street intersections, see section 1902(4).

IN ORDER TO ACCOMMODATE, ENCOURAGE, OR PROMOTE INFILL DEVELOPMENT OR REDEVELOPMENT ON PROPERTIES LOCATED WITHIN THE INFILL INCENTIVE DISTRICT, THE ZONING ADMINISTRATOR MAY REDUCE FRONT-YARD BUILDING SETBACKS BY UP TO 25 FEET FOR ARTERIAL STREETS AND UP TO 15 FEET FOR COLLECTOR STREETS AFTER HAVING MADE A FINDING IN WRITING THAT ALL OF THE FOLLOWING CRITERIA HAVE BEEN MET:

- A. SUCH DEVIATION, ON BALANCE, WILL RESULT IN A SUPERIOR ENVIRONMENTAL AND DESIGN QUALITY THROUGH ITEMS SUCH AS BUT NOT LIMITED TO:
  - i. INCREASED LEVELS OF ARCHITECTURAL QUALITY
  - ii. GREATER MATERIAL DIVERSITY
  - iii. ENHANCED USABLE SPACE AND/OR PEDESTRIAN CONNECTION
  - iv. ACTIVATION OF STREET FRONTAGE
  - v. HIGHER LEVEL OF LANDSCAPE DESIGN
  - vi. CREATIVE DESIGN SOLUTIONS FOR BACK-OF-HOUSE FUNCTIONS
- B. THE SITE IS DESIGNED TO ENSURE SAFE AND ADEQUATE ON-SITE TRAFFIC CIRCULATION AND PREVENT DRIVE-THROUGH QUEUING FROM BACKING ONTO MAIN DRIVEWAYS OR PUBLIC STREETS;
- C. SUFFICIENT PARKING IS PROVIDED ON-SITE;



- 
- D. THE DEVELOPMENT WILL ENHANCE THE QUALITY OF A NEIGHBORHOOD BY DEVELOPING A VACANT LOT OR REDEVELOPING AN EXISTING DELAPIDATED COMMERCIAL BUILDING OR CENTER;
  - E. THE DEVELOPMENT COMPLIES WITH REQUIRED SETBACKS AND LANDSCAPE BUFFERS FROM ADJACENT RESIDENTIAL PROPERTIES; AND
  - F. THE REDUCED SETBACK MAINTAINS THE GOALS OF PROVIDING LANDSCAPING ALONG STREETS AND STREET INTERSECTIONS AS IDENTIFIED IN SECTION 35-1903.1

(3) *Side Yard*: A minimum side yard of twelve (12) feet shall be required on one (1) side of any lot or parcel not having rear or alley access. On multi-building projects with on-site drives suitable for fire lanes, the required side yard setbacks may be waived upon approval of the site development plan by the Planning Director and the Fire Chief. In all instances, a minimum twenty-foot side yard setback shall be required for commercial development when abutting residentially zoned property.

(4) *Rear Yard*: None required where solid masonry building wall and/or six-foot masonry wall is constructed along rear property line and provided also no access or servicing is permitted to rear of property. Twenty-five-foot setback is required in all other instances.

(5) *Intensity of lot use*: No building(s) shall occupy more than fifty-five (55) percent of the lot area.

(Ord. No. 1518, § I, 8-1-85; Ord. No. 1421, 1-10-85; Ord. No. 3063, § 3, 11-18-99)

...

## ARTICLE XV. I-1—PLANNED INDUSTRIAL DISTRICT

...

### 35-1503. Height and area regulations.

(1) *Height regulations*: No building shall exceed thirty (30) feet in height at a ~~thirty-foot~~ front building setback line, except a building may exceed such height provided that at no point it projects above a line sloping inward and upward at a forty-five-degree angle at the required height and setback line.

(2) *Front yard*: Buildings shall be set back at least fifty (50) feet from the right-of-way line along arterial streets and at least thirty (30) feet from the right-of-way line along all other streets. In the proximity of street intersections, see section 1902(4).

IN ORDER TO ACCOMMODATE, ENCOURAGE, OR PROMOTE INFILL DEVELOPMENT OR REDEVELOPMENT ON PROPERTIES LOCATED WITHIN THE INFILL INCENTIVE DISTRICT, THE ZONING ADMINISTRATOR MAY REDUCE FRONT-YARD BUILDING SETBACKS BY UP TO 25 FEET FOR ARTERIAL STREETS AND UP TO 15 FEET FOR COLLECTOR STREETS AFTER HAVING MADE A FINDING IN WRITING THAT ALL OF THE FOLLOWING CRITERIA HAVE BEEN MET:

- A. SUCH DEVIATION, ON BALANCE, WILL RESULT IN A SUPERIOR ENVIRONMENTAL AND DESIGN QUALITY THROUGH ITEMS SUCH AS BUT NOT LIMITED TO;
  - i. INCREASED LEVELS OF ARCHITECTURAL QUALITY
  - ii. GREATER MATERIAL DIVERSITY INCLUDING GENEROUS AMOUNTS OF GLAZING INCORPORATED



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iii. HIGHER LEVEL OF LANDSCAPE DESIGN

iv. SCREENING OF REAR YARDS AND ALL DOCK DOORS

- B. THE SITE IS DESIGNED TO ENSURE SAFE AND ADEQUATE ON-SITE TRAFFIC CIRCULATION;
- C. SUFFICIENT PARKING IS PROVIDED ON-SITE;
- D. THE DEVELOPMENT WILL ENHANCE THE QUALITY OF THE AREA BY DEVELOPING A VACANT LOT, OR REDEVELOPING AN EXISTING INDUSTRIAL BUILDING OR CENTER;
- E. THE DEVELOPMENT COMPLIES WITH REQUIRED SETBACKS AND LANDSCAPE BUFFERS FROM ADJACENT RESIDENTIAL PROPERTIES; AND
- F. THE REDUCED SETBACK MAINTAINS THE GOALS OF PROVIDING LANDSCAPING ALONG STREETS AND STREET INTERSECTIONS AS IDENTIFIED IN SECTION 35-1903.1

(3) *Side yard*: A minimum side yard of twelve (12) feet shall be required on one (1) side of any lot or parcel not having rear or alley access. On multi-building projects with on-site drives suitable for fire lanes, the required side yard setbacks may be waived upon approval of the site development plan by the Planning Director and the Fire Chief. In all instances, a minimum fifty-foot side yard setback shall be required for industrial development when abutting residentially zoned property.

(4) *Rear yard*: Fifty (50) feet when abutting or adjacent to residential zoned property. No rear yard is required when a minimum six-foot solid masonry wall and/or building wall is constructed along the rear property line and provided also no access or servicing is permitted to the rear of the property. A rear yard of twenty-five (25) feet is required in all other instances.

(5) *Intensity of lot use*: No building(s) shall occupy more than fifty-five (55) percent of the lot area.

(Ord. No. 1518, § II, 8-1-85; Ord. No. 3063, § 3, 11-18-99)

...

## ARTICLE XVII. PLANNED AREA DEVELOPMENTS

...

### 35-1703. Intensity of land use.

Densities and intensity permitted in the PAD zoning designation shall be determined by the quality of the PAD designation and shall be consistent with the Chandler General Plan.

IN ORDER TO ACCOMMODATE, ENCOURAGE, OR PROMOTE INFILL DEVELOPMENT OR REDEVELOPMENT ON PROPERTIES LOCATED WITHIN THE INFILL INCENTIVE DISTRICT, THE ZONING ADMINISTRATOR MAY REDUCE FRONT-YARD BUILDING SETBACKS BY UP TO 25 FEET FOR ARTERIAL STREETS AND UP TO 15 FEET FOR COLLECTOR STREETS AFTER HAVING MADE A FINDING IN WRITING THAT ALL OF THE FOLLOWING CRITERIA HAVE BEEN MET:

- A. SUCH DEVIATION, ON BALANCE, WILL RESULT IN A SUPERIOR ENVIRONMENTAL AND DESIGN QUALITY THROUGH ITEMS SUCH AS BUT NOT LIMITED TO;
-



- 
- i. INCREASED LEVELS OF ARCHITECTURAL QUALITY
  - ii. GREATER MATERIAL DIVERSITY
  - iii. ENHANCED USABLE SPACE AND/OR PEDESTRIAN CONNECTION
  - iv. ACTIVATION OF STREET FRONTAGE
  - v. HIGHER LEVEL OF LANDSCAPE DESIGN
  - vi. CREATIVE DESIGN SOLUTIONS FOR BACK-OF-HOUSE FUNCTIONS
- B. THE SITE IS DESIGNED TO ENSURE SAFE AND ADEQUATE ON-SITE TRAFFIC CIRCULATION;
- C. SUFFICIENT PARKING IS PROVIDED ON-SITE;
- D. THE DEVELOPMENT WILL ENHANCE THE QUALITY OF A NEIGHBORHOOD BY DEVELOPING A VACANT LOT, OR REDEVELOPING AN EXISTING DELAPIDATED BUILDING OR DEVELOPMENT;
- E. THE DEVELOPMENT COMPLIES WITH REQUIRED SETBACKS AND LANDSCAPE BUFFERS FROM ADJACENT RESIDENTIAL PROPERTIES; AND
- F. THE REDUCED SETBACK MAINTAINS THE GOALS OF PROVIDING LANDSCAPING ALONG STREETS AND STREET INTERSECTIONS AS IDENTIFIED IN SECTION 35-1903.1

(Ord. No. 3063, § 3, 11-18-99; Ord. No. 3386, § 1, 9-12-02)

## ARTICLE XVIII. PARKING AND LOADING REGULATIONS<sup>1</sup>

### 35-1802. - General requirements.

...

(10) Motor vehicles may be parked in the front yard only when on an improved driveway (as defined in (5) above) ~~leading to required off-street parking.~~

### 35-1804. Parking schedule.

The following schedule provides the minimum parking spaces required for individual stand-alone uses. Parking shared by multiple uses shall be subject to parking requirements for shopping centers where permitted by the underlying zoning and/or shared parking requirements pursuant to Section 35-1807(2) Shared Parking. All parking requirements are based on gross floor area unless otherwise stated.

(1) *Residential*:

|               |   |
|---------------|---|
| Single-family | ** 2 spaces/unit<br>PLUS GUEST PARKING PER SECTION A<br>BELOW |
| Two-family    | ** 2 spaces/unit  |



|   |   |
|---|---|
|   | PLUS GUEST PARKING PER SECTION A BELOW  |
| Townhouse, patio home   | ** 2 spaces/unit<br>PLUS GUEST PARKING PER SECTION A BELOW  |
| Multi-family:<br>Efficiency or studio<br>One-bedroom<br>Two-bedroom<br>Each additional bedroom<br><br>GUEST PARKING | *** 1 space/unit<br>*** 1.5 spaces/unit<br>*** 2 spaces/unit<br>*** 0.25 spaces<br><br>0.25 SPACES PER UNIT |
| Mobile home subdivision or park   | *** 2 spaces/home or trailer  |

\*\*2 spaces per unit shall be covered

\*\*\*1 space per unit shall be covered

(Note: The entire space nine (9) by nineteen (19) feet as defined in Section 35-1802(1) shall be covered.)

A. GUEST PARKING FOR NON-MULTIFAMILY RESIDENTIAL:

IF ON-STREET PARKING IS NOT PROVIDED, GUEST SPACES SHALL BE PROVIDED EVENLY DISTRIBUTED THROUGHOUT THE DEVELOPMENT AT THE FOLLOWING RATE:

0.5 PER UNIT FOR DEVELOPMENTS WITH NO DRIVEWAYS

0.25 PER UNIT FOR DEVELOPMENTS WITH DRIVEWAYS

B. MINIMUM ASSIGNED PARKING SPACES FOR MULTIFAMILY RESIDENTIAL:

1. A MINIMUM OF ONE COVERED PARKING SPACE SHALL BE ASSIGNED TO EACH EFFICIENCY, STUDIO, OR ONE-BEDROOM UNIT. THE ASSIGNED SPACE MUST BE MADE AVAILABLE FOR THE EXCLUSIVE USE OF THE TENANT LEASING THE UNIT AND MAY NOT BE MADE AVAILABLE FOR USE BY OTHER TENANTS OR VISITORS.
2. A MINIMUM OF TWO PARKING SPACES (AT LEAST ONE OF WHICH SHALL BE COVERED) SHALL BE ASSIGNED TO EACH TWO-OR-MORE-BEDROOM UNIT. THE ASSIGNED SPACES MUST BE MADE AVAILABLE FOR THE EXCLUSIVE USE OF THE TENANT LEASING THE UNIT AND MAY NOT BE MADE AVAILABLE FOR USE BY OTHER TENANTS OR VISITORS.

(2) Institutional:

|                                   |  |
|-----------------------------------|--|
| Elementary and junior high school | One (1) space/classroom<br>Plus one (1) space for each two hundred (200) square feet of floor area in office use |
| High schools, colleges            | One (1) space/two hundred (200) square feet gross floor space  |
| Trade or business schools         | One (1) space/two hundred (200) square feet  |
| Library                           | One (1) space/two hundred fifty (250) square feet  |



|                      |   |
|----------------------|---|
| Museum               | One (1) space/two hundred fifty (250) square feet                                   |
| Churches             | One (1) space/four (4) seats  |
| Hospitals            | Three (3) space/bed   |
| Convalescent homes   | One (1) space/three (3) beds  |
| Government offices   | One (1) space/two hundred (200) square feet   |
| Elderly care housing | 0.75 spaces/unit<br>Plus one (1) additional space per project<br>employee/attendant |

(3) *Commercial:*

|  |   |
|--|---|
| Auditorium, theaters, stadium or similar place of assembly   | One (1) space/two hundred (200) square feet or one (1) space/five (5) seats, whichever is greater                         |
| Private clubs, lodges (no overnight accommodations)  | One (1) space/two hundred (200) square feet or one (1) space/five (5) seats, whichever is greater                         |
| Dance halls  | One (1) space/two hundred (200) square feet   |
| Health club or fitness club with multiple amenities (Gymnasium, fitness center and other recreational uses offering multiple amenities such as swimming pools, ball courts, and exercise equipment)  | One (1) space/two hundred (200) square feet   |
| Recreational community centers with multiple amenities (public or nonprofit facilities providing multiple amenities and recreational services such as swimming pools, ball courts, outdoor athletic fields, meeting rooms, classes, fitness center, day care, locker rooms, and lounge/snack area)   | One (1) space/two hundred (200) square feet   |
| Single use recreational facilities (athletic training, family recreational, or other recreational facilities specializing in a single use such as amusement centers, skating rinks, bounce gyms, party places, baseball/batting training facility, cheerleading training, dance studio, swimming, martial arts studio, yoga/pilates studio, personal training, fencing, laser tag, indoor paintball, boxing training) not hosting tournaments, exhibitions or other similar events | One (1) space/three hundred (300) square feet   |
| Single use recreational facilities hosting tournaments, exhibitions or other similar regional events   | To be determined by a parking demand study based on seating capacity prepared specifically for the subject use            |
| Funeral homes  | One (1) space/four (4) seats in main assembly area or one (1) space/three hundred (300) square feet, whichever is greater |
| Medical, dental offices, clinics   | One (1) space/one hundred fifty (150) square feet   |
| OUT-PATIENT SURGICAL CENTERS AND OTHER SIMILAR MEDICAL FACILITIES  | ONE (1) SPACE/ TWO HUNDRED (200) SQUARE FEET  |
| General offices, nonretail, excluding call centers   | One (1) space/two hundred fifty (250) square feet   |



|  |  |
|--|--|
| Call Center  | One (1) space/one hundred fifty (150) square feet  |
| Hotels, motels, boarding homes   | One (1) spaces for each sleeping room<br>Plus one (1) space/one hundred (100) square feet of meeting, banquet and restaurant space not solely intended for hotel guests and/or staff |
| Restaurants, cafes, bars, cocktail lounges                               | One (1) space/fifty (50) square feet of public serving area<br>Plus one (1) space/two hundred (200) square feet of preparation area  |
| Shopping centers (less than ten (10) gross acres in size)                | Five and one-half (5.5) spaces/one thousand (1,000) square feet  |
| Shopping centers (ten (10) gross acres or larger in size)                | One (1) space/two hundred fifty (250) square feet  |
| Retail sales   | One (1) space/two hundred fifty (250) square feet  |
| Childcare or Child daycare   | One (1) space/three hundred (300) square feet  |
| Bulky merchandise sales, nurseries, building materials, equipment rental | One (1) space/three hundred (300) square feet  |
| Banks and personal service   | One (1) space/one hundred fifty (150) square feet  |
| Bowling alleys   | Four (4) spaces/lane   |
| Tennis, handball courts  | Three (3) spaces/court   |
| Golf course  | One (1) space/two hundred (200) square feet in main building<br>Plus four (4) spaces per green   |
| Motor vehicle repair   | Three and one-half (3.5) spaces/vehicle service bay  |
| Motor vehicle sales and rental   | One (1) space/two hundred fifty (250) square feet of interior display space and office<br>Plus three and one-half (3.5) spaces/vehicle service bay                                   |
| Motor vehicle wash   | Two (2) spaces minimum<br>Plus other uses (Retail sales, motor vehicle repair, restaurant, office)   |

*(4) Industrial:*

|               |  |
|---------------|--|
| Manufacturing | One (1) space/one thousand (1,000) square feet gross floor area<br>(Ord. No. 1506, 8-11-85)<br>Plus one (1) space/two hundred fifty (250) square feet of office space  |
| Warehousing   | One (1) space/five hundred (500) square feet for the first ten thousand (10,000) square feet<br>Plus one (1) space/five thousand (5,000) square feet for remaining warehouse<br>Plus one (1) space/two hundred and fifty (250) square feet of office space |



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|                 |   |
|-----------------|---|
| FLEX INDUSTRIAL | TWO (2) SPACES/ONE THOUSAND (1,000)<br>SQUARE FEET OF FLEX INDUSTRIAL |
|-----------------|---|

...

## ARTICLE XIX. SITE DEVELOPMENT PLAN

...

### 35-1902. Site development plan design standards.

(1) *Purpose:* These standards shall function to guide development toward the highest attainable environmental quality at a time in which development and expansion are taking place at a rapid rate; as such development once established provides the living and working environment for hundreds of thousands of families over numerous decades and generations.

...

(4) *Site organization:*

(a) *Setbacks:*

1. For parking lots:

- a. In proximity to street intersections. See below 2.a.
- b. Along arterial streets, parking lots shall be set back at least twenty (20) feet from right-of-way lines.
- c. Along nonarterial streets, parking lots shall be set back at least twenty (20) feet from right-of-way lines.
- d. Along all other rights-of-way and property lines, unless said property lines are of a smaller parcel (pad) within a larger planned development, all parking spaces and access drives shall be set back at least ten (10) feet.

2. For structures or any physical improvement in proximity to street intersections:

- a. Intersections as described below are of value to the entire community. Land situated at the corner of such street intersections shall be landscaped, and remain open and free of buildings, parking areas, driveways, and walls in excess of two (2) feet six (6) inches in height. Ingress and egress drives perpendicular to the street are expected. The dimensions of these open areas shall satisfy at a minimum, the following standards:

| Type of Intersections                  | Setback From Right-of-Way | Setback Shall Apply for a Distance From the Intersection for |
|--|---------------------------|--|
| Arterial street with arterial street   | 50 feet                   | 250 feet along both streets                                  |
| Arterial street with any other street  | 50 feet                   | 100 feet along arterial street                               |
|  | 30 feet                   | 100 feet along other street                                  |
| Collector street with collector street | 30 feet                   | 60 feet along both streets                                   |



- 
- b. No vehicle or other obstruction exceeding two (2) feet in height shall be parked at an intersection of two (2) right-of-way lines within triangular area formed by the right-of-way lines and the line connecting them between points located thirty (30) feet from the intersection of said lines.

IN ORDER TO ACCOMMODATE, ENCOURAGE, OR PROMOTE INFILL DEVELOPMENT OR REDEVELOPMENT FOR PROPERTIES LOCATED WITHIN THE INFILL INCENTIVE DISTRICT, THE ZONING ADMINISTRATOR MAY DEPART FROM LANDSCAPE SETBACKS PRESCRIBED HEREIN AFTER HAVING MADE A FINDING IN WRITING THAT SUCH DEVIATION, ON BALANCE, WILL RESULT IN ENVIRONMENTAL AND DESIGN QUALITY SUPERIOR TO THAT OTHERWISE ATTAINABLE WITHOUT SUCH DEVIATION.

...

(5) *Building design:*

...

(c) *Mechanical equipment screening:* All mechanical equipment and appurtenances shall be concealed and/or screened from view in their entirety as an integral part of the building in one (1) of the following manners, and subject to approval by the Zoning Administrator:

1. Parapets are acceptable for screening, provided the height shall be equal to, or higher than, the highest point on the mechanical equipment; or
2. Screening of mechanical equipment shall be constructed of similar materials and painted colors similar to the building, and so arranged that the screening is perceived to be an integral part of the building mass.

All mechanical equipment and appurtenances shall be indicated and shown on building sections and elevations indicating dimensions of equipment and screening.

THE ZONING ADMINISTRATOR MAY REDUCE OR WAIVE SCREENING REQUIREMENTS FOR ROOF-MOUNTED EQUIPMENT IF:

- i. THE BUILDING IS A MID-RISE DEVELOPMENT AND ROOF-MOUNTED EQUIPMENT WILL NOT BE VISIBLE FROM ANY ADJACENT PROPERTY AS SEEN FROM A POINT SIX (6) FEET ABOVE GROUND LEVEL AT THE PROPERTY LINE OR SIDEWALK ON THE OPPOSITE SIDE OF THE STREET; OR
- ii. THE BUILDING IS LOCATED WITHIN AN INDUSTRIAL CENTER OR BUSINESS PARK AND ROOF-MOUNTED EQUIPMENT WILL NOT BE VISIBLE FROM ANY ARTERIAL STREET OR RESIDENTIAL PROPERTY.

ALL MECHANICAL EQUIPMENT SHALL BE SCREENED FROM VIEW IN THEIR ENTIRETY AS AN INTEGRAL PART OF THE BUILDING AS REQUIRED IN SECTION 5.C WHEN THE SUBJECT BUILDING IS ABUTTING A RESIDENTIAL ZONED PROPERTY REGARDLESS OF LOCATION OR BUILDING HEIGHT.

(d) *Metal buildings:*

1. Metal buildings will not be allowed on roads designated by the General Plan as arterial roads except that:

- a. A portion of a building may be constructed using an exterior metal finish where said portion is DETERMINED TO ENHANCE THE DESIGN QUALITY OF THE BUILDING ARCHITECTURE AND IS NOT THE PRIMARY BUILDING MATERIAL ~~not visible from the arterial road upon which the building fronts.~~

B. SHIPPING CONTAINERS MAY BE USED AS A BUILDING MATERIAL IF THE BUILDING IS DESIGNED WITH ADDITIONAL MATERIALS AND

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FENESTRATION TO ENHANCE THE QUALITY OF THE ARCHITECTURE THAT TOGETHER PROVIDE A CREATIVE AND INNOVATIVE ARCHITECTURAL DESIGN. THE CHARACTER, SCALE, AND MASSING OF SAID DESIGN SHALL BE COMPATIBLE WITH THE BUILDINGS OF THE SURROUNDING AREA.

2. Metal buildings may be allowed within industrial parks and at other locations not visible from an arterial street upon the Planning and Zoning Commission finding that the facade of the building is architecturally treated so as to assure mitigation of the starkness of metal construction and environmental compatibility with the surroundings.

(8) *Additional requirements for shopping centers, office and commercial complexes:*

...

(c) *Independent building ~~PAD~~ Pad sites:* For the purpose of this section, commercial ~~PAD~~ pad sites are uses that stand apart from, and hence not perceivable as, part of the main building complex. ~~PAD~~ pad sites may be developed as single freestanding uses, such as a restaurant or bank, or a cluster of uses sharing common architectural detail and materials, open spaces, and shaded areas and pedestrian connections. The number of ~~PAD~~ pad sites permissible in a shopping center shall be limited to one (1) per arterial street frontage, with corner ~~PAD~~ pad sites to count as one (1) of the frontage allowances. Multi-user ~~PAD~~ pad sites are permitted only when the uses are integrated and clustered within a common open space with seating areas and pedestrian walks, share common architectural details and materials (i.e., color, texture) portrayed by the main complex, and not separated by vehicular movement. The number of uses on one (1) ~~PAD~~ pad site shall not exceed two (2) although ~~the Commission may consider a larger number~~ MORE MAY BE APPROVED through the ~~Planned Area Development (PAD)~~ PRELIMINARY DEVELOPMENT PLAN (PDP) process when environmentally commensurate with the size and scale of the shopping center.

NOTWITHSTANDING THE FOREGOING, THE ZONING ADMINISTRATOR MAY APPROVE MORE THAN TWO FREE-STANDING PAD SITES PER DEVELOPMENT ADMINISTRATIVELY, UPON DETERMINING THAT ALL OF THE FOLLOWING APPLY:

- A. THE PAD WILL ENHANCE THE QUALITY OF THE OVERALL DEVELOPMENT OR REVITALIZE AN EXISTING COMMERCIAL CENTER;
  - B. AN ADDITIONAL PAD WILL MAKE USE OF AN AREA THAT IS CURRENTLY UNDERUTILIZED;
  - C. THERE IS SUFFICIENT AREA ON THE SITE TO ACCOMMODATE SAFE AND ADEQUATE ON-SITE TRAFFIC CIRCULATION AND THE SITE HAS BEEN DESIGNED TO PREVENT DRIVE-THROUGH QUEUING FROM BACKING ONTO MAIN DRIVEWAYS OR PUBLIC STREETS;
  - D. NO MORE THAN ONE HIGH-TURNOVER USER PER STREET FRONTAGE;
  - E. THE PAD(S) AND THE OVERALL COMMERCIAL CENTER IN WHICH IT IS LOCATED COMPLY WITH ARTICLE XVIII PARKING AND LOADING REGULATIONS;
  - F. THE ARCHITECTURAL DESIGN (I.E. BUILDING FORM AND MATERIALS) OF THE PAD IS COMPATIBLE WITH AND SUPERIOR TO EXISTING BUILDINGS IN THE SAME CENTER THROUGH THE FOLLOWING BUT NOT LIMITED TO;
    - i. INCREASED LEVELS OF ARCHITECTURAL QUALITY
    - ii. GREATER MATERIAL DIVERSITY
    - iii. ENHANCED USABLE SPACE AND/OR PEDESTRIAN CONNECTION
    - iv. ACTIVATION OF STREET FRONTAGE
    - v. HIGHER LEVELS OF LANDSCAPE DESIGN
    - vi. CREATIVE DESIGN SOLUTIONS FOR BACK-OF-HOUSE FUNCTIONS
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1. *Circulation:* One (1) drive-up or drive through window per ~~PAD~~ pad site is permissible as long as the drive-up does not conflict with parking maneuvering areas, main-stream vehicular movement, or in itself create an unsafe traffic situation. Drive through lane entry and exit shall be separated from vehicular parking areas, through curbing, landscaping, etc. Textured paving treatments shall be provided at all crosswalks, driveway entrances, and on-site pedestrian crosswalks. All drive-up facilities, including drive-up lanes and queuing areas shall be adequately screened from street view by building orientation, or by a landscaped berm and retaining wall measuring four (4) feet from grade of the driving lane, and situated so as not to disrupt safe traffic flow. ~~ALL Queuing~~ QUEUING lanes for fast food and similar high turnover uses shall be a minimum of fourteen (14) feet in width. ~~ESTABLISHMENTS WITH MULTIPLE QUEUING LANES THAT OFFER ON-SITE ORDERING SHALL HAVE AT LEAST ONE (1) QUEUING LANE WITH A MINIMUM OF~~~~and at least~~ one hundred AND fifty (150) feet in length MEASURED from THE drive-up window to THE start of THE lane-with-queuing. Queuing ON SAID LANE shall be provided to accommodate a minimum of ~~six (6) vehicles~~ ONE HUNDRED AND TWENTY (120) FEET from the start of THE lane to the menu board. ANY ADDITIONAL QUEUING LANES SHALL NOT BE COUNTED TOWARDS THE MINIMUM QUEUING REQUIREMENT PROVIDED HEREIN. QUEUING LANES DEDICATED SOLELY FOR PICKING UP PRE-ORDERED ITEMS AND WHICH DO NOT HAVE A MENU BOARD SHALL PROVIDE A MINIMUM OF SIXTY (60) FEET IN LENGTH MEASURED FROM THE PICK-UP WINDOW TO START OF THE LANE. This queuing length standard is not intended for such uses as drug stores, banks, dry cleaners, etc.

...

[Section 35-2100 is hereby repealed and replaced with the following:]

**35-2100. - PURPOSE.**

THE FOLLOWING TABLE INDICATES USES PERMITTED BY ZONING DISTRICTS WITH "X" AND USES PERMITTED WITH A USE PERMIT WITH "UP."

**TABLE OF PERMITTED USES FOR NONRESIDENTIAL DISTRICTS**

| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| <b>Agriculture</b>   |           |     |     |     |     |
| Community Garden   | X         | X   | UP  | UP  | UP  |
| Dairy products, processing, bottling and distribution, cream manufacturing, all on a wholesale basis |           |     | X   | X   | X   |
| Farm equipment sale and rental, with inventory and repair  |           |     | X   | UP  | UP  |



|   |    |    |    |    |    |
|---|----|----|----|----|----|
| Farm machinery repair   |    |    | X  | UP | UP |
| Feed and grain sales and storage  |    |    | X  | X  | X  |
| Greenhouse and nursery, commercial  | UP | X  | X  | X  | X  |
| Hatcheries  |    |    |    |    | X  |
| Nursery and greenhouse, commercial  | UP | X  | X  | X  | X  |
| <b>Aviation</b>   |    |    |    |    |    |
| Airport   |    |    | UP | UP | UP |
| Hanger, with taxiway access   |    |    |    | X  | X  |
| Helipad - ancillary use   | X  | X  | X  | X  | X  |
| Heliport  | UP | UP | UP | UP | UP |
| <b>Quasi-Public / Institutional</b>   |    |    |    |    |    |
| Cemeteries, mausoleums  |    |    | UP | UP | UP |
| Charitable and philanthropic organizations  | X  | X  | X  | UP | UP |
| Churches and other places of worship<br>Including Sunday School buildings, assembly halls, parish houses,<br>rectories and other residences of clergy)                                | X  | X  | X  | UP | UP |
| Clubs, membership (not operated for profit), excluding adult service<br>business (Ord. No. 2413, § 4.B, 11-18-93)   |    | X  | X  |    |    |
| Penal and correctional institutions   | UP | UP | UP | UP | UP |
| Community centers<br>Defined as a building or group of buildings in which members of the<br>community may gather for social, educational, recreational, and or<br>cultural activities | X  | X  | X  | UP |    |
| Crematoriums  |    |    |    |    | UP |
| Funeral homes, funeral parlors, mortuaries  |    | X  | X  |    |    |
| Libraries   | X  | X  | X  | UP |    |
| Lodges, fraternal and social organizations, headquarters for scout<br>and other youth organizations   |    | X  | X  |    |    |
| Lodges, fraternal and social organizations, headquarters for scout<br>and other youth organizations (Entertainment activity pursuant to<br>section 35-305(4))                         |    | UP | UP |    |    |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Rescue service  |           | X   | X   | X   | X   |
| Transient service facilities<br>Defined as an establishment where the principal function involves providing on-site food, clothing, shelter, employment or other related services primarily intended for transient populations with limited ability for self-care, or those persons in need of counseling for employment, or those persons with personal or behavioral disabilities. The term shall include the principal assistance or service facility and all appurtenant or related establishments intended for use by the patrons of the principal facility. The term shall include homeless shelters, charity dining facilities, plasma centers, rescue missions, day labor hiring centers, and similar facilities, but shall not include State licensed care facilities such as homes for the developmentally disabled, child crisis, and domestic violence centers. | UP        | UP  | UP  | UP  | UP  |

### **Cultural & Entertainment**

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| Artistic programs or events                          | UP | UP | UP | UP | UP |
| Assembly halls                                       |    | X  | X  | UP | UP |
| Coliseums and stadiums                               |    | UP | UP | UP | UP |
| Entertainment activity pursuant to section 35-305(4) |    | UP | UP | UP | UP |
| Museums, art galleries                               | X  | X  | X  | UP |    |
| Wedding reception and event facilities               |    | X  | X  | UP |    |
| Wedding reception and event facilities               |    | UP | UP | UP |    |
| Entertainment activity pursuant to section 35-305(4) |    | UP | UP | UP |    |

### **Day Care Services**

|   |   |    |    |    |  |
|---|---|----|----|----|--|
| Adults with developmental disabilities, including life skills training, specialized teaching and support and/or therapy                                     | X | X  | X  |    |  |
| Adults with developmental disabilities, including life skills training, specialized teaching and support and/or therapy - with vocational training services | X | X  | X  | UP |  |
| Animal day care indoors only, with or without overnight boarding  | X | X  | X  |    |  |
| Animal day care with outdoor play areas, with or without overnight boarding   |   | UP | UP |    |  |
| Childcare, child daycare  | X | X  | UP |    |  |
| Kindergartens and day nurseries - meeting all requirements of appropriate State and local regulations and standards   | X | X  | UP |    |  |
| Senior care, adult day care   | X | X  | X  |    |  |



| USES | DISTRICTS |     |     |     |     |
|------|-----------|-----|-----|-----|-----|
|      | C-1       | C-2 | C-3 | I-1 | I-2 |

### Dwellings

|  |  |    |   |    |    |
|--|--|----|---|----|----|
| Hotels, motels, tourist homes on-site manager's quarters |  | X  | X | UP | UP |
| Self-storage on-site manager's quarters                  |  | UP | X | X  | X  |

### Eating, Drinking & Lounge Establishments

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| Bar, cocktail lounge<br>Excluding adult service business (Ord. No. 2413, § 4.B, 11-18-93)   | UP | UP | UP | UP | UP |
| Breweries, distilleries and wineries where the primary use is a restaurant. For breweries that primarily produce and distribute, see Industrial Services, Manufacturing & Production category.  | X  | X  | X  | UP | UP |
| Commercial, cloud, or ghost kitchen, food prep - with customer seating  | X  | X  | X  | UP |    |
| Commercial, cloud, or ghost kitchen, food prep - no customer seating  |    | X  | X  | X  |    |
| Entertainment activities, pursuant to section 35-305(4)   | UP | UP | UP | UP | UP |
| Hookah lounge   |    | X  | X  |    |    |
| Restaurant or drive-through<br>Food or drink sales for immediate consumption within principal building and all types of drive-in establishments serving food or drink outside of a building or catering to takeout trade, but not featuring adult service (Ord. No. 2413, § 4.D, 11-18-93)) | X  | X  | X  | UP | UP |

### Educational Facilities

|   |   |   |   |    |    |
|---|---|---|---|----|----|
| Alternative schools and higher education (college, business college, beauty school) |   | X | X | UP |    |
| Educational facilities and industrial research (technical)□                         |   | X | X | X  | X  |
| Elementary school (kindergarten through 8th grade)                                  | X | X |   |    |    |
| High school (9th through 12th grade)  |   | X | X |    |    |
| Music or dancing school   | X | X | X |    |    |
| Trade/vocational schools (industrial, HVAC, plumbing, motor vehicle)                |   |   | X | X  | UP |
| Tutoring services   | X | X | X |    |    |

### Industrial Services, Manufacturing & Production

\* Ancillary uses are permitted provided they do not exceed 15% of the net floor area.

\*\* Ancillary office space is permitted provided it does not exceed 40% of the net floor area, and all required parking is provided

|  |  |   |    |    |    |
|--|--|---|----|----|----|
| Alcoholic beverage package store   |  | X | X  | UP | UP |
| Alcoholic production (brewery, distillery, winery)<br>Ancillary tasting rooms are permitted provided they do not exceed 15% of the net floor area. |  |   | UP | X  | X  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Bakery, wholesale<br>Ancillary sales area is permitted provided it does not exceed 15% of the net floor area  |           |     | UP  | X   | X   |
| Bottling works for soft drinks  |           |     | X   | X   | X   |
| Brick, tile, and terra cotta manufacturing  |           |     |     |     | X   |
| Building contractors, building maintenance services – fully enclosed in building(s)<br>Including electrical, plumbing, and roofing contractors with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings. |           | X   | X   | X   | X   |
| Building contractors, building maintenance services – utilizing outside storage<br>Including electrical, plumbing, and roofing contractors with all storage of goods, materials and equipment and all processing and manufacturing utilizing outside storage.                                   |           |     | UP  | X   | X   |
| Candy manufacture   |           |     | X   | X   | X   |
| Cleaning of building exteriors, disinfecting, or exterminating establishments with all materials and equipment completely enclosed within the principal building and the entire establishment occupying no more than two thousand (2,000) square feet of net floor space                        |           | X   | X   | X   | X   |
| Clothing manufacturer   | X         | X   | X   |     |     |
| Cold storage facility   |           |     | X   | X   | X   |
| Dry cleaning, laundering (industrial)   |           |     | X   | X   | X   |
| Dyeing plant  |           |     | UP  | UP  | UP  |
| Electrical and industrial equipment repair  |           |     | X   | X   | X   |
| Electrical equipment assembly   |           |     | UP  | X   | X   |
| Film production studio  |           |     | UP  | X   | X   |
| Food processing in wholesale quantities, except meat, fish, poultry, vinegar, and yeast   |           |     | X   | X   | X   |
| Foundries (producing iron and steel products)   |           |     |     |     | UP  |
| Furniture manufacturing (cabinets and household furniture)  |           |     |     | X   | X   |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Gasoline dispensing (other than service station)<br>Fuel shall not be located closer than twenty (20) feet to a right-of-way line or ten (10) feet to a property line  | UP        | UP  | UP  | UP  | UP  |
| Gasoline, compressed gases, or chemical bulk terminal plants for wholesale storage<br>Receiving, storage, handling and distribution areas shall not be located closer than one hundred (100) feet to the front property line and no closer than fifty (50) feet to side rear property lines. Storage areas for containerized liquids shall be covered and screened from public view. Setback areas may be used for parking retention, or nonhazardous uses as defined by the UBC consistent with the I-2 Zone setback regulations, but a minimum of one thousand (1,000) feet from any existing or planned residential area.<br>(Ord. No. 1353, § II, 8-25-84) |           |     |     |     | UP  |
| General contractor or workman with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings  |           | X   | X   | X   | X   |
| Home improvement company, upholsterer, general contractor or workman, building materials company, sign-making company with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings and the entire establishment occupying no more than five thousand (5,000) square feet of net floor area  |           | X   | X   | UP  | UP  |
| Ice manufacturer (excluding ice machines)  |           |     | UP  | X   | X   |
| Industrial<br>Light operations or light mechanical, not offensive, obnoxious or detrimental to neighboring uses by reason of dust, smoke, vibration, noise, odor, or effluents)  |           |     | UP  | X   | X   |
| Industrial equipment machinery repair and service  |           |     | UP  | X   | X   |
| Laboratories<br>Serving professional requirements, dentist, medical, etc.  |           | X   | X   | X   | UP  |
| Laundering plant, dry cleaning, diaper service (industrial)  |           |     | X   | X   | X   |
| Leather goods manufacturer   |           |     | UP  | X   | X   |
| Machine shops  |           |     | UP  | X   | X   |
| Machine tool manufacturing   |           |     |     | UP  | X   |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Magazine or newspaper distribution, excluding adult bookstores  |           | X   | X   | UP  | UP  |
| Manufacturing uses not otherwise named herein upon the approval of Zoning Administrator<br>Provided that no use shall be permitted in this section which is likely to be dangerous, offensive or detrimental to the health, safety, welfare or general character of this zoning district or of the community by reason of the emission of dust, gas, smoke, noise, fumes, odors, vibration, glare or otherwise<br>(Ord. No. 1506, 8-11-85)) |           |     |     | UP  | UP  |
| Meat processing and packing   |           |     |     | UP  | UP  |
| Mechanical (light)<br>Light industrial operation, not offensive, obnoxious or detrimental to neighboring uses by reason of dust, smoke, vibrations, noise, odor, or effluents)  |           |     | UP  | X   | X   |
| Medical supplies, manufacturing and distributing  |           |     |     | X   | X   |
| Newspaper publishing  |           |     | X   | UP  | UP  |
| Optical and scientific instrument manufacturer  |           | UP  | X   | X   | X   |
| Pharmaceutical manufacturer   |           |     | UP  | X   | X   |
| Plastics manufacturing  |           |     |     | UP  | X   |
| Pottery and porcelain manufacturer  |           |     |     | X   | X   |
| Pottery, porcelain, and vitreous china manufacturing  |           |     |     |     | X   |
| Prefabricated homes, mobile homes, camper manufacture   |           |     |     | UP  | X   |
| Research and development  |           |     |     | X   | X   |
| Sheet metal products, tin smithing - no outside storage<br>Light, such as ventilating ducts and eaves, with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building   |           |     | X   | X   | X   |
| Sheet metal products, tin smithing - with outside storage<br>Light, such as ventilating ducts and eaves, with all storage of goods, materials and equipment and processing and manufacturing, utilizing outside storage)  |           |     | UP  | X   | X   |
| Showrooms, ancillary display and/or sales area is permitted provided it does not exceed 15% of the net floor area   |           |     |     | X   | X   |
| Sign-making company<br>With all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings and the entire establishment occupying no more than four thousand (4,000) square feet of net floor area  |           | X   | X   | UP  | UP  |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Sign manufacturer  |           |     |     | X   | X   |
| Storage of commercial vehicles<br>Where not an accessory use to another use which is permitted   |           |     | UP  | X   | X   |
| Storage (outside) of materials and equipment (ancillary use)<br>Not allowed as a stand-alone use. Outside storage is only allowed as an accessory use to another use permitted in I-1 and I-2 districts, only when fully screened by a wall/gate on all sides  |           |     |     | X   | X   |
| Storage (outside) of materials and equipment (stand-alone use)   |           |     |     | UP  | UP  |
| Textile manufacturer   |           |     |     | X   | X   |
| Tobacco products manufacture and storage   |           |     |     | X   | X   |
| Trailers, modular buildings (for laboratory, educational, office or storage), when it is not the primary/only building and is located in an area that is completely screened from view   | UP        | UP  | UP  | UP  | UP  |
| Welding shops  |           |     | UP  | X   | X   |
| <b>Marijuana Facilities (see footnote #3 and #4 at end of table)</b>   |           |     |     |     |     |
| Medical marijuana - Cultivation site <sup>3</sup>  |           | X   | X   |     |     |
| Medical marijuana - Facility <sup>3</sup>  |           |     |     | X   | X   |
| Medical marijuana - Infusion food establishment <sup>3</sup>   |           |     |     | X   | X   |
| <b>Medical / Health Care</b>   |           |     |     |     |     |
| Convalescence homes, nursing homes, homes for the aged and residential care homes  |           | X   | UP  |     |     |
| Hospitals (excluding animal hospitals)   | X         | X   | X   |     |     |
| Medical office uses for out-patient care<br>Includes such uses as health care clinics, urgent care, primary care provider offices, medical specialist offices, surgery centers, dental offices, optometrist offices, rehab services, occupational therapy, physical therapy, speech therapy, psychologist offices, psychiatrist offices, plastic surgery, and other similar uses. Medical office uses can offer ancillary inpatient services | X         | X   | X   | UP  | UP  |
| Veterinarian hospital or clinic<br>All equipment, storage of animals and services are wholly contained within the principal building   |           | X   | X   |     |     |
| <b>Office and Financial</b>  |           |     |     |     |     |
| Bank   | X         | X   | X   | UP  | UP  |
| Broker, investments, loans   | X         | X   | X   |     |     |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Call center   |           | X   | X   | UP  |     |
| Coworking office space  |           | X   | X   | UP  |     |
| Credit bureaus  |           | X   | X   |     |     |
| Express office  |           |     | X   | X   | X   |
| Government buildings<br>Used exclusively by the Federal, State, County or City Government purposes except for garages, repair or storage yards, warehouses and buildings used for industrial type operations, or for operations requiring heavy and frequent movement of trucks | X         | X   | X   | X   | X   |
| Insurance company or agency   | X         | X   | X   |     |     |
| Letters, duplicating and mailing  |           | X   | X   | UP  | UP  |
| Office, PRIMARY USE<br>Professional, business, administrative, executive, and other offices having no storage of stock-in-trade (other than samples) or heavy equipment and no sale of commodities on the premises  | X         | X   | X   | UP  | UP  |
| Patrol system and burglar alarm watching service  |           | X   | X   | X   | X   |
| Travel agencies   | X         | X   | X   | UP  |     |

### **Play & Recreational**

|   |   |    |    |    |    |
|---|---|----|----|----|----|
| Amusement park  |   | UP | UP |    |    |
| Aquariums   |   | UP | X  |    |    |
| Billiard or pool hall   |   | X  | X  |    |    |
| Bowling alley   |   | X  | X  |    |    |
| Dance hall, club, excluding adult service business<br>(Ord. No. 2413, 4.B, 11-18-93)  |   | X  | X  |    |    |
| Dance hall, club, excluding adult service business<br>(Ord. No. 2413, 4.B, 11-18-93)<br>Entertainment activity pursuant to section 35-305(4)    |   | UP | UP |    |    |
| Drive-in theater<br>Excluding the showing of films involving specified sexual activities and specified anatomical areas, defined in section 200 |   | X  | X  | UP | UP |
| Entertainment venues such as but not limited to bowling, laser tag, arcades, billiards, ziplines, virtual reality                               |   | X  | X  | UP |    |
| Go-kart racing  |   | X  | X  | UP |    |
| Golf courses, miniature golf and driving ranges   | X | X  | X  | UP | UP |
| Gymnasium, fitness center, personal training, martial arts studio, yoga/pilates studio  | X | X  | X  |    |    |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Playgrounds  | UP        | UP  | UP  | UP  | UP  |
| Recreational assembly uses offering one or more of the following:<br>trampolines, wall climbing, ziplines, parkouring, skateboarding,<br>ninja warrior courses, party places, baseball/batting training,<br>cheerleading training, gymnastics training, dance studio training,<br>swimming, sport courts, and other similar uses | X         | X   | X   | UP  |     |
| Shooting range indoors only  |           | X   | X   | UP  | UP  |
| Skating rink   |           | X   | X   |     |     |
| Theaters, cinema, excluding drive-in and adult video facilities<br>(Ord. No. 2413, § 4.F, 11-18-93)  |           | X   | X   |     |     |
| Theaters, performing arts programs or events   |           | X   | X   | UP  |     |
| <b>Retail Sales &amp; Service</b>  |           |     |     |     |     |
| Animal rescue shelter (see kennel)   |           |     |     |     |     |
| Appliance repairer<br>With all storage of goods, materials and equipment and all processing<br>and manufacturing kept within a completely enclosed building or<br>buildings and the entire establishment   | UP        | X   | X   | UP  | UP  |
| Automobile accessories (sales)   |           | X   | X   | UP  |     |
| Automobile and truck sales<br>With inventory, rental with inventory and repair when carried<br>on entirely within the principal building and incidental to the<br>principal use  |           |     | X   | UP  | UP  |
| Bakery (goods baked and sold on premises)  | X         | X   | X   | UP  |     |
| Barbershops  | X         | X   | X   | UP  |     |
| Beauty shops   | X         | X   | X   | UP  |     |
| Beauty and barbershop supplies   | X         | X   | X   | UP  |     |
| Bicycle sales, rental, service and storage   | X         | X   | X   |     |     |
| Boat building, repair, service and storage   |           |     | X   | X   | X   |
| Boat sales<br>With inventory, rental with inventory and repair when carried<br>on entirely within the principal building and incidental to the<br>principal use  |           | X   | X   | UP  |     |
| Building materials companies<br>With all storage of goods, materials and equipment and all processing<br>and manufacturing kept within a completely enclosed building or<br>buildings  |           | X   | X   | UP  | UP  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Building supplies and materials, glass sales, and installation - with outside storage yard for lumber, bricks, cement blocks or other materials   |           |     | X   | X   | X   |
| Building supplies and materials, glass sales, and installation - no outside storage of lumber, brick cement blocks or other materials (see footnote #2 at end of table)   |           | X   | X   | X   | X   |
| Candy (manufactured and sold on the premises)   | X         | X   | X   |     |     |
| Caterers  |           | X   | X   | X   | X   |
| Cleaners, dryers, clothing storage establishments (all including pickup station) or self-service laundromat, all performing services entirely for retail trade on the premises  | X         | X   | X   | UP  |     |
| Clothing and apparel store (see footnote #2 at end of table)  | X         | X   | X   |     |     |
| Compounding pharmacy  | X         | X   | X   | X   |     |
| Cosmetic services uses - med spas, day spas, botox, laser skin treatments, massage establishments, tanning services, tattoo services  | X         | X   | X   |     |     |
| Cosmetic store, including sale of goods and services customarily incidental thereto   | X         | X   | X   |     |     |
| Dental supplies, retail   |           | X   | X   | UP  |     |
| Department store (see footnote #2 at end of table)<br>Including sale of items shown elsewhere in this table if customarily sold in such a store.  | X         | X   | X   |     |     |
| Diaper service  |           |     | X   | X   | X   |
| Donation center (clothing and household goods)  |           | X   | X   |     |     |
| Dressmaker  | X         | X   | X   | UP  |     |
| Drive-through, drive-up, and all fast-turnover establishments<br>Defined as businesses that include in their design and function the use of drive-in windows, curbside service, express lines and/or layout of retail stock and checkout facilities to facilitate the rapid delivery of goods and services to customers, such as but not limited to cleaners, banks, liquor stores, fast-food restaurants, service stations, convenience markets and similar uses (see footnote #1 at end of table) | X         | X   | X   | UP  | UP  |
| Driving school  |           | X   | X   |     |     |
| Drugstore or cosmetic store<br>Including sale of goods and services customarily incidental thereto  | X         | X   | X   |     |     |
| Electric vehicle chargers   | X         | X   | X   | X   | X   |
| Electric vehicle charging lots  | X         | X   | X   | X   | X   |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Exterminating establishment, pest control<br>With materials and equipment completely enclosed within the principal building and the entire establishment occupying no more than four thousand (4,000) square feet of net floor space)   |           |     | X   | X   | X   |
| Florist   | X         | X   | X   |     |     |
| Food specialty store<br>Including but not limited to the following lines: meat (excluding slaughtering and eviscerating), fish, eggs, poultry (excluding slaughtering), fruit, vegetables, candy, nuts, coffee, tea, confection, dairy products, health foods, retail bakery)             | X         | X   | X   | UP  |     |
| Furniture and appliance repairer  |           | X   | X   | UP  | UP  |
| Garden shop   | X         | X   | X   |     |     |
| Gift shop   | X         | X   | X   |     |     |
| Grocery, delicatessen, supermarket, or other store carrying a variety of food and related goods (see footnote #2 at end of table)   | X         | X   | X   | UP  | UP  |
| Handicrafts<br>Manufacture and sale of, at retail or wholesale which are manufactured predominantly by hand and involve the application of artistic skills)   |           |     | X   | X   | X   |
| Hobby shop  | X         | X   | X   |     |     |
| Home improvement retailer (see footnote #2 at end of table)   | X         | X   | X   |     |     |
| Household appliance store (see footnote #2 at end of table)   | X         | X   | X   |     |     |
| Interior decorator  | X         | X   | X   |     |     |
| Jewelry store   | X         | X   | X   |     |     |
| Kennel, commercial<br>Or other establishment where the care, breeding or sale of animals is the principal purpose of the enterprise, with no animals to be located within five hundred (500) feet from any residentially zoned property or one hundred (100) feet from any property line) |           |     | UP  |     |     |
| Laundromat, self-service<br>Performing services entirely for retail trade)  | X         | X   | X   | UP  |     |
| Liquor, wine, beer sales - retail (excluding bars and cocktail lounges)   | X         | X   | X   |     |     |
| Laboratory supplies, RETAIL   |           | X   | X   | UP  | UP  |
| Medical / laboratory supplies, retail   |           | X   | X   | UP  |     |
| Mobile home sales and rental, not including occupancy on the site   |           |     | X   | UP  | UP  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Monument sales establishment, headstones<br>With incidental processing to order but excluding the shaping of stones and similar processes   |           | X   | X   | UP  |     |
| Orthopedic braces, artificial limbs, etc., (sales)  |           | X   | X   |     |     |
| Outside displays<br>Shall be limited to boats, trailers, trucks, and other vehicles, products and materials such as grills, storage sheds and plants not normally or in limited numbers found exhibited in stores within retail and wholesale establishments. Items such as food, furniture, tools, appliances, bag materials such as cement, fertilizer, etc., shall not be displayed outside. Outside displays shall not be located within fifteen (15) feet to any property line | X         | X   | X   | X   | X   |
| Pawn shop   |           | X   | X   |     |     |
| Personal service establishments<br>Providing but not limited to barber and beauty shops, shoe repair shop, travel agencies, photographers, reducing salons, tailors, dressmaker, massage, tattoo shops, beauty/day spa  | X         | X   | X   | UP  |     |
| Photographers   | X         | X   | X   | UP  |     |
| Prefabricated home sales  |           |     | X   | X   | X   |
| Printing, blueprinting, engraving<br>Or other reproduction services with no limit as to floor area (Ord. No. 1506, 8-11-85)   |           |     | X   | X   | X   |
| Repair shop for repairs or adjustments to bicycles, small appliances, watches, locks, musical instruments, guns and similar items conducted wholly within a building with no outside storage of materials or equipment  | X         | X   | X   |     |     |
| Restaurant supplies   |           | X   | X   | UP  |     |
| Retail stores selling or renting goods predominantly at retail on the premises, including but not limited to the following: (see footnote #2 at end of table)   |           |     |     |     |     |
| 1. Hardware, paint, wallpaper, fabrics, supplies, curtains, linens, knitting supplies, china, glass, pottery, firearms  | X         | X   | X   |     |     |
| 2. Furniture, floor covering, appliances  |           | X   | X   |     |     |
| 3. Farm and garden supplies, including nursery stock, feed, and grain   | UP        | X   | X   |     |     |
| 4. Antiques and secondhand goods, excluding materials held only for discard or repossessing   |           | X   | X   |     |     |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Shoe repair shop  | X         | X   | X   | UP  |     |
| Signs conforming to requirements of sign code [Ch. 39]  | X         | X   | X   | X   | X   |
| Specialty stores (see footnote #2 at end of table)<br>Selling or renting goods predominantly at retail on the premises, including but not limited to the following lines: tobacco, newspapers, books, stationary, gifts, cards, novelties, jewelry, luggage, optical goods, sporting goods, bicycles, pets, hobby supplies, toys, coins, stamps, photo supplies, art supplies, works of art, music, musical instruments, sewing machines, radio and TV sales and service, but excluding adult bookstores<br>(Ord. No. 2413, § 4.E, 11-18-93)) | X         | X   | X   |     |     |
| Tailors   | X         | X   | X   | UP  |     |
| Uniforms sales or renting   | X         | X   | X   |     |     |
| Upholsterer<br>With all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings and the entire establishment occupying no more than two thousand (2,000) square feet of net floor area   |           | X   | X   | UP  | UP  |
| <b>Temporary Uses</b>   |           |     |     |     |     |
| Carnival, fair, rodeo, etc.   |           | UP  | UP  | UP  | UP  |
| Farmer's Market   |           | X   | X   |     |     |
| Flea market / swap meet   |           | X   | X   |     |     |
| <b>Tourism / Visitor Accommodations</b>   |           |     |     |     |     |
| Conference / convention facilities  |           | X   | X   |     |     |
| Hotels, motels, tourist homes   |           | X   | X   | UP  | UP  |
| <b>Transportation</b>   |           |     |     |     |     |
| Ambulance service   |           | X   | X   | UP  |     |
| Bus passenger station (inter-City)  |           |     | X   | X   | X   |
| Parking lot<br>On-site or off-site or parking structure for employees, customers, or visitors for any business or industrial use or commercial or public parking lot or parking structure   | X         | X   | X   | X   | X   |
| Railroad passenger station  |           |     | X   | X   | X   |
| Taxi dispatching station  |           | X   | X   | X   | X   |



| USES                                   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Taxi terminal                          |           |     | X   | X   | X   |
| Truck or rail freight yard or terminal |           |     |     | X   | X   |

### Utility

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| Radio and television stations and transmitting towers  |    |    | UP | X  | X  |
| Radio and television stations excluding transmitting towers  |    | X  | X  | X  | X  |
| Solar energy system (ancillary)  | X  | X  | X  | X  | X  |
| Solar energy system (utility scale)  | UP | UP | UP | UP | UP |
| Utility company offices, including exchanges   | X  | X  | X  | X  | UP |
| Utility (public)<br>Distribution lines, transformer stations, transmission lines and towers, water tanks and towers, and telephone exchanges but not service or storage yards) | UP | UP | UP | UP | UP |
| Utility (public) storage yards   |    |    | UP | X  | X  |

### Motor Vehicle Services

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| Fuel dispensing equipment<br>Pumps shall not be located closer than twenty (20) feet to a right-of-way or ten (10) feet to a property line   | UP | UP | UP | UP | UP |
| Gas station and/or service station (gasoline) complying with the following conditions:<br>1. Does not perform body work, painting or dismantling and/or salvage work<br>2. Does not store any vehicle for more than five (5) days<br>3. Provides amenities and safeguards of such dimensions that occupants in adjoining or adjacent structures are not unreasonably disturbed, either day or night, by the movement of vehicles and lighting facilities<br>4. Has at least one (1) street frontage having a minimum width of one hundred fifty (150) feet<br>5. No pump island or part of a canopy shall be located or extended within twenty (20) feet of a right-of-way, or ten (10) feet to a property line<br>6. Any service station which remains vacant for a period of ninety (90) consecutive days shall be considered "abandoned." In the event of abandonment, all tanks shall be removed or safeguarded in accordance with the Uniform Fire Code |    | UP | UP | UP | UP |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Gas station and/or service station (gasoline, self-service) complying with the following conditions:   | UP        | UP  | UP  | UP  | UP  |
| 1. Limited to the dispensing of fuels, oil, antifreeze and other minor accessories   |           |     |     |     |     |
| 2. Does not rent or sell motor vehicles, trailers or general replacement parts, nor do any type of vehicle repair or maintenance work  |           |     |     | 1   |     |
| 3. Does not provide for the storage or parking of vehicles for a period in excess of twenty-four (24) hours  |           |     |     | 1   |     |
| 4. Provides amenities and safeguards of such dimensions z that occupants in adjoining or adjacent structures are not unreasonably disturbed, either day or night, by the movement of vehicles and lighting facilities  |           |     |     | 1   |     |
| 5. Has at least one (1) street frontage having a minimum width of one hundred fifty (150) feet   |           |     |     | 1   |     |
| 6. No pump island or part of a canopy shall be located or extended within twenty (20) feet of a right-of-way line  |           |     |     | 1   |     |
| 7. Any service station which remains vacant for a period of ninety (90) consecutive days shall be considered "abandoned." In the event of abandonment, all tanks shall be removed or safeguarded in accordance with the Uniform Fire Code  |           |     |     | 1   |     |
| Motor vehicle impound yard   |           |     |     | UP  | UP  |
| Motor vehicle rentals  |           | X   | X   |     |     |
| Motor vehicle repairs, wholesale and retail<br>Including full body paint spraying and body and fender work carried on within a structure with storage of wrecked vehicles or parts permitted only behind the principal building. Such storage of vehicles or their parts will be incidental to the principal business and will not constitute a junkyard as defined in section 200 of this Code (Ord. No. 1942, 3-10-88; Ord. No. 1995, § I, 7-25-88)  |           |     | X   | UP  | UP  |
| Motor vehicle repairs, wholesale and retail, including accessories, customization and detailing<br>Excluding full body paint spraying and body and fender work except replacement, carried on completely within a structure and having no outside storage of vehicles or parts of vehicles except those to be serviced or repaired for retail customers.<br>Such storage shall be clearly incidental to the principal business and time of such outside storage shall not exceed 1 week for each vehicle (Ord. No. 1942, 3-10-88; Ord. No. 1995, § I, 7-25-88) |           | X   | X   | UP  | UP  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Motor vehicle wash<br>May have incidental detailing, minor vehicle maintenance, and windshield repair within the primary building | UP        | X   | X   | UP  | UP  |
| Motorcycle sales, rental and repair<br>When repair is carried on within the principal building                                    |           |     | X   | UP  |     |
| Tire recapping and retreading (in accordance with Fire Code)  |           |     | UP  | X   | X   |

### Warehousing / Storage

|  |  |    |    |   |   |
|--|--|----|----|---|---|
| Garage condominiums, luxury storage units  |  | UP | X  | X | X |
| Moving, storage or warehousing establishments  |  |    | UP | X | X |
| Recreational vehicle storage (RV's, boats, etc.)   |  |    | UP | X | X |
| Self-storage, mini-warehousing and moving establishment consisting of individual storage units which are independently accessed and locked and provided such units are used solely for dead storage purposes. The facility may contain as an accessory uses, storage for recreational vehicles and boats, and allow for on-site manager's quarters |  | UP | X  | X | X |
| Warehousing, storage establishment   |  |    | UP | X | X |
| Wholesaling or distribution<br>Including the handling of stock and incidental retail   |  |    | UP | X | X |

### Waste Related

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| Incinerators; landfill  | UP | UP | UP | UP | UP |
| Junk yards - providing all conditions set forth below are met:<br>1. No material which fails to meet the conditions set forth in the definition of a junk yard in section 200 of this Code.<br>2. No material shall be placed in any junk yard in such a manner that it is capable of being transferred out of the junk yard by wind, water, or other causes.<br>3. Any land or structure which has not been used as a junk yard and has been abandoned for a period of at least 3 months shall not be used as a junk yard except by use permit.<br>4. All paper, rags, cloth and other fibers and activities involving the same, other than loading or unloading, shall be fully within enclosed buildings.<br>5. In order to lessen the adverse effect on adjoining property, reduce wind-blown trash, prevent hazards to children and create a more healthful environment, suitable screening such as a masonry wall or solid fencing shall be required as a condition set in approving a junk yard by use permit. |    |    |    |    | UP |

| USES | DISTRICTS |     |     |     |     |
|------|-----------|-----|-----|-----|-----|
|      | C-1       | C-2 | C-3 | I-1 | I-2 |



|   |  |  |  |   |    |
|---|--|--|--|---|----|
| Recycling collection facility and transfer only facility<br>Conducted on a small scale for individual residents to deposit aluminum cans or similar, not including outdoor storage or large truck deliveries) |  |  |  | X | X  |
| Recycling collection, transfer, and processing facility   |  |  |  |   | UP |

*Footnotes:*

- 1) Drive-in, drive-up, and all fast-turnover establishments may be located at the intersection of a major arterial road and any other road when it is an integral part of larger planned commercial project and providing the driveway is at least one hundred fifty (150) feet from the intersection when approaching the intersection and at least one hundred fifty (150) feet from the intersection when leaving the intersection.
- 2) Large single use retail, as defined in section 35-200 of this Code, shall only be permitted at permitted at locations specified, and when developed in accordance with section 35-1902(10) of this Code.
- 3) Medical marijuana facilities, medical marijuana cultivation sites and infusion food establishments shall be permitted in the specified districts only upon obtaining a zoning clearance or use permit, as required by section 35-2100 Table of Permitted Uses for Nonresidential Uses, in accordance with section 35-2213 of this Code.
- 4) A medical marijuana facility located in the I-1 District or the I-2 District must be incidental to a cultivation site and/or infusion food establishment and: (1) Shall be located within one thousand three hundred twenty (1,320) feet of an arterial roadway measured in a straight line from the closest exterior wall of the cultivation site and/or infusion food establishment to the centerline of the arterial roadway and within five hundred (500) feet of the C-2 or C-3 District, or pad district where C-2 or C-3 uses are allowed measured in a straight line from the nearest property line of the medical marijuana cultivation site and/or infusion food establishment to a zoning district boundary line; and (2) Shall have frontage and access from public right-of-way. A medical marijuana facility incidental to a medical marijuana cultivation site and/or infusion food establishment shall comply with Article XVIII of this Code.
- 5) A medical marijuana facility located in the I-1 District or the I-2 District shall not exceed two thousand five hundred (2,500) gross square feet or twenty-five percent (25%) of the gross building square-footage, whichever is less.

This requirement is not intended to preclude access to any subdivided lot of record, previously zoned for commercial use, but in all cases to require the maximum possible distance within the above limits for the location of access and egress driveways, consistent with the spirit of the ordinance.

The Council, by minute action, may further modify this requirement in cases of hardship. (Ord. No. 1506, 8-11-85; Ord. No. 2549, § 2, 5-25-95; Ord. No. 3063, § 3, 11-18-99; Ord. No. 3290, § 2,

8-9-01; Ord. No. 4278, § 3, 2-24-11; Ord. No. 4311, § 1, 6-23-11; Ord. No. 4764, § II, 8-10-17; Ord.

No. 4846, § 2(Exh.), 12-10-18; Ord. No. 4931, § 2(Exh.), 8-13-20; Ord. No. 5044, § 2(Exh.), 2-9-23)

...

## ARTICLE XXII. ADDITIONAL HEIGHT AND AREA REGULATIONS



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**35-2202. Accessory buildings ~~and guest quarters~~.**

(1) Accessory buildings **SUCH AS BUT NOT LIMITED TO ACCESSORY DWELLING UNITS**, guest quarters, **GARAGES, AND WORKSHOPS** shall be located behind the front wall plane of the home and in the side yard or in the rear yard of the principal building and shall not occupy more than thirty (30) percent of the rear area.

(2) Accessory buildings shall meet the minimum side and rear yard setbacks for the district in which it is located. Any accessory buildings within a Planned Area Development (PAD) zoning designation shall be subject to the applicable provisions of the adopted preliminary development plan.

(3) Accessory buildings ~~in single-family residential districts~~ shall not exceed fifteen (15) feet in height.

(4) No carport or garage entered from an alley shall be located closer than ten (10) feet to a rear lot line.

(5) No accessory building shall be constructed prior to the construction of a principal building.

(6) Guest quarters are permitted subject to the following:

(a) Guest quarters shall utilize the same utility services provided to the principal building (i.e. separate utility meters directly serving the guest quarters shall not be permitted).

(b) No ovens, ranges, or built-in cooking facilities shall be permitted.

**(C) NOTWITHSTANDING ANY OTHER PROVISION, USING THE GUEST QUARTERS FOR AN ACTIVITY REQUIRING A LICENSE UNDER CHAPTER 22 (SHORT-TERM RENTALS) OF THE CITY CODE SHALL BE PROHIBITED, EXCEPT FOR SHORT-TERM RENTALS REGISTERED PRIOR TO FEBRUARY 8, 2024.**

(7) A maximum of one accessory building (**E.G., ACCESSORY DWELLING UNIT**, ~~or one~~ guest quarters, **GARAGE, WORKSHOP**) is permitted on a lot.

(8) The exterior design of ~~an ANY~~ accessory building, ~~or guest quarters~~ shall be commensurate with the exterior design of the principal building in materials, colors and architectural style.

**(9) ACCESSORY DWELLING UNITS ARE PERMITTED SUBJECT TO THE FOLLOWING:**

**(A) AN ACCESSORY DWELLING UNIT SHALL ONLY BE PERMITTED IN A RESIDENTIAL DISTRICT, THE PRINCIPAL USE OF WHICH IS A SINGLE-FAMILY RESIDENTIAL HOME.**

**(B) ACCESSORY DWELLING UNITS SHALL UTILIZE THE SAME UTILITY SERVICES PROVIDED TO THE PRINCIPAL BUILDING (I.E., SEPARATE UTILITY METERS DIRECTLY SERING THE ACCESSORY DWELLING UNIT SHALL NOT BE PERMITTED).**

**(C) ONE (1) UNCOVERED OR COVERED OFF-STREET PARKING SPACE SHALL BE REQUIRED IN ADDITION TO THE COVERED PARKING SPACES REQUIRED FOR THE PRINCIPAL USE. SAID ADDITIONAL PARKING SPACE SHALL NOT OBSTRUCT ANY REQUIRED OFF-STREET PARKING (I.E., IT IS PROHIBITED TO UTILIZE THE DRIVEWAY LEADING TO THE REQUIRED OFF-STREET PARKING SPACES FOR THE PRINCIPAL USE AS PARKING FOR THE ACCESSORY DWELLING UNIT).**

**(D) NOTWITHSTANDING ANY OTHER PROVISION, USING THE ACCESSORY DWELLING UNIT FOR AN ACTIVITY REQUIRING A LICENSE UNDER CHAPTER 22 (SHORT TERM RENTALS) OF THE CITY CODE SHALL BE PROHIBITED.**

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(Ord. No. 1421, § V, 1-10-85; Ord. No. 1937, § 2, 3-10-88; Ord. No. 3063, § 3, 11-18-99; Ord. No. 4931, § 2(Exh.), 8-13-20)

### **35-2202.1. Open-air ramadas.**

- (1) Open-air ramadas are permitted within the side yard or rear yard of the property.
- (2) The maximum height shall not exceed ten (10) feet as measured to the top of roof or lattice.
- ~~(3) Ramadas shall not exceed one hundred fifty (150) square feet in area, as measured around the perimeter of the roof.~~
- (4) More than one ramada is permitted ON ~~within~~ the property subject to the provisions of this section. **THE TOTAL SQUARE FOOTAGE OF ALL RAMADAS SHALL NOT OCCUPY MORE THAN THIRTY (30) PERCENT OF THE REAR AREA and SHALL BE COUNTED TOWARD** the zoning district's maximum lot coverage. ~~Each ramada shall be separated from another structure by no less than one (1) foot as measured from the edge of the roof or cover.~~
- (5) Ramadas shall not be located closer than five (5) feet to the side and rear property lines as measured from the edge of the roof or cover. If an alley, or common open space public or private open space, other than a street, adjoins the rear yard along one (1) or more of the property lines, the five (5) foot setback from that property line to such ramada may be eliminated.
- (6) RAMADAS SHALL BE OPEN ON ALL SIDES EXCEPT ONE, WHICH MAY HAVE A SOLID WALL UP TO A MAXIMUM OF SEVEN FEET IN HEIGHT, EXCLUDING CHIMNEYS.**

(Ord. No. 4931, § 2(Exh.), 8-13-20)

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### **35-2204. General.**

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- (8) The following development standards for walls and fences within any residential or nonresidential zoning district shall not apply to any lot, parcel, subdivision or other development for which the construction of fencing has either begun or been completed prior to the effective date of these requirements:
  - (a) No fence or wall shall be constructed in the front yard of a lot in a residential district exceeding a height of three (3) feet, and such fence or wall located in the rear and/or side yard(s) shall not exceed a height of seven (7) feet; except open wire fence shall be permitted in front yards of schools, public and quasi-public buildings when needed for the safety or restraint of the occupants thereof.
    1. No fence along the street side or alley frontage of any new residential lot, parcel or subdivision shall feature wood as its primary structural building element; except that total fencing shall be permitted for agrarian subdivisions and uses.
    2. Fences along interior property lines or within yards not visible from any street or alley may feature total wood construction.
  - (b) No fence or wall shall be constructed within the front yard of any nonresidential lot, parcel or subdivision exceeding a height of three (3) feet; and such fence or wall located in the side or rear yard(s) shall not exceed a height of eight (8) feet, except that:
    1. A wrought-iron fence or a combination three-foot masonry wall topped by wrought iron or other similar fencing, either of which not to exceed a height of six (6) feet to achieve security



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for those uses featuring display of merchandise or equipment, may be permitted along the street property line or within the front yard setback. Chain-link fencing for this purpose shall be prohibited.

2. Any wall or fence exceeding six (6) feet in height shall not feature fence block unless sufficiently reinforced to avoid toppling. The means of reinforcement shall be subject to approval by the City of Chandler Building Division.

Wood fencing within any nonresidential zoning district shall be prohibited except for fences constructed inside the property boundaries and not visible from any street, alley or adjoining property.

(C) NEW DEVELOPMENTS SHALL REQUIRE A MINIMUM SIX (6) FOOT TALL PERIMETER FENCE OR WALL WHEN ADJACENT TO RESIDENTIAL PROPERTIES. THE MINIMUM HEIGHT REQUIRED FOR THE FENCE OR WALL SHALL BE MEASURED FROM THE HIGHEST POINT OF GRADE WITHIN FIVE (5) FEET OF THE PROPOSED FENCE.

D) DOUBLE FENCES OR WALLS SHALL BE PROHIBITED UNLESS WAIVED BY THE ZONING ADMINISTRATOR.

(Ord. No. 1421, § VI, 1-10-85; Ord. No. 1735, § 2, 1-22-87; Ord. No. 3063, § 3, 11-18-99; Ord. No. 4567, § V, 10-20-14)

### **35-2205. Swimming pools.**

(1) Swimming pools shall not occupy any front yard ~~nor shall the interior edge of the pool decking be located closer than five (5) feet to any side or rear property line.~~

(2) All pools shall be enclosed by a masonry or concrete wall or decorative fencing (such as wrought iron) at least six (6) **NOMINAL** feet but not to exceed seven (7) feet in height. A horizontal combination of masonry and wrought iron may be permitted with a concrete curb of maximum four (4) inches height to prevent erosion. This curb shall be three (3) inches under the ground and one (1) inch above the grade, as shown in graphic A.

**ALL EXTERIOR AND INTERIOR BARRIERS SHALL CONFORM WITH THE ADOPTED INTERNATIONAL SWIMMING POOL AND SPA CODE AS AMENDED BY THE CITY OF CHANDLER.**

~~(3) Wall/fence heights shall be measured on the exterior side of the enclosure from the top of the foundation stem wall or at the lowest point of elevation within a line five (5) feet from the fence.~~

~~In varying grade situations, the average height of the majority of the fence shall be deemed the overall fence height but in no case less than six (6) feet nominal height.~~

~~Fences constructed and approved by the City prior to the adoption of this ordinance [September 30, 1986] shall be considered a nominal six-foot fence provided that the measured fence height is not less than five (5) feet six (6) inches and that such conditions are not dangerous to life safety.~~

~~Such fencing shall not be constructed in a manner as to provide hand or foot holds for climbing. Self-locking gates and/or entrances shall be used if openings are provided in pool walls or fences.~~

~~(4) All pedestrian gates shall be self-closing and self-latching and open outwards from the pool if no interior barrier is installed, under the provisions of section 7-6.1(c) of the City Code. Gate latches shall not be less than fifty-four (54) inches above finished grade, and shall not require a key to exit from inside the enclosure.~~

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~~Gates for openings of four (4) feet or greater leaf width must be secured with a locking device and be kept locked.~~

(53) Wood fencing may be used only to replace an existing wood fence, in all other cases wood fencing is prohibited.

(64) The exterior fence enclosure for swimming pools, as required by this section, need not necessarily be located on the side or rear property lines. In the case where the interior barrier, as required under section 7-6.1(c) of the City Code, also serves as the exterior barrier, said barrier shall be six (6) feet in height, in addition to complying with all the applicable barrier standards as set forth in section 7-6.1(c). Said barrier shall also preclude exterior access.

(75) In the case where the rear yard of a single-family property abuts the edge of a lake within any one (1) of the several approved lake communities or subdivisions within the City of Chandler; and where no public access is permitted or allowed along the lakeshore; and where side yard fences extend to and beyond the water's edge a minimum of eighteen (18) inches; no rear yard fence will be required between the lakeshore and the swimming pool.

(86) In any zoning district, if the fence or gate material is of such construction or design that there are openings in the enclosure, such openings shall be of such size that a spherical object four (4) inches in diameter cannot pass through the openings, as shown in graphic A.

(Ord. No. 1421, § VII, 1-10-85; Ord. No. 1630, § 2, 6-12-86; Ord. No. 1713, § 1, 10-9-86; Ord. No. 2838, § 1, 5-28-98; Ord. No. 3063, § 3, 11-18-99)

Editor's note(s)—Graphic A, referenced above, is not set out herein, but is on file and available for inspection in the Office of the City Clerk and the Zoning Administrator.

### **35-2208. Satellite dish antennas.**

#### *(1) Single-family zoning districts:*

(a) Ground-mounted dish antennas **GREATER THAN ONE (1) METER IN DIAMETER** shall be located within rear yards, with a minimum ten-foot setback from any rear property line.

(b) Roof-mounted dish antennas shall not exceed ~~four (4)~~ **ONE (1) METER** in diameter., ~~and shall not be visible from street view.~~

(c) The maximum height for any ground-mounted dish antennas shall be ten (10) feet as measured from ground level to its highest point.

(d) Any ground-mounted dish antennas shall be screened by a minimum six-foot-high solid wall, fence or dense vegetation.

#### *(2) Multi-family and commercial zoning districts:*

(a) Ground-mounted dish antennas **GREATER THAN ONE (1) METER IN DIAMETER** shall be located within the side or rear yard, and shall be enclosed with a six-foot-high solid wall or fence.

(b) Roof-mounted dish antennas shall not exceed ~~four (4) feet~~ **ONE (1) METER** in diameter and ~~shall not be visible from street view.~~

(c) Any dish antenna exceeding ten (10) feet in height, as measured from ground level to its highest point, shall be subject to approval of a use permit.

#### *(3) Industrial zoning districts:*

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(a) All dish antennas GREATER THAN ONE (1) METER IN DIAMETER shall be SCREENED FROM STREET VIEW ~~located so as not to be visible from street view.~~

(b) Any dish antenna GREATER THAN ONE (1) METER AND NOT SCREENED OR exceeding twenty-five (25) feet in height, as measured from ground level to its highest point, shall be subject to approval of a use permit.

(Ord. No. 3063, § 3, 11-18-99; Ord. No. 1506, 7-11-85)

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### **35-2215. HOME OCCUPATION.**

HOME OCCUPATIONS ARE PERMITTED WITHIN A RESIDENCE PROVIDED THAT IN ADDITION TO ALL OF THE USE LIMITATIONS APPLICABLE IN THE ZONING DISTRICT IN WHICH THE RESIDENCE IS LOCATED, HOME OCCUPATIONS SHALL COMPLY WITH THE FOLLOWING:

- (1) PERMITTED USES SHALL BE THOSE THAT ARE CLEARLY INCIDENTAL TO AND SUBORDINATE TO THE USE OF THE PROPERTY FOR DWELLING PURPOSES AND DO NOT CHANGE THE RESIDENTIAL CHARACTER THEREOF. SUCH USES MAY INCLUDE BUT ARE NOT LIMITED TO; PHOTOGRAPHY, PERSONAL SERVICES, THERAPY, CONSULTING, LAW OFFICE, REAL ESTATE, INSURANCE, PROFESSIONAL OFFICE, PROFESSIONAL DESIGN SERVICES, MUSICAL INSTRUMENT LESSONS, SWIM LESSONS, AND SMALL-SCALE E-COMMERCE. THE FOLLOWING USES SHALL BE PROHIBITED EXCEPT IF APPROVED THROUGH A USE PERMIT APPLICATION PURSUANT TO SECTION 35-305: MEDICAL, DENTAL, RESTAURANT, VETERINARY, KENNEL, DOG GROOMING, MOTOR VEHICLE SERVICES, MASSAGE ESTABLISHMENTS, AND OTHER USES THAT ARE MORE LIKELY TO ALTER THE RESIDENTIAL CHARACTER OF THE NEIGHBORHOOD OR NEGATIVELY IMPACT SURROUNDING RESIDENTIAL PROPERTIES PURSUANT TO SECTION 35-2215.6;
- (2) THE PRIMARY BUSINESS OPERATOR SHALL BE A MEMBER OF THE FAMILY RESIDING THEREIN;
- (3) BUSINESS ACTIVITIES SHALL BE CONDUCTED WITHIN THE PRINCIPAL DWELLING UNIT OR A PERMITTED ACCESSORY STRUCTURE, OR A RESIDENTIAL BACKYARD POOL IN THE CASE OF SWIM LESSONS; BUSINESS ACTIVITIES MAY TAKE PLACE IN A GARAGE SO LONG AS NO PERMANENT MODIFICATIONS ARE MADE TO THE GARAGE THUS MAINTAINING THE ABILITY TO PARK VEHICLES;
- (4) EMPLOYEE AND CUSTOMER VISITS SHALL BE LIMITED TO THE HOURS OF 8AM TO 7PM. ONE EMPLOYEE AND ONE CUSTOMER APPOINTMENT, EACH CONSISTING OF NO MORE THAN ONE VEHICLE MAY OCCUR AT A TIME;
- (5) THERE SHALL BE NO SIGNS, NO EXTERIOR DISPLAY, NO EXTERIOR STORAGE OF MATERIALS, AND NO OTHER INDICATION OF THE HOME BUSINESS OR VARIATION FROM THE RESIDENTIAL CHARACTER OF THE PRINCIPAL DWELLING UNIT;
- (6) NO HOME OCCUPATION SHALL BE PERMITTED THAT IS NOXIOUS, OFFENSIVE, OR HAZARDOUS BY REASON OF VEHICULAR TRAFFIC, GENERATION OR EMISSION OF NOISE, VIBRATION, SMOKE, DUST, OR OTHER PARTICULATE MATTER, ODOROUS MATTER, HEAT, HUMIDITY, GLARE, REFUSE, RADIATION OR OTHER OBJECTIONABLE



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EMISSIONS;

- (7) ACTIVITY ASSOCIATED WITH THE HOME OCCUPATION SHALL NOT GENERATE VEHICULAR OR PEDESTRIAN TRAFFIC THAT ALTERS THE NEIGHBORHOOD CHARACTER. ALL BUSINESS-RELATED VEHICLES SHALL PARK ON-SITE TO THE GREATEST EXTENT POSSIBLE;
- (8) EXTERNAL MODIFICATIONS TO THE RESIDENCE INTENDED SOLELY FOR THE HOME OCCUPATION, INCLUDING CONSTRUCTION FEATURES, EQUIPMENT, OR MACHINERY THAT ARE NOT CUSTOMARY IN RESIDENTIAL AREAS SHALL BE PROHIBITED.

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## CHAPTER 39 – SIGN CODE

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### 39-3. Definitions.

**MURAL:** ANY GRAPHIC ARTWORK THAT IS PAINTED OR APPLIED DIRECTLY ON A WALL THAT DOES NOT DIRECTLY OR INDIRECTLY NAME, ADVERTISE, OR CALL ATTENTION TO A BUSINESS, ORGANIZATION, PRODUCT, SERVICE, OR COMMERCIAL ACTIVITY.

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*Sign:* Any visual communication which is used to attract the attention of the public, when the display is visible beyond the boundaries of the property, AND THAT DIRECTLY OR INDIRECTLY NAMES, ADVERTISES, OR CALLS ATTENTION TO A BUSINESS, ORGANIZATION, PRODUCT, SERVICE, OR COMMERCIAL ACTIVITY.

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39-7.8 Location restrictions for all signs (permanent and temporary).

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**F. SIGNS ON PROPERTIES ABUTTING RESIDENTIAL.** SIGNS LOCATED ON A PROPERTY THAT ABUTS A RESIDENTIALLY ZONED PROPERTY AND FACES SAID RESIDENTIAL SHALL BE NON-ILLUMINATED, HALO-ILLUMINATED, OR SHALL UTILIZE OTHER LOW-INTENSITY LIGHTING METHODS SUBJECT TO APPROVAL BY THE ZONING ADMINISTRATOR.

### 39-10.3 Regulations for specific temporary sign types.

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*C. Banners.*

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#### 4. Duration:

- a) Each multiple family development, business or nonresidential use shall be allotted no more than thirty (30) cumulative days within each six (6) month period in a calendar year to display air-activated signs, banners, or feather signs. One (1) day shall be counted as being exhausted from the total allotment for each day that one or any combination of the aforementioned signs is displayed,



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except that the display of vertical banners located in permitted outside display areas and banners that are displayed during construction of a site or during a City funded or designated construction project that is located adjacent to the business or nonresidential use erecting said sign shall not be counted toward said allotment. **NOTWITHSTANDING THE FOREGOING, AN UNOCCUPIED TENANT SPACE IN A NONRESIDENTIAL DEVELOPMENT MAY DISPLAY A BANNER ADVERTISING THE SPACE AS AVAILABLE TO LEASE UNTIL SAID TENANT SPACE IS OCCUPIED AND SHALL BE SUBJECT TO PERMIT APPLICATION AND RENEWAL EVERY TWELVE (12) MONTHS.**

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## Chapter 44 - GARBAGE AND REFUSE

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### **44-4. - Collection of solid waste.**

*44-4.5. Conversion from alley to curbside collection.* The Director may convert areas receiving alley collection to curbside collection pursuant to established administrative procedures under either of the following circumstances:

A. Where the Director determines that there are safety issues associated with continued alley collection; or

B. Where a majority of residents in a neighborhood ~~wish~~ **VOTES** to convert from alley collection to curbside collection.



### 35-2100. - Purpose.

The following tables indicate uses permitted by zoning districts with an "X" and use permits with an "UP."

**TABLE OF PERMITTED USES FOR NONRESIDENTIAL DISTRICTS**

| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| <b>Agriculture</b>  |           |     |     |     |     |
| Community Garden  | X         | X   | UP  | UP  | UP  |
| Dairy products, processing, bottling and distribution, cream manufacturing, all on a wholesale basis  |           |     | X   | X   | X   |
| Farm equipment sale and rental, with inventory and repair   |           |     | X   | UP  | UP  |
| Farm machinery repair   |           |     | X   | UP  | UP  |
| Feed and grain sales and storage  |           |     | X   | X   | X   |
| Greenhouse and nursery, commercial  | UP        | X   | X   | X   | X   |
| Hatcheries  |           |     |     |     | X   |
| Nursery and greenhouse, commercial  | UP        | X   | X   | X   | X   |
| <b>Aviation</b>   |           |     |     |     |     |
| Airport   |           |     | UP  | UP  | UP  |
| Hanger, with taxiway access   |           |     |     | X   | X   |
| Helipad - ancillary use   | X         | X   | X   | X   | X   |
| Heliport  | UP        | UP  | UP  | UP  | UP  |
| <b>Quasi-Public / Institutional</b>   |           |     |     |     |     |
| Cemeteries, mausoleums  |           |     | UP  | UP  | UP  |
| Charitable and philanthropic organizations  | X         | X   | X   | UP  | UP  |
| Churches and other places of worship<br>Including Sunday School buildings, assembly halls, parish houses, rectories and other residences of clergy)                             | X         | X   | X   | UP  | UP  |
| Clubs, membership (not operated for profit), excluding adult service business (Ord. No. 2413, § 4.B, 11-18-93)  |           | X   | X   |     |     |
| Penal and correctional institutions   | UP        | UP  | UP  | UP  | UP  |
| Community centers<br>Defined as a building or group of buildings in which members of the community may gather for social, educational, recreational, and or cultural activities | X         | X   | X   | UP  |     |
| Crematoriums  |           |     |     |     | UP  |
| Funeral homes, funeral parlors, mortuaries  |           | X   | X   |     |     |
| Libraries   | X         | X   | X   | UP  |     |
| Lodges, fraternal and social organizations, headquarters for scout and other youth organizations  |           | X   | X   |     |     |
| Lodges, fraternal and social organizations, headquarters for scout and other youth organizations (Entertainment activity pursuant to section 35-305(4))                         |           | UP  | UP  |     |     |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Rescue service  |           | X   | X   | X   | X   |
| Transient service facilities<br>Defined as an establishment where the principal function involves providing on-site food, clothing, shelter, employment or other related services primarily intended for transient populations with limited ability for self-care, or those persons in need of counseling for employment, or those persons with personal or behavioral disabilities. The term shall include the principal assistance or service facility and all appurtenant or related establishments intended for use by the patrons of the principal facility. The term shall include homeless shelters, charity dining facilities, plasma centers, rescue missions, day labor hiring centers, and similar facilities, but shall not include State licensed care facilities such as homes for the developmentally disabled, child crisis, and domestic violence centers. | UP        | UP  | UP  | UP  | UP  |

### **Cultural & Entertainment**

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| Artistic programs or events                          | UP | UP | UP | UP | UP |
| Assembly halls                                       |    | X  | X  | UP | UP |
| Coliseums and stadiums                               |    | UP | UP | UP | UP |
| Entertainment activity pursuant to section 35-305(4) |    |    |    |    |    |
| Museums, art galleries                               | X  | X  | X  | UP |    |
| Wedding reception and event facilities               |    | X  | X  | UP |    |
| Wedding reception and event facilities               |    | UP | UP | UP |    |
| Entertainment activity pursuant to section 35-305(4) |    |    |    |    |    |

### **Day Care Services**

|   |   |    |    |    |  |
|---|---|----|----|----|--|
| Adults with developmental disabilities, including life skills training, specialized teaching and support and/or therapy                                     | X | X  | X  |    |  |
| Adults with developmental disabilities, including life skills training, specialized teaching and support and/or therapy - with vocational training services | X | X  | X  | UP |  |
| Animal day care indoors only, with or without overnight boarding  | X | X  | X  |    |  |
| Animal day care with outdoor play areas, with or without overnight boarding   |   | UP | UP |    |  |
| Childcare, child daycare  | X | X  | UP |    |  |
| Kindergartens and day nurseries - meeting all requirements of appropriate State and local regulations and standards   | X | X  | UP |    |  |
| Senior care, adult day care   | X | X  | X  |    |  |



| USES | DISTRICTS |     |     |     |     |
|------|-----------|-----|-----|-----|-----|
|      | C-1       | C-2 | C-3 | I-1 | I-2 |

### Dwellings

|  |  |    |   |    |    |
|--|--|----|---|----|----|
| Hotels, motels, tourist homes on-site manager's quarters |  | X  | X | UP | UP |
| Self-storage on-site manager's quarters                  |  | UP | X | X  | X  |

### Eating, Drinking & Lounge Establishments

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| Bar, cocktail lounge<br>Excluding adult service business (Ord. No. 2413, § 4.B, 11-18-93)   | UP | UP | UP | UP | UP |
| Breweries, distilleries and wineries where the primary use is a restaurant. For breweries that primarily produce and distribute, see Industrial Services, Manufacturing & Production category.  | X  | X  | X  | UP | UP |
| Commercial, cloud, or ghost kitchen, food prep - with customer seating  | X  | X  | X  | UP |    |
| Commercial, cloud, or ghost kitchen, food prep - no customer seating  |    | X  | X  | X  |    |
| Entertainment activities, pursuant to section 35-305(4)   | UP | UP | UP | UP | UP |
| Hookah lounge   |    | X  | X  |    |    |
| Restaurant or drive-through<br>Food or drink sales for immediate consumption within principal building and all types of drive-in establishments serving food or drink outside of a building or catering to takeout trade, but not featuring adult service (Ord. No. 2413, § 4.D, 11-18-93)) | X  | X  | X  | UP | UP |

### Educational Facilities

|   |   |   |   |    |    |
|---|---|---|---|----|----|
| Alternative schools and higher education (college, business college, beauty school) |   | X | X | UP |    |
| Educational facilities and industrial research (technical)□                         |   | X | X | X  | X  |
| Elementary school (kindergarten through 8th grade)                                  | X | X |   |    |    |
| High school (9th through 12th grade)  |   | X | X |    |    |
| Music or dancing school   | X | X | X |    |    |
| Trade/vocational schools (industrial, HVAC, plumbing, motor vehicle)                |   |   | X | X  | UP |
| Tutoring services   | X | X | X |    |    |

### Industrial Services, Manufacturing & Production

\* Ancillary uses are permitted provided they do not exceed 15% of the net floor area.

\*\* Ancillary office space is permitted provided it does not exceed 40% of the net floor area, and all required parking is provided

|  |  |   |    |    |    |
|--|--|---|----|----|----|
| Alcoholic beverage package store   |  | X | X  | UP | UP |
| Alcoholic production (brewery, distillery, winery)<br>Ancillary tasting rooms are permitted provided they do not exceed 15% of the net floor area. |  |   | UP | X  | X  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Bakery, wholesale<br>Ancillary sales area is permitted provided it does not exceed 15% of the net floor area  |           |     | UP  | X   | X   |
| Bottling works for soft drinks  |           |     | X   | X   | X   |
| Brick, tile and terra cotta manufacturing   |           |     |     |     | X   |
| Building contractors, building maintenance services – fully enclosed in building(s)<br>Including electrical, plumbing, and roofing contractors with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings. |           | X   | X   | X   | X   |
| Building contractors, building maintenance services – utilizing outside storage<br>Including electrical, plumbing, and roofing contractors with all storage of goods, materials and equipment and all processing and manufacturing utilizing outside storage.                                   |           |     | UP  | X   | X   |
| Candy manufacture   |           |     | X   | X   | X   |
| Cleaning of building exteriors, disinfecting or exterminating establishments with all materials and equipment completely enclosed within the principal building and the entire establishment occupying no more than two thousand (2,000) square feet of net floor space                         |           | X   | X   | X   | X   |
| Clothing manufacturer   | X         | X   | X   |     |     |
| Cold storage facility   |           |     | X   | X   | X   |
| Dry cleaning, laundering (industrial)   |           |     | X   | X   | X   |
| Dyeing plant  |           |     | UP  | UP  | UP  |
| Electrical and industrial equipment repair  |           |     | X   | X   | X   |
| Electrical equipment assembly   |           |     | UP  | X   | X   |
| Film production studio  |           |     | UP  | X   | X   |
| Food processing in wholesale quantities, except meat, fish, poultry, vinegar and yeast  |           |     | X   | X   | X   |
| Foundries (producing iron and steel products)   |           |     |     |     | UP  |
| Furniture manufacturing (cabinets and household furniture)  |           |     |     | X   | X   |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Gasoline dispensing (other than service station)<br>Fuel shall not be located closer than twenty (20) feet to a right-of-way line or ten (10) feet to a property line  | UP        | UP  | UP  | UP  | UP  |
| Gasoline, compressed gases, or chemical bulk terminal plants for wholesale storage<br>Receiving, storage, handling and distribution areas shall not be located closer than one hundred (100) feet to the front property line and no closer than fifty (50) feet to side rear property lines. Storage areas for containerized liquids shall be covered and screened from public view. Setback areas may be used for parking retention, or nonhazardous uses as defined by the UBC consistent with the I-2 Zone setback regulations, but a minimum of one thousand (1,000) feet from any existing or planned residential area.<br>(Ord. No. 1353, § II, 8-25-84) |           |     |     |     | UP  |
| General contractor or workman with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings  |           | X   | X   | X   | X   |
| Home improvement company, upholsterer, general contractor or workman, building materials company, sign-making company with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings and the entire establishment occupying no more than five thousand (5,000) square feet of net floor area  |           | X   | X   | UP  | UP  |
| Ice manufacturer (excluding ice machines)  |           |     | UP  | X   | X   |
| Industrial<br>Light operations or light mechanical, not offensive, obnoxious or detrimental to neighboring uses by reason of dust, smoke, vibration, noise, odor or effluents)   |           |     | UP  | X   | X   |
| Industrial equipment machinery repair and service  |           |     | UP  | X   | X   |
| Laboratories<br>Serving professional requirements, dentist, medical, etc.  |           | X   | X   | X   | UP  |
| Laundering plant, dry cleaning, diaper service (industrial)  |           |     | X   | X   | X   |
| Leather goods manufacturer   |           |     | UP  | X   | X   |
| Machine shops  |           |     | UP  | X   | X   |
| Machine tool manufacturing   |           |     |     | UP  | X   |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Magazine or newspaper distribution, excluding adult bookstores  |           | X   | X   | UP  | UP  |
| Manufacturing uses not otherwise named herein upon the approval of Zoning Administrator<br>Provided that no use shall be permitted in this section which is likely to be dangerous, offensive or detrimental to the health, safety, welfare or general character of this zoning district or of the community by reason of the emission of dust, gas, smoke, noise, fumes, odors, vibration, glare or otherwise<br>(Ord. No. 1506, 8-11-85)) |           |     |     | UP  | UP  |
| Meat processing and packing   |           |     |     | UP  | UP  |
| Mechanical (light)<br>Light industrial operation, not offensive, obnoxious or detrimental to neighboring uses by reason of dust, smoke, vibrations, noise, odor or effluents)   |           |     | UP  | X   | X   |
| Medical supplies, manufacturing and distributing  |           |     |     | X   | X   |
| Newspaper publishing  |           |     | X   | UP  | UP  |
| Optical and scientific instrument manufacturer  |           | UP  | X   | X   | X   |
| Pharmaceutical manufacturer   |           |     | UP  | X   | X   |
| Plastics manufacturing  |           |     |     | UP  | X   |
| Pottery and porcelain manufacturer  |           |     |     | X   | X   |
| Pottery, porcelain and vitreous china manufacturing   |           |     |     |     | X   |
| Prefabricated homes, mobile homes, camper manufacture   |           |     |     | UP  | X   |
| Research and development  |           |     |     | X   | X   |
| Sheet metal products, tin smithing - no outside storage<br>Light, such as ventilating ducts and eaves, with all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building   |           |     | X   | X   | X   |
| Sheet metal products, tin smithing - with outside storage<br>Light, such as ventilating ducts and eaves, with all storage of goods, materials and equipment and processing and manufacturing, utilizing outside storage)  |           |     | UP  | X   | X   |
| Showrooms, ancillary display and/or sales area is permitted provided it does not exceed 15% of the net floor area   |           |     |     | X   | X   |
| Sign-making company<br>With all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings and the entire establishment occupying no more than four thousand (4,000) square feet of net floor area  |           | X   | X   | UP  | UP  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Sign manufacturer   |           |     |     | X   | X   |
| Storage of commercial vehicles<br>Where not an accessory use to another use which is permitted  |           |     | UP  | X   | X   |
| Storage (outside) of materials and equipment (ancillary use)<br>Not allowed as a stand-alone use. Outside storage is only allowed as an accessory use to another use permitted in I-1 and I-2 districts, only when fully screened by a wall/gate on all sides |           |     |     | X   | X   |
| Storage (outside) of materials and equipment (stand-alone use)  |           |     |     | UP  | UP  |
| Textile manufacturer  |           |     |     | X   | X   |
| Tobacco products manufacture and storage  |           |     |     | X   | X   |
| Trailers, modular buildings (for laboratory, educational, office or storage), when it is not the primary/only building and is located in an area that is completely screened from view  | UP        | UP  | UP  | UP  | UP  |
| Welding shops   |           |     | UP  | X   | X   |

### **Marijuana Facilities (see footnote #3 and #4 at end of table)**

|  |  |   |   |   |   |
|--|--|---|---|---|---|
| Medical marijuana - Cultivation site <sup>3</sup>            |  | X | X |   |   |
| Medical marijuana - Facility <sup>3</sup>                    |  |   |   | X | X |
| Medical marijuana - Infusion food establishment <sup>3</sup> |  |   |   | X | X |

### **Medical / Health Care**

|  |   |   |    |    |    |
|--|---|---|----|----|----|
| Convalescence homes, nursing homes, homes for the aged and residential care homes  |   | X | UP |    |    |
| Hospitals (excluding animal hospitals)   | X | X | X  |    |    |
| Medical office uses for out-patient care<br>Includes such uses as health care clinics, urgent care, primary care provider offices, medical specialist offices, surgery centers, dental offices, optometrist offices, rehab services, occupational therapy, physical therapy, speech therapy, psychologist offices, psychiatrist offices, plastic surgery, and other similar uses. Medical office uses can offer ancillary inpatient services | X | X | X  | UP | UP |
| Veterinarian hospital or clinic<br>All equipment, storage of animals and services are wholly contained within the principal building   |   | X | X  |    |    |

### **Office and Financial**

|                            |   |   |   |    |    |
|----------------------------|---|---|---|----|----|
| Bank                       | X | X | X | UP | UP |
| Broker, investments, loans | X | X | X |    |    |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Call center   |           | X   | X   | UP  |     |
| Coworking office space  |           | X   | X   | UP  |     |
| Credit bureaus  |           | X   | X   |     |     |
| Express office  |           |     | X   | X   | X   |
| Government buildings<br>Used exclusively by the Federal, State, County or City Government purposes except for garages, repair or storage yards, warehouses and buildings used for industrial type operations, or for operations requiring heavy and frequent movement of trucks | X         | X   | X   | X   | X   |
| Insurance company or agency   | X         | X   | X   |     |     |
| Letters, duplicating and mailing  |           | X   | X   | UP  | UP  |
| Office, PRIMARY USE<br>Professional, business, administrative, executive and other offices having no storage of stock-in-trade (other than samples) or heavy equipment and no sale of commodities on the premises   | X         | X   | X   | UP  | UP  |
| Patrol system and burglar alarm watching service  |           | X   | X   | X   | X   |
| Travel agencies   | X         | X   | X   | UP  |     |

### **Play & Recreational**

|   |   |    |    |    |    |
|---|---|----|----|----|----|
| Amusement park  |   | UP | UP |    |    |
| Aquariums   |   | UP | X  |    |    |
| Billiard or pool hall   |   | X  | X  |    |    |
| Bowling alley   |   | X  | X  |    |    |
| Dance hall, club, excluding adult service business<br>(Ord. No. 2413, 4.B, 11-18-93)  |   | X  | X  |    |    |
| Dance hall, club, excluding adult service business<br>(Ord. No. 2413, 4.B, 11-18-93)<br>Entertainment activity pursuant to section 35-305(4)    |   | UP | UP |    |    |
| Drive-in theater<br>Excluding the showing of films involving specified sexual activities and specified anatomical areas, defined in section 200 |   | X  | X  | UP | UP |
| Entertainment venues such as but not limited to bowling, laser tag, arcades, billiards, ziplines, virtual reality                               |   | X  | X  | UP |    |
| Go-kart racing  |   | X  | X  | UP |    |
| Golf courses, miniature golf and driving ranges   | X | X  | X  | UP | UP |
| Gymnasium, fitness center, personal training, martial arts studio, yoga/pilates studio  | X | X  | X  |    |    |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Playgrounds  | UP        | UP  | UP  | UP  | UP  |
| Recreational assembly uses offering one or more of the following:<br>trampolines, wall climbing, ziplines, parkouring, skateboarding,<br>ninja warrior courses, party places, baseball/batting training,<br>cheerleading training, gymnastics training, dance studio training,<br>swimming, sport courts, and other similar uses | X         | X   | X   | UP  |     |
| Shooting range indoors only  |           | X   | X   | UP  | UP  |
| Skating rink   |           | X   | X   |     |     |
| Theaters, cinema, excluding drive-in and adult video facilities<br>(Ord. No. 2413, § 4.F, 11-18-93)  |           | X   | X   |     |     |
| Theaters, performing arts programs or events   |           | X   | X   | UP  |     |
| <b>Retail Sales &amp; Service</b>  |           |     |     |     |     |
| Animal rescue shelter (see kennel)   |           |     |     |     |     |
| Appliance repairer<br>With all storage of goods, materials and equipment and all processing<br>and manufacturing kept within a completely enclosed building or<br>buildings and the entire establishment   | UP        | X   | X   | UP  | UP  |
| Automobile accessories (sales)   |           | X   | X   | UP  |     |
| Automobile and truck sales<br>With inventory, rental with inventory and repair when carried<br>on entirely within the principal building and incidental to the<br>principal use  |           |     | X   | UP  | UP  |
| Bakery (goods baked and sold on premises)  | X         | X   | X   | UP  |     |
| Barbershops  | X         | X   | X   | UP  |     |
| Beauty shops   | X         | X   | X   | UP  |     |
| Beauty and barbershop supplies   | X         | X   | X   | UP  |     |
| Bicycle sales, rental, service and storage   | X         | X   | X   |     |     |
| Boat building, repair, service and storage   |           |     | X   | X   | X   |
| Boat sales<br>With inventory, rental with inventory and repair when carried<br>on entirely within the principal building and incidental to the<br>principal use  |           | X   | X   | UP  |     |
| Building materials companies<br>With all storage of goods, materials and equipment and all processing<br>and manufacturing kept within a completely enclosed building or<br>buildings  |           | X   | X   | UP  | UP  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Building supplies and materials, glass sales, and installation - with outside storage yard for lumber, bricks, cement blocks or other materials   |           |     | X   | X   | X   |
| Building supplies and materials, glass sales, and installation - no outside storage of lumber, brick cement blocks or other materials (see footnote #2 at end of table)   |           | X   | X   | X   | X   |
| Candy (manufactured and sold on the premises)   | X         | X   | X   |     |     |
| Caterers  |           | X   | X   | X   | X   |
| Cleaners, dryers, clothing storage establishments (all including pickup station) or self-service laundromat, all performing services entirely for retail trade on the premises  | X         | X   | X   | UP  |     |
| Clothing and apparel store (see footnote #2 at end of table)  | X         | X   | X   |     |     |
| Compounding pharmacy  | X         | X   | X   | X   |     |
| Cosmetic services uses - med spas, day spas, botox, laser skin treatments, massage establishments, tanning services, tattoo services  | X         | X   | X   |     |     |
| Cosmetic store, including sale of goods and services customarily incidental thereto   | X         | X   | X   |     |     |
| Dental supplies, retail   |           | X   | X   | UP  |     |
| Department store (see footnote #2 at end of table)<br>Including sale of items shown elsewhere in this table if customarily sold in such a store.  | X         | X   | X   |     |     |
| Diaper service  |           |     | X   | X   | X   |
| Donation center (clothing and household goods)  |           | X   | X   |     |     |
| Dressmaker  | X         | X   | X   | UP  |     |
| Drive-through, drive-up, and all fast-turnover establishments<br>Defined as businesses that include in their design and function the use of drive-in windows, curb service, express lines and/or layout of retail stock and checkout facilities to facilitate the rapid delivery of goods and services to customers, such as but not limited to cleaners, banks, liquor stores, fast-food restaurants, service stations, convenience markets and similar uses (see footnote #1 at end of table) | X         | X   | X   | UP  | UP  |
| Driving school  |           | X   | X   |     |     |
| Drugstore or cosmetic store<br>Including sale of goods and services customarily incidental thereto  | X         | X   | X   |     |     |
| Electric vehicle chargers   | X         | X   | X   | X   | X   |
| Electric vehicle charging lots  | X         | X   | X   | X   | X   |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Exterminating establishment, pest control<br>With materials and equipment completely enclosed within the principal building and the entire establishment occupying no more than four thousand (4,000) square feet of net floor space)   |           |     | X   | X   | X   |
| Florist   | X         | X   | X   |     |     |
| Food specialty store<br>Including but not limited to the following lines: meat (excluding slaughtering and eviscerating), fish, eggs, poultry (excluding slaughtering), fruit, vegetables, candy, nuts, coffee, tea, confection, dairy products, health foods, retail bakery)             | X         | X   | X   | UP  |     |
| Furniture and appliance repairer  |           | X   | X   | UP  | UP  |
| Garden shop   | X         | X   | X   |     |     |
| Gift shop   | X         | X   | X   |     |     |
| Grocery, delicatessen, supermarket or other store carrying a variety of food and related goods (see footnote #2 at end of table)  | X         | X   | X   | UP  | UP  |
| Handicrafts<br>Manufacture and sale of, at retail or wholesale which are manufactured predominantly by hand and involve the application of artistic skills)   |           |     | X   | X   | X   |
| Hobby shop  | X         | X   | X   |     |     |
| Home improvement retailer (see footnote #2 at end of table)   | X         | X   | X   |     |     |
| Household appliance store (see footnote #2 at end of table)   | X         | X   | X   |     |     |
| Interior decorator  | X         | X   | X   |     |     |
| Jewelry store   | X         | X   | X   |     |     |
| Kennel, commercial<br>Or other establishment where the care, breeding or sale of animals is the principal purpose of the enterprise, with no animals to be located within five hundred (500) feet from any residentially zoned property or one hundred (100) feet from any property line) |           |     | UP  |     |     |
| Laundromat, self-service<br>Performing services entirely for retail trade)  | X         | X   | X   | UP  |     |
| Liquor, wine, beer sales - retail (excluding bars and cocktail lounges)   | X         | X   | X   |     |     |
| Laboratory supplies, RETAIL   |           | X   | X   | UP  | UP  |
| Medical / laboratory supplies, retail   |           | X   | X   | UP  |     |
| Mobile home sales and rental, not including occupancy on the site   |           |     | X   | UP  | UP  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Monument sales establishment, headstones<br>With incidental processing to order but excluding the shaping of stones and similar processes   |           | X   | X   | UP  |     |
| Orthopedic braces, artificial limbs, etc., (sales)  |           | X   | X   |     |     |
| Outside displays<br>Shall be limited to boats, trailers, trucks, and other vehicles, products and materials such as grills, storage sheds and plants not normally or in limited numbers found exhibited in stores within retail and wholesale establishments. Items such as food, furniture, tools, appliances, bag materials such as cement, fertilizer, etc., shall not be displayed outside. Outside displays shall not be located within fifteen (15) feet to any property line | X         | X   | X   | X   | X   |
| Pawn shop   |           | X   | X   |     |     |
| Personal service establishments<br>Providing but not limited to barber and beauty shops, shoe repair shop, travel agencies, photographers, reducing salons, tailors, dressmaker, massage, tattoo shops, beauty/day spa  | X         | X   | X   | UP  |     |
| Photographers   | X         | X   | X   | UP  |     |
| Prefabricated home sales  |           |     | X   | X   | X   |
| Printing, blueprinting, engraving<br>Or other reproduction services with no limit as to floor area (Ord. No. 1506, 8-11-85)   |           |     | X   | X   | X   |
| Repair shop for repairs or adjustments to bicycles, small appliances, watches, locks, musical instruments, guns and similar items conducted wholly within a building with no outside storage of materials or equipment  | X         | X   | X   |     |     |
| Restaurant supplies   |           | X   | X   | UP  |     |
| Retail stores selling or renting goods predominantly at retail on the premises, including but not limited to the following: (see footnote #2 at end of table)   |           |     |     |     |     |
| 1. Hardware, paint, wallpaper, fabrics, supplies, curtains, linens, knitting supplies, china, glass, pottery, firearms  | X         | X   | X   |     |     |
| 2. Furniture, floor covering, appliances  |           | X   | X   |     |     |
| 3. Farm and garden supplies, including nursery stock, feed and grain  | UP        | X   | X   |     |     |
| 4. Antiques and secondhand goods, excluding materials held only for discard or repossessing   |           | X   | X   |     |     |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Shoe repair shop   | X         | X   | X   | UP  |     |
| Signs conforming to requirements of sign code [Ch. 39]   | X         | X   | X   | X   | X   |
| Specialty stores (see footnote #2 at end of table)<br>Selling or renting goods predominantly at retail on the premises, including but not limited to the following lines: tobacco, newspapers, books, stationary, gifts, cards, novelties, jewelry, luggage, optical goods, sporting goods, bicycles, pets, hobby supplies, toys, coins, stamps, photo supplies, art supplies, works of art, music, musical instruments, sewing machines, radio and TV sales and service, but excluding adult bookstores (Ord. No. 2413, § 4.E, 11-18-93)) | X         | X   | X   |     |     |
| Tailors  | X         | X   | X   | UP  |     |
| Uniforms sales or renting  | X         | X   | X   |     |     |
| Upholsterer<br>With all storage of goods, materials and equipment and all processing and manufacturing kept within a completely enclosed building or buildings and the entire establishment occupying no more than two thousand (2,000) square feet of net floor area  |           | X   | X   | UP  | UP  |

### Temporary Uses

|                             |  |    |    |    |    |
|-----------------------------|--|----|----|----|----|
| Carnival, fair, rodeo, etc. |  | UP | UP | UP | UP |
| Farmer's Market             |  | X  | X  |    |    |
| Flea market / swap meet     |  | X  | X  |    |    |

### Tourism / Visitor Accommodations

|                                    |  |   |   |    |    |
|------------------------------------|--|---|---|----|----|
| Conference / convention facilities |  | X | X |    |    |
| Hotels, motels, tourist homes      |  | X | X | UP | UP |

### Transportation

|  |   |   |   |    |   |
|--|---|---|---|----|---|
| Ambulance service  |   | X | X | UP |   |
| Bus passenger station (inter-City)   |   |   | X | X  | X |
| Parking lot<br>On-site or off-site or parking structure for employees, customers or visitors for any business or industrial use or commercial or public parking lot or parking structure | X | X | X | X  | X |
| Railroad passenger station   |   |   | X | X  | X |
| Taxi dispatching station   |   | X | X | X  | X |



| USES                                   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Taxi terminal                          |           |     | X   | X   | X   |
| Truck or rail freight yard or terminal |           |     |     | X   | X   |

### Utility

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| Radio and television stations and transmitting towers  |    |    | UP | X  | X  |
| Radio and television stations excluding transmitting towers  |    | X  | X  | X  | X  |
| Solar energy system (ancillary)  | X  | X  | X  | X  | X  |
| Solar energy system (utility scale)  | UP | UP | UP | UP | UP |
| Utility company offices, including exchanges   | X  | X  | X  | X  | UP |
| Utility (public)<br>Distribution lines, transformer stations, transmission lines and towers, water tanks and towers, and telephone exchanges but not service or storage yards) | UP | UP | UP | UP | UP |
| Utility (public) storage yards   |    |    | UP | X  | X  |

### Motor Vehicle Services

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| Fuel dispensing equipment<br>Pumps shall not be located closer than twenty (20) feet to a right-of-way or ten (10) feet to a property line   | UP | UP | UP | UP | UP |
| Gas station and/or service station (gasoline) complying with the following conditions:<br>1. Does not perform body work, painting or dismantling and/or salvage work<br>2. Does not store any vehicle for more than five (5) days<br>3. Provides amenities and safeguards of such dimensions that occupants in adjoining or adjacent structures are not unreasonably disturbed, either day or night, by the movement of vehicles and lighting facilities<br>4. Has at least one (1) street frontage having a minimum width of one hundred fifty (150) feet<br>5. No pump island or part of a canopy shall be located or extended within twenty (20) feet of a right-of-way, or ten (10) feet to a property line<br>6. Any service station which remains vacant for a period of ninety (90) consecutive days shall be considered "abandoned." In the event of abandonment, all tanks shall be removed or safeguarded in accordance with the Uniform Fire Code |    | UP | UP | UP | UP |



| USES   | DISTRICTS |     |     |     |     |
|--|-----------|-----|-----|-----|-----|
|  | C-1       | C-2 | C-3 | I-1 | I-2 |
| Gas station and/or service station (gasoline, self-service) complying with the following conditions:   | UP        | UP  | UP  | UP  | UP  |
| 1. Limited to the dispensing of fuels, oil, antifreeze and other minor accessories   |           |     |     |     |     |
| 2. Does not rent or sell motor vehicles, trailers or general replacement parts, nor do any type of vehicle repair or maintenance work  |           |     |     | 1   |     |
| 3. Does not provide for the storage or parking of vehicles for a period in excess of twenty-four (24) hours  |           |     |     | 1   |     |
| 4. Provides amenities and safeguards of such dimensions z that occupants in adjoining or adjacent structures are not unreasonably disturbed, either day or night, by the movement of vehicles and lighting facilities  |           |     |     | 1   |     |
| 5. Has at least one (1) street frontage having a minimum width of one hundred fifty (150) feet   |           |     |     | 1   |     |
| 6. No pump island or part of a canopy shall be located or extended within twenty (20) feet of a right-of-way line  |           |     |     | 1   |     |
| 7. Any service station which remains vacant for a period of ninety (90) consecutive days shall be considered "abandoned." In the event of abandonment, all tanks shall be removed or safeguarded in accordance with the Uniform Fire Code  |           |     |     | 1   |     |
| Motor vehicle impound yard   |           |     |     | UP  | UP  |
| Motor vehicle rentals  |           | X   | X   |     |     |
| Motor vehicle repairs, wholesale and retail<br>Including full body paint spraying and body and fender work carried on within a structure with storage of wrecked vehicles or parts permitted only behind the principal building. Such storage of vehicles or their parts will be incidental to the principal business and will not constitute a junkyard as defined in section 200 of this Code (Ord. No. 1942, 3-10-88; Ord. No. 1995, § I, 7-25-88)  |           |     | X   | UP  | UP  |
| Motor vehicle repairs, wholesale and retail, including accessories, customization and detailing<br>Excluding full body paint spraying and body and fender work except replacement, carried on completely within a structure and having no outside storage of vehicles or parts of vehicles except those to be serviced or repaired for retail customers.<br>Such storage shall be clearly incidental to the principal business and time of such outside storage shall not exceed 1 week for each vehicle (Ord. No. 1942, 3-10-88; Ord. No. 1995, § I, 7-25-88) |           | X   | X   | UP  | UP  |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Motor vehicle wash<br>May have incidental detailing, minor vehicle maintenance, and windshield repair within the primary building | UP        | X   | X   | UP  | UP  |
| Motorcycle sales, rental and repair<br>When repair is carried on within the principal building                                    |           |     | X   | UP  |     |
| Tire recapping and retreading (in accordance with Fire Code)  |           |     | UP  | X   | X   |

### **Warehousing / Storage**

|  |  |    |    |   |   |
|--|--|----|----|---|---|
| Garage condominiums, luxury storage units  |  | UP | X  | X | X |
| Moving, storage or warehousing establishments  |  |    | UP | X | X |
| Recreational vehicle storage (RV's, boats, etc.)   |  |    | UP | X | X |
| Self-storage, mini-warehousing and moving establishment consisting of individual storage units which are independently accessed and locked and provided such units are used solely for dead storage purposes. The facility may contain as an accessory uses, storage for recreational vehicles and boats, and allow for on-site manager's quarters |  | UP | X  | X | X |
| Warehousing, storage establishment   |  |    | UP | X | X |
| Wholesaling or distribution<br>Including the handling of stock and incidental retail   |  |    | UP | X | X |

### **Waste Related**

|  |    |    |    |    |    |
|--|----|----|----|----|----|
| Incinerators; landfill   | UP | UP | UP | UP | UP |
| Junk yards - providing all conditions set forth below are met:<br>1. No material which fails to meet the conditions set forth in the definition of a junk yard in section 200 of this Code.<br>2. No material shall be placed in any junk yard in such a manner that it is capable of being transferred out of the junk yard by wind, water or other causes.<br>3. Any land or structure which has not been used as a junk yard and has been abandoned for a period of at least 3 months shall not be used as a junk yard except by use permit.<br>4. All paper, rags, cloth and other fibers and activities involving the same, other than loading or unloading, shall be fully within enclosed buildings.<br>5. In order to lessen the adverse effect on adjoining property, reduce wind-blown trash, prevent hazards to children and create a more healthful environment, suitable screening such as a masonry wall or solid fencing shall be required as a condition set in approving a junk yard by use permit. |    |    |    |    | UP |



| USES  | DISTRICTS |     |     |     |     |
|---|-----------|-----|-----|-----|-----|
|   | C-1       | C-2 | C-3 | I-1 | I-2 |
| Recycling collection facility and transfer only facility<br>Conducted on a small scale for individual residents to deposit aluminum cans or similar, not including outdoor storage or large truck deliveries) |           |     |     | X   | X   |
| Recycling collection, transfer, and processing facility   |           |     |     |     | UP  |

*Footnotes:*

- 1) Drive-in, drive-up, and all fast-turnover establishments may be located at the intersection of a major arterial road and any other road when it is an integral part of larger planned commercial project and providing the driveway is at least one hundred fifty (150) feet from the intersection when approaching the intersection and at least one hundred fifty (150) feet from the intersection when leaving the intersection.
- 2) Large single use retail, as defined in [section 35-200](#) of this Code, shall only be permitted at permitted at locations specified, and when developed in accordance with [section 35-1902](#)(10) of this Code.
- 3) Medical marijuana facilities, medical marijuana cultivation sites and infusion food establishments shall be permitted in the specified districts only upon obtaining a zoning clearance or use permit, as required by [section 35-2100](#) Table of Permitted Uses for Nonresidential Uses, in accordance with [section 35-2213](#) of this Code.
- 4) A medical marijuana facility located in the I-1 District or the I-2 District must be incidental to a cultivation site and/or infusion food establishment and: (1) Shall be located within one thousand three hundred twenty (1,320) feet of an arterial roadway measured in a straight line from the closest exterior wall of the cultivation site and/or infusion food establishment to the centerline of the arterial roadway and within five hundred (500) feet of the C-2 or C-3 District, or pad district where C-2 or C-3 uses are allowed measured in a straight line from the nearest property line of the medical marijuana cultivation site and/or infusion food establishment to a zoning district boundary line; and (2) Shall have frontage and access from public right-of-way. A medical marijuana facility incidental to a medical marijuana cultivation site and/or infusion food establishment shall comply with Article XVIII of this Code.
- 5) A medical marijuana facility located in the I-1 District or the I-2 District shall not exceed two thousand five hundred (2,500) gross square feet or twenty-five percent (25%) of the gross building square-footage, whichever is less.

This requirement is not intended to preclude access to any subdivided lot of record, previously zoned for commercial use, but in all cases to require the maximum possible distance within the above limits for the location of access and egress driveways, consistent with the spirit of the ordinance.

The Council, by minute action, may further modify this requirement in cases of hardship. (Ord. No. 1506, 8-11-85; Ord. No. 2549, § 2, 5-25-95; Ord. No. 3063, § 3, 11-18-99; Ord. No. 3290, § 2, 8-9-01; Ord. No. 4278, § 3, 2-24-11; Ord. No. 4311, § 1, 6-23-11; Ord. No. 4764, § II, 8-10-17; Ord. No. 4846, § 2(Exh.), 12-10-18; Ord. No. 4931, § 2(Exh.), 8-13-20; Ord. No. 5044, § 2(Exh.), 2-9-23)



# **Meeting Minutes**

## **Planning and Zoning Commission**

### **Study Session: Zoning Code Amendments**

November 15, 2023 | 3:00 p.m.  
Chandler City Council Chambers  
88 E. Chicago St., Chandler, AZ



#### **Call to Order**

The meeting was called to order by Chairman Heumann at 3:05 p.m.

#### **Roll Call**

##### **Commission Attendance**

Chairman Rick Heumann  
Vice Chair Sherri Koshiol  
Commissioner Michael Quinn  
Commissioner Jeff Velasquez  
Commissioner Kyle Barichello

##### **Absent**

Commissioner Rene Lopez  
Commissioner Erik Morgan

##### **Staff Attendance**

Kevin Mayo, Planning Administrator  
Lauren Schumann, Principal Planner  
Alisa Petterson, Senior Planner  
Harley Mehlhorn, City Planner  
Darsy Omer, Associate Planner  
Thomas Allen, Assistant City Attorney  
Julie San Miguel, Clerk

#### **Scheduled/Unscheduled Public Appearances**

Members of the audience may address any item not on the agenda. State Statute prohibits the Board or Commission from discussing an item that is not on the agenda, but the Board or Commission does listen to your concerns and has staff follow up on any questions you raise.

#### **Consent Agenda and Discussion**

- 1. PLH23-0026 City Code Amendments related to Zoning, Property Maintenance, & Garbage**

An Addendum Memo was presented to the Commission, Planning staff revised portions of the draft text after receiving additional feedback and comments.



CHAIRMAN HEUMANN welcomed everyone to the meeting and acknowledged that while some Zoning Code Amendments will be straightforward, others might require further discussion and potential modifications before the Regular Meeting. He advised if any members of the Commission felt the need to discuss certain items more extensively it could be addressed during the Regular Meeting.

KEVIN MAYO, PLANNING ADMINISTRATOR expressed gratitude for the feedback received, noting that it continually improved the proposed zoning code amendments. He discussed the intention to use this time of year annually for code updates to avoid such a heavy load in the future.

LAUREN SCHUMANN, PRINCIPAL PLANNER introduced the item and acknowledged the significant amount of zoning code amendments. She expressed gratitude for the Commission's extensive review and staff for their assistance in drafting the amendments. She explained the presentation of the zoning code amendments are divided into two: economic vitality, focusing on non-residential and commercial uses, and neighborhoods. She specified that the Planning and Zoning Commission's role was to review items under Chapter 35 (Land Use and Zoning) and Chapter 39 (Sign Code), with additional code cleanups for code enforcement under Chapter 30 (Property Maintenance) and a word change in Chapter 44 (Garbage and Refuse). She clarified a conversion from alley trash pickup to curbside, noting that the word "wishes" in the code was being changed to "vote" emphasizing neighborhood involvement. She explained that the proposed code amendments aligned with the council's strategic framework and these amendments are aimed to facilitate infill redevelopment and the rejuvenation of old commercial centers while enhancing the quality of life in neighborhoods. She detailed the process leading to the revisions, including stakeholder meetings with the Economic Development Advisory Board, Multi Housing Association, the Downtown Chandler Community Partnership, and public feedback. She stated there were concerns about parking calculations and there was opposition on certain multifamily parking requirements. She mentioned receiving mixed responses from the public, with some supporting proposals like accessory dwelling units and open-air remodels. She explained how the agenda items were grouped within the presentation and stated each slide addressed a specific motion and began the presentation.

**A. Move Planning and Zoning Commission recommend approval of proposed text amendments to section 35-200 Definitions of the Zoning Code relating to mid-rise development, bar, and other updates, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to section 35-200 Definitions of the Zoning Code relating to mid-rise development, bar, and other updates, as recommended by Planning staff.

COMMISSIONER BARICHELLO asked whether the number of stories mattered or if it was just about the 55-foot height.



KEVIN MAYO, PLANNING ADMINISTRATOR responded the current code did not specify a number of stories and focuses on height.

CHAIRMAN HEUMANN presented concerns regarding neighborhood notification and asked if a 55-foot structure in a neighborhood would change the public notification requirements.

LAUREN SCHUMANN, PRINCIPAL PLANNER responded through the entitlement process for buildings that exceed a certain height and requesting a mid-rise development expands the notification radius from 600 feet to a quarter mile, and for all registered neighborhood organizations, it extends from a quarter mile to a half mile.

CHAIRMAN HEUMANN pointed out the notification radius for buildings 45 feet or below, is just 600 feet and asked if it would be possible to keep the larger notification radius for transparency, even if a building is allowed by right. He presented concerns regarding notification of HOAs and neighborhoods for proposed infill projects.

KEVIN MAYO, PLANNING ADMINISTRATOR confirmed that the notification would remain the same for mid-rise developments, but the expanded notification process would apply to structures 55 feet and above.

CHAIRMAN HEUMANN asked why there is not one standardize the notification radius for all structures, regardless of height, to ensure transparency and avoid community concerns about not being notified. He asked if it could be added a proposed Zoning Code Amendment.

KEVIN MAYO, PLANNING ADMINISTRATOR acknowledged this was a good suggestion and could be considered in future code updates, especially regarding citywide notification requirements; however, notifications is not part of the current code amendment. He further stated that it could not be added because it is found in a separate area of the code and there was no legal public advertisement/notification.

CHAIRMAN HEUMANN asked that be added to the notes for consideration in the next year's updates, emphasizing the need for a clear and standardized notification process.

LAUREN SCHUMANN added that during the last code amendment in 2020, they reviewed neighborhood notification processes and expanded them to include posting large wooden signs at the site and incorporating social media postings. She also mentioned that the city uploads neighborhood meeting information to the City's website.

CHAIRMAN HEUMANN recalled changes made around 2012 or 2014 to expand notification distance and suggested that a standard radius for all notification would be cleaner.



**B. Move Planning and Zoning Commission recommend approval of proposed text amendments to section 35-305 Use Permit, relating to renewal enforcement, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to section 35-305 Use Permit, relating to renewal enforcement, as recommended by Planning staff.

CHAIRMAN HEUMANN stated this topic had been under discussion for many years and noted situations where someone requests a time extension after a permit had already expired by many years. He asked if there was an improved system in place to notify Applicants when a use permit was due to expire. He further asked if the responsibility was on the applicants to file the necessary paperwork.

LAUREN SCHUMANN, PRINCIPAL PLANNER clarified staff maintains a running list and sends out notifications when use permits were about to expire. She stated this approach has resulted in a significant number of Applicants filing the required paperwork and explained the need for this proposed amendment rose when an Applicant received one of these letters and was uncertain about whether they needed to cease operations or what the implications would be, as they could not find relevant information in the City Code.

CHAIRMAN HEUMANN stated if someone is sending notification that is great and presented statements regarding past challenges with Applicants filing a year after expiration.

**C. Move Planning and Zoning Commission recommend approval of proposed text amendments to articles IV. AG-1-Agricultural District, V. SF-33-Single Family District, VI. SF-18-Single Family District, VI.1. SF-10 Single Family District, VIII. MF-1-Medium Density Residential District, IX. MF-2-Multiple Family Residential District, and X. MF-3-High Density Residential District of Chapter 35 Land Use and Zoning, cleaning up language and permitting single family homes on parcels zoned multifamily residential that are less than 12,000 square feet, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to articles IV. AG-1-Agricultural District, V. SF-33-Single Family District, VI. SF-18-Single Family District, VI.1. SF-10 Single Family District, VIII. MF-1-Medium Density Residential District, IX. MF-2-Multiple Family Residential District, and X. MF-3-High Density Residential District of Chapter 35 Land Use and Zoning, cleaning up language and permitting single family homes on parcels zoned multifamily residential that are less than 12,000 square feet, as recommended by Planning staff.

CHAIRMAN HEUMANN pointed out this will eliminate half of the meetings we have had this year and confirmed there were no questions or comments from the Commission Members.



**D. Move Planning and Zoning Commission recommend approval of proposed text amendments to sections 35-1203, 35-1503, 35-1703, and 35-1902.4, granting authority to the Planning Administrator to reduce front yard setbacks within the Infill Incentive District, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to sections 35-1203, 35-1503, 35-1703, and 35-1902.4, granting authority to the Planning Administrator to reduce front yard setbacks within the Infill Incentive District, as recommended by Planning staff.

COMMISSIONER VELASQUEZ inquired about the definition of greater material diversity, particularly in the context of using different materials like steel.

LAUREN SCHUMANN, PRINCIPAL PLANNER informed the commission that within the code contains language specifying that no more than 65% of one material should be used and stated staff had deliberately not defined this to maintain flexibility. She mentioned the code's language about the building's movement and clarified they had not established a minimum number for diversity of materials.

COMMISSIONER BARICHELLO asked if there were any examples of where there is an undeveloped corner at the intersection of an arterial with three sides not meeting the 25-foot setback. He expressed concern about the comparative impact when a new development is allowed a reduced setback, and it still stands out from the surrounding area due to a greater setback. He commented on the minimal difference between setbacks of 15 and 25 feet when the surrounding area has setbacks of around 10 feet.

KEVIN MAYO, PLANNING ADMINISTRATOR responded that they were open to suggestions and had received varied feedback expressing concern about whether future teams.

COMMISSIONER BARICHELLO agreed and expressed he favored lower setback limits.

COMMISSIONER QUINN mentioned it will be hard to get people to meet all these requirements and still only use half of the offset when the purpose of this is to get properties occupied.

KEVIN MAYO, PLANNING ADMINISTRATOR expressed openness to feedback and stated staff initially started with zero a setback, but it was revised after consideration.

CHAIRMAN HEUMANN emphasized the importance of considering future implications of their decisions, mentioning a point system used in the southeast area plan. He expressed concern about the ambiguity in the current language, particularly in terms of material diversity, creative design, and urged for clearer definitions.



KEVIN MAYO, PLANNING ADMINISTRATOR recounted their experience with the point system in the southeast Chandler area, noting that it often led to homogenized designs as developers chose the path of least resistance. He discussed the intent behind their current approach, focusing on goal-based criteria rather than prescriptive measures as the point system approach did not get yield the results ultimately wanted.

CHAIRMAN HEUMANN stressed the need for better definitions to ensure consistent application of rules, particularly after the current staff's departure. He suggested using examples of quality design as a guideline, therefore builders do not just follow the easiest path.

KEVIN MAYO, PLANNING ADMINISTRATOR welcomed specific feedback for improving clarity in their criteria. He mentioned recent tweaks to the guidelines and the importance of meeting the community's expectations.

COMMISSIONER BARICHELLO suggested a reverse approach where more line items in the criteria which could lead to an increased number of setbacks.

COMMISSIONER QUINN asked if any of the items mentioned, specifically one through six, are defined in other parts of the guidelines pertaining to greater material density. He referenced that there is a stipulation for at least 30% of a different material or texture to be used in the construction and suggested that exceeding this percentage should be more substantial. He proposed an increase not just to 31%, but to a higher figure like 40% to ensure significant material diversity.

KEVIN MAYO, PLANNING ADMINISTRATOR acknowledged the current approach's limitations and presented statements regarding challenges in achieving the intended outcomes with existing guidelines.

CHAIRMAN HEUMANN highlighted the importance of clear definitions to avoid future ambiguities and ensure the implementation of creative design.

COMMISSIONER VASQUEZ asked about the definition of "greater material diversity" and whether it was defined elsewhere in the code.

KEVIN MAYO, PLANNING ADMINISTRATOR pointed out an example is Price Road and discussed challenges in defining material diversity and its application in different architectural contexts.

CHAIRMAN HEUMANN mentioned the evolution of materials over time and the importance of flexibility in their guidelines to accommodate future developments.

COMMISSIONER QUINN pointed out that overly restrictive guidelines could hinder sensible design decisions and used an example where a regulation demands 50% glazing for all street-facing



elevations, including south-facing ones, which could lead to impractical designs due to limited space and excessive heat, necessitating excessive HVAC usage.

CHAIRMAN HEUMANN presented statements regarding the evolving nature of building materials, sharing his experience of touring Kodak and seeing innovative materials. He suggested that material diversity in the future could include new undiscovered materials.

COMMISSIONER QUINN stated he agreed that some aspects of the guidelines should be open to negotiation, allowing developers to present sensible plans that could include innovative insulation and material use without needing constant oversight.

CHAIRMAN HEUMANN his struggle with defining material diversity in a way that does not overly constrain developers. He mentioned hearing concerns from developers about planners changing requirements after projects had begun, emphasizing the need for clear yet flexible guidelines.

KEVIN MAYO, PLANNING ADMINISTRATOR suggested the possibility of including language in the code indicating that guidelines are additional to existing codes, to provide clarity at the baseline. He stated staff is open to tweaking the guidelines as needed.

CHAIRMAN HEUMANN asked how to define material diversity percentages meaningfully, rather than just incrementally increasing them by small amounts like 1%.

COMMISSIONER QUINN asked how many properties north of the 202 freeway are applying for infill permits annually.

KEVIN MAYO, PLANNING ADMINISTRATOR clarified that not all properties were permanently filled and approximately 50 permits are filed a year.

COMMISSIONER QUINN suggested observing over the next year to assess the effectiveness of the rules and identify potential areas for improvement. He pointed out that 50 cases are a good sample to use the framework as a basis for evaluation and allowing them to identify and address any issues.

CHAIRMAN HEUMANN remembered reviewing Downtown Redevelopment Plan and they were shown various development examples in Phoenix, Scottsdale, and Tempe; he asked in showing such examples could this guide developers to understanding the quality and diversity sought by the city.

KEVIN MAYO, PLANNING ADMINISTRATOR stated adding images to the implementation packet as examples of the desired quality is a way to clarify goals without making the guidelines overly restrictive, but he did not feel it necessary to codify images.



THOMAS ALLEN, ASSISTANT CITY ATTORNEY stated he worked with staff on the language of the guidelines and advocated for more discretion to be given to staff. He emphasized the importance of flexibility in design and the ability to adjust to the changing objectives of City Council. He explained there is a level of subjectivity that should be trusted to professionals and from a legal perspective it was intentionally written to be broad and discretionary.

CHAIRMAN HEUMANN expressed concern about the Council's understanding of planning complexities and suggested providing image examples of quality developments to set expectations.

COMMISSIONER QUINN advised that City of Phoenix's approach to infill is having a separate division where planners had enough freedom to negotiate sensible solutions with developers. He emphasized the efficiency in their approach to handling infill projects.

KEVIN MAYO, PLANNING ADMINISTRATOR presented statements regarding the negotiation process with developers. He stated the proposed change will allow staff to reach a compromise that would be acceptable to both the commission and the council, while acknowledging the potential changes in staff and guidelines over time.

CHAIRMAN HEUMANN presented concerns about inconsistency in planning approvals, stressing the need for a process that accelerates approvals when developers meet specified requirements.

COMMISSIONER QUINN suggested reviewing the guidelines annually to assess their effectiveness and adapt as necessary.

CHAIRMAN HEUMANN agreed with the idea to review this annually to work out any issues.

KEVIN MAYO, PLANNING ADMINISTRATOR stated staff is open to feedback.

**E. Move Planning and Zoning Commission recommend approval of proposed text amendments to sections 35-1802 General Requirements and 35-1804 Parking Schedule, relating to parking requirements, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to sections 35-1802 General Requirements and 35-1804 Parking Schedule, relating to parking requirements, as recommended by Planning staff.

CHAIRMAN HEUMANN presented statements regarding the need for more parking spaces and developers accommodating.

KEVIN MAYO, PLANNING ADMINISTRATOR shared staff is receiving significant pushback from industrial developers who preferred parking ratios of 1.19 to 1.13. He noted that these developers



are dismissive of users who required more parking, leading to a mismatch between developer expectations and City desired users. He mentioned that efforts to reach a parking ratio of two per 1,000 had been challenging, especially since Amazon's entry into the market, which had shifted their focus to parking and desirable types of building users.

CHAIRMAN HEUMANN emphasized the importance of serving the City's needs and Council's objectives.

KEVIN MAYO, PLANNING ADMINISTRATOR explained that buildings are being constructed with a cost structure that would attract desired users and parking availability.

CHAIRMAN HEUMANN asked if this creates a massive concrete front.

LAUREN SCHUMANN, PRINCIPAL PLANNER responded with the use of landscape, hopefully not and stated for multifamily parking requirements, staff compared the City's standards to those of other cities and adjusted guest parking spaces to 0.2 per unit in response to feedback from various stakeholders. She highlighted the parking issues with current apartment developments, where residents often do not park within the complex and often times are parking on public streets instead.

CHAIRMAN HEUMANN presented statements about the changing dynamics of infill projects and the impact of increased rents on parking needs, stressing the importance of adequate parking to prevent overflow into neighborhoods. He stated due to rent increases it is common for 4 people to live in a 2-bedroom apartment and pointed out the original parking ratio proposed was 2.25 and stated that he had no issues with that number.

LAUREN SCHUMANN, PRINCIPAL PLANNER stated part of the proposal would prohibit multifamily developers from charging separate fees for parking, as this practice often led to residents parking on streets to avoid additional costs. She further stated any additional fees would need to be included in the rent.

KEVIN MAYO, PLANNING ADMINISTRATOR explained that developers have contested stating that the City cannot prohibit them from charging fees for parking, but the City has maintained that while developers could charge for parking, however, should not be a separate fee from the unit's rent.

COMMISSIONER QUINN shared personal experiences of his son's parking issues in residential areas due to insufficient apartment parking.

COMMISSIONER BARICHELLO sought clarification on the proposal to prohibit separate parking fees, inquiring about the possibility of itemizing such fees within the rent.



CHAIRMAN HEUMANN stated it would lock them in so renters could not opt out of parking.

VICE CHAIR KOSHIOL clarified that the parking fees included in rent is only for the required number of parking spaces. She confirmed that apartments could still charge fees for garages as they go beyond the required parking number.

CHAIRMAN HEUMANN stated that proposals for rentals with garages have come through where it had to be confirmed that the garages would be used for parking and not storage.

VICE CHAIR KOSHIOL stated she was comfortable changing the parking ratio to the higher number contained in the original proposal.

LAUREN SCHUMANN, PRINCIPAL PLANNER presented the changes in guest parking requirements based on the number of units, comparing the previous and proposed standards.

CHAIRMAN HEUMANN commented on the parking challenges in various developments and the need for sensible solutions and asked if any other Commission Members felt the ratio should be higher.

COMMISSIONER QUINN clarified that the increased would require 1 guest parking space per 2 units.

VICE CHAIR KOSHIOL pointed out that 1 guest parking space per 5 units is the standard from what she has observed.

KEVIN MAYO, PLANNING ADMINISTRATOR pointed out that the proposal could be increased to 2.25 the City can see if this has an affect on the parking overflow issue.

COMMISSIONER BARICHELLO asked what kind of feedback was given by stakeholders and if it was based on developer feedback that the number was lowered to 2.0.

KEVIN MAYO, PLANNING ADMINISTRATOR stated that the feedback staff received was that other cities are lowering their parking requirement.

CHAIRMAN HEUMANN pointed out those who reduce their parking ratio will have negative consequences unless they are along the light rail.

THOMAS ALLEN, ASSISTANT CITY ATTORNEY suggested in the Commission's motion regarding this item note their recommendation and the specific item number/letter.



COMMISSIONER QUINN pointed out the necessity of the proposed additional parking spaces due to increased prices and the need for roommates to help with the financial burden. He stated it is not out of the ordinary for as many as 4 people to live in a two-bedroom apartment.

LAUREN SCHUMANN, PRINCIPAL PLANNER stated the proposed zoning code amendment also includes guest parking requirements for developments other than apartments that staff currently follows as a policy. She explained the long-standing policy written by the transportation city engineer states that developments that do not have on-street parking spaces, should be required to have guest parking spaces at .25 per lot and .5 if there are no driveways and they should be evenly dispersed throughout the development.

KEVIN MAYO, PLANNING ADMINISTRATOR expressed the need for the policy to be included in the code, mentioning difficulties in its enforcement due to the lack of codification.

Note: Motion E was amended as a result of the Planning and Zoning's discussion during the Zoning Code Amendment Study Session. The modification requires guest parking spaces to .25 per unit.

**F. Move Planning and Zoning Commission recommend approval of proposed text amendments to section 35-1902.8(c) Site Development Plan, allowing the Planning Administrator to administratively approve more than two free-standing pads, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to section 35-1902.8(c) Site Development Plan, allowing the Planning Administrator to administratively approve more than two free-standing pads, as recommended by Planning staff.

COMMISSIONER BARICHELLO inquired if two specific fast-food outlets desired to be adjacent, whether they would need to undergo the design process.

CHAIRMAN HEUMANN presented statements about the implications of allowing a small drive-thru next to a high-turnover use. He asked what prevents the small drive thru from becoming a high-turnover use in the future and what about the impact on adjacent properties.

KEVIN MAYO, PLANNING ADMINISTRATOR explained that drive thrus for different types of businesses, such as a dry cleaner, would be designed differently than for high-turnover restaurants. He clarified that even if a high-turnover restaurant replaced a low-turnover drive-thru, they could not be situated side by side due to the menu board and other elements.

CHAIRMAN HEUMANN expressed concerns about different types of businesses with drive thrus, coming in if one goes out of business and is replaced by another.



KEVIN MAYO, PLANNING ADMINISTRATOR reiterated that the code differentiated between high and low turnover uses, ensuring that a high turnover use could not replace a low turnover use by right.

CHAIRMAN HEUMANN raised concerns about traffic impacts, particularly on smaller streets, and the implications of allowing multiple pads in such areas, especially if a user like Chick-fil-a came in.

KEVIN MAYO, PLANNING ADMINISTRATOR assured that any new development would undergo a standard building permit process, including traffic impact assessments, to ensure compatibility with existing infrastructure. He stated if it could not go through administratively, it would be subject to the public hearing process.

COMMISSIONER QUINN noted that the proposal aimed at infill on existing lots and improving them with additional pads while considering the existing road capacity.

KEVIN MAYO, PLANNING ADMINISTRATOR gave the example of the northwest corner of Alma School and Queen Creek where a commercial center parking lot integrated additional pads through a PDP public hearing process when it could have been done administratively.

CHAIRMAN HEUMANN expressed concerns about the proposal, particularly the risk of clustering too many high turnovers use in one area, which could deter customers from visiting the entire shopping center. He suggested the wording reflect that no more than one high turnover use on a site.

KEVIN MAYO, PLANNING ADMINISTRATOR responded that for the past 15 years, there had been no limit on the number of drive-thrus in a development, and they had worked to integrate these establishments effectively, based on the intensity of the arterial street. He pointed out that when a PDP is drafted staff is not aware of the user.

CHAIRMAN HEUMANN mentioned a trend in the restaurant industry towards more drive-thrus and fewer dine-in options, stressing the need for careful planning to avoid negative impacts on shopping centers.

KEVIN MAYO, PLANNING ADMINISTRATOR acknowledged the societal shift towards car-centric facilities, underscoring the challenge for planners to adapt to these changes while maintaining quality urban design.

CHAIRMAN HEUMANN referred to efforts in Mesa to limit the number of certain types of drive-thrus, questioning if similar measures should be considered in Chandler.



KEVIN MAYO, PLANNING ADMINISTRATOR stated they are trying to limit the number of high turnover drive-thrus with micro buildings, like Dutch Bros.

CHAIRMAN HEUMANN asked if any Commission Members had issues with adding wording that prohibits more than one high turnover use on the street but allowing more pads.

COMMISSIONER BARICHELLO emphasized the importance of maintaining administrative flexibility in the approval process for high-turnover uses.

CHAIRMAN HEUMANN clarified if they wanted more than one high turnover use, they would not be allowed administratively and would need to go through the public hearing process.

COMMISSIONER QUINN pointed out that the wording would need to mention that the high turnover use could not be side by side.

KEVIN MAYO, PLANNING ADMINISTRATOR sought clarification from the Commission and stated, the number of pads would be irrelevant, there would be one high turnover use per street, and any additional would need to go through a public hearing process.

CHAIRMAN HEUMANN pointed out that too many high turnover drive-thrus could impact shopping centers negatively.

COMMISSIONER BARICHELLO pointed out the image in the presentation and asked what else could go in this sea of a parking lot area other than a high turnover use.

CHAIRMAN HEUMANN stated he is not against pads; he is concerned with too many high turnover uses in a shopping center and suggested the need for careful consideration in the approval process.

KEVIN MAYO, PLANNING ADMINISTRATOR asked if it was the Commission's recommendation that the wording be amended to reflect, "...and not more than one high turnover use per street frontage."

COMMISSIONER QUINN pointed out the Paseo Lindo shopping center who has Chick-fil-a and Wendy's separated by a Verizon store and advised that he considers both to be high turnover and they are on the same street. He stated he has never felt like the parking lot was too crowded or that this has affected the shopping center negatively. He further stated the way it is written, if applied correctly, a developer could not fit in another high turnover use, unless it was appropriate.

CHAIRMAN HEUMANN stated he was okay with the proposed zoning code amendment, but he would like a note added that prohibited more than one high turnover use on a street frontage.



THOMAS ALLEN, ASSISTANT CITY ATTORNEY asked staff to clarify the wording.

LAUREN SCHUMANN, PRINCIPAL PLANNER clarified that the wording shall be amended to the following: No more than one high turnover use allowed per street frontage.

Note: Motion F was amended as a result of the Planning and Zoning's discussion during the Zoning Code Amendment Study Session. The modification adds the following: "No more than one high turnover user per street frontage".

**G. Move Planning and Zoning Commission recommend approval of proposed text amendments to section 35-1902 Site Development Plan, relating to drive-through requirements, use of shipping containers, and screening of roof-mounted equipment, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to section 35-1902 Site Development Plan, relating to drive-through requirements, use of shipping containers, and screening of roof-mounted equipment, as recommended by Planning staff.

CHAIRMAN HEUMANN presented statements regarding a Wells Fargo located at the southeast corner of Ray and Rural, mentioning its use of mobile units. He confirmed that roof mounted equipment near residential areas would require sound screening.

**H. Move Planning and Zoning Commission recommend approval of proposed text amendments to section 35-2100 Table of Permitted Uses for Nonresidential Districts, modifying the layout, adding new previously unlisted uses, clarifying ancillary use provisions, and other related changes, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to section 35-2100 Table of Permitted Uses for Nonresidential Districts, modifying the layout, adding new previously unlisted uses, clarifying ancillary use provisions, and other related changes, as recommended by Planning staff.

CHAIRMAN HEUMANN confirmed there were no questions or comments from the Commission Members.

**I. Move Planning and Zoning Commission recommend approval of proposed text amendments to section 35-2202 Accessory Buildings and Guest Quarters, permitting accessory dwelling units within single-family lots, as recommended by Planning staff.**



LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to section 35-2202 Accessory Buildings and Guest Quarters, permitting accessory dwelling units within single-family lots, as recommended by Planning staff.

CHAIRMAN HEUMANN asked for a definition of short-term rental.

KEVIN MAYO, PLANNING ADMINISTRATOR responded that the City uses the State's definition for short-term rental.

CHAIRMAN HEUMANN asked if this would affect HOAs.

KEVIN MAYO, PLANNING ADMINISTRATOR mentioned that HOAs would have the ability to set their own rules.

CHAIRMAN HEUMANN confirmed if an HOA has its own CCNRs and this would not necessarily override them.

**J. Move Planning and Zoning Commission recommend approval of proposed text amendments to section 35-2204 General, relating to perimeter wall requirements, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to section 35-2204 General, relating to perimeter wall requirements, as recommended by Planning staff.

CHAIRMAN HEUMANN asked what is the separation allowed in situations involving walls in building subdivisions and asked for staff's thoughts on the separation between walls and whether there would be a gap to prevent a "dead man zone."

KEVIN MAYO, PLANNING ADMINISTRATOR explained from his experience wall disputes in most cases are resolved by working with neighbors. He gave an example where developers had to engage with each neighbor to obtain temporary construction easements, eventually leading to the replacement of an old wall with a new one. He stated that a waiver was included for cases where engineering issues made compliance impractical.

CHAIRMAN HEUMANN questioned whether the criteria for Zoning Administrator waivers should be more specifically defined to encompass only engineering impossibilities.

KEVIN MAYO, PLANNING ADMINISTRATOR responded that currently, the code does not specify detailed criteria for such waivers.



CHAIRMAN HEUMANN sought clarification on what circumstances would allow the Zoning Administrator to grant a waiver.

KEVIN MAYO, PLANNING ADMINISTRATOR explained no example comes to mind and historically staff has upheld their position in nearly all cases, except for two instances where the decision went through the Commission and Council.

CHAIRMAN HEUMANN asked for examples for waiver criteria and if there was none, then why have it.

VICE CHAIR KOSHIAL clarified that the waiver is a necessity for flexibility where real-world issues arise and this rule could be problematic for landowner.

CHAIRMAN HEUMANN asked if the developers would have to present their efforts to the Zoning Administrator, particularly in cases where they had made significant attempts to negotiate with neighbors.

KEVIN MAYO, PLANNING ADMINISTRATOR explained there have been instances where sites had to be reengineered to maintain existing wall heights and that developers often had to find creative solutions to complex challenges.

COMMISSIONER BARICHELLO stated that he is in favor of the Zoning Administrator waiver as instances could arise where it is needed.

CHAIRMAN HEUMANN stressed the importance of identifying issues early in the development process to avoid disputes later.

KEVIN MAYO, PLANNING ADMINISTRATOR explained that during pretech before a case is filed that Applicants are forewarned about staff's expectations for walls and this would facilitate easier resolutions.

VICE CHAIR KOLSHIOL stated outright prohibition seemed stringent as unforeseen challenges arise, particularly in redevelopment projects and that she is in favor of the Zoning Administrator waiver so long as the Administrator has a clear rationale for granting waivers.

CHAIRMAN HEUMANN explained that the point he was trying to make is there should be compelling, extenuating circumstances, particularly from an engineering standpoint, to justify any exceptions.

KEVIN MAYO, PLANNING ADMINISTRATOR added that even in cases where the Zoning Administrator's decision is unfavorable, developers have the option to appeal to the Board of Adjustments.



COMMISSIONER BARICHELLO expressed concern that it might not be common knowledge that developers could appeal to the Board of Adjustments.

**K. Move Planning and Zoning Commission recommend approval of proposed text amendments to sections 35-2202.1, 35-2205, and 35-2208, relating to open-air ramadas, swimming pool setbacks, and satellite dish antenna requirements, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to sections 35-2202.1, 35-2205, and 35-2208, relating to open-air ramadas, swimming pool setbacks, and satellite dish antenna requirements, as recommended by Planning staff.

CHAIRMAN HEUMANN asked about Ramadas and the potential issue of a neighbor having a wall above their fence line due to the five-foot separation and seven-foot wall height.

KEVIN MAYO, PLANNING ADMINISTRATOR explained that the proposed number is in line with current code, which does not prevent building a wall within one's backyard with a maximum height of seven feet.

CHAIRMAN HEUMANN pointed out the size of typical satellite dishes from companies like Dish Network and expressed frustration over past practices of satellite companies installing dishes in visually intrusive locations, like patio roofs, rather than on the ground.

**L. Move Planning and Zoning Commission recommend approval of adding section 35-2215 Home Occupation, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding adding section 35-2215 Home Occupation, as recommended by Planning staff.

CHAIRMAN HEUMANN referenced prior discussions with staff to include swim lessons as a permissible home occupation. He emphasized the importance of infant swim lessons and the potential to save lives. He also stressed the need for business-related parking regulations.

LAUREN SCHUMANN, PRINCIPAL PLANNER explained that swim schools were not included as permitted uses by right due to potential noise disturbances to neighbors and clarified that such businesses were not banned but would require a use permit.

CHAIRMAN HEUMANN expressed a strong desire to include swim lessons as a permissible home occupation, arguing that the benefits of potentially saving a child's life outweighed the inconvenience of noise to neighbors. He compared the noise from swim lessons to other activities like drum lessons and emphasized the seasonal nature of swimming lessons. He confirmed with



the other Commission Members that no one had issues with adding swim lessons to the list of permissible uses.

KEVIN MAYO, PLANNING ADMINISTRATOR stated if the Commission would like to add swim lessons to add it to the motion at the Planning and Zoning Regular Meeting.

Note: Motion L was amended as a result of the Planning and Zoning's discussion during the Zoning Code Amendment Study Session. The modification adds swim lessons to permitted uses.

**M. Move Planning and Zoning Commission recommend approval of proposed text amendments to Chapter 39 Sign Code, relating to murals and temporary sign requirements, as recommended by Planning staff.**

LAUREN SCHUMANN, PRINCIPAL PLANNER presented details regarding proposed text amendments to Chapter 39 Sign Code, relating to murals and temporary sign requirements, as recommended by Planning staff.

CHAIRMAN HEUMANN stated that he recently ate at Espo's, and they had a beautiful new mural.

## **Member Comments/Announcements**

CHAIRMAN HEUMANN expressed concern about the lack of enforcement of the temporary sign code in Chandler. He presented concerns regarding ripped banners and staff not being able to address signs that are damaged or not functioning properly because the temporary sign code has not been reinstated. He pointed out that all the COVID restrictions have been lifted except the temporary sign code and emphasized the need to convey this concern to the Council. He asked for the minutes to reflect his concern.

## **Calendar**

The next Study Session will be held before the Regular Meeting on Wednesday, November 15, 2023, in the Chandler City Council Chambers, 88 E. Chicago Street.

## **Adjourn**

The meeting was adjourned at 4:54 p.m.

  
Kevin Mayo, Secretary

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Rick Heumann, Chairman



## Lauren Schumann

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**From:** Mark Fitzgerald <Mark@azcapitolconsulting.com>  
**Sent:** Thursday, January 18, 2024 10:31 AM  
**To:** Andy Bass; Lauren Schumann; Kevin Mayo; David De La Torre  
**Cc:** Joshua Wright; Chandni Bhakta  
**Subject:** Thank you!

Hello all,

Thank you for meeting with us this morning to address our questions. Following a deeper understanding and your team resolving language concerns, we no longer have any issues with the City proposed text amendments. On behalf of my team, we appreciate your willingness to compromise and respond to all our inquiries.

Kevin, I will provide the language for you to draft a letter to our members, clarifying that the changes do not prevent developers from charging for parking. My initial interpretation of the revised language was incorrect, but the letter will help rectify any misunderstandings. Additionally, I will draft a letter supporting the staff's recommendation to P&Z regarding guest parking requirements.

I just spoke to Vice Mayor Orlando and shared this update with him. As a result, we will be canceling any previously scheduled meetings with your councilmembers. My sincerest apologies for the miscommunication.

Once again, thank you all, and I look forward to future collaboration.

Respectfully,

**Mark Fitzgerald**  
Capitol Consulting, LLC  
1415 N. 7<sup>th</sup> Avenue Phoenix, AZ 85007  
PH: 209-986-0842  
Email: [mark@azcapitolconsulting.com](mailto:mark@azcapitolconsulting.com)

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## Lauren Schumann

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**From:** Chandni Bhakta <Chandni@azcapitolconsulting.com>  
**Sent:** Monday, November 6, 2023 5:14 PM  
**To:** Lauren Schumann; Mark Fitzgerald  
**Cc:** Kevin Mayo; David De La Torre; courtney-azcapitolconsulting.com  
**Subject:** RE: City of Chandler proposed Zoning Code Amendments

Good afternoon,

Thank you for engaging AMA in your discussion of the upcoming code amendment as it relates to multifamily projects and parking. We applaud the staff's time, research, and resources it took to compile this proposal. We are in support of the increased height from 44 feet to 55 feet that would require a Mid-Rise overlay to areas of growth, reducing the requirements to completely screen roof mounted equipment, and open to adding a provision that multifamily will be allowed additional time during the initial lease up.

However, AMA strongly opposes the increase in (guest) parking requirements by 0.25 and preempting apartment communities from charging for any parking spaces that are required to be built per the zoning code. This intent would initially raise the cost for development of multihousing projects versus the number of units that could be built due to the parking restrictions. Currently we are seeing several cities actually work to reduce their parking requirements especially for affordable housing communities and housing near major transit or transportation corridors.

Below are some highlight points that AMA would like to bring to your attention:

- Implementing via the zoning code a limitation if parking fees or parking rent is a government overreach: Restricting apartment owners from charging for parking constitutes an unnecessary government intervention into private property rights and ongoing property operations. Property owners should have the autonomy to set their own pricing policies, especially when it comes to a valuable asset like parking.
- Financial burden on property owners : For rental housing owners and managers, the prohibition on charging for parking may translate into financial burdens. The costs of maintaining and operating parking facilities can be significant, and if owners are unable to recover these costs through parking fees, they may need to offset the expenses through other means such as higher rents across the board. Whereas charging parking rent or fees based on type of parking (covered, uncovered or in some cases individual enclosed garages) or the needed parking spots is a more equitable approach allowing the resident to determine the parking option that best first their needs and budget. While some families renting a three bedroom, they might need two or three parking spaces but another person renting a three bedroom and using the extra rooms as an office and guest space may only need one parking space.
- Unintended consequences: Implementing such policies may lead to unintended consequences, such as reduced investment in apartment communities, less upkeep of parking infrastructure, or a potential decline in the quality of housing services provided to tenants.
- Operational flexibility for property owners: Different apartment communities may have varying needs and circumstances. Allowing property owners to set parking policies, including whether to charge for parking, enables them to adapt to the unique requirements of their residents and the local context.

In summary, we hope that you will harmonize urban planning goals without infringing on property rights on-going property management. However, in the case of prohibiting fees or rents for parking no such balance exists, and property owners and some residents will be left disadvantaged. The city mandates additional parking, driving up costs, only to



then hinder landlords from charging for parking. If parking fee restrictions pass, it could lead to a potentially far-reaching and adverse consequences down the road.

Sincerely,

Chandni Bhakta  
Capitol Consulting, LLC  
P.O. Box 13116  
Phoenix, AZ 85007-3116

Office: (602) 712-1121  
Cell: (602) 909-4689

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**From:** Lauren Schumann <Lauren.Schumann@chandleraz.gov>  
**Sent:** Wednesday, November 1, 2023 12:16 PM  
**To:** Chandni Bhakta <Chandni@azcapitolconsulting.com>; Mark Fitzgerald <Mark@azcapitolconsulting.com>  
**Cc:** Kevin Mayo <Kevin.Mayo@chandleraz.gov>; David De La Torre <David.DeLaTorre@chandleraz.gov>  
**Subject:** City of Chandler proposed Zoning Code Amendments

Good Afternoon Mark and Chandni,

Thank you for taking the time to meet with us last week as the City of Chandler finalizes the proposed code amendment. We wanted to reach out to see if you had any comments, questions, or concerns as we are in the process of preparing the memo for the Planning and Zoning Commission 11/15 meeting.

**Lauren Schumann**  
Principal Planner, City of Chandler's Planning Division  
215 E. Buffalo St.  
Chandler, AZ 85225  
(480) 782-3156



## Lauren Schumann

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**From:** Rebecca Hill <rebecca@downtownchandler.org>  
**Sent:** Monday, November 6, 2023 4:00 PM  
**To:** Lauren Schumann  
**Cc:** Lauren Koll  
**Subject:** Zoning Code Feedback

Hi Lauren,

On behalf of the Downtown Chandler Community Partnership, there are a few concerns we would like to discuss/see addressed.

1. Should we require an entertainment permit for business already in the entertainment district?
  - It has been suggested putting specifics (time and decibels) in the new Zoning Code Amendment
2. Is it reasonable to ask new renters (DC Heights) to sign a waiver acknowledging the entertainment district?
  - Include guidelines into Land Use and Zoning directed to multifamily establishments requiring renters to acknowledge Entertainment District and existing permit regulations.
  - Any amplified music or speakers on public areas within the Entertainment District must be permitted through the City. Including but not limited to; entertainers, speakers expressing opinions, pan handlers, non-profits seeking donations, etc.
3. Sign Code, Item F. Would the City reconsider this if there were certain hours of this sign being lit? This will have an impact for several current businesses, some that are already established and certainly any new business currently in the zoning process. (Potentially, Hidden House, Maple House, Food Court, Ghett Yo, the Perch, One Chandler)

Thank you for your time and consideration.

Rebecca

Rebecca Hill  
Executive Director  
100 W Boston St., #5  
Chandler, AZ 85225  
480-855-3539 Office  
480-406-5898 Cell



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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Thursday, October 19, 2023 12:52 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Thu, 10/19/2023 - 12:51 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Erich Wichterman

**Address**

970 E Desert Inn Dr  
Chandler, Arizona. 85249

**Email**

erich.wichterman@gmail.com

**Comments**

Not in favor of permitting accessory dwelling units on single-family lots. For every family that wants to allow this for extended family there are 10 others that are seeking to generate a revenue stream. This amounts in practicality to change zoning from SFR to multi-family. Not in favor of Home occupations amendment. This amounts to a zoning amendment to support business - business should be conducted in a business zoned area. Such an amendment adds to traffic posing a danger to citizens and quite frankly degrades the neighborhood into mixed use.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Sunday, October 22, 2023 4:33 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Sun, 10/22/2023 - 04:33 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Seth Borman

**Address**

1408 E Gail Dr.  
Chandler, Arizona. 85225

**Email**

sethborman@yahoo.com

**Comments**

The city's focus on parking is unwarranted, there is no parking crisis and thus no need to drastically increase parking requirements. This is true especially of ADUs and home occupations. With ADUs, many of the units will be occupied by people that don't drive. If I build an ADU in my home it will be for an elderly relative that doesn't drive. With home occupations, most people don't use their garages for parking anyway, they park in the driveway. This is directly applicable to my family, as we are in the process of opening a small business that would have gone in our garage if that were allowed. Because it can't, we found a small office space in an adjacent city.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, October 25, 2023 4:50 AM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 10/25/2023 - 04:50 AM

Submitted by: Anonymous

Submitted values are:

**Name**

Linda Miller

**Address**

930 W Oriole Way  
Chandler, Arizona. 85286

**Email**

lindasmiller2@gmail.com

**Comments**

I think all of these are good ideas. Many would solve a lot of HOA versus resident disputes if carried to existing communities where applicable.thank you for asking fir community feedback.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Monday, October 23, 2023 12:21 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Mon, 10/23/2023 - 12:21 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Margaret Pena

**Address**

2373 W. Flint St  
Chandler, Arizona. 85224

**Email**

penafami@aol.com

**Comments**

Could you let me know which areas (neighborhoods) these changes would be impacting?

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, October 25, 2023 8:01 AM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 10/25/2023 - 08:01 AM

Submitted by: Anonymous

Submitted values are:

**Name**  
Suzanna Williams

**Address**  
1760 E i digo dr  
Chandler, Arizona. 85286

**Email**  
suzibean@gmail.con

**Comments**  
We are in favor of increasing the size of open air residential rmanadas

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Friday, October 27, 2023 7:40 AM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Fri, 10/27/2023 - 07:40 AM

Submitted by: Anonymous

Submitted values are:

**Name**  
David Freet

**Address**  
599 S Terrace Road  
Chandler, Arizona. 85226

**Email**  
fxstsaz99@cox.net

**Comments**  
I am against all of these proposed changes to the current codes.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Friday, October 27, 2023 9:37 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Fri, 10/27/2023 - 09:36 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Setliff Jo Setliff Jo

**Address**

5172 w Dublin lane  
Chandler, Arizona. 85226

**Email**

josetliff@gmail.com

**Comments**

Like the addition of shipping containers and guest parking.

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Priority: Five Day  
Assigned To: Tawna Mower

Requester Name: Karin Taylor  
Requester Phone # (928) 856-1151  
Request Service Location :

Customer Comments: Hello, I am writing to share my opinion on city parking codes. I moved to Chandler a few years ago and I am happy to see that the city allows companies to request lower parking requirements after a study. I believe that this does not go far enough, as the mandate for a study to prove a lack of need places unnecessary spending requirements on potential entrepreneurs. A government-mandated spending requirement limits development by presuming that the government knows what businesses should be spending their money on better than business owners themselves. In addition to the increased land and construction spending requirements for potential small businesses, the requirement for large parking lots creates an ongoing financial burden by making the company hire additional night or weekend security staff to ensure the vacancy of the lot. Parking lots that are sized to account for large single-day events may be useful for the theater or a mall on Black Friday, but for most businesses they are a liability. People who simply want to run their business are now tasked with managing a massive tract of land that sits unused most days and attracts dangerous behavior such as doing donuts and loitering. The government is forcing companies to increase startup costs for the benefit of owning land that does nothing but attract foolish young men looking for a misdemeanor. Dealing with the behavior of these parking lot hooligans, noise complaints, and the resulting legal requirements is another burden that city parking requirements are hoisting on small business owners. The requirements themselves do not increase business traffic, and companies should be able to be responsible for the design and spending on their own property to the extent that it is safe. Laws are supposed to keep the citizens safe. The mild inconvenience of trying to find a parking spot in a crowded lot is not a safety issue, it is a free market issue. Businesses should be responsible for their own company, and if they lose business due to people being unable to find a place to park in a smaller lot that is a lesson they need to learn as an entrepreneur, not a danger that the government needs to protect them from. In fact, with the increased vagrancy and public disturbance that large parking lots encourage, the government has created a law that increases danger to the public while restricting commerce. I urge you to bring these requirements down as soon as you can so that we can see more innovative businesses and fewer viral videos of people crashing their car while doing donuts in a vacant lot. Sincerely, Karin Taylor

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Tuesday, November 28, 2023 10:20 AM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Tue, 11/28/2023 - 10:19 AM

Submitted by: Anonymous

Submitted values are:

**Name**

Jill Evans

**Address**

3330 S. Gilbert Rd.  
Unit #2028  
Chandler, Arizona. 85286

**Email**

jill.evans3@gmail.com

**Comments**

Regarding the proposed amendment for Multi-Family Residential Parking: I currently live in a condominium complex that was built 15 years ago. We have a limited number of guest parking spaces (approximately 35 to accommodate 184 living units). The proposed amendment would require that we have .25 guest spaces per unit for a total of 46 spaces. As a fully developed property, there is absolutely no space to create extra guest parking. Another proposed amendment is not to charge a fee for guest parking. Our HOA has recently implemented paid guest parking. This was done as guest parking was being abused by residents who had more vehicles than assigned parking spaces and were using guest parking spaces for their own personal vehicles. This obviously caused issues for other residents who now could not find a guest parking space for an actual guest. Our HOA tried many things to deter this including visitor passes, towing, etc. Nothing worked. Now that we use a software system (Zark Parking) to rent a guest space for a nominal fee, this issue has significantly reduced. I am not in favor of this amendment as it will cause unnecessary hardship. I urge you not to pass these particular parts of your proposed amendment. Thank you.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Tuesday, December 5, 2023 12:17 AM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Tue, 12/05/2023 - 12:16 AM

Submitted by: Anonymous

Submitted values are:

**Name**

Trina Bates

**Address**

609 W San Marcos Dr  
Chandler, Arizona. 85225

**Email**

teensyfaye@gmail.com

**Comments**

I am in favor of the proposed elimination of the ramada size limit and instead using a percentage (30%) of the area of the yard. I am also in favor of the newly proposed setbacks for ramadas. Great idea!

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, November 29, 2023 4:06 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 11/29/2023 - 04:05 PM

Submitted by: Anonymous

Submitted values are:

**Name**  
Lisa Sackett

**Address**  
4578 W Earhart Way  
Chandler, Arizona. 85226

**Email**  
happyveggie2@gmail.com

### Comments

I would really like for the current restrictions on building ramadas or shade structures anywhere on our property to be removed. Our planet is warming and Arizonans should be able to reduce the temperatures around our homes any way possible.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, November 29, 2023 3:27 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 11/29/2023 - 03:26 PM

Submitted by: Anonymous

Submitted values are:

**Name**

nanette grisham

**Address**

4667 w. shannon,  
chandler, Arizona. 85226

**Email**

arizona\_nan@yahoo.com

**Comments**

this is response to; home occupations subject..... i totally disagree to any home occupations businesses. these would bring VERY negative occurrences to any neighborhoods. they could include; heavy traffic, unsafe to children , strangers, parking illegally, debris thrown around. if a person wants a business, rent a location in a strip mall type of building. NOT garage OR home occupations.... and; who would enforce the hours of 9am - 7pm ? the police have more important duties. i DO not want my driveway blocked so some person could operate a business near me. also, strangers, bring crimes, break-ins, thefts, NO THANK YOU !!

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, November 29, 2023 12:51 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 11/29/2023 - 12:51 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Nancy Landeryou

**Address**

4650 W Ivanhoe St  
Chandler, Arizona. 85226

**Comments**

Keep the home occupation code as it stands. Residential areas should be just that, for residents, not for commercial use. If businesses that are run out of a home, allow customers and employees in and out, throughout the day, there will be more traffic in and out of our neighborhoods. This increases the danger of accidents to children, pets, and the elderly. Not to mention, strangers coming in and out of our neighborhoods. We have a tight knit community, where neighbors look out for each other. How will we know if certain people belong in our neighborhoods, if it becomes a free for all? Keep businesses where they belong, in shopping centers! I doubt if other people would approve of this change, if it were more widely known to the general population. Are you just accommodating a special interest group or friend? This seems like a very important zoning change that should be brought to the public for a vote.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, November 29, 2023 11:31 AM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 11/29/2023 - 11:30 AM

Submitted by: Anonymous

Submitted values are:

**Name**  
Joseph Dale

**Address**  
4849 E Karsten Dr  
Chandler, Arizona. 85249

**Email**  
azjoedale@q.com

### Comments

In regards to eliminating requirements for driveway to be connected to garage or carport: IMO, having two driveways in most of our cookie cutter master planned communities with lots under .3 acres would be an eyesore. What would happen is we would have cars parked on both driveways so your front yards now become one giant driveway. Instead of this, how about reduce amount of parking landscape (cement, pavers, etc) is allowed.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Tuesday, November 28, 2023 2:11 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Tue, 11/28/2023 - 02:10 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Leslie Minkus

**Address**

3372 E Gemini Ct  
Chandler, Arizona. 85249

**Email**

faminkus@msn.com

**Comments**

With the support of my Co-Chair and City Liaison, Linda Sawyer and the members of our the LD13 Local Government Committee, our FOCUS IS ALL ABOUT true, clear and FULL transparency, open dialog and communications regarding proposed ordinances and agenda issues that are presented and discussed at all future city work sessions, study sessions and department meetings between our LD13 Committee Members, including Residents of Chandler, AND the City Staff, Mayor and Council Members. It is also important for the City to publicly provide clear and complete feedback to justify their reasoning supporting each decision made by each elected official that voted on an ordinance.

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, November 15, 2023 12:53 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 11/15/2023 - 12:53 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Theo Anglin

**Address**

1613 E Cindy St  
Chandler, Arizona. 85225

**Email**

theoanglin99@gmail.com

**Comments**

I am overwhelmingly in support of the code changes, especially regarding ADUs!

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Wednesday, November 15, 2023 9:30 AM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Submitted on Wed, 11/15/2023 - 09:30 AM

Submitted by: Anonymous

Submitted values are:

**Name**

Tracie Younce

**Address**

3632 E PRESCOTT PL  
CHANDLER, Arizona. 85249

**Email**

tyounce@hotmail.com

**Comments**

Most of these amendments appear to align with nearby cities and more modern updates however I would like to question the elimination of the pool setback of 5 feet. What is the benefit of this change that would outweigh any issues that could be caused by setting the pool decking so close to a neighbor? Wouldn't this cause more problems with masonry fencing and tree roots, etc? I realize lot sizes have dwindled in newer neighborhoods and doesn't always allow room for a pool to be installed on a property but to change the pool set back regulations is not the way to handle citizens wanting a pool in their small yard. Why are you allowing lot sizes so small in the first place if you would allow a pool on that property? What is the overall majority benefit of this amendment?

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## Lauren Schumann

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**From:** City of Chandler <webmaster@chandleraz.gov>  
**Sent:** Monday, January 15, 2024 4:17 PM  
**To:** Lauren Schumann  
**Subject:** Webform submission from: Code Amendments: Public Comment Form

Submitted on Mon, 01/15/2024 - 04:17 PM

Submitted by: Anonymous

Submitted values are:

**Name**

Andrew DeValk

**Address**

213 S Maple St  
Chandler, Arizona. 85226

**Email**

andrewjdevalk@gmail.com

**Comments**

Due to the current cost of living, an ADU with built in cooking capabilities would help so many residents like us in various ways. This would allow residents to provide a long-term solution to an aging parent, family member, adult children, friend, or even the opportunity to rent the space long-term (which provides another affordable housing opportunity within Chandler) makes economic sense for all involved. Wouldn't this add value to living in Chandler? An in-law suite adds value to homes. Allowing the chance to rent out an ADU would also increase property values. However, care should be taken in making sure that there is little to no impact on the neighborhood as it relates to parking and aesthetics. Thank you for your consideration!

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**City Council Memorandum      Development Services      Memo No. DS24-001**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Andy Bass, Deputy City Manager & Development Services Acting Director  
Louis Kneip, Development Engineering Manager  
Ryan Peters, Strategic Initiatives Director  
**From:** Dennis Aust, Telecommunications and Utility Franchise Manager  
**Subject:** Adoption of Resolution No. 5766, Authorizing a License Agreement between Zoom Technology Arizona Limited, and the City of Chandler for the Use of Public Property for the Establishment of Class 4 and Class 5 Communications Systems.

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**Proposed Motion:**

Move City Council pass and adopt Resolution No. 5766, authorizing the Mayor to execute the license agreement between Zoom Technology Arizona Limited and the City of Chandler for the use of facilities in the city's rights-of-way and public places to establish Class 4 and Class 5 Communications Systems, and authorizing the City Manager or designee to execute other documents as needed to give effect to the agreement.

**Background:**

Zoom Technology Arizona has filed an application with the city to install, operate and maintain an underground fiber optic communications system that may provide both Class 4 (lit fiber/active services) and Class 5 non-telecommunications services (dark fiber/internet services). The agreement provides terms for both services and is similar to agreements the city has with other providers. This item is for a five-year nonexclusive agreement. The expected time frame for Zoom Technology's current build plan is twelve months. Construction is planned to commence in March 2024 and end in March 2025 for service to the first 29,400 residential units. Depending on other fiber to the home provider builds in Chandler, further deployment may occur in the northern and western areas of the city over the next two or three years.



**Financial Implications:**

The city has received a \$3,000 application fee to cover the city's cost for the processing of this application. A transaction privilege tax of 2.75% will be paid on any non-interstate telecommunications services (Class 4). Fiber that is not exempted by federal or state law and is used for non-telecommunications services (Class 5) is subject to an annual \$2.65 per linear foot fee as prescribed by the City's Fee Schedule, capped at a maximum of 2% of gross revenues for services provided within Chandler.

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**Attachments**

Resolution No. 5766

Agreement for Use of Public Property



**RESOLUTION NO. 5766**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, APPROVING A LICENSE TO ZOOM TECHNOLOGY ARIZONA LIMITED TO CONSTRUCT, INSTALL, OPERATE, MAINTAIN, AND USE THE PUBLIC RIGHTS OF WAY WITHIN THE CITY TO PROVIDE TELECOMMUNICATIONS SERVICES (CLASS 4 LICENSE) AND FIBER OPTIC CABLE, INTERSTATE SERVICES, AND OTHER COMMUNICATION FACILITIES (COLLECTIVELY "INTERSTATE TELECOMMUNICATION SERVICES") (CLASS 5 LICENSE) AS APPROPRIATE.

WHEREAS, the City of Chandler believes that it is in the City's best interest to issue a License Agreement for such purpose.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chandler, Arizona, as follows:

Section 1. Approves the City of Chandler Telecommunication Services (Class 4) and Interstate Telecommunication Services (Class 5) License Issued to Zoom Technology Arizona Limited in the form attached hereto as Exhibit "A" and incorporated herein by reference.

Section 2. Authorizes the Mayor of the City of Chandler to execute the Agreement on behalf of the City of Chandler.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this \_\_\_\_ day of February 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5766 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of February, 2024, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

*JMB*





**CITY OF CHANDLER TELECOMMUNICATION SERVICES (CLASS 4) AND  
INTERSTATE TELECOMMUNICATION SERVICES (CLASS 5) LICENSE ISSUED TO  
ZOOM TECHNOLOGY ARIZONA LIMITED**

City of Chandler Document No. \_\_\_\_\_  
City Council Meeting Date: \_\_\_\_\_

**THIS LICENSE** ("License") is issued by the City of Chandler, an Arizona municipal corporation ("City") to Zoom Technology Arizona Limited, an Arizona limited liability company ("Licensee"). (The City and Licensee are each a "Party" and collectively the "Parties") effective \_\_\_\_\_ ("Effective Date").

**RECITALS**

- A. On or about November 10, 2023, Licensee applied to the City for permission to construct, install, operate, maintain, and use the Public Rights of Way within the City to provide Telecommunications Services (Class 4 License) and Fiber Optic Cable, Interstate Services, and Other Communication Facilities (collectively "Interstate Telecommunication Services") (Class 5 License) as appropriate; and
- B. By the authority conferred by A.R.S. §§ 9-581-583, the Chandler City Charter, and Chandler City Code Chapter 46, the City is authorized to grant this License; and
- C. The City Council has authorized the Mayor or his designee to execute a license with Licensee to construct, install, operate, maintain, and use a System (defined hereinafter) in, along, under, over, and across certain Public Rights-of-Way within the City or on other City-owned property to provide Telecommunications Services and Interstate Telecommunications Services as appropriate.

**LICENSE**

**NOW, THEREFORE**, City hereby grants Licensee this License under the following terms and conditions:

**SECTION 1. DEFINITIONS**

For this License, unless the context otherwise requires, the following terms, phrases, words, and their derivatives have these meanings. When not inconsistent with the context, words in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The word "shall" is always mandatory and not merely directory. The terms, phrases, words, and their derivatives used in this License have the meanings given in Chapter 46 of the Chandler City Code as amended. If a conflict or ambiguity exists among the definitions in Arizona Revised Statutes, the Chandler City Code, and this License, the definitions in the following order prevail and control: (1) Arizona Revised Statutes; (2) Chandler City Code; (3) this License. Additional definitions for this License include:

"ACC" means the Arizona Corporation Commission.

"A.R.S." means Arizona Revised Statutes, as amended.

"Cable Services", "Cable System", "Video Services", and "Video Services Network" have the same meaning as defined in Chapter 46 of the Chandler City Code.

"City" means the City of Chandler, Arizona.

"City Council" means the Council of the City of Chandler.



"Commercial Mobile Radio Services" means two-way voice commercial mobile radio services as defined by the Federal Communications Commission in 47 United States Code § 157.

"Day" means calendar day unless noted otherwise.

"Encroachment Permit" means the nonexclusive permission granted by the City to Licensee within the Public Rights-of-Way for the specific location of Licensee's System and includes fees (if any) for the specific location, and other terms and conditions in accordance with the City Code, applicable Rights-of-Way construction regulations, and other applicable law.

"Environmental Laws" means all federal, state, and local laws, ordinances, rules, regulations, statutes, and judicial decisions now or subsequently in effect, in any way relating to or regulating human health, or safety, or industrial hygiene, or environmental conditions, or protection of the environment, or prevention or cleanup of pollution or contamination of the air, soil, surface water, or ground water.

"FCC" means the Federal Communications Commission.

"Gross Revenue" means: (i) all cash, credits, property of any kind or nature or other consideration that is received directly or indirectly by Licensee, its affiliates, or any person, firm, or corporation in which Licensee has a financial interest or that has a financial interest in Licensee and that is derived from Licensee's operation of its System to provide Telecommunication Services in the Service Area; and (ii) includes all revenue from charges for Telecommunications Services to subscribers and all charges for installation, removal, connection or reinstatement of equipment necessary for a subscriber to receive Telecommunication Services and any other receipts from subscribers derived from Licensee's operation of the System to provide Telecommunications Services, including receipts from forfeited deposits, sale or rental of equipment to provide Telecommunications Services, late charges, interest and sale of program guides; and (iii) the use or lease, in whole or in part, of Licensee's System located in Public Right-of-Way. Gross Revenue does not include: (i) any revenue not received by Licensee, even if billed, such as bad debt net of any recoveries of bad debt or any refunds, credits, allowances or discounts to subscribers to the extent that the refund, rebate, credit, allowance or discount is attributed to Telecommunication Services; and (ii), license fees, taxes or other fees or charges that Licensee collects and pays to any governmental authority; and (iii) any increase in the value of any stock, security or asset, or any dividends or other distributions made from any stock or securities.

"Hazardous Substances" means those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Laws and the following substances: gasoline, kerosene, or other petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

"Interstate Telecommunications Services" means a telecommunications corporation that places underground or above ground facilities in the Public Rights-of-Way.

"License" means this non-exclusive authorization granted by the City to construct, operate, maintain, reconstruct, repair, and remove the System.

"Licensee" means Zoom Technology Arizona Limited, a Arizona limited liability company with its principal place of business at 112 North Central Avenue, Suite 400C, Phoenix, AZ 85004 to which this License is granted.

"Licensor" means the City of Chandler, Arizona, a municipal corporation of the State of Arizona as represented by the City Council and acting through the City Manager or the City Manager's designee.

"Pre-existing Environmental Condition" means the presence, emission, disposal, discharge, or release of any Hazardous Substance at, in, on, under, or about the System, however caused, existing prior to the placement of the System within the Public Rights-of-Way, whether the nature and extent of such contamination is known or unknown at the time.

"Provider" means a broadband internet access service provider that constructs, installs, operates, or maintains communications facilities in the Public Rights-of-Way.



"Public Rights-of-Way" means all roads, streets, alleys, and all other dedicated public rights-of-way and public utility easements located within the City's corporate boundaries.

"System" means Licensee's infrastructure and communications facilities and equipment including, but not limited to, conduit, fiber optic cables, splice cases, manholes, hand holes, power pedestals and other related and associated facilities installed in the Public Rights-of-Way, and when specifically authorized by the City on other City-owned property, and which are used to provide Telecommunication Services and Interstate Telecommunication Services.

"Telecommunications" has the same meaning as defined in A.R.S. § 9-581(4), as amended.

"Telecommunications Corporation" has the same meaning as defined in A.R.S. § 9-581(5), as amended.

"Telecommunications Services" has the same meaning as defined in A.R.S. § 9-581(6), as amended.

## **SECTION 2. PERMISSION GRANTED**

2.1. Grant. Subject to the provisions of this License, the Chandler City Charter, the Chandler City Code, and Arizona and federal law, the City grants to Licensee nonexclusive and revocable rights and nonexclusive and revocable privileges as set forth in this License to construct, install, operate, and maintain its System in the Public Rights-of-Way and on other City-owned property.

2.1.1 At any time during the term of this License, Licensee may apply to the City for encroachment permits that set forth the specific location of Licensee's System, fees (if any) for the specific location, and other terms and conditions. The City may approve, deny, or conditionally approve Licensee's encroachment permit application based on the following but not exclusive reasons: (i) availability of space at the location sought by Licensee; (ii) public health, safety, and welfare; and (iii) other considerations in accordance with the City Code, applicable construction regulations, and other applicable law.

2.1.2 Subject to the permission of the affected property owner, this License also authorizes Licensee to place its System on property owned by third parties, such as an electric utility company or other private property owners. Provided; however, the System installed or constructed by Licensee on the private property satisfies applicable Rights-of-Way Construction regulations and is installed underground in accordance with applicable law including Section 47-4 of the Chandler City Code. Upon request from the City, Licensee must promptly furnish to the City documentation of the third party's permission. By executing this License, the City does not waive any rights that City may have against any public utility or other third party to require such owners to obtain the City's prior approval for such uses of their property or facilities, or that revenues received by any public utility or other property owner from Licensee be included in the computation of the use fees owed by such parties to the City. Nothing contained in this paragraph or in this License authorizes Licensee to enter into an agreement with any third party that results in new aerial attachments or aerial overlash of existing plant whether owned or leased from a third party. Licensee's attachment of facilities or equipment must be accomplished through existing infrastructure, and which results in no aerial overlash of existing infrastructure.

2.1.3 No component or part of Licensee's System may be installed, constructed, located on, or attached to any property within the City until Licensee has applied for and received approval for an encroachment permit under Chapter 46 of the Chandler City Code. Additionally, Licensee must comply with all other provisions of the Chandler City Code including, but not limited to, Chapter 35 related to zoning, Chapter 47 related to off-site construction, and other applicable City regulations.

Any right or privilege claimed under this License by Licensee for any use in the Public Rights-of-Way and on other City-owned property is subordinate to any City prior or subsequent lawful occupancy or use or any other governmental entity and is subordinate to any prior easements. Provided; however, nothing in this License extinguishes or otherwise interferes with the Parties' property rights established independently of this License.



- 2.1.4 Nothing in this License will be construed to prevent the City from abandoning, altering, improving, repairing, or maintaining the City's facilities in the Public Rights-of-Way, and for any or more of such purposes or any other lawful purpose requiring Licensee, at Licensee's expense and no expense to the City, to remove, relocate, or abandon in place Licensee's System to accommodate the City's projects and activities. The City will not be liable for Licensee's lost revenues, however caused, due to any City activity or project in the Public Rights-of-Way, when such costs or lost revenues result from the construction, operation, or maintenance of City facilities and any other lawful project or activity in the Public Rights-of-Way. Provided; however, the City's activities and projects that result in such costs or lost revenues to Licensee are conducted in accordance with applicable laws and regulations.

## 2.2 Description of the Services, System, and its Construction.

- 2.2.1 Licensee uses its System to provide Communication Services, including a high-speed fiber-to-the-home ("FTTH") network offering broadband internet to residential and commercial customers throughout the City of Chandler. Licensee represents and warrants that Licensee does not provide services that are considered multichannel video programming services, video services provided by an open video system, cable television, or video services.
- 2.2.2 Licensee acknowledges, represents, warrants, and agrees that: (i) if a CC&N or other authorization is required by law for certain services, Licensee agrees that it will not provide these services under this License until Licensee receives the proper authorization; (ii) if Licensee obtains a CC&N or other legal authorization during the term of this License, Licensee will furnish a copy of any legal authorization to City as provided in this License within 30 days of receipt; and (iii) Licensee will indemnify, defend, save, and hold harmless the City as provided in this License and assume all liability and risk for Licensee's failure to possess the proper legal authorization to provide some or all of the services under this License.
- 2.2.3 As part of Licensee's authorized System, Licensee may install empty conduit and dark fiber within the Public Rights-of-Way or on other City-owned property.
- 2.2.4 Licensee must obtain the proper and necessary encroachment permit before Licensee begins any work or construction in the Public Rights-of-Way or on other City-owned property.
- 2.2.5 Unless otherwise required by applicable law, Licensee's must install and construct Licensee's System underground by trenching or boring conduit along with surface mounted hand holes for access to the fiber for splicing. This license permits Licensee's construction of its System within the Public Rights-of-Way or on other City-owned property. It is the Parties' intent that the Parties will work to minimize inconvenience to Chandler residents other Public Rights-of-Way users. Before Licensee installs the System, Licensee must submit specifications for proposed manholes and pull boxes to the City for approval, which approval the City will not unreasonably delay or withhold. All work on Licensee's System must comply with the Uniform Standard Specifications for Public Works Construction sponsored and distributed by the Maricopa Association of Governments as amended (hereinafter referred to as "MAG Specs"), the City supplements to MAG Specs, all lawful and reasonable requirements of the City Utility Manual and must follow and comply with industry best practices and standards. As required by City specifications, all of Licensee's conduits must be placed outside of the Public Rights-of-Way or on other City-owned property wherever and whenever possible except as otherwise allowed by Microtrenching (defined below) standards approved by the City. Provided; however, Licensee must build the System in accordance with plans approved by the City.
- 2.2.6 Any changes to the System must be approved in writing by the City Engineer's designee, which approval will not be unreasonably withheld or delayed.
- 2.2.7 Licensee shall retain an independent testing company, approved by City in its reasonable discretion without undue condition or delay, to test all materials that will be used to remediate City and third-



party facilities, and which are subject to materials testing pursuant to MAG Specs and the City supplements to MAG Specs. All testing results must be sent to the City within 3 business days of Licensee's possession or knowledge of the results.

- 2.2.8 Licensee's installation of the System must be reasonably coordinated with other utilities and the City to accommodate opportunities for common installation along with Licensee's project as set forth in this License. In accordance with applicable law, all installations must be located underground and in conduit as reasonably approved by the City Engineer. Provided; however, nothing in this License requires Licensee to incur any material additional expense to accommodate common installations. The provisions relating to material additional expense in the foregoing sentence relate only to coordinated common installations and are not applicable to any other section of this License.
- 2.2.9 Licensee must install the System according to City approved details, standards, and requirements. Licensee may install portions of the System in trenches that are shallower or narrower than the City's preferred standards in areas of the City as allowed by the City Engineer and if Licensee's installation complies with City-approved microtrenching details, standards, and requirements (collectively "Microtrenching"). Licensee acknowledges, accepts, and agrees that the City will not be liable for any damage or harm caused by the City, its employees, officers, officials, agents, representatives, and contractors to any portion of Licensee's System installed using Microtrenching.

### 2.3 Location of the System.

- 2.3.1 At the time of proposed construction, Licensee must submit an encroachment permit application(s) together with the details, plans, and specifications for the City's review and approval, and pay all applicable application, review, and inspection fees before all construction work is performed under the rights and privileges granted under this License. This work includes but is not limited to the installation, operation, maintenance, and location of all the System. The proposed locations of Licensee's planned installation of its System including related facilities or equipment is depicted on the map attached and made a part of this License as Exhibit A ("Service Area"). The System must be depicted more specifically on engineering drawings provided to the City as part of the encroachment permit process and must be updated annually on the anniversary date of this License in accordance with section 4.2.5. Proposed locations of the System that are part of any encroachment permit(s) must also be made a part of a general depiction of Licensee's System in Exhibit A and must be updated at the time of License renewal or amendment.
- 2.3.2 Although the exact placement and location of Licensee's System will be determined by the City through the Encroachment Permit process, Licensee has expressed its intent and the City has expressed its desire to have the System installed outside of the paved street areas whenever such location is feasible and reasonable. Further, it is the intent and desire of both Parties that when it is necessary for the System to intersect City streets or be placed under paved areas, Licensee must use directional boring unless a deviation is authorized by the City Engineer.
- 2.3.3 If Licensee desires to change the location of any of the System, including any related facilities or equipment, from the location depicted in initial encroachment permit application(s), Licensee must submit revised plans to apply for and obtain approval for an amendment to the encroachment permit, prior to installation and construction of the facilities or equipment.

## **SECTION 3. SCOPE**

3.1 Licensing Requirements. This License satisfies the licensing requirements of, and is in accordance with, the provisions of Chapter 46 of the Chandler City Code.

3.2 Use of Licensee's System by Others. This License authorizes Licensee in its ordinary course of business: (i) to lease to or contract with others for use of all or part of the System, except to aerial overlash, attach to poles and/or store



aerial fiber for purposes of leasing or contracting with others for use of all or part of the system, and (ii) to sell dark fibers, conduit, or any other facilities that are parts of the System to others that have an agreement, franchise, or other licenses with the City to use the Public Rights-of-Way and on other City-owned property. Under this section, Licensee must first provide written notice to the City of the identity of the proposed user or purchaser and a description of the proposed use or sale arrangement as provided in A.R.S. § 9-583(D). In the event the lease or agreement provides for the other entity to construct, install, operate, or maintain any of Licensee's System, no such arrangement may proceed until the other entity enters a License with the City for use of the Public Rights-of-Way.

3.2.1 Licensee may not allow third parties to use its System for any use that Licensee itself does not have the authority under this License.

3.2.2 Licensee may enter into agreements with third-party Communications Corporations in the ordinary course of business for the resale of Communications Services. Such Agreements ("User Contracts") are subject to all requirements and provisions of this License.

3.3 Co-location. Licensee's installation of the System must be reasonably coordinated with other utilities and the City to accommodate opportunities for common installation along with Licensee's project as set forth in this License. All installations must be located as approved by the City Engineer.

#### 3.4 Compliance with Laws.

3.4.1 Licensee must comply with all applicable laws as amended from time to time including but not limited to, the Chandler City Code, the Chandler Charter, and Arizona and federal law in the exercise and performance of its rights and obligations under this License. If it is necessary for Licensee to comply with any law or regulation of the FCC or the Arizona Corporation Commission ("ACC") to engage in the business activities anticipated by this License, Licensee must comply with such laws or regulations as a condition precedent to exercising any rights granted by this License. Provided; however, no such law or regulation of the FCC or ACC may enlarge or modify any of the rights or duties granted by this License without a written modification to this License.

3.4.2 To the extent that Licensee uses the Public Rights-of-Way or other City-owned property to provide services other than intrastate calls through System, the use of the Public Rights-of-Way or other City-owned property is subject to the terms and conditions of this License and any applicable permits and laws.

#### 3.5 Reports.

3.5.1 Upon request, Licensee will provide to City copies of any non-confidential communications and reports submitted by Licensee to the FCC or any other federal or state regulatory commission or agency with jurisdiction into any matters that directly affect this License.

3.5.2 In addition to the reports required in Section 4.2.3 of this License, upon City's request, Licensee will provide City with regular reports, as needed, to establish Licensee's compliance with the various requirements, fees, and other provisions of this License.

#### 3.6 Non-Interference.

3.6.1 Licensee's System must be constructed, installed, operated, and maintained to interfere as little as possible with traffic or other authorized uses over, under, or through the Public Rights-of-Way and on other City-owned property. All phases of permitting, construction, traffic control, backfilling, compaction and paving, and the location or relocation of the System are subject to the City's jurisdiction as described in MAG, City supplements to MAG, and the City of Chandler Utility Manual. Licensee must keep accurate construction and installation records of the location of all its System and facilities, both aboveground and underground within the City and furnish them to City within sixty (60) days of installation. Licensee must furnish such information in an electronic format compatible with the then current City electronic format.



- 3.6.2 Licensee must locate and relocate, at its own expense, any facilities, equipment, or other encroachment installed or maintained in, on, or under the Public Rights-of-Way and on other City-owned Property as may be necessary to facilitate any public purpose or any City project or activity whenever directed to do so by City in writing on a non-discriminatory basis. Such relocations must be accomplished in accordance with the directions from City including the City's construction schedule and made under the same terms and conditions as the initial installation allowed pursuant to this License and encroachment permit. Licensee must reimburse the City for any direct or indirect damages incurred by the City because of delays in locations or relocations as required by this paragraph if caused by Licensee's negligence, willful misconduct, or undue delay.
- 3.6.3 Licensee agrees to obtain permits as required by this License prior to removing, abandoning, relocating, or repair of any portion of its System in the Public Rights-of-Way and on other City-owned property. Notwithstanding the foregoing, City understands and acknowledges there may be instances when Licensee is required to make repairs that are of an emergency nature or in connection with an unscheduled disruption of the System. Licensee will maintain any annual permits required by the City for such repairs. Licensee will notify City, if practicable, before the repairs and will apply for and obtain the necessary permits the next business day after the repairs are initiated.

#### **SECTION 4. FEES, CHARGES, LETTER OF CREDIT, SECURITY FUND, DAMAGE TO THE PUBLIC RIGHTS-OF-WAY AND OTHER CITY-OWNED PROPERTY**

Licensee will be solely responsible for the payment of all fees and charges in connection with Licensee's performance under this License, including those set forth below.

- 4.1 Application Fee. Licensee must pay the City a fee in the amount of \$3,000.00 to process the application for this License before approval of this License is submitted to the City Council.
- 4.2 Annual Fee. Licensee must pay an annual fee to use the Public Rights-of-Way and other City-owned property under the terms and conditions of this License and as calculated under this section (collectively "Annual Fee").
- 4.2.1 The City will assess, and Licensee must pay, any Annual Fee in accordance with A.R.S. §§ 9-582-583. Licensee bears the burden to show Licensee's payment of any Annual Fee is not required under A.R.S. §§ 9-582-583. Licensee must pay all taxes on intrastate telecommunications services as provided by applicable law and Licensee must pay any Annual Fee as provided in this License for the portions of Licensee's System that are not excluded under A.R.S. §§ 9-582-583.
- 4.2.2 If Licensee's System carries interstate traffic between and among Licensee's interstate points of presence or leases its dark fiber to another carrier for purposes of carrying interstate traffic between and among that telecommunications corporation's interstate points of presence, Licensee must pay the lesser amount of: (i) \$2.55 (for calendar year 2023) per linear foot for trench located in the Public Rights-of-Way or on other City-owned property; or (ii) two percent (2%) of Gross Revenue for such use. City may, but is not obliged to, accept in-kind consideration in lieu of the Annual Fee if offered by Licensee.
- 4.2.3 If Licensee's System carries interstate traffic between and among Licensee's interstate points of presence or leases its dark fiber to any entity not included in Section 4.2.2 of this License, Licensee must pay the lesser amount of: (i) \$2.55 (for calendar year 2023) per linear foot for trench located in the Public Rights-of-Way or on other City-owned property; or (ii) two percent (2%) of Gross Revenue for such use.
- 4.2.4 If Licensee places empty conduit in the Public Rights-of-Way or on other City-owned property for services other than those listed in Section 4.2.1, Licensee must pay the lesser amount of: (i) \$2.55 (for calendar year 2023) per linear foot for trench located in the Public Rights-of-Way or on other City-owned property; or (ii) two percent (2%) of Gross Revenue for such use.



- 4.2.5 On the annual anniversary of the Effective Date, Licensee will report to the City the amount of linear feet of trench, if any, or the amount of Gross Revenue, if any, subject to the Annual Fee under Sections 4.2.2, 4.2.3, or 4.2.4 permitted and installed in the Public Rights-of-Way or on other City-owned property. The Annual Fee for the coming year will be adopted as part of the annual fee schedule adopted by the City Council. If the Annual Fee is based on the amount of linear feet of trench located in Public Rights-of-Way or on City-owned property, the Annual Fee is calculated by multiplying the current annual per linear foot fee, as adjusted by annual CPI under section 4.2.7 for the year of payment, by the linear footage of trench permitted or installed in the Public Rights-of-Way or on other City-owned property. If the Annual Fee is based on Gross Revenue, Licensee will report the amount of Gross Revenue generated during the twelve (12) consecutive months prior to the anniversary date of the Effective Date and multiply this amount by two percent (2%). The Licensee must pay, and the City must receive, any Annual Fee that is due before the City will issue any new encroachment permits for additional facilities or equipment in the Public Rights-of-Way or other City-owned property.
- 4.2.6 In the event Licensee cancels or returns a permit and does not construct or install the System approved by such a permit, the fees Licensee previously paid for the respective permit may be applied as a credit to a future Annual License Fee or may be refunded to Licensee by City.
- 4.2.7 The Annual License Fee will be adjusted based on the percentage of change in the consumer price index ("CPI") for the previous twelve-month period. Any increase in the Annual License Fee will be referred to herein as the "Adjusted Fee." In no event may the Adjusted Fee be less than the Annual License Fee for the prior year. For purposes of this License, CPI is defined as the Western Region Consumer Price Index for All Urban Customers, All Items, as published by the Bureau of Labor Statistics (BLS), United States Department of Labor. Base period 1982-84 = 100. Adjusted Fees will be effective upon the next subsequent anniversary of the Effective Date. The change in CPI will be calculated based on the change in the CPI for the previous twelve-month period. The City will compute the Adjusted Fee as follows. The following example illustrates calculation of the change factor for a twelve-month period ending in January 2018.

|                               |   |
|-------------------------------|---|
| CPI January 2018              | 258.638                                 |
| CPI January 2017 (prior year) | 250.814                                 |
| Calculated change in CPI      | 258.638/250.814                         |
| Change in CPI                 | 1.031 (rounded to nearest tenth) = 3.1% |

If the BLS ceases publication of the specified CPI, City and Licensee may determine an agreeable inflation index that most clearly approximates the Western Region CPI for the remaining term of the License.

4.3 License to Use City's Freeway Ducts and Conduit. If Licensee wishes to occupy one (1) four-inch (4") conduit owned by the City within the duct bank underneath a freeway located within the City and which City controls, Licensee must pay the City \$18,000 per year for the term of this License for this use. Licensee may use the conduit solely to install and operate the System authorized under the terms and conditions of this License. Licensee's payment for use of the duct is due on or before the Effective Date and each annual anniversary thereafter. Licensee's use of the City's Freeway conduit(s) must be reflected in Exhibit A.

4.4 In Kind. This License does not currently require any in-kind payment to City by Licensee. However, if Licensee has not paid any fees required under Section 4, the Parties may agree in writing to new in-kind payments to offset to any fees not paid by Licensee. This subsection imposes no obligation on the City to agree to offset any fees in this License or in any future License.

4.5 Failure to Pay. Licensee agrees that if it fails to pay the Annual Fee owed to the City by the time prescribed for payment, Licensee must pay interest on the amounts owed, at the rate of one percent (1%) per month.

4.6 Invoice and Payment Information:



- 4.6.1 The City will send invoices for fees and charges under this License to Licensee at the following address:

Zoom Technology Arizona Limited  
Attn: Arnold Turk, Vice President  
112 N Central Avenue, Suite 400C  
Phoenix, AZ 85004

Invoicing contact information:

Submit invoices to: [arnold@zoomtech.global](mailto:arnold@zoomtech.global)

Invoicing/Payment Questions: [arnold@zoomtech.global](mailto:arnold@zoomtech.global)

- 4.6.2 Licensee will send payment to the City under this License made payable to the "City of Chandler" at the following address:

City of Chandler  
ATTN: Development Services  
Mail Stop 403  
P.O. Box 4008  
Chandler, AZ 85244-4008  
Phone: 480-782-3000  
Email: [tuf@chandleraz.gov](mailto:tuf@chandleraz.gov)

4.7 Taxes. Licensee must obtain any required business/sales tax licenses and pay any applicable City, county, and state transaction privilege and use tax. The Annual Fee must not be an offset to the transaction privilege tax due and owing by Licensee.

4.8 Permit Fees and Construction Costs. In addition to the fees and taxes set forth herein above, Licensee must pay those fees and charges for encroachment permit applications, inspection, testing, plan review, pavement damage fees, and any other fees adopted by City and applicable to persons doing work in the Public Rights-of-Way or on City-owned property. Additionally, if the City reasonably requires retaining outside inspectors or other persons to review and inspect Licensee's plans, specifications and construction of the System, Licensee must reimburse the City for its actual and documented costs incurred in connection therewith.

4.9 Letter of Credit or Cash Bond.

4.9.1 Amount; Purpose. Within thirty (30) Days after the Effective Date of this License, Licensee must deposit with the City one of the following: (i) an irrevocable letter of credit ("LOC") in the amount of \$50,000 ("LOC"); or (ii) a cash bond in the amount of \$50,000 ("Bond"). The form and substance of the LOC or Bond must comply with the form, terms, and conditions as attached in Exhibit "B". The LOC or Bond will be used to assure: (a) the faithful performance by Licensee of all provisions of this License; (b) compliance with all orders, permits, and directions of any City department having jurisdiction over Licensee's acts or defaults under this License; and (c) Licensee's payment of any penalties, liquidated damages, claims, liens, and taxes due to the City that arise by reason of the construction, operation, or maintenance of the System, including cost of removal or abandonment of any of Licensee's property. Licensee will not be required to replenish any draw down of the LOC or Bond during the term of this License, unless by mutual written agreement of the Parties.

4.9.2 Drawing on Letter of Credit. The LOC may be drawn upon by the City by presentation of a draft at sight on the lending institution, accompanied by a written certificate signed by the City Manager certifying that Licensee has failed to comply with this License, stating the nature of noncompliance, and stating the amount being drawn. The rights reserved to the City with respect to the letter of credit are in addition to all other rights of the City, whether reserved by this License or authorized by law, and no action proceeding against a letter of credit will affect any other right the City may have.

4.9.3 Drawing on Cash Bond. The Bond may be drawn upon by the City by presentation of written notice to Licensee as provided in this License, signed by the City Engineer certifying that Licensee has



failed to comply with this License, stating the nature of noncompliance, and stating the amount being drawn. The rights reserved to the City with respect to the Bond are in addition to all other rights of the City, whether reserved by this License or authorized by law, and no action proceeding against the Bond will affect any other right the City may have.

4.10 Damage to Public Property. Whenever the installation, removal, or relocation of any of Licensee's System is required or permitted under this License, and such installation, removal, or relocation causes damage to Public Rights of Way or other City-owned property, Licensee at its sole cost and expense must promptly repair and return Public Property in which the System components are located to a safe and satisfactory condition in accordance with applicable laws, with provisions in the City of Chandler Utility Manual and the Maricopa Association of Governments (hereinafter referred to as "MAG") and the City's supplements to MAG, reasonably satisfactory to the City Engineer. If Licensee does not repair the Public Property as just described in a reasonable amount of time, then City shall have the option, upon fifteen (15) days prior written notice to Licensee, to perform or cause to be performed such reasonable and necessary work on behalf of Licensee and to charge Licensee for the actual documented costs incurred by the City at City's standard rates, plus an administrative fee of fifteen percent (15%). Upon the receipt of a demand for payment accompanied by explanation of cost and fees incurred by City, Licensee must, within forty-five (45) days, reimburse City for such costs. For any pavement cuts by Licensee, Licensee agrees to restore the pavement and to reimburse the City for all costs arising from the reduction in the service life of any public road, in accordance with the provisions of Chapter 46 of the Chandler City Code and the fees established by the City pursuant thereto. Licensee agrees to pay within forty-five (45) days from the date of issuance of an invoice and explanation of costs and fees from City.

## **SECTION 5. TERM OF LICENSE**

The term of this License and duration of the rights, privileges, and authorizations granted hereunder will be for five (5) years from the Effective Date. The term will automatically renew for three (3) additional five-year terms for a total term of twenty (20) years unless either Party provides the other Party with prior written notice of its intent not to renew no less than six (6) months prior to the end of the then current term.

## **SECTION 6. ACCEPTANCE AND EFFECTIVE DATE**

6.1 Written Acceptance. Licensee's execution of this License constitutes Licensee's acceptance of the License as granted and Licensee's agreement to be bound by and to comply with and to do everything, which is required of the Licensee by this License. Licensee's signature must be acknowledged before a notary public. This License is effective upon execution by both Parties.

6.2 Validity of License. Licensee must acknowledge that as a condition of acceptance of this License, Licensee was required to be represented throughout the negotiations of the License by its own attorneys and Licensee had the opportunity to consult with its own attorneys about its rights and obligations regarding the License. Licensee has reviewed City's authority to execute and enforce this License and has reviewed all applicable law, both federal and state, and, after considering same, Licensee acknowledges and accepts the right and authority of City to execute this License, to issue this License and to enforce the terms herein.

## **SECTION 7. INSURANCE AND INDEMNITY**

7.1 Insurance Responsibility. During the entire term of this License, Licensee must insure its property and activities and must provide insurance and indemnification as follows. Licensee must procure and maintain, and must cause its contractors to procure and maintain as provided in Section 7.7 below, until all their respective obligations have been discharged, insurance against claims for injury to persons or damage to property that may arise from or in connection with Licensee's obligations under this License and Licensee's activities including, but not limited to, the installation, construction, relocation, removal, repair, operation, and maintenance of the System by Licensee, its agents, representatives, employees, or contractors. The insurance requirements herein are minimum requirements for this License and in no way limit the indemnity covenants contained in this License. The City in no way warrants that the minimum limits contained herein are sufficient to protect Licensee from liabilities that might arise out of this License by Licensee, its agents, representatives, employees or contractors, and Licensee is free to purchase such additional insurance as may be determined necessary.



7.2 Minimum Scope and Limits of Insurance: Licensee must provide coverage with limits of liability not less than those stated below.

7.2.1 Commercial General Liability – Occurrence Form

Said insurance must also include coverage for products completed operations, independent contractors, personal injury, property damage, and advertising injury.

|   |              |
|---|--------------|
| Products – Completed Operations Aggregate | \$10,000,000 |
| Each Occurrence                           | \$10,000,000 |

The policy must be endorsed to include the following additional insured language: "The City of Chandler, its agents, representatives, officers, directors, officials, employees, and volunteers must be named as an additional insured with respect to liability arising out of the activities performed by Licensee." This endorsement may not contain an exclusion or limitation of completed operations coverage as regards the additional insured except with respect to the stated aggregate limits of liability. The policy may not exclude the explosion/collapse/underground ("xcu") hazard.

7.2.2 Automobile Liability – Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of work under this Agreement.

|                             |             |
|-----------------------------|-------------|
| Combined Single Limit (CSL) | \$1,000,000 |
|-----------------------------|-------------|

The policy must contain an "MCS-90" endorsement providing for clean-up of pollution conditions arising from transported product, if the work performed under the Agreement requires the transportation of any Hazardous Substances by motor vehicle. The policy must also be endorsed to include the following additional insured language: "The City of Chandler its agents, representatives, officers, directors, officials, employees, and volunteers must be named as an additional insured with respect to liability arising out of the activities performed by Licensee, including automobiles owned, leased, hired, or borrowed by Licensee".

7.2.3 Worker's Compensation and Employers' Liability

|                         |             |
|-------------------------|-------------|
| Workers' Compensation   | Statutory   |
| Employers' Liability    |             |
| Each Accident           | \$1,000,000 |
| Disease – Each Employee | \$1,000,000 |
| Disease – Policy Limit  | \$1,000,000 |

Policy must contain a waiver of subrogation against the City of Chandler.

7.2.4. Pollution Liability:

|                  |             |
|------------------|-------------|
| Per Occurrence   | \$5,000,000 |
| Annual Aggregate | \$5,000,000 |

The policy must be endorsed to include the following additional insured language: "The City of Chandler its agents, representatives, officers, directors, officials, employees, and volunteers must be named as an additional insured with respect to liability arising out of the activities performed by Licensee."

The policy must include coverage for: (a) cleanup of sudden or accidental pollution conditions arising from the System, as defined in the License; (b) cleanup of new conditions arising from Licensee's operations and use of Public Rights-of-Way or City-owned property under this License and third-party claims for on and off-site bodily injury and property damage.



Licensee warrants that any retroactive date under the policy must precede the Effective Date of this License; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this License is completed.

7.2.5. Tech E&O, Network Security and Privacy Liability Insurance (Cyber):

|                  |              |
|------------------|--------------|
| Per Loss         | \$10,000,000 |
| Annual Aggregate | \$10,000,000 |

(a) In the event that the professional liability insurance required by this License is written on a claims-made basis, Licensee warrants that any retroactive date under the policy will precede the Effective Date of this License; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the Effective Date of this License. If such insurance is maintained on an occurrence form basis, Licensee must maintain such insurance for an additional period of one (1) year following termination or expiration of this License. If such insurance is maintained on a claims-made basis, Licensee must maintain such insurance for an additional period of three (3) years following termination or expiration of this License. If Licensee contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), Licensee must provide proof of same.

(b) The insurance must provide coverage for the following risks: (i) Liability arising from theft, dissemination and / or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or transmitted in electronic form; (ii) Network security liability arising from the unauthorized access to, use of or tampering with the System including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure; (iii) Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, the System, network or similar computer related property and the data, software, and programs thereon.

(c) The policy must provide a waiver of subrogation.

7.3 Additional Insurance Requirements: The policies must contain, or be endorsed to contain, the following provisions: Licensee's insurance coverage must be primary insurance and non-contributory with respect to the obligations that Licensee has undertaken under this License. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, volunteers, and employees, for losses arising from work performed by the Licensee under this License.

7.4 Notice of Cancellation: Each insurance policy required by the insurance provisions of this License must provide the required coverage and must not be canceled or materially changed except after thirty (30) days prior written notice has been given to the City. Such notice must be sent directly to the addresses listed below and must be sent by certified mail, return receipt requested:

City of Chandler  
Attention: Development Services Department  
P.O. Box 4008, Mail Stop 405  
Chandler, Arizona 85244-4008  
Phone: (480) 782-3000  
Email: tuf@chandleraz.gov

With a copy to:

Office of the City Attorney  
Attention: Risk Management  
175 South Arizona Avenue  
P.O. Box 4008 Mail Stop 602



Chandler, Arizona 85244-4008  
Phone: (480) 782-4640  
Fax: (480) 782-4652  
Email: legal.notices@chandleraz.gov

7.5 Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than A- VII. City in no way warrants that the above-required minimum insurer rating is sufficient to protect Licensee from potential insurer insolvency.

7.6 Verification of Coverage: Licensee must furnish City with certificates of insurance (ACORD form or equivalent approved by City) as required by this License. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by City before work commences. Each insurance policy required by this License must be in effect at or prior to commencement of work under this License and remain in effect for the duration of the License. Failure to maintain the insurance policies as required by this License or to provide evidence of renewal is a material breach of this License. All certificates required by this License must be sent directly to the City of Chandler Development Services Department with a copy to Risk Management as the addresses listed in Section 7.4. The License number and description are to be noted on the certificate of insurance. At City's request, Licensee must make certified copies of all insurance policies required by this Licensee available for City's review through a representative and at a location within Maricopa County, Arizona designated by Licensee.

7.7 Contractors: Licensee's certificate(s) must include all contractors as additional insureds under its policies or contractors must maintain separate insurance as determined by Licensee and contractors must name City of Chandler as an additional insured, however, contractor's limits of liability must not be less than \$1,000,000 per occurrence, \$2,000,000 aggregate.

7.8 Approval: Any modification or variation from the insurance requirements in this License must have prior approval from the Office of the City Attorney, whose decision will be final. Such action will not require a formal contract amendment but may be made by administrative action.

7.9 Indemnity. In addition to all other indemnities and other obligations hereunder, to the fullest extent permitted by law, throughout the term of this License or any and all permits and until all obligations and performances under or related to this License are satisfied and all matters described in this paragraph are completely resolved, Licensee and all other persons using, acting, working, or claiming through or for Licensee (if they or their subcontractor, employee, or other person or entity hired or directed by them participated in any way in causing the claim in question) must jointly and severally indemnify, defend, and hold harmless City and all other Additional Insureds for, from, and against any and all claims or harm related to Licensee's use of the Public Rights-of-Way or other City-owned property or the rights granted to Licensee with respect to the Public Rights-of-Way or City-owned property or Licensee's exercise of its rights under this License (the "Indemnity"). Without limitation, the Indemnity must include and apply to any and all allegations, demands, judgments, assessments, taxes, impositions, expenses, proceedings, liabilities, obligations, suits, actions, claims (including without limitation claims of personal injury, bodily injury, sickness, disease, death, property damage, destruction, loss of use, financial harm, or other impairment), damages, losses, expenses, penalties, fines, or other matters (together with all reasonable attorney fees, court costs, and the cost of appellate proceedings and all other costs and expenses of litigation or resolving the claim) that may arise in any manner out of Licensee's use of the Public Rights-of-Way or other City-owned property pursuant to this License or any and all Permits, or any actions, acts, errors, mistakes or omissions relating to work or services in the performance of or related to this License by Licensee, including without limitation any injury or damages or cause of action claimed or caused by any employees, contractors, subcontractors, tenants, subtenants, agents, or other persons upon or using the Public Rights-of-Way or other City-owned property or surrounding areas related to Licensee's exercise of its rights under this License, except to the extent caused by City or any other Additional Insured or anyone for whose mistakes, errors, omissions, or negligence City may be liable. Notwithstanding the foregoing, the Indemnity does not apply to: (i) Claims arising from the sole negligence or intentionally wrongful acts of City; or (ii) Claims that the law prohibits from being imposed upon the indemnitor.

7.10 Risk of Loss. Licensee assumes the risk of all loss, damage or claims related to Licensee's use of the Public Rights-of-Way or other City-owned property, Licensee or third parties throughout the term of this License and the term(s) of all permits. Licensee must be responsible for all damage to its property and equipment related to this License unless



caused by the negligence of the City or its agents or contractors.

7.11 Insurance to be Provided by Others. Licensee must cause its contractors or other persons occupying, working on or about, or using the Public rights-of-Way or City-owned property under this License to be covered by their own or Licensee's insurance as required by this License. The required policy limits for commercial general liability insurance provided by such persons must be \$1,000,000 for each occurrence, \$1,000,000 for products and completed operations annual aggregate, and \$2,000,000 general aggregate limit per policy year. This paragraph does not apply to persons who do not actually perform physical labor in the Public Rights-of-Way or on other City-owned property (such as Licensee's consulting design engineers).

## **SECTION 8. TRANSFER OF LICENSE**

8.1 No Assignment Without Consent. This License and the related rights and privileges may not be assigned or otherwise transferred without the express written consent of the City by an ordinance or resolution passed by the Chandler City Council, which consent will not be unreasonably withheld or delayed. Any license that is assigned or otherwise transferred pursuant to this Section must be equally subject to all the obligations and privileges of this License including any amendments, which will remain in effect, as if the assigned License was the original License.

8.2 No Lease Without Consent. The License must not be sublet or assigned, nor must any of the related rights or privileges be leased, assigned, sold, or transferred, either in whole or in part, nor must title, either legal or equitable, or any right, or property interest pass to or vest in any person other than Licensee, by act of the Licensee or operation of law, without the written consent of City, which consent will not be unreasonably withheld or delayed. Prior to any proposed assignment becoming final, Licensee must seek the City's consent.

8.3 Notice to City. The approval of any change in ownership interest must include an assignment agreement signed by the assignee, Licensee, and City. Licensee must provide City a copy of the deed, license, mortgage, lease, or other written instrument evidencing such sale, transfer, or lease, certified, and sworn to as correct by the Licensee. Licensee must notify the City within 60 days of any change in mailing address.

8.4 Binding on Assignee. After assignment, this License, including any amendments, shall be binding on the assignee to the full extent that is binding upon Licensee.

8.5 Conditional Ownership. Nothing in this Section prohibits a pledge, hypothecation, mortgage, or similar instrument transferring conditional ownership of all or part of Licensee's assets to a lender or creditor in the ordinary course of business. In the event a lender assumes control of the assets and operation of Licensee, the lender may assume the rights and obligations of the Licensee. The Lender may not transfer or change control of the License without submitting the change to the City for approval. If the lender does continue operation on any basis at any time, the lender shall be subject to all provisions of the License. No later than three years after assumption of control by the lender, the lender must apply to the City for the right to continue assumption of control or to transfer the License. Application by the Lender for approval of assumption of control or transfer must be subject to consent by the Chandler City Council that may not be unreasonably denied or withheld. A "Lender" for the purposes of this License does not include a Licensee, person, or corporation, or other entities that operate cable television systems or fiber optics Communications systems as a principal or important business. This paragraph is intended to prohibit the intentional use of lending and/or foreclosure as a method for effecting change of control or transfer of the License without City Council review and approval.

8.6 Assignment Exceptions. Notwithstanding the foregoing, prior consent will not be required for transfer to (1) any company which owns or controls, is owned or controlled by, or under common control with the Licensee; (2) to any successor in interest of Licensee's business operations in City in connection with any merger, acquisition, or similar transaction if Licensee determines after a reasonable investigation that the successor in interest has the resources and ability to fulfill the obligations of this Agreement; or (3) to any purchaser of all or substantially all of Licensee's Network Facilities in City if the purchaser has the resources and ability to fulfill the obligations of this Agreement. Provided that, no such transfer will be valid unless:

8.6.1 The proposed transferee has read, accepts, and agrees to be bound by the terms of the License.

8.6.2 The proposed transferee assumes all obligations, liabilities, and responsibility pursuant to the License for



the acts and omissions of Licensee, known and unknown, for all purposes, and agrees that the transfer will not permit it to take any position or exercise any right which Licensee could not have exercised; and

8.6.3 The transfer will not substantially diminish the financial resources available to the Licensee.

8.7 Transfer Description. Prior to executing such transfer described in this Section, Licensee and the proposed transferee must submit to the City a description of the nature of the transfer and submit complete information regarding the effect of the transfer on the direct and indirect ownership and control of the Licensee. Licensee may be required to pay a new application fee of \$3,000 to cover the legal, administrative, and other expenses related to every transfer (other than the sale of publicly traded stock) or to any request for a consent to transfer.

## **SECTION 9. NON-EXCLUSIVE RIGHTS**

9.1 Non-Exclusive Rights. This grant is not exclusive, and nothing herein contained may be construed to prevent City from granting other like or similar grants or privileges to any other person, firm, or corporation, or to deny to or lessen the powers and privileges granted City under the Constitution and laws of the State of Arizona.

9.2 Priority Rights. Any and all rights granted to Licensee under this License must be exercised at Licensee's sole cost and expense and are subject to the prior and continuing right of City to use all the Public Rights-of-Way and other City-owned property concurrently, with any other person or persons, and further will be subject to all deeds, easements, dedications, conditions, covenants, restrictions, encumbrances, and claims of title that may affect the Public Rights-of-Way and on other City-owned property. Nothing in this License will be construed to grant, convey, create, or vest a perpetual real property interest in land to Licensee, including any fee or leasehold interest, easement, or any City franchise rights.

## **SECTION 10. PUBLIC SAFETY**

10.1 Public Safety Violation. Licensee, its affiliates, agents, employees, contractors, successors, assigns, and representatives must comply with and perform each obligation required of Licensee as set forth in this License. Licensee's failure to cure a public safety event of default as described in this Section within five (5) business days from the date of notice from the City constitutes a public safety violation by Licensee.

10.2 Public Safety Events of Default. All agreements and permits issued to Licensee under this License are approved upon the condition that each of the following events will be deemed a "Public Safety Event of Default" for Licensee's failure to perform or satisfy the following material obligations:

10.2.1 Licensee's failure to comply with the traffic barricade manual or any other public health, safety, or welfare law or regulation authorized by or located in the Chandler City Code and that applies to Public Property.

10.2.2 Licensee's acts, errors, or omissions violate any term or condition of an encroachment permit issued to Licensee.

10.2.3 Licensee's failure to obtain the appropriate encroachment permit to perform work on Public Property.

10.3 City's Remedies for Licensee's Public Safety Violations. Upon the occurrence of any public safety violation or at any time thereafter, City may, at its option, exercise at Licensee's expense any or all or any combination of the following cumulative remedies in any order and repetitively at City's option: (i) revoke any or all encroachment permits due to Licensee's failure to cure a Public Safety Event of Default as set forth in Section 10.1. The City's revocation does not terminate Licensee's obligations arising during the time simultaneous with or prior to the revocation, and in no way terminates any of Licensee's liability related to any breach of this License; (ii) pay or perform, for Licensee's account, in Licensee's name, and at Licensee's expense, any or all payments or performances required to be paid or performed by Licensee (iii) abate at Licensee's expense any violation of the encroachment permit; (iv) notwithstanding anything under this License to the contrary, unilaterally and without Licensee's or any other person's consent or approval, draw upon, withdraw or otherwise realize upon or obtain the value of any letter of credit, escrowed funds, insurance policies, or other deposits, sureties, bonds, or other funds or



security held by City or pledged or otherwise obligated to City by Licensee or by any third party (whether or not specifically mentioned herein) and use the proceeds for any remedy permitted by this License; (v) assert, exercise, or otherwise pursue at Licensee's expense, any and all other rights or remedies, legal or equitable, to which City may be entitled, subject only to the limitation set out below on City's ability to collect money damages in light of the Violation Use Fee; and (vii) impose civil sanctions for public safety violations as provided in this License.

10.4 Violation Use Fee. In lieu of certain money damages (the "Inconvenience Costs") set out below, the following use fees apply to Licensee's public safety violation (the "Violation Fee Provisions"): (i) The Inconvenience Costs are the money damages that City suffers in the form of administrative cost and inconvenience, disharmony among competing users, and general inconvenience in the use of Public Rights-of-Way by City, competing users, and the public when Licensee fails to comply with the Violation Fee Provisions; and (ii) Licensee's failure to comply with Violation Fee Provisions will result in Inconvenience Costs in an amount that is and will be impracticable to determine. Therefore, the Parties have agreed that, in lieu of Licensee paying to City as damages the actual amount of the Inconvenience Costs for violating the Violation Fee Provisions, Licensee must pay the following Violation Use Fees. The City may elect to draw upon the letter of credit or cash bond (as appropriate) to collect the Violation Use Fee. For continuing violations within a 24-hour period, each calendar day is considered a separate period for purposes of recovery of violation use fees. The Violation Fee Provisions and the amount of the Violation Use Fee per day or part thereof are as follows:

| Use fee per day | Violation Use Fee Description   |
|-----------------|---|
| \$600           | Licensee's failure to properly restore Public Property within five (5) business days after notice, or timely perform work within five (5) business days after notice, or to correct related violations of specifications, code, ordinance, or standards within five (5) business days after notice. |
| \$500           | Three or more public safety violations by Licensee within 90 consecutive days.  |
| \$250           | Licensee's failure to make Licensee's books and records available as required by this License or one or more public safety violations by Licensee within 30 consecutive days.   |

A Violation Use Fee is only intended to remedy inconvenience costs that City suffers because of Licensee's public safety violations. Licensee's payment of Violation Use Fee does not in any way excuse any breach by Licensee of this License or limit in any way City's rights and interests in any other legal or equitable remedy provided by this License or otherwise for such public safety violation. For example, Licensee's obligation to pay Violation Use Fee does not in any way satisfy Licensee's indemnity and insurance obligations under this License, which apply according to their terms in addition to Licensee's obligation to pay Violation Use Fee.

10.5 Enforcement of Violation Use Fees: Appeal. The City Manager is authorized to issue notices of violation of this License and may take those measures necessary to promote, preserve, and protect public health, safety, and welfare within the Public Rights-of-Way and City-owned property through Violation Use Fees. The City Manager will issue a warning for the first violation by a Licensee under this section. The City Manager will issue notice to the Licensee as listed in Section 14.16. If the City determines that Licensee is liable for a Violation Use Fee, the City will issue to Licensee a notice of City's assessment of a Violation Use Fee to Licensee as provided in Section 14.16. The notice will set forth the nature of the violation and the amount of the assessment. Licensee must pay the Violation Use Fee within ten days of the date of the City's notice or may appeal the notice of violation as provided in Chandler City Code § 1-7.

10.6 Public Safety Violations; Civil Sanctions. In addition to imposing a Violation Use Fee, the City Manager is authorized to issue notices of violation of this License, prosecute such violations as provided in Chandler City Code sec.1-8, and may take those measures necessary to promote, preserve, and protect public health, safety, and welfare within the Public Rights-of-Way and City-owned property. The City Manager will issue a warning for the first violation by a Licensee under this section. The City Manager will issue notice to the Licensee as listed in Section 14.16.



10.7 Failure to Pay Civil Sanction. Failure of a party to pay a civil sanction upon final adjudication of the civil action as provided by law may result in the automatic termination of this License and any such party may be prohibited from obtaining additional licenses or permits until all outstanding civil sanctions have been dismissed or paid in full.

10.8 Non-waiver. Licensee acknowledges Licensee's unconditional obligation to comply with this License. No failure by City to demand any performance required of Licensee under this License, and no acceptance by City of any imperfect or partial performances under this License, will excuse such performance or impair in any way City's ability to insist, prospectively and retroactively, upon full compliance with these terms and conditions. No acceptance by City of payments or other performances hereunder will be deemed a compromise or settlement of any right City may have for additional, different, or further payments or performances as provided for in these terms and conditions. Any waiver by City of any breach of condition or covenant herein contained to be kept and performed by Licensee will not be deemed or considered as a continuing waiver and will not operate to bar or otherwise prevent City from declaring a default for any breach or succeeding or continuing breach either of the same condition or covenant or otherwise. No statement, bill, or notice by City or Licensee concerning payments or other performances due hereunder, or failure by City to demand any performance hereunder, will excuse Licensee from compliance with its obligations nor estop City (or otherwise impair City's ability) to, at any time, correct such notice and/or insist prospectively and retroactively upon full compliance with this License. No waiver of any description (including any waiver of this sentence or paragraph) will be effective against City unless made in writing by a duly authorized representative of City specifically identifying the particular provision being waived and specifically stating the scope of the waiver.

10.9 Reimbursement of City's Expenses. Licensee must pay to City within 45 days after City's demand all amounts expended or incurred by City in performing Licensee's obligations (upon Licensee's failure to perform the same after notice from City) together with interest thereon at the rate of 1% per annum from the date expended or incurred by City.

## **SECTION 11. ABANDONMENT**

11.1 Abandonment; Removal of Facilities. In the event that the use of a substantial part of any of the System is discontinued for any reason for a continuous period of two (2) years for reasons other than Force Majeure, or in the event such System or property has been installed in any Public Rights-of-Way or other City-owned property without complying with the requirements of this License, or this License has terminated or been revoked, Licensee must promptly, upon being given 60 days' notice from the City, begin removal of the System and related appurtenances from the Public Rights-of-Way and other City-owned property other than such underground facilities which the City may permit to be abandoned in place. In the event of such removal, Licensee must promptly restore the Public Rights-of-Way and other City-owned property or other area from which such property has been removed to a condition satisfactory to the City subject to the City's customary practice to review upon request of Licensee. As a minimum, Licensee must restore the Public Rights-of-Way and other City-owned property to a condition as existed prior to the removal of the structure or property.

11.2 Permanent Abandonment. The System and any other property of Licensee remaining in the Public Rights-of-Way and other City-owned property without the consent of the City 180 days after the revocation of the License will be at the option of the City considered permanently abandoned. Any Licensee property permitted to be abandoned in place will be abandoned consistent with C.C.C. §§ 46-2.9, 46-8.12(K), the Utility Permit Manual, Transportation and Development Policy TDP-275, and any other applicable law.

## **SECTION 12. LICENSE REVOCATION, ALTERATION, SUSPENSION**

In addition to the remedies set forth in Section 10, the City may revoke, alter, or suspend this License as follows.

12.1 License Events of Default. In addition to the remedies listed in C.C.C. chapter 46 and subject to these terms and conditions, this License may, after City Council consideration, be revoked, altered, or suspended by the City as the City deems necessary for any of the following events of default following the cure period specified in Section 12.2: (i) Licensee's failure to maintain any faithful insurance coverage, or pay any fees or taxes due and owing as



required under this License; (ii) Licensee's failure to comply with an applicable law, rule, or regulation related to the System, this License, or as required by the appropriate regulatory authority; (iii) fraud by Licensee, in its conduct or relations under this License; (iv) Licensee's willful or grossly negligent violation of this License; (v) Licensee's failure to comply with any federal, state, local, or administrative order, law, permit, regulation, or consent decree as such may apply to Licensee's activities and services as contemplated in this License; (vi) permanent or temporary suspension of Licensee's services for a period of 180 or greater consecutive calendar days by the United States or the State of Arizona for any authorizations legally required for Licensee to own, operate, maintain, or construct the System; (vii) If Licensee is the subject of a voluntary or involuntary bankruptcy, receivership, insolvency, or similar proceeding or if any assignment of any of Licensee's property is made for the benefit of creditors or if Licensee is not regularly paying its debts as they come due; (viii) If City incurs any liability, obligation, damage, cost, expense, or other claim of any description for which is not liable and for which Licensee is obligated pursuant to this License to indemnify, defend, and hold harmless the City, unless Licensee gives prompt statement or notice to City of Licensee's commitment to indemnify, defend, and hold City harmless against such claim and Licensee does in fact promptly commence and continue to indemnify, defend, and hold City harmless against such claim to the extent required under this License, unless Licensee believes in good faith that it is not obligated to indemnify, defend and hold the City harmless; and (ix) Licensee is found liable under Section 10 for five (5) public safety violations within a period of twelve (12) consecutive months.

**12.2 Additional Cure Period.** Due to the gravity of the license events of default listed in Section "12.1", Licensee is provided additional time (when compared to Section 10) to cure these events of default. If any of the foregoing events in Section "12.1" occur, Licensee must cure the default within 60 days after receipt of notice from the City. Licensee will be held in material breach under this Section "12": (i) if Licensee fails to cure the license event of default listed in Section "12.1" within 60 days after notice from the City; or (ii) if a license event of a default listed in Section "12.1" cannot be cured within 60 days after notice from the City and Licensee fails to begin and diligently pursue to cure the default.

**12.3 City Determination; City Council Consideration.** If Licensee is held in material breach as provided in Section "12.2", the City will notify Licensee as provided in Section 14.16 of the City's determination to terminate, postpone for a period, or proceed with the revocation, alteration, or suspension of this License. As part of this determination, the City will state the principal reasons that support the City's determination. Licensee may appeal the City's determination as provided in Chandler City Code sec.1-7 within (10) ten business days from the date of the determination. If Licensee fails to timely appeal the City's determination or if Licensee's appeal fails, the City may proceed to terminate, postpone for a period, or proceed with the revocation, alteration, or suspension of this Agreement by presenting this matter to the Chandler City Council for consideration at the Council's next regularly scheduled Council meeting. The City will send a written statement of proposed action by certified U.S. mail, return receipt requested, to Licensee as provided in Section 14.16. The written statement of proposed action must include the date and time of the City Council meeting and the principal reasons for the proposed action. The City Council may take any final action the Council deems necessary and prudent related to this License. Licensee will retain all legal remedies should it choose to contest the City's proposed action.

**12.4 Removal of Facilities.** Upon revocation of this License, the City may declare a forfeiture, whereupon all rights and privileges of Licensee under this License will immediately be divested without a further act upon the part of Licensee, and Licensee must remove its structures or property from the Public Rights-of-Way and other City-owned property and restore the Public Rights-of-Way and other City-owned property to the condition as existed prior to the removal of the structure or property. Upon Licensee's failure to do so within six months of revocation, the City may perform the work and collect the City's cost from Licensee. At the City's option, Licensee may abandon structures or property in place as provided in this License. At a minimum, the Public Rights-of- Way and other City-owned property must be restored to a condition as existed before the removal of the structures or property.

## **SECTION 13. EFFECT OF EXPIRATION, REVOCATION, OR TERMINATION OF LICENSE**

**13.1 Services.** Upon expiration, revocation, or termination of this License for any reason, Licensee may enter good-faith negotiations with the City or other governmental authority for a period of 180 days from the date of expiration, revocation, or termination to obtain a license, permit, or other approval or agreement that may be lawfully



required to allow Licensee to continue use of the Public Rights-of-Way and other City-owned property.

13.2 Holding Over. In any circumstance whereby Licensee continues to occupy the Public Rights-of-Way and other City-owned property after the expiration of this License, the Licensee's hold over operates as a renewal or extension of this License on a month-to-month basis that may be terminated at any time by the City upon 60 days' written notice to Licensee, or by Licensee upon 60 days' written notice to the City.

## **SECTION 14. GENERAL CONDITIONS**

14.1 License Administrator and Enforcement. In all matters of License administration, the City Manager has authority to determine Licensee's compliance with the terms and provisions of the License, and in the event of non-compliance, to exercise any or all the remedies included in this License.

14.2 Right of Inspection of Construction. The City may inspect all construction or installation work performed subject to the provisions of this License and to make such tests as it deems necessary to ensure compliance with the terms of this License and other pertinent provisions of law.

14.3 Right of Intervention. The City may intervene in any suit or proceeding related to or arising out of this License to which Licensee is party, and Licensee may not oppose such intervention by the City.

14.4 Public Records Acknowledgment. Notwithstanding any provision in this License, Licensee acknowledges and understands that the City is a political subdivision of the State of Arizona and is subject to the disclosure requirements of Arizona's Public Records Law (A.R.S. §§ 39-121 et seq.).

14.5 Permission of Property Owner Required. This License does not convey the right to install any part of Licensee's System on private property.

14.6 Compliance With Laws. Licensee must comply with all federal, state, and City ordinances, resolutions, rules, and regulations related to the rights and duties granted Licensee under this License.

14.7 Reserved.

14.8 Non-Enforcement by the City. Licensee will not be relieved of its obligation to comply with any of the provisions of this License by reason of the City's failure to insist upon or to seek compliance with any term and condition.

14.9 License Documents. Licensee must submit to the City the letter of credit and insurance certificates as required by the License within 90 days of the Effective Date. The License granted is not legally operative until all of Licensee's requirements in this Section are completed. In the event Licensee does not timely satisfy these, this License will be deemed null and void unless Licensee's period to comply is extended by the Council.

14.10 Survival of Warranties. Licensee's representations and warranties made as part of the grant of this License, or any permit issued under this License survive termination or revocation of this License.

14.11 Hazardous Substances. Licensee will, at its own cost, be responsible for proper investigation and management of all Hazardous Substances under its control, including Hazardous Substances Licensee uses, generates, or disposes of, and must comply with all Environmental Laws to carry out its obligations under this License. In the event Licensee releases to the environment Hazardous Substances under its control, to the extent that a governmental agency with jurisdiction requires reporting, investigation, cleanup, or remedial measures to be taken, Licensee must, at its sole cost and expense, promptly undertake such required actions. If Licensee discovers a Pre-existing Environmental Condition, Licensee will immediately notify the City in writing as provided in Section 14.16.

14.12 Right of Cancellation. Licensee acknowledges that this License is subject to cancellation by the City under A.R.S. § 38-511.



14.13 Covenant Against Contingent Fees. Licensee warrants that no person has been employed or retained to solicit or secure this License upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee; and that no member of the City Council, or any employee of the City has any interest, financially or otherwise, in this License. For breach or violation of this warranty, the City has the right to annul this License without liability or at its discretion to deduct from the License price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

14.14 Independent Contractor. Any provision in this License that may appear to give the City the right to direct Licensee or Licensee the right to direct the City as to the details of accomplishing the work or to exercise a measure of control over the work means that the party will follow the wishes of the other party as to the results of the work only.

14.15 Jurisdiction; Governing Law; Venue. As a condition of the grant of this License, Licensee acknowledges and accepts that Licensee is subject to personal and subject matter jurisdiction of Arizona state courts. Arizona law governs this License, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding to enforce this License must be instituted in a court located in Maricopa County, Arizona.

14.16 Delivery, Procedure of Notices and Communications. All notices, consent, or other communication under this License must be in writing and: (i) delivered in person; or (ii) sent by electronic mail and deposited in the United States mail, postage prepaid, certified mail, return receipt requested; or (iii) deposited with any commercial air courier or express service and addressed as follows:

To Licensee:                      Zoom Technology Arizona Limited  
Attn: Arnold Turk, Vice President  
112 N Central Avenue, Suite 400C  
Phoenix, AZ 85004

With a copy to:

To the City:                      City of Chandler  
Attention: Development Services Department  
P.O. Box 4008, Mail Stop 405  
Chandler, Arizona 85244-4008  
Phone: (480) 782-3000  
Email: tuf@chandleraz.gov

With a copy to:                      Office of the City Attorney  
175 South Arizona Avenue  
P.O. Box 4008 Mail Stop 602  
Chandler, Arizona 85244-4008  
Phone: (480) 782-4640  
Fax: (480) 782-4652  
Email: legal.notices@chandleraz.gov

Notice will be deemed received at the time it is personally served on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) calendar days after the notice is deposited in the United States mail as evidenced by the certified mail receipt. Any period stated in a notice will be computed from the time the notice is deemed received unless noted otherwise. Any party may change its mailing address, phone number, email address or the person to receive notice by notifying the other party as provided in this Section. Notices sent by electronic mail must also be sent by certified mail to the recipient at the above address.

14.17 Organization/Employment Disclaimer. This License is not intended to constitute, create, give rise to, or otherwise recognize a joint venture, agreement, or relationship, partnership, or formal business organization of any kind, and the rights and obligations of the Parties will be only those expressly set forth in this License.



14.18 Entire Agreement; Amendment; Waivers. This License, and the below listed exhibits which are incorporated herein by this reference and are attached and/or on file at the City and available for inspection, constitute the entire agreement between the City and Licensee with respect to the transactions contemplated therein and supersede all prior negotiations, communications, discussions, and correspondence, whether written or oral, concerning the subject matter hereof. No supplement, modification, or amendment of any term of this License will be deemed binding or effective unless executed in writing by the Parties. No waiver of any of the provisions of this License will be deemed, or will constitute, a waiver of any other provisions, whether similar, nor will any waiver constitute a continuing waiver. No waiver is binding unless expressly executed in writing by the Party making the waiver.

Exhibit A – Service Area  
Exhibit B – Form Letter of Credit

14.19 Right of Parties. Nothing in this License, whether express or implied, is intended to confer any right or remedies under or by reason of this License on any persons other than the Parties to this License and their respective successors and permitted assigns, nor is anything in this License intended to relieve or discharge any obligation or liability of any person who is not a party to this License, nor will any provisions in this License give any persons not a party to this License any right of subrogation or action over or against any Party to this License.

14.20 Construction. This License is the result of negotiations between the Parties, none of whom has acted under any duress or compulsion, whether legal, economic, or otherwise. Accordingly, the terms and provisions of this License will be construed in accordance with their usual and customary meanings. The Parties hereby waive the application of any rule of law that otherwise would be applicable in connection with the construction of this License that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed License or any earlier draft of the same. Unless the context of this License otherwise clearly requires, references to the plural include the singular and the singular the plural. The words "hereof," "herein," "hereunder" and similar terms in this License refer to this License as a whole and not to any particular provision of this License. All references to "Sections" herein refer to the sections and paragraphs of this License unless specifically stated otherwise. The section and other headings contained in this License are inserted for convenience of reference only, and they neither form a part of this License nor are they to be used in the construction or interpretation of this License.

14.21 Severability. If any covenant, condition, term, or provision of this License is held to be illegal, or if the application of this License to any person or in any circumstances to any extent be judicially determined to be invalid or unenforceable, the remainder of this License or the application of such covenant, condition, term, or provision to persons or in circumstances other than those to which it is held invalid or unenforceable, must not be affected, and each covenant, term, and condition of this License is valid and enforceable to the fullest extent permitted by law.

14.22 Cooperation and Further Documentation. Each of the Parties agree to provide the other with such additional and other duly executed documents as are reasonably requested to fulfill the intent of this License.

14.23 Force Majeure. For the purpose of any of the provisions of this License, neither Licensee nor the City, as the case may be, will be considered in breach of or in default of their obligations under this License as a result of the enforced delay in performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to: acts of God, acts of the public enemy, acts of the Federal Government, acts of the Salt River Project, acts of Maricopa County, acts of the State of Arizona or any of its departments, acts of any railroad, fire, floods, epidemics, pandemics, strikes, lock outs, freight embargoes, and unusually severe weather; it being the purpose and intent of this provision that in the occurrence of any such enforced delay, the time for performance of Licensee's and the City's obligations, as the case may be, will be extended for the period of the enforced delay, provided that the party seeking the benefit of this provision will have notified the other party in writing of the cause or causes, and requested an extension for the period of the enforced delay. If notice by the party claiming such extension is sent to the other party more than 30 days after commencement of the cause, the period of delay will be deemed to commence 30 days prior to the giving of such notice.

14.24 On-Call Assistance. Licensee or its agents must be available 24 hours a day, seven days a week to City staff



of any City department with jurisdiction over Licensee's activities related to problems or complaints resulting from the installation, operation, maintenance, or removal of the System.

14.25 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any party who fails, or whose contractors fail, to comply with A.R.S. § 23-214(A). Therefore, Licensee and each contractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of this License and may be subject to penalties up to and including revocation of the License. City retains the legal right to inspect the papers of Licensee's or contractor's employees who provide services under this License to ensure that Licensee and its contractors comply with this warranty.

14.26 Lawful Presence Requirement. A.R.S. §§ 1-501-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

14.27 Written Acceptance. Licensee's execution of this License constitutes Licensee's acceptance of this License as granted and its agreement to be bound by and to comply with the terms and conditions of this License. Licensee's signature must be acknowledged by Licensee before a notary public.

14.28 Data Confidentiality and Data Security. As used in this License, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to Licensee as part of the terms and conditions of this License. Except as specifically provided in this License, the Parties must not divulge data to any third party without the other Party's prior written consent. These prohibitions do not apply to the following data: (i) data which was known to the receiving Party prior to the Effective Date; or (ii) data which was acquired by the receiving Party in its performance under this License and which was disclosed to the receiving Party by a third party, who to the best of the receiving Party's knowledge and belief, had the legal right to make such disclosure and the receiving Party is not otherwise required to hold such data in confidence; or (iii) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Parties are subject. Each Party assumes all liability to maintain the confidentiality of the data in its possession and agrees to compensate the other Party if any of the provisions of this Section are violated by the receiving Party, its employees, agents, or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court.

14.29 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and always protected by Licensee. At a minimum, Licensee must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. If data collected or obtained by Licensee or its agents in connection with this License is believed to have been compromised, Licensee or its agents must immediately notify the City contact. Licensee agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. The obligations of Holder under this Section must survive the termination of this License.

14.30 Public Emergency. City shall have the right, because of a public emergency, to sever, disrupt, dig-up or otherwise destroy facilities of Licensee without any prior notice to Licensee, if the action is deemed reasonably necessary by the City Manager, Fire Chief, Police Chief, City Street Transportation Director, Public Works Director or Water Services Director. A public emergency may be any condition which, in the opinion of any of the officials named, poses an immediate threat to the lives or property of the residents of the City or others caused by any natural or man-made disaster, including but not limited to, storms, floods, fire, accidents, explosions, major water main breaks, hazardous material spills, etc. Licensee will be notified by the City of the public emergency and the action taken by the City as soon as reasonably



possible. Licensee shall be responsible for repair at its sole expense of any of its facilities damaged pursuant to any such action taken by City.

14.31 Blue Stake. Licensee must comply with A.R.S. §§ 40-360.21-360.32 by participating as a member of the Arizona Blue Stake Center with the necessary records and persons to provide location service of Licensees facilities upon receipt of a locate call or as promptly as possible, but in no event later than two (2) working days. A copy of the License or proof of membership must be filed with the City.

14.32 Inspection and Audit of License Provisions. All books, accounts, reports, files, and other records related to or arising out Licensee's payment obligations under this License (collectively "Records") are subject at all reasonable times to inspection and audit by the City including for three years after the expiration or termination of this License. Licensee must produce the Records at a mutually agreed to time and location within Maricopa County, Arizona.

14.33 Authority. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter, and bind such party to the commitments and obligations set forth herein.

**IN WITNESS WHEREOF**, the Parties duly execute and agree to be bound by this License as of the Effective Date.

**CITY OF CHANDLER**, an Arizona municipal corporation

**ZOOM TECHNOLOGY ARIZONA LIMITED**, an Arizona limited liability company

\_\_\_\_\_  
Mayor

By: Arnold Turk  
Arnold Turk

APPROVED AS TO FORM:

\_\_\_\_\_  
Name of Authorized Signer  
Title: Vice President

\_\_\_\_\_  
City Attorney

ATTEST:

ATTEST:

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

\_\_\_\_\_  
Name and Title



**EXHIBIT A  
SERVICE AREA**



## EXHIBIT B STANDARDS FOR LETTER OF CREDIT

In addition to any other requirements imposed upon a letter of credit (the "Letter of Credit") issued pursuant to this Agreement, the Letter of Credit shall meet and be governed by the following additional standards and requirements:

**1. Letter of Credit Requirements.** The Letter of Credit shall be printed on Bank Safety Paper. The following terms and no others shall be stated on the face of the Letter of Credit:

- 1.1** The Letter of Credit is clean, unconditional, irrevocable, independent, and standby.
- 1.2** The Letter of Credit is payable to City upon presentation of City's draft.
- 1.3** City may make partial draws upon the Letter of Credit.
- 1.4** The Letter of Credit is for payment solely upon presentation of a sight draft and a copy of the Letter of Credit.
- 1.5** Within ten (10) days after City's draft on the Letter of Credit is honored, City must make the original of the Letter of Credit available to the issuer in Maricopa County, Arizona upon which the issuer may endorse its payments.
- 1.6** The issuer specifies a telefax number, email address, and street address at which City may present drafts on the Letter of Credit.
- 1.7** The Letter of Credit is valid until a specified date.
- 1.8** The Letter of Credit will be automatically renewed for successive one (1) year periods, unless at least 30 days prior to expiration the issuer notifies City in writing, by either registered or certified mail, that issuer elects not to renew the Letter of Credit for the additional period. In the event of such notification, any then unused portion of the Letter of Credit shall be available by draft on or before the then current expiration date.
- 1.9** The Letter of Credit is otherwise subject to the most recent edition of the Uniform Customs and Practices for Documentary Credits, published by the International Chamber of Commerce including, but not limited to, International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590; ISP98 Model Government Standby (U.S.) Form 11.1 and annexes (2017)).
- 1.10** The Letter of Credit need not be transferable.

**2. Approved Forms.** The form of the Letter of Credit and of drafts upon the Letter of Credit shall be as follows:

- 2.1** Except as approved in writing by City's Development Services Department, the form of the Letter of Credit shall be in the form set out below.
- 2.2** Except as approved in writing by City's Development Services Department, the form of drafts upon the Letter of Credit shall be in the form set out below.

**3. Issuer Requirements.** The issuer of the Letter of Credit shall meet all of the following requirements:

- 3.1** The issuer shall be a federally insured financial institution with offices in Maricopa County, Arizona, at which drafts upon the Letter of Credit may be presented.
- 3.2** The issuer shall be a member of the New York Clearing House Association or a commercial bank or trust Company satisfactory to City.
- 3.3** The issuer shall have a net worth of not less than \$1 billion.



**FORM OF LETTER OF CREDIT  
(ISP98 Model Government Standby (U.S.) Form 11.1)**

Date \_\_\_\_\_, 20\_\_

Letter of Credit No.: \_\_\_\_\_

Development Services Department  
City of Chandler  
P.O. Box 4008  
Mail Stop 405  
Chandler, AZ 85244-4008

Dear Sir or Madam:

Issuance. At the request and for the account of [*name and address of applicant*] ("Applicant"), we [*name and address of issuer at place of issuance*] ("Issuer") issue the irrevocable independent standby letter of credit number [*reference number*] ("Standby") in favor of [*name and address of beneficiary*] ("Beneficiary") in the maximum aggregate amount of USD [*amount*].

Undertaking. Issuer undertakes to Beneficiary to pay Beneficiary's demand for payment for an amount available under the Standby and in the form of Annex A (Payment Demand) [or *Annex B (Payment Demand after Notice of Non-Extension)*] completed as indicated and presented to Issuer at the following place for presentation: in Maricopa County, Arizona at or before the close of business on the expiration date.

Overdrawing. If a demand exceeds the amount available, but the presentation otherwise complies, Issuer undertakes to pay the amount available.

Expiration. The expiration date of this Standby is valid until \_\_\_\_\_ 20\_\_.

Automatic Extension. The expiration date of this Standby shall be automatically extended for successive one-year periods, unless [30] or more calendar days before the then current expiration date Issuer gives written notice to Beneficiary that Issuer elects not to extend the expiration date. Issuer's written notice must be sent by *registered, certified, or priority express mail or nationally recognized overnight courier* to Beneficiary's above-stated address [*and to the attention of [office, officer, or other attention party] or, alternatively, be received by Beneficiary's attention party*] [30] or more calendar days before the then current expiration date.

Payment. Payment against a complying presentation shall be made within three business days after presentation at the place for presentation or by wire transfer to a duly requested account of Beneficiary.

ISP98. This Standby is issued subject to the International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590). This Letter of Credit is not assignable.

Issuer's Charges and Fees. Issuer's charges and fees for issuing, amending, or honoring this Standby are for Applicant's account and shall not be deducted from any payment Issuer makes under this Standby. [*Issuer undertakes to Beneficiary to pay the charges and fees of any bank nominated in this Standby to advise [and confirm] this Standby for acting on such nomination.*]



[Communications. Communications other than demands may be made to Issuer in the manner and at the place for presentation and also as follows: **[address for mailed, couriered, telephone, telefax, or electronic communications]**. Communications other than for notices of non-extension may be made to Beneficiary at Beneficiary's above-stated address and also as follows: **addresses for mailed, couriered, telephone, telefax, or electronic communications**.]

[Issuer's name]

[signature]

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_ [bank name] \_\_\_\_\_, a \_\_\_\_\_

By \_\_\_\_\_ [bank officer's signature] \_\_\_\_\_

\_\_\_\_\_ [bank officer's name printed] \_\_\_\_\_

Its \_\_\_\_\_ [bank officer's title] \_\_\_\_\_

Phone: \_\_\_\_ [bank officer's phone number] \_\_\_\_\_



**ANNEX A: PAYMENT DEMAND**  
**(ISP98 Model Government Standby (U.S.) Form 11.1)**

To: *[Issuer name and address]*

From: Development Services Department  
City of Chandler  
P.O. Box 4008  
Mail Stop 405  
Chandler, AZ 85244-4008

Date: \_\_\_\_\_, 20\_\_\_\_

Re: Standby Letter of Credit No. *[reference number]*, dated *[date]*, issued by *[issuers name]* ("Standby").

Ladies and Gentlemen:

The undersigned beneficiary demands payment of USD *[insert amount]* under the Standby. Beneficiary states that Applicant is obligated to pay to Beneficiary the amount demanded as provided in *[the contract, regulation, or other document that identifies the underlying obligations to the government beneficiary]*. Beneficiary requests that payment be made by wire transfer to an account of Beneficiary as follows: *[Insert name, address, and routing number of beneficiary's bank, and name and number of beneficiary's account]*.

*[Beneficiary's name and address]*  
By its authorized officer:  
*[Insert original signature]*  
*[Insert typed/printed name and title]*

If such deposit cannot be accomplished immediately for any reason, please make your payment in the form of a cashier's check issued by your institution and delivered to me at the address listed above.

I certify that I am the Development Services Director of the City of Chandler.

If there is any imperfection or defect in this draft or its presentation, please inform me immediately at (480) 782-3410 so that I can correct it. Also, please immediately notify the City Attorney at (480) 782-4656.

Thank you.

\_\_\_\_\_  
City of Chandler, Development Services Director



**Certificate Of Completion**

Envelope Id: 11F63217091E4E3CB08F429C4C10D707

Status: Sent

Subject: Complete with DocuSign: Class 4 and Class 5 Telecommunications License.pdf

EDMS Application: CC-AGRMTS

Source Envelope:

Document Pages: 28

Signatures: 1

Envelope Originator:

Certificate Pages: 5

Initials: 0

Dennis Aust

AutoNav: Enabled

PO Box 4008

Enveloped Stamping: Enabled

Chandler, 85244

Time Zone: (UTC-07:00) Arizona

Dennis.Aust@chandleraz.gov

IP Address: 198.241.2.1

**Record Tracking**

Status: Original

Holder: Dennis Aust

Location: DocuSign

12/21/2023 | 12:13 PM

Dennis.Aust@chandleraz.gov

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Chandler

Location: DocuSign

**Signer Events****Signature****Timestamp**

Arnold Turk



Sent: 12/21/2023 | 12:26 PM

arnold@zoomtechnologygroup.com

Viewed: 12/21/2023 | 12:48 PM

Vice President

Signed: 12/21/2023 | 12:51 PM

Security Level: Email, Account Authentication  
(None)Signature Adoption: Pre-selected Style  
Using IP Address: 102.220.51.202**Electronic Record and Signature Disclosure:**

Accepted: 12/21/2023 | 12:48 PM

ID: 5b4075ac-b28f-4c3e-aa79-ad4ad3801b3c

Chelle Ewald

Sent: 12/21/2023 | 12:51 PM

chelle.ewald@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**

Accepted: 11/20/2023 | 10:02 AM

ID: db896b23-d629-4634-97a8-2b22d0c4bb15

Daniel L Brown for

Daniel.Brown@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**

Accepted: 7/1/2021 | 08:17 AM

ID: 563d172a-e614-4b9b-b2a1-61a0afc8280a

Kevin Hartke

kevin.hartke@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**

Accepted: 6/28/2021 | 11:17 AM

ID: 2531f230-027c-41f7-9166-1189df6a8c8f

Dana DeLong

Dana.DeLong@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**



| Signer Events   | Signature        | Timestamp             |
|---|------------------|-----------------------|
| Accepted: 6/28/2021   01:03 PM<br>ID: e796186e-c533-4a41-978c-34d69e29778a  |                  |                       |
| In Person Signer Events   | Signature        | Timestamp             |
| Editor Delivery Events  | Status           | Timestamp             |
| Agent Delivery Events   | Status           | Timestamp             |
| Intermediary Delivery Events  | Status           | Timestamp             |
| Certified Delivery Events   | Status           | Timestamp             |
| Carbon Copy Events  | Status           | Timestamp             |
| Dennis Aust<br>Dennis.Aust@chandleraz.gov<br>Security Level: Email, Account Authentication (None)<br><b>Electronic Record and Signature Disclosure:</b><br>Not Offered via DocuSign     |                  |                       |
| Arnold Turk<br>arnold@zoomtechnologygroup.com<br>Security Level: Email, Account Authentication (None)<br><b>Electronic Record and Signature Disclosure:</b><br>Not Offered via DocuSign |                  |                       |
| Witness Events  | Signature        | Timestamp             |
| Notary Events   | Signature        | Timestamp             |
| Envelope Summary Events   | Status           | Timestamps            |
| Envelope Sent   | Hashed/Encrypted | 12/21/2023   12:26 PM |
| Payment Events  | Status           | Timestamps            |
| Electronic Record and Signature Disclosure  |                  |                       |



## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, City of Chandler (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.15 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**



Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact City of Chandler:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov)

### **To advise City of Chandler of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from City of Chandler**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with City of Chandler**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:



- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Chandler as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Chandler during the course of your relationship with City of Chandler.





**City Council Memorandum      Facilities and Fleet    Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
 Dawn Lang, Deputy City Manager - CFO  
**From:** Mike Hollingsworth, Facility & Fleet Services Senior Manager  
**Subject:** Purchase of Generator Maintenance Services

**Proposed Motion:**

Move City Council approve the purchase of generator maintenance services, from W.W. Williams Company, Inc., utilizing the City of Goodyear Contract No. C-5863A-A2-21, in an amount not to exceed \$160,000.

**Background/Discussion:**

This agreement provides periodic maintenance, inspection, and load bank testing for City standby generators. As part of this agreement, the contractor will ensure the generators are performing at rated kilowatt capacity. The additional contingency funding covers any unforeseen repairs that may be necessary during the term of this agreement.

**Evaluation:**

The City of Goodyear competitively solicited and awarded a contract for generator maintenance services. The City has an agreement with the City of Goodyear that allows for the cooperative use of its contracts. The term of the City of Goodyear contract is valid through March 31, 2024.

**Fiscal Impact**

| <b>Account No.</b> | <b>Fund Name</b> | <b>Program Name</b> | <b>Dollar Amount</b> | <b>CIP Funded Y/N</b> |
|--------------------|------------------|---------------------|----------------------|-----------------------|
| 101.3200.5410      | General Fund     | N/A                 | \$160,000            | N                     |



**City Council Memorandum      Fire Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
Thomas Dwiggin, Fire Chief  
**From:** Keith Hargis, Assistant Fire Chief  
**Subject:** Purchase of Mobile Command Vehicle

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**Proposed Motion:**

Move City Council approve the purchase of a mobile command vehicle, from Hughes Fire Equipment, an authorized dealer for Pierce Manufacturing, Inc., utilizing the Houston Galveston Area Council (H-GAC) Contract No. FS12-19, in the amount of \$1,636,408.09, and authorize a General Government Capital Projects Fund contingency transfer of \$706,410 to the General Government Projects Fund, Fire Capital, Motor Vehicles account.

**Background/Discussion:**

Incident command is a critical function during all emergency events. However, during large events, the incident command structure becomes a complex entity, integrating numerous command staff from multiple agencies. Effective, efficient communication between these personnel improves scene safety for the responders as well as improves the outcome of the event. A Command Vehicle serves as the incident command post on scene of these events and offers a defined space for command officers to locate. These vehicles integrate radio communications, mobile computer terminals, cameras, and other needed technologies into a single working space. The anticipated life span of this vehicle is 15 years.

**Evaluation:**



H-GAC competitively solicited and awarded a contract for fire service apparatus to Hughes Fire Equipment, an authorized dealer for Pierce Manufacturing, Inc. The City has a current agreement with H-GAC allowing for the cooperative use of its contracts. Staff recommends the use of the H-GAC contract to allow for the most expeditious purchase of the mobile command vehicle at a competitive price.

**Financial Implications:**

The City of Chandler was awarded a 2023 Community Oriented Policing Services (COPS) Technology and Equipment Program (TEP) grant. The mobile command vehicle total cost of \$1,636,408.09 will be partially funded from the grant award of \$680,000 in addition to the transfer of \$250,000 of savings from the Rebuild Fire Station #282 (6FI649) program. The remaining \$706,410 of funding authorization, which is inclusive of the required grant match of \$570,000, will require a transfer from the General Government Capital Project Fund, Non-Departmental, Contingency Account of \$706,410 to the General Government Capital Project Fund, Fire Capital, Motor Vehicles account to ensure appropriation exists to meet the costs.

| Fiscal Impact        |                                    |                        |               |                |
|----------------------|------------------------------------|------------------------|---------------|----------------|
| Account No.          | Fund Name                          | Program Name           | Dollar Amount | CIP Funded Y/N |
| 401.2250.6310.6FI657 | General Government Capital Project | Mobile Command Vehicle | \$956,410     | Y              |
| 417.2250.6310.6FI657 | Capital Grant                      | Mobile Command Vehicle | \$680,000     | Y              |

**Attachments**

Vehicle Quote





An Oshkosh Corporation Company

January 29, 2024

Chandler Fire Department, AZ  
One (1) Frontline Freightliner C-40X-4  
Build Location: Clearwater, FL

|  |                       |                       |
|--|-----------------------|-----------------------|
| <b>Proposal Price</b>  | <b>\$1,631,420.00</b> |                       |
| Arizona State Sales Tax @ 5.60%                                    |                       | 91,359.52             |
| Phoenix Sales Tax @ 2.70%  |                       | 44,048.34             |
| PHX Transportation Plan Tax @ 0.3% of \$13,866.00                  |                       | 41.66                 |
| <b>Total Bid Price Including Sales Tax</b>                         |                       | <b>\$1,766,869.52</b> |
| Less payment upon completion @ factory discount                    | (15,885.00)           |                       |
| Less 100% pre-payment discount                                     | (104,578.00)          |                       |
| <b>Subtotal including all pre-pay discounts</b>                    | <b>\$1,510,957.00</b> |                       |
| Arizona State Sales Tax @ 5.60%                                    |                       | 84,613.59             |
| Phoenix Sales Tax @ 2.70%  |                       | 40,795.84             |
| PHX Transportation Plan Tax @ 0.3% of \$13,866.00                  |                       | 41.66                 |
| <b>Total Bid Price Including Pre-Pay Discounts &amp; Sales Tax</b> |                       | <b>\$1,636,408.09</b> |

**Terms:**

**Price Expiration:** The above pricing is valid until March 22, 2024.

**Future Changes:** Various state or federal regulatory agencies (e.g. NFPA, DOT, EPA) may require changes to the Specifications and in any such event any resulting cost increases incurred to comply will be added to the Purchase Price to be paid by the Customer and documented on a Change Order.

**Commercial Chassis & Component Price Volatility:** The pricing provided is based on our best estimate factoring Pierce's backlog of apparatus and historical chassis model year pricing & availability. Company shall not be responsible for any commercial chassis price increases including changes to model year enacted by a commercial chassis supplier or price increase of any major components of Product (including but not limited to engine, transmission, and fire pump) after the execution of contract. Any price increase of commercial chassis or major component of product will be passed through to end user and will be documented on a Change Order.

**Delivery:** Based on Pierce's current delivery schedule the apparatus would be ready for delivery from factory within 24 to 28 months after contract execution or purchase order. Delivery is subject to change pending Pierce's delivery schedule at time of order. This time does not include any possible delays that may be caused by national disasters or pandemic.

**Payment Terms:**

**a. If pre-payment discount options are elected, the following terms will apply:**

**i. Payment Upon Completion at Factory Discount:** If elected, final payment is due prior to apparatus leaving the factory for delivery. If payment is not processed upon receipt of invoice the discount total will be required in addition to the invoice amount.

**ii. 100% Pre-Payment Discount:** If elected, an invoice will be provided upon order processing for the 100% pre-payment. Upon receipt of invoice, payment must be made within thirty (30) days. If this option is elected, the discount is in addition to the payment upon completion at the factory discount. If payment is not made when due, the above mentioned pre-payment discounts or a portion thereof, will be added back to the final invoice. Final payment, including any changes made during manufacturing, is due upon completion of the Product at the factory and prior to delivery from the factory.

**b. If pre-payment discount options are not elected standard payment terms will apply:** Final payment will be due 30 days after the apparatus leaves the factory for delivery. If payment is not made at that time a late fee will be applicable.

**c. Payments made for apparatus using a credit card will be applicable to a credit card convenience fee.**

**Consortium Purchase:** The proposal is based on the unit being purchased through H-GACBuy (Houston-Galveston-Area-Council Cooperative Purchasing Program) utilizing contract FS12-23 valid until 11/30/2027 with a registered End User member Interlocal Contract. It is the purchaser's responsibility to determine if the use of consortiums meets their purchasing requirements.

**Performance Bond:** A performance bond is included in the above price and will be provided after order placement. If customer elects to remove the performance bond **\$4,328.00** may be deducted from the purchase price. All purchase orders must include the following verbiage if a performance bond is elected, **"Due to global supply chain constraints, any delivery date contained herein is a good faith estimate as of the date of this order/contract, and merely an approximation based on current information. Delivery updates will be made available, and a final firm delivery date will be provided as soon as possible."**



**Transportation:** Transportation of the apparatus to be driven from the factory to the customers location is included in the above pricing. However, if permits are not obtainable, due to the weight of the apparatus, and the apparatus must be transported on a flat bed, additional Transportation charges will be the responsibility of the customer. We will provide pricing at that time if necessary. If customer elects to drive the apparatus from the factory, **\$8,500.00** may be deducted from the purchase price. if this option is elected payment in full and proof of insurance must be provided prior to leaving the factory and the customer is responsible for compliance with all state, local and federal DOT requirements including the driver possessing a valid CDL license.

**Inspection Trips:** **One (1)** factory inspection trip for **six (6)** customer representatives and **two (2)** inspection trips for **four (4)** customer representatives is included in the above pricing. The inspection trip will be scheduled at a time mutually agreed upon between the manufacture's representative and the customer, during the window provided by the manufacturer. Airfare, lodging and meals while at the factory are included. In the event the customer is unable to travel to the factory or the factory is unable to accept customers due to the restrictions caused by a national disaster or pandemic then the Dealership reserves the right to use forms of electronic media to accomplish the intention of the inspection trip. Every effort will be made to make the digital media as thorough as possible to satisfy the expectations of the of the customer. If the customer elects to forgo an inspection trip **\$2,400.00** per traveler (per trip) will be deducted from the final invoice.

**Acceptance of Proposal:**

- a. If the customer wishes to purchase the proposed apparatus Hughes Fire Equipment will provide the Customer its form of Purchase Agreement for the Customer's review and signature.
  - b. If the Customer desires to use its standard form of purchase order as the Purchase Agreement, the purchase order is subject to review for any required revisions prior to acceptance.
    - i. Purchase orders must be addressed to Hughes Fire Equipment, Inc., 910 Shelley Street, Springfield, Oregon 97477.
    - ii. Purchase order must reference "**One (1) Frontline Freightliner C-40X-4 dated 01/29/2024.**"
    - iii. Purchase order must include the following verbiage if a performance bond is elected, "**Due to global supply chain constraints, any delivery date contained herein is a good faith estimate as of the date of this order/contract, and merely an approximation based on current information. Delivery updates will be made available, and a final firm delivery date will be provided as soon as possible.**"
    - iv. Purchased order should reference, "**Purchased utilizing HGACBuy Contract FS12-23.**"
    - v. Purchase orders must be signed and dated by authorized personnel.
- 

By signing below you agree to purchase the above apparatus.

**Customer Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**PO # (if applicable):** \_\_\_\_\_

*Proudly serving you, while you serve your communities since 1987*





**City Council Memorandum      Fire Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
Thomas Dwiggins, Fire Chief  
**From:** Scott Chapman, Assistant Fire Chief  
**Subject:** Agreement No. FD4-345-4690, with Bound Tree Medical, LLC, for Fire  
Emergency Medical Supplies

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**Proposed Motion:**

Move City Council approve Agreement No. FD4-345-4690, with Bound Tree Medical, LLC, for Fire emergency medical supplies, in an amount not to exceed \$200,000, for a one-year period, April 1, 2024, through March 31, 2025, with the option of up to four additional one-year extensions.

**Background/Discussion:**

The Fire Department has eleven CAP 5 Controlled Access Pharmaceutical Dispensers, one in each fire station. These devices have automated emergency medical services (EMS) restocking, which optimized the use of medications through supply tracking, recognition of expiration dates, and monitoring access to controlled substances. This agreement allows the Department to purchase emergency medical supplies for these dispensers and continue to use a web-based inventory management system. The latter will continue to provide staff with the tools needed to proactively monitor supplies, forecast future needs, and eliminate unnecessary medical supply purchases.

**Evaluation:**



On November 9, 2023, City staff issued a Request for Proposal for fire emergency medical supplies. Notification was sent to all registered vendors. Five responses were received from the following offerors:

Bound Tree Medical, LLC  
DU Medical  
Henry Schein, Inc.  
Life-Assist, Inc.  
Oaktree Products

The Evaluation Committee evaluated the proposals and recommends award to Bound Tree Medical, LLC., which submitted the most advantageous offer to the City in accordance with the evaluation criteria. The term of this agreement is April 1, 2024, through March 31, 2025, with the option of up to four additional one-year extensions.

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**Fiscal Impact**

| <b>Account No.</b> | <b>Fund Name</b> | <b>Program Name</b> | <b>Dollar Amount</b> | <b>CIP Funded Y/N</b> |
|--------------------|------------------|---------------------|----------------------|-----------------------|
| 101.2220.5323      | General Fund     | N/A                 | \$200,000            | N                     |

---

**Attachments**

4690 Agreement





City Clerk Document No. \_\_\_\_\_

City Council Meeting Date: February 22, 2024

**CITY OF CHANDLER PURCHASE AGREEMENT  
FIRE EMERGENCY MEDICAL SUPPLIES  
CITY OF CHANDLER AGREEMENT NO. FD4-345-4690**

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Bound Tree Medical, LLC (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties), made \_\_\_\_\_, 2024 (Effective Date).

**RECITALS**

- A. City proposes to purchase fire emergency medical supplies as more fully described in Exhibit A, which is attached to and made a part of this Agreement by this reference.
- B. Contractor is ready, willing, and able to provide the goods or services described in Exhibit A for the compensation and fees set forth and as described in Exhibit B, which is attached to and made a part of this Agreement by this reference.
- C. City desires to contract with the Contractor to provide these goods or services under the terms and conditions set forth in this Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and the mutual promises contained in this Agreement, City and Contractor agree as follows:

**SECTION I: DEFINITIONS**

For purposes of this Agreement, the following definitions apply:

**Agreement** means the legal agreement executed between the City and the Contractor

**City** means the City of Chandler, Arizona

**Contractor** means the individual, partnership, or corporation named in the Agreement

**Days** means calendar days

**May, Should** means something that is not mandatory but permissible

**Shall, Will, Must** means a mandatory requirement

**SECTION II: CONTRACTOR'S SERVICES**

Contractor must perform in accordance with Exhibit A to the City's satisfaction within the terms



and conditions of this Agreement and within the care and skill that a person who provides similar goods services in Chandler, Arizona exercises under similar conditions. All goods or services furnished by Contractor under this Agreement must be performed in a skilled and workmanlike manner. Unless authorized by the City in writing, all fixtures, furnishings, and equipment furnished by Contractor as part of the goods or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the goods or services.

### **SECTION III: PERIOD OF SERVICE**

The term of the Agreement is **1 year**, and begins on April 01, 2024 and ends on March 31,2025 unless sooner terminated in accordance with this Agreement. The City and the Contractor may mutually agree to extend the Agreement for up to 4 additional terms of 1 year each, or portions thereof. The City reserves the right, at its sole discretion, to extend the Agreement for up to 60 days beyond the expiration of any extension term.

### **SECTION IV: PAYMENT OF COMPENSATION AND FEES**

4.1 Unless amended in writing by the Parties, Contractor's compensation and fees as more fully described in Exhibit B for performance approved and accepted by the City under this Agreement must not exceed \$200,000. Contractor must submit requests for payment for goods or services approved and accepted during the previous billing period and must include, as applicable, detailed invoices and receipts, a narrative description of the tasks accomplished during the billing period, a list of any deliverables submitted, and any subcontractor's or supplier's actual requests for payment plus similar narrative and listing of their work. Payment for those goods or services negotiated as a lump sum will be made in accordance with the percentage of the goods furnished or services completed during the preceding billing period. Goods or services negotiated as a not-to-exceed fee will be paid in accordance with the goods furnished or services completed during the preceding month. All requests for payment must be submitted to the City for review and approval. The City will make payment for approved and accepted goods or services within 30 days of the City's receipt of the request for payment.

4.2 Applicable Taxes. The Contractor will pay all applicable taxes. The City is subject to all applicable state and local transaction privilege taxes. To the extent any state and local transaction privilege taxes apply to sales made under the terms of this Agreement, it is the responsibility of the Contractor to collect and remit all applicable taxes to the proper taxing jurisdiction of authority.

4.3 Tax Indemnification. The Contractor and all subcontractors will pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. The Contractor will and require all subcontractors to hold the City harmless from any responsibility for taxes, damages, and interest, if applicable, contributions required under Federal, state, and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security, and Worker's Compensation.

4.4 All prices offered herein shall be firm against any increase for the initial term of the Agreement. Prior to commencement of subsequent renewal terms, the City may approve a fully documented request for a price adjustment. The City shall determine whether any requested



price increases for extension terms is acceptable to the City. If the City approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon by the Parties a written Agreement Amendment shall be approved and executed by the Parties.

## **SECTION V: GENERAL CONDITIONS**

5.1 Records/Audit. Records of the Contractor's direct personnel payroll, reimbursable expenses pertaining to this Agreement and records of accounts between the City and Contractor must be kept on the basis of generally accepted accounting principles and must be made available to the City and its auditors for up to three years following the City's final acceptance of the goods or services under this Agreement. The City, its authorized representative, or any federal agency, reserves the right to audit Contractor's records to verify the accuracy and appropriateness of all cost and pricing data, including data used to negotiate this Agreement and any amendments. The City reserves the right to decrease the total amount of Agreement price or payments made under this Agreement or request reimbursement from the Contractor following final contract payment on this Agreement if, upon audit of the Contractor's records, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data. The Contractor will include a similar provision in all of its contracts with subcontractors providing goods or services under the Agreement Documents to ensure that the City, its authorized representative, or the appropriate federal agency, has access to the subcontractors' records to verify the accuracy of all cost and pricing data. The City reserves the right to decrease Contract price or payments made on this Agreement or request reimbursement from the Contractor following final payment on this Agreement if the above provision is not included in subcontractor agreements, and one or more subcontractors refuse to allow the City to audit their records to verify the accuracy and appropriateness of all cost and pricing data. If, following an audit of this Agreement, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, the Contractor will be liable for reimbursement of the reasonable, actual cost of the audit.

5.2 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of work, cost of goods, cost of performance, or Project schedule, the goods or services will be performed as directed by the City. However, before any modified work is started, a written amendment must be approved and executed by the City and the Contractor. Such amendment must not be effective until approved by the City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to the Contractor may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra work done or materials furnished by the Contractor will be allowed by the City except as provided herein, nor must the Contractor do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by the Contractor without prior written authorization will be at Contractor's own risk, cost, and expense, and Contractor hereby agrees that without written authorization Contractor will make no claim for compensation for such work or materials furnished.

5.3 Termination for Convenience. The City and the Contractor hereby agree to the full performance of the covenants contained herein, except that the City reserves the right, at its



discretion and without cause, to terminate or abandon any purchase or service provided for in this Agreement, or abandon any portion of the Project for which the Contractor has performed. In the event the City abandons or suspends the purchase or services, or any part of the purchase or services as provided in this Agreement, the City will notify the Contractor in writing and immediately after receiving such notice, the Contractor must discontinue advancing the work specified under this Agreement. Upon such termination, abandonment, or suspension, the Contractor must deliver to the City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by the City. The Contractor must appraise the goods or services Contractor has completed and submit Contractor's appraisal to the City for evaluation. The City may inspect the Contractor's goods or services to appraise the status completed. The Contractor will receive compensation in full for goods provided or services performed to the date of such termination. The fee will be paid in accordance with Section IV of this Agreement, and as mutually agreed upon by the Contractor and the City. If there is no mutual agreement on payment, the final determination will be made in accordance with the Disputes provision in this Agreement. However, in no event may the payment exceed the payment set forth in this Agreement nor as amended in accordance with Alteration in Character of Work. The City will make the final payment within 60 days after the Contractor has delivered the last of the partially completed items and the Parties agree on the final payment. If the City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.

5.4 Termination for Cause. The City may terminate this Agreement for Cause upon the occurrence of any one or more of the following events: in the event that (a) the Contractor fails to perform pursuant to the terms of this Agreement, (b) the Contractor is adjudged a bankrupt or insolvent, (c) the Contractor makes a general assignment for the benefit of creditors, (d) a trustee or receiver is appointed for Contractor or for any of Contractor's property (e) the Contractor files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws, (f) the Contractor disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction, or (g) the Contractor fails to cure default within the time requested. Where Agreement has been so terminated by City, the termination will not affect any rights of City against Contractor then existing or which may thereafter accrue.

5.5 Indemnification. The Contractor (Indemnitor) must indemnify, defend, save and hold harmless the City and its officers, officials, agents and employees (Indemnitee) from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) (Claims) caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of the Contractor or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of the Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Contractor must indemnify Indemnitee from and against any and all Claims, except those arising solely from Indemnitee's own negligent or willful acts or omissions. The Contractor is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, the Contractor agrees to waive all rights of subrogation against Indemnitee for



losses arising from or related to this Agreement. The obligations of the Contractor under this provision survive the termination or expiration of this Agreement.

**5.6 Insurance Requirements.** Contractor must procure insurance under the terms and conditions and for the amounts of coverage set forth in Exhibit C against claims that may arise from or relate to performance of the work under this Agreement by Contractor and its agents, representatives, employees, and subcontractors. Contractor and any subcontractors must maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits stated in Exhibit C are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Agreement by the Contractor, the Contractor's agents, representatives, employees, or subcontractors. Contractor is free to purchase such additional insurance as may be determined necessary.

**5.7 Cooperation and Further Documentation.** The Contractor agrees to provide the City such other duly executed documents as may be reasonably requested by the City to implement the intent of this Agreement.

**5.8 Notices.** Unless otherwise provided, notice under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the date notice is sent if by electronic mail, or (c) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

| <b>For the City</b>   | <b>For the Contractor</b>                               |
|---|---|
| Name: Purchasing Division   | Name: Christopher Fyffe                                 |
| Title: Procurement Officer  | Title: Manager, Bids & Contracts                        |
| Address: 175 S. Arizona Ave., 3 <sup>rd</sup> Floor<br>Chandler, AZ 85225 | Address: 5000 Tuttle Crossing Blvd.<br>Dublin, OH 43016 |
| Phone: 480-782-2405   | Phone: 614-760-5374                                     |
| Email: purchasing@chandleraz.gov  | Email: Christopher.fyffe@boundtree.com                  |

**5.9 Successors and Assigns.** City and Contractor each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither the City nor the Contractor may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and the City.

**5.10 Disputes.** In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between the Contractor and the City, the final determination at the administrative level will be made by the City Purchasing and Materials Manager.



5.11 Completeness and Accuracy of Contractor's Work. The Contractor must be responsible for the completeness and accuracy of Contractor's services, data, and other work prepared or compiled under Contractor's obligation under this Agreement and must correct, at Contractor's expense, all willful or negligent errors, omissions, or acts that may be discovered. The fact that the City has accepted or approved the Contractor's work will in no way relieve the Contractor of any of Contractor's responsibilities.

5.12 Withholding Payment. The City reserves the right to withhold funds from the Contractor's payments up to the amount equal to the claims the City may have against the Contractor until such time that a settlement on those claims has been reached.

5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by the City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Contractor. For this Agreement the Contractor constitutes an independent contractor. Any provisions in this Agreement that may appear to give the City the right to direct the Contractor as to the details of accomplishing the work or to exercise a measure of control over the work means that the Contractor must follow the wishes of the City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, the Contractor must assign to the City the key personnel that will be involved in furnishing goods or performing services prescribed in the Agreement. The City may acknowledge its acceptance of such personnel to furnish goods or perform services under this Agreement. At any time hereafter that the Contractor desires to change key personnel while performing under the Agreement, the Contractor must submit the qualifications of the new personnel to the City for prior approval. The Contractor will maintain an adequate and competent staff of qualified persons, as may be determined by the City, throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Work. If the City objects, with reasonable cause, to any of the Contractor's staff, the Contractor must take prompt corrective action acceptable to the City and, if required, remove such personnel from the Project and replace with new personnel agreed to by the City.

5.16 Subcontractors. Prior to beginning the work, the Contractor must furnish the City for approval the names of subcontractors to be used under this Agreement. Any subsequent changes are subject to the City's written prior approval.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Laws. Contractor understands, acknowledges, and agrees to comply with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and



the Drug Free Workplace Act of 1989. All services performed by Contractor must also comply with all applicable City of Chandler codes, ordinances, and requirements. Contractor agrees to permit the City to verify Contractor's compliance.

5.19 No Israel Boycott. By entering into this Agreement, Contractor certifies that Contractor is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Contractor's or subcontractor's employee who provides goods or services under this Agreement to ensure that the Contractor and subcontractors comply with the warranty under this provision.

5.21 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.22 Forced Labor of Ethnic Uyghurs Prohibited. By entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.23 Covenant Against Contingent Fees. Contractor warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Contractor's firm. For breach or violation of this warrant, the City may annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.24 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.



5.25 Disclosure of Information Adverse to the City's Interests. To evaluate and avoid potential conflicts of interest, the Contractor must provide written notice to the City, as set forth in this Section, of any work or services performed by the Contractor for third parties that may involve or be associated with any real property or personal property owned or leased by the City. Such notice must be given seven business days prior to commencement of the services by the Contractor for a third party, or seven business days prior to an adverse action as defined below. Written notice and disclosure must be sent to the City's Purchasing and Materials Manager. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in the Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against the City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; or (c) using data to produce income for the Contractor or its employees independently of performing the services under this Agreement, without the prior written consent of the City. Contractor represents that except for those persons, entities, and projects identified to the City, the services performed by the Contractor under this Agreement are not expected to create an interest with any person, entity, or third party project that is or may be adverse to the City's interests. Contractor's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of this Agreement.

5.26 Data Confidentiality and Data Security. As used in the Agreement, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to the Contractor or its subcontractors in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the Contractor or its subcontractors in connection with the Contractor's or its subcontractor's performance of this Agreement is confidential and proprietary information belonging to the City. Except as specifically provided in this Agreement, Contractor or its subcontractors must not divulge data to any third party without the City's prior written consent. Contractor or its subcontractors must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to the Contractor or its subcontractors have first given the required notice to the City: (a) data which was known to the Contractor or its subcontractors prior to its performance under this Agreement unless such data was acquired in connection with work performed for the City; or (b) data which was acquired by the Contractor or its subcontractors in its performance under this Agreement and which was disclosed to the Contractor or its subcontractors by a third party, who to the best of the Contractor's or its subcontractors knowledge and belief, had the legal right to make such disclosure and the Contractor or its subcontractors are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Contractor or its subcontractors are subject. In the event the Contractor or its subcontractors are required or requested to disclose data to a third party, or any other information to which the Contractor or its subcontractors became privy as a result of any other contract with the City, the Contractor must first notify the City as set forth in this Section of the request or demand for the data. The Contractor or its subcontractors must give the City sufficient facts so that the City can be given an opportunity to first give its consent or take such action that the City may deem



appropriate to protect such data or other information from disclosure. Unless prohibited by law, within ten calendar days after completion or termination of services under this Agreement, the Contractor or its subcontractors must promptly deliver, as set forth in this Section, a copy of all data to the City. All data must continue to be subject to the confidentiality agreements of this Agreement. Contractor or its subcontractors assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this Section are violated by the Contractor, its employees, agents or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. A violation of this Section may result in immediate termination of this Agreement without notice.

5.27 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Contractor and any of its subcontractors. At a minimum, Contractor must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Contractor or its subcontractors in connection with this Agreement is believed to have been compromised, Contractor or its subcontractors must immediately notify the City contact. Contractor agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Contractor or its subcontractors under this Section must survive the termination of this Agreement.

5.28 Jurisdiction and Venue. This Agreement is made under, and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

5.29 Survival. All warranties, representations, and indemnifications by the Contractor must survive the completion or termination of this Agreement.

5.30 Modification. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.



5.31 Severability. If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

5.32 Integration. This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.

5.33 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.34 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for the City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later than 5:00 p.m. (Chandler time) on the day of performance.

5.35 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than the City and the Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and the Contractor and not for the benefit of any other party.

5.36 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in the Exhibits, the provisions in this Agreement prevail.

5.37 Document/Information Release. Documents and materials released to the Contractor, which are identified by the City as sensitive and confidential, are the City's property. The document/material must be issued by and returned to the City upon completion of the services under this Agreement. Contractor's secondary distribution, disclosure, copying, or duplication in any manner is prohibited without the City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.38 Exhibits. The following exhibits are made a part of this Agreement and are incorporated by reference:

- Exhibit A - Project Description/Scope of Work
- Exhibit B - Compensation and Fees
- Exhibit C - Insurance Requirements
- Exhibit D - Special Conditions

5.39 Special Conditions. As part of the goods furnished or the services Contractor provides under this Agreement, Contractor agrees to comply with and fully perform the special terms and conditions set forth in Exhibit D, which is attached to and made a part of this Agreement.



5.40 Cooperative Use of Agreement. In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five times during a month, Contractor will submit a full set of fingerprints to the school of each person or employee who may provide such service. The District will conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all Contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the District. Additionally, the Contractor will comply with the governing body fingerprinting policies of each individual school district/public entity. Contractor, sub-contractors, vendors and their employees will not provide services on school district properties until authorized by the District.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City will not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

5.41 Non-Discrimination and Anti-Harassment Laws. Contractor must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.42 Licenses and Permits. Beginning with the Effective Date and for the full term of this Agreement, Contractor must maintain all applicable City, state, and federal licenses and permits required to fully perform Contractor's services under this Agreement.

5.43 Warranties. Unless otherwise provided in Exhibit D, the Contractor must furnish a one-year warranty on all work and services performed under this Agreement. Contractor must furnish, or cause to be furnished, a two-year warranty on all fixtures, furnishings, and equipment furnished by Contractor, subcontractors, or suppliers under this Agreement. Any defects in design, workmanship, or materials that do not comply with this Agreement must be corrected by Contractor (including, but not limited to, all parts and labor) at Contractor's sole cost and expense. All written warranties and redlines for as-built conditions must be delivered to the City on or before the City's final acceptance of Contractor's services under this Agreement.

5.44 Liens. The Contractor warrants that the materials supplied under this Agreement are free of liens and will remain free of liens.

5.45 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the City of the materials, they will be (a) of a quality to pass without objection in the trade under the Agreement description, (b) fit for the intended purposes for which the materials are used, (c) within the variations permitted by the Agreement and are of even kind, quantity, and quality within each unit and among all units, (d) adequately contained, packaged and marked as the Agreement may require, and (e) conform to the Contractor's written promises or affirmations of fact.



5.46 Fitness. The Contractor warrants that any material supplied to City will fully conform to all requirements of the Agreement and all the Contractor's representations, and will be fit for all purposes and uses required by the Agreement.

5.47 Inspection/Testing. The warranties set forth in the Agreement are not affected by the City's inspection or testing of or payment for the materials by the City.

5.48 Packing and Shipping. The Contractor will be responsible for industry standard packing, which conforms to requirements of carrier's tariffs and Interstate Commerce Commission (ICC) regulations. Containers must be clearly marked as to lot number, destination, address, and purchase order number.

5.49 Delivery. All prices are F.O.B. Destination and include all delivery and unloading at the specified destinations. The Contractor will retain title and control of all goods until they are delivered and accepted by the City. All risk of transportation and all related charges will be the responsibility of the Contractor. All claims for visible or concealed damage will be filed by the Contractor. The City will notify the Contractor promptly of any damaged goods and will assist the Contractor in arranging for inspection.

5.50 Risk of Loss. The Contractor will bear all loss of conforming material covered under this Agreement until received by authorized personnel at the location designated in the purchase order or Agreement. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials will remain with the Contractor regardless of receipt.

5.51 Current Products. All products offered in response to this solicitation will be in current and ongoing production; will have been formally announced for general marketing purposes; will be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in the City's solicitation.

5.52 Annual Usage Report. Upon request, the Contractor will furnish to the City an annual usage report delineating the acquisition activity governed by the Agreement. The format of the report will be approved by the City and will disclose the quantity and the dollar value of each agreement item by individual purchasing unit.

5.53 Catalogs/Agreement Price Listing. As applicable, the Contractor will furnish to all requesting departments catalogs at no cost, which will outline agreement prices.

5.54 Emergency Purchases. City reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the Contractor.

5.55 Non-Exclusive Agreement. This agreement is for the sole convenience of the City of Chandler. The City reserves the right to obtain like goods or services from another source when necessary.

5.56 Budget Approval Into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after



the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as an expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council at the time Council adopts the budget.

This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

**FOR THE CITY**

By: \_\_\_\_\_

Its: \_\_\_\_\_ Mayor \_\_\_\_\_

**FOR THE CONTRACTOR**

By: Rob Meriweather \_\_\_\_\_

Its: \_\_\_\_\_ President, Emergency Preparedness \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Attorney *JMB*

**ATTEST:**

By: \_\_\_\_\_  
City Clerk



## **EXHIBIT A TO AGREEMENT SCOPE OF WORK**

### **SCOPE OF WORK**

In 2017, the City purchased 11 CAP 5 Controlled Access Pharmaceutical Dispensers. The City of Chandler Fire Department is seeking proposals from qualified offerors for emergency medical supplies, as well as a web-based inventory management system to assist in the management of the supplies stocked in the CAP 5 Controlled Access Pharmaceutical Dispensers that will meet the following minimum requirements:

- The ability to ship from multiple distribution centers/warehouses to avoid interruption in shipping essential items.
- The ability to ship to multiple locations within the City of Chandler account. Locations will include Fire Stations, Central Supply, and other City buildings.
- The ability to ship items in unit of measure as specified on the Price Proposal Page.
- The ability to provide and support a web-based inventory management system.
- The ability to provide a website that offers secure online ordering and support, reporting, and real-time product availability.
- The ability to provide website access to the online ordering system for multiple users/stations and order supplies specific to that user/station. This must be at no additional cost for the additional users.



## EXHIBIT B TO AGREEMENT COMPENSATION AND FEES

|    | Item #          | Description  | Unit of Measure | Annual Estimated Qty | Unit Price |
|----|-----------------|--|-----------------|----------------------|------------|
| 1  | 2114-87301      | i-gel®O2 Resus Pack, Size 3, 4, 5 Small Adult  | EACH            | 70                   | \$26.26    |
| 2  | 2722-76800      | FilterLine® Intubated Patient Sampling Line, 14ft L, Adult/Pediatric                                 | EACH            | 30                   | \$8.11     |
| 3  | 792-1-1504-50EA | Sunsoft™ Color Coded Guedel Airway, Sizes 00, 0, 1, 2, 3, 4, 5 6                                     | EACH            | 10                   | \$0.25     |
| 4  | D6141           | Nonrebreathing Oxygen Mask with Safety Vent, 7ft Tubing, Pediatric                                   | EACH            | 25                   | \$2.10     |
| 5  | 301-107EA       | Curaplex® Nasal Cannula, Clear, Adult  | EACH            | 75                   | \$0.30     |
| 6  | 020600          | AirLife® Misty Max 10 Small Volume Nebulizer, 10cc, with Mouthpiece, Baffled Tee Adapter, 7ft Tubing | EACH            | 25                   | \$1.37     |
| 7  | 230010          | Ambu® BlueSensor R, Adult, 10 Pouch (Pack of 10 each)  | Pack            | 70                   | \$2.90     |
| 8  | 230005          | Ambu® BlueSensor SP, 10 Pouch (Pack of 10 each)  | Pack            | 70                   | \$2.30     |
| 9  | 2742-40289      | Stat-Padz® HVP Multi-function CPR Electrodes, Adult (2 each)   | PAIR            | 60                   | \$80.01    |
| 10 | E6251           | Precision Xtra Test Strips, Capillary *Not Approved Multi Patient Use* (Box of 50 each)              | BOX             | 120                  | \$20.50    |
| 11 | E6152           | MABIS® Signature® Series Stainless Steel Adult Stethoscope, 30in L, Black                            | EACH            | 20                   | \$15.11    |
| 12 | 353065          | Protectiv® Plus Safety IV Catheter, 24, 22, 20 18ga x 1-1/4in L, Green                               | EACH            | 200                  | \$1.56     |
| 13 | 2764-70721      | Curaplex® Safety Lancet, 21 Gauge, Green (Box of 100 each)   | BOX             | 10                   | \$5.89     |
| 14 | 7800-09         | Sodium Chloride 0.9%, 1000mL Bag   | EACH            | 50                   | \$3.34     |
| 15 | 357500          | Lactated Ringers, 1000mL EXCEL® IV Container   | EACH            | 25                   | \$9.76     |
| 16 | 1712-21002      | SELEC-3 <sup>®</sup> 3-in-1 IV Set with Needleless Y-Site, Luer Lock Y-Site, 82in                    | EACH            | 100                  | \$6.07     |
| 17 | 290024          | CaviCide™ Surface Disinfectant Spray Bottle, 24oz  | EACH            | 35                   | \$11.04    |
| 18 | 1513            | N95 1500 Respirator Mask, Molded Nose Bridge, Large (Box of 50 each)                                 | BOX             | 25                   | \$65.50    |
| 19 | 2742-02190      | OneStep™ Pediatric CPR Electrode, Single (2 each)  | PAIR            | 22                   | \$100.78   |



|    |                |   |      |     |          |
|----|----------------|---|------|-----|----------|
| 20 | 2113-10250     | Curaplex® Cuffed Endotracheal Tube with Stylet, Size 5, 5.5, 6, 6.5, 7, 7.5, 8, 8.5, 9, 10mm                    | EACH | 10  | \$1.55   |
| 21 | 2113-10245     | Curaplex® Cuffed Endotracheal Tube with Stylet, Size 2.5,3, 3.5,4, 4.5mm  | EACH | 10  | \$1.55   |
| 22 | NARZZ-0056     | ARS® Needle Decompression Kit, 14 Gauge   | EACH | 55  | \$9.27   |
| 23 | 179837         | Precision Xtra Blood Glucose Meter, 0.6µL Sample Volume   | EACH | 18  | \$29.99  |
| 24 | 313-7556XN-1EA | O2-MAX™ CPAP System with 3-SET™ O2-CPAP Valve, Ohmeda Quik-Connect™, Adult Medium                               | EACH | 45  | \$46.39  |
| 25 | SEENEBK        | Curaplex® BVM Nebulizer Assist Kit  | EACH | 25  | \$4.27   |
| 26 | 1512           | N95 1500 Respirator Mask, Molded Nose Bridge, Medium (Box of 50 each)   | BOX  | 45  | \$65.00  |
| 27 | 620416         | Regular Bevel Hypodermic Needle, 21G x 1-1/2in, 23G x 1in, Deep Green Hub (Box of 48 each)                      | BOX  | 4   | \$2.40   |
| 28 | 1641-42018     | Regular Bevel Hypodermic Needle, 18G x 1-1/2in, Pink Hub  | EACH | 45  | \$0.05   |
| 29 | 0049-38        | Sodium Chloride 0.9%, 100mL Bag (Bag of 100 each)   | BAG  | 1   | \$231.94 |
| 30 | 1633-10010     | Omnifix® Luer Lock Tip Syringe without Needle, 10mL   | EACH | 30  | \$0.12   |
| 31 | 1633-20720     | Omnifix® Luer Lock Tip Syringe without Needle, 20mL   | EACH | 10  | \$0.29   |
| 32 | 11278          | Luer-slip Tip Tuberculin Syringe with Needle, 1cc, 25ga x 5/8in   | EACH | 250 | \$0.12   |
| 33 | 533-MS-25060EA | Curaplex® Total Non-rebreather Oxygen Mask, High Concentration, Elongated Adult                                 | EACH | 25  | \$6.50   |
| 34 | 2712-40171     | Masimo SET® M-LNCS®, Adhesive Finger Sensor, 18in Cable, Pediatric  | EACH | 15  | \$19.41  |
| 35 | 2712-03911     | Masimo SET® M-LNCS™ Adhesive Finger Sensor, 18in Cable, Adult   | EACH | 15  | \$18.29  |
| 36 | 1214-47548     | QuikClot® EMS Rolled Gauze, 3in x 4ft   | EACH | 25  | \$16.59  |
| 37 | G1284          | QuikClot® Combat Hemostatic Gauze®, 3in x 4yd Strip, Z-fold   | EACH | 45  | \$36.07  |
| 38 | 2731-14602     | Braun Thermoscan® Dual Scale Ear Thermometer, Small/One-box Cradle, 68 to 108°F (20 to 42.2°C) *Non-Returnable* | EACH | 6   | \$262.50 |
| 39 | 3246-95220     | Fast Stretcher, 500lb (Case of 10 each)   | CASE | 11  | \$86.50  |
| 40 | 660525         | Olaes Modular Bandage, 6in  | EACH | 55  | \$7.20   |
| 41 | 3272-53578     | Curaplex® Blanket, Polyester, 60in x 90in, Gray   | EACH | 20  | \$4.77   |



|    |             |  |      |     |               |
|----|-------------|--|------|-----|---------------|
| 42 | 01BM3200-MO | Smart-Bag® MO with Universal Resuscitation Mask, Oxygen Reservoir and Tubing, Adult              | EACH | 3   | \$18.38       |
| 43 | 1920-01010  | IV Flush Syringe Normal Saline, 10mL Prefilled Syringe   | EACH | 14  | \$0.38        |
| 44 | 1613-86214  | Curaplex® CuraSlide™ BC Safety IV Catheter with Blood Control, 18, 16, & 14ga x 1.25in L, Orange | EACH | 200 | \$1.99        |
| 45 | 1613-862202 | Curaplex® CuraSlide™ BC Safety IV Catheter with Blood Control, 24, 22, 20ga x .75 & 1in L,       | EACH | 200 | \$1.99        |
| 46 | 1215-12162  | Halo Chest Vent and Seal, 2 pack   | Pack | 10  | \$16.55       |
| 47 | 2021-14635  | Curaplex® Select Nasopharyngeal Airway, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36FR         | EACH | 30  | \$1.85        |
| 48 | 2222-17000  | SEADUC™ Suction Easy™ with SSCOR DuCanto Catheter®   | EACH | 35  | \$27.34       |
| 49 | 1015-47144  | Curaplex® TritonGrip EP X2™ Nitrile Gloves, Medium, Large, XL, XXL (Box of 100 gloves each)      | BOX  | 52  | \$16.99       |
| 50 | 16353       | Curaplex® Multi-Trauma Dressing, 12in x 30in   | EACH | 50  | \$0.91        |
| 51 | 36012       | Blood Pressure Cuff, Adult   | EACH | 10  | \$6.53        |
| 52 | n/a         | Inventory Management Software Cost per Month per machine - to include Training and support       | EACH | 11  | See next page |

| Manufacturer   | Discount off List |
|--|-------------------|
| Medical Product Catalog                                  | 40%               |
| Pharmaceutical and Iv Solutions                          | 35%               |
| <a href="http://www.boundtree.com">www.boundtree.com</a> |                   |

**\*\*The following Manufacturers are excluded from the catalog discount offer**

5.11 Tactical, Cardio Partners, Ferno Washington, Junkin Safety, KingFisher Medical, Laerdal, Nasco, Philips medical, SScor, Thermal Angel.

**\*\* The following Product Categories are excluded from the catalog discount offer**

Capital Equipment, Custom Kits, Inventory & Secure Storage Systems, King Vision and Airways, Preventative Maintenance, QuickClot Dressings, Recertified AEDs, Service Contracts, Supraglottic Airways and Kits.



**Inventory Management Software Cost**

iQ Technology Software meets all requirements as defined within the bid and supports the City's inventory management needs. With a full award of the EMS supplies listed in this bid and an annual minimum spend of \$150,000 in EMS supplies, the City would be provided with a 100% rebate for the cost of eleven (11) iQ Technology software licenses to support their existing UCapIt equipment.

Bound Tree and IDS Vending will support the City in its transition to the iQ Technology vending software for their existing UCapIt machines. This includes professional install and conversion of existing equipment to new, full color displays, necessary reconfiguration of equipment, setup of software and training at no charge to the City. IDS Vending provides a dedicated support line for software or hardware issues and Bound Tree personnel are also available to support as needed on software setup and questions.

Any additional licenses or equipment can be added upon mutual agreement between Bound Tree Medical and the City. Any spend below the \$150,000 would result in a pro-rated rebate to the City.

| Item Description                             | BTM Item   | Retail Price | Quantity | Yearly Value |
|--|------------|--------------|----------|--------------|
| UCapIt Annual Software Service (11 machines) | 4800-43110 | \$1,200.00   | 11       | \$13,200.00  |



## **EXHIBIT C TO AGREEMENT INSURANCE**

### General.

- A. At the same time as execution of this Agreement, the Contractor shall furnish the City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
- B. The Contractor and any of its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Contractor from liabilities that might arise out of the performance of the Agreement services under this Agreement by Contractor, its agents, representatives, employees, subcontractors, and the Contractor is free to purchase any additional insurance as may be determined necessary.
- E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the Contractor from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- F. Use of Subcontractors: If any work is subcontracted in any way, the Contractor shall execute a written contract with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the Contractor in this Agreement. The Contractor is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

Minimum Scope and Limits of Insurance. The Contractor shall provide coverage with limits of liability not less than those stated below.

- A. *Commercial General Liability-Occurrence Form.* Contractor must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury.



If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

- B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*  
*Vehicle Liability:* Contractor must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Contractor owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.
- C. *Workers Compensation and Employers Liability Insurance:* Contractor must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.

Additional Policy Provisions Required.

- A. *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.
1. The Contractor's insurance must contain broad form contractual liability coverage.
  2. The Contractor's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by the Contractor and must not contribute to it.
  3. The Contractor's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
  4. Coverage provided by the Contractor must not be limited to the liability assumed under the indemnification provisions of this Agreement.
  5. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the Contractor for the City.
  6. The Contractor, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of three years following completion and acceptance of the Work. The Contractor must



submit a Certificate of Insurance evidencing Commercial General Liability insurance during this three year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.

7. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

B. *Insurance Cancellation During Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Contract/Agreement, the Contractor must forward renewal or replacement Certificates to the City within ten days after the renewal date containing all the required insurance provisions.
2. Each insurance policy required by the insurance provisions of this Contract/Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after 30 days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven days of receipt of insurers' notification to that effect.

A. *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the Contractor including the City's general supervision of the Contractor; Products and Completed operations of the Contractor; and automobiles owned, leased, hired, or borrowed by the Contractor.
2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Agreement.



**EXHIBIT D TO AGREEMENT  
SPECIAL CONDITIONS**

**NONE**





**City Council Memorandum      Human Resources      Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
Rae Lynn Nielsen, Human Resources Director  
**From:** Christina Pryor, Procurement & Supply Senior Manager  
**Subject:** Resolution No. 5775, Approving Agreement No. HR3-953-4609, for Deferred Compensation 457 Plan and Post Employment Health Plan Administration, Investment, and Trust Services

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**Proposed Motion:**

Move City Council pass and adopt Resolution No. 5775, approving Agreement No. HR3-953-4609, for deferred compensation 457 plan and post employment health plan administration, investment, and trust services, with Nationwide Retirement Solutions, Inc., for a period of three years, January 1, 2024, through December 31, 2026, and authorizing the City Manager to sign all associated plan documents and future extensions.

**Background:**

The City of Chandler maintains a deferred compensation plan in accordance with Internal Revenue Code Section 457 (the "457 Plan"). The City has also established three Retirement Health Savings Plans (the "RHS Plans"). One RHS Plan covers all full-time employees and benefit-eligible part-time employees. A second RHS plan covers City Council members. A third RHS Plan covers retirees eligible for Medical Expense Reimbursement Plan payments. Administrative, investment and trust services for all plans are currently provided by MissionSquare Retirement (formerly ICMA-RC).

On May 12, 2023, staff issued Request for Proposal No. HR3-953-4609, for deferred compensation 457 plan and post employment health plan administration, investment, and trust services. Notice was sent to all registered vendors. Seven proposals were received from:



Empower Retirement, LLC  
Lincoln Retirement Services Company, LLC  
MissionSquare Retirement  
Nationwide Retirement Solutions, Inc.  
U.S. Retirement & Benefits Partners (USRBP)  
VALIC Retirement Services Company (Corebridge Financial)  
Voya Retirement Insurance and Annuity Company

The Evaluation Committee reviewed the proposals and recommends award to Nationwide Retirement Solutions, Inc., which submitted the most advantageous proposal in accordance with the evaluation criteria.

### **Discussion:**

This new agreement with Nationwide to administer the city's 457 plan is anticipated to provide several benefits for employees and the city over the current vendor agreement. Notably, Nationwide offers an improved website and mobile app experience, an in-person integration at the Arizona State Retirement System (ASRS) offices, full-picture retirement tool, and full integration with the city's payroll and Human Resources Information System (HRIS) functions. All funds currently held by MissionSquare on behalf of city employees will map over to the new plan, with the only difference a proprietary investment product that will convert automatically to a similar Nationwide product.

The tentative timeline for implementation is 90-120 days following approval of the agreement.

### **Financial Implications:**

The per participant annual cost structure is as follows:

457(b) - \$76 open structure or \$28 using proprietary stable value (a reduction from the current \$46 per year)

PEHP (RHS) - \$25 for open structure or using proprietary stable value

These fees will be paid annually and computed on a quarterly basis, per quarter per participant, based on their investments.

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### **Attachments**

Resolution No. 5775 Approving Nationwide Agreement  
4609 Agreement Nationwide



**RESOLUTION NO. 5775**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, APPROVING AND AUTHORIZING THE EXECUTION OF AGREEMENT NO. HR3-953-4609 WITH NATIONWIDE RETIREMENT SOLUTIONS, INC., FOR ADMINISTRATIVE, INVESTMENT, AND TRUST SERVICES FOR THE CITY OF CHANDLER DEFERRED COMPENSATION 457(b) PLAN AND POST-EMPLOYMENT HEALTH PLAN, AND AUTHORIZING THE CITY MANAGER TO EXECUTE RELATED DOCUMENTS.

WHEREAS, the City provides a Deferred Compensation 457(b) Plan (“457 Plan”) and Post-Employment Health Plan (“PEHP”) for City employees and officials; and

WHEREAS, the City wishes to enter a new services agreement with Nationwide Retirement Solutions, Inc., for administrative, investment, and trust services for the 457 Plan and PEHP.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

Section 1. Agreement No. HR3-953-4609 with Nationwide Retirement Solutions, Inc., attached hereto as Exhibit A, is hereby approved and the Mayor is authorized to execute the Agreement.

Section 2. The City Manager, or the City Manager’s designee, is authorized to execute all required plan documents related to the administrative, investment, and trust services provided by Nationwide Retirement Solutions, Inc., for the City’s 457 Plan and PEHP, and execute extensions of the Agreement.

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this \_\_\_\_ day of February 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5775 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_\_ day of February 2024, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK



APPROVED AS TO FORM:

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CITY ATTORNEY *REL*





City Clerk Document No. \_\_\_\_\_

City Council Meeting Date: February 22, 2024

**CITY OF CHANDLER SERVICES AGREEMENT  
DEFERRED COMPENSATION 457 PLAN AND POST EMPLOYMENT HEALTH PLAN  
ADMINISTRATION, INVESTMENT AND TRUST SERVICES  
CITY OF CHANDLER AGREEMENT NO. HR3-953-4609**

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Nationwide Retirement Solutions, Inc., a Delaware privately held mutual corporation (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made \_\_\_\_\_, 2024 (Effective Date).

**RECITALS**

A. City proposes to enter an agreement for Deferred Compensation 457(b) Plan and Post Employment Health Plan recordkeeping, administrative, investment, and trust services as more fully described in Exhibits A and B, and the Nationwide proposal, Exhibit E, which are attached to and made a part of this Agreement by this reference. This Agreement may be expanded by mutual consent of the parties at a later date to include recordkeeping services for a 401(a) Plan by revising the attached Statement of Services accordingly.

B. Contractor is ready, willing, and able to provide the services described in Exhibits A and B for the compensation and fees set forth and as described in Exhibits A and B, which is attached to and made a part of this Agreement by this reference.

C. City desires to contract with the Contractor to provide these services under the terms and conditions set forth in this Agreement

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and the mutual promises contained in this Agreement, City and Contractor agree as follows:

**SECTION I: DEFINITIONS**

For purposes of this Agreement, the following definitions apply:

**Agreement** means the legal agreement executed between the City and the Contractor

**City** means the City of Chandler, Arizona

**Contractor** means the individual, partnership, or corporation named in the Agreement

**Days** means calendar days

**May, Should** means something that is not mandatory but permissible

**Shall, Will, Must** means a mandatory requirement



## **SECTION II: CONTRACTOR'S SERVICES**

Contractor must perform the services described in Exhibits A and B, consistent with the representations and terms in the Nationwide Proposal, Exhibit E, to the City's satisfaction within the terms and conditions of this Agreement and within the care and skill that a person who provides similar services in Chandler, Arizona exercises under similar conditions. All work or services furnished by Contractor under this Agreement must be performed in a skilled and workmanlike manner. Unless authorized by the City in writing, all fixtures, furnishings, and equipment furnished by Contractor as part of the work or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the work or service.

## **SECTION III: PERIOD OF SERVICE**

Contractor must perform the services described in Exhibits A and B for the term of this Agreement.

The term of the Agreement is three years, and begins on January 1, 2024, and ends on December 31, 2026, unless sooner terminated in accordance with the provisions of this Agreement. The City and the Contractor may mutually agree to extend the Agreement for up to two additional terms of three years each, or portions thereof. The City reserves the right, at its sole discretion, to extend the Agreement for up to 60 days beyond the expiration of any extension term.

Not less than 30 days before the expiration or termination of the Agreement, the Parties shall enter an End of Services Agreement to promote the orderly conclusion and transition of services provided under the Agreement. Such Agreement shall identify the Parties' respective surviving rights and obligations including but not limited to: (i) the surviving contract clauses, (ii) record retention requirements, (iii) payment and credit obligations, (iv) tax reporting obligations, (v) data security and confidentiality obligations, (vi) access to data; (vii) transition obligations; and (viii) termination obligations.

## **SECTION IV: PAYMENT OF COMPENSATION AND FEES**

4.1 Unless amended in writing by the Parties, Contractor's compensation and fees as more fully described in Exhibit A (Deferred Compensation 457(b) Plan) and Exhibit B (Post-Employment Health Plan) for performance of the services will be deducted from the participant plan assets on a quarterly basis. The Contractor will provide quarterly statements of fees deducted to the City's designated representative.

4.2 Applicable Taxes. The Contractor will pay all applicable taxes. The City is subject to all applicable state and local transaction privilege taxes. To the extent any state and local transaction privilege taxes apply to sales made under the terms of this Agreement, it is the responsibility of the Contractor to collect and remit all applicable taxes to the proper taxing jurisdiction of authority.

4.3 Tax Indemnification. The Contractor and all subcontractors will pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. The Contractor will and require all subcontractors to hold the City harmless from any responsibility for taxes, damages, and interest, if applicable, contributions required under Federal, state, and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation



insurance, Social Security, and Worker's Compensation.

4.4 All prices offered herein shall be firm against any increase for the initial term of the Agreement. Prior to commencement of subsequent renewal terms, the City may approve a fully documented request for a price adjustment. The City shall determine whether any requested price increases for extension terms is acceptable to the City. If the City approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon by the Parties a written Agreement Amendment shall be approved and executed by the Parties.

## **SECTION V: GENERAL CONDITIONS**

5.1 Records/Audit. Records of the Contractor's direct personnel payroll, reimbursable expenses pertaining to this Agreement and records of accounts between the City and Contractor must be kept on the basis of generally accepted accounting principles and must be made available to the City and its auditors for up to three years following the City's final acceptance of the services under this Agreement. The City, its authorized representative, or any federal agency, reserves the right to audit Contractor's records no more than once in a twelve consecutive month period to verify the accuracy and appropriateness of all cost and pricing data, including data used to negotiate this Agreement and any amendments. The City reserves the right to decrease the total amount of Agreement price or payments made under this Agreement or request reimbursement from the Contractor following final contract payment on this Agreement if, upon audit of the Contractor's records, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data. The Contractor will include a similar provision in all of its contracts with subcontractors providing services under the Agreement Documents to ensure that either the Contractor or the City, its authorized representative, or the appropriate federal agency, has access to the subcontractors' records to verify the accuracy of all cost and pricing data. The City reserves the right to decrease Contract price or payments made on this Agreement or request reimbursement from the Contractor following final payment on this Agreement if the above provision is not included in subcontractor agreements, and one or more subcontractors refuse to allow the Contractor or the City to audit their records to verify the accuracy and appropriateness of all cost and pricing data. If, following an audit of this Agreement, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, the Contractor will be liable for reimbursement of the reasonable, actual cost of the audit.

5.2 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of services, cost of performance, or Project schedule, the work will be performed as directed by the City. However, before any modified work is started, a written amendment must be approved and executed by the City and the Contractor. Such amendment must not be effective until approved by the City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to the Contractor may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra work done or materials furnished by the Contractor will be allowed by the City except as provided herein, nor must the Contractor do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by the Contractor without prior written authorization will be at Contractor's own risk, cost, and expense, and Contractor hereby agrees that without written authorization Contractor will make no claim for



compensation for such work or materials furnished.

Notwithstanding the above, if Nationwide determines that an amendment to the Agreement is necessary that affects more than one plan sponsor and this change is communicated in writing to all affected plan sponsors, Nationwide reserves the right to implement the amendment on a prospective basis for any plan whose plan sponsor who fails to respond to the request for written approval of the amendment in 45 days. Plan Sponsor hereby approves all such amendments unless a proper and timely response is made to Nationwide regarding any Agreement modification communicated to Plan Sponsor.

**5.3 Termination for Convenience.** Either the City or Contractor may terminate the Agreement for any reason upon providing 120 days written notice to the other party. The City and the Contractor hereby agree to the full performance of the covenants contained herein, except that the City reserves the right, at its discretion and without cause, to terminate or abandon any service provided for in this Agreement or abandon any portion of the Project for which services have been performed by the Contractor. In the event the City abandons or suspends the services, or any part of the services as provided in this Agreement, the City will notify the Contractor in writing. Upon such termination, abandonment, or suspension, the Contractor must deliver to the City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by the City. Provision of such written notice of termination by the City to Contractor does not relieve the City of any termination requirements that may be associated with specific investment options. The City further acknowledges and agrees that the City is responsible for any investment product liquidation fees, if applicable, and that neither the Contractor nor any of its affiliates assumes liability for any such fees. The Contractor must appraise the work Contractor has completed and submit Contractor's appraisal to the City for evaluation. The City may inspect the Contractor's work to appraise the work completed. The Contractor will receive compensation in full for services performed to the date of such termination. The fee shall be paid in accordance with Section IV of this Agreement, and as mutually agreed upon by the Contractor and the City. If there is no mutual agreement on payment, the final determination will be made in accordance with the Disputes provision in this Agreement. However, in no event may the payment exceed the payment set forth in this Agreement nor as amended in accordance with Alteration in Character of Work. The City will make the final payment within 60 days after the Contractor has delivered the last of the partially completed items and the Parties agree on the final payment. If the City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.

**5.4 Termination for Cause.** Either the City or the Contractor may terminate this Agreement for Cause upon the occurrence of any one or more of the following events: in the event that (a) the Contractor fails to perform pursuant to the terms of this Agreement. In the event either party fails to perform any or all of its obligations as defined in the Agreement, the non-defaulting party shall give the defaulting party written notice, specifying the particulars of the default. If such default is not cured within sixty days from the date in which notice of default is given, the non-defaulting party may terminate the Agreement upon 60 days written notice to the defaulting party. In addition to the 60 days written notice period, the parties agree to allow for an agreed upon transition period of up to 60 additional days to assure a smooth transition to a successor service provider; (b) the Contractor is adjudged a bankrupt or insolvent, (c) the Contractor makes a general assignment for the benefit of creditors, (d) a trustee or receiver is appointed for Contractor or for any of Contractor's property



(e) the Contractor files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws, (f) the Contractor disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction, or (g) the Contractor fails to cure default within the time requested. Where Agreement has been so terminated by City, the termination will not affect any rights of City against Contractor then existing or which may thereafter accrue.

#### 5.5 Indemnification.

- a. The Contractor must indemnify, defend, save and hold harmless the City and its officers, officials, agents and employees from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) (Claims) caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of the Contractor or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of the Contractor to conform to any federal or state statute or regulation or court decree. Contractor's liability as set forth in Section 5.5(a) shall not apply to the extent such Claims arise out of the negligent or willful acts or omissions of the City or its officers, officials, agents and employees. The Contractor is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, the Contractor agrees to waive all rights of subrogation against the City for losses arising from or related to this Agreement, unless such losses arise out of or are related to their own negligent or willful acts or omissions of the City, its officers, officials, agents and employees. The obligations of the Contractor under this provision survive the termination or expiration of this Agreement.
- b. To the extent not prohibited by state law, the City must indemnify, defend, save and hold harmless the Contractor and its officers, officials, agents and employees from any and all Claims caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of the City or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of the City to conform to any federal or state statute or regulation or court decree. The City's liability as set forth in Section 5.5(b) shall not apply to the extent such Claims arise out of the own negligent or willful acts or omissions of the Contractor or its officers, officials, agents and employees. The City is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, the City agrees to waive all rights of subrogation against the Contractor for losses arising from or related to this Agreement, unless such losses arise out of or are related to the own negligent or willful acts or omissions of the Contractor, its officers, officials, agents and employees. The obligations of the City under this provision survive the termination or expiration of this Agreement.

5.6 Insurance Requirements. Contractor must procure insurance under the terms and conditions and for the amounts of coverage set forth in Exhibit C against claims that may arise from or relate to performance of the work under this Agreement by Contractor and its agents, representatives, employees, and subcontractors. Contractor and any subcontractors must



maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits stated in Exhibit C are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Agreement by the Contractor, the Contractor's agents, representatives, employees, or subcontractors. Contractor is free to purchase such additional insurance as may be determined necessary.

5.7 Cooperation and Further Documentation. The Contractor agrees to provide the City such other duly executed documents as may be reasonably requested by the City to implement the intent of this Agreement.

5.8 Notices. Unless otherwise provided, notice under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the date notice is sent if by electronic mail, or (c) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

**For the City**

Name: Christina Pryor  
 Title: Procurement and Supply Senior Manager  
 Address: 175 S. Arizona Avenue, 3<sup>rd</sup> Floor  
 Chandler, AZ 85225  
 Phone: 480-782-2403  
 Email: christina.pryor@chandleraz.gov

**For the Contractor**

Name: Catherine Moore  
 Title: Associate Vice President  
 Address: 10 West Nationwide Blvd.  
 Columbus, OH 43215  
 Phone: 614-435-6998  
 Email: moorek3@nationwide.com

5.9 Successors and Assigns. City and Contractor each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither the City nor the Contractor may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and the City.

5.10 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between the Contractor and the City, the final determination at the administrative level will be made by the City Purchasing and Materials Manager.

5.11 Completeness and Accuracy of Contractor's Work. The Contractor must be responsible for the completeness and accuracy of Contractor's services, data, and other work prepared or compiled under Contractor's obligation under this Agreement and must correct, at Contractor's expense, all willful or negligent errors, omissions, or acts that may be discovered. The fact that the City has accepted or approved the Contractor's work will in no way relieve the Contractor of any of Contractor's responsibilities.

5.12 Reserved



5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by the City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Contractor. For this Agreement the Contractor constitutes an independent contractor. Any provisions in this Agreement that may appear to give the City the right to direct the Contractor as to the details of accomplishing the work or to exercise a measure of control over the work means that the Contractor must follow the wishes of the City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, the Contractor must assign to the City the key personnel that will be involved in performing services prescribed in the Agreement. The City may acknowledge its acceptance of such personnel to perform services under this Agreement. At any time hereafter that the Contractor desires to change key personnel while performing under the Agreement, the Contractor must submit the qualifications of the new personnel to the City for prior approval. The Contractor will maintain an adequate and competent staff of qualified persons, as may be determined by the City, throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Services. If the City objects, with reasonable cause, to any of the Contractor's staff, the Contractor must take prompt corrective action acceptable to the City and, if required, remove such personnel from the Project and replace with new personnel agreed to by the City.

5.16 Subcontractors. Prior to beginning the work, the Contractor must furnish the City for approval the names of subcontractors to be used under this Agreement. Any subsequent changes are subject to the City's written prior approval.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Laws. Contractor understands, acknowledges, and agrees to comply with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. All services performed by Contractor must also comply with all applicable City of Chandler codes, ordinances, and requirements. Contractor agrees to permit the City to verify Contractor's compliance.

5.19 No Israel Boycott. By entering into this Agreement, Contractor certifies that Contractor is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a



material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Contractor's or subcontractor's employee who provides services under this Agreement to ensure that the Contractor and subcontractors comply with the warranty under this provision.

5.21 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.22 Forced Labor of Ethnic Uyghurs Prohibited. By entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.23 Covenant Against Contingent Fees. Contractor warrants that no person other than its authorized sales staff has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Contractor's firm. For breach or violation of this warrant, the City may annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.24 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.

5.25 Disclosure of Information Adverse to the City's Interests. To evaluate and avoid potential conflicts of interest, the Contractor must provide written notice to the City, as set forth in this Section, of any work or services performed by the Contractor for third parties that may involve or be associated with any real property or personal property owned or leased by the City. Such notice must be given seven business days prior to commencement of the services by the Contractor for a third party, or seven business days prior to an adverse action as defined below. Written notice and disclosure must be sent to the City's Purchasing and Materials Manager. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in the Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against the City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; or (c) using data to produce income for the Contractor or its employees independently of performing the services under this Agreement, without the prior written consent of the City. Contractor



represents that except for those persons, entities, and projects identified to the City, the services performed by the Contractor under this Agreement are not expected to create an interest with any person, entity, or third-party project that is or may be adverse to the City's interests. Contractor's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of this Agreement.

**5.26 Data Confidentiality and Data Security.** As used in the Agreement, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to the Contractor or its subcontractors in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the Contractor or its subcontractors in connection with the Contractor's or its subcontractor's performance of this Agreement is confidential and proprietary information belonging to the City. Except as specifically provided in this Agreement, Contractor or its subcontractors must not divulge data to any third party without the City's prior written consent. Contractor or its subcontractors must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to the Contractor or its subcontractors have first given the required notice to the City: (a) data which was known to the Contractor or its subcontractors prior to its performance under this Agreement unless such data was acquired in connection with work performed for the City; or (b) data which was acquired by the Contractor or its subcontractors in its performance under this Agreement and which was disclosed to the Contractor or its subcontractors by a third party, who to the best of the Contractor's or its subcontractors knowledge and belief, had the legal right to make such disclosure and the Contractor or its subcontractors are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Contractor or its subcontractors are subject. In the event the Contractor or its subcontractors are required or requested to disclose data to a third party, or any other information to which the Contractor or its subcontractors became privy as a result of any other contract with the City, the Contractor must first notify the City as set forth in this Section of the request or demand for the data. The Contractor or its subcontractors must give the City sufficient facts so that the City can be given an opportunity to first give its consent or take such action that the City may deem appropriate to protect such data or other information from disclosure. Unless prohibited by law, within ten calendar days after completion or termination of services under this Agreement, the Contractor or its subcontractors must promptly deliver, as set forth in this Section, a copy of all data to the City. All data must continue to be subject to the confidentiality agreements of this Agreement. Contractor or its subcontractors assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this Section are violated by the Contractor, its employees, agents or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. A violation of this Section may result in immediate termination of this Agreement without notice.

**5.27 Personal Identifying Information-Data Security.** Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Contractor and any of its subcontractors. At a



minimum, Contractor must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Contractor or its subcontractors in connection with this Agreement is believed to have been compromised, Contractor or its subcontractors must immediately notify the City contact. Contractor agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Contractor or its subcontractors under this Section must survive the termination of this Agreement.

5.28 Jurisdiction and Venue. This Agreement is made under and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

5.29 Survival. All warranties, representations, and indemnifications by the Contractor must survive the completion or termination of this Agreement.

5.30 Modification. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.

5.31 Severability. If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

5.32 Integration. This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.

5.33 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.34 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for the City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later



than 5:00 p.m. (Chandler time) on the day of performance.

5.35 Delivery. All prices are F.O.B. Destination and include all delivery and unloading at the specified destinations. The Contractor will retain title and control of all goods until they are delivered and accepted by the City. All risk of transportation and all related charges will be the responsibility of the Contractor. All claims for visible or concealed damage will be filed by the Contractor. The City will notify the Contractor promptly of any damaged goods and will assist the Contractor in arranging for inspection.

5.36 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than the City and the Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and the Contractor and not for the benefit of any other party.

5.37 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in the Exhibits, the provisions in this Agreement prevail.

5.38 Document/Information Release. Documents and materials released to the Contractor, which are identified by the City as sensitive and confidential, are the City's property. The document/material must be issued by and returned to the City upon completion of the services under this Agreement. Contractor's secondary distribution, disclosure, copying, or duplication in any manner is prohibited without the City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.39 Exhibits. The following exhibits are made a part of this Agreement and are incorporated by reference:

- Exhibit A – Administrative Services Agreement Statement of Work for the Governmental 457(b) Deferred Compensation Plan of Chandler Arizona
- Exhibit B - Administrative Services Agreement Statement of Work for the Post Employment Health Plan (PEHP) of the City of Chandler, AZ
- Exhibit C - Fee Schedule
- Exhibit D - Insurance Requirements
- Exhibit E – Nationwide Proposal



In the event of a conflict in the terms and conditions or a legal ambiguity arises among this Agreement and the attached exhibits, the documents in the following order prevail and control:

|   |  |
|---|--|
| 1. Services Agreement   |  |
| 2. Exhibit A – Administrative Services Agreement Statement of Work for the Governmental 457(b) Deferred Compensation Plan of the City of Chandler, AZ | Exhibit B - Administrative Services Agreement Statement of Work for the Post Employment Health Plan (PEHP) of the City of Chandler, AZ |
| 3. Exhibit C – Fee Schedule   |  |
| 4. Exhibit D – Insurance Requirements   |  |
| 5. Exhibit E – Nationwide Proposal  |  |

5.40 Special Conditions. As part of the services Contractor provides under this Agreement, Contractor agrees to comply with and fully perform the special terms and conditions set forth in Exhibit D, which is attached to and made a part of this Agreement.

5.41 Cooperative Use of Agreement. In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five times during a month, the Contractor will submit a full set of fingerprints to the school of each person or employee who may provide such service. The District will conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all Contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the District. Additionally, the Contractor will comply with the governing body fingerprinting policies of each individual school district/public entity. The Contractor, sub-contractors, vendors and their employees will not provide services on school district properties until authorized by the District.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City will not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

5.42 Non-Discrimination and Anti-Harassment Laws. Contractor must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.43 Licenses and Permits. Beginning with the Effective Date and for the full term of this Agreement, Contractor must maintain all applicable City, state, and federal licenses and permits required to fully perform Contractor's services under this Agreement.

5.44 Warranties. Contractor must furnish a one-year warranty on all work and services performed under this Agreement. Contractor must furnish, or cause to be furnished, a two-year warranty on all fixtures, furnishings, and equipment furnished by Contractor,



subcontractors, or suppliers under this Agreement. Any defects in design, workmanship, or materials that do not comply with this Agreement must be corrected by Contractor (including, but not limited to, all parts and labor) at Contractor's sole cost and expense. All written warranties and redlines for as-built conditions must be delivered to the City on or before the City's final acceptance of Contractor's services under this Agreement.

5.45 Emergency Purchases. City reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the Contractor.

5.46 Non-Exclusive Agreement. This agreement is for the sole convenience of the City of Chandler. The City reserves the right to obtain like goods or services from another source when necessary.

5.47 Budget Approval Into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council at the time Council adopts the budget.



This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

**FOR THE CITY**

By: \_\_\_\_\_

Its: Mayor

**FOR THE CONTRACTOR**

By: Douglas Baer

Its: AVP - Client Services, Nationwide

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

City Attorney

*TMB*

**ATTEST:**

By: \_\_\_\_\_

City Clerk



**EXHIBIT A**  
**ADMINISTRATIVE SERVICES AGREEMENT STATEMENT OF WORK**  
**FOR THE GOVERNMENTAL 457(b) DEFERRED COMPENSATION PLAN OF**  
**THE CITY OF CHANDLER, ARIZONA**

The following sets forth performance terms under this Services Agreement No. HR-953-4609 (the "Agreement") between Nationwide Retirement Solutions, Inc., ("Nationwide") and the City of Chandler, Arizona (the "Plan Sponsor") applicable to Nationwide's role as recordkeeper and administrative, investment, and trust services provider for the City of Chandler 457(b) Deferred Compensation Plan (the "Plan").

- For purposes of the Plan, the following statements apply: Plan Sponsor, pursuant to and in compliance with the Internal Revenue Code of 1986, as amended ("Code"), established and sponsors the City of Chandler 457 Deferred Compensation Plan ("Plan"), a Section 457(b) Plan;
- Plan Sponsor desires to have Nationwide perform the non-discretionary recordkeeping, administrative, investment, and trust services described in this Agreement for the Plan ("Administrative Services"); and
- Nationwide desires to provide such Administrative Services subject to the terms and conditions set forth in this Agreement.

**1. TERMS/DESIGNATION**

- a. Plan Sponsor designates Nationwide as a non-fiduciary, non-discretionary provider of Administrative Services for the Plan in accordance with the terms of this Agreement.
- b. Plan Sponsor represents that the selection and designation of Nationwide complies with any procurement statutes applicable to Plan Sponsor.
- c. Any duties or services not specifically described herein or delegated in the Plan's documents as being provided by Nationwide are the responsibility of Plan Sponsor.
- d. Services in addition to those in this Agreement or delegated in the Plan's documents may be added by mutual agreement of Nationwide and Plan Sponsor.

**2. ELIGIBLE EMPLOYER**

Plan Sponsor has determined that it is an "eligible employer" and meets the requirements of Code Section 457(e)(1)(A).

**3. GENERAL**

- a. Plan Sponsor adopts Nationwide's established policies and procedures with respect to the administration of 457(b) Plan on its administrative system. Nationwide and Plan Sponsor shall mutually agree to any procedures which require customization, e.g., loan procedures.
- b. Nationwide will provide the Plan Sponsor with an Adoption Agreement and Plan and Trust Documents which have been designed to comply with the requirements of Section 457(b) of the Code. The Adoption Agreement and Plan and Trust Documents will be prepared by Nationwide at the direction of the Plan Sponsor and with the understanding that it will be reviewed by the Plan Sponsor and the Plan Sponsor's tax and legal advisors prior to execution.
- c. Nationwide will prepare and provide draft Plan Document amendments for review and approval by the Plan Sponsor at such times as Nationwide may determine. Such Plan



amendments may include changes required to keep the Plan Document in compliance with the Code as the result of changes in federal law that affect the Plan. The Plan Sponsor will remain responsible for the accuracy and timely adoption of any Plan amendments

- d. Plan Sponsor acknowledges and agrees that Nationwide is not responsible for monitoring deferrals to other Section 457, 403(b), 401(a), and/or 414(h) plans, or any defined benefit plans referenced by the Code.
- e. Plan Sponsor acknowledges and agrees that Nationwide is not responsible for monitoring inter-plan coordination between the Plan administered by Nationwide and any other plan which Plan Sponsor may have.
- f. This Agreement does not require, nor will this Agreement be construed as requiring, Nationwide to exercise any discretionary control or authority over the Plan or the assets of the Plan.
- g. This Agreement does not require, nor shall this Agreement be construed as requiring, Nationwide to provide investment, legal, or tax advice to Plan Sponsor or to Plan participants.

#### **4. PLAN SPONSOR RESPONSIBILITIES**

- a. Plan Sponsor is responsible for timely providing all information that Plan Sponsor and Nationwide mutually agree is necessary for Nationwide to perform the Administrative Services under this Agreement.
- b. Plan Sponsor is responsible for timely providing updated information regarding Plan participants.
- c. Plan Sponsor is responsible for ensuring that the provided information is accurate and complete. Nationwide is entitled to rely exclusively on the information provided by the Plan Sponsor or the Plan Sponsor's advisors, whether oral or in writing, and will have no responsibility to independently verify the accuracy of that information.
- d. Plan Sponsor acknowledges that inaccurate or late information could result in tax penalties, participant/beneficiary legal claims, or both.
- e. Plan Sponsor is responsible for monitoring maximum deferral limits for the Plan. Nationwide will assist and provide necessary information to support this function.
- f. The Plan Sponsor will not be responsible for any delays, errors, or losses caused by the replacement, modification, or update of Nationwide's information systems and software. Nationwide shall promptly address any system deficiencies and correct any related errors and shall be solely liable for any losses arising from any disruption in services, performance failures, and errors related to changes to Nationwide's information systems or software.

#### **5. SERVICES RELATED TO PARTICIPANT ENROLLMENT**

- a. Plan Sponsor is responsible for determining employees eligible to participate in the Plan.
- b. Nationwide agrees to process the enrollment of employees eligible to participate in the Plan.
- c. Nationwide agrees to conduct enrollment meetings with Plan Sponsor's employees in such number and manner as determined by the parties.
- d. The Plan Sponsor agrees to allow and facilitate the periodic distribution of materials to Participants at the time and in the manner determined by the Plan Sponsor; provided, however, that all reasonable expenses associated with such distribution will be paid by Nationwide.



## **6. SERVICES WITH RESPECT TO PARTICIPANT PLAN ACCOUNTS AND ACCOUNT ACCESS**

- a. Nationwide agrees to establish an account for each enrolled participant, beneficiary, and alternate payee of the Plan (for purposes of this Agreement only, hereinafter referred to as "Participants").
- b. For each Participant account, at a minimum, Nationwide will maintain the following information, if provided:
  - i. Name;
  - ii. Social Security number;
  - iii. Mailing address;
  - iv. Date of birth;
  - v. Current investment allocation direction;
  - vi. Contributions allocated and invested;
  - vii. Investment transfers;
  - viii. Benefit payments;
  - ix. Current account balance;
  - x. Transaction history since funding under the Agreement;
  - xi. Contributions since funding under the Agreement;
  - xii. E-mail address;
  - xiii. Beneficiary designation;
  - xiv. Benefit tax withholding information; and
  - xv. Such other information as agreed upon by the Plan Sponsor and Nationwide.
- c. Participants will have the unlimited ability to increase (within the limitations of Code Section 457(b)) or decrease contributions to the 457(b) Plan. Nationwide will process all requests to increase or decrease contribution amounts made online or over the telephone within 24 hours. Nationwide will process all requests to increase or decrease contribution amounts made through a paper form within five Business Days (The term "Business Day" means each Monday through Friday during the hours the New York Stock Exchange is open for business. No transactions can be completed on any Business Day after such time as the New York Stock Exchange closes.) of receipt of the request, but the request cannot be effective until the earliest date permissible under the Code or, if later, the date the contribution change can be processed by the Plan Sponsor given Plan Sponsor's payroll processing schedule.
- d. Participants will have the ability to exchange existing account balances, in full or in part, and to redirect future contributions from one available investment option to another on any Business Day subject to Nationwide policies and any applicable restrictions or penalties applied by the investment options.
- e. Nationwide will provide reports to the Plan Sponsor within thirty days following the end of each calendar quarter reporting period summarizing the following:
  - i. All Participant activity that transpired during the reporting period;
  - ii. Total contributions allocated to each investment or insurance option under the Plan; and
  - iii. Total withdrawals by Participant. This report shall include the amount, type and date of withdrawal.



- f. Nationwide will maintain the records necessary to produce any required reports for the later of Nationwide or the Plan Sponsor's records retention requirements. Plan Sponsor agrees that all related paper and electronic records remains the property of Nationwide.

## **7. SERVICES RELATED TO PLAN CONTRIBUTIONS**

- a. Plan Sponsor agrees to send all Plan contribution information and related funds to Nationwide on a timely basis that complies with all applicable legal requirements.
- b. Plan Sponsor will provide all contribution allocation information with respect to Participant accounts to Nationwide in a mutually agreed upon format. Contribution allocation instructions include direction via electronic sources.
- c. Nationwide will assist and provide necessary information to support all maximum deferral limit testing for this Plan by the Plan Sponsor.
- d. Nationwide will allocate contribution amounts transmitted by Plan Sponsor to Participant accounts in accordance with the latest instructions from Participants or the Plan Sponsor (as applicable) on file with Nationwide, when such instructions are in good order.
- e. Nationwide agrees to post funds received in good order (as defined below) from Plan Sponsor in accordance with the separate funding arrangements between Plan Sponsor and Nationwide or any of its affiliates.
- f. Plan Sponsor may send funds by wire transfer, through an automated clearinghouse, or by check in accordance with written instructions provided by Nationwide. Failure to follow the written instructions provided by Nationwide may result in delay of posting to Participant accounts.
- g. The term "in good order" means the receipt of required information by Nationwide, in a form deemed reasonably acceptable to Nationwide, with respect to the processing of a request or the completion of a task by Nationwide that reasonably requires information from a third party. More specifically, Plan contributions and contribution allocation information must meet all of the following requirements in order to be deemed to be in good order:
  - i. All records must include the correct and complete Participant name, Social Security number (or other unique identifier), and the amount to be credited to the participant's account(s);
  - ii. The source of funds must be identified (e.g., 457(b) salary reduction, employer contribution);
  - iii. The Plan name and Plan number must be clearly identified;
  - iv. Both the Participant allocation detail and the total contribution amount must be received, and these two totals must match each other; and
  - v. All Participants making or receiving a contribution must have an account established on the recordkeeping system.
- h. If Nationwide determines that the contribution or allocation detail is not in good order ("NIGO"), Nationwide will notify the Plan Sponsor. After such notification, the parties will continue to try to resolve the NIGO status. If the parties do not achieve resolution, Nationwide will return the funds to the Plan Sponsor within thirty Business Days. Nationwide will not be liable for any delay in posting if the Plan Sponsor fails to send the funds representing contribution amounts or contribution allocation information in accordance with Nationwide's instructions to the central processing site designated by Nationwide, or for any delay in posting



that results from the receipt of funds and/or contribution allocation that Nationwide determines to be NIGO.

## **8. SERVICES WITH RESPECT TO DISTRIBUTIONS**

- a. Nationwide shall make all distributions in accordance with the Plan documents.
- b. Except as provided in subsection d, below, Nationwide shall make all distributions as directed by a Participant or the Plan Sponsor. Participants are responsible for selecting a form of payment from those available under the terms of the Plan and making all other elections regarding available distribution options.
- c. All distributions will be made pro-rata from each of the Participant's investment options and money sources unless directed otherwise by the participant.
- d. Nationwide will provide notice and a distribution form to each Participant attaining age 72 (or such other age as determined by current law) or older in the current calendar year. The notice will inform the Participant that required minimum distributions ("RMD") must begin no later than the April 1 of the calendar year following the later of attainment of age 72 (or such other age as determined by current law) or retirement (subject to the terms of the Plan). Nationwide will automatically distribute the RMD to the Participant if no direction is received from the Participant.

## **9. TAX REPORTING**

- a. For each Participant that has received a benefit payment, Nationwide shall furnish tax reporting forms. The forms will be provided in the manner and time prescribed by federal and state law.
- b. To the extent required by federal and state law, Nationwide will calculate and withhold from each benefit payment federal and state income taxes. Nationwide will report such withholding to the federal and state governments as required by applicable law.
- c. Plan Sponsor will be responsible for all tax reporting requirements for periods before the Effective Date of this Agreement, or after the termination date of this Agreement, unless otherwise agreed to in writing by the parties to this Agreement.

## **10. UNCLAIMED PROPERTY**

Nationwide shall administer Participant and beneficiary unclaimed property funds, including but not limited to uncashed distribution checks and death claims, in accordance with Nationwide's standard unclaimed property procedures and state law.

## **11. SERVICES RELATED TO PARTICIPANT COMMUNICATION AND EDUCATION**

### **a. Communication and Education**

- i. Participant Statements
  1. Participants will receive consolidated quarterly statements detailing their account activity and account balances for the Plan.
  2. Nationwide agrees to deliver account statements (by U.S. mail or electronically) to Participants within thirty calendar days after the end of each calendar quarter. This timeframe is contingent upon Nationwide receiving fund returns from the mutual fund providers within four Business Days after the end of each quarter.



**b. Website**

- i. Participants may access the website via a secured internet site at [www.nrsforu.com](http://www.nrsforu.com) to review and make changes to their accounts. The website complies with applicable data protection and privacy laws. The website is the exclusive property of Nationwide.
- ii. Using this site, Participants may: (i) obtain information regarding their accounts, and (ii) conduct certain routine transactions with respect to their accounts. The Plan Sponsor authorizes Nationwide to honor instructions regarding such transactions that a Participant submits using the secure Internet site. Nationwide shall implement reasonable physical and technical safeguards to protect personal information made available on its Internet site. Such safeguards shall be no less rigorous than generally accepted industry practices.
- iii. The website is available twenty-four hours a day, except for routine maintenance of the system.
- iv. The Participant website experience will include access to an education library offering investment education. Content is delivered via multiple formats which can include short videos, print materials, and workshop modules.

**c. Interactive Voice Response System**

- i. Nationwide will provide an interactive voice response (IVR) toll free telephone number, which shall be operative twenty-four hours per day, seven days per week, except for routine maintenance of the system.
- ii. Participants will be able to conduct routine Plan transactions and obtain account balance information through the IVR.
- iii. The Plan Sponsor authorizes Nationwide to honor Participant instructions, which may be submitted using the toll-free number, either through the IVR or a live representative.

**d. Customer Service**

Nationwide's customer service representatives will be available toll-free to answer Participant questions and process applicable transactions between the hours of 8:00 a.m. and 11:00 p.m. Eastern Time each Monday through Friday, and between the hours of 9:00 a.m. and 6:00 p.m. Eastern Time each Saturday, except for certain holidays as dictated by the New York Stock Exchange holiday trading schedule.

Nationwide's customer service representatives will be available at the Nationwide local office 3300 N. Central Ave., Suite 600, Phoenix, AZ 85012, by appointment and for walk-in services Monday through Friday, 8:00 AM to 5:00 PM local Arizona time, excluding holidays.

**12. SERVICES RELATED TO INVESTMENT OPTIONS**

- a. Plan Sponsor acknowledges that it has exercised its fiduciary duties in selecting the Plan's funding vehicles and the applicable investment line-up under such funding vehicles.
- b. Plan Sponsor agrees to accept the terms and conditions of the annuity contracts, mutual funds, any other investment products, and investment advice agreements after being provided with a copy of same.
- c. With respect to funding vehicles that engage an independent investment advisor to establish and maintain the investment line-up, Plan Sponsor agrees that failure to follow the



independent investment advisor's recommendation in accordance with the terms of its agreement with the independent investment advisor will cause Plan Sponsor to become the investment fiduciary for the Plan.

- d. Nationwide agrees to accept contributions to the Plan for investment in the investment options selected by the Plan Sponsor, a product's independent investment advisor, or other responsible Plan fiduciary in its sole discretion and agreed to by Nationwide.

### **13. COMPENSATION**

- a. As compensation for the performance of the Administrative Services provided by Nationwide pursuant to this Agreement, the Plan Sponsor and Nationwide agree that Nationwide shall be entitled to receive an annualized compensation requirement of \$28.00 per Participant account ("Compensation Requirement") to be assessed on a quarterly basis. Nationwide's Compensation Requirement shall be paid from Plan assets, specifically, each eligible Participant account will be assessed a charge of \$7.00 of the last day of each quarter. For this purpose, a Participant account is eligible to be assessed if the Participant account has an account balance on the first day of each calendar quarter (i.e January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup>) that is equal to or greater than \$7.00. In addition to the foregoing, the parties acknowledge and agree that Nationwide may receive revenue associated with annuity contracts, revenue from mutual fund providers, as well as fees associated with specific services or products.
- b. The Plan Sponsor directs Nationwide to assess and collect an additional flat fee of \$29,500 per year, to be taken in four quarterly installments of \$7,375 and collected pro-rata from all participants with a balance in the plan. Participant balances are to include balances held in the Self Directed Brokerage Account, Fixed Account but exclude participant loan balances. This additional fee will be calculated and collected from participant accounts according to Nationwide's standard business practices. This additional fee will be in addition to Nationwide's Compensation Requirement described in Section 13.a. above.
- c. The Plan Sponsor acknowledges that Nationwide and its affiliates receive payments in connection with the sale and servicing of investments allocated to participant Plan accounts ("Investment Option Payments"). The Investment Option Payments include mutual fund service fee payments as described in detail at [www.nrsforu.com](http://www.nrsforu.com), and other payments received from investment option providers. The Plan Sponsor directs Nationwide to credit all Investment Option Payments to participant accounts on a quarterly basis. The Investment Option Payments shall be credited to participant accounts on a pro-rata basis based on each participant's total assets held in all Plan investment options that generated the Investment Option Payments.
- d. Plan Sponsor directs Nationwide to establish and maintain a separate account (the "Plan Expense Account") to which the fee of \$29,500 per year referred to in Section 13.b. The Plan Expense Account will be funded on a quarterly basis. The Plan Sponsor will select a single investment vehicle to be used for the Plan Expense Account, which cannot be an investment vehicle included in the participant investment option line-up. The Plan Sponsor will direct Nationwide, in writing, to pay reasonable and necessary Plan expenses directly to the Plan Sponsor or to a Plan service provider.
  - i. When each invoice is submitted to Nationwide for payment, the Plan Sponsor shall certify in writing that the expenses represented by the invoice are reasonable and necessary Plan



expenses. As the fiduciary of the Plan, the Plan Sponsor is solely responsible for making determinations with respect to the appropriateness of all expenses of the Plan and how the Plan Expense Account is managed. Nationwide does not accept this responsibility.

- ii. The Plan Sponsor will maintain the cumulative balance held in the Plan Expense Account at a reasonable level given the size of the Plan and the Plan's total annual expenses. Should the cumulative balance of the Plan Expense Account exceed a reasonable level, Plan Sponsor will direct Nationwide to allocate any excess accumulation to participant accounts on a pro-rata basis based on their total account balance.
- iii. Notwithstanding Section 13.d.ii above, at the direction of Plan Sponsor, any balance in the Plan Expense Account that has not been applied to pay for reasonable and necessary Plan expenses can be allocated to participant accounts on a pro-rata basis based on their total account balance on an annual basis to be mutually determined and agreed to by the parties.
- iv. All interest accrued in the Plan Expense Account accrues to the benefit of the Plan and Plan Sponsor.
- e. The Plan Sponsor acknowledges that it has received all information about compensation paid to Nationwide as the Plan Sponsor has reasonably requested and has determined that the total amount of compensation paid to Nationwide as described in this Section 13 is reasonable and appropriate for the services provided.
- f. To the extent offered under the Plan, in addition to the above described fees, Nationwide shall also receive fees with respect to a Participant's use of Participant loan administration, the Self-Directed Brokerage Account ("SDBA"), and Nationwide's managed account service ("ProAccount") as follows:
  - i. Loans – If requested by the Plan Sponsor and permitted under the terms of the Plan, Nationwide will assist the Plan Sponsor in processing Participant loan requests pursuant to Participant loan administrative procedures approved by the Plan Sponsor and Nationwide. All Participant loan fees are governed by Nationwide's Plan Loan Procedures document, a copy of which has been provided to the Plan Sponsor.
  - ii. Self-Directed Brokerage Account – The Plan offers an SDBA investment option for qualifying participants in the Plan. Initial and annual administrative fees may be charged as outlined in the separate fee agreement for the SDBA that will be provided to each Participant by Nationwide.
  - iii. Managed account services (Nationwide ProAccount) – Managed account services are offered by Nationwide Investment Advisors ("NIA"), an affiliate of Nationwide, and the Plan Sponsor must execute a separate agreement with NIA if the Plan Sponsor wants to add ProAccount to the Plan. Only participants who choose to utilize Nationwide's ProAccount managed account service are assessed fees. Such fees as shown in the table in Exhibit C are authorized in a separate ProAccount agreement between the participant and NIA and are assessed pursuant to the terms and conditions of such agreement.

Fees related to participant loans, the SDBA and Nationwide ProAccount are in addition to the fees in Sections 13.a., b., and d.
- g. Plan Sponsor may request Nationwide and/or its affiliates to provide additional services not described in this Agreement by making such a request in writing, which Nationwide may decide to perform for compensation to be negotiated by the parties prior to the commencement of the additional services.



#### **14. FRAUD**

- a. Nationwide will investigate suspected fraud in accordance with its standard procedures.
- b. Nationwide will report any fraud that is confirmed after performing its investigation to Plan Sponsor's representative.
- c. Nationwide will work with Plan Sponsor to determine the appropriate action to mitigate or rectify any discovered fraud.
- d. If Nationwide suspects fraud with respect to an ACH transfer, Plan Sponsor agrees that Nationwide may issue a physical check to the Participant instead.

#### **15. CONFIDENTIALITY**

- a. Nationwide agrees to maintain all information obtained from or related to all Plan Participants as confidential.
- b. Plan Sponsor authorizes Nationwide to disclose Plan and employee information to its agents, affiliates, vendors, brokers, registered representatives, and professional advisors (such as attorneys, accountants and actuaries) to enable or assist them in the performance of their duties hereunder and other plan-related activities.
- c. Plan Sponsor agrees to allow the periodic distribution to its employees of materials prepared by Nationwide regarding products and services offered by Nationwide, or its affiliates, which Nationwide reasonably believes would be beneficial to such Plan Participants. Plan Sponsor will have the right to review approve materials prior to distribution.
- d. Except as provided for in Section 15(b), Plan Sponsor agrees that Plan and Participant information may also be used or disclosed by Nationwide to other third parties pursuant to a written authorization signed by Plan Sponsor.
- e. Notwithstanding anything to the contrary contained herein, it is expressly understood that Nationwide retains the right to use any and all information in its possession in connection with its defense and/or prosecution of any litigation or in response to appropriate regulatory inquiries, investigations, industry sweeps, examinations, or validly legal subpoenas issued by our courts of competent jurisdiction, that may arise in connection with the Agreement, the investment arrangement funding the Plan, or the Plan; provided, however, in no event will Nationwide release any information to any person or entity except as permitted by applicable law and regulations thereunder.

#### **16. AUTHORIZED PERSONS**

Plan Sponsor will furnish a list to Nationwide (and from time to time whenever there are changes therein) of the individuals authorized to transmit instruction to Nationwide concerning the Plan and/or assets in the Plan, and written direction regarding the form of such instructions.

#### **17. HEADINGS**

The headings of articles, paragraphs, and sections are included for convenience only and will not be considered by either party in construing the meaning of the Agreement.



**EXHIBIT B**

**ADMINISTRATIVE SERVICES AGREEMENT STATEMENT OF WORK FOR THE POST EMPLOYMENT HEALTH PLAN (PEHP) FOR THE CITY OF CHANDLER, ARIZONA**

The following sets forth the performance terms applicable to Services Agreement No. HR3-953-4609 (the "Agreement") between the City of Chandler, Arizona (the "Employer"), and Nationwide Retirement Solutions, Inc. ("NRS") governing NRS's role as the administrator (the "Administrator") of the Post Employment Health Plan ("PEHP") for the City of Chandler, Arizona Post Employment Health Plan (the "Plan") (collectively referred to as "Party" or "Parties")

For purposes of the PEHP, the following statements apply:

- The Employer is a State or a political subdivision thereof, or an agency or instrumentality of any of the foregoing; and
- The Plan provides post-retirement reimbursement of Qualifying Medical Care Expenses and Health Care Insurance Premiums (as defined in the Plan) for the benefit of eligible government employees who become participants in the Plan, and their dependents; and
- Pursuant to this Agreement, the Employer agrees to make contributions pursuant to and in compliance with the Plan and this Agreement and subject to the Internal Revenue Code of 1986, as amended ("Code"), and its accompanying regulations for work performed by its eligible employees ("Contributions"); and
- The Contributions will be held in trust by the Trustee, or its successor, designated under the Trust for the City of Chandler (the "Trust") for the exclusive benefit of eligible employees and officials, Plan participants, and their dependents; and
- The Employer adopts the Plan by entering into this Agreement ("Agreement") with the Administrator; and
- The Administrator accepts the Employer as an Employer under the Plan upon the terms and conditions set forth in the Plan, the Trust, and this Agreement.

**TERMS**

1. The Employer agrees to be bound by all actions taken by the Administrator and the Trustee pursuant to the powers granted them by the Plan and Trust Agreement. The Employer further acknowledges that under the terms of the Plan, the Administrator's resolution regarding questions relating to administration of the Plan is final and binding upon the Employer, eligible employees and participants.
2. The Administrator agrees to carry out the responsibilities of the Administrator as set forth in the Plan, the Trust, and this Agreement.
3. The Administrator will provide the necessary recordkeeping, administrative, trust, and investment services required for the Employer's PEHP Plan consistent with terms of the Plan and Trust Agreement and as set forth in the representations and terms of its Proposal (Exhibit E).



4. The Administrator will work with the Employer to prepare appropriate Plan documents and other related documents to reflect the specific requirements of the Employer's Plan and meet the requirements of applicable laws. The documents will be prepared by the Administrator with the understanding that they will be reviewed by the Employer and the Employer's tax and legal advisors prior to execution.
5. The Administrator will prepare and provide draft Plan Document amendments for review and approval by the Employer to reflect the Employer's changes to the Plan and any changes required to keep the Plan Document in compliance with the Code as the result of changes in federal law that affect the Plan. The Employer will remain responsible for the accuracy and timely adoption of any Plan amendments.
6. The Administrator or Trustee is authorized to enforce any rights which are provided as a matter of law in favor of the Plan, its eligible employees and participants and their dependents or the Trustee. This provision notwithstanding, if, in the opinion of the Administrator, the terms of the Employer's Plan conflict or come to conflict with the Code and accompanying regulations, the Administrator may refuse Contributions until such time as the conflict is cured. If an Employer desires to change the terms of its Plan, such change must be submitted to the Administrator for acceptance prior to its becoming effective and binding on the Administrator. Such acceptance shall not be unreasonably withheld.
7. The Agreement shall apply to only those employees and participants that the Employer has determined are eligible and for whom the Employer agrees to make Contributions to the Plan. The Employer agrees that in determining who is eligible to receive Contributions under the Plan, the Employer will comply with Code section 105(h) and will not discriminate in favor of highly compensated individuals. The Employer acknowledges that the Administrator has no responsibility to determine which employees or participants of the Employer are eligible to receive contributions under the Plan or to enforce the Employer's compliance with Code section 105(h).
8. This Agreement is contingent upon the attainment, or retention, of the tax-exempt status of the Trust under Code section 501(c)(9).
9. This Agreement is further contingent upon the Plan not violating any provisions of the Internal Revenue Code and its regulations or any ruling or guidance published by the Internal Revenue Service ("IRS") applicable to the Plan, including the terms of any IRS ruling issued to the Plan or other applicable law. The Employer acknowledges that failure to comply with the terms of the Plan and Trust may subject it and its employees to adverse tax consequences.
10. In order to provide for the payment of benefits under the Plan, the Employer hereby agrees to make Contributions to the Trust, as it specifies in the attached Employer Data Sheet. The Employer may change its Contributions from time to time, consistent with the objectives of the Plan and applicable law by a mutually agreeable method between the Employer and the Administrator (which method could include updating the PEHP Employer Data Sheet).



With each Contribution to the Plan, the Employer will provide the Administrator with a Contribution Summary Sheet (or similar report) which lists the full name of each employee or participant for whom contributions are made, his or her Social Security number, the amounts to be allocated on behalf of each such employee or participant and whether the contributions should be credited to the 105 or 106 sub-accounts as defined in the Plan document. The Administrator or its designee shall record the Contribution and reconcile the Employer's Contribution Summary Sheet or other report.

The Administrator may reject Contributions that do not comply with the requirements of the Plan, the Trust and the Code. If the Administrator rejects any Contributions, the Contributions and the Contribution Summary Sheet will be returned to the Employer for resolution. The Administrator shall instruct the Trustee to transfer the Contributions in good order from the lockbox to the Trust investment account upon completion of such recording and reconciliation. Contributions shall not accrue income or share in investment gains or losses while they are in the lockbox prior to the transfer to the Trust investment account or while the Administrator seeks resolution of Contributions not received in good order. The Employer understands that failure to make Contribution in a timely manner may result in sanctions permitted by law, as well as the termination of the Plan, as provided in rules established in the Agreement.

11. The Employer hereby appoints, and approves of, NRS to provide claims payment services and to act as the Administrator for the Plan. The Employer further agrees that the Administrator's compensation for its services shall be outlined in Attachment A "Compensation and Funding Vehicle for PEHP" of this Agreement. Attachment A may be amended at any time by mutual agreement of the Parties.
12. The Administrator shall be responsible for meeting any reporting and notice requirements applicable to the Plan under the Affordable Care Act (IRC 6055) with respect to the retirees and other individuals covered by the Plan, an HRA, including the preparation and distribution of Forms 1094 and 1095.
13. The Employer and NRS hereby acknowledge and agree to the funding vehicle for the Trust as outlined in Attachment A "Compensation and Funding Vehicle for PEHP" of this Exhibit B.
14. The Employer hereby acknowledges it has received the "Disclosure and Acknowledgement Form" (the "Form") which is incorporated into the Agreement, and further agrees to be bound by the Form.



**ATTACHMENT A: COMPENSATION AND FUNDING VEHICLE FOR PEHP**

- a. As compensation for the performance of the Administrative Services provided by Nationwide pursuant to this Agreement, the Plan Sponsor and Nationwide agree that Nationwide shall be entitled to receive an annualized compensation requirement of \$25.00 per Participant account ("Compensation Requirement") to be assessed on a quarterly basis. Nationwide's Compensation Requirement shall be paid from Plan assets, specifically, each eligible Participant account will be assessed a charge of \$6.25 of the last day of each quarter. For this purpose, a Participant account is eligible to be assessed if the Participant account has an account balance on the first day of each calendar quarter (i.e. January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup>) that is equal to or greater than \$6.25. In addition to the foregoing, the parties acknowledge and agree that Nationwide may receive revenue associated with annuity contracts, revenue from mutual fund providers, as well as fees associated with specific services or products.
- b. The Plan Sponsor acknowledges that Nationwide and its affiliates receive payments in connection with the sale and servicing of investments allocated to participant Plan accounts ("Investment Option Payments"). The Investment Option Payments include mutual fund service fee payments as described in detail at [[www.nrsforu.com](http://www.nrsforu.com)], and other payments received from investment option providers. The Plan Sponsor directs Nationwide to credit all Investment Option Payments to participant accounts on a quarterly basis. The Investment Option Payments shall be credited to participant accounts on a pro-rata basis based on each participant's total assets held in all Plan investment options that generated the Investment Option Payments.
- c. The Plan Sponsor acknowledges that it has received all information about compensation paid to Nationwide as the Plan Sponsor has reasonably requested and has determined that the total amount of compensation paid to Nationwide as described in this Section a above is reasonable and appropriate for the services provided.



**EXHIBIT C**  
**FEE SCHEDULE**

|  | <b>Plan Type</b>   | <b>Open Architecture</b> | <b>Using Proprietary Stable Value</b> |
|--|--|--------------------------|---------------------------------------|
| <b>Per-Participant</b>                                       | 475/401(a)   | \$76                     | \$28                                  |
| <b>Per-Participant</b>                                       | PEHP   | \$25                     | \$25                                  |
| <b>Fee assumptions based on 24 days of on-site services.</b> | <p>The Proprietary option assumes the Nationwide True Flex with an initial crediting rate of 2.75% and that existing Plus Fund assets will map to the product no later than February 2024.</p> <p>All options assume Nationwide ProAccount will be available to participants as an optional service and existing managed accounts will map accordingly.</p> <p>The Nationwide Custom PEHP product is available for existing RHS plans. The initial crediting rate is 2.75% and assumes that existing Plus Fund assets will map to the product no later than February 2024.</p> |                          |                                       |

| <b>Other Fees and Expenses</b>                              |   |
|---|---|
| Adding a New Fund to the Investment Platform                | \$0   |
| Each Additional On-Site Participant Education Day           | \$0   |
| Custom Client Branded Communication and Education Materials | Customization of select electronic and print administrative forms with Plan-specific content including Plan name, logo, and City investment line up information |
| CERTIFIED FINANCIAL PLANNER™ Services                       | \$0   |
| Unitized Custom Model Portfolios                            | \$3,000 annually for each portfolio   |
| Non-unitized Custom Model Portfolios                        | \$3,000 annually for each portfolio   |
| Loan Origination  | \$50  |
| Annual Loan Maintenance Fee                                 | \$50  |
| Other Loan Fees   | Default Fee (annual until repaid) - \$50<br>Insufficient Funds Fee - \$25   |
| Hardship Approval and Processing                            | \$0   |
| Qualifying and Processing DROs                              | \$0   |
| Distribution Fees (list all)                                | \$0   |
| Periodic Payments (Installment) Set-Up Fees                 | \$0   |
| Annual Periodic Payments (Installment) Maintenance Fees     | \$0   |
| In-Service 59 ½ Withdrawal Fees                             | \$0   |
| ACH   | \$0   |
| Wire Transfer   | \$0   |



|  |   |            |
|--|---|------------|
| Overnight Delivery                               | \$25  |            |
| Managed Account Fees                             | ProAccount Fee Schedule   |            |
|  | Account Balance   | Annual Fee |
|  | First \$99,999  | 0.50%      |
|  | Next \$150,000  | 0.45%      |
|  | Next \$150,000  | 0.40%      |
|  | Next \$100,000  | 0.35%      |
|  | Assets of \$500,000 and above   | 0.30%      |
| Self-Directed Brokerage Fees                     | Initiation Fee - \$50<br>Annual Maintenance Fee - \$50<br><br>Schwab may assess additional fees based on participant trading activity within their account. |            |
| Creation of Required Annual Notices              | \$0   |            |
| Mailing of Required Notices                      | \$0   |            |
| Creation of Fund Change Notices                  | \$0   |            |
| Mailing of Fund Change Notices                   | \$0   |            |
| Mailing of Participant Statements                | \$0   |            |
| One-Time Costs Related to the Transition or Plan | Included  |            |
| Recordkeeping Contract Termination Fees          | \$0   |            |
| Special Project Fees                             | TBD per project   |            |
| 1095c or other required notices                  | \$0   |            |
| Other Fees (list)                                | N/A   |            |



## **EXHIBIT D INSURANCE**

### **INSURANCE**

#### General.

- A. At the same time as execution of this Agreement, the Contractor shall furnish the City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
- B. The Contractor and any of its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Contractor from liabilities that might arise out of the performance of the Agreement services under this Agreement by Contractor, its agents, representatives, employees, subcontractors, and the Contractor is free to purchase any additional insurance as may be determined necessary.
- E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the Contractor from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- F. Use of Subcontractors: If any work is subcontracted in any way, the Contractor shall execute a written contract with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the Contractor in this Agreement. The Contractor is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

Minimum Scope and Limits of Insurance. The Contractor shall provide coverage with limits of liability not less than those stated below.

- A. *Commercial General Liability-Occurrence Form.* Contractor must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized



to fulfill the requirements of this paragraph, the Excess insurance must be “follow form” equal or broader in coverage scope than underlying insurance.

- B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*  
*Vehicle Liability:* Contractor must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Contractor owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor’s work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be “follow form” equal or broader in coverage scope than underlying insurance.
- C. *Workers Compensation and Employers Liability Insurance:* Contractor must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of work or services under this Agreement and must also maintain Employers’ Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.
- D. *Professional Liability.* If the Agreement is the subject of any professional services or work performed by the Contractor, or if the Contractor engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Contractor must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the Contractor, or anyone employed by the Contractor, or anyone whose acts, mistakes, errors and omissions the Contractor is legally liable, with a liability limit of \$1,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance policy is written on a “claims made” basis, coverage must extend for three years past completion and acceptance of the work or services, and the Contractor, or its selected Design Professional will submit Certificates of Insurance as evidence the required coverage is in effect. The Design Professional must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a three year period.
- E. *Technology Errors and Omissions Liability including Network Security and Privacy Liability*

For Contracts under \$500,000

|           | Minimum Limits: |
|-----------|-----------------|
| Per Loss  | \$ 3,000,000    |
| Aggregate | \$ 3,000,000    |

For Service Contracts over \$500,001

|           | Minimum Limits: |
|-----------|-----------------|
| Per Loss  | \$ 5,000,000    |
| Aggregate | \$ 5,000,000    |



The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two years beginning at the time work under this Contract is completed.

If such insurance is maintained on an occurrence form basis, Contractor shall maintain such insurance for an additional period of one year following termination of Contract. If such insurance is maintained on a claims-made basis, Contractor shall maintain such insurance for an additional period of three years following termination of the Contract.

If Contractor contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), then Contractor shall provide proof of same.

The insurance shall provide coverage for the following risks

- a. Liability arising from theft, dissemination and / or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or transmitted in electronic form.
- b. Network Security Liability arising from the unauthorized access to, use of or tampering with computer systems including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure.
- c. Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network or similar computer related property and the data, software, and programs thereon.

Additional Requirements:

- a. The policy shall provide a waiver of subrogation.

Additional Policy Provisions Required.

- A. *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.

1. The Contractor's insurance must contain broad form contractual liability coverage.



2. The Contractor's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by the Contractor and must not contribute to it.
3. The Contractor's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
4. Coverage provided by the Contractor must not be limited to the liability assumed under the indemnification provisions of this Agreement.
5. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the Contractor for the City.
6. The Contractor, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of three years following completion and acceptance of the Work. The Contractor must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this three year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.
7. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

B. *Insurance Cancellation During Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Contract/Agreement, the Contractor must forward renewal or replacement Certificates to the City within ten days after the renewal date containing all the required insurance provisions.
2. Each insurance policy required by the insurance provisions of this Contract/Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after 30 days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven days of receipt of insurers' notification to that effect.



- A. *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:
1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the Contractor including the City's general supervision of the Contractor; Products and Completed operations of the Contractor; and automobiles owned, leased, hired, or borrowed by the Contractor.
  2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Agreement.



**EXHIBIT E**  
**NATIONWIDE PROPOSAL**



# **Preparing your retirement. Together.**

**City of Chandler, AZ**

**Request for Proposal  
6/9/2023**



6/9/2023

Christina Bryor, CPPO  
Procurement and Supply Senior Manager  
Purchasing Division  
City of Chandler

Re: City of Chandler – RFP HR3-953-4609 – Deferred Compensation 457 Plan and Retirement Health Savings Plan Administration, Investment and Trust Services

Dear Christina Pryor,

Nationwide is pleased to submit our response to the City of Chandler's (the City) Request for Proposal for Deferred Compensation 457 Plan and Retirement Health Savings Plan Administration, Investment and Trust Services.

Nationwide's mission has never been clearer; to protect people, businesses, and futures with extraordinary care. At its core, that's our promise to help your participants prepare for and live comfortably in retirement. And when it comes to participant outcomes, we're obsessed.

Positive outcomes look different for each participant based on their unique goals and needs. But it's about helping them take their next best step over time. With Nationwide, know that your employees will get more than point-in-time suggestions from fancy digital tools; they'll also be surrounded and nurtured with one-to-one tailored education and guidance as they move through life's ups and downs helping them achieve better and more persistent outcomes. In fact, our approach has driven over \$700 million in increased retirement savings over the past three years. Because, like we said, at Nationwide – we're outcome obsessed.

The key to how we deliver on our promise is how we organize around you. Here's why we believe Nationwide will make a difference for the City of Chandler's 457 and RHS plans:

**We offer a Better Participant Experience that delivers meaningful outcomes**

- **Person-to-Person Tailored Education & Guidance** – With a winning combination of a field-based Retirement Specialist and our Retirement Resource Group (RRG), we ensure that every employee gets the individual education, enrollment and financial planning support he or she needs to achieve real outcomes. We have found that a strong local presence, along with support with our virtual Retirement Resource, delivers the flexibility today's employees need resulting in greater impact. We also believe every participant, regardless of account balance, should have access to experienced professionals who maintain the Certified Financial Planner (CFP) designation at no cost. CFP services are integrated into the Retirement Resource Group so we can easily provide participants and their families with a detailed analysis of their holistic financial situation and recommendations.
- **Investment Options to Fit All Types of Goals** – Whether your employees are investing to maximize returns or want the security of guaranteed income in retirement, we have solutions to help them meet their individual goals. We will partner with you and your consultant to select and implement the investment solutions deemed necessary for your workforce.
- **Award Winning Digital Motivators, Tools & Support** – Our digital self-service tools and pro-active personalized communications are designed to help your employees get on track and stay there throughout life's twists and turns. Today's participants expect information or assistance immediately to expedite a decision or take an action. Participants will also have access to the award-winning Nationwide Solutions Center which is available with extended business hours of 6 a.m. to 9 p.m. MT, Monday through Friday, as well as Saturday from 7 a.m. to 4 p.m. MT.

**We offer Administrative Simplicity, relieving your burdens and improving efficiency**

- **Relationship Management Model** – Our relationship management model is designed to meet your strategic goals, objectives and needs with high-value, comprehensive services. Your Nationwide Relationship Manager will lead annual strategic planning sessions, governance meetings, and bring in expertise from resources across the company as needed to deliver on plan expectations. A single point of contact for all administrative needs and a comprehensive online plan sponsor portal provides you with the simplicity you need to run an effective plan.
- **Transition Expertise** – Nationwide has vast large-plan transition experience, and we use best practices gleaned from years of experience to make for a smooth transition to Nationwide. We have been trusted to transition more than 230 public-sector plans since 2013, which includes 54 plans from MissionSquare.
- **Performance Guarantees** – We stand by our commitment to execute a successful transition and provide timely and accurate administrative services throughout the life of the contract. As a demonstration of our commitment, Nationwide will put \$10,000 at risk towards mutually agreeable transition guarantees and \$10,000 annually toward mutually agreeable



City of Chandler, AZ  
457 & RHS Plans

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performance guarantees. We look forward to discussing performance guarantees further with City.

**We are a strong and stable mutual company with core values that translate to extraordinary service**

- **A Mutual Company** – Founded in 1926 as a mutual company, Nationwide's businesses have a common goal: protect what matters most to our customers with extraordinary care. Because we are owned by our members and not shareholders, the quarterly earnings pressures of publicly held companies don't sway us. We take a long-term view of our investments and business decisions to ensure we provide the most benefit to our customers, and we have the strength, stability and staying power to deliver on our promises. We have more than 50 years of dedicated service working with public sector Plan Sponsors and their employees. And we are proud to have been acknowledged as Fortune 100 Company; currently ranked #83.
- **Commitment to Diversity, Equity and Inclusion** – Our commitment to diversity, equity and inclusion is who we are and how we do business. Our robust Associate Resource Groups and Business Unit Councils, with over 17,000 members, empower associates to move the business forward, give back to the community and develop professionally and personally. We are honored to be recognized for our efforts, including by Fortune (50 Best Places for Diversity) and Black Enterprise (Top Companies for African Americans).
- **A Culture of Giving Back** – Part of being a great company is also being a great community partner. We do this by giving local organizations the financial resources they need to support their communities at critical moments. At the heart of this commitment is the Nationwide Foundation, which provides financial assistance to nonprofit organizations. Through the American Red Cross, United Way of America, Nationwide Children's Hospital, and Feeding America, our employees give not only their donations but also their time.

We appreciate this opportunity to partner with the City of Chandler. We commit to going above and beyond to do the right thing at the right time so you get a better partner and your participants enjoy better outcomes. Our focus on those outcomes, delivering administrative simplicity, and the confidence our Brand provides, at a competitive price, makes choosing Nationwide the clear choice.

If you have any questions, please contact Marshall Goff, Client Acquisition Director, at (619) 504-1754 or at [marshall.goff@nationwide.com](mailto:marshall.goff@nationwide.com).

Sincerely,



**John C. Kilbane**  
Associate Vice President  
Retirement Solutions - Finance

Cc: Marshall Goff, Client Acquisition Director  
John Chavez, Consultant Relationship Manager  
Jim Keeler, Executive Relationship Manager  
Matt Gayman, Program Director




City of Chandler, AZ  
457 & RHS Plans

3



CITY OF CHANDLER  
NOTICE OF REQUEST FOR PROPOSAL HR3-953-4609

**PROPOSER INFORMATION AND OFFER SECTION**

|   |   |                |  |
|---|---|----------------|--|
| Company Name  | Nationwide Retirement Solutions, Inc.   |                |  |
| Business Type (Corporation, Partnership, etc.)                                | Privately held mutual corporation   |                |  |
| State of Incorporation (if applicable)  | Delaware  |                |  |
| Federal Tax I.D. No.  | 73-0948330  |                |  |
| Address   | 10 West Nationwide Blvd.  |                |  |
| City, State, Zip  | Columbus, Ohio 43215  |                |  |
| Authorized Signature  |    |                |  |
| Name and Title  | John C. Kilbane<br>Associate Vice President<br>Retirement Solutions - Finance   |                |  |
| Contact Name  | Marshall Goff   |                |  |
| Title   | Client Acquisition Director   |                |  |
| Telephone   | (619) 504-1754  |                |  |
| E-mail  | marshall.goff@nationwide.com  |                |  |
| Chandler Transaction Privilege Tax (TPT) No. (if applicable)                  | N/A   | Date of issue: |  |
| Is proposed purchase subject to TPT?  | <input type="checkbox"/> yes <input checked="" type="checkbox"/> no   |                |  |
| Will you accept a City Procurement Card (MasterCard) for payment of invoices? | <input type="checkbox"/> yes <input checked="" type="checkbox"/> no   |                |  |
| If you accept a MasterCard for payment, do you charge a fee?                  | <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, what is the fee? N/A                                |                |  |
| Will you accept automated clearinghouse (ACH) for payment of invoices?        | <input checked="" type="checkbox"/> yes <input type="checkbox"/> no   |                |  |
| Prompt Payment Terms Offered  | <u>N/A</u> % Net <u>    </u> days   |                |  |
| Disclosure of Debarment or Suspension   | <input type="checkbox"/> yes <input checked="" type="checkbox"/> no<br>(If yes, please attach description of the circumstances) |                |  |
| Exceptions Taken  | <input checked="" type="checkbox"/> yes <input type="checkbox"/> no<br>(If yes, please attach a clearly identified section)     |                |  |





|   |  |
|---|--|
| Date Addendum #1<br>Acknowledged/Received | Addendum #1 issued 6/5/23<br>Acknowledged and received |
| Date Addendum #2<br>Acknowledged/Received | N/A  |

**Contact Information**

Provide contact information for the primary representative for this proposal

|                        |  |
|------------------------|--|
| <b>Company Name</b>    | Nationwide Retirement Solutions, Inc.      |
| <b>Company Address</b> | 10 W. Nationwide Blvd. Columbus, OH 43215  |
| <b>Contact Name</b>    | Marshall Goff, Client Acquisition Director |
| <b>E-mail address</b>  | marshall.goff@nationwide.com               |
| <b>Mailing address</b> | 10 W. Nationwide Blvd. Columbus, OH 43215  |
| <b>Phone number</b>    | (619) 504-1754                             |

**A. Key Considerations, Firm Overview, and Personnel Questions****1. Explain what differentiates your firm from other recordkeepers when partnering with plans similar to The City.**

Nationwide's businesses have a common goal: protect what matters most to our customers with extraordinary care. We do this by being a trusted partner in helping America's employees prepare for a more secure financial future. Nationwide is proud that our culture supports values that translate to service. We do not promote a "one size fits all" service strategy. The City has unique needs, and we have the flexibility and experience to meet and exceed your needs.

Focusing on people and providing high-touch participant services is how we differentiate Nationwide. We offer comprehensive financial planning, education, financial wellness tools, and proactive communications to help prepare your employees for retirement.

Below are a few ways we distinguish ourselves from our competitors:

- **A Culture of Outstanding Service** – When you are a mutual firm, like Nationwide, there are certain things that customers can feel in many meaningful ways. Publicly traded companies manage toward quarterly earnings and are beholden to a stock price. Being a mutual firm allows us to be customer centric as we look inward to invest in our people and customers and allows us to take a longer-term view of our investments and business decisions to ensure we provide the most benefit to our customers. With 49 years of experience, we have the strength, stability and staying power to deliver on our promises. We believe our clients and partners are our greatest strength, our largest investment, and the inspiration for everything we do.
- **Full Financial Planning** – We offer unlimited financial planning services with a licensed Personal Retirement Consultant through our Retirement Resource Group at no cost to the Plan or participant. This service is offered to all participants regardless of participation or account balance. Financial planning services are available virtually or over-the-phone with one of our licensed representatives during extended business hours of 6:30 a.m. to 6 p.m. MT, Monday through Thursday, and Friday from 6:30 a.m. to 4:30 p.m. MT. Personal Retirement Consultants provide complimentary holistic financial planning and retirement income analysis for Plan employees. They provide a detailed analysis of each participant's holistic financial situation, allowing them an opportunity to better understand their preparedness for a successful retirement. In addition, Personal Retirement Consultants can discuss in-depth the participant's options at retirement for them to make an informed decision.
- **Unlimited Virtual Retirement Resource Group** – An extension of the services offered through the local service, Nationwide's full team of internal Retirement Specialists are available virtually or via toll-free telephone lines to help participants address retirement questions and concerns over the phone with the same experience participants would receive face-to-face. The Retirement Resource Group is staffed by 40 licensed professionals





who maintain the required FINRA registrations and state Life and Health licenses. The Retirement Resource Group is available during extended business hours of 6:30 a.m. to 6 p.m. MT, Monday through Thursday, and Friday from 6:30 a.m. to 4:30 p.m. MT. Internal Retirement Specialists are located at our headquarters and offer account assessments and investment education. All Internal Retirement Specialists are appropriately registered with FINRA and hold their State, Life, and Health licenses.

- **Nationwide Retirement Institute** – Nationwide Retirement Institute was formed to help advance the collective thought-leadership of Nationwide and improve the financial health and retirement outcomes of Nationwide's clients and their employees. The Nationwide Retirement Institute identifies and looks for solutions for the challenges retirees face today and in the future. We leverage the experience and leadership the Nationwide Retirement Institute provides to help educate Plan employees about advanced retirement topics such as income planning, health care, long-term care, and social security in simple, easy to understand ways. These topics are covered in workshops and specific action plans are created by plan participants to address potential challenges they face. Retirement Insight Consultants, offered through the Nationwide Retirement Institute, conduct webinars and workshops to break down complex issues retirees face, such as health care and Social Security.
- **Proactive Communications** – Using sophisticated data and analytics and simple, yet strong messaging, each communication through the **Participant Engagement Program** is designed to engage participants and motivate them to act. The data and analytics let us know what message to send to the individual participant at the right time and the medium(s) that they prefer. By knowing the participant, the Participant Engagement Program goes beyond just point-in-time quarterly campaigns to create a truly personalized and integrated journey that flexes as decisions are made and preferences and circumstance change. Targeted communications are served through multiple mediums, including digital and social media messages, emails, webinars, direct mailings, on-site promotions, educational videos, and newsletters. We understand the ways in which the participant most often interacts, and we seek to engage with and communicate with the participant in that desired medium. This means some participants may receive messages in digital format while others might receive direct mail, for example.
- **Extended Solutions Center Hours** - Our Solutions Center offers extended hours to accommodate the diverse work schedules of the City's employees. Solutions Center Representatives are available during the extended business hours of 6 a.m. and 9 p.m. MT, Monday through Friday, and Saturday from 7 a.m. to 4 p.m. MT. Solutions Center Representatives are specifically trained to assist participants with most account questions, including but not limited to
  - All account information
  - Account maintenance
  - Assistance with enrollment paperwork
  - Distribution questions and calculations
  - Deferral amount changes and exchanges
  - Death claims
  - Beneficiary changes
  - Provide forms and packets to participants
  - Information on fund choices
- **Award Winning Digital Tools** - We are proud to say that Nationwide has one of the best mobile experiences in the industry. DALBAR Inc., the financial community's leading independent expert for evaluating and rating customer performance and product quality, has ranked our website #1 in the retirement planning industry since 2014. The website and mobile app offer access to a unique set of tools, calculators and educational resources designed to help participants prepare for and live in retirement, including:
- **My Interactive Retirement Planner** – My Interactive Retirement Planner allows participants to take an in-depth look at their retirement savings and can take as little as five minutes from start to finish. We help participants by estimating their Social Security benefits and allowing them to personalize the experience by adding assets outside of the Plan as well as spousal information. Using the My Interactive Retirement Planner, participants will have the ability to see how ready they are for retirement now, model different contributions and retirement spending scenarios, and identify how changes now may impact their retirement in the future. The tool also features an asset aggregator that allows participants to link account balances held at outside financial institutions





to provide a more comprehensive retirement picture. Participants can include many financial products using this tool, including bank accounts, IRAs, and more.

- **My Investment Planner** – For those participants who want to manage their own account, Nationwide makes investment advice available through our My Investment Planner at no additional cost. Once a participant has logged into their secure online account, they will be able to access the My Investment Planner tool from multiple locations throughout the website including the Tools and Calculators page and the Manage My Funds page. Nationwide Investment Advisors, LLC serves as the registered investment adviser for My Investment Planner has retained Wilshire Associates Incorporated as the Independent Financial Expert for My Investment Planner, which provides individualized investment advice using an investment process developed and maintained by Wilshire. Participants are asked to complete a six-part questionnaire (the Risk Tolerance Questionnaire) to assess their risk tolerance and investment time horizon. Using this information, Wilshire's methodology identifies the appropriateness of one of five unique risk-based profiles for each participant. The tool provides specific investment advice at the fund level using the Plan's investment options.
- **Health Care Estimator** – The Health Care Estimator helps participants estimate their health care costs in retirement by answering a few basic questions. This personalized, monthly estimate of health care costs in retirement helps motivate participants to save more.
- **Learning Center** – A dedicated learning center library on the website offers educational articles, videos, tools, and calculators for participants in each stage of their career, including retirees.
- **Webinars** – Nationwide provides participants with live webinar sessions delivered by the Zoo's local Retirement Specialist. Retirement Specialists conduct webinars using any of the education modules below and answers participant questions throughout the session. Current webinars include:
  - Avoid Emotional Investing
  - Retirement Myths and Realities
  - Investment Basics
  - Basics of Personal Finance
- **Additional Financial Tools and Calculators:**
  - Paycheck Impact Calculator
  - Future Value Calculator
  - Payout Illustrator Tool
  - College Savings Calculator
  - Peer Comparison
  - Roth Analyzer

#### Nationwide Protects Plan and Plan Participant Data

Privacy and security are imperative in today's information technology-driven society and Nationwide firmly believes in the value of system security to keep our information, hardware, software, facilities, and most importantly, your Plan's information secure. We have developed a highly effective partnership between our technology and business teams. Our holistic approach focuses on three key areas for detection and prevention: *People, Process and Technology*.

#### People

- More than 200 Nationwide associates are dedicated to data protection. We staff a Security Command Center 24/7 to monitor potential threats as soon as they occur. These professionals are responsible for the investigation and review of any attempted data exfiltration to external devices and for enforcing compliance with Nationwide's Confidentiality Agreement and Information Security Policy.
- All Nationwide associates are required to attend Fraud Identification and Prevention Training
- Nationwide associates are only granted the access necessary to do their jobs. An automated tool is used to maintain least-privileged access. The tool immediately revokes access upon termination, and Managers routinely review and approve their associate's access.





- Prior to any account change or inquiry over the phone, Solutions Center Representatives are required to execute identity proofing whereby the participant will be required to correctly answer a minimum of three pieces of uniquely identifiable data elements. Solution Center Representatives are required to use both static and dynamic data elements and security questions are rotated regularly.

#### Process

- The foundation of Nationwide's information security starts with our Information Security Policy. It provides a comprehensive framework for adhering to sound information security practices and is modeled on NIST 800-53. The Policy is then implemented through dozens of more specific Information Security Standards, which are actively managed to map to a wide variety of federal, state, and industry information security guidelines. Our formal Information Security Policy is reviewed, updated as necessary, and approved at least annually by Executive Leadership & the Board of Directors.
- Our security program leverages a wide set of tools and processes that we use to monitor activity on our network systems. For example, we use a suite of tools to scan the network and endpoints to protect against viruses and malware. These tools are routinely updated by the vendor to address newly discovered threats. Further, we employ intrusion detection services and intrusion prevention services to monitor and block unusual or malicious activity on the network.
- Nationwide applies encryption methodology that conforms to the NIST approved algorithms, key lengths, and related standards as outlined on the NIST website. Data which resides on all end-points, and laptops use full disk encryption. In addition, Personally Identifiable Information (PII) may only be copied to a Nationwide approved encrypted device. This is enforced through data loss prevention tools deployed on every endpoint. Email at rest is encrypted and structured application data at rest on network storage is encrypted as well. All data which resides on the mainframe is encrypted at rest. Finally, we leverage Mobile Device Management (MDM) technology which allows for remote wipe and device encryption for all mobile end-points.
- All Nationwide associate workstations, portable media devices, and removable media containing participant data are monitored using data loss prevention tools to block any confidential data exfiltration. Alerts are sent to our Security Command Center based upon defined thresholds for further review.
- Nationwide uses data loss prevention tools to monitor and block confidential information on endpoints. These tools report into the company's centralized log review system, where the data is assessed daily by information security professionals.
- When Nationwide's Threat Intelligence Team is alerted to a cybersecurity threat outside of Nationwide that may impact our Plan Sponsors and their employees -- such as a ransomware incident -- we expediently work with the Solutions Center management team to provide relevant information on that threat to our front-line Solutions Center Representatives to help protect Plan and participant data from inappropriate external access and future use.
- A building management system (BMS) is utilized to monitor the environment controls within the facilities, including HVAC, fire detection and suppression and power management equipment. Access and authentication mechanisms to the physical and environmental security systems are governed through Active Directory.
- We leverage a defined response process where all suspected fraud is investigated, documented and file appropriate paperwork with Financial Crimes and Sanctions when appropriate.

#### Technology

- Multi-factor authentication (MFA) is deployed on the Retirement Plans participant and business partner facing websites.
- Nationwide partners with our MFA provider to obtain device specific information to identify and stop fraudulent devices from accessing our network.
- Enhanced registration controls require entry of a unique case or account number for participant web profile registration.
- We have implemented technology in our Nationwide Solutions Centers that assesses more than 300 call characteristics, such as the point of origin of the call and the volume of calls in a given period to determine if the call could be fraudulent and needs to be escalated for security purposes.
- We offer Nationwide Account Lock, a feature that allows participants to prevent distributions from being taken from their retirement account until they unlock the account using a unique password.
- We use a service for distribution requests that allows our experienced team members to confirm bank account ownership and status in real-time before processing. We can detect potentially fraudulent activity and take additional steps to ensure that the actual participant is requesting the distribution.





Nationwide has a cyber security insurance policy through Berkshire to enhance protection for both Plan Sponsors and participants. The policy has a \$10,000,000 limit and has the Technology and Telecommunications Services Coverage Endorsement.

#### **Nationwide Account Pledge**

In addition to the cyber security coverage provided by the insurance policy through Berkshire, Nationwide also offers fraud protection through Nationwide Account Pledge. With our fraud restoration commitment, Plan Sponsors and their employees can feel confident that we are there to help protect them when fraud happens. If a distribution is completed due to a failure of a Nationwide control and is promptly reported, we will restore the unrecoverable amount of the unauthorized withdrawal as of the date of the original transaction. The restoration is subject to certain limitations and restrictions.

Please refer to the Important Disclosures included with this response for more information.

## **2. Based on your understanding of this proposal and the client, why should the City select the firm?**

Our first-hand knowledge and proven track record in providing exceptional plan administration, educational services, marketing, reporting, and large plan transitions makes choosing Nationwide as your partner a clear choice.

**ADMINISTRATIVE SIMPLICITY:** We will partner the City with tenured experienced Executive Relationship Manager, Jim Keeler. Jim has nearly 26 years of retirement industry experience working exclusively in public-sector retirement plans. Jim will serve as the primary point-of-contact for your staff. The City's Relationship Consultant, Andrew Mertz, will help to ensure the Plan is being administered to the contracts and plan documents and that processes and enhancements to the Plan are implemented successfully through our corporate office.

**BETTER PARTICIPANT EXPERIENCE:** Nationwide offers an integrated approach to participant education and communication through our Participant Engagement Program, award-winning tools through our website and native mobile app, and nurturing your employees with 1:1 tailored education and guidance through a combination of onsite and unlimited virtual services. Nationwide offers your employees the flexibility to engage and build trusted relationships as they receive the personalized care and guidance they deserve. We will partner the City with experienced local Retirement Specialist, Ninoska Metcalfe, who will deliver group presentations and individual consultations both in-person and virtually. We offer unlimited financial planning services with a licensed Personal Retirement Consultant through our Retirement Resource Group at no additional cost to the Plan or participant. This service is offered to all participants regardless of participation or account balance. They provide a detailed analysis of each participant's holistic financial situation, allowing them an opportunity to better understand their preparedness for a successful retirement. Your employees will have access to our award-winning mobile responsive website/native app and tools, including the My Interactive Retirement Planner<sup>SM</sup>, an industry leading retirement planning platform that assists participants in the accumulation and decumulation phase with everything from choosing a contribution amount to planning investments and detailed income planning. Our award-winning and innovative Participant Engagement Program is specifically designed to manage and orchestrate the participant experience across multiple channels to drive engagement. This program delivers personalized and relevant communications and interaction opportunities to your employees at just the right time to encourage better retirement planning behavior. Targeted communications are served through multiple mediums, including digital and social media messages, emails, webinars, direct mailings, onsite promotions, educational videos, and newsletters.

**VALUES THAT TRANSLATE TO SERVICE:** Our focus is growth through acquisition, current plan growth (participation), and retention of all the Plan Sponsors we currently service - not selling away. We are investing in the business to drive operational efficiency with high quality. Our highly engaged associates drive better participant experiences and outcomes for our clients. Our engaged versus disengaged ratio is far above the industry at 24:1. This engagement is recognized by being named over the past six consecutive years to Fortune's 100 Best Companies to Work For.

## **3. List any subcontractors, the services they provide, and the percentage of recordkeeping revenue allocated to the subcontractor.**

All services described in this response are provided by Nationwide.



City of Chandler, AZ  
457 & RHS Plans

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## Firm Overview

## 4. Please provide the information requested:

|   |  |
|---|--|
| <b>Year Founded</b>   | 1926   |
| <b>Brief History</b>  | <p>Nationwide exists to protect people, businesses, and futures with extraordinary care. We are a Fortune 100 company based in Columbus, Ohio, and one of the largest and strongest diversified financial services organizations in the United States. Founded by farmers in 1926 to collectively protect what matters most, we have built a diversified business portfolio that provides financial stability built on authentic, long-standing relationships with our clients. This has resulted in a Brand well-known and trusted by consumers across the country for nearing 100 years.</p> <p>Formerly known as PEBSCO (Public Employees Benefit Services Corporation), Nationwide Retirement Solutions, Inc. (NRS) was formed in 1973 as a provider of marketing and third-party administration services for government sector employers. PEBSCO and Nationwide (the company that would eventually purchase PEBSCO) first joined forces in 1975, with Nationwide providing annuity products, and PEBSCO providing administration and marketing services.</p> <p>In May of 1982, Nationwide acquired PEBSCO and, in 1998, National Deferred Compensation (NDC), when PEBSCO and NDC were merged changing their names to NRS. Nationwide's businesses have a common goal: protect what matters most to our customers. We can do that by being a trusted partner in helping America's employees prepare for a more secure financial future. Our current name better reflects our commitment to the retirement industry as well as our affiliation with the Nationwide family of companies.</p> |
| <b>Services Provided (e.g., recordkeeping, life insurance, custodial/trustee, etc)</b>  | Recordkeeping, custodial/trustee services, education/communication, third-party administrative services, and investment options.   |
| <b>Years company has been active in deferred compensation business. How many of your employees are dedicated to 457(b) recordkeeping and administration services? Where are they located?</b> | <p>Nationwide has provided deferred compensation plan recordkeeping and administration services for more than 50 years.</p> <p>Nationwide has more than 28,500 associates across the United States. Nearly 1,700 associates are dedicated to servicing our defined contribution plans and most are located at our corporate headquarters in Columbus, Ohio.</p>  |
| <b>Has your organization been rated by a third party publication regarding your level of services and standing in the industry? If yes, please provide a copy of the report.</b>              | <p><b>Plan Participant Service Award</b> – Highest tier of service center support to plan participants for 9 consecutive years by DALBAR.</p> <p><b>Communications Excellence</b> – Ranked #1 in the review of mobile websites of retirement plan providers for 9 consecutive years by DALBAR.</p> <p><b>Communications Excellence</b> – Nationwide Retirement Solutions (nrsforu.com) and Nationwide (nationwide.com) earned DALBAR's Communication Seal for the Plan Participant's online experience consistently since 2016</p> <p>Market share rankings based on 2019 results from the PLANSPONSOR Recordkeeping survey show Nationwide as:</p> <ul style="list-style-type: none"> <li>• #9 in Defined Contribution plans; #16 in total DC assets</li> <li>• #1 in 457 plans; #2 in 457 assets</li> <li>• #12 in 401(k) plans; #19 in 401(k) assets</li> </ul>   |





|   |  |
|---|--|
| <b>Parent/Subsidiary/<br/>Affiliate Relationships</b>   | NRS, the legal entity providing recordkeeping, third-party administrative and communication/education services described in this RFP, is a Delaware corporation and is wholly owned by NFS Distributors, Inc. (NFS), which is in turn wholly owned by Nationwide Financial Services, Inc. (NF), a holding company for long-term savings operations and financial services. NF is wholly owned by Nationwide Corporation, which in turn is owned by Nationwide Mutual Insurance Company (NMIC). |
| <b>Ownership (publicly traded, privately held)</b>  | Privately held mutual corporation  |
| <b>Please list any subcontractors which may provide services to the plan(s). Indicate firm names and types of services.</b> | Not applicable. All education/communication, recordkeeping and third-party administration services are performed in-house.   |

**For the last five years, describe legal and ethical inquiries, disciplinary actions, and/or litigation against the firm, owning interests, parents/subsidiaries/affiliates/subcontractors, and/or employees.**

**Type (Inquiry, Litigation, Disciplinary Action, etc.)**

**Status (Fine, Settlement, Ongoing, etc.)**

**Agency (Government agency, if applicable)**

| Type              | Status | Agency | Description |
|-------------------|--------|--------|-------------|
| Please see below. |        |        |             |
|                   |        |        |             |
|                   |        |        |             |
|                   |        |        |             |
|                   |        |        |             |

In the last five years, Nationwide has been involved in routine lawsuits common to the industry, which stem from normal business practices associated with administering employee benefit plans. These suits have not had an impact on our ability to service any of our plans nor does Nationwide foresee them having an impact on our ability to service the City.

The various businesses conducted by the Company are subject to oversight by numerous federal and state regulatory entities, including but not limited to the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Department of Labor ("DOL"), the Internal Revenue Service, the Federal Reserve Bank and state insurance authorities. Such regulatory entities may, in the normal course, be engaged in general or targeted inquiries, examinations and investigations of the Company and/or its affiliates. With respect to all such scrutiny directed at the Company or its affiliates, the Company is cooperating with regulators. The Company will cooperate with its ultimate parent company, Nationwide Mutual Insurance Company ("NMIC") insofar as any inquiry, examination or investigation encompasses NMIC's operations. In addition, recent regulatory activity, may impact the Company's business and operations, and certain estimates and assumptions used by the Company in determining the amounts presented in the financial statements and accompanying notes. Actual results could differ significantly from those estimates and assumptions.

| Year  | 2022    | 2021   | 2020   | 2019   |
|---|---------|--------|--------|--------|
| Percent of Firm's Total Revenue Earned from Recordkeeping | 21.0%   | 23%    | 22%    | 23%    |
| Recordkeeping Assets                                      | \$166B* | \$195B | \$175B | \$154B |

\*There was a drop in the market accounting for the dip in recordkeeping assets from 2021 to 2022

|        | A.M. Best                          | Standard & Poor                  | Moody's                        | Fitch                          |
|--------|------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Rating | A+ "Superior" (affirmed 12/2/2022) | A+ "Strong" (affirmed 4/19/2022) | A1 "Good" (affirmed 5/27/2020) | Fitch does not rate Nationwide |

| Number of Employees | Plans  | Percentage of Total |
|---------------------|--------|---------------------|
| Less than 100       | 28,988 | 92.34%              |



City of Chandler, AZ  
457 & RHS Plans

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|                  |               |             |
|------------------|---------------|-------------|
| 100-499          | 1,887         | 6.01%       |
| 500-999          | 257           | .82%        |
| 1,000-4,999      | 213           | .68%        |
| 5,000-10,000     | 18            | .06%        |
| More than 10,000 | 31            | .09%        |
| <b>Total</b>     | <b>31,394</b> | <b>100%</b> |

| Assets                      | Plans            | Percentage of Total |
|-----------------------------|------------------|---------------------|
| Less than \$5 million       | \$24.3 B         | 14.67%              |
| \$5 - \$25 million          | \$20.6 B         | 12.43%              |
| \$25 - \$50 million         | \$7.1 B          | 4.3%                |
| \$50 - \$250 million        | \$15.9 B         | 9.6%                |
| \$250 million - \$1 billion | \$14.2 B         | 8.6%                |
| More than \$1 billion       | \$83.5 B         | 50.4%               |
| <b>Total</b>                | <b>\$165.7 B</b> | <b>100%</b>         |

| Plan Type    | Assets                                    | Participants                              | Plans                                     |
|--------------|---|---|---|
| 401(k)       | \$46.3 B                                  | 725,094                                   | 14,588                                    |
| 401(a)       | \$8.2 B                                   | 257,206                                   | 1,617                                     |
| 403(b)       | \$5.2 B                                   | 140,741                                   | 7,207                                     |
| 457(b)       | \$102.9 B                                 | 1,722,648                                 | 7,024                                     |
| Taft-Hartley | We do not track this plan type separately | We do not track this plan type separately | We do not track this plan type separately |
| NQDC         |   | 1,711                                     | 36  |
| MEP          | -   | -   | -   |
| Other        | \$307.6 M                                 | 88,549                                    | 922                                       |
| <b>Total</b> | <b>\$165.7 B</b>                          | <b>2,935,949</b>                          | <b>31,394</b>                             |

| Provide the total number of plans gained and lost | 1/1/2022 - 12/31/2022 | 1/1/2021 - 12/31/2021 | 1/1/2020 - 12/31/2020 |
|---|-----------------------|-----------------------|-----------------------|
| Number of Plans Gained                            | 447                   | 656                   | 700                   |
| Dollar Value of Plans Assets Gained               | \$3.4 B               | \$1.9 B               | \$1.9 B               |
| Number of Plans Lost                              | 866                   | 1,074                 | 1,080                 |
| Dollar Value of Plans Assets Lost                 | \$97.9 M              | \$255.1 M             | \$304.0 M             |

#### Personnel

Provide information about the for the Service Team assigned to this plan as requested below.

|   | Relationship Manager   | Program Director  | Day-to-day Administrative Contact  | Participant Educator   |
|---|--|---|--|--|
| <b>Name &amp; Title</b>                         | Jim Keeler,<br>Executive<br>Relationship Manager   | Matt Gayman,<br>Program Director  | Andrew Mertz,<br>Relationship<br>Consultant  | Ninoska Metcalfe,<br>Retirement Specialist   |
| <b>Description of role and responsibilities</b> | Jim will serve as the City's primary point of contact for the staff. He will work closely with the City to | Matt is responsible for the oversight and supervision of the Retirement | Andrew works closely with the Relationship Manager and Program Director, to oversee all aspects of | Ninoska conducts enrollment meetings, education presentations, and one-on-one consultations for both |





|   |   |  |   |   |
|---|---|--|---|---|
|   | develop an annual education and communication plan on topics that are important to the Plan and subsequently work with the Program Director, Matt Gayman, and Retirement Specialist, Ninoska Metcalfe, on executing the strategy.   | Specialists in his territory.  | the services provided. He helps ensure the Plan is administered according to the contract and plan documents and that processes and enhancements to the Plan are implemented successfully through our corporate office. | active and retired participants.  |
| Location                                | Phoenix, AZ   | Phoenix, AZ  | Columbus, OH  | Phoenix, AZ   |
| Education                               | B.A. University of Minnesota  | B.S. Arizona State University<br>MSM The American College of Financial Services  | B.A. Business Administration  | B.S. Economics - Universidad Centroamericana, Managua<br>M.A. Global Business Administration – Thunderbird School of Global Management  |
| Professional Credentials                | <ul style="list-style-type: none"> <li>• FINRA Series 6, 26, 63 registration</li> <li>• Registered Investment Advisor Representative of Nationwide Investment Advisors, LLC (Series 65)</li> <li>• Life &amp; Health license</li> <li>• Certified Retirement Counselor designation</li> </ul> | <ul style="list-style-type: none"> <li>• FINRA Series 7, 6, 26, 63 registration</li> <li>• Registered Investment Advisor Representative of Nationwide Investment Advisors, LLC (Series 66)</li> <li>• Life &amp; Health license</li> <li>• Certified Retirement Counselor designation</li> </ul> | <ul style="list-style-type: none"> <li>• FINRA Series 6 registration</li> </ul>   | <ul style="list-style-type: none"> <li>• FINRA Series 6, 63 registration</li> <li>• Registered Investment Advisor Representative of Nationwide Investment Advisors, LLC (Series 65)</li> <li>• Life &amp; Health license</li> <li>• Certified Retirement Counselor designation</li> </ul> |
| Tenure with the company                 | 27 years  | 18 years   | 17 years  | 12 years  |
| Years of retirement plan experience     | 27 years  | 26 years   | 17 years  | 12 years  |
| Years of 457 retirement plan experience | 27 years  | 26 years   | 17 years  | 12 years  |
| Number of clients                       | 5   | ~25 over \$100 M   | ~25 over \$100 M  | 28  |
| Number of 457 clients                   | 5   | ~25 over \$100 M   | ~25 over \$100 M  | 28  |





|                        |  |   |        |   |
|------------------------|--|---|--------|---|
| Compensation Structure | Executive Relationship Manager compensation is a combination of base salary and available incentives tied to individual goals. Incentives are based upon successful retention of assigned clients and activities designed to broaden and deepen Nationwide's relationship with assigned clients. | The base salary is 85% with a target incentive of 15%. Incentives are based upon successfully servicing the plan in areas such as enrollments, educational workshops, retention of current plan assets, and flow of assets into the plan via eligible transfers-in. | Salary | Retirement Specialists are compensated by a combination of a base salary and incentive compensation, roughly a 85%/15% split, to educate participants on the features and benefits of the Plan, Plan services and the underlying investment options. The incentive compensation may be tied to individual goals related to servicing the plan, such as enrollments, education workshops, use of My Investment Planner online tool, and retention of plan assets. In addition, the Retirement Specialists do receive compensation for offering the Nationwide ProAccount managed account program and helping enroll participants who have selected the service. This incentive is based on the amount of participant assets under management within the Nationwide ProAccount program. Upon award of the contract, we will work with the City to mutually agree upon and customize which performance objectives are used toward incentive compensation for your assigned service team. Our goal is to ensure that we focus on what is most important to your Plan's success. |
|------------------------|--|---|--------|---|

|  | Transition Manager (if not applicable please respond with "N/A")  |
|--|---|
| Name & Title                             | Dave Hall, Director Business Project Management   |
| Description of role and responsibilities | Dave leads a team of Business Project Managers who serve in the role of Transition Manager.                             |
| Location                                 | Columbus, OH  |
| Education                                | Bachelor in Business Administration, Franklin University<br>Bachelor in Human Resources Management, Franklin University |
| Professional Credentials                 | Project Management Professional Certification<br>FINRA Series 6 & 26 registrations                                      |





|  |  |
|--|--|
|  | Transition Managers are FINRA Series 6 registered representatives, and many hold their Project Management Professional certifications from the Project Management Institute. |
| Tenure with the company                  | 20 years   |
| Years of retirement plan experience      | 20 years   |
| Number of transitions completed          | Approximately 230 plans since 2013   |
| Number of 457 plan transitions completed | Approximately 200 457 and 401(a) plans   |
| Compensation structure                   | Salary   |

#### B. Participant Education & Communication Questions

##### 5. Briefly describe your philosophy to participant education.

Nationwide goes above and beyond so that participants can feel confident on their journey to and during retirement. We remain focused on driving positive outcomes using industry-leading proactive communications, award-winning tools, and nurturing your employees with 1:1 tailored education and guidance as they move through life. Through a combination of onsite and virtual services, Nationwide offers your employees the flexibility to engage and build trusted relationships as they receive the personalized care and guidance they deserve.

As part of our commitment to the City and your participants, Nationwide will provide local Retirement Specialist, Ninoska Metcalfe. Ninoska will provide in-person or virtual individual consultations as well as group workshops and presentations for all employees.

##### 6. Which of the following resources does your firm rely on to educate participants on their retirement plan?

| Resource                                | Yes/No | Additional Fee? (Yes/No) |
|---|--------|--------------------------|
| <i>Personnel</i>                        |        |                          |
| Group Participant Education             | Yes    | No                       |
| Individual Participant Education        | Yes    | No                       |
| Virtual (Webinar) Participant Education | Yes    | No                       |
| Phone-Based Participant Education       | Yes    | No                       |
| <i>Online</i>                           |        |                          |
| Prerecorded Videos                      | Yes    | No                       |
| Prerecorded Audio                       | Yes    | No                       |
| Targeted/Personalized Email             | Yes    | No                       |
| Social Media                            | Yes    | No                       |
| Financial Wellness Articles             | Yes    | No                       |
| Questionnaires                          | Yes    | No                       |
| Investment Advice Tool                  | Yes    | No                       |
| Managed Accounts                        | Yes    | Yes                      |
| Retirement Calculators                  | Yes    | No                       |
| Budgeting Tools                         | No     | No                       |
| <i>Print</i>                            |        |                          |
| Postcards                               | Yes    | No                       |
| Direct Mail Flyers                      | Yes    | No                       |
| Newsletters                             | No     | No                       |
| Education Booklets                      | Yes    | No                       |
| Enrollment Booklets                     | Yes    | No                       |
| <i>Phone</i>                            |        |                          |





|                        |     |    |
|------------------------|-----|----|
| In-Bound Call Centers  | Yes | No |
| Out-Bound Call Centers | Yes | No |
| Text Messaging         | Yes | No |

7. Briefly describe any other method used to educate participants that is not disclosed in the above chart. Do not describe any methods listed as "Yes" above.

All methods of participant education have been disclosed.

8. Provide educational topic capabilities as requested below:

|   | In-person | Call Center | Website |
|---|-----------|-------------|---------|
| Basic budgeting                                   | Y         | Y*          | Y       |
| Saving (e.g., major purchases, college)           | Y         | Y*          | Y       |
| Managing debt (e.g., credit cards, student loans) | Y         | Y*          | Y       |
| Estate planning                                   | Y         | N           | N       |
| Home buying                                       | N         | N           | N       |
| Insurance   | N         | Y*          | N       |
| Social Security                                   | Y         | Y*          | Y       |
| Other (Please list)                               | -         | -           | -       |
| New to public sector investment (457b vs. 401k)   | Y         | Y*          | Y       |

\*available through the Retirement Resource Group

9. Provide online tool capabilities as requested below:

|   | Yes/No |
|---|--------|
| Retirement income projections with gap analysis and suggested actions.  | Yes    |
| Projection of monthly retirement income in dollar amounts   | Yes    |
| Budgeting tools   | No     |
| Retirement healthcare cost tools  | Yes    |
| Ability to include Social Security in estimates/projections   | Yes    |
| Ability to exclude Social Security in estimates/projections   | Yes    |
| Ability to manually add external account information (e.g., defined benefit plans, savings accounts, credit cards)          | Yes    |
| Ability to automatically pull in external account information (e.g., defined benefit plans, savings accounts, credit cards) | Yes    |
| Spend down projections using different market risk  | Yes    |
| Other (provide details)   | -      |

10. Identify the services currently available to participants via the website, mobile devices, and call center (Yes/No).

|  | Website | Mobile | Call Center |
|--|---------|--------|-------------|
| Plan Specific Information                      | Yes     | Yes    | Yes         |
| Enrollment                                     | Yes     | No     | Yes         |
| Enrollment or change in managed account option | Yes     | Yes    | Yes**       |
| Investment fund information & performance      | Yes     | Yes    | Yes         |
| Account balances                               | Yes     | Yes    | Yes         |





|   |      |      |       |
|---|------|------|-------|
| Current participant information           | Yes  | Yes  | Yes   |
| Reallocation of existing account balances | Yes  | Yes  | Yes   |
| Withdrawals/distributions                 | Yes  | Yes  | Yes   |
| Termination distributions                 | Yes  | Yes  | Yes   |
| Loan initiation                           | Yes* | Yes* | Yes   |
| Loan modeling                             | Yes  | Yes  | Yes   |
| Password change                           | Yes  | Yes  | Yes   |
| Beneficiary designation                   | Yes  | Yes  | No    |
| Statement requests                        | Yes  | Yes  | Yes   |
| Prospectus orders                         | Yes  | Yes  | Yes   |
| Confirmation letter of any change         | Yes  | Yes  | Yes   |
| Asset allocation modeling                 | Yes  | Yes  | Yes** |
| Account balance projections               | Yes  | Yes  | Yes   |
| Investment advice                         | Yes  | Yes  | Yes** |
| Personalized rate of return               | Yes  | Yes  | Yes   |
| Retirement Planning Calculators           | Yes  | Yes  | Yes** |
| Retirement Goal Projections               | Yes  | Yes  | Yes   |
| Other (specify)                           | n/a  | n/a  | n/a   |

\*General Purpose loans only. Primary Residence loans require supporting documentation.

\*\*Available through the Retirement Resource Group.

**11. Are the same services as described above available to retirees? (Yes/No)**

Yes.

**12. How do you measure the success of your communications and educations?**

Executive Relationship Manager, Jim Keeler, will meet annually with the City to determine the strategy and focus for the upcoming year. Together, we will develop a mutually agreed upon marketing plan to deliver throughout the year that aligns with the City's objectives. Throughout the year, we will monitor and measure the effectiveness of the initiatives with a strategic view toward achieving the goals as well as reviewing and modifying the campaign tactics. Results are shared with the City online via the Plan Health Dashboard and other employer reports, along with recommendations for adjustments based on the results.

During periodic meetings with the City, we will:

- Review the annual marketing and communication plan to provide updates and share successes and milestones reached.
- Utilize plan level data and customer insights and analytics to measure the effectiveness of strategies.
- Discuss the tactics and communications to best reach plan participants for each initiative.
- Make any adjustments needed in Retirement Specialist outreach to ensure activities and focus match what's important to the City.
- Share specialized reports to gauge the overall health of the Plan.

**13. Does your firm provide participant-specific investment advice? (Yes/No) If yes, briefly describe how the participant receives the advice.**

Yes.

**My Investment Planner®**

Nationwide makes investment advice available online through My Investment Planner at no additional cost to participants or the City. The tool provides individualized investment advice using an investment process developed and maintained by Nationwide Investment Advisors, LLC who have selected Wilshire as the Independent Financial Expert. Participants complete a six-part questionnaire (the Risk Tolerance Questionnaire) to assess their individual





risk tolerance and investment time horizon. Using this information, Wilshire's methodology identifies the appropriateness of one of five unique risk-based profiles for each participant. The tool provides specific investment advice at the fund level using the Plan's investment options. A link will be provided to the "Manage My Account" page.

Retirement Specialists are experienced in navigating the My Investment Planner online tool. They can assist the participant as they log into their account and walk them through the questionnaire. Additionally, they are available to answer any questions about the process and provide education on the investment options and how to make changes to their current and future investment option choices. Participants can also use this online tool themselves via the website and mobile app.

**14. Is advice delivered to participants in-person, on the phone or online?**

Investment advice is available in-person, over-the-phone, and online through the use of the My Investment Planner tool.

**15. Does the client need to make your proprietary Managed Account solution available to receive participant-specific advice? (Yes/No)**

No.

**16. Does your firm, or the participant-specific advice provider, assume fiduciary responsibility for the advice given? (Yes/No)**

Yes.

**17. What licenses do the individuals providing advice hold? (e.g. Series 7, 65, 66, CFP, etc.)**

Retirement Specialists are required to maintain the FINRA Series 6 or 7, 63, and 65 or 66 registrations at a minimum.

**18. Breakout the percent of the Participant Educator's compensation as requested below:**

|                                       |                |
|---------------------------------------|----------------|
| Salary                                | 85%            |
| Client Satisfaction                   | *              |
| Improvement in Plan Participant Rates | *              |
| Improvement in Plan Assets            | *              |
| Number of Participant Meetings Held   | *              |
| Managed Account Utilization           | *              |
| Investment Product(s) Utilization     | *              |
| Other (Please Specify)                | Incentive 15%* |

*\*Retirement Specialists are compensated by a combination of a base salary and incentive compensation, roughly a 85%/15% split, to educate participants on the features and benefits of the Plan, Plan services and the underlying investment options. The incentive compensation may be tied to individual goals related to servicing the plan, such as enrollments, education workshops, use of My Investment Planner online tool, and retention of plan assets. In addition, the Retirement Specialists do receive compensation for offering the Nationwide ProAccount managed account program and helping enroll participants who have selected the service. This incentive is based on the amount of participant assets under management within the Nationwide ProAccount program. Upon award of the contract, we will work with the City to mutually agree upon and customize which performance objectives are used toward incentive compensation for your assigned service team. Our goal is to ensure that we focus on what is most important to your Plan's success.*

**19. Does the Participant Educator integrate the following into their education?**

|  | Yes/No |
|--|--------|
| Outside Retirement Accounts                | Yes    |
| Outside Non-Retirement Investment Accounts | Yes    |
| Social Security                            | Yes    |





|                |     |
|----------------|-----|
| Spousal Assets | Yes |
|----------------|-----|

20. Based on the City's demographic information and your education experience, provide the information requested below.

|  |     |
|--|-----|
| Number of onsite education service hours per year included in your price | 192 |
| Number of onsite education service days per year included in your price  | 24  |

21. Provide your customization capabilities as requested below. If an additional fee is required, please include here.

|                        | Client Name?<br>(Yes/No/Additional<br>Fee) | Client Logo?<br>(Yes/No/Additional<br>Fee) | Client-Requested<br>Imagery?<br>(Yes/No/Additional<br>Fee) | Custom Messages<br>(Yes/No/Additional<br>Fee) | Follow client brand<br>standards: i.e., font<br>and colors<br>(Yes/No/Additional<br>Fee) |
|------------------------|--|--|--|---|--|
| Participant Website    | Yes/No additional<br>fee                   | Yes/No additional<br>fee                   | Yes/No Additional<br>Fee                                   | Yes/No additional<br>fee                      | No/No Additional<br>Fee  |
| Mobile App             | No/No additional<br>fee                    | No/No additional<br>fee                    | No/No Additional<br>Fee                                    | No/No additional<br>fee                       | No/No Additional<br>Fee  |
| Participant Forms      | Yes/No additional<br>fee                   | No/No additional<br>fee                    | No/No Additional<br>Fee                                    | No/No additional<br>fee                       | No/No Additional<br>Fee  |
| Education Booklets     | Yes/No additional<br>fee                   | No/No additional<br>fee                    | No/No Additional<br>Fee                                    | No/No additional<br>fee                       | No/No Additional<br>Fee  |
| Enrollment Booklets    | Yes/No additional<br>fee                   | No/No additional<br>fee                    | No/No Additional<br>Fee                                    | No/No additional<br>fee                       | No/No Additional<br>Fee  |
| Flyers                 | Yes/No additional<br>fee                   | No/No additional<br>fee                    | No/No Additional<br>Fee                                    | No/No additional<br>fee                       | No/No Additional<br>Fee  |
| Emails                 | Yes/No additional<br>fee                   | No/No additional<br>fee                    | No/No Additional<br>Fee                                    | No/No additional<br>fee                       | No/No Additional<br>Fee  |
| Posters                | Yes/No additional<br>fee                   | No/No additional<br>fee                    | No/No additional<br>fee                                    | No/No additional<br>fee                       | No/No Additional<br>Fee  |
| Other<br>(Please List) | n/a  | n/a  | n/a  | n/a   | n/a  |

|                     | (Yes/No/Additional Fee) |
|---------------------|-------------------------|
| Custom URL          | No / No additional fee  |
| Custom Phone Number | No / No additional fee  |

22. Is your participant website mobile responsive (i.e., designed for smart phones and tablet devices and same capacities on web browser and mobile application)? (Yes/No)

Yes.

23. Provide information about Participant Statements as requested below:

|                                 | Yes/No |
|---------------------------------|--------|
| <i>Account Information</i>      |        |
| Account Balance by Money Source | Yes    |
| Vested Balance                  | Yes    |
| Estimated Defined Benefit       | No     |
| HAS Account Balance             | Yes    |





|   |  |
|---|--|
| Total Assets  | Yes  |
| Beneficiary Name & Address                                      | Yes*                                       |
| <i>Total Portfolio Information</i>                              |  |
| Portfolio Allocation by Percentage                              | Yes  |
| Portfolio Allocation by Dollar                                  | Yes  |
| Monthly Portfolio Performance                                   | Yes  |
| Quarterly Portfolio Performance                                 | Yes  |
| 1-Year Portfolio Performance                                    | Yes  |
| 3-Year Portfolio Performance                                    | Yes  |
| 5-Year Portfolio Performance                                    | Yes  |
| 7-Year Portfolio Performance                                    | No   |
| 10-Year Portfolio Performance                                   | Yes  |
| Since Inception Portfolio Performance                           | Yes  |
| Does Performance Consider Cash Flows                            | Yes  |
| Recordkeeping Fee Expressed as Percent                          | No   |
| Recordkeeping Fee Expressed as Dollar                           | Yes  |
| <i>Individual Fund Information</i>                              |  |
| Monthly Fund Performance  | Yes  |
| Quarterly Fund Performance                                      | Yes  |
| 1-Year Fund Performance   | Yes  |
| 3-Year Fund Performance   | Yes  |
| 5-Year Fund Performance   | Yes  |
| 7-Year Fund Performance   | No   |
| 10-Year Fund Performance  | Yes  |
| Since Inception Fund Performance                                | Yes  |
| Fund Expenses Expressed as Percent                              | Yes  |
| Fund Expenses Expressed as Dollar                               | No   |
| Contributions for Period  | Yes  |
| Investment Earning for Period                                   | Yes  |
| Dividends for Period  | Yes  |
| <i>Retirement Projections</i>                                   |  |
| Projected Account Value at Retirement                           | Yes  |
| Projected Monthly Income at Retirement                          | Yes  |
| <i>Loan Information</i>   |  |
| Outstanding Loan Amount   | Yes  |
| Loan Repayment Information                                      | Yes  |
| <i>Customization</i>  |  |
| Client Name? (Yes/No/Additional Fee)                            | Yes/No additional fee                      |
| Client Logo? (Yes/No/Additional Fee)                            | Yes/No additional fee                      |
| Custom Messaging? (Yes/No/Additional Fee)                       | Yes/No additional fee                      |
|   | <i>Number of Business Days</i>             |
| How many days after quarter end are statements mailed?          | 15 calendar days                           |
| How many days after quarter end are statement available online? | 15 calendar days                           |
| How long are statements available?                              | 7 years of statements are available online |

\*Beneficiary name and percentage included on statements





## 24. Provide your enrollment capabilities as requested below:

|           | Yes/No | Plan Sponsor Assistance Needed (Yes/No) |
|-----------|--------|---|
| Online    | Yes    | No                                      |
| Mobile    | No     | No                                      |
| Paper     | Yes    | No                                      |
| Phone     | Yes    | No                                      |
| In-Person | Yes    | No                                      |

## 25. Do you provide comprehensive financial planning through a CERTIFIED FINANCIAL PLANNER™? (Yes/No) If yes, please complete the following chart with their capabilities and provide a sample Financial Plan as an appendix to your proposal.

|                     | Yes/No |
|---------------------|--------|
| Investment Planning | Yes    |
| Insurance Planning  | Yes    |
| Retirement Planning | Yes    |
| Estate Planning     | No     |
| Education Planning  | Yes    |
| Other (Please list) | -      |

## 26. If you provide comprehensive financial planning through a CERTIFIED FINANCIAL PLANNER™, how often will they be available to meet with participants each year?

Nationwide offers participants and their immediate family unlimited virtual access to a Personal Retirement Consultant (many of whom maintain the Certified Financial Planner designation) through the Retirement Resource Group. Our Personal Retirement Consultants provide advice and guidance over the phone (available between 6:30 a.m. and 6 p.m. MT Monday through Thursday and 6:30 a.m. to 4 p.m. MT on Friday) to help employees prepare for and transition into retirement. Because some of the City's employees may not have access to financial advisors, we offer some of the same services to drive financial understanding and outcomes. These services are provided at no additional fee to the Plan or its employees.

Personal Retirement Consultants develop relationships with participants, understand their personal and financial needs, and provide tools and education to enable smarter investment decisions. In partnership with each participant, they will:

- Provide holistic view of retirement income, which includes income sources such as pensions, supplemental savings
- (e.g. 457(b), 401(a), etc.), personal savings, Individual Retirement Accounts (IRAs), and Social Security benefits
- Deliver strategies that show participants how to optimize social security income
- Project the cost of healthcare costs in retirement
- Assist participants with prioritizing financial goals (e.g. saving for college vs. saving for retirement)
- Develop investment risk profile that helps participants develop a better understanding of their household retirement readiness
- Develop a documented retirement plan to help participants:
  - Increase their retirement readiness
  - Understand and control financial risks
  - Feel more confident with their retirement savings decisions





27. If you provide comprehensive financial planning through a CERTIFIED FINANCIAL PLANNER™, please describe all costs to the plan sponsor and/or participants for their services.

Personal Retirement Consultants are provided through the Retirement Resource Group to the City and your participants at no additional cost.

28. Please provide login credentials for the participant website demo.

Please visit our demo site at [www.nrsforu.com/ChooseNationwide](http://www.nrsforu.com/ChooseNationwide).

From the landing page, select *Try the Participant demo*. You will be automatically directed to the participant demo website, without the need for a username or password, to begin exploring Nationwide's unique online experience and retirement planning tools.

#### C. Administrative and Plan Sponsor Services

29. Will you fully support all SECURE 2.0 administrative and documentation requirements and options? Please note any exceptions.

Yes.

30. State your familiarity with the City's payroll, Oracle EBS. How many of your clients use this payroll?

Nationwide currently administers numerous plans which use Oracle EBS as their payroll system. We do not track the number of clients that use each payroll service.

31. Can your systems provide 360 communication with the above payroll system regarding eligibility, enrollment, and election data feeds? (Yes/No)

Yes.

32. Describe administrative reporting capabilities. Please provide a list of standard reports.

| Report Name           | Brief Description   | Frequency         | Online/Paper/Both |
|-----------------------|---|-------------------|-------------------|
| Plan Health Dashboard | The Plan Health Dashboard summarizes all plan-level information and retirement readiness statistics, providing access to the following information:<br><br>Plan balance and how the Plan is performing, including enrollment, contribution, investment and retirement readiness plan data<br>Peer group benchmarks<br>Specific actions to improve plan performance<br>Generate and print ad-hoc reports   | Updated Daily     | Online            |
| Plan Health Report    | The Plan Health Report provides a quarterly snapshot of the Plan's overall information. The quarterly Plan Health Report is broken down into seven sections providing important, relevant information on your plan:<br><br><ul style="list-style-type: none"> <li>Executive Summary</li> <li>Participant Demographics</li> <li>Contributions &amp; Investments</li> <li>Retirement Readiness</li> <li>Assets &amp; Fund</li> <li>Details Balance Details</li> </ul> | Updated Quarterly | Both              |





|                                  |   |           |      |
|----------------------------------|---|-----------|------|
|                                  | • Opportunities   |           |      |
| Quarterly Statement              | This report is produced in conjunction with participant statements and provides a summary of participant activity that transpired during the reporting period.  | Quarterly | Both |
| Plan Assets Report               | Details asset holdings and total number of participants invested within each investment option.   | Ad-Hoc    | Both |
| Participant Census Data Report   | Details basic information about the plan participants, including: demographics and basic account information. The report offers customizable options to add or omit data by clicking the "customizable table" link within the report.                   | Ad-Hoc    | Both |
| Plan Contributions Report        | Details information relating to contributions submitted on behalf of Plan participants.   | Ad-Hoc    | Both |
| Loan Activity Report             | Provides Plan level loan activity and information about active and defaulted outstanding loans.   | Ad-Hoc    | Both |
| Rollover/Transfers Report        | Provides data relating to transfers and rollover activity in and out of the Plan.   | Ad-Hoc    | Both |
| Participant Distributions Report | Provides data on distributions that have been taken by participants.  | Ad-Hoc    | Both |
| Enrollment Detail Report         | Provides enrollment activity for participants within the Plan for a selected date range. Plan Sponsors may choose to view results for single or multiple IRS codes and for specific channels and may also choose to display Tax IDs in a redacted view. | Ad-Hoc    | Both |
| Participant Details Report       | A customizable report providing demographic, account and census information.  | Ad-Hoc    | Both |

**33. Is there an additional fee for custom build reports requested by the City? (Yes/No)**

No.

**34. Describe the requirements for payroll, data format requirements, including layout, method to transfer data.**

Nationwide provides two options for Plans to securely submit contribution information. We will work with you to determine what method works best for you from the following options:

- Secure File Transport (SFT) – Nationwide offers CSV file formats for contribution, census, enrollment data as well as deferral and demographic changes of participant data. Nationwide also supports a full suite of file transfer protocols (FTP) with secure file transport. We offer both push or pull of the files between our servers. This option works best for large plans with frequent changes to the contribution, loan payment, and demographic data. SFT ensures the security of business-critical data to and from Nationwide with our external business partner with industry-standard options.
  - FTPS (FTP over SSL) SFTP (FTP over SSH) – Unencrypted data over an encrypted transport.
  - PGP – Encrypted data. Once encrypted you can send the data over the Internet using FTP or HTTP.
  - Web Browser or HTTPS – Unencrypted data over a secure connection. This option requires the client to log onto the secure website and attach the file for transfer.
- FastPay – Nationwide's online payroll submission tool, available through the Plan Sponsor website, allows for efficient, flexible payroll submission through two different methods:
  - FastPay Import – FastPay Import allows Plans to use their file configuration and upload a comma-delimited (CSV) file directly into Nationwide's system. Once uploaded, the list of active participants is completely editable online reducing the chance of errors. The import process is ideal for mid-sized plans with up to 2,000 entries or those that have frequent payroll detail data changes from one pay date to the next.



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- o •FastPay Create/Copy – FastPay Create/Copy allows Plans to set up a payroll file upon first use and then use it as an editable template to create the future payroll files. The processes to add, delete or change participants' deferral amounts are done easily and directly in the system. This is perfect for smaller plans or those with little to no data variations from pay date to pay date.

To transfer participant contributions, a Nationwide-initiated ACH debit is our primary payment option for all payroll submission options. We also accept wire or ACH credit through your financial institution.

**35. What type of edits or error checks do you perform on data? How would you work with the City of Chandler to resolve discrepancies?**

Our record-keeping system has numerous integrated error detection checks to ensure the accuracy of participant account information. Batch reports are produced to ensure that compliance and plan requirements are maintained. Data integrity and accuracy are of the utmost importance and Nationwide has instituted the following processes to ensure high-quality service:

- Complete quality checking of financial and non-financial data input on a pre-flow basis
- Electronic confirmations transmitted
- Account reconciliation procedures
- Daily "suspense" monitoring and reporting internally and externally
- Procedures that include complete internal auditing controls
- Measurement of all data entry for each individual and service team, with results included in each team member's performance evaluation
- Annual evaluations by an outside accounting firm of adherence to internal audit procedures and SOC-1 documentation

**Participant Data**

Access to participant data is restricted to those who require such access to perform their job function and to control the confidentiality, integrity, and availability of the data. All workstations, portable media devices, and removable media containing participant data is monitored using data loss prevention tools to block any confidential data exfiltration.

Alerts are sent to our Security Command Center based upon defined thresholds for further review. These professionals are responsible for the investigation and review of any attempted data exfiltration to external devices and for enforcing compliance with Nationwide's Confidentiality Agreement and Information Security Policy.

The system is a rules-based system, in which each plan type established will be ultimately governed by the rules and regulations allowed per the IRC.

All processing is controlled by rules defined for the clients, documents, plan type, money source, and investment vehicle. All of these rules are incorporated into processing functions to help ensure the validity at the point of entry, with system edits, including examples such as appropriate characters entered into a field and date validations, along with edit checks as fields are entered. Aside from being a rules-based system, there is a robust QC/QA process in place for the set up and changes made on both plan and participant information. This information is tracked so that leaders are able to review and provide associate feedback.

The system uses rules-based transaction processing and data validation functions performed in real time and batch to ensure the validity of transactions. All user and systematic input is validated at point of entry.

For inbound transmissions, we provide a confirmation file that is transmitted back to the client for validation of the information received. This file confirms records for contributions, distributions, and new or updated accounts. Moreover, we require a trailer record for any inbound transmission, which must contain the current date, number of records, sent, along with total asset values for contributions and distributions.

If an error occurs in the processing of contributions, the corrections are made as of the date of the original request. If the error is due to a mistake on the part of Nationwide, the correction will be processed at our expense. If contribution





files are not in good order, our plan service team will consult with the City to resolve the issue. The City's service team will be intimately involved to ensure all discrepancies are resolved and will work with employers to ensure common issues are sorted out and eliminated.

If an electronic file is rejected for any reason, our plan service team works to resolve the issue and, if necessary, sends an email to the City's appropriate contact. If the problem persists, a representative will reach out to the payroll contact via phone.

Participants who experience issues with their online accounts or require additional supporting documentation (i.e. account activity reports, account balance on letterhead, 1099-R form, etc.) would be escalated from our Solutions Center to our Participant Issue Resolution Team. The process of this escalation is documented through a service request in the case management system where correspondence is documented. A similar process takes place when a financial professional has a request that cannot be handled specifically in the Solutions Center. The call taker creates a service request to the assigned Advisor Support Representative. The City's Client Relationship Manager will escalate errors as necessary to the City's staff.

Service requests generated before 2 p.m. MT receive a response on the same business day. Service requests generated after 2 p.m. MT receive a response no later than 10 p.m. MT on the following business day. Nationwide will reimburse participants for amounts caused in part or whole by a Nationwide process or error.

**36. What is your process if there is an out-of-balance occurrence in payroll due to a contribution error?**

If an error occurs in the processing of contributions, the corrections are made as of the date of the original request. If the error is due to a mistake on the part of Nationwide, the correction will be processed at our expense.

If contribution files are not in good order, your service team will consult with the City to resolve the issue. The City's service team will be intimately involved to ensure all discrepancies are resolved and will work with you to ensure common issues are sorted out and eliminated.

If an electronic file is rejected for any reason, your service team works to resolve the issue and, if necessary, sends an email to the City's appropriate contact. If the problem persists, a representative will reach out to the payroll contact via phone.

**37. Describe your loan administration process in detail.**

We have a dedicated Loans Team that works to help ensure loan administration is working properly on existing loans and that participants have a positive experience when requesting new loans at Nationwide. We have the capability to handle the entire loan process and we look forward to working with you to review the processes and procedures in place today to ensure they meet your needs.

Nationwide provides loan modeling and amortization scheduling on all loans. Balances must be paid in full over a maximum term of five years – except for residential loans, which can be taken up to a maximum of 15 years. We administer loans directly through the Plan permitting participants to take loans from their account and repay it with after-tax dollars.

We provide amortization schedules, all required paperwork, and loan disbursements and keep you informed of total outstanding loan principal through the customized website and quarterly Plan Statement.

The information below describes provisions that many plans follow in their loan programs:

**Minimum and Maximum Loan Amounts**

The minimum loan amount is \$1,000. The maximum loan amount is the lesser of:

- 50% of the participant's vested account balance (not including deemed IRA account, if applicable) less any outstanding balances under the Plan, over
- \$50,000 less the highest outstanding loan balance during the preceding one-year period.





### Loan Application

- **Online** – Online modeling and initiation is available, if permitted by the Plan and Loan Administrative Procedures. If allowed, only General-Purpose loans can be modeled and initiated online. Primary Residence loans can be modeled online but additional documentation will be required to initiate. We look forward to reviewing the loan provisions with the Plan Sponsor.
- **Solutions Center** – Solutions Center Representatives generate and send loan application paperwork through email, fax or mail.
- **Loan Guidelines for Participants**
- Participants can apply for a loan from the Plan subject to limitations and other provisions outlined below:
- **Repayment Method** – Loan repayments are made through payroll deduction or via ACH payment from a participant's bank account
- **Participant Eligibility** – All Plan participants are eligible to take a loan from their account, based on Plan provisions outlined by the Plan Sponsor's Loan Administrative Procedures. To qualify, participants must also complete and sign a loan application and pay an application fee.
- **Number of Loans** – A participant may only have the number of outstanding loans allowed in the agreed-upon Loan Administrative Procedures.
- **Suspension of Loan Payments** – A participant may suspend loan repayment while on military or medical leave documented with the employer. The employer is responsible to notify Nationwide when a participant is on leave.
- **Interest Rate** – The interest rate will be determined by the Plan Sponsor.

Once Nationwide's loan processing department has received the complete loan application in good order, standard processing time is one to three business days.

38. Per IRS guidelines, for City's current RHS program, we are required to provide a 1095C form to all retirees. Will you provide these services or any required services for your retirement plan?

Nationwide will provide services to help assist the City with all reporting obligations. However, the reporting requirements detailed on Form 1095-C are specific to employer-sponsored health insurance plans and would not be applicable to the PEHP plan.

39. Describe any new administrative programs or features that are in development.

Nationwide is investing in significant digital transformation.

Nationwide is investing over \$200 million over the next three years in our recordkeeping platform, innovative product solutions and in continuing to deliver our award-winning extraordinary customer service experience. Our Digital Transformation solutions center on three goals for making it easier to work with Nationwide by:

- **Making processes more intuitive:** Ensuring processes and choices are easy and clear, so both you and your participants can focus on what truly matters to you. This includes our investments in enhancing our digital self-service experience for both Plan Sponsors and participants on our mobile responsive website and award-winning mobile app.
- **Delivering more control:** Empowering Plan Sponsors and participants through tools and functions that digitize simple tasks and deliver more self-service capabilities, putting you in the driver's seat and saving you time so you can focus on the business operations that need your attention most.
- **Creating more personalized experiences:** Making connections with you and your participants evermore timely, relevant and actionable by investing in effortless and seamless online experiences for moments that matter most like enrolling, contributing and taking distributions when needed.

For participants, we are committed to driving better participant outcomes. This focus will ensure that the experience is both effortless and personalized. Key focus areas over the next 2 to 3 years and ongoing include investments in:

#### Participant Engagement:

- Award-winning mobile responsive website and tools, including the My Interactive Retirement Planner, an industry leading retirement planning platform that assists participants in the accumulation and decumulation phase with everything from choosing a contribution amount to planning investments and detailed income planning.
- Refreshed website with simplified navigation.





- Enhanced self-service transactions, e-delivery capabilities and simplified savings through auto enroll and auto deferral increases.
- Additional personalized communication experiences (via email, digital, social and print) for participants to drive engagement through channel of choice—online, in person or over the phone that provide education and advice related to preparing for and living-in retirement
- Exploration into new experiential mediums and technologies to seek new ways of engaging employees.

#### **Financial Wellness:**

- Guided experience for financial wellness with enhanced digital tools, self-guided educational modules, and expanded financial wellness solutions, including health savings accounts and other solutions as part of a holistic offering
- Expanding our suite of innovative in-plan guaranteed income in retirement solutions, helping to provide participants with certainty, protection and guarantees as they prepare for and transition into living in retirement.
- Partnering with asset management firms to offer CITs into investment lineups, providing participants with lower-cost investment options

#### **Easy Interactions:**

- Modernized statements with reduced complexity and income illustrations.
- Leveraging artificial intelligence and digital data to enhance call center experiences, combining technology with human empathy and convenient digital connections through click to chat.

**Administrative simplicity through powerful tools, analytics, and self-service capabilities for Plan Sponsors.**

Examples of our key initiatives on the 2 to 3 year roadmap include:

#### **Trusted Administration:**

- Enhanced personalized dashboard views with information that is most important to the sponsor and proactive notifications delivered via screen, text, or email.
- Additional automated reporting and proactive consultations on plan growth and efficiency opportunities.
- Enhanced fee capabilities to compensate outside Plan Consultants for plans using those services
- Enhancements to Nationwide ProAccount allowing more flexibility for Plan Consultants to manage investment options

#### **Easy Plan Management:**

- Powerful reporting and plan health statistics as well as the ability to view as a participant, or complete critical self-service tasks.
- Robust payroll processing platform, FastPay, available to submit payroll information simply and securely.
- Refreshed design and new content for Plan Sponsors that will be more intuitive and allow existing users (Primary and Secondary) a new plan reporting experience and plan performance dashboard as well as enhancements to the Plan Sponsor task center.

#### **Plan Security and Protection:**

- Continuous investment in cybersecurity resources including process, team and technology to ensure 24/7 protection of our client's assets.
- Capabilities that provide early warning indications of fraud, advanced data and predictive analytics.

Enhancements to participant facing tools and fraud protections, Nationwide Account Lock and Nationwide Account Pledge, which provide Plan Sponsors with the additional confidence that participants' assets are protected. With Nationwide Account Pledge, Plan Sponsors and their employees can have confidence that we will restore any unrecoverable amount from an unauthorized withdrawal to make the participant whole again.





**40. Describe the hardware platform and software system you use to administer deferred compensation plans and if there are any upgrades/changes/changes happening in the near future.**

Nationwide's system capacity design allows for an unlimited number of plans, participant accounts, and investment options, permitting us the flexibility to offer 401(k), 403(b), 401(a), 501(c)(9), and 457(b) plans on one platform.

**Hardware** – We use multiple HP Blade G7 servers for record keeping and customer support functions. We maintain redundant environments of all hardware components in our two secure Tier IV data center facilities located outside of Columbus, Ohio to support the high availability needs of our business.

**Software** – Our computer software system is a proprietary system that provides a single record keeping function. We maintain individual participant records and consolidated plan records, including current transaction data and cumulative history for all deferrals, disbursements, and daily balances. There is one application release per month which typically occurs the evening of the first or second Friday of the month. The application release covers any software changes to support the business. Also, each month, an infrastructure release occurs during the third or fourth Saturday of the month. This release applies to any software or hardware that supports the application software. Other off-release schedule application and infrastructure updates can occur on an as-needed basis.

**41. Can you take over the administration, qualification, approval and disbursement for the following services without any assistance from the plan sponsor?**

|                                       | Yes/No |
|---------------------------------------|--------|
| Domestic Relations Orders Review      | Yes    |
| Domestic Relations Orders Approvals   | Yes    |
| Hardship Withdrawals                  | Yes    |
| General and Principal Residence Loans | Yes    |
| Distributions                         | Yes    |
| Required Minimum Distributions        | Yes    |
| Beneficiary Change                    | Yes    |

**D. Investment and Transition Services**

**Investment Services Questions**

**42. Can you support an open architecture fund lineup? (Yes/No). If not, please provide your reasoning.**

Yes.

**43. Describe any mutual fund families, fixed account options, or other investments that you cannot or will not recordkeep.**

To the best of our knowledge there are no National Securities Clearing Corporation traded fund families with whom we could not execute an agreement. However, competitors do not typically allow other recordkeepers to administer their stable value or fixed contracts. Nationwide has agreements in place with over 200 fund houses offering over 14,000 mutual funds across a wide spectrum of asset classes. Additionally, we are willing to attempt to negotiate agreements for investment products that are not currently available through our platform, with the exception of stable value or fixed contracts.

**44. Can you recordkeep the plan's current lineup? (Yes/No) Please note any exceptions.**

Yes.

**45. How many days will it take to add or remove a fund from the lineup? Provide a brief timeline of the process.**

The process to add and remove a fund typically takes 40 business days (eight weeks) from start to finish.





Funds can be added or removed during any of our periodic release dates scheduled throughout the year, typically one per month. The Plan Sponsor or Consultant will notify the Relationship Consultant assigned to the plan via email or other written instruction. The request must include the full fund name, ticker or CUSIP.

Fund changes can be small in nature, with one or two fund mappings, or much larger in cases of introducing a new fund lineup for a plan. For a standard fund change, letters are mailed to participants in advance of the fund change and with clear communication about the participant's options in electing other funds or the new fund to which they will be automatically mapped if they chose to take no action. At the request of the City, the new fund fact sheets can be added to the website prior to the mapping for participants to consider if they want to invest in the fund. Should the City elect to map to options that are less common than Mutual Funds, such as Custom Funds or Collective Investment Trusts, a broad education effort will take place, including promoting the new fund types in quarterly newsletters, in a special callout box on the website and through training by service representatives.

**46. How many days will it take to add a new fund to your platform?**

If the fund is not currently available on our platform, it typically takes 12 weeks. It may take longer depending on the mutual fund house's ability to review and approve a mutually agreed upon trading agreement.

**47. Are internal controls of your recordkeeping system audited by an independent accounting firm on an annual or more frequent basis?**

Yes. KPMG conducts an annual SOC-1 and SOC-2 Audit of our recordkeeping system.

**48. Provide information about your proposed proprietary Capital Preservation Product as of 3/31/23 as requested below. In addition, please provide a Fact Sheet as a separate attachment.**

|  |                      |
|--|----------------------|
| <b>Capital Preservation Product Name:</b>                  | Nationwide True Flex |
| <b>Description (General Account, Stable Value, Other):</b> | General Account      |

| Investment Contract Issuer<br>(Add rows as necessary) | % of Wrapped Assets | AM Best | Moody's | S&P |
|---|---------------------|---------|---------|-----|
| Nationwide Life Insurance Co (NLIC)                   | 100%                | A+      | A1      | A+  |

| Effective Duration | Asset Base | Manager Tenure |
|--------------------|------------|----------------|
| 6 years            | \$47.42 B  | 24 years       |

| Gross Crediting Rate | Expense Ratio | Minimum Guaranteed Crediting Rate | Crediting Rate Formula       |
|----------------------|---------------|-----------------------------------|------------------------------|
| 2.75%                | 0.00%         | 0.50%                             | See product disclosure below |

| Portfolio Quality | % of Portfolio |
|-------------------|----------------|
| AAA               | 14.2%          |
| AA                | 12.2%          |
| A                 | 26.5%          |
| BBB               | 41.4%          |
| BB                | 2.5%           |
| B                 | 1.8%           |
| CCC               | 0.2%           |
| Not Rated         | 1.0%           |



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| Portfolio Asset Allocation (Add Rows as Necessary) | % of Portfolio |
|--|----------------|
| ABS/CLO  | 7.2%           |
| Agency MBS   | 1.3%           |
| CMBS   | 2.4%           |
| CML  | 15.4%          |
| EMD  | 2.8%           |
| Equity/Alts/Other                                  | 5.7%           |
| Government   | 0.2%           |
| Investment Grade Corp                              | 50.5%          |
| Municipal  | 8.2%           |
| Non-Agency MBS                                     | 1.6%           |
| Non-Investment Grade                               | 2.1%           |
| Short Term   | 2.7%           |

| Quarter End | Gross Unannualized Quarterly Performance | Market-to-Book (if applicable) |
|-------------|--|--------------------------------|
| 1Q19        | 0.80%                                    | 1.03                           |
| 2Q19        | 0.79%                                    | 1.05                           |
| 3Q19        | 0.79%                                    | 1.07                           |
| 4Q19        | 0.75%                                    | 1.06                           |
| 1Q20        | 0.73%                                    | 1.02                           |
| 2Q20        | 0.71%                                    | 1.08                           |
| 3Q20        | 0.69%                                    | 1.09                           |
| 4Q20        | 0.68%                                    | 1.10                           |
| 1Q21        | 0.66%                                    | 1.07                           |
| 2Q21        | 0.66%                                    | 1.09                           |
| 3Q21        | 0.66%                                    | 1.08                           |
| 4Q21        | 0.64%                                    | 1.07                           |
| 1Q22        | 0.64%                                    | 1.00                           |
| 2Q22        | 0.66%                                    | 0.93                           |
| 3Q22        | 0.67%                                    | 0.89                           |
| 4Q22        | 0.69%                                    | 0.91                           |

| Subadvisor (if applicable, add rows as necessary) | Percentage of Portfolio |
|---|-------------------------|
| Nationwide Asset Management                       | 100%                    |

|  |  |
|--|--|
| Participant Termination Restrictions:  | Participant exchanges out of the Nationwide True Flex Contract will be subject to a 90 day equity wash when exchanged into a competing fund.   |
| Plan Sponsor Termination Restrictions: | If the Plan Sponsor terminates the Nationwide True Flex Contract and withdraws its assets in a lump sum a market value adjustment (MVA) will apply. The MVA is the amount that Nationwide Life determines would be the net capital loss, if any, resulting to Nationwide Life if investments were liquidated to satisfy the lump sum withdrawal. For more information, including the specific MVA applicable to your contract please see your group annuity contract. If the Plan Sponsor withdraws its assets over a 12-month period (1 year) instead of in a lump sum, |



City of Chandler, AZ  
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|  |
|--|
| the MVA will not apply. There are no fees associated with early withdrawal at the participant level. |
|--|

49. Can you recordkeep custom models on your recordkeeping platform? (Yes/No)

Yes

50. Do you offer a Guaranteed Minimum Withdrawal Benefit product? (Yes/No). If yes, provide a fund fact that includes pricing.

Yes

NCIT American Funds® Lifetime Income Builder target date series is designed to optimize growth potential and deliver lifetime income for a defined contribution plan. Each target date fund in the series is structure as a collective investment fund.

Deferred Income Annuity, a new Nationwide offering, is under development and will be introduced in the near future. We will share more product details as we near the introduction.

We have included the NCIT American Funds Lifetime Income Builder Brochure for your review.

51. If you offer a Guaranteed Minimum Withdrawal Benefit product, is it portable to other recordkeepers? (Yes/No) Please note known exceptions.

Yes, depending on the product. Income America 5forLife is portable between Nationwide and Lincoln Financial. Currently, Lifetime Income Builder is available on Nationwide's recordkeeping platform. Any other recordkeeper can adopt the solution by connecting to the middleware provided by Annexus. If a Lifetime Income Builder participant leaves the Plan, they have the option of leaving it in the Plan or rolling out to an IRA with the Nationwide Destination Income Variable Annuity. This annuity will continue all guarantees associated with the Lifetime Income Builder solution.

52. Can your system limit the participant to choose either an array of funds or a single model/target date fund? (Yes/No)

Yes.

53. Do you offer online advice? If so, is it coupled with managed accounts?

Yes. Nationwide makes investment advice available through My Investment Planner at no additional cost to participants or the City. The tool provides individualized investment advice using an investment process developed and maintained by Nationwide Investment Advisors, LLC who have selected Wilshire as the Independent Financial Expert. Participants complete a six-part questionnaire (the Risk Tolerance Questionnaire) to assess their individual risk tolerance and investment time horizon. Using this information, Wilshire's methodology identifies the appropriateness of one of five unique risk-based profiles for each participant. The tool provides specific investment advice at the fund level using the Plan's investment options. A link is provided to the "Manage My Account" page.

No. My Investment Planner is not coupled with our managed account solution, Nationwide ProAccount.

a. Can the online advice be offered separately?

Yes.





## 54. Self-Directed Brokerage and Managed Accounts

| Self-Directed Brokerage Accounts  |   |
|---|---|
| Brokerage Firm Name   | Charles Schwab's Personal Choice Retirement Account                           |
| Fully integrated with your website and call center? (Yes/No)  | No  |
| Participants can permit outside advisors to access their brokerage account? (Yes/No)                              | Yes   |
| Outside advisors' fees can be paid from the account? (Yes/No)   | Yes   |
| Require minimum amount of assets to be retained in core account before participants can invest in SDBA? (Yes/No)  | Yes   |
| Can Participants defer directly into SDBA? (Yes/No)   | Yes   |
| Managed Accounts  |   |
| Provider Utilized (e.g. , Morningstar, Ibbotson, etc)   | Nationwide ProAccount® made available by Nationwide Investment Advisors, LLC. |
| Participants can load outside and/or spousal assets into the system to be used in planning/calculations? (Yes/No) | Yes   |

## Transition Services Questions

55. Provide a high-level sample timeline for the transition, starting from when the contract is signed and ending with the lifting of the blackout period (or later if applicable to your transition process). Include major milestones for the payroll/technical aspects, the investment platform, mapping, and asset transfer, as well as key participant communication/education elements of the transition.

Upon award of the contract, a Transition Manager will be assigned to the City who will have overall relationship and functional management responsibilities throughout the process. Our team of Transition Managers have years of experience specifically at Nationwide and are FINRA Series 6 licensed representatives. Many also hold Project Management Professional certifications from the Project Management Institute of America.

Our first step will be to meet with the City after the notification to establish expectations, time frames, and responsibilities for Nationwide, the Plans, and the other current providers. Given the time and level of service we believe this consolidation requires, we have enclosed a conservative 16-week timeline, starting from the point you make formal award and provide written notification of termination to your current provider. After award, your Transition Manager will work with you and the other providers to determine the most effective timeline to provide the best experience for you and your participants.

**1. PLANNING**

- Negotiate and finalize contract & governing documents
- Understand plan design
- Receive first set of test files
- Understand data & file layouts
- Document payroll processes
- Finalize investment lineup
- Collaborate and finalize transition communication strategy (messaging, workshop schedule, etc.)
- Set up Plan specific transition status portal

**2. DESIGN, DEVELOP & TEST**

- Forms
- Reports
- Investment setup





|   |
|---|
| <ul style="list-style-type: none"> <li>• Develop internal training</li> <li>• System feature build</li> <li>• System testing</li> <li>• Ongoing updates to transition portal</li> </ul>   |
| <b>3. COMMUNICATION &amp; FINAL CONVERSION PREP</b>   |
| <ul style="list-style-type: none"> <li>• Integrated testing of all features, plan data</li> <li>• Conduct internal training</li> <li>• Mail transition communication</li> <li>• Transition workshops &amp; relaunch plan</li> <li>• Solutions Center takes participant calls</li> </ul> |
| <b>4. CONVERSION</b>  |
| <ul style="list-style-type: none"> <li>• Blackout</li> <li>• Mail account set up information</li> <li>• Liquidate assets</li> <li>• Transfer final data and assets</li> <li>• Receive and apply assets</li> <li>• Reconcile and validate</li> <li>• Website goes live</li> </ul>        |

We have included a detailed **Transition Timeline** with our response for your review.

#### Communication/Education

All members of your ongoing day-to-day service team will be highly involved as part of the transition project team. This will include Executive Relationship Manager, Jim Keeler, Program Director, Matt Gayman, Relationship Consultant, Andrew Mertz, and Retirement Specialist, Ninoska Metcalfe.

We recommend a series of communications throughout the transition to help ease any concerns active participants and retirees may have regarding the new plan and features. Our communications are designed to inform your participants of the new provider, answer their most pressing questions, and direct them to the resources available for more information. Below are examples of initial communications and resources available to the City.

- **Transition Notice** – Several months before conversion, if desired, Nationwide will coordinate with the Plan to distribute a customized conversion notice to inform participants of what to expect, and what further communications and guidance they'll receive from Nationwide.
- **Transition Guide** – Nationwide will coordinate with the City to distribute a Transition Guide that provides a more in-depth guide to the transition. The Transition Guide introduces Nationwide to the City's participants and includes frequently asked questions, new Plan features, and benefits along with inviting them to attend workshops and consultations. The following key topics are addressed:
  - **About Nationwide**– informs participants that Nationwide has been selected as the new provider and gives a brief history of Nationwide and our dedication to assisting public sector employees to prepare for and live in retirement.
  - **Key Dates**– key dates such as when assets will be transferred, blackout date(s), and "go live" date are listed as well as instructions for steps participants can take along the way.
  - **Online Tools & Security**– introduces the Nationwide website and interactive tools designed to help participants understand their current situation and then determine what they can do next to achieve their goals. The guide also outlines how online access enhances the security of their account and helps protect them from phishing and other attacks.
  - **Withdrawals**– retirees currently receiving installment payments learn how future withdrawals will be handled throughout the transition period and moving forward.
  - **Transition Workshops**– a list of conversion workshops and webinars are provided to keep participants and retirees informed. Workshops encourage participants and retirees to stay active in their accounts and teach them about the new resources they have access to through Nationwide, such as the My Interactive Retirement Planner and the My Investment Planner.





- o **Retirement Specialist**– introduces participants to their Retirement Specialist and how to set up a consultation.
- o **Nationwide Solutions Center** – includes the toll-free number, information on hours, and expertise of team.

56. Can you accommodate a transfer of assets date on or around 02/15/2024? (Yes/No) If not, please provide an alternative date and the reason why.

Yes. Assuming we have 16 weeks from the City's approval.

57. How many days will the plan be in a blackout period?

The Nationwide portion of the blackout is typically one business day, as long as current providers deliver data and transfer assets to Nationwide according to required cutoff times.

Your current provider will likely also require several additional days of transaction hold in the final week of the transition process.

58. Will you provide a monetary penalty if any transition milestones are missed? (Yes/No). If yes, what amount will you put at risk?

Yes. Nationwide is willing to commit to a \$10,000 at-risk guarantee toward completion of the transition project on or before the transition date mutually agreed upon.

59. Will you offer a dedicated transition manager?

Yes. Upon award of the contract, a Transition Manager is assigned to the transition. The Transition Manager will have overall relationship responsibilities throughout the process and will be the primary point of contact. Furthermore, all members of the ongoing day-to-day service team will be highly involved as part of the transition project team.

#### E. Service Level Agreements, Performance Guarantees, and Cyber Security

##### Service Level Agreements/Performance Guarantees

60. Have customer service available at minimum from 6am to 5pm MST

Confirmed.

61. Describe in detail how your system processes:

|                               | System Process   |
|-------------------------------|--|
| <b>Hardship distributions</b> | Nationwide will review hardship and unforeseeable emergency withdrawal requests as directed by the Plan Document and pursuant to agreed-upon criteria, policies and procedures, and all legal requirements. Participants requesting an unforeseeable emergency withdrawal are required to complete the Unforeseeable Emergency Request form or submit the request online and provide evidence that the participant's situation satisfies the Plan's withdrawal requirements prior to the approval of any such requests. This evidence typically includes proof of loss in the form of bills, photos and/or estimates and a detailed accounting of current financial resources. Participants must also provide documentation that they have attempted to access all other asset sources to meet their need, that these attempts were unsuccessful and that there are no other means available. Once Nationwide receives an unforeseeable emergency withdrawal request, we process the claim within three business days, and funds are disbursed within two business days of approval. |
| <b>Lump-sum distributions</b> | Nationwide will process lump sum distribution requests typically within one business day of receipt, but no later than three business days, and withhold all applicable federal and, if applicable, state income tax from each payment. Where applicable, participants can specify federal and state tax withholding from their payments. We also prepare and  |





|   |   |
|---|---|
|   | <p>send 1099-R tax forms to participants who receive distributions from their deferred compensation accounts with Nationwide. These forms will be mailed to participants no later than January 31st of the following year.</p> <p>Nationwide does not require terminated and/or retired participants to take a lump-sum distribution of their account.</p>  |
| <b>Systematic payments/installments</b>                 | <p>Nationwide processes systematic payments requests within three business days (distributions are typically processed within one business day) of receipt in good order and withholds all applicable federal and, if applicable, state income tax from each payment. Where applicable, participants can specify federal and state tax withholding from their payments. We also prepare and send 1099-R tax forms to participants who receive distributions from their deferred compensation accounts with Nationwide. These forms will be mailed to participants no later than January 31st of the following year. Participants can select from four options to receive systematic payments:</p> <ul style="list-style-type: none"> <li>• Fixed Dollar Payment</li> <li>• Fixed Period Payment</li> <li>• Life Expectancy / Joint Life Expectancy</li> <li>• Required Minimum Distribution</li> </ul> <p>Participants can designate the date of distribution for the systematic payments and may change or stop the distributions at any time.</p> |
| <b>Annuities</b>  |   |
| <b>Rollovers to another plan or an IRA</b>              | <p>Once required paperwork is received to Nationwide in good order, a rollover check in the amount requested will be issued to the receiving institution for the benefit of the participant. A Letter of Acceptance from the receiving institution is required. Rollover requests are processed within three business days, assuming paperwork is in good order.</p>  |
| <b>In-service transfers and rollovers into the plan</b> | <p>Once a participant has submitted the appropriate form in good order, Nationwide will process the request and issue a check or ACH distribution within 1 to 3 business days. We strive to process every request on the same business day it is received in good order.</p>  |
| <b>Retroactive account adjustments</b>                  | <p>Nationwide will reimburse participants for amounts caused in part or whole by a Nationwide process or error.</p> <p>Upon identification of a processing error, Nationwide works with all parties involved to determine the best course of action to correct the error and communicate the correction options and timelines. If an error or delay occurs in the processing of any transaction, the corrections are made as of the date of the original request. If the error is due to a mistake on the part of Nationwide, the correction will be processed at our expense.</p>  |

**62. Describe how you process minimum distributions and the guidance you provide participants?**

We monitor required minimum distributions (RMD) annually for all participants, spousal beneficiaries, non-spousal beneficiaries, alternate payees, and non-person account holders to ensure the appropriate rules are applied. Participants who are required to take an RMD are notified via mail and will then have the option to arrange the distribution at that time or wait for the distribution to be issued automatically.

We calculate the amount of the RMD by using the December 31st prior year balance and dividing it by the IRS life expectancy table, based on the given situation (i.e. participant, beneficiary, or alternate payee). If a participant fails to take the full amount of their RMD payment, we will automatically issue a supplemental payment before December 31st to ensure tax penalties are not incurred.

There are no additional fees for this service.





## 63. Describe how you process transfers/exchanges.

Participants may request exchanges via the participant website at their convenience or by contacting a Solutions Center Representative during normal business hours, Monday through Friday, 6 a.m. to 9 p.m. MT and Saturday 7 a.m. to 4 p.m. MT. Transactions requested before the close of the New York Stock Exchange are processed at that business day's closing price. All transactions requested after the close are processed the following business day.

Participants receive a message confirming that the transaction has successfully been submitted on the website. The message also includes the transaction confirmation number. Solutions Center Representative will confirm the successful completion of a request prior to the end of the call.

Confirmations will be available online or mailed to the address of record within two business days of processing the request.

## 64. Please complete the chart below with your service level agreements, if any. Please provide the dollar amount at risk for failing to meet these standards.

Nationwide will commit \$10,000 annually towards performance guarantees and an additional \$10,000 towards transition guarantees. We look forward to working with the City to mutually agree upon specific service guarantees and to allocate associated monetary risk amounts.

|  | Service Level Agreement   | Dollars at Risk                   |
|--|---|-----------------------------------|
| <b>Participant Services</b>                      |   |                                   |
| Average call center wait time per call           | 70% of calls answered within 30 seconds   | \$1,500 annually                  |
| Number of onsite individual meetings per year    | 100 individual consultations annually via a combination of virtual and onsite meetings. We are happy to discuss expectations with the City in greater detail to ensure we are meeting the needs of the City and your employees. | \$1,500 annually                  |
| Number of onsite group meetings per year         | 12 group workshops annually<br>We are happy to discuss expectations with the City in greater detail to ensure we are meeting the needs of the City and your employees.  | \$1,500 annually                  |
| Plan participation rate increases per year       | To be determined by the City and Nationwide depending on what is important to the Plan Sponsor. Example(s): Participation Rate, Average Deferrals, Enrollments, Retirement Readiness Score, Digital Activation, etc.            | TBD                               |
| Deferral rate increases per year                 | To be determined by the City and Nationwide depending on what is important to the Plan Sponsor. Example(s): Participation Rate, Average Deferrals, Enrollments, Retirement Readiness Score, Digital Activation, etc.            | TBD                               |
| Participant statement mail date                  | Mailed within 15 calendar days of the end of the reporting period   | \$500 annually                    |
| Participant statement online posting date        | Posted within 15 calendar days of the end of the reporting period   | \$500 annually                    |
| <b>Plan Sponsor Services</b>                     |   |                                   |
| Number of days after quarter end for plan report | Processed within 30 business days of the end of the reporting period  | \$1,000 annually                  |
| Time to return plan sponsor phone calls          | Within one business day   | TBD                               |
| Annual plan sponsor training                     | Upon request  | TBD                               |
| <b>Administration</b>                            |   |                                   |
| Contribution reconciliation                      | Same business day if received in good order by 2 p.m. MT; next business day if received in good order after 2 p.m. MT   | \$1,500 annually if less than 99% |





|                               |   |                                  |
|-------------------------------|---|----------------------------------|
| Contribution posting          | Same business day if received in good order by 2 p.m. MT; next business day if received in good order after 2 p.m. MT   | \$1000 annually if less than 99% |
| Withdrawals paid              | Processed within three business day of receipt in good order  | \$1000 annually if less than 99% |
| Rollovers and transfers out   | Processed within three business day of receipt in good order  | TBD                              |
| Processing of fund transfers  | Exchanges received in good order by 2 p.m. MT will be processed same business day; next business day if received in good order after 2 p.m. MT  | TBD                              |
| <b>Transition</b>             |   |                                  |
| Number of group meetings      | 12-14 group meetings conducted during the transition period and up to 60 days after the transition date, in any combination of virtual and in-person as mutually agreed by the City and Nationwide.         | \$2,500                          |
| Number of individual meetings | 100 individual meetings conducted during the transition period and up to 60 days after the transition date, in any combination of virtual, in-person or phone as mutually agreed by the City and Nationwide | \$2,500                          |
| Number of days in blackout    | One (1)<br><i>*With the assumption that the transfer of assets and final files occurs before the required cutoff times.</i>   | \$5,000                          |

#### Cyber Security

65. Are participants verified when they call into the call center? (Yes/No) If yes, briefly describe your firm's approach to verifying each caller.

Yes. Nationwide has four points of required verification:

1. Account Number or Social Security Number
2. Name
3. Date of Birth
4. Address

Lastly, we ask for a final verification question from their account such as contribution rate. To supplement this question, we proactively ask that participants update their accounts with a more personalized security question. This question can be anything of the participant's choosing.

Additionally, we use a variety of sophisticated technologies and techniques to detect and deter unauthorized access to participant accounts and data. We periodically evaluate these practices, as well other evolving technologies, in response to new threats and changes in privacy regulation. Among those characteristics are:

- Domestic versus international point of origin
- Device type (cell, computer, landline)
- Legitimate carrier
- Volume of calls in a given time period

66. Are participants required to use multi-factor authentication for online access to the participant website? (Yes/No)

Yes.





67. Are Plan Sponsors required to use multi-factor authentication for online access to the Plan Sponsor website? (Yes/No)

Yes.

68. Are you able to securely maintain client confidential information; restrict plan and participant information only to those who need to provide services, software and hardware security, access controls, data back-up and storage procedures, security incident response procedures, and audit reviews?

Yes.

69. Briefly describe your data security process.

#### People

- More than 300 Nationwide associates are dedicated to data protection to monitor potential threats as soon as they occur. These professionals are responsible for the investigation and review of attempted data exfiltration to external devices and for enforcing compliance with Nationwide's Confidentiality Agreement and Information Security Policy.
- Nationwide associates are only granted the access necessary to do their jobs. An automated tool is used to maintain least-privileged access. The tool immediately revokes access upon termination, and Managers routinely review and approve their associate's access.

#### Process

- The foundation of Nationwide's information security starts with our Information Security Policy. It provides a comprehensive framework for adhering to sound information security practices and is modeled on NIST 800-53. The Policy is then implemented through dozens of more specific Information Security Standards, which are actively managed to map to a wide variety of federal, state, and industry information security guidelines.
- Nationwide applies encryption methodology that conforms to the NIST approved algorithms, key lengths, and related standards as outlined on the NIST website. Data which resides on all end-points, and laptops uses full disk encryption and we leverage Mobile Device Management (MDM) technology which allows for remote wipe and device encryption for all mobile end-points.

#### Technology

- Multi-factor authentication (MFA) is deployed on the Retirement Plans participant and business partner facing websites.
- Enhanced registration controls require entry of a unique case or account number for participant web profile registration.
- We offer Nationwide Account Lock, a feature that allows participants to prevent distributions from being taken from their retirement account until they unlock the account using a unique password.

70. How many system security breaches has your organization experienced in the last five years?

As a large financial services enterprise, Nationwide has experienced security incidents that could be considered security breaches as defined by state law, however, Nationwide's Retirement Solutions division has not identified any such incidents that indicate data exfiltration, system intrusion or misuse of participant data.

While no organization is entirely immune from attack, we monitor closely for threats and have protocols to guide our response and remediation in the event of this type of situation. How we respond, care for those impacted, and focus on prevention and detection remain our top priority. We take data security very seriously, employing industry standard practices to protect our systems and networks:

- **Dedicated Teams:** We have developed cyber defense strategies and solutions, within our Cybersecurity Operations Center (CSOC). The CSOC employs a team of security professionals and automated response tools to proactively monitor and protect our external and internal network perimeter 24 x 7 x 365. This team receives





threat intelligence from a variety of sources and leverages advanced technologies to identify and respond to suspicious activity.

- **Response Process:** If the Security Command Center detects a security incident the team works cross-functionally with Nationwide's Event Management Program (EMP), which investigates security incidents, substantiates facts, and conducts legal analysis according to state and/or federal statutes, and contractual obligations.

**71. Provide a copy of your most recent SOC I or SOC II report as a separate attachment.**

We have included a copy of our 2022 SOC-1 and 2022 SOC-2 audit reports with our response for your review.

**72. Do you have a regular independent audit of your cyber security process? (Yes/No). If yes, provide the name of the Auditor, the name of the audit package and if your system passed or failed.**

Yes. Nationwide has independent cybersecurity assessments performed on a three-year interval. In 2021, Nationwide engaged Mandiant (a FireEye Company) to perform a Cyber Security Assessment which compared Nationwide to the Insurance and Financial Services industries. The results of this assessment are considered proprietary and not available for distribution.

|                                      |                           |
|--------------------------------------|---------------------------|
| <b>Auditor</b>                       | Mandiant                  |
| <b>Name of Audit Package</b>         | Cyber Security Assessment |
| <b>Did your system pass or fail?</b> | Pass                      |

**73. Describe your system's back-up and data retention policies.**

Nationwide has security standards in place that describe how personally identifiable information should be accessed, stored, and destroyed, or sanitized. Nationwide maintains its records in accordance with a Record Retention Schedule that is managed by the Records Management Department. The only exception to scheduled destruction of records is a notice of a retention hold. Notices of retention hold generally involve litigation, audits, or governmental investigations.

The Discovery Management Unit of the Office of the Chief Legal Officer is responsible for issuing the hold and identifying the types of records that must be maintained. Offsite records management entails managing closed/inactive records in partnership with Iron Mountain, Nationwide's preferred offsite records storage vendor. Closed/inactive records are boxed, and essential information about these records is entered into the Iron Mountain Connect (IMConnect) system. Boxes are then transported to a local Iron Mountain storage facility where they are retained until eligible for destruction. Boxes or individual files that require retrieval are requested through the IMConnect system.

**74. Describe your disaster recovery policy and procedures.**

To provide continuous service operations, Nationwide utilizes a Disaster Recovery program. Should business functions be interrupted by the loss of a primary business facility, associates would be relocated to an alternate site. In the event of a systems facility loss, applications would be redirected to their primary recovery location, which could be an alternate Nationwide facility or a remote recovery service provider. The hierarchical structure of the recovery plans includes the ability to address incidents that are department, facility, city, state or regional in nature.

**75. Who has the ultimate responsibility/authority to make sure the recordkeeping system remains current with respect to laws, regulation, clients needs, etc.?**

Nationwide holds the responsibility of updating our recordkeeping system to remain current to law, regulations, and client needs. Our system is upgraded monthly in order to enhance our system to meet client needs, industry changes, government regulations, and technology advances.





## Important Disclosures

### Endorsements

Nationwide Retirement Solutions (Nationwide) makes payments to the National Association of Counties (NACo) and the NACo Financial Services Center Partnership; the International Association of Fire Fighters – Financial Corporation (IAFF-FC); and the United States Conference of Mayors (USCM) for services and endorsements that NACo, IAFF, and USCM perform generally for all their members related to Nationwide's products and services sold exclusively in public sector retirement markets. More detail about these payments is available at [www.nrsforu.com](http://www.nrsforu.com).

*This response should not be considered an endorsement by NACo, IAFF-FC, or USCM of Nationwide Investment Advisors, LLC (NIA) or its provision of investment advice, or a reflection of any NACo, IAFF-FC, or USCM member's experience as a client of NIA. NIA is not a party to the endorsement arrangement between Nationwide and NACo, Nationwide and IAFF-FC, or Nationwide and USCM; and NIA has not engaged NACo, IAFF-FC, or USCM to solicit retirement plan participants as clients for Nationwide ProAccount®. Nationwide's payments made to NACo, IAFF-FC, or USCM are not affected by whether an entity's member chooses to include the Nationwide ProAccount® option in its deferred compensation plan or whether a plan participant elects the service.*

### Mutual Fund Service Fee Payments

Nationwide Retirement Solutions, Inc. and its affiliates (Nationwide) offer a variety of investment options to public sector retirement plans through variable annuity contracts, trust or custodial accounts. Nationwide may receive payments from mutual funds or their affiliates in connection with those investment options. For more detail about the payments Nationwide receives, please visit [www.nrsforu.com](http://www.nrsforu.com).

### Nationwide True Flex

The Nationwide True Flex<sup>SM</sup> is a group fixed annuity contract issued by Nationwide Life Insurance Company that provides an interest rate that is determined quarterly. The Nationwide True Flex Contract currently does not have any explicit asset management charges. Nationwide Life's compensation and its cost and expenses are reflected in the contract's net crediting rate, as opposed to the gross crediting rate. The difference between the two represents what Nationwide Life earns on investments and what it credits plan participants as interest.

*If the plan sponsor terminates the True Flex Contract and withdraws its assets in a lump sum a market value adjustment (MVA) will apply. The MVA is the amount that Nationwide Life determines would be the net capital loss, if any, resulting to Nationwide Life if investments were liquidated to satisfy the lump sum withdrawal. For more information, including the specific MVA applicable to your contract please see your group annuity contract. If the plan sponsor withdraws its assets over a 12-month period (1 year) instead of in a lump sum, the MVA will not apply. There are no fees associated with early withdrawal at the participant level.*

### Nationwide Fixed Elite

The Nationwide Fixed Elite is a group fixed annuity contract issued by Nationwide Life Insurance Company that provides an interest rate that is determined quarterly. The Nationwide Fixed Elite Contract currently does not have any explicit asset management charges. Nationwide Life's compensation and its cost and expenses are reflected in the contract's net crediting rate, as opposed to the gross crediting rate. The difference between the two represents what Nationwide Life earns on investments and what it credits plan participants as interest. The crediting rate is determined by the investment return earned on Nationwide Life's portfolio, reduced by expenses (including compensation to Nationwide Life).

*If the Plan Sponsor terminates the Fixed Elite Contract and withdraws its assets in a lump sum a market value adjustment (MVA) will apply. The MVA is the amount that Nationwide Life Insurance Company (NLIC), an affiliate and issuer of the Nationwide Fixed Elite Contract, determines would be the net capital loss, if any, resulting to NLIC if investments were liquidated to satisfy the lump sum withdrawal. The MVA is calculated using NLIC's current procedures applicable to all contracts of this type and class at the time of withdrawal. For more information, including the specific MVA applicable to your contract please see your group annuity contract. If the employer withdraws its assets over a 60-month period (5 years) instead of in a lump sum, the MVA would not apply. There are no fees associated with early withdrawal at the participant level.*

### Retirement Resource Group

Nationwide offers access to the Retirement Resource Group through our affiliate NSLLC and the products and services offered by NSLLC are separate and distinct from the third party plan administration services that are provided by Nationwide.

Securities and advisory services offered through Nationwide Securities, LLC, member FINRA, SIPC and a Registered Investment Advisor, Columbus, OH. DBA Nationwide Advisory Services, LLC. In AR, CA, FL, IL, NY, TX and WY. NSLLC is an affiliate of Nationwide. The products and services offered by NSLLC are separate and distinct from the third party plan administration services that are provided by Nationwide.

### Fiduciary Disclosure

Nationwide serves our clients as a nondiscretionary provider of bundled third-party administrative and record keeping services and does not exercise any discretionary control or authority over clients, the Plans, or Plan assets. We agree to perform all services for our clients as a professional in defined contribution/deferred compensation administration and agree to hold ourselves out as possessing greater knowledge and skill than the average person with respect to client third-party administrator services. As a nondiscretionary provider, we are not a plan fiduciary, but will adhere to the prudent person standard of care.

### NIA/Nationwide ProAccount

Nationwide Investment Advisors, LLC (NIA) provides investment advice to plan participants enrolled in Nationwide ProAccount. NIA is an SEC-registered investment adviser and a Nationwide affiliate. NIA assesses participants an asset-based fee for the managed account services. When applicable, retirement products are offered by Nationwide Trust Company, FSB, or Nationwide Life Insurance Company.



City of Chandler, AZ  
457 & RHS Plans

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**NIA / My Investment Planner**

*The Risk Tolerance Questionnaire and the investment selections for NIA Advice Portfolios are provided to Nationwide Investment Advisors, LLC (NIA) by Wilshire®. Investors are responsible for implementing and maintaining the suggested allocations. Wilshire is a service mark of Wilshire Associates Incorporated, which is not an affiliate of NIA or Nationwide.*

**Nationwide Account Pledge**

*Participants are required to submit an Affidavit of Forgery and a filed police report and fully cooperate with Nationwide in assessing the fraud.*

*The limitations and restrictions of Nationwide Account Pledge include, but are not limited to, the following:*

- *The commitment does not cover losses that result from a participant's, their designee's, family member's, or acquaintance's negligence or fraudulent acts and/or sharing of information or account credentials with others.*
- *The commitment does not cover legal fees, expenses, or tax consequences, and/or indirect or non-monetary damages, incurred by the participant.*
- *Losses will not be covered when caused by a failure of an authorized third-party (e.g., the Plan Sponsor, a financial professional, administrator, consultant, etc.) with access to the account, but Nationwide will partner on resolution.*





## Proposed Transition Timeline

for the City of Chandler, AZ Retirement Plans

Nationwide Retirement Solutions (NRS) has a dedicated staff of professionals to handle all transition and implementation responsibilities for the City of Chandler, AZ Retirement Plans.

Shown below is a high-level, proposed timeline for a transition to Nationwide as your exclusive provider. Given the level of customization and attention to detail we believe your plan deserves, the sample shows a conservative timeline of 16 weeks, which will be targeted to start after your award decision and written notification of termination to your current provider. Actual transition project duration will depend on factors such as level of cooperation from Current Provider(s), complexity, discovery (after opportunity to review plan documents and have deeper discussions with the plan) of new build or capabilities required, data quality, and others.

After award of the contract, our Transition Team will work directly with you to develop a more detailed transition plan to fit your needs and ensure the best experience and outcomes for you and your participants.

| Target Completion          | Activity  | Assigned ● = Primary ○ = Support |              |            |                  |              |
|----------------------------|---|----------------------------------|--------------|------------|------------------|--------------|
|                            |   | NRS                              | Plan Sponsor | Consultant | Current Provider | SDO Provider |
| Pre-Transition             |   |                                  |              |            |                  |              |
| Prior to beginning project | Provider selection award is made.   |                                  | ●            |            |                  |              |
|                            | Begin contract and plan governing documents discussions.  | ●                                | ○            | ○          |                  |              |
|                            | Send written notification of termination to Current Provider(s).  |                                  | ●            | ○          |                  |              |
|                            | Provide current plan governing documents (Adoption Agreement, Loan Procedures, etc).                    |                                  | ●            | ○          | ○                |              |
| Week 1                     | Assemble transition team.   | ●                                | ○            |            |                  |              |
|                            | Meet with Plan representatives to gather details about the Plan and the Plan needs                      | ●                                | ○            | ○          |                  |              |
|                            | Initial meeting with Current Provider(s).   | ●                                |              |            | ○                |              |
| Weeks 1-2                  | Establish the timing and execution of the transition.   | ●                                | ○            | ○          | ○                |              |
|                            | Determine participant communication strategy and timeline.  | ●                                | ○            | ○          |                  |              |
| Week 2                     | Provide full set of test files with conversion data.  | ○                                |              |            | ●                |              |
| Weeks 2-3                  | Create a Communication Plan that addresses success criteria and executes on the communication strategy. | ●                                | ○            | ○          |                  |              |
| Weeks 3-6                  | Discuss and resolve any conversion file/layout questions.   | ●                                |              |            | ●                |              |
|                            | Discuss payroll file/processing needs in detail.  | ●                                | ○            |            |                  |              |
| Weeks 3-6                  | Design, develop and review initial transition announcement for participants (if applicable).            | ●                                | ○            | ○          |                  |              |
| Weeks 4-6                  | Coordinate workshop schedule and locations.   | ●                                | ○            | ○          |                  |              |
| Weeks 4-8                  | Design, develop and review enrollment and ongoing communication materials.                              | ●                                | ○            | ○          |                  |              |
| Weeks 4-13                 | Design, develop and review all plan forms (as applicable).  | ●                                | ○            | ○          |                  |              |
| Weeks 4-16                 | Test conversion programs as needed.   | ●                                |              |            |                  |              |
|                            | Design, develop and test any feature build as determined by project scope and requirements.             | ●                                |              |            |                  |              |
|                            | Design and develop personalized website (if applicable).  | ●                                | ○            | ○          |                  |              |
| Weeks 5-10                 | Design and test payroll files and processes.  | ●                                | ○            |            |                  |              |
| Weeks 6-8                  | Send initial participant transition announcement (if applicable).                                       | ●                                | ●            | ○          |                  |              |
|                            | Open Solutions Center to address participant questions.   | ●                                |              |            |                  |              |
| Weeks 6-12                 | Obtain the Plan's approval on additional communication materials.                                       | ●                                | ○            | ○          |                  |              |





## Proposed Transition Timeline

for the City of Chandler, AZ Retirement Plans

| Target Completion                     | Activity  | Assigned ● = Primary ○ = Support |              |            |                  |              |
|---------------------------------------|---|----------------------------------|--------------|------------|------------------|--------------|
|                                       |   | NRS                              | Plan Sponsor | Consultant | Current Provider | SDO Provider |
| Pre-Transition (Continued)            |   |                                  |              |            |                  |              |
| Weeks 8-12                            | Test in-house programs (payroll, statements, feature build, vesting, as applicable).                                    | ●                                |              |            |                  |              |
|                                       | Complete necessary fund builds (as applicable)  | ●                                | ○            | ○          |                  |              |
| Weeks 10-14                           | Test systematic participant communications (i.e. confirms, statements, etc.).   | ●                                |              |            |                  |              |
|                                       | Conduct payroll processing tests.   | ●                                | ○            |            |                  |              |
| Weeks 11-12                           | Detailed participant communication including important upcoming dates and new plan benefits and features.               | ●                                | ○            | ○          |                  |              |
|                                       | Refresh Solutions Center to address participant questions.  | ●                                |              |            |                  |              |
| Weeks 12-14                           | Execute Solutions Center training programs.   | ●                                |              |            |                  |              |
|                                       | Finalize all plan forms.  | ●                                | ○            |            |                  |              |
| Weeks 12-16                           | Coordinate online access for Plan staff.  | ●                                | ○            |            |                  |              |
|                                       | Conduct Transition Education workshops.   | ●                                | ○            | ○          |                  |              |
| Week 14-15 *                          | Begin blackout (no transactions will be processed).   |                                  |              |            | ●                |              |
|                                       | Use blackout files to set up participant accounts.  | ●                                |              |            |                  |              |
|                                       | Mail Account Setup confirmation letter to participants.   | ●                                |              |            |                  |              |
| Weeks 14-16                           | Coordinate setup activities for SDO accounts with Schwab (if applicable).   | ●                                |              |            |                  | ○            |
| Transition                            |   |                                  |              |            |                  |              |
| Liquidation *<br>date                 | Execute programs to liquidate participant accounts.   |                                  |              |            | ●                |              |
| One business day after liquidation *  | Complete final reconciliation of final files and send to Nationwide.  | ○                                |              |            | ●                |              |
|                                       | Execute wires/shareholder account transfers (as applicable) for all balances to transfer assets.                        |                                  |              |            | ●                |              |
| One business day after liquidation *  | Receive financial data and load all balances to system.   | ●                                |              |            |                  |              |
|                                       | Submit in-kind transfer request to current SDO provider (If applicable; typically takes 5-7 business days to complete). | ●                                |              |            |                  | ○            |
| Post-Transition                       |   |                                  |              |            |                  |              |
| Two business days after liquidation * | Validate and QC the applied assets.   | ●                                |              |            |                  |              |
|                                       | Begin daily processing of plan, including activating VRU and web. Participant accounts are LIVE at Nationwide.          | ●                                |              |            |                  |              |
|                                       | Notify the Plan of completion of transition.  | ●                                | ○            | ○          |                  |              |
| 5 to 7 business days after transition | In-kind transfer should be complete and participants can begin trading in their SDO accounts (if applicable).           | ●                                |              |            |                  | ○            |
| Within 30 days of end of the quarter  | Mail first participant Statements.  | ●                                |              |            |                  |              |
|                                       | Mail final participant Statements.  |                                  |              |            | ●                |              |
| Throughout year 1                     | Nationwide will implement the annual communication and education plan   | ●                                | ○            |            |                  |              |

\*Timing of these steps is tentative, dependent of the requirements of the Current Provider(s)





# NIA PROACCOUNT DISCLOSURES







Rev. 01/2022

## FACTS

### WHAT DOES NATIONWIDE DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal and state laws give consumers the right to limit some but not all sharing. Federal and state laws also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Account balances, transaction history, and credit history
- Assets and insurance claim history

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Nationwide chooses to share; and whether you can limit this sharing.

| Reasons we can share your personal information   | Does Nationwide share? | Can you limit this sharing? |
|--|------------------------|-----------------------------|
| For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | Yes                    | No                          |
| For our marketing purposes—to offer our products and services to you   | Yes                    | No                          |
| For joint marketing with other financial companies   | No                     | We don't share              |
| For our affiliates' everyday business purposes—information about your transactions and experiences   | Yes                    | No                          |
| For our affiliates' everyday business purposes—information about your creditworthiness   | No                     | We don't share              |
| For our affiliates to market to you  | No                     | We don't share              |
| For nonaffiliates to market to you   | No                     | We don't share              |

#### Questions?

Call 1-800-882-2822 ext. 614-249-6485 or go to [www.nationwide.com/privacy](http://www.nationwide.com/privacy)



| Who we are  |   |
|---|---|
| Who is providing this notice?   | Nationwide Financial Services, Inc., Nationwide Life, Harleysville Life, Nationwide Retirement Solutions, Inc., Nationwide Investment Advisors, LLC, Nationwide Fund Distributors, LLC, Jefferson National, and the Nationwide Family of Companies (collectively "NFS").  |
| What we do  |   |
| How does Nationwide protect my personal information?  | To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state laws. These measures include computer safeguards and secured files and buildings. We limit access to your information to those who need it to do their job.  |
| How does Nationwide collect my personal information?  | We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ apply for insurance or give us your contact information</li> <li>■ pay your insurance premiums or file an insurance claim</li> <li>■ show your driver's license</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.  |
| Why can't I limit all sharing?  | Federal and state laws give you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law. |
| What happens when I limit sharing for an account I hold jointly with someone else?  | Your choices will apply to everyone on your account.  |
| Definitions   |   |
| Affiliates  | Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Our affiliates include nonfinancial companies, such as companies with the Nationwide name, such as Nationwide Mutual Fire Insurance Company and Nationwide Mutual Insurance Company. Visit <a href="http://nationwide.com">nationwide.com</a> for a list of affiliated companies.</i>  |
| Nonaffiliates   | Companies not related by common ownership or control. They can be financial and nonfinancial companies. <i>NFS does not share with nonaffiliates so they can market to you.</i>   |
| Joint marketing   | A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <i>NFS doesn't jointly market.</i>   |
| Other important information   |   |
| <p>Nevada Residents: We are providing you this notice under state law. You may request to be placed on our internal Do Not Call list by sending an email with your phone number to <a href="mailto:privacy@nationwide.com">privacy@nationwide.com</a>. You may request a copy of our telemarketing practices. For more on this Nevada law, contact: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; phone number: 1-702-486-3132; email: <a href="mailto:BCPDNFO@ag.state.nv.us">BCPDNFO@ag.state.nv.us</a>; Nationwide, 1000 Yard Street GH-2D-OCA1, Columbus, OH 43212; 1-877-233-3370; <a href="mailto:privacy@nationwide.com">privacy@nationwide.com</a>.</p> <p>For Vermont Customers: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at <a href="http://www.nationwide.com/privacy">www.nationwide.com/privacy</a> or call 1-877-233-3370.</p> <p>For insurance customers in AZ, CT, GA, IL, ME, MA, MI, NV, NJ, NM, NC, ND, OH, OR, and VA only: The term "Information" means information we collect during an insurance transaction. We will not use your medical information for marketing purposes without your consent. We may share your Information with nonaffiliates without your prior authorization as permitted or required by law. We may share your Information with insurance regulatory authorities, law enforcement, and consumer reporting agencies. Information we obtain from a report prepared by an insurance-support organization may be retained by that insurance-support organization and disclosed to others.</p> <p>To request access to or deletion of your personal information, send a written letter to: Nationwide, 1000 Yard Street GH-2D-OCA1, Columbus, OH 43212. Include your name, address, and your policy, contract, or account number, and describe the information you wish to access or delete. You may correct inaccurate personal information by visiting <a href="http://Nationwide.com">Nationwide.com</a> or calling your agent. We can't change information other companies, like credit agencies, provide to us. You'll need to ask them to change it.</p> <p>California Residents: Learn more about your rights under the California Consumer Privacy Act by visiting <a href="http://www.nationwide.com/privacy">www.nationwide.com/privacy</a>.</p> |   |





**Item 1      Cover Page**

## Nationwide Investment Advisors, LLC

10 West Nationwide Blvd

Mail Code: 5-02-301J

Columbus, OH 43215

March 30, 2022

### Part 2A of Form ADV

This document ("brochure") provides information about the qualifications and business practices of Nationwide Investment Advisors, LLC ("NIA"). If you have any questions about the contents of this brochure, please contact us at 1-888-540-2896.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

NIA is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about NIA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

PNN-0242AO.29



## **Item 2      Material Changes**

In this Item, NIA summarizes specific changes that are made to the brochure, since its last annual update, which it believes a client would consider important (material changes). NIA provides its clients with a summary of any material changes to this and subsequent brochures within 120 days of the close of its fiscal year on December 31.

NIA last updated its Form ADV Part 2A ("brochure") on February 14, 2021.

As of March 30, 2022, there are no material changes to NIA's brochure since its last update.

At any time, clients may request a free copy of NIA's brochure by calling 1-888-540-2896, or by e-mail at [proacct@nationwide.com](mailto:proacct@nationwide.com).

Additional information about NIA is also available on the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with NIA who are registered as investment adviser representatives of NIA.



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## Item 4      **Advisory Business**

This brochure provides information about the business practices of NIA. NIA is an indirect subsidiary of Nationwide Financial Services, Inc. ("Nationwide Financial"). NIA is a registered investment adviser under the Investment Advisers Act of 1940. NIA's advisory representatives are registered as investment adviser representatives in accordance with the requirements of the state in which they operate.

*NIA's Background Information* -- NIA was formed on May 12, 2006, as a limited liability company. NIA is wholly owned by Nationwide Life Insurance Company ("NLIC"), which is wholly owned by Nationwide Financial. Nationwide Financial is wholly owned by Nationwide Corporation, a holding company for entities affiliated with Nationwide Mutual Insurance Company. None of these Nationwide entities is publicly held.

NIA's advisory services are provided through portfolio management, asset allocation models, and managed accounts for its programs described below.

*ERISA* -- In conjunction with offering investment advice for certain retirement plans subject to ERISA, NIA acts as an "investment manager" within the meaning of Section 3(38) of ERISA and as that term is used under the Internal Revenue Code of 1986, as amended (the "Code"), and is a fiduciary within the meaning of Section 3(21) of ERISA and Section 4975(e)(3) of the Code.

### **Investment Advisory Services**

NIA offers discretionary and non-discretionary investment advice programs to plan sponsors and participants of employee benefit plans that use a retirement program offered by an affiliate company.

NIA agrees that in performing any of its duties and obligations under its investment advisory agreements and any applicable amendments, NIA will act in conformity with all terms and provisions of those agreements and any instructions given pursuant thereto or otherwise and will conform to and comply with the requirements of the Advisers Act and all other applicable federal and state laws, rules, and regulations, as each may be amended from time to time.

### **Independent Financial Expert/Portfolio Strategist**

NIA has hired Wilshire Advisors LLC ("Wilshire") as an Independent Financial Expert ("IFE") and Portfolio Strategist for its various investment advisory programs. Wilshire, a global independent investment consulting and services firm, provides consulting services, analytics solutions, and customized investment products to plan sponsors, investment managers and financial intermediaries. Wilshire has extensive manager research and selection capabilities with experienced analysts, who conduct approximately 1,500 meetings each year to evaluate managers and management firms on quantitative and qualitative factors. Wilshire has over 45 years of experience developing capital market assumptions, evaluating risk and liability profiles, and constructing diversified portfolios to meet the specific needs of its clients. Using this experience, Wilshire's multi-discipline portfolios combine strategic asset allocation policy with the diversification of multiple investment managers.

NIA employs an IFE or a Portfolio Strategist to assure that investment advice provided to its clients remains objective and unbiased to the extent that advice could impact products and services offered by NIA's affiliates or investment option service fee payments received by NIA affiliates. In addition, with respect to retirement plans subject to ERISA, use of an IFE is intended to avoid potential ERISA prohibited transactions.

As IFE, Wilshire develops and maintains model investment portfolios for ProAccount. With respect to ProAccount, the IFE considers all eligible investment options available when creating its model ProAccount portfolios. In its evaluation of these investment options, the IFE takes into account the range of asset fees associated with each investment option but does not consider the specific asset fees charged to each Client (defined below in section entitled "NIA Non-Discretionary Advice") account by providers of other products and services. The list of eligible investments is subject to change over time and is based on the IFE's evaluation of a variety of factors including, but not limited to, client demand, suitability, and technology requirements.



The IFE has sole control and discretion over the development and ongoing maintenance of the ProAccount model portfolios, including periodic rebalancing and changes to asset allocation and fund selection. The IFE's investment process is designed to take into account the evolving investment needs of ProAccount clients (defined below in section entitled – ProAccount for Retirement Plans) over time, as well as varying tolerances for risk. Each ProAccount portfolio will undergo a progression of asset allocation changes over the course of a ProAccount Client's time horizon and in accordance with his or her risk profile and investment preferences as identified by information obtained from the ProAccount Client or by their plan sponsor/trustee. The IFE assesses the ProAccount portfolios at least quarterly to determine if reallocation or rebalancing is needed. More frequent reallocation or rebalancing may occur as determined by the IFE.

NIA is responsible for the selection and ongoing monitoring of the IFE and implementing allocation changes in ProAccount Clients' accounts. In certain circumstances, NIA may terminate the IFE and engage the services of a suitable replacement IFE for ProAccount without prior notice to affected plan sponsors or ProAccount clients.

The IFE provides its services directly to NIA and does not have a contractual relationship with any retirement plan authorizing ProAccount or any ProAccount Client. NIA is responsible for paying all fees and expenses charged by the IFE for its services.

#### **Advice Program for Plan Sponsors of Trustee Directed Retirement Plans**

NIA offers a discretionary investment advisory service (the "Advice Program") to plan sponsors of defined benefit plans and certain other trustee directed retirement plans that use a retirement program offered by an affiliated company, Nationwide Trust Company, FSB ("Nationwide Trust Company"). Under the Advice Program, plan sponsors appoint NIA to allocate and reallocate the plan assets in accordance with an investment strategy designed to meet the plan's investment objectives, selections, and preferences. Prior to establishing an advisory account, the plan sponsor must complete a Program Questionnaire designed to assist the plan sponsor in its selection of an investment portfolio ("Portfolio"). The plan sponsor is solely responsible for approving the Portfolio identified, or if it chooses, selecting a different Portfolio created by the Portfolio Strategist. Following the plan sponsor's completion of the Program Questionnaire and selection of a Portfolio, NIA will establish the plan's advisory account under the Program, which NIA will manage in accordance with the Portfolio selected by the plan sponsor.

#### **NIA Non-Discretionary Advice "My Investment Planner"**

NIA provides non-discretionary investment advice to retirement plan participants (the "Client(s)") in certain retirement plans. This service may also be referred to as My Investment Planner. In addition to information about the Plan's investment policies and goals, NIA collects Client information, including financial risk-tolerance questions, which together form the basis for criteria used to suggest a model portfolio. The completed questionnaire identifies the appropriate risk-based portfolio, ranging from conservative to aggressive. This non-discretionary portfolio advice is provided to the Client. The Client is solely responsible for implementing the recommended portfolio allocations. NIA does not have discretionary authority over the Client's account and is not responsible for buying or selling any securities for the Client's account.

#### **NIA Nondiscretionary Investment Advice for Governmental Plan Sponsors "Smart Alliance"**

NIA offers nondiscretionary investment advice ("Investment Fiduciary Services") for sponsors of governmental retirement or deferred compensation plans that offer participants a diverse set of investment options ("the Platform"). The Platform may also be referred to as Smart Alliance. The Platform includes both proprietary and nonproprietary mutual funds, collective investment trusts, stable value portfolios, and other investment options. NIA provides Investment Fiduciary Services with respect to the Platform in accordance with the Investment Policy Statement established by the plan sponsor, which may change from time-to-time, or other such information needed by NIA. The plan sponsor authorizes NIA to provide recommendations, monitor and evaluate from time to time the composition of the Platform. It is the sole responsibility of the plan sponsor to decide whether to follow any such recommendation. If the plan sponsor chooses not to follow NIA's



recommendation, or if the plan sponsor follows it initially and later changes it without subsequent recommendation by NIA to do so, NIA will have no responsibility or liability for the results.

### **ProAccount for Retirement Plans**

NIA offers a discretionary managed account service called Nationwide ProAccount ("ProAccount") that provides professional management of assets in participant directed or plan sponsor directed retirement plans. ProAccount offers individualized participant level investment advice, using a process designed to address the individual's investment objectives. NIA offers ProAccount to plan sponsors/trustees for the benefit of participants in retirement plans using custody services of affiliated (i.e., NLIC and Nationwide Trust Company) and non-affiliated custodians (collectively, the "Nationwide Retirement Program").

An investment advisory affiliate of NIA, Nationwide Securities, LLC ("NSLLC"), offers ProAccount to NSLLC clients whose retirement accounts are custodied at Nationwide Trust Company.

**Electing ProAccount** – Plan sponsors can elect to make ProAccount available to plan participants as an additional service. The Plan Sponsor must approve NIA as an authorized provider of investment advice to the plan in accordance with the plan's investment policy and applicable plan documents. A plan participant seeking to enroll in ProAccount (each a "ProAccount Client") will enter into an individual investment advisory agreement with NIA and complete a financial risk-tolerance questionnaire to help identify his or her individual risk-tolerance, investment preferences and investment time-horizon, as well as to indicate any reasonable restrictions the ProAccount Client may wish to place on the management of his or her retirement plan account assets. This information is used to create a ProAccount Client risk profile.

After NIA has accepted the ProAccount client's enrollment, NIA will place his or her account assets in an investment portfolio, which matches the risk profile and time horizon of the individual ProAccount client. Due to similarities in risk profiles and time horizons, an investment portfolio solution may be appropriate for more than one plan participant. NIA will periodically reallocate and rebalance the ProAccount Client's assets in accordance with advice provided by the IFE based on changes in the ProAccount client's profile or current market conditions. NIA's investment discretion over ProAccount clients' assets is limited to implementing the IFE's investment advice, which NIA does not have authority to modify. ProAccount clients are encouraged to update their risk profiles whenever their financial situation, risk tolerance or time horizons change. Updates can be submitted by completing a new risk tolerance questionnaire or providing additional information using online tools provided by NIA and its affiliates.

### **Plan Sponsor Directed Enrollment into ProAccount**

Where permitted by state law and as permitted under the documents establishing the plan, Plan sponsors of retirement plans administered by Nationwide may elect to have plan participants automatically enrolled into ProAccount. Through directed enrollment, plan participants receive written notice of the directed enrollment process from the plan sponsor and are provided a reasonable opportunity, as determined by the plan sponsor, to opt out of the service. Subject to their ability to opt out of the ProAccount ongoing service, participants are automatically enrolled into ProAccount at the plan sponsor's direction, and their assets are managed in accordance with an investment portfolio that corresponds to their age and assumes a moderate risk profile, unless otherwise directed by the plan sponsor or plan participant. Participants will also be given the opportunity to affirmatively elect ProAccount by entering into an investment advisory agreement with NIA and completing a ProAccount risk tolerance questionnaire, which allows for a more individualized risk-tolerance analysis and may result in the selection of a more customized portfolio.

In certain cases, where plan sponsors direct plan assets, they may elect ProAccount in connection with the management of employer-directed participant account assets. In these cases, the plan sponsor/fiduciary enters into an investment advisory agreement with NIA and directs NIA to enroll participants in portfolios corresponding to age and risk tolerance parameters specified by the plan sponsor/trustee. NIA does not contact participants of these plans or otherwise assist the plan sponsor/trustee in identifying an appropriate investment



portfolio for participants. NIA will allocate and rebalance participant account assets in accordance with the portfolio selected by the plan sponsor/fiduciary.

#### ***Investment Limitations***

In its development of portfolios for ProAccount clients, the IFE does not consider whether the ProAccount Client has assets invested in certain investment alternatives, which may otherwise be available through their account (e.g. self-directed brokerage accounts, individual stocks, employer stock, and certain Nationwide Life Insurance Company group fixed annuity contracts). The IFE may add to the list of eligible investments. The IFE may use the fixed annuity contracts issued by Nationwide Life Insurance Company when developing portfolios, if available. In addition, consistent with the Department of Labor's guidance on the requirements of Qualified Default Investment Alternatives under the Pension Protection Act of 2006, mutual fund investment options that charge redemption fees to participants in retirement plans subject to ERISA are not eligible for consideration by the IFE.

Since ProAccount is designed to be a comprehensive investment solution, ProAccount clients must allocate their entire available account balance (i.e., all unrestricted assets eligible for investment) to ProAccount. Once enrolled in ProAccount, NIA implements the IFE's portfolio allocation instructions. While enrolled in ProAccount, Clients are not permitted to make investment allocation changes to their account assets managed through ProAccount, including fund-to-fund transfers, changes to fund allocation, or utilization of automatic rebalancing. NIA will have no responsibility or liability for investment allocation changes ProAccount clients make to account assets managed through ProAccount in violation of this restriction. ProAccount clients retain full inquiry access to their accounts and may still request and be approved for loans (as applicable) and take applicable distributions. NIA does not have authority to initiate or modify any distribution instructions from client accounts.

NIA does not have any duty, responsibility or liability for assets that are not part of the ProAccount Client's retirement plan account or employee benefit plan account being managed through ProAccount.

Upon termination of the ProAccount agreement by either party, the account holder's assets will remain invested in the ProAccount investments last allocated by NIA until the client makes changes to those allocations.

#### **Total Client Assets under NIA management**

The amounts below include the assets for *all* NIA advisory programs as of December 31, 2021.

- Amount of ProAccount Client assets under NIA *discretionary* management: \$13,510,000,000.
- Amount of Client assets under NIA Investment Fiduciary Services: N/A.
- Amount of Client assets under NIA *non-discretionary* management: N/A.
  - Implementation of the investment advice provided under this program is left solely up to the participants. NIA does not track the extent to which the advice was acted upon and therefore reports no assets under management.

### **Item 5 Fees and Compensation**

#### **Advice Program for Plan Sponsors of Trustee Directed Retirement Plans (Advice Program)**

Plans participating in the Advice Program are charged a maximum annual fee of 0.50% ("Advice Program Fee"). The Advice Program Fee is calculated daily based on the market value of the plan's advisory account and payable at the end of each quarter. The Advice Program Fee is subject to change, and is in addition to any underlying fund, trustee, custodial, asset, service, administrative, or transactional fees that the plan may incur through the Nationwide retirement program.

The Advice Program Fee is negotiable, and NIA may offer certain plans discounted Advice Program Fees or other promotional pricing. Factors NIA considers when negotiating the Advice Program Fee with plan sponsors typically include:



- Amount of assets in the plan;
- Plan complexity and services required;
- Extent of Nationwide's overall business opportunity with the plan; and
- Competitive forces in the market.

Nationwide Trust Company and Nationwide Life Insurance Company act as custodians for assets invested through the Advice Program and are authorized to deduct any and all Advice Program Fees, when due, from the plan's advisory account and to remit the fees to NIA as investment adviser.

Certain investment options, including those selected by the Portfolio Strategist, may impose trade restrictions on certain transactions. Plan sponsors should consult the applicable fund prospectuses or related materials for additional information on trade restrictions that may apply to investments offered through the plan.

*Compensation to Nationwide Representatives* – Investment adviser representatives of NIA involved in offering the Advice Program to plans are compensated for their services.

*Compensation from Mutual Funds* – To the extent permitted by applicable law or regulation, companies affiliated with NIA (collectively, "Nationwide") receive compensation from the mutual funds selected by the Portfolio Strategist.

The Portfolio Strategist will not consider mutual funds for the Advice Program that are affiliated with Nationwide. The Portfolio Strategist's fees for services provided under the Advice Program are not related to the mutual funds it selects or otherwise influenced by the revenue Nationwide may receive from these mutual funds. The Portfolio Strategist has sole discretion to choose the investments used in the Advice Program.

#### **NIA Nondiscretionary Investment Advice for Governmental Plan Sponsors "Smart Alliance"**

Governmental plan sponsors that elect the Investment Fiduciary Services will be charged an investment advisor fee of up to 0.02% of plan assets annually.

All fees will be assessed, calculated, and deducted in the manner and frequency directed by the Plan Sponsor.

#### **NIA Non-Discretionary Advice-Service "My Investment Planner"**

NIA does not charge the Client a separate fee for the NIA Non-Discretionary Service.

#### **ProAccount in the Nationwide Retirement Program**

ProAccount clients in the Nationwide Retirement Program are charged a maximum annual fee of up to 1.00% of their ProAccount assets ("ProAccount Fee"). The applicable ProAccount Fee is shown within the ProAccount investment advisory agreement between NIA and each ProAccount Client. The ProAccount Fee is calculated daily based on the market value of ProAccount assets and payable at the end of each quarter. The ProAccount Fee is subject to change, and is in addition to any underlying fund, trustee, custodial, asset, service, administrative or transactional fees that the retirement plan or participant may incur through the Nationwide Retirement Program.

The ProAccount Fee is negotiable at the plan level, and NIA may offer certain plans discounted ProAccount Fees or other promotional pricing. Factors NIA considers when negotiating the ProAccount Fee with plan sponsors typically include:

- Amount of assets in the plan;
- Number of participants in the plan;
- Resource and field coverage considerations (e.g., number and location of employee work sites to be serviced);
- Competitive forces in the market.



Depending on the plan, either Nationwide Trust Company or Nationwide Life Insurance Company acts as custodian for assets invested through the Nationwide Retirement Program, including those assets being managed through ProAccount. The custodian is authorized to deduct any and all ProAccount Fees, when due, from the ProAccount Client's retirement plan account and to remit the appropriate fees to NIA as investment adviser. The custodian may charge a separate custody fee which the custodian will also deduct in addition to the ProAccount Fee, from the ProAccount Client's retirement plan account.

**Payments by NIA to Service Providers** -- NIA and its affiliates compensate affiliated and unaffiliated third parties for administrative services provided in support of ProAccount. Registered Investment Advisors Services, Inc., an affiliate of NIA, receives compensation for providing technology services that facilitate the management of participant accounts through the Nationwide Retirement Program.

NIA or its affiliates pay the third-party administrator ("TPA") of record, for the retirement plan through which ProAccount is offered, an annual fee of up to 0.25% of ProAccount assets for administrative services provided in support of ProAccount ("PPA Administrative Fee"). The PPA Administrative Fee is payable out of the ProAccount Fee. The plan sponsor may seek to negotiate a lower PPA Administrative Fee with the TPA, which would result in a corresponding reduction to the ProAccount Fee.

**Compensation to Nationwide Representatives** -- Investment adviser representatives of NIA are compensated for offering ProAccount and enrolling participants who have selected the service. Compensation may include a base salary and incentives based on plans adding ProAccount as an optional service and/or the amount of assets contributed to the ProAccount clients' accounts. In addition, certain individuals who provide administrative or wholesale services in support of ProAccount may receive incentive compensation based on the amount of assets contributed to the ProAccount clients' accounts.

**Solicitation Arrangements** -- NIA has contracted with various firms that distribute the Nationwide Retirement Program to act as solicitors ("Solicitors") and market ProAccount to eligible plans and participants for whom ProAccount may be suitable. Solicitors are not employees of NIA and are not authorized to offer investment advice on behalf of NIA. NIA may retain Solicitors to offer ProAccount to participants of certain plans, but not to other plans. NIA may pay Solicitors an annual solicitation fee of up to 0.45% of solicited assets, which is payable out of the ProAccount Fee. However, ProAccount clients will not be charged this component of the ProAccount Fee if ProAccount is not offered to them by a Solicitor. Thus, the presence of a Solicitor will typically result in a ProAccount Client paying a higher overall ProAccount Fee (not to exceed the maximum of 1.00%).

NIA or its affiliates may also provide financial compensation to Solicitors for activities not related to the solicitation or distribution of ProAccount. These activities include, but are not limited to, certain marketing events sponsored by the Solicitors and educational conferences presented to invited guests of the Solicitors. NIA's provision of financial compensation for these activities is not dependent upon the Solicitors committing to NIA any specific amount of business.

Please see Item 10 for additional information regarding NIA's relationships with other Nationwide affiliates, including the Nationwide Funds Group.

#### **ProAccount in Nationwide Governmental and Institutional Plans**

ProAccount clients may be charged a maximum annual fee of 0.65% of their ProAccount assets ("ProAccount Fee"), according to the pricing schedule in the ProAccount investment advisory agreement between NIA and each ProAccount Client. The ProAccount Fee is subject to change and is in addition to any underlying fund, trustee, custodial, asset, service, administrative or transactional fees that the retirement plan or participant may incur through the NRS Retirement Program. The ProAccount Fee is calculated daily based on the market value of ProAccount assets and payable at the end of each quarter.

The ProAccount Fee is negotiable at the plan level, and NIA may offer certain plans discounted ProAccount Fees or other promotional pricing. Factors NIA considers when negotiating the ProAccount Fee with plan sponsors typically include:



- Amount of assets in the plan;
- Number of participants in the plan;
- Resource and field coverage considerations (e.g., number and location of employee work sites to be serviced); and
- Competitive forces in the market.

In some cases, participants may be able to select ProAccount in multiple retirement plans offered by the same plan sponsor. Where this occurs and subject to the following restrictions, the aggregate account balances may be used to achieve a lower percentage fee based on the participant's total assets in ProAccount. The restrictions include (i) the fee structure across the multiple plans must be exactly the same in terms of the percentage fee and breakpoint tiers; and (ii) the participant's retirement plan accounts must be under the same participant identification code in the Plans record-keeping system; and (iii) the participant's retirement plan accounts must be combined in a single account statement generated from the NRS Retirement Program record-keeping system. The ProAccount Fee will be withdrawn on a pro rata basis among the Participant's account in the separate plans.

ProAccount assets are custodied by the applicable custodian to these Plans, which include both companies affiliated and nonaffiliated with NIA. The affiliated custodian is authorized by the Plan Sponsor to deduct any and all ProAccount Fees, when due, from a ProAccount Client's retirement plan account and to remit the appropriate fees to NIA as investment adviser. The custodian may charge a separate custody fee which the custodian will also deduct in addition to the ProAccount Fee, from the ProAccount Client's retirement plan account.

*Compensation to Nationwide Representatives* – Nationwide Retirement Specialists that offer ProAccount to retirement plan participants are registered as investment adviser representatives of NIA. Some of these individuals and their managers are compensated for offering ProAccount and enrolling participants who have selected the service. Compensation may include a base salary and incentives based on the amount of assets contributed to the ProAccount clients' accounts. In addition, certain individuals who provide administrative or wholesale distribution services in support of ProAccount may receive incentive compensation based on the amount of assets contributed to the ProAccount clients' accounts.

*Payments by NIA to Service Providers* – NIA and its affiliates compensate affiliated and unaffiliated third parties for administrative services provided in support of ProAccount. Registered Investment Advisors Services, Inc., an affiliate of NIA, receives compensation for providing technology services that facilitate the management of participant accounts through the NRS Retirement Program.

Please see Item 10 for additional information regarding NIA's relationships with other Nationwide affiliates, including the Nationwide Funds Group.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Neither NIA nor its supervised persons accept performance-based fees for NIA advisory programs. NIA utilizes the services of an IFE and a Portfolio Strategist to make investment decisions related to its discretionary advice programs and services and NIA is not an active portfolio management adviser. As a result, NIA does not experience the potential conflicts created in side-by-side management situations.

## **Item 7 Types of Clients**

NIA provides investment advisory services and programs to individuals, pension and profit-sharing plans, corporations, and other business entities, in addition to state, county and municipal entities providing deferred compensation retirement plans to their employees.

There is no minimum asset value or account size for participation in any advisory program offered by NIA.



## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

NIA provides investment management services for multiple advisory programs. NIA and its personnel and affiliated companies may give advice or take action in performing duties for other clients, or for their own accounts, which differs from advice given to or action taken for any individual client.

Investing involves risk and may not always be profitable. Investment return and principal will fluctuate with market conditions and a client may lose money. Past performance of investments is no guarantee of future results. Asset allocation does not guarantee profit or insulate from loss.

Please reference Item 10 for disclosure of conflicts of interest.

*The following is additional information specific to each NIA investment advisory service or program:*

### **Advice Program for Plan Sponsors of Trustee Directed Retirement Plans**

For the Advice Program, NIA hired Wilshire as the Portfolio Strategist to evaluate, construct and maintain the Portfolios. NIA is responsible for managing the relationship with Wilshire. NIA's Investment Committee is responsible for overseeing NIA's monitoring of the services provided by Wilshire. The Investment Committee meets at least quarterly and reviews performance, investment strategies, and the Portfolio Strategist's development and ongoing maintenance of the Portfolios.

The analysis and advice provided by Wilshire and delivered by NIA is based on a number of factors, including the information provided to NIA by a plan sponsor in response to the Advice Program Questionnaire, various assumptions and estimates, and other considerations. As a result, the advice developed, and recommendations provided are not guarantees that an Advice Program client will achieve its goals or anticipated performance.

### **NIA Nondiscretionary Investment Advice for Governmental Plan Sponsors "Smart Alliance"**

NIA will analyze the information relative to the investment options and will identify, evaluate, monitor, and recommend the investment that it believes should be included on or removed from the Platform. NIA employs an institutional investment process consisting of quantitative and qualitative methods to identify suitable investment options for the plan sponsor's consideration. The quantitative process is designed to identify investment managers that have demonstrated past success on a risk-adjusted basis. The qualitative process is designed to evaluate the investment manager's ability to continue that outperformance over full market cycles.

### **NIA Non-Discretionary Advice Service "My Investment Planner"**

For the Advice Service, NIA hired Wilshire to evaluate, construct and maintain the Portfolios. NIA is responsible for managing the relationship with Wilshire. NIA's Investment Committee is responsible for overseeing NIA's monitoring of the services provided by Wilshire in developing and maintaining the Portfolios. The Investment Committee meets at least quarterly and reviews performance, investment strategies, and Wilshire's development and ongoing maintenance of the Portfolios.

The analysis and Advice Service provided by Wilshire is based on a number of factors, including the information provided by a Client in response to the questionnaire, various assumptions and estimates, and other considerations. As a result, the advice developed, and recommendations provided are not guarantees that an Advice Service Client will achieve its goals or anticipated performance.

### **ProAccount in Nationwide Governmental and Institutional Plans**

For ProAccount, NIA has hired Wilshire as the IFE to evaluate, construct and maintain the portfolios of available mutual fund investment options. Wilshire has sole control and discretion over changes to asset allocation and fund selection and employs its own method of analysis and investment process. NIA is responsible for managing the relationship with Wilshire. NIA's Investment Committee is responsible for overseeing NIA's monitoring of the services provided by Wilshire in developing and maintaining the Portfolios. The Investment Committee



meets at least quarterly and reviews performance, investment strategies, and the IFE's development and ongoing maintenance of the portfolios.

The analysis and advice provided by Wilshire and delivered by NIA is based on a number of factors, including the information provided by a ProAccount Client, various economic assumptions and risk estimates and other considerations. As a result, the advice developed, and recommendations provided are not guarantees that a ProAccount Client will achieve his or her retirement goals or anticipated performance.

Any investment advice a ProAccount Client receives is for his or her personal benefit and not for the benefit of any other person. The investment advice is specific with respect to assets within a ProAccount Client's retirement plan account and may not be appropriate for investments outside of ProAccount or for other investment purposes.

## **Item 9 Disciplinary Information**

NIA is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of NIA or the integrity of NIA's management. NIA has no information applicable to this Item.

## **Item 10 Other Financial Industry Activities and Affiliations**

### *Other Financial Industry Activities or Affiliations*

**NIA Investment Committee:** The President of NIA, who is also a member of NIA's Investment Committee and NIA's Board of Managers ("NIA Board Member"), is registered with an affiliate broker-dealer, Nationwide Investment Services Corporation. The other voting member(s) of the NIA's Investment Committee are also registered with Nationwide Investment Services Corporation.

**NIA Management:** The President of NIA, who is also a member of NIA's Board of Managers ("NIA Board Member") and NIA's Investment Committee, is registered with an affiliate broker-dealer, Nationwide Investment Services Corporation. The Chief Compliance Officer of NIA is registered with affiliate broker-dealers, Nationwide Investment Services Corporation and Nationwide Securities, LLC.

Several NIA officers and NIA Board Members are also officers and directors of affiliated companies within Nationwide Financial, including NIA's parent company, NLIC, and the companies that comprise the Nationwide Funds Group.

*NIA is affiliated by common ownership and control with the following entities:*

- **Nationwide Life Insurance Company ("NLIC"),** NIA's parent company, is an insurance company which, among other things, issues group variable annuity products to retirement plans that have retained NIA to offer advisory services, including ProAccount. NLIC may act as custodian for client assets invested through ProAccount. All NIA Board Members and several officers also serve as officers of NLIC.
- **Nationwide Trust Company, FSB, ("Nationwide Trust Company")** offers trust programs and trust services to retirement plans that have retained NIA to offer advisory services, including ProAccount, and the Advice Program. Nationwide Trust Company may act as custodian for client assets invested through ProAccount and the Advice Program. Several Officers of NIA also serve in similar capacities for Nationwide Trust Company.
- **Nationwide Retirement Solutions, Inc. ("NRS")** provides record keeping, education and administrative services for public employee deferred compensation plans through which NIA offers advisory services, including ProAccount. One NIA Board Member and several officers also serve in similar capacities for NRS.
- **Nationwide Securities, LLC ("NSLLC")** is an investment adviser and a securities broker-dealer registered with the SEC and is a member of Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board. NSLLC may provide the My Investment Planner and ProAccount investment advisory services to its clients. Also, several NIA Officers serve in similar capacities for NSLLC.



- **Nationwide Funds Group**, the mutual fund arm of Nationwide Financial, is comprised of Nationwide Fund Advisors ("NFA"), a SEC-registered investment adviser providing advisory services to the mutual funds; Nationwide Fund Distributors, LLC, a registered broker-dealer providing distribution services to the mutual funds; and Nationwide Fund Management, LLC, which provides administration services to the mutual funds. Certain individuals providing investment analysis, consulting and monitoring services for NIA also provide similar services on behalf of NFA.
- **Nationwide Investment Services Corporation ("NISC")** is an SEC registered broker-dealer and a member of FINRA. NISC acts as the general distributor of variable annuity and variable life insurance products issued by NIA's parent company, NLIC. NISC may receive mutual fund revenue from underlying investment options in these products. Several NIA officers also serve in similar capacities for NISC.
- **Registered Investment Advisors Services, Inc. ("RIA Services")**, provides technology services that facilitate the management of participant and plan level accounts through the Nationwide Retirement Program and the NRS Retirement Program. NIA compensates RIA Services for its provision of technology and administrative services in support of ProAccount and the Advice Program. Several officers also serve in similar capacities for RIA Services.

*Nationwide Endorsement Relationships* -- NRS and/or NLIC have endorsement relationships with the following industry groups or sponsoring organizations ("Membership Organizations"):

- **National Association of Counties** – A for profit national organization that represents county governments in the United States.
- **International Association of Fire Fighters – Financial Corporation** – A for profit corporation whose only shareholder is the International Association of Fire Fighters.
- **United States Conference of Mayors** – The official nonpartisan organization of cities with populations of 30,000 or larger.
- **National Association of Police Organizations** - A coalition of police unions and associations from across the United States.

NRS and/or NLIC make payments to Membership Organizations for the value of the use of the Membership Organizations' logos, their exclusive endorsement of Nationwide's products and services, and the services that the Membership Organizations perform generally for all of their members related to Nationwide's products and services.

This should not be considered an endorsement by the Membership Organizations of NIA or its provision of advice, or a reflection of any Membership Organization member's experience as a client of NIA. NIA is not a party to the endorsement arrangement between NRS/NLIC and the Membership Organizations. NIA has not engaged the Membership Organizations to solicit retirement plan participants as clients for ProAccount. Nationwide's payments made to the Membership Organizations are not affected by whether a Membership Organization's member chooses to include the ProAccount option in its deferred compensation plan or whether a plan participant elects the service.

More information about the endorsement relationships may be found online at [www.nrsforu.com](http://www.nrsforu.com).

*Conflicts of Interest Arising from NIA's Affiliations* -- Certain NIA officers, Members of NIA's Board of Managers and members of NIA's Investment committee also make strategic management decisions with respect to various NIA affiliates. Conflicts could arise that have the potential of influencing the investment advisory services provided by NIA.

To help mitigate potential conflicts of interest arising from the multiple roles and responsibilities that its management and investment personnel assume, NIA maintains separate policies and procedures governing its



investment process and the operation of its Investment Committee. Additional mitigating steps are described below.

The investment advisory services described in this ADV make available investment options (mutual funds) offered through Nationwide Life Insurance Company's group annuity products and Nationwide Trust Company's retirement plan platform. Nationwide Life Insurance Company's group annuity products and Nationwide Trust Company's retirement plan platform offer affiliated funds (funds issued by the Nationwide Funds Group) and unaffiliated funds (non-Nationwide funds) as investment options. Since NIA or its affiliates potentially earn greater revenues when affiliated funds are chosen as investment options offered through Nationwide products and services, NIA may have a conflict of interest. NIA also may have a conflict of interest with respect to non-affiliated funds that pay NISC, NIA's affiliate, distribution and service fees based on levels of investments in those funds. NLIC therefore has an incentive to include affiliated funds and non-affiliated funds that pay such fees in its products to maximize its profits.

To mitigate these potential conflicts with respect to ProAccount, NIA has hired Wilshire to act as the IFE, which is solely responsible for developing and maintaining the investment portfolios offered to NIA's clients. Please see Item 4 for additional information regarding Wilshire.

Additionally, NIA's offering of the Advice Program can only be offered through Nationwide retirement programs. The standard asset fee that Nationwide charges in connection with these retirement programs is reduced by a discount, expressed in terms of basis points, that reflects the amount of mutual fund payments made to Nationwide as indicated in the Fund Selection Schedule of the applicable retirement program agreement. When the NIA Advice Program is offered through these retirement programs, overall compensation of NIA and its affiliates is not increased as a result of payments received from mutual funds or their affiliates. This feature mitigates conflicts with respect to the Advice Program when it is used within these retirement programs.

To further mitigate these conflicts, the Portfolio Strategist that NIA has hired for the Advice Program will not consider affiliated mutual funds. Moreover, the Portfolio Strategist's fees for services provided under the Advice Program are not related to the mutual funds it selects or otherwise influenced by the revenue NIA or its affiliated companies may receive from these mutual funds. Please note, however, that NIA has discretion to terminate its relationship with the Portfolio Strategist at any time, upon notice to clients, and may either engage a suitable replacement or operate the Advice Program without a Portfolio Strategist.

*Compensation to Affiliates from Investment Products* – Investment products in this section refers to such vehicles as “but not limited to” mutual funds, Collective Investment Trusts, and Fixed Account Products. To the extent permitted by applicable law or regulation, companies affiliated with NIA (collectively, “Nationwide”) receive compensation from investment products selected for ProAccount by the IFE.

The IFE may select investment products that are affiliated with Nationwide, in which case certain companies affiliated with NIA will also receive compensation from the mutual funds for investment advisory, administrative, transfer agency, distribution, or other services. Accordingly, Nationwide may receive more revenue with respect to affiliated mutual funds than unaffiliated mutual funds.

Nationwide's receipt of varying amounts of compensation from affiliated and unaffiliated investment products selected for ProAccount portfolios presents a potential conflict of interest. Nationwide seeks to mitigate this potential conflict of interest by employing an IFE to develop and maintain the program's investment methodology, which NIA cannot influence or modify. Under ProAccount, the IFE is solely responsible for selecting the investment products included in the portfolios. The IFE's fees for services provided under ProAccount are not related to the investment products it selects or otherwise influenced by the revenue NIA or its affiliates may receive from such investment products.

Please see Item 5 for additional information regarding compensation Nationwide companies receive from affiliated and unaffiliated investment products.



With Smart Alliance, officers of NIA, some of whom are parts of Nationwide funds group, recommend investment vehicles in alignment with the plan sponsor's investment policy statement which the plan sponsor or their fiduciary approved. The investment vehicles may include in certain cases Nationwide proprietary investment vehicles which may include compensation to Nationwide funds group or other Nationwide affiliates. It is the sole responsibility of the plan sponsor to decide whether to follow any recommendations including a recommendation for a Nationwide proprietary investment vehicle.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

NIA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes:

- Provisions relating to the confidentiality of client information;
- A prohibition on insider trading;
- Restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items; and
- Personal securities trading procedures, among other things.

All supervised persons of NIA must acknowledge the terms of the Code of Ethics annually.

NIA anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which NIA has management authority to make, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NIA, its affiliates and/or clients, directly or indirectly, have a position of interest. NIA's supervised persons are required to follow NIA's Code of Ethics. Subject to satisfying this policy and applicable laws, supervised persons of NIA may trade for their own accounts in securities that are recommended to or purchased for NIA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of NIA supervised persons will not interfere with making decisions in the best interest of advisory clients and implementing these decisions while, at the same time, allowing supervised persons to invest for their own accounts.

Under the Code of Ethics certain classes of securities have been designated as exempt transactions, because these classes of securities would not interfere with the best interest of NIA's clients. In addition, the Code of Ethics requires pre-clearance of certain transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit supervised persons to invest in the same securities as clients, there is a possibility that supervised persons might benefit from market activity by a client in a security also held by a supervised person. NIA's supervised persons who have access to nonpublic information regarding clients' purchases or sales of securities, are involved in making securities recommendations to clients, or who have access to these nonpublic recommendations, have their personal trading monitored under the Code of Ethics to reasonably prevent conflicts of interest between NIA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with NIA's obligation of best execution. In these circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. NIA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.



NIA's clients or prospective clients may request a copy of the firm's Code of Ethics by sending a written request to:

Nationwide Investment Advisors, LLC  
 Attn: Investment Adviser Code of Ethics  
 10 West Nationwide Blvd, Mail Code 5-02-301J  
 Columbus, Ohio 43215

It is NIA's policy that the firm will not make any principal transactions or agency cross transactions for client accounts. NIA will also not allow cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also occur if a security is cross-traded between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Certain recommended investment options may distribute payments to affiliates of NIA with respect to the sale of fund shares pursuant to Rule 12b-1 or other sections of the Investment Company Act of 1940. These payments are made from mutual fund assets and reduce overall fund performance. Affiliates of NIA, as broker-dealers, receive compensation through the normal course of their business for executing underlying securities transactions on behalf of certain mutual funds offered through NIA's advisory programs.

NIA employs Wilshire as the IFE for ProAccount, and Portfolio Strategist for the Advice Program, to provide the programs' portfolio investment decisions.

NIA does not buy or sell for its own account securities that it also recommends to clients; however, affiliated broker-dealers, investment advisers, and insurance companies may do so. NIA's advisory program representative accounts are funded by its parent company, NLIC, for the purpose of calculating representative performance. NIA's Code of Ethics provides personal trading restrictions and preclearance requirements for its Access Persons designed to prevent conflicts of interest with its clients. Companies affiliated with NIA also have Codes of Ethics in place to address any actual or potential conflicts of interest that may occur.

## **Item 12 Brokerage Practices**

NIA does not select or recommend brokers or dealers for client transactions. NIA does not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"). NIA does not aggregate the purchase or sale of securities for client accounts since it does not direct any transactions other than mutual funds that have been selected by the IFE or Portfolio Strategist.

## **Item 13 Review of Accounts**

### **Advice Program for Plan Sponsors of Trustee Directed Retirement Plans**

NIA provides plan sponsors of trustee directed retirement plans that are enrolled in the Advice Program an annual communication that includes their current Portfolio selection within the program. Included in the annual communication is a reminder to plan sponsors that if they would like to make changes to their current Portfolio selection, they need to contact NIA in order to update their Advice Program Questionnaire-based analysis, or to select a different Portfolio. Additionally, plan sponsors are reminded quarterly to contact NIA if they wish to make a change to their current Portfolio selection. In the event a plan sponsor updates its information, the plan sponsor is solely responsible for approving the Portfolio identified through the updated Advice Program Questionnaire, or if it chooses, selecting a different Portfolio created by the Portfolio Strategist. NIA does not



independently review the plan's Advice Program account for the purpose of evaluating the ongoing appropriateness of the Portfolio selected by the plan sponsor.

Advice Program Clients receive quarterly account statements directly from the custodian as part of their participation in the Nationwide Retirement Program or the NRS Retirement Program. Quarterly custodial statements reflect the deduction of Advice Program Fees. In addition, quarterly notifications are sent with an explanation of these fees to each Advice Program Client with assets under management.

#### **NIA Non-Discretionary Advice Service "My Investment Planner"**

NIA does not provide ongoing investment advice, including the periodic review of client accounts, in connection with this service. Clients may access this service as often as they choose to seek updated recommendations.

#### **NIA Nondiscretionary Investment Advice for Governmental Plan Sponsors "Smart Alliance"**

NIA provides Investment Fiduciary Services with respect to the Platform in accordance with the Investment Policy Statement established by the plan sponsor, which may change from time-to-time, or other such information needed by NIA. The plan sponsor authorizes NIA to provide recommendations, monitor and evaluate from time to time the composition of the Platform. It is the sole responsibility of the plan sponsor to decide whether to follow any such recommendation. If the plan sponsor chooses not to follow NIA's recommendation, or if the plan sponsor follows it initially and later changes it without subsequent recommendation by NIA to do so, NIA will have no responsibility or liability for the results.

#### **ProAccount in the Nationwide Governmental and Institutional Plans**

NIA provides ProAccount clients an annual communication that describes, among other things, the importance of periodically reviewing their risk profile, since the risk profile is used, in combination with the ProAccount Client's age, in creating the investment strategy available through ProAccount. The communication confirms the ProAccount Client's year of birth and current risk profile as determined by the results of the most recent questionnaire completed by the ProAccount Client and additional information provided by the ProAccount Client, or by the profile selected by the ProAccount Client's retirement plan sponsor in the case of auto-enrollments. The annual communication also informs ProAccount clients that if they need to update the information on the questionnaire or feel that changes in their financial situation may have an impact on their current risk profile, they are to contact NIA. Additionally, ProAccount clients are reminded quarterly to notify NIA of any change in information that could affect the manner in which their ProAccount assets are invested. In the event a change in the ProAccount Client's information alters his or her current risk profile, as determined by the questionnaire or additional information provided, the ProAccount Client's account will be managed in accordance with the portfolio that corresponds to the updated information. Unless notified by the ProAccount Client of a change in information, NIA does not review the ProAccount Client's account for the purpose of evaluating the ongoing appropriateness of the risk profile identified through the questionnaire or additional information provided by the ProAccount Client.

ProAccount clients receive quarterly account statements directly from the custodian as part of their participation in the Nationwide Retirement Program or the NRS Retirement Program. Quarterly custodial statements reflect the deduction of ProAccount Fees.

### **Item 14 Client Referrals and Other Compensation**

NIA does not receive any economic benefit, including sales awards and other prizes, from non-clients, for providing investment advice or other advisory services to its advisory clients.

NIA may compensate third parties for referring clients to ProAccount in the Nationwide Retirement Program. Please see Item 5 for a description of NIA's arrangements with Solicitors.



## Item 15 Custody

Nationwide Trust Company and Nationwide Life Insurance Company (for plan assets held in a group annuity), both of which are related persons of NIA, are custodians for the following Advice Programs: Advice Program for Plan Sponsors of Trustee Directed Retirement Plans, Nationwide ProAccount in Nationwide Retirement Program, and Nationwide ProAccount in Governmental and Institutional Plans. A related person is a person (including a corporate entity) directly or indirectly controlling or controlled by, or under common control with, NIA. Control means the power, directly or indirectly, to direct the management or policies of a person (including a corporate entity), through ownership of securities, by contract, or otherwise. Nationwide Trust Company is 100% owned by Nationwide Financial, the indirect parent company of NIA. Therefore, Nationwide Trust Company, Nationwide Life Insurance Company and NIA are under common control. Because a related person of NIA acts as the custodian, NIA is considered to have custody of these Advice Program assets. These custodians are authorized to deduct any and all Advice Program fees and remit those fees to NIA, when due, from an Advice Program client's retirement plan or participant accounts. The custodian charges a separate custody fee in addition to the Advice Program fee. Advice Program clients receive quarterly account statements from the custodian as part of the Nationwide retirement program. Quarterly custodial statements reflect the deduction of Advice Program fees.

For Nationwide ProAccount in Governmental and Institutional plans, the assets may be custodied by an un-affiliated third party.

## Item 16 Investment Discretion

### Advice Program for Plan Sponsors of Trustee Directed Retirement Plans

Prior to establishing an advisory account under the Advice Program, the plan sponsor must complete an Advice Program Questionnaire developed by the Portfolio Strategist to assist the plan sponsor in its selection of a Portfolio that meets the plan's investment objectives, as well as to indicate any reasonable restrictions the plan sponsor may wish to place on the management of eligible retirement plan account assets. Based on the plan sponsor's responses, the Advice Program Questionnaire will suggest an investment strategy and corresponding Portfolio. The plan sponsor is solely responsible for approving the Portfolio identified through the Advice Program Questionnaire, or if it chooses, selecting a different Portfolio created by the Portfolio Strategist. Following the plan sponsor's completion of the Advice Program Questionnaire and selection of a Portfolio, NIA will establish the plan's advisory account under the Advice Program, which NIA will retain discretionary authority to manage in accordance with the Portfolio selected by the plan sponsor. The plan sponsor is not permitted to make future investment allocation changes to the assets in the plan's advisory account while the assets are managed by NIA. The plan sponsor must first contact NIA to update the plan's Advice Program Questionnaire-based analysis, or to select a different Portfolio. NIA will have no responsibility or liability for investment allocation changes initiated by the plan sponsor in violation of this restriction.

### NIA Non-Discretionary Advice Service "My Investment Planner"

NIA does not have discretionary authority over the Client's account and will not be responsible for buying or selling any securities for the Client's account. The Client will be solely responsible for implementing the recommendations offered in the NIA Non-Discretionary Advice Service.

### NIA Investment Fiduciary Services "Smart Alliance"

NIA provides Investment Fiduciary Services with respect to the Platform in accordance with the Investment Policy Statement established by the plan sponsor, which may change from time-to-time, or other such information needed by NIA. The plan sponsor authorizes NIA to provide recommendations, monitor and evaluate from time to time the composition of the Platform. It is the sole responsibility of the plan sponsor to decide whether to follow any such recommendation. If the plan sponsor chooses not to follow NIA's



recommendation, or if the plan sponsor follows it initially and later changes it without subsequent recommendation by NIA to do so, NIA will have no responsibility or liability for the results.

**Nationwide ProAccount in the Nationwide Retirement Program and the Nationwide Governmental and Institutional Plans**

Plan sponsors that desire to make ProAccount available to their participants must approve NIA as an authorized provider of investment advice to the plan in accordance with the plan's investment policy and applicable plan documents. A participant seeking to become a ProAccount Client will enter into an investment advisory agreement with NIA and complete a questionnaire developed by the IFE to help identify his or her risk tolerance and investment horizon, as well as to indicate any reasonable restrictions the participant may wish to place on the management of his or her retirement plan account assets. After NIA has accepted the participant as a ProAccount Client, the ProAccount Client will be placed, based on the ProAccount Client's information, in an investment portfolio developed by the IFE. NIA will exercise the discretionary authority delegated by Client to allocate and rebalance the ProAccount Client's assets in accordance with the IFE's portfolio. NIA's investment discretion over ProAccount Client assets is limited to implementing the IFE's investment advice, which NIA does not have authority to modify.

**Item 17 Voting Client Securities**

**Advice Program for Plan Sponsors of Trustee Directed Retirement Plans**

NIA does not vote proxies for any securities held in an Advice Program account. Nationwide Trust Company utilizes an outside vendor, third-party proxy processor, to coordinate the proxy communication and voting process. Plan sponsors and trustees retain the responsibility for receiving and voting proxies for any and all securities maintained in their plans. The affiliated custodian coordinates with the third-party proxy processor to finalize lists of clients with holdings affected by a particular proxy. The third-party proxy processor is then given direction to send proxy materials to affected plan sponsors and trustees. Proxy materials contain website locations for more information, along with a phone number to contact the third-party proxy processor if the recipient has any questions. The third-party proxy processor then receives, compiles, and tabulates the results of the proxy votes and forwards the results to the applicable fund houses.

**NIA Non-Discretionary Advice Service**

NIA does not vote proxies for any Clients.

**Nationwide ProAccount in the Nationwide Retirement Program and the Nationwide Governmental and Institutional Plans**

NIA does not take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in ProAccount Client accounts. The affiliated custodians utilize an outside vendor, third-party proxy processor, to coordinate the proxy communication and voting process. Plan sponsors and trustees retain the responsibility for receiving and voting proxies for any and all securities maintained in their plans. The regulatory services department coordinates with the third-party proxy processor to finalize lists of clients with holdings affected by a particular proxy. The third-party proxy processor is then given direction to send proxy materials to affected plan sponsors and trustees. Proxy materials contain website locations for more information, along with a phone number to contact the third-party proxy processor if the recipient has any questions. The third-party proxy processor then receives, compiles, and tabulates the results of the proxy votes and forwards the results to the applicable fund houses.

**Item 18 Financial Information**

Registered investment advisers are required to provide clients with certain financial information or disclosures about their financial condition. NIA has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.



**Item 19      Requirements for State-Registered Advisers**

NIA is a federally registered investment adviser; therefore, state registration is not required.





Item 1      Cover Page

Part 2B of NIA Form ADV: Brochure Supplement

**Voting Members of Nationwide Investment Advisors, LLC ("NIA")  
Investment Committee**

**Harold C. Schafer**  
10 W. Nationwide Blvd  
Mail Code 5-02-301J  
Columbus, OH 43215  
614-435-8371

**Benjamin N. Hoecherl**  
10 W. Nationwide Blvd  
Mail Code 5-02-208L  
Columbus, OH 43215  
614-435-8331

**Nicole Derby**  
10 W. Nationwide Blvd  
Mail Code 5-02-208L  
Columbus, OH 43215  
614-435-1344

**Nationwide Investment Advisors, LLC**

10 West Nationwide Blvd  
Mail Code: 5-02-301J  
Columbus, OH 43215  
614-435-8371

**March 30, 2022**

This *brochure* supplement provides information about the voting members of NIA's Investment Committee that supplements the Nationwide Investment Advisors, LLC ("NIA") *brochure*. You should have received a copy of that *brochure*. Please contact 1-888-540-2896 if you did not receive NIA's *brochure* or if you have any questions about the contents of this supplement.



**Harold C. Schafer**

10 West Nationwide Blvd  
 Mail Code: 5-02-301J  
 Columbus, OH 43215  
 614-435-8371

Nationwide Investment Advisors, LLC  
 10 West Nationwide Blvd  
 Mail Code: 5-02-301J  
 Columbus, OH 43215  
 614-435-8371

**Item 2 Educational Background and Business Experience**

Name: Harold C. Schafer  
 Year of birth: 1963

Formal education after high school:  
 The Ohio State University, BS Mathematics, 1986

General business background during the last 5 years:

Vice President, Business Development within Retirement Plans at Nationwide Financial. The Business Development group is responsible for delivering competitive retirement plan solutions, guiding large scale programs and developing business strategies for the Public Sector and Private Sector market segments.

Positions held during the last 5 years:

| <u>Entity</u>                       | <u>Title</u>                              | <u>Effective Date</u> | <u>End Date</u> |
|-------------------------------------|---|-----------------------|-----------------|
| Nationwide Investment Advisors, LLC | President                                 | 1/2015                | Current         |
| Nationwide Life Insurance           | VP, Business Development Retirement Plans | 5/2014                | Current         |

**Item 3 Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NIA supervised persons who formulate investment advice for NIA's investment advisory programs ("NIA Advisory Programs"). No information is applicable to this item for Mr. Schafer.

**Item 4 Other Business Activities – N/A****Item 5 Additional Compensation**

Mr. Schafer does not receive additional compensation for providing advisory services.



## **Item 6          Supervision**

Mr. Schafer, President of NIA and Chairman of NIA's Investment Committee, is responsible for supervising the other voting members of the Investment Committee and has ultimate responsibility for oversight and supervision for NIA. The Investment Committee is responsible for reviewing and approving all investment advice formulated by NIA, as well as monitoring the services of NIA's advisory service providers: the IFE for Nationwide ProAccount and the Portfolio Strategist for the Advice Program. Mr. Schafer does not have individual discretionary authority over client accounts or participate in the delivery of investment advice to clients.



**Benjamin N. Hoecherl**

10 W. Nationwide Blvd  
 Mail Code 5-02-208L  
 Columbus, OH 43215  
 614-435-8331

Nationwide Investment Advisors, LLC  
 10 W. Nationwide Blvd  
 Columbus, OH 43215  
 614-435-8371

**Item 2 Educational Background and Business Experience**

Name: Benjamin N. Hoecherl, CFA  
 Year of Birth: 1976

**Formal Education after high school:**

|  |           |
|--|-----------|
| University of Utah, Salt Lake City, UT | BS, 2002  |
| Regis University, Denver, CO           | MBA, 2008 |

**General business background during the last 5 years:**

Assistant Vice President, Nationwide ProAccount. Nationwide ProAccount offers individualized participant level investment advice, using an investment process developed and maintained by an Independent Financial Expert ("IFE"), which is designed to address the investment objectives of retirement plan participants. Responsibilities include the development of business strategies for the long term growth of Nationwide ProAccount.

**Positions held during the last 5 years:**

| <u>Entity</u>                       | <u>Title</u>              | <u>Effective Date</u> | <u>End Date</u> |
|-------------------------------------|---------------------------|-----------------------|-----------------|
| Nationwide Investment Advisors, LLC | Chief Operations Officer  | 6/2015                | Current         |
| Nationwide Life Insurance           | AVP Nationwide ProAccount | 6/2015                | Current         |

**Item 3 Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NIA supervised persons who formulate investment advice for NIA's investment advisory programs ("NIA Advisory Programs"). No information is applicable to this item for Mr. Hoecherl.



**Item 4            Other Business Activities - N/A**

**Item 5            Additional Compensation**

Mr. Hoecherl does not receive additional compensation for providing advisory services.

**Item 6            Supervision**

Harold C. Schafer, President of NIA and Chairman of NIA's Investment Committee, whose phone number is 614-435-8371, is responsible for supervising Mr. Hoecherl's advisory activities on behalf of NIA, including his participation on the Investment Committee. The Investment Committee is responsible for reviewing and approving all investment advice formulated by NIA, as well as monitoring the services of NIA's advisory service providers: the IFE for Nationwide ProAccount and the Portfolio Strategist for the Advice Program. Mr. Hoecherl does not have individual discretionary authority over client accounts or participate in the delivery of investment advice to clients.



Nicole Derby  
 10 W. Nationwide Blvd  
 Mail Code 5-02-208L  
 Columbus, OH 43215  
 614-435-1344

Nationwide Investment Advisors, LLC  
 10 W. Nationwide Blvd  
 Columbus, OH 43215  
 614-435-8371

## Item 2 Educational Background and Business Experience

Name: Nicole Derby  
 Year of Birth: 1980

### Formal Education after high school:

|                                   |                    |
|-----------------------------------|--------------------|
| University of Iowa, Iowa City, IA | BA, 2003           |
| Regis University, Denver, CO      | MBA, December 2018 |

### General business background during the last 5 years:

Director, Financial Services & Advisory Solutions. Development of business strategies for a suite of advisory solutions offering options to participants on evolving retirement plan needs.

Consultant, Nationwide ProAccount. Development of business strategies for individualized participant level investment advice, using an investment process developed and maintained by an Independent Financial Expert, which is designed to address the investment objectives of retirement plan participants.

Regional Vice President, Cetera Advisors. Development of business strategies for the long-term growth of Cetera Advisors.

Regional Vice President, Transamerica Financial. Development of business strategies for the long-term growth of Transamerica Financial.

### Positions held during the last 5 years:

| <u>Entity</u>                       | <u>Title</u>                                  | <u>Effective Date</u> | <u>End Date</u> |
|-------------------------------------|---|-----------------------|-----------------|
| Nationwide Investment Advisors, LLC | Director                                      | 3/2022                | Current         |
| Nationwide Life Insurance           | Director, Fixed Services & Advisory Solutions | 3/2022                | Current         |
| Nationwide Life Insurance           | Consultant, ProAccount                        | 8/2021                | 3/2022          |
| Cetera Advisors, LLC                | Regional Vice President                       | 4/2019                | 12/2019         |
| Transamerica Financial, Inc         | Regional Vice President                       | 8/2015                | 11/2017         |



**Item 3            Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NIA supervised persons who formulate investment advice for NIA's investment advisory programs ("NIA Advisory Programs"). No information is applicable to this item for Ms. Derby.

**Item 4            Other Business Activities - N/A**

**Item 5            Additional Compensation**

Ms. Derby does not receive additional compensation for providing advisory services.

**Item 6            Supervision**

Harold C. Schafer, President of NIA and Chairman of NIA's Investment Committee, whose phone number is 614-435-8371, is responsible for supervising Ms. Derby's advisory activities on behalf of NIA, including her participation on the Investment Committee. The Investment Committee is responsible for reviewing and approving all investment advice formulated by NIA, as well as monitoring the services of NIA's advisory service providers: the IFE for Nationwide ProAccount and the Portfolio Strategist for the Advice Program. Ms. Debry does not have individual discretionary authority over client accounts or participate in the delivery of investment advice to clients.





**City Council Memorandum      Human Resources      Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
**From:** Rae Lynn Nielsen, Human Resources Director  
**Subject:** Resolution No. 5774, Renewal Request to Industrial Commission of Arizona for continued exemption from requirement to post security for self-insured Workers' Compensation Program

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**Proposed Motion:**

Move City Council pass and adopt Resolution No. 5774, renewing the request to the Industrial Commission of Arizona for continued exemption from requirement to post security for the Self-Insured Workers' Compensation Program.

**Background:**

The City of Chandler was approved by the Industrial Commission of Arizona (ICA) to self-insure workers' compensation benefits on January 1, 2003. A requirement of self-insured programs is to post a security bond with the ICA to ensure performance in the event that a self-insured program becomes insolvent.

The ICA implemented rules governing management of the workers' compensation self-insurance program. The regulation setting forth the requirements for a waiver from the requirement to post security for a public entity or public entity pool was renumbered and clarified as part of a comprehensive recodification of the Workers' Compensation Self-Insurance ICA regulations completed in late 2022. Rule No. 20-5-1525 includes an "Exemption from Requirement to Post Security," reproduced below:

"A public entity or public entity pool is eligible for a waiver from posting security if:

1. The Public Entity has conducted business or the Public Entity Pool has operated in Arizona for a minimum of five consecutive years;



2. The Public Entity Trust Fund (for the Public Entity) or the Workers' Compensation Pool Loss Account (for the Public Entity Pool) continually maintains a positive fund/account balance; and
3. The Public Entity Trust Fund (for the Public Entity) or the Workers' Compensation Pool Loss Account (for the Public Entity Pool) is continually funded to cover actuarial liabilities of the Self-Insurer's incurred claims in accordance with the February 1996 Governmental Accounting Standards Board Statement No. 30 (Risk Financing Omnibus, An Amendment of GASB Statement No. 10)."

**Financial Implications:**

Since its self-insured program's establishment in January 2003, the City has made only one initial payment in 2003, amounting to \$16,745, to purchase Security Bonds. Since then, the city's application for exemption from posting security has been continually accepted. The City expects this trend to continue this year, thereby avoiding any further expenditures on bonds once acceptance is confirmed.

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**Attachments**

Resolution 5774



## **RESOLUTION NO. 5774**

A RESOLUTION OF THE COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA, RENEWING REQUEST TO INDUSTRIAL COMMISSION OF ARIZONA FOR CONTINUED EXEMPTION FROM REQUIREMENT TO POST SECURITY FOR SELF-INSURED WORKERS' COMPENSATION PROGRAM

WHEREAS, the City of Chandler has been authorized by the Industrial Commission of Arizona (ICA) to self-insure its workers' compensation claims since January 2003, and

WHEREAS, the rules of the ICA allow a self-insured public entity to request exemption from the requirement to post security if certain requirements for funding its actuarial liabilities are satisfied; and

WHEREAS, City of Chandler fully funds its outstanding workers' compensation liabilities through an Annual Budget approved by the City Council and established in Internal Service Fund 736, Sub fund Workers' Compensation in accordance with Chandler Municipal Code Chapter 5-7, and the Fund is managed by the City's Chief Financial Officer and Human Resources Director, funded annually based upon established liabilities and annual funding levels consistent with Government Accounting Standards Board (GASB) Statement #10, as amended or replaced, and audited annually by certified public accountant; and

WHEREAS, it is in the best interest of the City to be exempted from the requirement to post security for the self-insured workers' compensation claims.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

- Section 1. That this resolution constitutes a certified statement by the City Council, as the governing body of the City of Chandler, in support of the request for continued exemption from the requirement to post security.
- Section 2. That the City of Chandler meets the conditions set forth in Arizona Administrative Code R20-5-1525 for exemption from the requirement to post security.
- Section 3. That the City Council or its designee, shall immediately notify the ICA and provide security if the City Council or its designee learns that the Self-Insurance Fund has insufficient funds to cover all workers' compensation liabilities.
- Section 4. That the signatures on this resolution represent a majority of the members of the City Council.
- Section 5. That the Mayor and City Council members are authorized to sign the resolution and related documents required by the ICA, as approved by the City Attorney.



PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this 22nd day of February, 2024

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
Kevin Hartke, MAYOR

\_\_\_\_\_  
OD Harris, VICE MAYOR

\_\_\_\_\_  
Angel Encinas, COUNCILMEMBER

\_\_\_\_\_  
Christine Ellis, COUNCILMEMBER

\_\_\_\_\_  
Matt Orlando, COUNCILMEMBER

\_\_\_\_\_  
Jane Poston, COUNCILMEMBER

\_\_\_\_\_  
Mark Stewart, COUNCILMEMBER

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5774 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the 22nd day of February, 2024, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

*REL*





**City Council Memorandum      Human Resources      Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
Rae Lynn Nielsen, Human Resources Director  
**From:** Kristin Maier, Human Resources Manager  
**Subject:** Agreement No. HR9-962-4689, with Marathon Staffing, for Temporary Staffing Services

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**Proposed Motion:**

Move City Council approve Agreement No. HR9-962-4689, with Marathon Staffing, for temporary staffing services, in an amount not to exceed \$1,098,125, for one year, April 1, 2024, through March 31, 2025, with the option of up to four additional one-year extensions.

**Background/Discussion:**

Temporary staff are utilized primarily by the Community Services Department, the Neighborhood Resources Department, and the Cultural Development Division to fill temporary staffing needs such as class instructors, coaches, sign language interpreters, swim coaches, library aides, teachers, and production assistants. Other City departments that require temporary positions not available through temporary agencies under the State contract also utilize this contract to fill those temporary staffing needs. The contract was originally established when the Internal Revenue Service determined in December 1992 that a number of temporary employees used by City departments should, in fact, be appointed contract employees through a temporary employment agency. The Human Resources Division monitors the use of this agreement to ensure it is used exclusively for this purpose.

**Evaluation:**



On November 15, 2023, City staff issued Request for Proposal No. HR9-962-4689 for temporary staffing services. Notification was sent to all registered vendors. Thirteen proposals were received. DeVau, the current provider with whom the city has maintained a contract for more than twenty years, provided notification that it will no longer be offering temporary staffing services.

The Evaluation Committee evaluated the proposals and recommends award to Marathon Staffing, which submitted the most advantageous offer to the City in accordance with the evaluation criteria based on qualifications, method of approach, and pricing. The term of this Agreement is April 1, 2024, through March 31, 2025, with the option of up to four additional one-year extensions.

### **Financial Implications:**

Funds for temporary staff will be from various departments' professional contract services fund accounts (5219), except for the Housing Division which will utilize a portion from HUD.

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#### **Fiscal Impact**

| <b>Account No.</b>  | <b>Fund Name</b>              | <b>Program Name</b> | <b>Dollar Amount</b> | <b>CIP Funded Y/N</b> |
|---------------------|-------------------------------|---------------------|----------------------|-----------------------|
| 101.1050.5219.0.0.0 | General Fund                  | N/A                 | \$50,000             | N                     |
| 101.1100.5219.0.0.0 | General Fund                  | N/A                 | \$154,000            | N                     |
| 101.1500.5219.0.0.0 | General Fund                  | N/A                 | \$15,000             | N                     |
| 101.2015.5219.0.0.0 | General Fund                  | N/A                 | \$36,800             | N                     |
| 101.2210.5219.0.0.0 | General Fund                  | N/A                 | \$3,000              | N                     |
| 101.4300.5219.0.0.0 | General Fund                  | N/A                 | \$20,000             | N                     |
| 101.4310.5219.0.0.0 | General Fund                  | N/A                 | \$112,000            | N                     |
| 101.4530.5219.0.0.0 | General Fund                  | N/A                 | \$5,000              | N                     |
| 101.4550.5219.0.0.0 | General Fund                  | N/A                 | \$150,125            | N                     |
| 101.4551.5219.0.0.0 | General Fund                  | N/A                 | \$278,100            | N                     |
| 101.4555.5219.0.0.0 | General Fund                  | N/A                 | \$28,100             | N                     |
| 625.3700.5219.0.0.0 | Solid Waste<br>Operating Fund | N/A                 | \$73,000             | N                     |
| 625.3720.5219.0.0.0 | Solid Waste<br>Operating Fund | N/A                 | \$73,000             | N                     |
| 224.4650.5219.0.0.0 | PHA Family Sites<br>Fund      | N/A                 | \$40,000             | N                     |



|                     |                                       |     |          |   |
|---------------------|---------------------------------------|-----|----------|---|
| 227.4650.5219.0.0.0 | PHA Elderly &<br>Scattered Sites Fund | N/A | \$25,000 | N |
| 233.4650.5219.0.0.0 | PHA Section 8<br>Vouchers Fund        | N/A | \$35,000 | N |

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### Attachments

4689 - Agreement





City Clerk Document No. \_\_\_\_\_

City Council Meeting Date: \_\_\_\_\_

**CITY OF CHANDLER SERVICES AGREEMENT  
TEMPORARY STAFFING SERVICES  
CITY OF CHANDLER AGREEMENT NO. HR4-962-4689**

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Marathon Staffing Resources Inc., a Nevada corporation (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made \_\_\_\_\_, 2024 (Effective Date).

**RECITALS**

- A. City proposes to enter an agreement for temporary staffing services as more fully described in Exhibit A, which is attached to and made a part of this Agreement by this reference.
- B. Contractor is ready, willing, and able to provide the services described in Exhibit A for the compensation and fees set forth and as described in Exhibit B, which is attached to and made a part of this Agreement by this reference.
- C. City desires to contract with the Contractor to provide these services under the terms and conditions set forth in this Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and the mutual promises contained in this Agreement, City and Contractor agree as follows:

**SECTION I: DEFINITIONS**

For purposes of this Agreement, the following definitions apply:

**Agreement** means the legal agreement executed between the City and the Contractor

**City** means the City of Chandler, Arizona

**Contractor** means the individual, partnership, or corporation named in the Agreement

**Days** means calendar days

**May, Should** means something that is not mandatory but permissible

**Shall, Will, Must** means a mandatory requirement

**SECTION II: CONTRACTOR'S SERVICES**

Contractor must perform the services described in Exhibit A to the City's satisfaction within the



terms and conditions of this Agreement and within the care and skill that a person who provides similar services in Chandler, Arizona exercises under similar conditions. All work or services furnished by Contractor under this Agreement must be performed in a skilled and workmanlike manner. Unless authorized by the City in writing, all fixtures, furnishings, and equipment furnished by Contractor as part of the work or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the work or service.

### **SECTION III: PERIOD OF SERVICE**

The term of the Agreement is one year, and begins on April 1, 2024, and ends on March 31, 2025 unless sooner terminated in accordance with the provisions of this Agreement. The City and the Contractor may mutually agree to extend the Agreement for up to four additional terms of one year each, or portions thereof. The City reserves the right, at its sole discretion, to extend the Agreement for up to 60 days beyond the expiration of any extension term.

### **SECTION IV: PAYMENT OF COMPENSATION AND FEES**

Unless amended in writing by the Parties, Contractor's compensation and fees as more fully described in Exhibit B for performance of the services approved and accepted by the City under this Agreement must not exceed \$ 1,098,125. Contractor must submit requests for payment for services approved and accepted during the previous billing period and must include, as applicable, detailed invoices and receipts, a narrative description of the tasks accomplished during the billing period, a list of any deliverables submitted, and any subcontractor's or supplier's actual requests for payment plus similar narrative and listing of their work. Payment for those services negotiated as a lump sum will be made in accordance with the percentage of the work completed during the preceding billing period. Services negotiated as a not-to-exceed fee will be paid in accordance with the work completed on the service during the preceding month. All requests for payment must be submitted to the City for review and approval. The City will make payment for approved and accepted services within 30 days of the City's receipt of the request for payment. Contractor bears all responsibility and liability for any and all tax obligations that result from Contractor's performance under this Agreement.

All prices offered herein shall be firm against any increase for the initial term of the Agreement. Prior to commencement of subsequent renewal terms, the City may approve a fully documented request for a price adjustment. The City shall determine whether any requested price increases for extension terms is acceptable to the City. If the City approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon by the Parties a written Agreement Amendment shall be approved and executed by the Parties.

### **SECTION V: GENERAL CONDITIONS**

5.1 Records/Audit. Records of the Contractor's direct personnel payroll, reimbursable expenses pertaining to this Agreement and records of accounts between the City and Contractor must be kept on the basis of generally accepted accounting principles and must be made available to the City and its auditors for up to three years following the City's final acceptance of the services under this Agreement. The City, its authorized representative, or any federal agency, reserves the right to audit Contractor's records to verify the accuracy and appropriateness of all cost and pricing data, including data used to negotiate this Agreement and any amendments. The City reserves the right



to decrease the total amount of Agreement price or payments made under this Agreement or request reimbursement from the Contractor following final contract payment on this Agreement if, upon audit of the Contractor's records, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data. The Contractor will include a similar provision in all of its contracts with subcontractors providing services under the Agreement Documents to ensure that the City, its authorized representative, or the appropriate federal agency, has access to the subcontractors' records to verify the accuracy of all cost and pricing data. The City reserves the right to decrease Contract price or payments made on this Agreement or request reimbursement from the Contractor following final payment on this Agreement if the above provision is not included in subcontractor agreements, and one or more subcontractors refuse to allow the City to audit their records to verify the accuracy and appropriateness of all cost and pricing data. If, following an audit of this Agreement, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, the Contractor will be liable for reimbursement of the reasonable, actual cost of the audit.

5.2 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of services, cost of performance, or Project schedule, the work will be performed as directed by the City. However, before any modified work is started, a written amendment must be approved and executed by the City and the Contractor. Such amendment must not be effective until approved by the City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to the Contractor may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra work done or materials furnished by the Contractor will be allowed by the City except as provided herein, nor must the Contractor do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by the Contractor without prior written authorization will be at Contractor's own risk, cost, and expense, and Contractor hereby agrees that without written authorization Contractor will make no claim for compensation for such work or materials furnished.

5.3 Termination for Convenience. The City and the Contractor hereby agree to the full performance of the covenants contained herein, except that the City reserves the right, at its discretion and without cause, to terminate or abandon any service provided for in this Agreement, or abandon any portion of the Project for which services have been performed by the Contractor. In the event the City abandons or suspends the services, or any part of the services as provided in this Agreement, the City will notify the Contractor in writing and immediately after receiving such notice, the Contractor must discontinue advancing the work specified under this Agreement. Upon such termination, abandonment, or suspension, the Contractor must deliver to the City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by the City. The Contractor must appraise the work Contractor has completed and submit Contractor's appraisal to the City for evaluation. The City may inspect the Contractor's work to appraise the work completed. The Contractor will receive compensation in full for services performed to the date of such termination. The fee shall be paid in accordance with Section IV of this Agreement, and as mutually agreed upon by the Contractor and the City. If there is no mutual agreement on payment, the final determination will be made in accordance with the Disputes provision in this Agreement. However, in no event may the payment exceed the payment set forth in this Agreement nor as amended in accordance with Alteration in



Character of Work. The City will make the final payment within 60 days after the Contractor has delivered the last of the partially completed items and the Parties agree on the final payment. If the City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.

5.4 Termination for Cause. The City may terminate this Agreement for Cause upon the occurrence of any one or more of the following events: in the event that (a) the Contractor fails to perform pursuant to the terms of this Agreement, (b) the Contractor is adjudged a bankrupt or insolvent, (c) the Contractor makes a general assignment for the benefit of creditors, (d) a trustee or receiver is appointed for Contractor or for any of Contractor's property (e) the Contractor files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws, (f) the Contractor disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction, or (g) the Contractor fails to cure default within the time requested. Where Agreement has been so terminated by City, the termination will not affect any rights of City against Contractor then existing or which may thereafter accrue.

5.5 Indemnification. The Contractor (Indemnitor) must indemnify, defend, save and hold harmless the City and its officers, officials, agents and employees (Indemnitee) from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) (Claims) caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of the Contractor or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of the Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Contractor must indemnify Indemnitee from and against any and all Claims, except those arising solely from Indemnitee's own negligent or willful acts or omissions. The Contractor is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, the Contractor agrees to waive all rights of subrogation against Indemnitee for losses arising from or related to this Agreement. The obligations of the Contractor under this provision survive the termination or expiration of this Agreement.

5.6 Insurance Requirements. Contractor must procure insurance under the terms and conditions and for the amounts of coverage set forth in Exhibit C against claims that may arise from or relate to performance of the work under this Agreement by Contractor and its agents, representatives, employees, and subcontractors. Contractor and any subcontractors must maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits stated in Exhibit C are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Agreement by the Contractor, the Contractor's agents, representatives, employees, or subcontractors. Contractor is free to purchase such additional insurance as may be determined necessary.



5.7 Cooperation and Further Documentation. The Contractor agrees to provide the City such other duly executed documents as may be reasonably requested by the City to implement the intent of this Agreement.

5.8 Notices. Unless otherwise provided, notice under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the date notice is sent if by electronic mail, or (c) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

| <b>For the City</b>   | <b>For the Contractor</b>                                 |
|---|---|
| Name: Purchasing Division   | Name: Kendra Strickland                                   |
| Title: Procurement Officer  | Title: COO  |
| Address: 175 S. Arizona Ave., 3 <sup>rd</sup> Floor<br>Chandler, Az 85225 | Address: 164 Westford Road unit 26<br>Tyngsboro, MA 01879 |
| Phone: 480-782-2405   | Phone: 978-649-6230                                       |
| Email: purchasing@chandleraz.gov  | Email: chandler@marathonstaffing.com                      |

5.9 Successors and Assigns. City and Contractor each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither the City nor the Contractor may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and the City.

5.10 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between the Contractor and the City, the final determination at the administrative level will be made by the City Purchasing and Materials Manager.

5.11 Completeness and Accuracy of Contractor's Work. The Contractor must be responsible for the completeness and accuracy of Contractor's services, data, and other work prepared or compiled under Contractor's obligation under this Agreement and must correct, at Contractor's expense, all willful or negligent errors, omissions, or acts that may be discovered. The fact that the City has accepted or approved the Contractor's work will in no way relieve the Contractor of any of Contractor's responsibilities.

5.12 Withholding Payment. The City reserves the right to withhold funds from the Contractor's payments up to the amount equal to the claims the City may have against the Contractor until such time that a settlement on those claims has been reached.

5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by the City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Contractor. For this Agreement the Contractor constitutes an independent contractor. Any provisions in this Agreement that may appear to give the City the right to direct the Contractor as to the details of accomplishing the work or to exercise a measure of control



over the work means that the Contractor must follow the wishes of the City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, the Contractor must assign to the City the key personnel that will be involved in performing services prescribed in the Agreement. The City may acknowledge its acceptance of such personnel to perform services under this Agreement. At any time hereafter that the Contractor desires to change key personnel while performing under the Agreement, the Contractor must submit the qualifications of the new personnel to the City for prior approval. The Contractor will maintain an adequate and competent staff of qualified persons, as may be determined by the City, throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Services. If the City objects, with reasonable cause, to any of the Contractor's staff, the Contractor must take prompt corrective action acceptable to the City and, if required, remove such personnel from the Project and replace with new personnel agreed to by the City.

5.16 Subcontractors. Prior to beginning the work, the Contractor must furnish the City for approval the names of subcontractors to be used under this Agreement. Any subsequent changes are subject to the City's written prior approval.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Laws. Contractor understands, acknowledges, and agrees to comply with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. All services performed by Contractor must also comply with all applicable City of Chandler codes, ordinances, and requirements. Contractor agrees to permit the City to verify Contractor's compliance.

5.19 No Israel Boycott. By entering into this Agreement, Contractor certifies that Contractor is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Contractor's or subcontractor's employee who provides services under this Agreement to ensure that the Contractor and subcontractors comply with the warranty under this provision.

5.21 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in



the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.22 Forced Labor of Ethnic Uyghurs Prohibited. By entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.23 Covenant Against Contingent Fees. Contractor warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Contractor's firm. For breach or violation of this warrant, the City may annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.24 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.

5.25 Disclosure of Information Adverse to the City's Interests. To evaluate and avoid potential conflicts of interest, the Contractor must provide written notice to the City, as set forth in this Section, of any work or services performed by the Contractor for third parties that may involve or be associated with any real property or personal property owned or leased by the City. Such notice must be given seven business days prior to commencement of the services by the Contractor for a third party, or seven business days prior to an adverse action as defined below. Written notice and disclosure must be sent to the City's Purchasing and Materials Manager. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in the Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against the City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; or (c) using data to produce income for the Contractor or its employees independently of performing the services under this Agreement, without the prior written consent of the City. Contractor represents that except for those persons, entities, and projects identified to the City, the services performed by the Contractor under this Agreement are not expected to create an interest with any person, entity, or third party project that is or may be adverse to the City's interests. Contractor's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of this Agreement.

5.26 Data Confidentiality and Data Security. As used in the Agreement, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits,



analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to the Contractor or its subcontractors in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the Contractor or its subcontractors in connection with the Contractor's or its subcontractor's performance of this Agreement is confidential and proprietary information belonging to the City. Except as specifically provided in this Agreement, Contractor or its subcontractors must not divulge data to any third party without the City's prior written consent. Contractor or its subcontractors must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to the Contractor or its subcontractors have first given the required notice to the City: (a) data which was known to the Contractor or its subcontractors prior to its performance under this Agreement unless such data was acquired in connection with work performed for the City; or (b) data which was acquired by the Contractor or its subcontractors in its performance under this Agreement and which was disclosed to the Contractor or its subcontractors by a third party, who to the best of the Contractor's or its subcontractors knowledge and belief, had the legal right to make such disclosure and the Contractor or its subcontractors are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Contractor or its subcontractors are subject. In the event the Contractor or its subcontractors are required or requested to disclose data to a third party, or any other information to which the Contractor or its subcontractors became privy as a result of any other contract with the City, the Contractor must first notify the City as set forth in this Section of the request or demand for the data. The Contractor or its subcontractors must give the City sufficient facts so that the City can be given an opportunity to first give its consent or take such action that the City may deem appropriate to protect such data or other information from disclosure. Unless prohibited by law, within ten calendar days after completion or termination of services under this Agreement, the Contractor or its subcontractors must promptly deliver, as set forth in this Section, a copy of all data to the City. All data must continue to be subject to the confidentiality agreements of this Agreement. Contractor or its subcontractors assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this Section are violated by the Contractor, its employees, agents or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. A violation of this Section may result in immediate termination of this Agreement without notice.

**5.27 Personal Identifying Information-Data Security.** Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Contractor and any of its subcontractors. At a minimum, Contractor must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Contractor or its subcontractors in connection with this Agreement is believed to have been compromised, Contractor or its subcontractors must immediately notify the City contact. Contractor agrees



to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Contractor or its subcontractors under this Section must survive the termination of this Agreement.

5.28 Jurisdiction and Venue. This Agreement is made under, and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

5.29 Survival. All warranties, representations, and indemnifications by the Contractor must survive the completion or termination of this Agreement.

5.30 Modification. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.

5.31 Severability. If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

5.32 Integration. This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.

5.33 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.34 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for the City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later than 5:00 p.m. (Chandler time) on the day of performance.

5.35 Delivery. All prices are F.O.B. Destination and include all delivery and unloading at the specified destinations. The Contractor will retain title and control of all goods until they are delivered and accepted by the City. All risk of transportation and all related charges will be the responsibility of the Contractor. All claims for visible or concealed damage will be filed by the Contractor. The City will notify the Contractor promptly of any damaged goods and will assist the Contractor in arranging for inspection.



5.36 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than the City and the Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and the Contractor and not for the benefit of any other party.

5.37 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in the Exhibits, the provisions in this Agreement prevail.

5.38 Document/Information Release. Documents and materials released to the Contractor, which are identified by the City as sensitive and confidential, are the City's property. The document/material must be issued by and returned to the City upon completion of the services under this Agreement. Contractor's secondary distribution, disclosure, copying, or duplication in any manner is prohibited without the City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.39 Exhibits. The following exhibits are made a part of this Agreement and are incorporated by reference:

- Exhibit A - Project Description/Scope of Services
- Exhibit B - Compensation and Fees
- Exhibit C - Insurance Requirements
- Exhibit D - Special Conditions

5.40 Special Conditions. As part of the services Contractor provides under this Agreement, Contractor agrees to comply with and fully perform the special terms and conditions set forth in Exhibit D, which is attached to and made a part of this Agreement.

5.41 Cooperative Use of Agreement. In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five times during a month, the Contractor will submit a full set of fingerprints to the school of each person or employee who may provide such service. The District will conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all Contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the District. Additionally, the Contractor will comply with the governing body fingerprinting policies of each individual school district/public entity. The Contractor, sub-contractors, vendors and their employees will not provide services on school district properties until authorized by the District.



Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City will not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

5.42 Non-Discrimination and Anti-Harassment Laws. Contractor must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.43 Licenses and Permits. Beginning with the Effective Date and for the full term of this Agreement, Contractor must maintain all applicable City, state, and federal licenses and permits required to fully perform Contractor's services under this Agreement.

5.44 Warranties. Contractor must furnish a one-year warranty on all work and services performed under this Agreement. Contractor must furnish, or cause to be furnished, a two-year warranty on all fixtures, furnishings, and equipment furnished by Contractor, subcontractors, or suppliers under this Agreement. Any defects in design, workmanship, or materials that do not comply with this Agreement must be corrected by Contractor (including, but not limited to, all parts and labor) at Contractor's sole cost and expense. All written warranties and redlines for as-built conditions must be delivered to the City on or before the City's final acceptance of Contractor's services under this Agreement.

5.45 Emergency Purchases. City reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the Contractor.

5.46 Non-Exclusive Agreement. This agreement is for the sole convenience of the City of Chandler. The City reserves the right to obtain like goods or services from another source when necessary.

5.47 Budget Approval Into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council at the time Council adopts the budget.



This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

**FOR THE CITY**

By: \_\_\_\_\_

Its: Mayor

**FOR THE CONTRACTOR**

By: Kendra Strickland

Its: COO

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Attorney

*JMB*

**ATTEST:**

By: \_\_\_\_\_  
City Clerk



## **EXHIBIT A TO AGREEMENT SCOPE OF SERVICES**

1. The Contractor will provide temporary staffing services as required by City. The Contractor will provide City with high-quality, fully qualified, cost-effective, temporary workers to fill positions and provide temporary services of the type required by City on an as-needed basis.
2. The Contractor will assign a point of contact to oversee the performance of this contract and to manage and supervise the temporary workers assigned to City hereunder ("Assigned Temporary Workers").
3. The Assigned Temporary Workers will be the employees of the Contractor for all purposes and not employees of City. No joint-employment or common law employer-employee relationship is intended or created by this contract. The Contractor will be solely responsible for recruiting, interviewing, hiring, screening, assigning, re-assigning, and terminating the employment of the Assigned Temporary Workers.
4. The Contractor will provide Assigned Temporary Workers who meet all the qualifications, including necessary training, certifications, and licenses, for the positions to be filled as described in City's Request for Services. City reserves the right to discontinue the use of an Assigned Temporary Worker if the individual's performance, conduct, or qualifications are unacceptable in any way and may or may not request Contractor to provide a replacement.
5. The City may provide day-to-day direction and training of Assigned Temporary Workers with respect to the requirements of the positions filled by the Assigned Temporary Workers. The Contractor will retain the ultimate right to supervise, control, and discipline the Assigned Temporary Workers and to reassign an Assigned Temporary Worker to work for other projects, clients, or customers. The Contractor will take appropriate action to address in a timely manner, through disciplinary action, performance counseling, additional training, or replacement, any performance or conduct problems identified by City relating to the Assigned Temporary Workers. Contractor shall have sole authority to terminate the employment of an Assigned Temporary Worker assigned to the City under this contract.
6. The Contractor will adequately screen all Assigned Temporary Workers to confirm appropriateness for a job in a public facility, particularly when assigned to fill positions working with children and senior citizens. Screening may include, but is not limited to, background checks of criminal records through federal, state, and local agencies, drug screening (for designated positions) and reference checks. The Contractor will be responsible for the costs associated with any screenings. The Contractor will provide the City's Human Resources Department with proof of negative drug screen results (for designated positions) taken within 30-days of assignment and report of criminal records from federal, state, and local government agencies. The City may require fingerprinting, if deemed necessary, at the City's expense. The City will specify which background services Contractor shall utilize.
7. The Contractor will require Assigned Temporary Workers to comply with all City rules, regulations, and policies including, but not limited to, the following:
  - a. Submitting to a pre-employment drug test (for designated positions) and pre-employment background check of criminal records through federal, state, and local agencies, fingerprinting, if deemed necessary by the City (to be provided by the Contractor);



- b. Abiding by applicable City regulations and policies including the City's Anti-harassment Policy;
  - c. Refraining from smoking, eating, or drinking in City facilities, except in the City's designated locations;
  - d. Reporting for duty in acceptable business attire;
  - e. Presenting positive identification upon reporting for duty;
  - f. Interacting cordially with City staff and the public;
  - g. Responding professionally to the City's oversight staff; and
  - h. Parking in locations designated by the City when reporting for duty.
8. The Contractor will be responsible for paying the Assigned Temporary Workers from the Contractor's own accounts and will be solely responsible for all obligations associated with the payment of employees including paying, withholding, and transmitting payroll taxes, etc. Contractor will be responsible for providing W-2 forms to the Assigned Temporary Workers.
  9. The Contractor will provide unemployment insurance and workers' compensation benefits and will be responsible for all unemployment and workers' compensation claims involving the Assigned Temporary Workers.
  10. The Contractor will set the wages to be paid to the Assigned Temporary Workers. Invoices will be submitted by the Contractor to the City every other Friday, as determined by the City, for the previous two weeks of work. The City will pay the Contractor on a bi-monthly basis, approximately fifteen (15) days after receipt of invoice.
  11. The City will provide the Contractor with the job description, necessary qualifications, and hours required for the position to be filled by a temporary worker. The City will provide the Contractor with a list of current wages being paid by the City for informational purposes only.
  12. The Contractor will be responsible for all advertising and recruiting costs associated with supplying temporary workers to the City.
  13. The Contractor, and all employees and agents of Contractor, will fully comply with all federal, state, and local laws applicable to the employment of the Assigned Temporary Workers and the services to be furnished.
  14. Contractor shall be solely responsible for compliance with all employer obligations under federal, state, and local law including, but not limited to, the Patient Protection and Affordable Care Act (PPACA), Family and Medical Leave Act (FMLA), Americans with Disabilities Act (ADA), Fair Labor Standards Act (FLSA), Workers' Compensation laws, and Unemployment Insurance laws as they relate to the Assigned Temporary Workers.
  15. The Contractor will maintain all employment-related records, including but not limited to Forms I-9 and records required by the Legal Arizona Workers' Act (LAWA), for the Assigned Temporary Workers.
  16. Assigned Temporary Workers must have a current, valid Driver's License to drive a City vehicle. The Contractor will be responsible for any traffic citation that an Assigned Temporary Worker receives while driving a City vehicle.



**EXHIBIT B TO AGREEMENT  
COMPENSATION AND FEES**

Pursuant to all the contract specifications enumerated and described in this Agreement, Contractor agrees to furnish Temporary Staff to the city of Chandler at the price(s) stated below.

Recruited Markup % 32

Referred Markup % 27.5

Pricing for additional services when required by City of Chandler

Drug Testing: \$ No additional cost per employee

Background Check: \$ No additional cost per employee

Finger Printing: \$ Invoiced to City at Exact Cost of Fingerprinting per employee



## **EXHIBIT C TO AGREEMENT INSURANCE**

### **INSURANCE**

#### General.

- A. At the same time as execution of this Agreement, the Contractor shall furnish the City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
- B. The Contractor and any of its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Contractor from liabilities that might arise out of the performance of the Agreement services under this Agreement by Contractor, its agents, representatives, employees, subcontractors, and the Contractor is free to purchase any additional insurance as may be determined necessary.
- E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the Contractor from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- F. Use of Subcontractors: If any work is subcontracted in any way, the Contractor shall execute a written contract with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the Contractor in this Agreement. The Contractor is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

Minimum Scope and Limits of Insurance. The Contractor shall provide coverage with limits of liability not less than those stated below.

- A. *Commercial General Liability-Occurrence Form.* Contractor must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or



broader in coverage scope than underlying insurance.

- B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*  
*Vehicle Liability:* Contractor must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Contractor owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.
- C. *Workers Compensation and Employers Liability Insurance:* Contractor must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.
- D. *Crime.* Contractor must maintain crime coverage insurance including employee theft, forgery or alteration; client coverage and computer and funds transfer fraud of not less than \$1,000,000.
- E. *Errors and Omissions.* Contractor must maintain errors and omissions coverage, including sexual abuse/molestation, of not less than \$2,000,000.

Additional Policy Provisions Required.

- A. *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.
  - 1. The Contractor's insurance must contain broad form contractual liability coverage.
  - 2. The Contractor's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by the Contractor and must not contribute to it.
  - 3. The Contractor's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
  - 4. Coverage provided by the Contractor must not be limited to the liability assumed under the indemnification provisions of this Agreement.



5. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the Contractor for the City.
6. The Contractor, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of three years following completion and acceptance of the Work. The Contractor must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this three year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.
7. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

B. *Insurance Cancellation During Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Contract/Agreement, the Contractor must forward renewal or replacement Certificates to the City within ten days after the renewal date containing all the required insurance provisions.
2. Each insurance policy required by the insurance provisions of this Contract/Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after 30 days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven days of receipt of insurers' notification to that effect.

A. *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the Contractor including the City's general supervision of the Contractor; Products and Completed operations of the Contractor; and automobiles owned, leased, hired, or borrowed by the Contractor.
2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Agreement.



## **EXHIBIT D TO AGREEMENT SPECIAL CONDITIONS**

### **ACCESS TO SECURED FACILITIES**

Contract Worker Access Controls, Badge and Key Access Requirements. A Contract Worker shall not be allowed to begin work in any City facility without: (A) The prior completion and the City's acceptance of the required background screening; and (B) when required, the Contract Worker's receipt of a City issued badge. A badge will be issued to a Contract Worker solely for access to the City facility(s) to which the Contract Worker is assigned. Each Contract Worker who enters a City facility must use the badge issued to the Contract Worker. Any and all fees associated with security badging will be assessed in compliance with Chandler City Code §4-22.

Key Access Procedures. If the Contract Worker's services require keyed access to enter a City facility(s), a separate key issue/return form must be completed and submitted by Contractor for each key issued.

Stolen or Lost Badges or Keys. Contractor shall report lost or stolen badges or keys to the City immediately. A new badge application or key issue form shall be completed and submitted along with payment of the applicable fees prior to issuance of a new badge or key.

Return of Badges or Keys. All badges and keys are the property of the City and must be returned to the City within one business day of when the Contract Worker's access to a City facility is no longer required to furnish the services under this Agreement. Contractor shall collect a Contract Worker's badge and key(s) upon the termination of the Contract Worker's employment; when the Contract Worker's services are no longer required at the particular City facility(s); or upon termination, cancellation or expiration of this Agreement.

Contractor's default under this Section shall include, but is not limited to the following: (1) Contract Worker gains access to a City facility(s) without the proper badge or key; (2) Contract Worker uses a badge or key of another to gain access to a City facility; (3) Contract Worker commences services under this Agreement without the proper badge, key or Background Screening; (4) Contract Worker or Contractor submits false information or negligently submits wrong information to the City to obtain a badge, key or applicable Background Screening; or (5) Contractor fails to collect and timely return Contract Worker's badge or key upon termination of Contract Worker's employment, reassignment of Contract Worker to another City facility or upon the expiration, cancellation or termination of this Agreement. Contractor acknowledges and agrees that the access control, badge and key requirements in this Section are necessary to preserve and protect public health, safety and welfare. Accordingly, Contractor agrees to properly cure any default under this Section within three business days from the date notice of default is sent by the City. The parties agree that Contractor's failure to properly cure any default under this Section shall constitute a breach of this Section. In addition to any other remedy available to the City at law or in equity, Contractor shall be liable for and shall pay to the City the sum of \$1,000.00 for each breach by Contractor of this Section. The parties further agree that the sum fixed above is reasonable and approximates the actual or anticipated loss to the City at the time and making of this Agreement in the event that Contractor breaches this Section. Further, the parties expressly acknowledge and agree to the fixed sum set forth above because of the difficulty of proving the City's actual damages in the event that Contractor breaches this Section. The parties further agree that three breaches by Contractor of this Section arising out of any default within a consecutive period of three months or three breaches



by Contractor of this Section arising out of the same default within a period of 12 consecutive months shall constitute a material breach of this Agreement by Contractor and the City expressly reserves all of its rights, remedies and interests under this Agreement, at law and in equity including, but not limited to, termination of this Agreement.

## **BACKGROUND SCREENING**

1. **Contractor and Subcontractor Worker Background Screening.** Contractor agrees that all contract workers and subcontractors (collectively "Contract Worker(s)") that Contractor furnishes to City under this Agreement will be subject to background and security checks and screening as set forth in this Section (collectively "Background Screening") at Contractor's sole cost and expense. As part of the Background Screening, Contractor must provide to a person designated by the City the name(s), address(es), and phone number(s) of all Contract Workers who will provide any services under this Agreement. All Contract Workers must comply with these Background Screening requirements. All Contract Workers must be able to provide proof of the legal right to work in the United States. The Background Screening provided by Contractor must comply with all applicable laws, rules, and regulations. Contractor further agrees that the Background Screening required in this Section is necessary to preserve and protect public health, safety, and welfare. The Background Screening requirements set forth in this Section are the minimum requirements for this Agreement. City in no way warrants that these minimum requirements are sufficient to protect Contractor from any liabilities that may arise out of Contractor's services under this Agreement or Contractor's failure to comply with this Section. Therefore, in addition to the specific measures set forth below, Contractor and its Contract Workers must take such other reasonable, prudent, and necessary measures to further preserve and protect public health, safety, and welfare when providing services under this Agreement.
2. **Background Screening Requirements and Criteria.** Before offering or scheduling any services under this Agreement, Contractor agrees that all Contract Workers, including the Contractor, if the Contractor is an individual or sole proprietorship, must have successfully passed a Background Screening in accordance with this Section. Contractor warrants that no person will be permitted to substitute for a Contract Worker who has satisfied the Background Screening requirements until the proposed substitute has also satisfied the Background Screening requirements in this Section. For review and approval, Contractor must submit to a person designated by the City proof of a completed Background Screening for each Contract Worker over the age of 18 performing services under this Agreement no fewer than two (2) weeks before the proposed start date of such Contract Worker's services. The Background Screening must have been completed within the 12-month period preceding the Contract Worker's start date under this Agreement and must include the results of a national criminal databased check with source verification, and a sex offender database search.
3. **Additional City Rights Regarding Security Inquiries.** In addition to the foregoing, City reserves the rights but not the obligations to: (1) have a Contract Worker be required to provide fingerprints and execute such other documentation as may be necessary to obtain criminal justice information pursuant to A.R.S. § 41-1750(G)(4); (2) act on newly acquired information whether or not such information should have been previously discovered; (3) unilaterally change its standards and criteria relative to the acceptability of Contract



Workers; and (4) object, at any time and for any reason, to a Contract Worker performing work (including supervision and oversight) under this Agreement.

4. **Contractor Certification.** By executing this Agreement, Contractor certifies that Contractor has read and understands the Background Screening requirements and criteria in this Section and will fully comply with such requirements. Contractor further certifies that any Background Screening information to be furnished to City related to Contractor or its Contract Workers will be complete, current, and accurate. A Contract Worker rejected for work under this Agreement will not be proposed to perform work under other City contracts or engagements without City's prior written approval.
5. **Terms of This Section Applicable to all of Contractor's Contracts and Subcontracts.** Contractor must include the terms of this Section for Contract Worker Background Screening in all contracts and subcontracts for services furnished under this Agreement including, but not limited to, supervision and oversight services.
6. **Materiality of Background Screening Requirements: Indemnity.** The Background Screening requirements of this Section are material to City's entry into this Agreement and any breach of this Section by Contractor will be deemed a material breach of this Agreement. In addition to the indemnity provisions set forth in this Agreement, Contractor must defend, indemnify, and hold harmless City for any and all Claims arising out of this Background Screening Section including, but not limited to, the disqualification of a Contract Worker by Contractor or City for failure to satisfy this Section.
7. **Continuing Duty, Audit.** Contractor's obligations and requirements that Contract Workers satisfy this Background Screening Section will continue throughout the entire term of this Agreement. Contractor must notify City immediately of any change to a Background Screening of a Contract Worker previously accepted by City. Contractor must maintain all records and documents related to all Background Screenings and City reserves the right to audit Contractor's compliance with this Section under the terms of this Agreement.



**Certificate Of Completion**

Envelope Id: 8CDBA59641BD49F99E85A01D842B6B48

Status: Sent

Subject: Complete with DocuSign: 4689 - Temp Staffing Services Agreement

EDMS Application: CC-AGRMTS

Source Envelope:

Document Pages: 21

Signatures: 1

Envelope Originator:

Certificate Pages: 5

Initials: 0

Christian Jonson

AutoNav: Enabled

PO Box 4008

Enveloped Stamping: Enabled

Chandler, 85244

Time Zone: (UTC-07:00) Arizona

Christian.Jonson@chandleraz.gov

IP Address: 198.241.2.1

**Record Tracking**

Status: Original

Holder: Christian Jonson

Location: DocuSign

2/4/2024 | 09:19 AM

Christian.Jonson@chandleraz.gov

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Chandler

Location: DocuSign

**Signer Events****Signature****Timestamp**

Kendra Strickland



Sent: 2/4/2024 | 09:32 AM

kstrickland@marathonstaffing.com

Viewed: 2/5/2024 | 10:28 AM

COO

Signed: 2/5/2024 | 10:29 AM

Marathon Staffing Group, Inc.

Signature Adoption: Pre-selected Style

Security Level: Email, Account Authentication  
(None)

Using IP Address: 73.182.214.173

**Electronic Record and Signature Disclosure:**

Accepted: 2/5/2024 | 10:28 AM

ID: cfd931d7-afd8-4f89-9d29-1d525d13ffb8

Chelle Ewald

chelle.ewald@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**

Accepted: 11/20/2023 | 10:02 AM

ID: db896b23-d629-4634-97a8-2b22d0c4bb15

Daniel Brown

Daniel.Brown@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**

Accepted: 7/1/2021 | 08:17 AM

ID: 563d172a-e614-4b9b-b2a1-61a0afc8280a

Kevin Hartke

kevin.hartke@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**

Accepted: 6/28/2021 | 11:17 AM

ID: 2531f230-027c-41f7-9166-1189df6a8c8f

Dana DeLong

Dana.DeLong@chandleraz.gov

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**



| Signer Events   | Signature        | Timestamp                 |
|---|------------------|---------------------------|
| Accepted: 6/28/2021   01:03 PM<br>ID: e796186e-c533-4a41-978c-34d69e29778a  |                  |                           |
| In Person Signer Events   | Signature        | Timestamp                 |
| Editor Delivery Events  | Status           | Timestamp                 |
| Chelle Ewald<br>chelle.ewald@chandleraz.gov<br>Security Level: Email, Account Authentication (None)                               |                  | Sent: 2/5/2024   10:29 AM |
| <b>Electronic Record and Signature Disclosure:</b><br>Accepted: 11/20/2023   10:02 AM<br>ID: db896b23-d629-4634-97a8-2b22d0c4bb15 |                  |                           |
| Agent Delivery Events   | Status           | Timestamp                 |
| Intermediary Delivery Events  | Status           | Timestamp                 |
| Certified Delivery Events   | Status           | Timestamp                 |
| Carbon Copy Events  | Status           | Timestamp                 |
| Sheri Revis<br>sherri.revis@chandleraz.gov<br>Security Level: Email, Account Authentication (None)                                |                  |                           |
| <b>Electronic Record and Signature Disclosure:</b><br>Not Offered via DocuSign  |                  |                           |
| Witness Events  | Signature        | Timestamp                 |
| Notary Events   | Signature        | Timestamp                 |
| Envelope Summary Events   | Status           | Timestamps                |
| Envelope Sent   | Hashed/Encrypted | 2/4/2024   09:32 AM       |
| Payment Events  | Status           | Timestamps                |
| Electronic Record and Signature Disclosure  |                  |                           |



## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, City of Chandler (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.15 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**



Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact City of Chandler:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov)

### **To advise City of Chandler of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from City of Chandler**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with City of Chandler**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:



- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [esignature@chandleraz.gov](mailto:esignature@chandleraz.gov) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Chandler as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Chandler during the course of your relationship with City of Chandler.





**City Council Memorandum      Human Resources      Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
**From:** Rae Lynn Nielsen, Human Resources Director  
**Subject:** Chandler Lieutenants and Police Sergeants Association (CLASA)  
Memorandum of Understanding

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**Proposed Motion:**

Move City Council approve the Memorandum of Understanding (MOU) between the City of Chandler and the Chandler Lieutenants and Police Sergeants Association (CLASA) effective July 1, 2024, through June 30, 2026.

**Background/Discussion**

The city notified CLASA on July 7, 2023, of its request to enter into negotiations for the current MOU expiring June 30, 2024, as required by the MOU. A combined budget briefing with all associations was held August 9, 2023, to begin the process prior to CLASA meeting with City Council on September 7, 2023. Two executive sessions were held on September 21 and September 26, 2023, and formal negotiation meetings commenced on October 5, 2023, with a tentative agreement made on November 27, 2023. All articles in the MOU were open to negotiations.

The city and CLASA reached tentative agreement on a two (2) year MOU that will be in effect from July 1, 2024, through June 30, 2026. The agreement does not include any areas to be reopened during the term. The Meet and Confer ordinance was amended in October 2018 and allows for the MOU to continue from year to year after the initial term above ends absent notice by either party of its desire to amend or modify the agreement through Meet and Confer.

Substantive provisions of the MOU include:



- Fund ongoing merit increases of up to 5% for both FY 24/25 and FY 25/26 for all eligible sergeants.
- The compensation market position will remain at 3rd Market with the removal of retirement health savings contributions in the total cash compensation methodology as a measure for determining market increases during the term of the MOU.
- Effective with the August 2024 market adjustment, the minimum sergeant pay will be at least 10% above the maximum officer pay. Adjustments will be made for alignment with the August 2024 survey results.
- Effective July 1, 2024, fund a 5% Special Assignment Pay Differential for sergeants, in addition to those already covered in the MOU, in the following specialty assignments: Bike Team, School Resource Officer, Behavioral Health Unit, and Neighborhood Response Team.
- Additional language was added in the event a specialty unit is newly created, disbanded, replaced or renamed. Based on criteria outlined in the MOU, compensation may or may not be applied to those units.
- Effective January 1, 2024 (prior to the MOU term), the following vacation accrual increases occurred:
  - 0-5 years of service increase from 4.7 hours per pay period to 5.0 hours per pay period
  - 5-10 years of service increase from 5.6 hours per pay period to 5.9 hours per pay period
  - 10-15 years of service increase from 6.5 hours per pay period to 6.6 hours per pay period
  - The maximum vacation accrual cap per year will increase from 240 hours to 320 hours with the 2024 accruals.
- Effective the first full pay period of July 2024, any sergeant who has ten (10) years or more of service with the City of Chandler will receive a one-time contribution into their Post Employment Health Plan (PEHP) account in the amount of \$10,000.
- Effective July 1, 2024, the City will increase the pay period contribution for active members into the PEHP account from \$15.00 per pay period to \$40.00 per pay period. Sergeants will contribute the same amount.
- Effective July 1, 2024, the following contributions will be made to a sergeant's PEHP account at the time of retirement based on years of service with the City of Chandler:

| <b>Years of Service (YOS)</b> | <b>Contribution Amount X Years of Service</b> | <b>Sick Leave Contribution</b> |
|-------------------------------|---|--------------------------------|
| 5-19                          | \$900.00                                      | 50%                            |
| 20-24                         | \$1250.00                                     | 50%                            |



|       |           |     |
|-------|-----------|-----|
| 25-29 | \$1500.00 | 50% |
| 30+   | \$1750    | 65% |

- Effective the first full pay period of July 2025, any sergeant who has ten (10) years or more of service with the City of Chandler and did not receive a contribution in 2024 will receive a one-time contribution into their Post Employment Health Plan (PEHP) account in the amount of \$10,000.
- Effective the first full pay period of July 2025, any sergeant who has 15-19 years of service with the City of Chandler will receive an additional one-time \$5,000 contribution into their PHEP account.
- Effective the first full pay period of July 2025, any sergeant who has 20 or more years of service with the City of Chandler will receive an additional one-time \$10,000 contribution into their PHEP account.
- Effective July 1, 2025, contributions to a retiring sergeant's PEHP account will remain as stated in the chart above, except sergeants with 30+ years of City of Chandler service will receive 50% of their sick leave balance.
- Effective July 1, 2025, any sergeant whose regularly scheduled shift begins on the actual date of a holiday listed in the MOU shall receive compensation at one and one-half (1.5) times their rate of pay for each hour worked through the holiday shift. This applies to those on patrol or assignment to a specialty unit when operational requirements or staffing mandates do not permit an alternate day off in lieu of the official holiday.

Language related to longevity, release hours and specialty pay was also updated throughout the agreement.

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## Attachments

CLASA MOU



# **MEMORANDUM OF UNDERSTANDING**

**July 1, 2024 – June 30, 2026**

**CITY OF CHANDLER**

**AND**

**POLICE SERGEANTS BARGAINING UNIT**



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## **PREAMBLE**

Whereas the well-being and morale of the Sergeants of the City are benefited by providing an opportunity to participate in the formulation of policies and practices affecting the wages, hours, benefits, and other conditions of their employment; and

Whereas the parties hereby acknowledge that the provisions of this Memorandum of Understanding (hereinafter "Memorandum") are not intended to abrogate the authority and responsibility of the City government provided for under the statutes of the State of Arizona or the charter or ordinances of the City; and

Whereas the parties, through their designated representatives, met and conferred in good faith pursuant to the Meet and Confer Ordinance in order to reach agreement concerning wages, hours, benefits, and other conditions of employment in the bargaining unit; and

Now therefore, the City of Chandler, hereinafter referred to as the "City" and CLASA, hereinafter referred to as the "Association" having reached this complete agreement concerning wages, hours, and working conditions for the term specified, the parties submit the Memorandum to the Mayor and the City Council of the City of Chandler with their joint recommendation that the body resolve to adopt its terms.



## **ARTICLE 1: RIGHTS**

### **Section 1 – 1: Purpose/Gender**

It is the purpose of this Memorandum to continue and maintain harmonious relations, cooperation, and understanding between the City and its Sergeants; and to set forth the full and entire understanding of the parties reached as a result of a good faith meeting and conferring regarding wages, hours, benefits, terms and other conditions of employment of the Sergeants covered hereby, which understanding the parties intend jointly to submit and recommend for approval and implementation to the Mayor and City Council.

Whenever any words used herein are in the masculine, feminine, or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply.

### **Section 1 – 2: City and Management Rights**

The City and the City Manager's rights are not subjugated or diminished in any way by any expressed or implied duty or obligation to meet and confer. Retained management rights are not subject to the grievance procedure contained in any Memorandum of Understanding, nor are they subject to any other appeal or complaint process.

- 1) Subject to the terms of this Memorandum the City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage its municipal services and work force performing those services. The authority of the City shall not be modified or limited by inference or implication.
- 2) Subject to the terms of this Memorandum, the exclusive rights of the City shall include, but not be limited to:
  - The right to determine the organization of City government, the purpose of each of its departments, and the purpose and mission of its constituent agencies, boards, and commissions.
  - Set standards of service to be offered to the public, and through its management officials to exercise control and discretion over its organization and operations, to establish rules and practices governing the conduct of Sergeants, to direct and supervise its Sergeants and their work, to take disciplinary action, to relieve its Sergeants from duty because



- of lack of work or for other legitimate reasons, to determine whether goods and or services shall be made.
- Determine whether goods and or services shall be made, purchased, or contracted for.
  - Determine the methods, means and personnel by which the City's services are to be provided, including the right to schedule, and assign work and overtime, to hire, transfer and reassign Sergeants and to otherwise act in the interests of efficient service to the community.
  - The City reserves the right to establish and revise work schedules and work locations; to establish, revise and implement standards for hiring and promoting Sergeants; to determine the need for additional positions and the qualifications of new Sergeants and to determine the qualifications for and/or the qualifications of Sergeants considered for transfer and/or promotion; to evaluate and judge the skill, ability and efficiency and general work performance of Sergeants.
  - Adopt and manage its budget, provide for the funding of certain levels of service, to add, delete, modify, or suspend certain programs, functions, divisions, and departments as the City Council in the exercise of its legislative authority to create and manage the City's budget and to determine whatever action to be necessary and appropriate.
  - Take all necessary actions to maintain uninterrupted service to the community.
- 3) The City retains all rights not specifically limited by a Memorandum of Understanding approved in accordance with the provisions of the Meet and Confer Ordinance, Chandler City Code § 2-13, as amended.
- 4) The enumeration of the above rights is illustrative only and is not to be construed as being all-inclusive.

### **Section 1 – 3: Rights of the Association**

- A. The City recognizes the Chandler Lieutenants and Sergeant Association as the sole and exclusive Meet and Confer authorized representative, pursuant to the Meet and Confer Ordinance for purposes of the representation regarding wages, hours, benefits, and other conditions of employment for all regular full-time Sergeants in the employee group. The Associations shall have no rights beyond those specified in the Meet and Confer Ordinance as amended, Title 38 of the Revised Arizona State Statute and this Memorandum.

Members of the group shall hereinafter be referred to as "Sergeants."



B. Certain specified representatives of the Association have the right to paid release time herein as follows:

- 1) The Association may designate up to five (5) Executive Board member representatives and shall notify the Chief of Police in writing of such designations. There shall be no obligation on the City to change or adjust normal departmental scheduling or assignments of personnel as a result of such designations.
- 2) One (1) representative may, when the Association is designated in writing by the Association member as their representative, attend mutually scheduled grievance meetings and hearings with department and City representatives without loss of pay or benefits. In no event shall this paid release time be used for any other purposes, such as gathering information, interviewing the grievant/appellant or witnesses, or preparing a presentation. The Association representative is required to obtain the permission of their department supervisor to absent himself from their duties to attend scheduled grievance meetings. Subject to operational needs and scheduling factors, this permission shall not be unreasonably withheld. An Association representative wishing to enter a work area for the purpose of investigating a formal grievance must first gain the permission of the work area supervisor. This permission will not be unreasonably withheld, giving proper consideration to essential work of the department and the occupational safety of the Association representative.

C. Payroll Dues Deduction

- 1) The City shall deduct yearly from all twenty-six (26) checks of Association members, the regular periodic Association membership dues pursuant to the City's deduction authorization form duly completed and signed by the employee and transmit such deductions monthly to the Association no later than the fourteenth (14<sup>th</sup>) day following the end of the pay period in which the deduction occurs, along with an alphabetical list of all Sergeants for whom the deductions have been made. Such deduction shall be made only when the Association member's earnings for a pay period are sufficient after other legally required deductions are made.
- 2) Authorization for membership dues deduction herein shall remain in effect during the term hereof unless revoked in writing by the Sergeant. The City shall accept revocation of deductions only during the first week of January and



July of the term of this Memorandum to be effective the following payroll period. The City will notify the Association of any revocations submitted to it.

- 3) The City shall not make any payroll deductions for Sergeants on behalf of any other organization that purports to provide benefits similar to those offered by the designated Association (as defined in the Meet and Confer Ordinance as amended) during the term of this Memorandum.
- 4) It is agreed that the City assumes no liability on account of any actions taken pursuant to this Section. The City will; however, as promptly as technically possible, implement changes brought to its attention.
- 5) The City shall, at the written request of the Association during the term of this Memorandum, make changes in the amount of dues deduction hereunder for the general membership, provided costs for implementing such changes shall be reimbursed by the Association at actual cost incurred by the City.

#### D. Solicitation, Distribution of Material, and Use of Facilities and Services

1. The solicitation of members, dues collection, distribution of materials, and other internal Association business occurring during working hours shall be conducted only during non-working hours and shall not interfere with the work process.

The Association may distribute material on the City's premises (buildings and grounds) before and after scheduled working hours or in a non-work area during scheduled work hours provided that both the person distributing and the employee receiving such material are on their own time.

2. The City shall provide the Association with space for one (1) bulletin board per station for its use in communicating with its members at mutually agreeable locations. The City shall grant sole and exclusive use of such bulletin boards to the Association. Bulletin boards shall not exceed four feet wide by three feet tall (4' x 3') in size.
3. The bulletin boards shall be used only for the following notices: recreational and social affairs of the Association; Association meetings; Association elections; charitable events; benefits; reports of the Executive Board or committees; rulings or policies of the state or national organizations; and legislative enactments and judicial decisions affecting public sector labor relations.



Notices shall not contain anything political; anything reflecting adversely on the City or any of its employees; or anything that is disruptive of the City's operations. The City may order the removal of any posted notice on the basis that it violates the requirements herein. The Association may dispute the order of removal by filing a grievance pursuant to Personnel Rule 18 – Grievance Procedures. Posted material will be signed by an authorized official of the organization. The Association agrees to keep the bulletin board in good order.

4. The Association is authorized to use mutually agreed upon non-work areas in City facilities for pick-up by or distribution to Sergeants of the official Association literature that is not political in nature or abusive of any person or organization. The use of working areas or use of City equipment and information systems, for the solicitation of members, dues collection, and distribution of materials relating to other Association business shall be prohibited unless allowed by a specific Section of the Memorandum or by written permission of the Office of the Chief, or in their absence, by the Office of the City Manager or designee.
5. The Association President, or their designee, will be provided a mail slot for department communications and may use the City's e-mail system to send e-mails to Sergeants to announce meetings. With pre-approval from the Chief of Police or designee, notice of association charities and upcoming events may be sent by the email system with designation as being sent on behalf of the CLASA Board.

#### E. Use of Association Hours

In recognition of the mutual benefit to both the City and the Association, a Sergeant using Association hours, as defined below, to conduct Association business shall be accorded all insurance-related benefits. Claims made for benefits will be reviewed on a case-by-case basis in the same manner as the claim of any other employee.

##### 1) Definitions

- i. Association hours: hours donated by the membership, in accordance with this article, for use by a Sergeant, designated by the President or Board, to conduct legitimate Association business.



## 2) Approval of Hours

- i. Association hours shall be approved by the Sergeant's supervisor consistent with other leave requests based on staffing at the time of its request and approval shall not be unduly or unreasonably delayed.
- ii. The Association will make efforts to provide as much advance notice as possible for use of, or changes to the use of, Association hours. Once hours have been approved, the approval may not later be rescinded.

## 3) A designated Association representative may respond to a critical incident where they are providing guidance pertaining to the legal rights of a CLASA member in incidences such as an officer involved shooting, in-custody death, etc., to a Sergeant without advanced notice, provided that:

- i. The representative's supervisor or a scene supervisor approves their response to assist the involved Sergeant(s); and
- ii. The representative's assistance to the Sergeant is brief in nature and does not unreasonably interfere with their primary duties.

## 4) Review of Association Hours:

- i. Association hours approved as outlined above shall be entered into the established timekeeping system and require no further memorandum requesting their use.
- ii. Nothing in this article or otherwise will require an Association member to declare the purpose of their use of Association hours to any City employee beyond confirming it is for legitimate Association business. Any inquiries regarding the use of Association hours will be handled by the Board of Trustees, who will adopt an internal process to account for hours used.
- iii. If City administration has concerns about a member's Association hours usage, the CLASA Board agrees to meet with a member of police administration. If the issue is not resolved at that time, a meeting with the CLASA Board and the Human Resources Director will occur.



#### F. Association Hours Contribution Process for Dues Paying Members

- 1) Each dues paying Association member will contribute a minimum of two (2) hours accrued vacation leave to be placed in an Association leave time bank for use by the Association to engage in legitimate Association business.
- 2) Increases to the contribution amount may be made with written notification to the City by the Association President yearly. The notification must be received in the Human Resources office by June 15<sup>th</sup> in the fiscal year prior to the one in which the change will occur.
- 3) Dues paying Association members will have their contribution hours split equally and placed in the Association leave time bank two times per year: effective the first full pay period in July and the first full pay period in January. It is the responsibility of the Association to notify its membership of any changes.
- 4) Authorization for the deduction of accrued vacation hours is included with the member's authorization for the deduction of dues.
- 5) An Association member's revocation of authority for the deduction of dues simultaneously revokes the authority for the annual deductions of vacation hours.
- 6) Revocation of such authority applies prospectively only as set forth in (H) below.

#### G. Association Hours Contribution Process for Non-Dues Paying Members

- 1) Non-dues paying members may elect to annually contribute a minimum of two (2) hours of accrued vacation to the leave time bank. Non-dues paying members may elect to contribute the current dues paying Association member amount if the amount is greater than two (2) hours.
- 2) For voluntary donations of hours by non-dues paying members, the Association shall supply the City with an Association Hours Authorization Form, which includes the name and signature of the Sergeant and the number of hours of vacation donated by the Sergeant into the leave time bank.
- 3) The City shall withdraw contribution hours split equally and placed in the Association leave time bank two times per year: effective the first full pay



period in July and the first full pay period in January. It is the responsibility of the Association to notify its membership of any changes.

- 4) For voluntary donations of hours by non-dues paying members, the executed Release Hours Authorization Form provides the Sergeant's authorization for vacation hours to be withdrawn from the Sergeant's vacation balance in the first full pay period following January 10<sup>th</sup> and July 10<sup>th</sup> each year.
- 5) The revocation process is set forth in (H) below.

#### H. New Member Authorization and Revocation Timeframes

- 1) An individual who hires or transfers into an CLASA represented position after January 10<sup>th</sup> or July 10<sup>th</sup>, and who executes a Payroll Dues Deduction Authorization or Association Hours Authorization Form, may elect at that time to have the vacation hours withdrawn from their vacation balance: (i) in the first full pay period after receipt of the authorization form by the City, or (ii) in the first full pay period following January 10<sup>th</sup> or July 10<sup>th</sup> in the following year. A new Sergeant who elects to have vacation hours withdrawn before the next scheduled withdrawal occurs, will have additional hours withdrawn in the next scheduled cycle.
  - 2) A Sergeant may revoke their authorization for the donation of vacation hours by submitting written revocation to the CLASA President who will forward to Human Resources no later than first week of July. The revocation shall apply prospectively to the vacation donation scheduled to take place in in the first full pay period following July 10<sup>th</sup> each year.
  - 3) The Release Hours Authorization of a Sergeant shall be automatically revoked when the individual is no longer in a position covered by this Memorandum. The revocation shall apply only prospectively to the vacation donation scheduled to take place in July.
- I. Human Resources shall keep a record of all time donated and used. A report shall be provided to the Association by request.
- J. Any unused donated hours in the Association leave time bank may be carried over from one fiscal year to the next.
- K. The Association shall indemnify, defend, and hold harmless the City against any and all claims made, and any actions brought against the City arising from or related in



any way to the actions taken by the City to comply with any of the provisions of this Section.

- L. The Association will be allowed one-half (½) hour to talk to and possibly sign newly promoted Sergeants into the Association and to explain the rights and benefits under the Memorandum. This time will be allotted during the zero week of Sergeant field training time. The content of such information shall not be political in nature, abusive of any person or the department, or disruptive of the department's operation.
- M. The employer shall count as time worked any hours or fractions of hours spent within the Sergeant's regular work shift in pursuit of benefits provided by this Article. A Sergeant approved as outlined in E (2) above to use Association hours for Association business outside their regular work shift may use the Association hours during their scheduled work week to offset the time spent on Association business during unscheduled hours. The initial request must include the date and time of the flex hours in the work week. If minimum staffing is not impacted, the request will be approved, if impacted it will be denied and no extension will be given for use of the time outside of the Sergeant's workweek.
- N. The Association may designate up to three (3) Sergeants to represent the Association in the Meet and Confer process with the City. These designated Sergeants shall be granted time off with pay for the purposes of such representation, and such times shall not be applied to bank hours.
- O. In the interest of encouraging continuing education for Sergeants, the Department will mail to the Association President the AZ POST calendar.
- P. In the event that the City alleges that the Association or a Sergeant, or the Association or a Sergeant alleges that the City has violated a provision of the Meet and Confer Ordinance, as amended, the Association, Sergeant, or City may submit such a claim through the grievance procedure in Article 2 of this Memorandum.

#### **Section 1 – 4: Sergeant Rights**

- A. All Sergeants shall have the right to join or not to join the Association as they individually prefer. Sergeants have the right to participate on behalf of or engage in activities on behalf of an Association and have the right to refrain from such activity. Sergeants shall be free from any interference, restraint, or coercion by any employee, supervisor, or manager for or against the Association. Violations will necessitate disciplinary action.



- B. Sergeants may attend scheduled meetings of the membership in person or by electronic means if their attendance does not unreasonably interfere with department operations. Sergeants attending in person while on duty may use their personal or meal break subject to general orders. Those attending outside their break or electronically will remain clearable for priority calls for service.
- C. Sergeants have the right to be represented by the Association and to have a member of the Association present during the grievance and the disciplinary process. The disciplinary process does not apply to an interview of a Sergeant during the normal course of work, counseling, instruction, informal verbal admonishment or other routine or unplanned contact with a supervisor.
- D. If a Sergeant requests representation will be allowed when the member is subject of an administrative investigation and the Sergeant reasonably believes that the interview could result in dismissal, demotion or suspension by Professional Standards Section, or any Police Department supervisory, who is conducting an administrative investigation. The Sergeant will obtain the most readily available Association representative. The Association representative will make every reasonable attempt to arrive within one (1) hour from the time the member makes a phone call to the representative. The Association representative will attend the above interview only as an observer. At the end of the interview, but prior to the conclusion of the interview, the Sergeant being interviewed may privately confer with their representative for a period of time not to exceed 15 minutes. Requests for additional time must be mutually agreed upon. Upon returning to the interview the Sergeant will be allowed to make a statement not to exceed five (5) minutes addressing the specific facts or policies related to the interview. Requests for additional time must be mutually agreed upon. A Sergeant identified only as a witness will be given the opportunity to consult with an Association representative not same representative as the suspected Sergeant to discuss their rights and obligations prior to the interview. The interview session shall be for a reasonable period of time, taking into consideration the gravity and complexity of the misconduct being investigated.
- E. Any Sergeant who is the subject of an officer involved shooting investigation who has discharged a weapon or was shot at or violently assaulted may request to have the administrative interview postponed for up to forty-eight (48) hours from the time of the incident. The Chief of Police may deny the request when they determine that delaying the interview would be detrimental to the investigation. A Sergeant may waive their rights to make the request for postponement of the administrative



interview. In all cases, the overall mental and physical or health of the Sergeant shall be taken into consideration.

- F. A Sergeant under investigation will be notified in writing every 30 (thirty) days as to the current status of the investigation. This will include a brief description of the number of known witnesses still to be interviewed and other investigative processes remaining to be completed, as well as an estimated date of completion.
- G. A Sergeant has the right to present their own grievance in person and has the right to be represented.
- H. A Sergeant covered hereunder shall, on their request be allowed to review their departmental or divisional personnel file in the presence of an appropriate supervisor/official of the Department within three (3) business days of the request review. Another person of their choosing may accompany the Sergeant.

When a City-directed work fitness/job performance medical evaluation process is completed, the Sergeant may request copies of their medical information from the City-selected physician. The City must also agree to give the City-selected physician authorization to release any/all information to the requesting Sergeant.

- I. No Sergeant shall have any adverse comments entered into their departmental personnel file without the Sergeant being informed by the supervisor. If the Sergeant requests, they may receive a copy of the adverse comment. A Sergeant may, at their discretion, attach rebuttal statements to any material contained in their departmental personnel file, which may be adverse in nature.
- J. Material purged from a Sergeant's file in accordance with the below procedures or allegations about a Sergeant which are unfounded, exonerated, not sustained or a policy failure will not be used in future performance ratings or disciplinary actions.
- K. Consistent with the requirements of A.R.S. § 39-128, the City shall maintain as part of a Sergeant's official personnel record all documents relating to disciplinary actions, including the Sergeant's response to the disciplinary action, and shall make such records available for inspection and copying as required by the public records law.

Upon written request, a Sergeant may have letters of admonishment which are over three (3) years old removed from the department working file when there have been no incidents or problems of a similar nature within the three (3) year period immediately preceding the request. A Sergeant may request to have letters of



instruction and counseling statements which are over one (1) year old removed from the department working file.

- L. A Sergeant under investigation by Professional Standards Section or a Police Department supervisor for a disciplinary matter that may lead to a written reprimand, suspension, demotion, or discharge, and who is interviewed, or requested to produce any documentation, shall be given a written notice informing him of the specific nature of the investigation, their status in the investigation, and all known allegations of misconduct involved in the interview of the Sergeant.

In addition, the Sergeant and/or the Police Department supervisor/Professional Standards Section representative shall be entitled to mechanically record such interview. Should any mechanical recordings take place, the department reserves the right to transcribe any such interview for the purpose of verifying the accuracy of the interview and, if requested, the Sergeant shall sign the transcription if it is accurate.

For any sustained allegations resulting in a letter of reprimand or higher, the Sergeant has appeal rights under Personnel Rules or, where applicable Title 38 of Arizona Revised Statute.

At the time of a scheduled interview by the Professional Standards Section, a Police Department supervisor, or other City employee, the investigator will advise the Sergeant of all evidence known at the time of the interview that will be used in the course of the investigation. This includes any written documents, video or audio recordings, or photographs. The Investigator will inform the Sergeant of such evidence at the time of the interview.

- 1) A copy of the signed and dated notice of investigation will be given to the Sergeant prior to the beginning of the interview. The Sergeant shall have the right to retain the notice of investigation for their use throughout the entire course of the interview. A Sergeant will be provided an opportunity to make a telephone call after the issuance of the notice of investigation to obtain an Association representative.
- 2) In the event a Sergeant does not record their interview they may request a copy of the investigator's tape(s) if the investigator records the interview (the Sergeant provides the tape).
- 3) If any Sergeant is told not to speak to anyone regarding an investigation, this admonition does not apply to speaking with an attorney functioning within the attorney-client relationship, or with an Association representative who



may discuss the matter only with the Executive Board members. When the investigation is completed, the accused Sergeant will be notified in writing of the findings. A Sergeant under internal or administrative investigation may be reassigned, until the completion of the investigation.

- 4) If during the course of the above-mentioned investigation, information is learned concerning additional misconduct on the part of the Sergeant being interviewed, a notice of investigation will be issued to the Sergeant prior to the Sergeant being questioned about the additional misconduct information.
- 5) Issues related to the release of a Sergeant's home address and telephone number, timeliness of lodging a complaint against a Sergeant, and multiple discipline arising out of the same incident have been addressed by the adoption of general orders related to these subjects.
- 6) The Sergeant's immediate supervisor will normally investigate LEVEL 1 complaints, whether generated internally or externally and LEVEL II Class A "First Violation" complaints that result from a complaint of a third LEVEL 1 violation within a one (1) year period. The Professional Standards Section will normally investigate LEVEL II complaints unless otherwise directed by the Chief of Police.

The Professional Standards Section will normally investigate any complaint that involves extensive manpower and resources that would unreasonably burden a supervisor. Division Commanders may request the Professional Standards Section to conduct an investigation for a variety of reasons. These requests will be routed through the Chief of Police.

- M. The employer shall count as time worked any hours or fractions of hours spent within the Sergeant's regular work shift in pursuit of benefits provided by this Article, (Association Representative) but shall not count as time worked any hours or fractions of hours spent outside the Sergeant's work shift.
- N. A Sergeant who receives a written reprimand may request a copy of the official documentation, if any, supporting the written reprimand.
- O. If a polygraph examination is required of a Sergeant, an Association representative will be allowed to monitor and observe all preliminary and post examination interviews and the examination from a monitoring room if available. If no monitoring room is available, appropriate steps will be taken to video record the proceedings for the record. The results of a polygraph or voice stress examination



alone will not be the sole factor for determining truthfulness or on which to impose disciplinary action. A copy of the examination results including charts will be provided to the Sergeant upon request.

P. Once a Sergeant has been formally counseled or disciplined in accordance with General Orders B-12, including the counseling/discipline chart, and B-13, no further investigation will be conducted for the same allegation for the same incident except when:

- 1) New Information reveals additional allegations arising from or related to the same incident.
- 2) The Chief of Police requests further investigation for the integrity of the organization and to maintain public trust.

Q. A complaint will be treated as a delayed complaint if an allegation of non-criminal misconduct by an employee occurred more than one hundred and twenty (120) days prior to the date of complaint.

The supervisor receiving the complaint will document the information in a memorandum. The memorandum will be sent through the chain of command to the Professional Standards Section, who will review and inform the Chief of Police. A determination will be made whether or not a formal investigation will be initiated. If an investigation is merited, the Professional Standards Section will conduct the investigation, unless otherwise directed by the Chief of Police.

The Association must equally and fairly represent all Sergeants.

R. An employee subject to suspension, demotion or dismissal shall be entitled, upon appeal, to the Disciplinary Review Group process outlined in Personnel Rule 5 – Disciplinary & Appeal Procedures, Section 7. For purposes of Rule 5, Section 7.A.2., the Association President or designee shall replace the member of the Employee Council on the Disciplinary Review Group.

The CLASA Association President or designee may not serve on a disciplinary review group if they have a direct connection with the matter being reviewed or has any real or perceived conflict of interest. The person will be mutually agreed upon between the Human Resources Director and the CLASA President. If mutual agreement cannot be reached, the appointment will revert to the Personnel Rule and will be a member of Employee Council. The grounds for discipline and types of discipline are not grievable matters under this Memorandum.



## **Section 1 – 5: Prohibition of Strike and Lockouts**

- A. The Association and Sergeants covered by this Memorandum recognize and agree that rendering of services to the community cannot under any circumstances or conditions be withheld, interrupted, or discontinued, and to do so would endanger the health, safety, and welfare of the citizens of the City of Chandler.
- B. The Association pledges to maintain unimpaired municipal services as directed by the City. Neither the Association, nor any Sergeant, for any reason, will authorize, institute, aid, condone or engage in a slowdown, work stoppage, strike, or any other interference with the work and statutory functions and obligations of the City or the Department. During the term of this Memorandum neither the City nor its agents for any reason shall authorize, institute, aid or promote a lockout of Sergeants covered by this Memorandum.
- C. Should any Sergeant during the term of this Memorandum, and until such time that it is expressly and legally rescinded breach the obligations of Section 1 – 5 (B), the City Manager or their designee shall immediately notify the Association that a prohibited action is in progress.
- D. The Association shall forthwith, through its Executive Board and other authorized representatives, disavow said strike or other prohibited action, and shall notify in writing all Association members and representatives of their obligation and responsibility for maintaining compliance with this Article, including their responsibility to remain at work during any interruption which may be caused or initiated by others. Copies of such notification shall be delivered to the Office of the City Manager. In addition, the Association shall order all Sergeants violating this Article to immediately return to work and cease the strike or other prohibited activity. Such order shall be delivered both orally and in writing to all Sergeants violating this Article with copies of the written order to be delivered to the Office of the City Manager.
- E. Penalties or sanctions the City may assess against a Sergeant who violates this Section shall include, but not be limited to:
  - 1) Discipline up to and including discharge.
  - 2) Loss of all compensation and benefits, including seniority, during the period of such prohibited activity.



- F. Should the Association during the term of this Memorandum and until such time that it is expressly and legally rescinded, breach its obligations under this Section, it is agreed that all penalties set forth in the City Charter, shall be imposed on the Association, in addition to any other legal and administrative remedies available to the City that in its discretion it may elect to pursue.
- G. Nothing contained herein shall preclude the City from obtaining judicial restraint or from seeking damages from the Association, in the event of a violation of this Section.

## **ARTICLE 2: GRIEVANCE/ARBITRATION/LABOR MANAGEMENT**

### **Section 2 – 1: Grievance Procedure**

- A. The grievance procedures set forth in Personnel Rule 18 - Grievance Procedures shall apply to any grievance brought by a Sergeant or the Employee Organization alleging violation(s) of the express terms of this Memorandum for which there is no Merit System Board appeal or other specific method of review under State or City law.
- B. Any proposed changes to Personnel Rule 18 - Grievance Procedures will be provided to the Employee Organization President in a redline format and, if requested by the Employee Organization, a labor-management meeting shall be scheduled prior to submission of the proposed change to the City Council for approval. The meeting shall be scheduled within a reasonable amount of time so as not to unduly delay the process.
- C. In the event the City Manager takes unilateral action that is inconsistent with an express term or condition of this Memorandum and the effect of such action adversely affects the wages, benefits, or working conditions of a majority of Sergeants directly affected by the action, the employee organization may bring an Organization Grievance on behalf of all members using the grievance procedures under Personnel Rule 18 - Grievance Procedures. If the Organization Grievance is not resolved at the supervisor or department level, the City Manager shall refer the Organization Grievance, brought under the limited circumstances described herein, to a neutral third party who is not a current or former official or employee of the City. The City Manager may elect to exercise their sole discretion to bypass the supervisor's and department's review of the Organization Grievance and refer the Organization Grievance directly to a neutral third party.



D. The parties, or their designated representatives, shall agree on a neutral third party. If they are unable to agree on a neutral third party within a reasonable time, the City shall provide a list of seven (7) individuals who have experience as a hearing officer or mediator with the public sector in Arizona. The parties shall, within five (5) workdays of the receipt of said list, select the neutral third party by alternately striking names from said list until one (1) name remains. Such person shall then become the neutral third party. The neutral third party so selected shall hold a hearing as expeditiously as possible at a time and place convenient to the parties, and shall be bound by the following:

1. The neutral third party shall be bound by the language of the Memorandum and departmental rules and regulations consistent therewith in considering any issue properly before him/her.
2. The neutral third party shall expressly confine him/herself to the precise issue submitted and shall have no authority to consider any other issue not so submitted.
3. The neutral third party shall be bound by applicable State and City law.
4. The neutral third party shall submit findings and recommendations to the employee organization and to the City Manager. The cost of the neutral third party and any other mutually incurred costs shall be borne equally by the parties.
5. The City Manager shall, within ten (10) workdays of the receipt of the written findings and recommendations, make the final, non-appealable determination of the organization grievance and submit it in writing to the employee organization.

## **Section 2 – 2: Labor-Management Committee**

It is understood by the parties that the benefits granted by this Article shall not be interpreted or applied as requiring the employer to count as time worked, any hours or fractions of hours spent outside the employee's work shift in pursuit of benefits provided by this Article. The employer shall count as time worked any hours or fractions of hours spent within the employee's regular work shift in pursuit of benefits provided by this Article.

- A. There shall be a Labor-Management Committee consisting of two (2) representatives of the Association and two (2) representatives of the City and the City's HR Director



or designee who shall be the Chairperson. The purpose of the Committee is to facilitate improved labor-management relationships by providing a forum for free and informal discussion of mutual concerns and problems.

- B. The Committee shall meet, when necessary, at mutually agreed upon times.
- C. If the representative of the Association is a Sergeant, such representative shall not lose pay or benefits for meetings mutually scheduled during duty time.

### **ARTICLE 3: COMPENSATION AND WAGES**

#### **Section 3 – 1: Merit Pay**

For each fiscal year of the agreement, the City will fund an on-going merit increase of up to five percent (5%) for eligible Sergeants effective on the first day of the pay period which includes the date of the Sergeant's current job classification or salary review date, until the Sergeant is at the top of the pay grade.

#### **Section 3 – 2: Longevity Pay**

A. In recognition of continuous service and overall performance, the City agrees to provide the following longevity pay for eligible Sergeants:

- 1) A Sergeant who meets the qualifications specified in this article shall receive annually a longevity payment of two and one-quarter percent (2.25%) of their base rate, or base rate plus assignment pay, paid in one (1) installment during the pay period of the Sergeant's date of classification or salary review date. This payment is not compensation for the purposes of PSPRS.

2) Qualifications:

- a. A Sergeant must have five (5) years in a Chandler Police sworn position or reach the top of the Sergeant's pay range, whichever occurs sooner, to be eligible to receive the longevity pay.
- b. A Sergeant must have achieved the performance rating of "meets expectations" or better in each overall job standard category on their latest scheduled performance evaluation on file in the Human Resources Department.

2. The Longevity Date is determined by one of the following:



- a) The most recent date the Sergeant qualified and began receiving Longevity Pay under eligibility criteria specific to their classification based on previous MOU language; or
- b) The date the Sergeant entered a sworn classification for those who are not currently receiving longevity or are newly hired.

### **Section 3 – 3: Total Annual Cash Compensation Survey**

A. Wage increases are to be determined as follows:

- 1) For the purposes of this section, “Total Annual Cash Compensation” means the following:
  - a. the maximum annualized base wages for an individual Sergeant at the top of the pay range (i.e., maximum hourly rate X 2,080); and
  - b. the annual amount paid by the City in deferred compensation, or equivalent, to an individual Sergeant at the top of the pay range; and
  - c. the annual amount received as longevity pay, or equivalent, by an individual Sergeant at the top of the Sergeant pay range.
- 2) Human Resources will finalize a Compensation Survey no later than August 1<sup>st</sup> of each year that compares Total Annual Cash Compensation for eight (8) cities: Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale, and Tempe based on JIMS data and/or verification from the respective cities’ HR Departments. At the conclusion of the Compensation Survey, the eight (8) cities shall be ranked in numerical order based on Total Annual Cash Compensation with the highest being ranked as number one (1) and the lowest ranked as number eight (8).

Human Resources shall determine the rank of the City of Chandler in comparison to the ranking of the seven other cities. If the City of Chandler’s Total Annual Cash Compensation is ranked at or above the third (3<sup>rd</sup>) position in the rankings, no wage adjustments shall be made.

If the City of Chandler’s Total Annual Cash Compensation is ranked below the Total Annual Cash Compensation of the third (3<sup>rd</sup>) highest city in the rankings,



the top of the Chandler Sergeant pay scale shall be adjusted by the percentage required for Chandler's Total Annual Cash Compensation to be equal to the midpoint between the Total Annual Cash Compensation of the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) highest cities.

Sergeants' wages shall be increased to correspond with any upward adjustment made to the Sergeant salary range as a result of the annual survey.

Any wage increase will become effective on the first day of the next full pay period after the survey data has been accepted and signed by the Association. In the event that the survey results in Chandler's being ranked above the third (3<sup>rd</sup>) position as defined in this Section, Chandler's range will not be decreased.

Any time an adjustment is made to the maximum pay range for the Sergeant position pursuant to this Section. The minimum pay range for the position shall be set at ten percent (10%) above Top Officer Pay.

- B. A salary inversion exists when an employee with less seniority in a job classification earns a higher base rate of pay for any period of time than an employee in the same job classification with greater seniority. The City will not address a salary inversion within the Police Sergeant job classification and Salary Review Dates will not be assigned. Any employee that has an existing Salary Review Date will retain the Salary Review Date as the effective date for future annual merit increases, Supervisory Incentive Pay, and the completion of performance evaluations.

### **Section 3 – 4: Field Training Pay/Special Assignment Pay Differential**

- A. Field Training Officers (FTOs) who the department selects to conduct department-approved Sergeant field training will receive an additional five percent (5%) of their base rate of pay for every day they are assigned to an officially authorized field training position.
- B. Sergeants who are assigned to the following specialty assignments will receive an additional five percent (5%) of the base rate of pay for the duration of the assignment: SWAT, Criminal Apprehension Unit (CAU), Robbery/Homicide, Sex Crimes, Family Crimes, Computer Crimes, Gangs, Narcotics, Human Trafficking, Motors/DUI, Vehicular Crime, Auto Theft, Criminal Intelligence Unit (CIU), Financial Crimes, Property Crimes/Arson, Public Information Office (PIO), Professional



Standards Section (PSS), Bike Team, School Resource Officer (SRO), Crime Prevention, Behavioral Health Unit, Neighborhood Response Team and K-9 Unit.

- C. During this MOU, if a specialty unit listed above is disbanded, replaced, or renamed, individuals within the newly established or renamed specialty unit will receive the special assignment pay differential.
- D. In the event a new unit is established in addition to those listed above, a maximum of two new (2) specialty units may be eligible for the specialty assignment pay differential.
- E. Sergeants are only eligible to receive one FTO or special assignment pay differential at a time. The differential does not include, and may be combined with, Interpreting and Translation Pay as outlined in Section 3 – 5.
- F. Sergeants in field training assignments and the specialty assignments set forth above may be removed from the assignments by the Chief of Police or designee, at any time. The removal from field training and specialty assignments is within the sole discretion of the Chief of Police. A Sergeant who is removed from a field training or specialty assignment does not have the right to appeal or grieve the removal from the assignment. A Sergeant may not be removed from their specialty assignment without a memorandum providing the detailed reason for their removal if a completed internal investigation or performance related document was not already provided. If the removal constitutes a shift/schedule change, Section 4 – 1 shall apply.

### **Section 3 – 5: Interpreting and Translation Pay**

- A. Sergeants who receive certification as an Intermediate level translator will receive an additional two and one-half percent (2.5%) of their base rate of pay for every day they are officially certified to perform translation for the Department.
- B. Sergeants who receive certification as an Advanced level translator will receive an additional five percent (5%) of their base rate of pay for every day they are officially certified to perform translation for the Department.

### **Section 3 – 6: Overtime**

- A. Overtime is defined as time worked in excess of forty (40) hours in a seven (7) day work period for full-time Sergeants. All paid leave taken in lieu of hours worked, except time off taken as compensatory time or administrative leave for investigation



or discipline purposes, shall be counted as "hours worked" for purposes of overtime calculation. The "hours worked" requirement does not apply to overtime compensation the City is obligated to pay by the specific terms of this Memorandum or Department regulations (i.e., "contract overtime") for certain activities or situations. Payment for hours worked on a holiday, as part of the regularly scheduled hours of work, shall be compensated as provided by this rule.

- B. Sergeants assigned to traditional patrol teams who conduct briefings shall be eligible for up to a max of fifteen (15) minutes overtime paid at one and one-half times (1.5x) their regular rate of pay for actual time worked to prepare for the briefing.
- C. Overtime may be authorized and required by the Chief of Police when it is clearly in the best interest of the City. The Chief of Police shall authorize overtime in advance unless emergency situations preclude advance authorization.
- D. Overtime compensation for Sergeants shall be computed in accordance with the Fair Labor Standards Act and the regular rate of pay including applicable shift differential, on call pay and assignment pays. If overtime is to be paid, it must be recorded and paid, at one and one-half times (1.5x) the regular rate, on the payroll immediately following the conclusion of the pay period in which the overtime was worked. If compensatory time is to be accrued in lieu of overtime pay, it must be accrued at the rate of one and one-half (1.5) hours of compensatory time for each hour worked.
- E. The decision to pay overtime or record it as compensatory time shall be at the discretion of the Chief of Police.
- F. Compensatory time shall not accrue in excess of one hundred (100) hours.
- G. Accrued compensatory time shall be paid:
  - a. When the accrued compensatory time exceeds the maximum. Payment will be for that amount which exceeds the maximum.
  - b. Upon separation for any reason, including death of the employee.
  - c. When authorized by the Chief of Police.
  - d. When requested by the Sergeant in accordance with Section 3 – 12.



- H. The time at which a Sergeant will take compensatory time off shall be chosen by the Sergeant with the approval of the Sergeant's supervisor based on whether the Sergeant's absence would interfere with the Department's operation.

### **Section 3 – 7: Court Overtime**

- A. When a required court appearance is scheduled, during other than normal work hours, overtime is authorized. The Sergeant will be credited with three (3) hours, or the actual number of hours worked, whichever is greater. When court is scheduled within two (2) hours of a scheduled shift, then the actual time of court and preparation for court prior to shift will be paid.
- 1) Court time shall be continuous time compensated consistent with Section 3 – 6.
  - 2) For purposes of this Article the term "Court" shall be defined as including Federal District Court, Superior Court, State of Arizona, City Court, City of Chandler, Municipal Courts in Maricopa County, Justice Court, Federal, State, County Grand Juries, Motor Vehicle Department hearings, and Prosecutorial and Defense interviews. It is understood that this Article shall not apply to administrative hearings including but not limited to arbitration hearings pursuant to the Memorandum and hearings pursuant to Personnel Rule 18 - Grievance Procedures.

### **Section 3 – 8: Jury Duty**

When a Sergeant is called upon to serve as a juror in any court action, they will be allowed leave from their duties without loss of pay for the time required for this service, in accordance with Personnel Rule 15 – Leaves of Absence, Section 16.

### **Section 3 – 9: Call-Out Pay**

- A. When a Sergeant is called back to regular duty after leaving City facilities at a time other than their regular assigned shift, the Sergeant will receive a minimum of two (2) hours pay at one and one-half times (1.5x) the Sergeant's base pay, or base plus assignment pay, calculated to the nearest one-quarter (1/4) hour, except that a Sergeant shall not be eligible for additional compensation during that two (2) hour period.
- 1) Compensation to a Sergeant who is called out at times other than their regularly scheduled shift will begin at the time the Sergeant is notified, but not to exceed thirty (30) minutes and shall terminate thirty (30) minutes after



being relieved of duty. A Sergeant is relieved from duty when he is directed by a supervisor to secure or are no longer performing the task directly related to the reason for the call-out. Where applicable, the travel time shall be paid only if the total work and allowed time exceed the minimum call out guarantee. Travel time shall not apply when a Sergeant is working overtime planned in advance.

- B. A Sergeant beginning an overtime period within two (2) hours or less prior to the regularly scheduled duty reporting time will be compensated from the time the overtime period begins to the time he is scheduled to report for duty except that a Sergeant shall not be eligible for additional compensation during that period.
- C. Holdover time, i.e., being held over on shift with no break in duty exceeding fifteen (15) minutes, will be compensated for actual time spent in accordance with Section 3 – 6.
- D. If the Sergeant is called back because of their own negligence the Sergeant shall not be eligible for the two (2) hours minimum. He will only be paid for the actual time worked.

### **Section 3 – 10: Swing Shift and Night Shift Differential Pay**

A Sergeant shall receive the shift differential pay associated with a particular shift when the Sergeant is normally assigned to work that shift. If a Sergeant is reassigned to a different shift because they have suffered an on-the-job injury, the Sergeant shall continue to receive the shift differential pay associated with the shift to which the Sergeant was originally assigned until the Sergeant is released to return to full duty. If a sergeant is reassigned to a different shift because of a non-job-related injury or at the sergeant's own request, the Sergeant will receive the shift differential pay, if any, associated with the new shift.

- A. A Sergeant shall receive mid-day shift differential of sixty cents (\$0.60) per hour in addition to their base rate of pay when working a shift that ends between 2000 hours and 2359 hours.
- B. A Sergeant shall receive swing-shift shift differential of eighty cents (\$0.80) per hour in addition to their base rate of pay when working a shift that ends between 2400 hours and 0359 hours.



- C. A Sergeant shall receive grave-yard shift differential of one dollar (\$1.00) per hour in addition to their base rate of pay when working a shift that ends between 0400 hours and 0800 hours.

### **Section 3 – 11: Deferred Compensation**

The City shall make a deferred compensation contribution as follows up to the I.R.S contribution limit:

| <b>Employee Contribution</b>   | <b>City Contribution</b>                             |
|--|--|
| At least forty dollars (\$40) but less than eighty dollars (\$80) per pay period                   | One percent (1%) biweekly gross pay per pay period   |
| At least eighty dollars (\$80) but less than one hundred and twenty dollars (\$120) per pay period | Two percent (2%) biweekly gross pay per pay period   |
| One hundred twenty dollars (\$120) or more per pay period  | Three percent (3%) biweekly gross pay per pay period |

### **Section 3 – 12: Vacation and Comp Time Cash Out**

Once per fiscal year, Sergeants shall be permitted to cash out up to fifty (50) hours of vacation time, and up to forty (40) hours of compensatory time, both to be paid at the Sergeant's base rate. The City shall provide a means for the Sergeant to submit their request. The payment will be made the pay period immediately following the request.

## **ARTICLE 4: HOURS OF WORK/WORKING CONDITIONS**

### **Section 4 – 1: Hours**

- A. The regular duty hours for a Sergeant shall be five (5) consecutive shifts of eight (8) hours in a seven (7) calendar day workweek. These five (5) consecutive shifts will be preceded and followed by two (2) "non-work" days. Duty hours may also include a 4/10 or 9/80 shift. The regular duty hours per shift shall be consecutive and may include any "briefing time" and shall include a meal period of thirty (30) minutes as reasonable work demands allow. At times, the department may have operational needs, which necessitate a change in current work schedules. The department shall give a Sergeant a minimum seven (7) day advance written notice when their days or hours will be changed. If this seven (7) day written notice is not given the days or hours change will be rescheduled to allow for a seven (7) day notice period, except for emergency situations.



- B. In addition to all duties as assigned by the Chief of Police or their designees, work hours shall continue to include under normal conditions two (2) fifteen (15) minute rest periods as work demands allow.

## **ARTICLE 5: BENEFITS**

### **Section 5 – 1: Health Insurance**

For the term of this Memorandum the City will pay a minimum of eighty percent (80%) and the employee will pay a maximum of twenty percent (20%) of the cost of the monthly premium of the City's medical insurance benefit.

### **Section 5 – 2: Dental Insurance**

For the term of this Memorandum the City will pay one hundred percent (100%) of the dental insurance premium for employee only coverage; seventy percent (70%) for employee plus one, and fifty percent (50%) for employee plus two (2) coverage.

### **Section 5 – 3: Life Insurance**

The City shall make group life insurance coverage available for every regular Sergeant who works in a budgetary approved position for twenty (20) hours or more per week at least equal to the Sergeant's annual salary. Additional life insurance coverage for the employee, spouse and dependent children shall also be made available. The premiums for this insurance shall be paid by the City or the Sergeant as determined by the City Council.

### **Section 5 – 4: Vacation Leave**

- A. A full-time work schedule consists of fifty-two (52) weeks a year and eighty (80) hours of work during the pay period.
- B. Every Sergeant, who works a full-time schedule fifty-two (52) weeks a year, shall be credited vacation leave as follows for every completed pay period:

| <b>Years of Service</b> | <b>Hours</b> |
|-------------------------|--------------|
| 0 - 4 Years             | 5.0          |
| 5 - 9 Years             | 5.9          |
| 10 - 14 Years           | 6.6          |
| 15 - 19 Years           | 7.4          |
| 20 + Years              | 8.3          |



- C. Leaves of absence compensated under the Worker's Compensation statutes shall be considered as paid service if the absence is for no longer than one (1) year and the employee shall continue to accrue vacation leave.
- D. Sergeants who have accrued three-hundred and twenty (320) hours or more of accrued and unused leave (vacation, safety days and holiday accrual hours) and who have attained a minimum of seventeen (17) years of City service may elect to have the additional vacation leave that they earn paid to them on a bi-weekly basis for the upcoming three (3) consecutive years.

Once the Sergeant elects to exercise this benefit, it must continue for the full three (3) consecutive years. A Sergeant may draw down the current three hundred and twenty (320) hour balance. The vacation leave payout under this section is not compensation for purposes of PSPRS. Sergeants in the program prior to July 1, 2016, will be governed under the past Memorandum for purposes of compensation.

- 1) The payment begins the next pay period after receipt of the election form in Human Resources and continues for the upcoming three (3) consecutive years.

#### **Section 5 – 4A: Maximum Accrual of Vacation Credits**

- A. Vacation credits shall not be allowed to accumulate in excess of three hundred and twenty (320) hours, or the equivalent as computed under the Rule for regular employees who work less than full-time but 1,040 hours or more per year in a part-time regular budgeted position, as of the last full pay period with a payday in January.
- B. Any vacation credits in excess of three hundred and twenty (320) hours, or the equivalent as computed under the Rule for regular employees who work less than full-time but 1,040 hours or more per year in a part-time regular budgeted position, shall automatically be moved to vacation carryover balance that must be used by June 30<sup>th</sup> of that same year. Any vacation carryover not used by June 30<sup>th</sup> will be forfeited.
- C. Employees that elect to forfeit vacation credits in excess of three hundred and twenty (320) hours, or the equivalent as computed under the Rule for regular employees who work less than full-time but 1,040 hours or more per year in a part-time regular budgeted position, in lieu of having the hours moved to vacation



carryover balance that must be used by June 30<sup>th</sup> of that same year, shall notify Human Resources Director in writing of their request.

## **Section 5 – 5: Holidays**

- A. When possible, without decreasing the effectiveness of the various municipal services, all Sergeants, shall be allowed paid holidays as provided below:

|    | <b>Holiday</b>          | <b>Observed</b>  |
|----|-------------------------|--|
| 1  | New Year's Day          | January 1  |
| 2  | Martin Luther King, Jr. | Third Monday in January                                  |
| 3  | Presidents' Day         | Third Monday in February                                 |
| 4  | Memorial Day            | Last Monday in May                                       |
| 5  | Independence Day        | July 4   |
| 6  | Labor Day               | First Monday in September                                |
| 7  | Veterans' Day           | November 11  |
| 8  | Thanksgiving Day        | Fourth Thursday in November<br>Friday after Thanksgiving |
| 9  | Christmas Day           | December 25  |
| 10 | Personal Holiday        | Must be used annually prior to the end of the tax year.  |

- B. When a holiday falls on Sunday, it will be observed on the following Monday.  
When a holiday falls on Saturday, it will be observed on the preceding Friday.

- C. Compensation or paid time off when not working a Holiday.

- 1) When an observed holiday falls on a non-scheduled workday, Sergeants shall receive paid time off equivalent to the number of hours in their regularly scheduled workday on an alternate day during the pay period. When operational requirements do not permit an alternate day off in lieu of the official holiday or the Sergeant elects not to take the holiday in the pay period, Sergeants shall receive holiday pay equivalent to the number of hours in their regularly scheduled workday. This election must be made in the pay period in which the holiday falls.



- 2) Sergeants who are scheduled to work at least 1,040 hours per year shall be provided holiday pay or paid time off on an alternative day during the pay period for holidays on a prorated basis. The prorated basis shall be calculated based on the position's number of budgeted hours.
- 3) The Chief of Police has the discretion of requiring Sergeants to return to a regular work schedule of five (5), eight (8) hour days for the week in which a holiday occurs if it does not affect the Sergeant's established work period.

D. Compensation or paid time off when working a holiday.

- 1) When an observed holiday falls on a non-scheduled workday, Sergeants who are called in or required to work on the observed holiday shall receive compensation at one and one-half times (1.5x) their rate of pay for each hour worked on a holiday. In addition, Sergeants shall receive holiday pay equivalent to the number of hours in their regularly scheduled workday, or paid time off equivalent to the number of hours in their regularly scheduled workday on an alternate day, during the pay period. Sergeants who are scheduled to work at least 1,040 hours per year and who a holiday shall be provided holiday pay or paid time off on an alternative day during the pay period on a prorated basis. The prorated basis shall be calculated based on the position's number of budgeted hours.
- 2) When an observed holiday falls on a scheduled workday, Sergeants that work on the observed holiday shall receive holiday pay equivalent to the number of hours in their regularly scheduled workday or paid time off equivalent to the number of hours in their regularly scheduled workday on an alternative day during the pay period.
- 3) Beginning with FY 25-26, Sergeants whose regularly scheduled shift begins on the actual date of a holiday listed below shall receive compensation at one and one-half (1.5) times their rate of pay for each hour worked through the holiday shift. This applies to those on patrol or assignment to a specialty unit when operational requirements or staffing mandates do not permit an alternate day off in lieu of the official holiday.



1. New Year's Day
2. Martin Luther King, Jr./Civil Rights Day
3. Presidents' Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Veteran's Day
8. Thanksgiving Day
9. Friday after Thanksgiving
10. Christmas Day

E. Holiday Pay When Sergeant is on Leave or Separates from City Service

- 1) Sergeants shall receive no additional pay and shall not be charged with vacation or sick leave time while on paid leave when a holiday occurs.
- 2) Sergeants must work or be on paid leave the last scheduled workday before the holiday and the first scheduled workday after the holiday to be paid for the holiday.
- 3) All Sergeants shall receive payment for holiday work on the payroll immediately following the conclusion of the pay period in which the work was performed.

**Section 5 – 6: Sick Leave**

- A. A full-time work schedule consists of fifty-two (52) weeks a year and eighty (80) hours of work during the pay period.
- B. Every full-time Sergeant who works a full-time schedule fifty-two (52) weeks per year shall be credited three point seven (3.7) hours of sick leave accrual for each completed pay period. Sick leave shall accrue with no maximum.
- C. Leaves of absence compensated under Worker's Compensation statutes shall be considered as paid service if the absence is for no longer than one (1) year and sick leave credits shall continue to accrue.
- D. Sergeants who have accrued one thousand (1,000) hours or more of accrued and unused sick leave and who have attained a minimum of seventeen (17) years of City service may elect to have the additional sick leave that they earn to be paid to them on a bi-weekly basis for the upcoming three (3) consecutive



years. Once the Sergeant elects to exercise this benefit, it must continue for the full three (3) consecutive year period. A Sergeant may draw down the current one thousand (1,000) hour balance. The sick leave payout under this section is not compensation for the purposes of PSPRS. Sergeants in the program prior to July 1, 2016, will be governed under the past Memorandum for purposes of compensation.

- 1) The payment begins the following pay period after receipt of the election form in Human Resources and continues for the upcoming three (3) consecutive years.

- E. The City Manager may establish policies for the conversion of a portion of employee's sick leave balances to either vacation credits or provide for cash payment, as appropriate.

#### **Section 5 – 6A: Payment of Sick Leave Upon Death**

- A. The beneficiaries of a Sergeant who dies prior to retirement shall receive compensation for the Sergeant's accrued sick leave at the rate of fifty percent (50%) of the value of the accrued sick leave hours at the Sergeant's current base rate and shall receive compensation for Years of Service Pay as established by the City Manager for each twelve (12) month year of City of Chandler Service prorated for any partial year.
- B. The beneficiaries of a Sergeant who dies in the line of duty shall receive compensation for all accrued sick leave at the rate of one hundred percent (100%) of the accrued sick leave hours at the Sergeant's current base rate and shall receive compensation for Years of Service Pay as established by the City Manager for each twelve (12) month year of City of Chandler service prorated for any partial year.

#### **Section 5 – 7: Post Retirement Health Plan (PEHP)**

- A. Any Sergeant who has ten (10) years of City of Chandler service or more as of the 1st full pay period in July 2024 will receive a one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.



- B. Any Sergeant who has ten (10) years of City of Chandler service or more as of the 1st full pay period in July 2025 and who did not receive a payment in 2024 will receive a one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.
- C. Any Sergeant who has fifteen to nineteen (15-19) years of service in the 1st full pay period in July 2025 will receive an additional one-time, five-thousand-dollar (\$5,000) payment into their PHEP plan.
- D. Any Sergeant who has twenty (20) years of service or more as of the 1st full pay period in July 2025 will receive an additional one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.
- E. The City and the Sergeant shall each contribute forty dollars (\$40.00) per pay period into the PEHP plan while actively employed.
- F. Upon application for retirement from the City of Chandler with immediate retirement into the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS) the following will occur in FY 24-25:

| <b>Years of Service (YOS)</b> | <b>Employer Contribution into PHEP based on YOS-pro-rated for any partial year into PHEP</b> | <b>Sick leave balance contribution into PHEP</b> |
|-------------------------------|--|--|
| <b>5-19</b>                   | \$900.00   | 50%  |
| <b>20-24</b>                  | \$1,250.00   | 50%  |
| <b>25-29</b>                  | \$1,500.00   | 50%  |
| <b>30+</b>                    | \$1,750.00   | 65%  |

- G. Upon application for retirement from the City of Chandler with immediate retirement into the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS) the following will occur in FY 25-26:

| <b>Years of Service (YOS)</b> | <b>Employer Contribution into PHEP based on YOS-pro-rated for any partial year</b> | <b>Sick leave balance contribution into PHEP</b> |
|-------------------------------|--|--|
| <b>5-19</b>                   | \$900.00   | 50%  |
| <b>20-24</b>                  | \$1,250.00   | 50%  |
| <b>25-29</b>                  | \$1,500.00   | 50%  |
| <b>30+</b>                    | \$1,750.00   | 50%  |



All other provisions must be in accordance with Administrative Regulation CC Reg. CM-57.

## **Section 5 – 8: Training and Reimbursement**

### **A. Responsibility for Training**

- 1) The City Council encourages the training and education of Sergeants. The Human Resources Director shall assume responsibility for developing citywide training programs for Sergeants. The Chief of Police may establish department-specific training programs.

### **B. Credit for Special Training**

- 1) Participation in, and successful completion of, special job-related training courses may be considered in advancements and promotions.

### **C. Reimbursement for Formal Training**

- 1) Fiscal conditions permitting, the City will assist Sergeants in their pursuit of additional formal education from an institution in areas related to a City career field.

A policy and procedure shall be established by which tuition reimbursement will be administered and which will reimburse Sergeants.

- 2) Procedures shall be established to repay the City the tuition fees upon separation from City service within twelve (12) months of completion of the course.

### **D. Seminars/Workshops Training Programs**

- 1) As fiscal conditions permit, the City supports Sergeants' attendance in seminars and workshop training programs as a part of their regular duties with the approval of the Chief of Police.
- 2) The City shall pay all fees for such programs and the Sergeant shall be provided transportation under the administrative regulation established in accordance with Personnel Rule 4 – Benefits & Allowances, Section 2.



- 3) If a Sergeant separates from City service within twelve (12) months of completion of the workshop or seminar, the Sergeant may be required to reimburse the City for the costs of those workshops or seminars that are primarily designed to enhance a Sergeant's career. A Sergeant normally will not be required to reimburse the City for workshops or seminars that they are directed to attend.

#### E. Tuition Reimbursement

- 1) The City will assist regular Sergeants in their pursuit of additional formal education from an institution in areas related to a City career field. A City policy and procedure shall be established by which tuition reimbursement will be administered and which will reimburse Sergeants.
- 2) Any Sergeant who has successfully completed at least six (6) months of the initial probationary period and is eligible for vacation benefits is eligible for consideration of tuition reimbursements.
- 3) The reimbursement allowed per tax calendar year for a regular full-time employee is a total of five thousand, two hundred, and fifty dollars (\$5,250). The reimbursement allowed per tax calendar year for a regular part time employee is a total of three thousand, two hundred dollars (\$3,200.) The date of reimbursement will determine the tax year to which the cost will be allocated.

If the employee completes courses which exceed the maximum allowable reimbursement, the employee shall be responsible for payment of the balance.

#### **Section 5 – 8: Out-Of-State Vacation Recall**

When a Sergeant is temporarily recalled to duty from out-of-state while on an authorized vacation by order of the Chief of Police, he shall be reimbursed for necessary and provable transportation expenses as determined by the Chief of Police.

#### **Section 5 – 9: Uniform, Clothing, and Equipment**

- A. Beginning Fiscal Year 22/23, a Sergeant will receive uniforms and a three-hundred-dollar (\$300) allowance paid the first full pay period of the fiscal year and equipment



through the Chandler Police Department Quartermaster system, as outlined in General Orders.

- 1) The Department shall replace those items as they, in the judgment of the Department, become unserviceable to wear or damaged in the course and scope of official duties through the Quartermaster.
- B. A Sergeant who is required to wear civilian attire during the performance of their duties will receive a fiscal year uniform allowance of one thousand, three hundred dollars (\$1,300), in accordance with Chandler Police Department General Orders. This payment will be made through the payroll system on a pro-rated, bi-weekly basis.

## **ARTICLE 6: MISCELLANEOUS**

### **Section 6 – 1: Saving Clause**

- A. If any Article or Section of this Memorandum should be held invalid by operation of law or by final judgment of any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby; and upon issuance of such final decree, the parties, upon request of either of them, shall meet and confer and endeavor to agree on a substitution provision or that such a substitute provision is not included.
- B. It is recognized by the parties that this Memorandum shall be administered in compliance with appropriate provisions of the Fair Labor Standards Act as may be amended, consistent with the provisions of this Memorandum and current overtime policies of the City of Chandler.

### **Section 6 – 2: Copies of Memorandum**

Within sixty (60) days of the date that this Memorandum is adopted by the City Council, the Association, will arrange for printing of jointly approved copies of it for furnishing one to every Sergeant, supervisor and to management personnel. The cost of such duplication and distribution will be paid for equally by the Association and the City.

### **Section 6 – 3: Seniority**

- A. The City shall provide the Association with a list of Sergeants showing each Sergeant's City employment date and badge number.



- B. Seniority shall be by badge number.
- C. Seniority shall be used as a factor consistent with established Merit System rules and current practice in choice of work assignments, vacation schedules and in the determination of layoffs.
- D. At the conclusion of the annual shift pick an eligibility list will be created for each patrol team, which will take effect at shift change each year. When a vacancy occurs on a patrol team, the eligibility list will be consulted, and the vacancy will be filled from the list. This option is available by seniority and is limited to two (2) potential total movements.

There is no maximum number of eligibility lists a Sergeant may be on; a Sergeant may add or remove their name from a list at any time. A Sergeant who chooses to use this option to select a new team, will count as a move for the year.

A Sergeant may only use the wish list option once during a shift cycle with no movement occurring after September 30.

- E. If a Sergeant requests a hardship transfer, and it is approved by the Chief of Police, the hardship transfer shall take precedence over any requests submitted by Sergeants to be placed in the available vacancy according to seniority.

#### **Section 6 – 4: Limited Duty Status**

A Sergeant, who is injured on the job, may be assigned limited duty status by the employer. Such assignment may be made without regard to the Sergeant's normal assignment and shall be made within the Police Department.

#### **Section 6 – 5: Changes in Departmental General Orders Pursuant to this Memorandum**

- A. Within ninety (90) days from the date this Memorandum is adopted by the City Council, the Department shall print copies of those Department General Orders and Operations Orders reflecting changes pursuant to this Memorandum. Copies of such changes shall be available to each Sergeant on or about August 1<sup>st</sup> of each Memorandum year, or as soon thereafter as possible. Prior to the printing of the described changes, the Chief of Police or their representative shall review such changes with a representative of the Association to ensure that such changes are consistent with the specific, express terms of the Memorandum.



- B. During the preparation of changes to the Department's General Orders, drafts of the proposed changes will be staffed out to the Association.

## **Section 6 – 6: Term and Effect of Memorandum**

- A. The Memorandum shall remain in full force and effect July 1, 2024, through June 30, 2026, unless a specific provision of the Memorandum provides otherwise. Thereafter, it shall continue in effect, year-by-year, unless one (1) of the parties notifies the other in writing no later than September 1, 2025, of its request(s) to modify or terminate it.
- B. Except as expressly provided in this Memorandum, the City shall not be required to meet and confer concerning any matter, whether covered or not covered herein, during the term or extensions thereof.
- C. The lawful provisions of this Memorandum are binding upon the parties for the term thereof. The Association, having had an opportunity to raise all matters in connection with the meet and confer proceedings resulting in this Memorandum, is precluded from initiating any further meeting and conferring for the term thereof relative to matters under the control of the City Council or the City Manager.
- D. This Memorandum constitutes the total and entire agreement between the parties and no verbal statement shall supersede any of its provisions.
- E. The City's rules and regulations, administrative directives, departmental rules and regulations, and workplace practices shall govern employee relations unless there is a specific conflict with a memorandum of understanding approved by the City Council pursuant to the Meet and Confer Ordinance. Where a specific conflict exists, the Memorandum of Understanding shall govern.
- F. A memorandum of understanding cannot contradict the Meet and Confer Ordinance.



**IN WITNESS WHEREOF**, the parties hereto have hereunto subscribed their names this

\_\_\_\_\_ day of \_\_\_\_\_, 2024.

City of Chandler

Association Representative

By: \_\_\_\_\_

Mayor

By: Chris Kush, Association Representative

Chris Kush

Attest: \_\_\_\_\_

City Clerk

Approved to form:

(SEAL)

\_\_\_\_\_

City Attorney

*RLL*

ATTEST: \_\_\_\_\_





**City Council Memorandum      Human Resources      Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
**From:** Rae Lynn Nielsen, Human Resources Director  
**Subject:** International Association of Fire Fighters (IAFF) Memorandum of Understanding

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**Proposed Motion:**

Move City Council approve the Memorandum of Understanding (MOU) between the City of Chandler and the International Association of Fire Fighters (IAFF) Memorandum of Understanding effective July 1, 2024, through June 30, 2026.

**Background/Discussion**

The city notified IAFF on July 7, 2023, of its request to enter into negotiations for the current MOU expiring June 30, 2024, as required by the MOU. A combined budget briefing with all associations was held on August 9, 2023, to begin the process prior to IAFF meeting with City Council on September 7, 2023. Two executive sessions were held on September 21 and September 26, 2023, and formal negotiation meetings commenced on October 4, 2023, with a tentative agreement made on November 16, 2023. All articles in the MOU were open to negotiations.

The city and IAFF were able to reach agreement on a two (2) year MOU that will be in effect from July 1, 2024, through June 30, 2026. The agreement does not include any areas to be reopened during the term. The Meet and Confer ordinance was amended in October 2018 and allows for the MOU to continue from year to year after the initial term above ends absent notice by either party of its desire to amend or modify the agreement through Meet and Confer.

Substantive changes to the MOU include:



- Fund ongoing merit increases of up to 5% for both FY 24/25 and FY 25/26 for all eligible firefighters, fire engineers, and fire captains covered under the MOU.
- The compensation market position will remain at 3rd Market with the removal of retirement health savings contributions in the total cash compensation methodology as a measure for market increases during the term of the MOU.
- Effective with the August 2024 market adjustment, ranges for all classifications will be established based on the maximum of the range with 5% between adjustments. Alignment within the ranges will be made with the August 2024 survey.
- Effective July 1, 2024, the uniform allowance will increase to \$1,000 per year per firefighter, fire engineer, and fire captain.
- Effective January 1, 2024 (prior to the MOU term), the following vacation accrual increases based on a 40-hour schedule occurred:
  - 0-5 years of service increase from 4.7 hours per pay period to 5.0 hours per pay period
  - 5-10 years of service increase from 5.6 hours per pay period to 5.9 hours per pay period
  - 10-15 years of service increase from 6.5 hours per pay period to 6.6 hours per pay period
  - The maximum vacation accrual cap based on a 40-hour schedule will increase from 240 hours to 320 hours per year with the 2024 accruals.
- Effective the first full pay period of July 2024, any firefighter, fire engineer, or fire captain who has ten (10) years or more of service with the City of Chandler will receive a one-time contribution into their Post Employment Health Plan (PEHP) account in the amount of \$10,000.
- Effective the first full pay period of July 2025, any firefighter, fire engineer, or fire captain who has ten (10) years or more of service with the City of Chandler who did not receive a contribution in 2024 will receive a one-time contribution into their Post Employment Health Plan (PEHP) account in the amount of \$10,000.
- Effective July 1, 2025, the following contributions will be made to a firefighter, fire engineer, or fire captain's PEHP account at the time of retirement based on years of service with the City of Chandler:

| <b>Years of Service</b> | <b>Contribution Amount x Years of Service</b> | <b>Sick Leave Contribution</b> |
|-------------------------|---|--------------------------------|
| 5-19                    | \$900   | 50%                            |
| 20-24                   | \$1,500                                       | 50%                            |
| 25+                     | \$1,750                                       | 50%                            |



- Effective July 1, 2024, any firefighter, fire engineer, or fire captain whose regularly scheduled shift begins on the actual date of a holiday listed in the MOU shall receive compensation at one and one-half (1.5) times their rate of pay for each hour worked through the holiday shift.

Additionally, language pertaining to longevity was updated throughout the agreement.

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## **Attachments**

IAFF MOU



**MEMORANDUM OF UNDERSTANDING**

**JULY 1, 2024 – JUNE 30, 2026**

**CITY OF CHANDLER**

**AND**

**UNITED PHOENIX FIREFIGHTERS**

**ASSOCIATION**

**IAFF**

**LOCAL 493**

**CHANDLER CHAPTER**

**REPRESENTING**

**CHANDLER FIREFIGHTERS, ENGINEERS, AND CAPTAINS**



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## **PREAMBLE**

Whereas the well-being and morale of the employees of the City are benefited by providing an opportunity to participate in the formulation of policies and practices affecting the wages, hours, benefits, and other conditions of their employment; and

Whereas the parties hereby acknowledge that the provisions of this Memorandum of Understanding (hereinafter "Memorandum") are not intended to abrogate the authority and responsibility of the City government provided for under the statutes of the State of Arizona or the charter or ordinances of the City; and

Whereas the parties, through their designated representatives, met and conferred in good faith pursuant to the Meet and Confer Ordinance in order to reach agreement concerning wages, hours, benefits, and other conditions of employment in the bargaining unit; and

Now therefore, the City of Chandler, hereinafter referred to as the "City" and IAFF Local 493 Chandler Chapter, hereinafter referred to as the "Employee Organization," having reached this complete agreement concerning wages, hours, and working conditions for the term specified, the parties submit the Memorandum to the Mayor and the City Council of the City of Chandler with their joint recommendation that the body resolve to adopt its terms.



## **ARTICLE 1: RIGHTS**

### **Section 1 – 1: Purpose/Gender**

It is the purpose of this Memorandum to continue and maintain harmonious relations, cooperation, and understanding between the City and its unit members; and to set forth the full and entire understanding of the parties reached as a result of a good faith meeting and conferring regarding wages, hours, benefits, terms, and other conditions of employment of the unit members covered hereby, which understanding the parties intend jointly to submit and recommend for approval and implementation to the Mayor and City Council.

Whenever any words used herein are in the masculine, feminine, or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply.

### **Section 1 – 2: City and Management Rights**

The City and the City Manager's rights are not subjugated or diminished in any way by any expressed or implied duty or obligation to meet and confer. Retained management rights are not subject to the grievance procedure contained in any memorandum of understanding, nor are they subject to any other appeal or complaint process.

- A. The City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage its municipal services and work force performing those services. The authority of the City shall not be modified or limited by inference or implication.
- B. The exclusive rights of the City shall include, but not be limited to:
  - The right to determine the organization of City government, the purpose of each of its departments, and the purpose and mission of its constituent agencies, boards, and commissions.
  - Set standards of service to be offered to the public, and through its management officials to exercise control and discretion over its organization and operations.
  - Establish rules and practices governing the conduct of unit members, to direct and supervise its unit members and their work, to take disciplinary action, to relieve its unit members from duty because of lack of work, or for other legitimate reasons.



- Determine whether goods and or services shall be made, purchased, or contracted for.
  - Determine the methods, means, and personnel by which the City's services are to be provided, including the right to schedule, and assign work and overtime, to hire, transfer and reassign unit members and to otherwise act in the interests of efficient service to the community.
  - The City reserves the right to establish and revise work schedules and work locations; to establish, revise and implement standards for hiring and promoting unit members; to determine the need for additional positions and the qualifications of new unit members and to determine the qualifications for and/or the qualifications of unit members considered for transfer and/or promotion; to evaluate and judge the skill, ability, and efficiency and general work performance of unit members.
  - Adopt and manage its budget, provide for the funding of certain levels of service, to add, delete, modify, or suspend certain programs, functions, divisions, and departments as the City Council in the exercise of its legislative authority to create and manage the City's budget and to determine whatever action to be necessary and appropriate.
  - Take all necessary actions to maintain uninterrupted service to the community.
- C. The City retains all rights not specifically limited by a Memorandum of Understanding approved in accordance with the provisions of the Meet and Confer Ordinance.
- D. The enumeration of the above rights is illustrative only and is not to be construed as being all-inclusive.

### **Section 1 – 3: Employee Organization Rights**

- A. It is understood by the parties that the benefits granted by this Article shall not be interpreted or applied as requiring the employer to count as time worked, any hours, or fractions of hours spent outside the unit member's work shift in pursuit of benefits provided by this Article.
- B. The Employee Organization, as the authorized representative, has the exclusive right to serve as the meet and confer representative of all unit members in the Firefighter's Unit as certified by the Chandler Meet and Confer Ordinance, Chandler City Code § 2-13, as amended.
- C. During the term of the Memorandum of Understanding, Employee Organization officials will be released from duty with full pay when directed by the City to participate in a meeting with the City and/or City representatives.



- D. The Employee Organization will be allowed one (1) hour to meet with new Firefighter recruits to explain the rights and benefits under the Memorandum. During the presentation, the Employee Organization will avoid the dissemination of information that is political in nature and will not discuss information that is abusive of any person or organization or disruptive of the department's operations.
- E. Employee Organization representatives shall be released from duty with full pay to provide unit member representation in a grievance hearing or disciplinary meeting with a unit member.
- F. The Employee Organization, through its designated representative, may distribute materials on the City premises (building and grounds) only before and after scheduled departmental activities designated by the Fire Chief. Activities will not in any manner interfere with the efficient and economical operations of the Department, or adversely impact the level of emergency service or support services.

G. Association Vacation Bank

- 1) Approval for use of paid time hereunder shall be subject to departmental operational and scheduling factors. When using such paid time, designated representatives shall give at least twenty-four (24) hours advance notice.
- 2) Each dues-paying Association members working a 24-day work period will contribute four (4) hours accrued vacation leave to be placed in an Association Vacation Bank. Each dues-paying Association member working a 40-hour work week staff assignment will contribute 2.85 hours accrued vacation leave to be placed in an Association Vacation Bank. An Association member's revocation of authority for the deduction of dues simultaneously revokes the authority for the annual deductions of vacation hours.

Revocation of such authority applies prospectively only. Non-dues paying members working a 24-day work period may elect to annually contribute four (4) hours, 40-hour work week staff assignment members may elect to annually contribute 2.85 hours of accrued vacation to the Association Vacation Bank.

The following conditions shall apply to the donation of vacation hours to the Association vacation bank:

- a. Authorization for the deduction of accrued vacation hours from dues-paying Association members is included with the member's authorization



for the deduction of dues and may be revoked as set forth under Section 1-3(I)(2).

- b. For voluntary donations of hours by non-dues-paying members, the Association shall supply the City with an Association Vacation Bank Authorization Form, which includes the name and signature of the unit member and the number of hours of vacation donated by the unit member into the Association Vacation Bank.
- c. The City shall withdraw the bank hours from members' vacation balances in the first full pay period after the first week of July.
- d. For voluntary donations of hours by non-dues paying members, the executed Association Vacation Bank Authorization Form provides the unit member's authorization for vacation hours to be withdrawn from the unit member's vacation balance in the first full pay period following July 10th each year.
  - i. A unit member may revoke their authorization for the donation of vacation hours by submitting a written revocation to the IAFF President who will forward it to Human Resources no later than the first week of July. The revocation shall apply prospectively to the vacation donation scheduled to take place in in the first full pay period following July 10th each year.
  - ii. An individual who hires or transfers into an IAFF represented position after July 10th, and who executes a Payroll Dues Deduction Authorization or Association Vacation Bank Authorization Form, may elect at that time to have the vacation hours withdrawn from their vacation balance: (i) in the first full pay period after receipt of the Authorization Form by the City, or (ii) in the first full pay period following July 10th of the following year. A new unit member who elects to have vacation hours withdrawn before July, will have additional hours withdrawn in July.
  - iii. The Association Vacation Bank Authorization of a unit member shall be automatically revoked when the individual is no longer in a position covered by this MOU. The revocation shall apply only prospectively to the vacation donation scheduled to take place in July.

3) Human Resources shall keep a record of all time donated and used.



- 4) Any unused donated hours in the Association Vacation Bank may be carried over from one fiscal year to the next.

The Association shall indemnify, defend, and hold harmless the City against any and all claims made, and any actions brought against the City arising from or related in any way to the actions taken by the City to comply with any of the provisions of this section.

#### H. Payroll Deduction

- 1) The City shall deduct yearly from all twenty-six (26) checks of Employee Organization members, the regular periodic Employee Organization membership dues pursuant to the City's deduction authorization form duly completed and signed by the unit member and transmit such deductions monthly to the Employee Organization no later than the fourteenth (14) day following the end of the pay period in which the deduction occurs, along with an alphabetical list of all unit members for whom deductions have been made. Such deduction shall be made only when the Employee Organization member's earning for a pay period, are sufficient after other legally required deductions are made.
- 2) Authorization for membership dues deduction herein under shall remain in effect during the term hereof unless revoked in writing by the unit member. The City shall accept revocation of deductions only during the first week of January and July of the term of this Memorandum to be effective the following payroll period. The City will notify the Employee Organization of any revocations submitted to it.
- 3) The City shall not make dues deductions for unit members on behalf of any other non-designated Employee Organization (as defined in the Meet and Confer Ordinance) during the term of this Memorandum.
- 4) It is agreed that the City assumes no liability on account of any actions taken pursuant to this section. The City will; however, as promptly as technically possible, implement changes brought to its attention.
- 5) The Chandler Chapter President has the ability to increase or decrease the amount of the standard membership dues one time each year for the members of the Employee Organization, in accordance with UPFFA L-493 by-laws, without obtaining the signature of each member of the Employee Organization, provided costs for implementing such changes shall be



reimbursed by the Employee Organization at actual cost incurred by the City.

- 6) City shall furnish to Employee Organization on request, at actual cost, a listing of Employee Organization members on City payroll deduction in July and January during the term of this Memorandum indicating name, mailing address, and job assignment. The Employee Organization agrees to use this list solely for purposes of communicating with unit members and will not share this information with other individuals or organizations.

#### I. Facilities and Services

- 1) The City shall provide the Employee Organization with space for bulletin boards for its use in communicating with its members at mutually agreeable locations.

The City shall grant sole and exclusive use of such bulletin boards to the Employee Organization. Bulletin boards shall not exceed four feet wide by three feet tall (4' x 3') in size.

- 2) Material, which is not abusive of any person or organization, which complies with laws regulating the political activities of City employees, and which is not disruptive of the City's operations, may be posted or distributed, provided that such material is signed by an authorized official of the Employee Organization. The Employee Organization may grieve any removal by the City of posted material.

#### J. Recognition

The City recognizes the Employee Organization as the sole and exclusive Meet and Confer agent, pursuant to the Meet and Confer Ordinance for the purpose of representation regarding wages, hours, benefits, and other conditions of employment for all regular full-time non-probationary unit members in the bargaining unit. Employee Organization shall have no rights beyond those specified in the Meet and Confer Ordinance and this Memorandum.

### **Section 1 – 4: Unit Member Rights**

- A. Eligible City employees have the right to be represented by an Employee Organization and to have a member of the Employee Organization present during the disciplinary process. The disciplinary process does not apply to an interview of



a unit member during the normal course of work, counseling, instruction, informal verbal admonishment, or other routine or unplanned contact with a supervisor.

- B. All unit members shall have the right to join or not to join the Employee Organization as they individually prefer. Unit members have the right to participate on behalf of or engage in activities on behalf of an Employee Organization and have the right to refrain from such activity. Unit members shall be free from any interference, restraint, or coercion by any employee, supervisor, or manager for or against Employee Organizations. Violations will necessitate disciplinary action.
- C. An exclusive Employee Organization must equally and fairly represent all employees in the unit.
- D. All unit members shall have the right to present their own grievance.
- E. An employee subject to suspension, demotion or dismissal shall be entitled, upon appeal, to the Disciplinary Review Group process outlined in Personnel Rule 5 – Disciplinary & Appeal Procedures, Section 7. For purposes of Rule 5, Section 7.A.2., the Association President or designee shall replace the member of the Employee Council on the Disciplinary Review Group

The IAFF Association President or designee may not serve on a disciplinary review group if they have a direct connection with the matter being reviewed or has any real or perceived conflict of interest. If the IAFF President elects to use a designee, the designee must be at the rank of Captain or be an elected member of the IAFF bargaining group. The person will be mutually agreed upon between the Human Resources Director and the IAFF President. If mutual agreement cannot be reached, the appointment will revert back to the Personnel Rule and will be a member of Employee Council. The grounds for discipline and types of discipline imposed are not grievable matters under this MOU.

## **Section 1 – 5: Prohibition of Strike and Lockouts**

- A. The Employee Organization and the unit members covered by this Memorandum recognize and agree that rendering of services to the community cannot under any circumstances or conditions be withheld, interrupted, or discontinued, and to do so would endanger the health, safety, and welfare of the citizens of the City of Chandler.
- B. The Employee Organization pledges to maintain unimpaired municipal services as directed by the City. Neither the Employee Organization, nor any unit member, for



any reason, will authorize, institute, aid, condone or engage in a slowdown, work stoppage, strike, or any other interference with the work and statutory functions and obligations of the City or the Department. During the term of this Memorandum, neither the City nor its agents for any reason shall authorize, institute, aid, or promote a lockout of unit members covered by this Memorandum.

- C. Should any unit member during the term of this Memorandum, and until such time that it is expressly and legally rescinded breach the obligations of Section 1-5B, the City Manager or his designee shall immediately notify the Employee Organization that a prohibited action is in progress.
- D. The Employee Organization shall forthwith, through its executive officers and other authorized representatives, disavow said strike or other prohibited action, and shall notify in writing all Employee Organization members and representatives of their obligation and responsibility for maintaining compliance with this Article, including their responsibility to remain at work during any interruption which may be caused or initiated by others. Copies of such notification shall be delivered to the Office of the City Manager. In addition, the Employee Organization shall order all unit members violating this Article to immediately return to work and cease the strike or other prohibited activity. Such order shall be delivered both orally and in writing to all unit members violating this Article with copies of the written order to be delivered to the Office of the City Manager.
- E. Penalties or sanctions the City may assess against a unit member who violates this Section shall include, but not be limited to:
  - 1) Discipline up to and including discharge.
  - 2) Loss of all compensation and benefits, including seniority, during the period of such prohibited activity.
- F. Should the Employee Organization during the term of this Memorandum and until such time that it is expressly and legally rescinded, breach its obligations under this Section, it is agreed that all penalties set forth in the City Charter, shall be imposed on the Employee Organization, in addition to any other legal and administrative remedies available to the City that in its discretion it may elect to pursue.
- G. Nothing contained herein shall preclude the City from obtaining judicial restraint or from seeking damages from the Employee Organization, in the event of a violation of this Section.



## **ARTICLE 2: GRIEVANCE/ARBITRATION/LABOR MANAGEMENT**

### **Section 2 – 1: Grievance Procedure**

- A. The grievance procedures set forth in Personnel Rule 18 - Grievance Procedures shall apply to any grievance brought by a unit member or the Employee Organization alleging violation(s) of the express terms of this Memorandum for which there is no Merit System Board appeal or other specific method of review under state or city law.
- B. Any proposed changes to Personnel Rule 18 - Grievance Procedures will be provided to the Employee Organization President in a redline format and, if requested by the Employee Organization, a labor-management meeting shall be scheduled prior to submission of the proposed change to the City Council for approval. The meeting shall be scheduled within a reasonable amount of time so as not to unduly delay the process.
- C. In the event the City Manager takes unilateral action that is inconsistent with an express term or condition of this Memorandum and the effect of such action adversely affects the wages, benefits, or working conditions of a majority of unit members directly affected by the action, the Employee Organization may bring an Organization Grievance on behalf of all members using the grievance procedures under Personnel Rule 18. If the Organization Grievance is not resolved at the supervisor or department level, the City Manager shall refer the Organization Grievance, brought under the limited circumstances described herein, to a neutral third party who is not a current or former official or employee of the City. The City Manager may elect to exercise his sole discretion to bypass the supervisor's and department's review of the Organization Grievance and refer the Organization Grievance directly to a neutral third party.
- D. The parties or their designated representatives, shall agree on a neutral third party. If they are unable to agree on a neutral third party within a reasonable time, the City shall provide a list of seven (7) individuals who have experience as a hearing officer or mediator with the public sector in Arizona. The parties shall, within five (5) workdays of the receipt of said list, select the neutral third party by alternately striking names from said list until one name remains. Such person shall then become the neutral third party. The neutral third party so selected shall hold a hearing as expeditiously as possible at a time and place convenient to the parties, and shall be bound by the following:



- i. The neutral third party shall be bound by the language of the Memorandum and departmental rules and regulations consistent therewith in considering any issue properly before them.
- ii. The neutral third party shall expressly confine themselves to the precise issue submitted and shall have no authority to consider any other issue not so submitted.
- iii. The neutral third party shall be bound by applicable state and city law.
- iv. The neutral third party shall submit findings and recommendations to the Employee Organization and to the City Manager. The cost of the neutral third party and any other mutually incurred costs shall be borne equally by the parties.
- v. The City Manager shall, within ten (10) workdays of the receipt of the written findings and recommendations, make the final, non-appealable determination of the Organization Grievance and submit it in writing to the Employee Organization.

## **Section 2 – 2: Labor-Management Committee and Relationship by Objectives (RBO)**

It is understood by the parties that the benefits granted by this Article shall not be interpreted or applied as requiring the employer to count as time worked, any hours or fractions of hours spent outside the unit member's work shift in pursuit of benefits provided by this Article. The employer shall count as time worked any hours or fractions of hours spent within the unit member's regular work shift in pursuit of benefits provided by this Article.

### **Labor-Management Committee**

- A. There shall be a Labor-Management Committee consisting of two (2) representatives of the Employee Organization and two (2) representatives of the City and the City's HR Director or designee who shall be the Chairperson. The purpose of the Committee is to facilitate improved labor-management relationships by providing a forum for free and informal discussion of mutual concerns and problems regarding the MOU.
- B. The Committee shall meet, when necessary, at mutually agreed upon time.



- C. If the representative of the Employee Organization is a unit member, such representative shall not lose pay or benefits for meetings mutually scheduled during duty time.

#### Relationship by Objectives (RBO) Committee

- A. A steering committee shall be established consisting of the Fire Chief, Assistant Chiefs, the Employee Organization President, and each elected trustee of the Employee Organization. The purpose of the Committee is to facilitate improved labor-management relationships by providing a forum for free and informal discussion of mutual concerns and problems.
- B. The steering committee shall meet at mutually agreeable times and places at least quarterly or sooner if requested by either party. The quarterly meeting may be cancelled or rescheduled if no discussion items exist and only by mutual agreement.
- C. The purpose of the RBO committee is to enhance service delivery and address public safety-related issues. The RBO process is done through the facilitation and open discussion of mutual concerns and problems which may include implementation or modification of department programs and items that may impact service delivery or working conditions.
- D. The RBO Committee shall meet annually at a mutually agreed upon time and location. The committee shall consist of the following members: the Fire Chief, Assistant Chiefs, Battalion Chiefs, the Employee Organization President, and all elected members of the Employee Organization (trustees and stewards). An agenda will be developed and mutually agreed on by the steering committee.
- E. During the RBO process, if the representative of the Employee Organization is a unit member, such representative shall not lose pay or benefits for the RBO meetings that are scheduled during duty time.

### **ARTICLE 3: COMPENSATION AND WAGES**

#### **Section 3 – 1: Wages**

##### **A. Pay Schedule**

- 1) In FY 24-25 the Firefighter pay range will be adjusted to equate to 5% between each rate of pay. The current maximum payrate will be utilized in the August, 2024 market survey.



- 2) Engineer salary range shall start at five percent (5%) over a top of the range Firefighter with an entrance rate and one five percent (5%) step.
- 3) Captain salary range shall start at five percent (5%) over a top of the range Engineer with an entrance rate and one five percent (5%) step.
- 4) Unit members assigned as Paramedics shall receive compensation of fifteen percent (15%) of base Firefighter.
- 5) Unit members assigned as Special Operations shall receive compensation of seven and one-half percent (7.5%) of base Firefighter.
- 6) Unit members, eligible for Bilingual Pay in accordance with the City's Bilingual Pay Policy Program, shall continue to receive a pay incentive of one thousand, two hundred dollars (\$1,200) annually (paid in 26 equal installments) for proficiency at least at an "Intermediate high" level or six hundred dollars (\$600) annually (paid in 26 equal installments) for proficiency at least at an "Intermediate low" level.

#### B. Merit

For each fiscal year of the agreement, the City will fund a five percent (5%) merit increase for eligible members, effective on the first day of the pay period in which the date of the employee's current job classification falls, until the unit member is at the top of the pay range. The merit increase shall not cause the unit member's pay to exceed the top of the pay range in any fiscal year.

#### C. Longevity Pay

In recognition of continuous service and overall performance, the City agrees to provide the following longevity pay for eligible unit members:

- 1) A unit member that meets the qualifications specified in this article shall receive a longevity payment of two and one-half percent (2.5%) of their base rate of pay, or base rate plus assignment pay, paid in one (1) installment during the pay period of the unit member's date of classification. The payment is not compensation for the purposes of PSPRS.
- 2) Qualifications:
  - a. A Firefighter, Fire Engineer, or Fire Captain will become eligible to receive the longevity payment upon completion of eight (8) years as a Chandler



Fire Department sworn member or the year after reaching the top of range at their rank, whichever is sooner.

- b. A unit member must have achieved the performance rating of “meets expectations” or better in each overall job standard category on their latest scheduled performance evaluation on file in the Human Resources Department.

3.) The Longevity Date is determined by one of the following:

a.) The most recent date the employee qualified and began receiving Longevity Pay under eligibility criteria specific to their classification based on previous MOU language; or

b.) The date the employee entered a sworn classification for those who are not currently receiving longevity or are newly hired.

In a fiscal year that merits are not funded, longevity pay will be paid in accordance with Section 3-1 (C).

#### D. Market Comparison

Wage increases are to be determined as follows:

- 1) For the purposes of this section, “Market Comparison” means the following:
  - a. The maximum annualized base wages for an individual Firefighter at the top of the pay range (i.e., max. hourly rate x 2,919.94 or equivalent);
  - b. The annual amount paid by the City in deferred compensation, or equivalent, to a Firefighter at the top of the pay range; and
  - c. The annual amount received as longevity pay, or equivalent, by an individual Firefighter at the top of the Firefighter pay range.
- 2) Human Resources will finalize a Compensation Survey no later than August 1<sup>st</sup> of each year that compares the Market Comparison for eight (8) cities: Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale, and Tempe (“the Surveyed Cities”) based on JIMS data and/or verification from the Surveyed Cities’ HR Departments. At the conclusion of the Compensation Survey, the eight (8) cities shall be ranked in numerical order based on



Market Comparison with the highest being ranked as number one (1) and the lowest ranked as number eight (8).

Human Resources shall determine the rank of the City of Chandler in comparison to the ranking of the seven other cities. If the City of Chandler's Market Comparison is ranked at or above the third (3<sup>rd</sup>) position in the rankings, no wage adjustments shall be made.

If the City of Chandler's Market Comparison is ranked below the Market Comparison of the third (3<sup>rd</sup>) highest city in the rankings, the top of the Chandler Firefighter pay scale shall be adjusted by the percentage required for Chandler's Market Comparison to be equal to the midpoint between the Market Comparison of the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) highest cities.

The maximum salaries for the positions of Fire Engineer and Fire Captain shall be adjusted by the same percentage increase as the increase to the Chandler Firefighter Market Comparison. Fire Engineer and Fire Captain salary ranges will be adjusted in accordance with Section 3-1(A) of this Memorandum.

Any time an adjustment is made to the maximum salary for Firefighter position pursuant to this section, the minimum salary for the position shall be adjusted by the same percentage increase as the increase to the maximum salary. Rates of pay for all unit members shall be adjusted by the same percentage increase as the increase to the maximum salary as calculated under this Section.

Any wage increase associated with a pay range adjustment shall become effective on the first day of the next full pay period after the survey data has been accepted and signed by the Association. In the event that the annual salary survey results in the Chandler Firefighter maximum salary being ranked above the third (3<sup>rd</sup>) position, Chandler pay ranges will not be decreased.

### **Section 3 – 2: Overtime**

- A. A regularly recurring 24-day FLSA work period shall be established and will apply to unit members assigned to Operations and employed in fire protection activities (excluding those on a 40 hour per week staff assignments).



- B. The parties understand that the FLSA work period and the pay period do not coincide. They anticipate that the hours worked each 24-day work period will be stable, but the hours worked in each pay period will fluctuate. Unit members' preference is to have their pay be as consistent as possible each pay period. Accordingly, unit members covered by the 24-day work period shall receive a fixed bi-weekly "salary" equivalent to one hundred twelve point three one (112.31) hours at the member's regular rate of pay. The fixed salary is intended to compensate each unit member for all hours worked during each 24-day work period. If a member does not work all of their scheduled duty hours during the pay period, the time scheduled but not worked shall be deducted from the member's available banks of accrued leave or compensatory time, as appropriate.
- C. Unit members shall receive additional overtime premium at the rate of one-half (1/2) of the unit member's regular rate of pay for all time worked in accordance with the established work schedule in excess of one hundred eighty-two (182) hours during each 24-day work period ("Scheduled FLSA Overtime"). Members are paid an overtime premium of one-half (1/2) the regular rate of pay for working the Scheduled FLSA Overtime hours because members have already received compensation for the hours at the straight time hourly rate under the fixed salary described under B, above, and 29 C.F.R. § 778.114.
- D. Unit members will be paid their overtime premium for Scheduled FLSA Overtime worked in each 24-day work period in the paycheck associated with the end of that 24-day work period.
- E. Unit members who are assigned to be and are on duty beyond their scheduled standard work shifts shall be compensated for such additional assigned overtime work at one and one-half times (1.5x) their regular rate of pay ("Additional Overtime"). Unit members on either the 24-day work period or the standard 40-hour workweek shall be compensated after the first seven (7) minutes of assigned and worked additional overtime calculated to the nearest one-quarter (1/4) hour. Unit members will be paid for additional overtime in the paycheck associated with the pay period in which the additional overtime was worked.
- F. Paid vacation, paid sick leave, paid military leave, paid jury duty, paid bereavement leave, holiday leave, and safety day leave shall be counted as hours worked for credit toward overtime calculations.



### **Section 3 – 3: Call Back Pay**

- A. Call back time shall be at a minimum of one (1) hour at one and one-half times (1.5x) the unit member's base rate of pay after the first seven (7) minutes calculated to the nearest one-quarter (1/4) hour.

### **Section 3 – 4: Day Positions**

#### **A. Authorized Staff Assignments for Fire Captains**

- 1) Unit members assigned by the Fire Chief to staff assignments in authorized staff positions (40 hours) will be entitled to five percent (5%) assignment pay if such assignment is to exceed two (2) consecutive pay periods and shall continue to receive such assignment pay for the duration of such assignment.
- 2) Unit members assigned to an authorized 40-hour staff assignment and who are receiving assignment pay in their regular assignment shall be eligible for Paramedic assignment pay and/or Special Operations assignment pay depending on the assignment.
- 3) Unit members assigned to an authorized 40-hour staff assignment will receive FLSA overtime.
- 4) Unit members assigned to an authorized 40-hour staff assignment will receive holiday pay, holiday time off, and/or holiday accrual hours in accordance with Article 5, Section 6.

#### **B. Light Duty Assignments**

- 1) Unit members assigned to light duty, as a result of a work-related injury, shall continue to receive FLSA overtime for the duration of their light duty assignment, irrespective of their actual work hours.
- 2) Unit members granted a light duty assignment, as a result of a non-work-related illness or injury, will receive FLSA overtime.
- 3) Unit members on light duty who are receiving assignment pay in their regular assignment shall be eligible for Paramedic assignment pay and/or Special Operations assignment pay depending on the assignment.



- 4) Unit members on light duty will receive holiday pay, holiday time off, and/or holiday accrual hours in accordance with Article 5, Section 6.

#### C. Emergency Response Assignments

- 1) Emergency Response Assignments are defined as any authorized 40-hour position that may be dispatched as part of their duty assignment.
- 2) Unit members assigned to an authorized 40-hour emergency response assignment are eligible for Paramedic assignment pay and/or Special Operations assignment pay depending on assignment.
- 3) Unit members assigned to an authorized 40-hour emergency response assignment will receive FLSA overtime.
- 4) Unit members assigned to an authorized 40-hour emergency response assignment will receive holiday pay, holiday time off, and/or holiday accrual hours in accordance with Article 5, Section 6.

### **Section 3 – 5: Working Out-of-Classification**

- A. Unit members assigned to work out of classification for two (2) pay periods shall be paid in accordance with Personnel Rule 3, Section 5 (Temporary Detail).
- B. Unit members who are assigned to work as a move up Engineer, move up Captain, or move up Battalion Chief shall be assigned an out of class assignment pay if the assignment is for four (4) hours or greater.
- C. Move up Engineer assignment pay shall be five percent (5%) of the top of range Firefighter base salary. (Engineer base – top of range Firefighter pay = Engineer move up pay).
- D. Move up Captain assignment pay shall be five percent (5%) of the top of range Engineer base salary. (Captain base – top of range Engineer = Captain move up pay).
- E. Move up Battalion Chief assignment pay shall be five percent (5%) of the top of range Captain base salary.

### **Section 3 – 6: Deferred Compensation**

The City shall make a deferred compensation contribution as follows up to the I.R.S annual contribution limit:



| <b><u>Employee Contribution</u></b>  | <b><u>City Contribution</u></b>                      |
|--|--|
| At least twenty-five dollars (\$25) but less than fifty dollars (\$50) per pay period  | One percent (1%) biweekly gross pay per pay period   |
| At least fifty dollars (\$50) but less than seventy-five dollars (\$75) per pay period | Two percent (2%) biweekly gross pay per pay period   |
| Seventy-five dollars (\$75) or more per pay period                                     | Three percent (3%) biweekly gross pay per pay period |

## **ARTICLE 4: HOURS OF WORK / WORKING CONDITIONS**

### **Section 4 – 1: Hours of Work**

A. For unit members assigned to Operations and employed in fire protection activities (excluding those on 40 hour per week staff assignments):

- 1) Duty shifts shall continue to be twenty-four (24) consecutive hours in duration. Each duty shift shall commence at 0800 hours and continue until 0759 hours the following day.
- 2) The standard duty schedule shall consist of two (2) consecutive 24-hour shifts (48 hours) on duty followed by four (4) consecutive 24-hour shifts (96 hours) off duty ("48/96 work schedule"). Unit members on the 48/96 work schedule work an average of fifty-six (56) hours per week or one hundred twelve point three one (112.31) hours per two (2) week pay period. The 48/96 work schedule results in ten (10) hours of scheduled overtime per 24-day work period. Changes to a unit member's duty schedule are within the discretion of the Fire Chief or designee.

The work hours and schedule of unit members assigned to the 40-hour schedules shall be at the discretion of the Fire Chief.

## **ARTICLE 5: BENEFITS**

The City recognizes the Employee Organization's right to explore and exercise the option for its covered membership to leave all or part of the City's health benefit plan, which includes medical, dental, and vision coverage.



If the Employee Organization elects to leave all or part of the City's health benefit plan, the Employee Organization must notify the City in writing of its intent to leave the health plan by June 30<sup>th</sup> to exit the plan on January of the next year.

The Employee Organization recognizes that if this option is exercised, there may or may not be an impact that affects members covered by the City's current plan.

In order to facilitate a responsible and reasonable transition, the City and the Employee Organization agree to engage in discussions in labor management at the request of either party at mutually agreeable dates, times, and locations.

Items for discussion include, but are not limited to, the following:

- Timeframes associated with notification by the Employee Organization to the City to execute an exit from the plan.
- Timeframes associated with necessary reports, documentation, and/or information required to facilitate the exit.
- System impacts.
- Financial arrangements associated with the Employee Organization's exit from the plan.
- Impacts to the City's plan and premiums if the option is exercised as well as strategies to minimize the possible impacts.
- The option and parameters to explore leaving the City's life insurance plan.

Upon consensus, both parties will mutually agree to add an addendum to the existing MOU to document the agreement that results from the Labor-Management process.

### **Section 5 – 1: Health Insurance**

The City will pay a minimum of eighty percent (80%) and the employee will pay a maximum of twenty percent (20%) of the cost of the monthly premium of the City's medical insurance benefit.

### **Section 5 – 2: Dental Insurance**

For the term of this Memorandum, the City will pay one hundred percent (100%) of the City-sponsored dental insurance premium for employee only coverage; seventy



percent (70%) for employee plus one (1), and fifty percent (50%) for employee plus two (2) coverage.

### **Section 5 – 3: Health Insurance Trust Fund**

- A. The City will contribute twenty-five dollars (\$25) per unit member, per pay period, into a fund for the purpose of providing retiree health care benefits and other benefits as the trustees of the fund may determine. This contribution will be matched by a twenty-five dollars (\$25) per pay period contribution to the same fund by each unit member.
- B. The trust fund shall be managed and administered in accordance with the terms of the Amended and Restated Agreement and Declaration of Trust for the Chandler Fire Fighters Employee Benefit Trust Fund (the "Trust Agreement"), as agreed upon by both parties.

### **Section 5 – 4: Life Insurance**

- A.) The City provides a basic life insurance policy which provides a benefit to the designated beneficiary(s) of fifty thousand dollars (\$50,000) or an amount equal to an employee's annual salary up to two hundred thousand dollars (\$200,000) whichever is higher, in the event of an employee's death.
- B.) The City provides an Accidental Death and Dismemberment (AD&D) policy which provides a benefit to the designated beneficiary(s) of fifty thousand dollars (\$50,000) or an amount equal to an employee's annual salary up to two hundred thousand dollars (\$200,000), whichever is higher, in the event of an employee's death due to an accident or injury (on or off the job). The AD&D policy also pays benefits if the employee loses a limb, their sight, hearing, or speech in an accident.

If an employee should die from an accident while they are commuting to or from work or traveling on City business this plan would pay their beneficiary(s) two hundred thousand dollars (\$200,000). It also includes an additional twenty thousand dollars (\$20,000) benefit if the employee was wearing a seat belt.

\*Note: Actual plan documents supersede plan summaries.

### **Section 5 – 5: Short- and Long-Term Disability Insurance**

- A. If an employee's illness or injury prevents them from working, this plan helps replace lost income. Provided an employee is a regular employee, and meets the qualifications of the plan, they would receive sixty-six and two-thirds percent (66



2/3%) of their pay. The benefit begins on the later of the sixtieth (60<sup>th</sup>) day of disability or when all sick time has been exhausted. Benefits run through the one hundred eightieth (180<sup>th</sup>) day of disability.

- B. If an employee's illness or injury prevents them from working beyond one hundred eighty (180) days, this plan helps replace lost income. An employee would receive sixty-six and two-thirds percent (66 2/3%) of their pay until they are no longer disabled or eligible to retire, whichever occurs first.

\*Note: Actual plan documents supersede plan summaries.

## **Section 5 – 6: Holidays**

- A. The City observes the holidays listed below during the calendar year. Holiday hours will be paid at the unit member's regular rate of pay.

1. New Year's Day
2. Martin Luther King, Jr./Civil Rights Day
3. Presidents' Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Veterans' Day
8. Thanksgiving Day
9. Friday after Thanksgiving
10. Christmas Day
11. Personal Holiday

- B. Unit members shall receive holiday pay, holiday time off, and/or holiday accrual hours for each holiday listed in Section 5-6 (A) as outlined in Table 1 of Article 5, Section 6 (D), with the exception of the Personal Holiday.

All unit members will receive payment for the Personal Holiday during the first pay period that pays in January each year. No unit members will receive holiday time off for the Personal Holiday.

- C. Table 1: Holiday Pay, Holiday Time Off, and Holiday Accrual Hours

| <b>Assignment</b>  | <b>Holiday Off</b> | <b>Holiday Pay</b> | <b>Holiday Accrual</b> |
|--------------------|--------------------|--------------------|------------------------|
| 24-Day Work Period | Varies by schedule | 11.2               | 2.8                    |



|                                       |                    |      |     |
|---------------------------------------|--------------------|------|-----|
| 40-Hour Emergency Response            | Varies by schedule | 7.98 | 2.0 |
| Day Staff Assignment                  | 8-Hour Holiday off | 7.98 | 2.0 |
| Light Duty-On the Job Injury/Illness  | 8-Hour Holiday off | 7.98 | 2.0 |
| Light Duty-Off the Job Injury/Illness | 8-Hour Holiday off | N/A  | 2.0 |

- D. When a holiday falls on Sunday, it will be observed on the following Monday. When a holiday falls on Saturday, it will be observed on the preceding Friday.
- E. Beginning FY 24-25, Unit members whose regular work schedule falls on the actual date of a holiday listed below and who physically work the holiday shall receive compensation at one and one-half (1.5) times their rate of pay for each hour worked on a holiday. This applies to those working a 24-day work period and those assigned to a 40-hour truck that is in service when operational requirements do not permit an alternate day off in lieu of the official holiday.

1. New Year's Day
2. Martin Luther King, Jr./Civil Rights Day
3. Presidents' Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Veterans' Day
8. Thanksgiving Day
9. Friday after Thanksgiving
10. Christmas Day

## **Section 5 – 7: Vacation**

- A. All full-time unit members shall earn vacation leave as outlined in the following schedule. Hours are given per pay period.

### **40 Hour Work Week**

| <b>Years of Service</b> | <b>Hours</b> |
|-------------------------|--------------|
| 0-4 Years               | 5.0          |
| 5-9 Years               | 5.9          |
| 10-14 Years             | 6.6          |
| 15-19 Years             | 7.4          |
| 20+ Years               | 8.3          |



**24-Day Work Period**

| <b>Years of Service</b> | <b>Hours</b> |
|-------------------------|--------------|
| 0-4 Years               | 7.00         |
| 5-9 Years               | 8.26         |
| 10-14 Years             | 9.24         |
| 15-19 Years             | 10.39        |
| 20+ Years               | 11.65        |

- B. Vacation credits shall not be allowed to accumulate in excess of four hundred forty-eight (448) hours for a unit member on a 24-day work period.
- C. Vacation credits shall not be allowed to accumulate in excess of three hundred twenty (320) hours for a unit member on a 40-hour work week.
- D. Unit members assigned to a 24-day work period who have a minimum of four hundred forty-eight (448) hours or unit members assigned to a seven (7) day, 40 hour work week who have a minimum of three hundred twenty (320) hours or more of accrued and unused leave time, including Vacation, Safety Day or Holiday accrual hours, at the time of initial request and who have attained a minimum of seventeen (17) years of City service may elect to have the additional vacation leave that they earn paid to them on a bi-weekly basis for the upcoming three (3) consecutive years. Once the unit member elects to exercise this benefit, it must continue for the full three (3) consecutive years. A unit member may draw down the current four hundred sixteen or three hundred twenty (448/320) hour balance. The vacation leave payout under this section is not compensation for purposes of PSPRS for those members entering the program on or after July 1, 2016. Unit members in the program prior to July 1, 2016, will be governed under the past MOU for purposes of compensation.
- 1) The payment begins the following pay period after receipt of the election form in Human Resources and continues for the upcoming three (3) consecutive years.
  - 2) The unit member may stop the election anytime during the three (3) year period; however, the unit member forfeits the remainder of that election period.
  - 3) Unit member's election of this benefit shall be limited to one (1), three (3) year election period even if the unit member's election of the benefit was made under a previous MOU.



- E. Once per Fiscal Year, bargaining unit members assigned to a 40-hour work week shall be permitted to cash in up to fifty-two (52) hours of vacation time and unit members assigned to a 24-day work period shall be permitted to cash in up to seventy-two (72) hours of vacation time to be paid at the unit member's base rate of pay.

## **Section 5 – 8: Uniforms**

- A. Unit members will receive a one thousand dollars (\$1,000) uniform allowance per year. The uniform allowance will be in the form of a credit at the Fire Department's designated uniform vendor. Seventy-five dollars (\$75) of the uniform allowance may be utilized for approved safety equipment at the unit member's discretion.
- B. Unit members' uniform allowance shall receive BAF (Base Adjustment Factor) each year. BAF shall not be given when City Official designate no adjustment for entire City.
- C. At the end of the City's fiscal year, the unused portion of the member's uniform allowance shall be deposited by the City into the Firefighters Insurance Benefit Trust Fund. By mutual agreement of the Fire Chief and the Union, the deposit may be waived in any year and the unused portion would then stay in the Fire Department's budget.

## **Section 5 – 9: Sick Leave**

- A. Every full-time unit member shall be credited three point seven (3.7) hours (40-hour work week) or five point one eight (5.18) hours (24-day work period) for each completed pay period. Sick leave shall accrue with no maximum.
- B. Unit members assigned to a 24-day work period who have a minimum of one thousand, four hundred (1,400) hours or unit members assigned to a seven (7) day, 40 hour work week who have a minimum of one thousand (1,000) hours or more of accrued and unused sick leave at the time of initial request and who have attained a minimum of seventeen (17) years of City service may elect to have the additional sick leave they earn to be paid to them on a bi-weekly basis for the upcoming three (3) consecutive years. Once the unit member elects to exercise this benefit, it must continue for the full three (3) consecutive year period. After electing to receive this benefit, the unit member may draw down the current one thousand, four hundred or one thousand (1,400/1,000) hour balance. The sick leave payout under this section is not compensation for the purposes of PSPRS for



those members entering the program on or after July 1, 2016. Unit members in the program prior to July 1, 2016, will be governed under the past MOU for purposes of compensation.

- 1) The payment begins the following pay period after receipt of the election form in Human Resources and continues for the upcoming three (3) consecutive years.
  - 2) The unit member may stop the election anytime during the three (3) year period; however, the unit member forfeits the remainder of that election period.
  - 3) Unit member's election of this benefit shall be limited to one (1), three (3) year election period even if the unit member's election of the benefit was made under a previous MOU.
- C. Upon completion of one (1) year of employment and annually thereafter, unit members assigned to a 24-day work period who have used fewer than fifty-six (56) hours of sick leave (excluding sick leave industrial) or unit members assigned to a seven (7) day, 40 hour work week who have used fewer than forty (40) hours of sick leave (excluding sick leave industrial) during the year preceding their anniversary date of employment may choose to convert thirty-three point six (33.6) hours of sick leave (24-day work period) or twenty-four (24) hours of sick leave (7 day, 40 hour week) to vacation or have thirty-three point six (33.6) hours of sick leave (24-day work period) or twenty-four (24) hours (7 day, 40 hour week) deposited into their RHSP. Elections must be made within the pay period in which the employee's anniversary date occurs.

#### **Section 5 – 9A: Payment of Sick Leave Upon Death**

- A. The beneficiaries of a unit member who dies prior to retirement shall receive compensation for all accrued sick leave at the rate of fifty percent (50%) of the accrued sick leave hours at the unit member's current base rate and shall receive compensation for Years of Service Pay as established by the City Manager for each of the twelve (12) month year of City of Chandler service prorated for any partial year.
- B. The beneficiaries of a unit member who dies in the line of duty shall receive compensation for all accrued sick leave at the rate of one hundred percent (100%) of the accrued sick leave hours at the unit member's current base rate and shall receive compensation for Years of Service Pay as established by the City Manager



for each of the twelve (12) month year of City of Chandler service prorated for any partial year.

**Section 5 – 10: Post Employment Health Plan**

During the term of this Memorandum, the City will continue its Citywide PEHP for all regular, benefited employees.

- A. The City shall contribute fifteen dollars (\$15.00) per pay period into the PEHP plan while actively employed.
- B. Any unit member who has ten (10) years of service or more with the City of Chandler as of the 1st full pay period in July 2024 will receive a one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.
- C. Any unit member who has ten (10) years of service or more with the City of Chandler as of the 1st full pay period in July 2025 and who did not receive a payment in 2024 will receive a one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.
- D. Upon application for retirement from the City of Chandler with immediate retirement into the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS) the following will occur in FY 24-25:

| <b>Years of Service (YOS)</b> | <b>Employer Contribution into PHEP based on YOS-pro-rated for any partial year</b> | <b>Sick leave balance contribution into PHEP</b> |
|-------------------------------|--|--|
| <b>Any</b>                    | \$900.00   | 50%  |

- E. Upon application for retirement from the City of Chandler with immediate retirement into the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS) the following will occur in FY 25-26:

| <b>Years of Service (YOS)</b> | <b>Employer Contribution into PHEP based on YOS-pro-rated for any partial year</b> | <b>Sick leave balance contribution into PHEP</b> |
|-------------------------------|--|--|
| <b>1-19</b>                   | \$900.00   | 50%  |
| <b>20-24</b>                  | \$1,500.00   | 50%  |
| <b>25+</b>                    | \$1,750.00   | 50%  |



All other provisions must be in accordance with Administrative Regulation CC Reg. CM-57.

### **Section 5 – 11: Tuition Reimbursement**

- A. The City will assist regular unit members in their pursuit of additional formal education from an institution in areas related to a City career field. A City policy and procedure shall be established by which tuition reimbursement will be administered and which will reimburse unit members.
- B. Any unit member who has successfully completed at least six (6) months of the initial probationary period and is eligible for vacation benefits is eligible for consideration of tuition reimbursements.
- C. The current reimbursement allowed per tax calendar year for a regular full-time employee is a total of five thousand, two hundred fifty dollars (\$5,250). The current reimbursement allowed per tax calendar year for a regular part-time employee is a total of three thousand, two hundred dollars (\$3,200). The date of reimbursement will determine the tax year to which the cost will be allocated. If the employee completes courses which exceed the maximum allowable reimbursement the employee shall be responsible for payment of the balance.

### **Section 5 – 12: Bereavement Leave**

- A. Family Death: When a member of an employee's immediate family dies, the employee shall be granted a special leave with pay, not chargeable against any leave credits, for a period not to exceed three (3) workdays. Two (2) additional days of special leave with pay may be granted if the employee must travel out of state.

The Department Director shall approve this special leave with pay. If additional leave is needed, the employee must use vacation credits or take leave without pay.

- B. Death of Co-worker: Special leave of absence with pay may be granted by the City Manager to allow co-workers to attend memorial/funeral services allowing sufficient local travel time to and from service site. Such leave is not to be charged to any of the employee's accrued leave or compensatory time.

### **Section 5 – 13: Employee Assistance Plan (EAP)**

- A. This Plan allows unit members and their family members up to ten (10) free visits per year per separate condition to meet with an EAP counselor.



## **ARTICLE 6: MISCELLANEOUS**

### **Section 6 – 1: Saving Clause**

- A. If any Article or Section of this Memorandum should be held invalid by operation of law or by final judgment of any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby; and upon issuance of such final decree, the parties, upon request of either of them, shall meet and confer and endeavor to agree on a substitution provision or that such a substitute provision is not indicated.
- B. It is recognized by the parties that this Memorandum shall be administered in compliance with appropriate provisions of the Fair Labor Standards Act as may be amended.

### **Section 6 – 2: Copies of Memorandum**

- A. Within sixty-days (60) of the date that this Memorandum is adopted by the City Council, the Local will arrange for printing of jointly approved copies of it for furnishing one to every unit member, unit supervisor and to management personnel. The cost of such duplication and distribution will be paid for equally by the Employee Organization and the City.

### **Section 6 – 3: Term and Effect of Memorandum**

- A. This Memorandum shall remain in full force and effect beginning July 1, 2024, through June 30, 2026, and thereafter shall continue in effect year-by-year unless one of the parties notifies the other in writing no later than September 1, 2025, of its request(s) to modify or terminate it.
- B. Except as expressly provided in this Memorandum, the City shall not be required to meet and confer concerning any matter, whether covered or not covered herein, during the term or extensions thereof.
- C. If any section or provision of this Memorandum violates existing federal, state, or city law, then such law shall supersede such provisions or section.



- D. The lawful provisions of this Memorandum are binding upon the parties for the term thereof. The Employee Organization having had an opportunity to raise all matters in connection with the meet and confer proceedings resulting in this Memorandum is precluded from initiating any further meeting and conferring for the term thereof relative to matters under the control of the City Council or the City Manager.
- E. This Memorandum constitutes the total and entire agreement between the parties and no verbal statement shall supersede any of its provisions.
- F. The City's rules and regulations, administrative directives, departmental rules and regulations, and workplace practices shall govern employee relations unless there is a specific conflict with a Memorandum of Understanding approved by the City Council pursuant to the Meet and Confer Ordinance. Where a specific conflict exists, the Memorandum of Understanding shall govern.
- G. A Memorandum of Understanding cannot contradict the Meet and Confer Ordinance.



**IN WITNESS WHEREOF**, the parties hereto have hereunto subscribed their names this

\_\_\_\_\_ day of \_\_\_\_\_, 2024.

City of Chandler

Employee Organization  
Representative

By: \_\_\_\_\_  
Mayor

By: William "Scott" Onyett, Employee Or  
William "Scott" Onyett

Attest: \_\_\_\_\_  
City Clerk

Approved to form:

(SEAL)

\_\_\_\_\_  
City Attorney

*REL*

ATTEST: \_\_\_\_\_





**City Council Memorandum      Human Resources      Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
**From:** Rae Lynn Nielsen, Human Resources Director  
**Subject:** Chandler Law Enforcement Association (CLEA) Memorandum of Understanding

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**Proposed Motion:**

Move City Council approve the Memorandum of Understanding (MOU) between the City of Chandler and the Chandler Law Enforcement Association (CLEA) effective July 1, 2024, through June 30, 2026.

**Background/Discussion**

The city notified CLEA on July 7, 2023, of its request to enter into negotiations for the current MOU expiring June 30, 2024, as required by the MOU. A combined budget briefing with all associations was held on August 9, 2023, to begin the process prior to CLEA meeting with City Council on September 7, 2023. Two executive sessions were held on September 21 and September 26, 2023, and formal negotiation meetings commenced on October 5, 2023, with a tentative agreement made on November 27, 2023. All articles in the MOU were open to negotiations.

The city and CLEA were able to reach agreement on a two (2) year MOU that will be in effect from July 1, 2024, through June 30, 2026. The agreement does not include any areas to be reopened during the term. The Meet and Confer ordinance was amended in October 2018 and allows for the MOU to continue from year to year after the initial term above ends absent notice by either party of its desire to amend or modify the agreement through Meet and Confer.

Substantive changes to the MOU include:



- Fund ongoing merit increases of up to 5% for both FY 24/25 and FY 25/26 for all eligible officers.
- The compensation market position will remain at 3rd Market as the measure for market increases during the term of the MOU.
- Effective the first full pay period of July 2024 and July 2025, all eligible Association members will receive a one-time, lump sum, non-pensionable payment of \$1,500.
- Effective July 1, 2024, fund a 5% Special Assignment Pay Differential for officers in addition to those already covered in the MOU in the following specialty assignments: Bike Team, School Resource Officer, Behavioral Health Unit, and Neighborhood Response Team.
- Additional language was added in the event a specialty unit is newly created, disbanded, replaced or renamed. Based on criteria outlined in the MOU, compensation may or may not be applied to those units.
- Effective January 1, 2024 (prior to the MOU term), the following vacation accrual increases occurred:
  - 0-5 years of service increase from 4.7 hours per pay period to 5.0 hours per pay period
  - 5-10 years of service increase from 5.6 hours per pay period to 5.9 hours per pay period
  - 10-15 years of service increase from 6.5 hours per pay period to 6.6 hours per pay period
  - The maximum vacation accrual cap per year will increase from 240 hours to 320 hours with the 2024 accruals.
- Effective the first full pay period of July 2024, any officer who has ten (10) years or more of service with the City of Chandler will receive a one-time contribution into their Post Employment Health Plan (PEHP) account in the amount of \$10,000.
- Effective July 1, 2024, the City will increase the pay period contribution for active members into the PEHP account from \$15.00 per pay period to \$40.00 per pay period. Officers will contribute the same amount.
- Effective July 1, 2024, the following contributions will be made to an officer's PEHP account at the time of retirement based on years of service with the City of Chandler:

| Years of Service (YOS) | Contribution Amount x Years of Service | Sick Leave Contribution |
|------------------------|--|-------------------------|
| 5-19                   | \$900.00                               | 50%                     |
| 20-24                  | \$1250.00                              | 50%                     |
| 25-29                  | \$1500.00                              | 50%                     |



|     |           |     |
|-----|-----------|-----|
| 30+ | \$1750.00 | 65% |
|-----|-----------|-----|

- Effective the first full pay period of July 2025, any officer who has ten (10) years or more of service with the City of Chandler who did not receive a contribution in 2024 will receive a one-time contribution into their Post Employment Health Plan (PEHP) account in the amount of \$10,000.
- Effective the first full pay period of July 2025, any officer who has 15-19 years of year service with the City of Chandler will receive an additional one-time \$5,000 contribution into their PHEP account.
- Effective the first full pay period of July, 2025, any officer who has 20 or more years of service with the City of Chandler will receive an additional one-time \$10,000 contribution into their PHEP account.
- Effective July 1, 2025, contributions to a retiring officer's PEHP account will remain as stated in the chart above, except that officers with 30+ years of City of Chandler service will receive 50% of their sick leave balance.
- Effective July 1, 2025, any officer whose regularly scheduled shift begins on the actual date of a holiday listed in the MOU shall receive compensation at one and one-half (1.5) times their rate of pay for each hour worked through the holiday shift. This applies to those on patrol or assignment to a specialty unit when operational requirements or staffing mandates do not permit an alternate day off in lieu of the official holiday.

Release hours and specialty language was updated throughout the agreement.

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### Attachments

Signed agreement



# **MEMORANDUM OF UNDERSTANDING**

**July 1, 2024– June 30, 2026**

**CITY OF CHANDLER**

**AND**

**CHANDLER LAW ENFORCEMENT ASSOCIATION**

**REPRESENTING  
CHANDLER POLICE OFFICERS**



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## **PREAMBLE**

Whereas the well-being and morale of the employees of the City are benefited by providing an opportunity to participate in the formulation of policies and practices affecting the wages, hours, benefits, and other conditions of their employment; and

Whereas the parties hereby acknowledge that the provisions of this Memorandum of Understanding (hereinafter "Memorandum") are not intended to abrogate the authority and responsibility of the City government provided for under the statutes of the State of Arizona or the charter or ordinances of the City; and

Whereas the parties, through their designated representatives, met and conferred in good faith pursuant to the Meet and Confer Ordinance in order to reach agreement concerning wages, hours, benefits, and other conditions of employment in the bargaining unit; and

Now therefore, the City of Chandler, hereinafter referred to as the "City" and, Chandler Law Enforcement Association (CLEA), hereinafter referred to as the "Association," or Association having reached this complete agreement concerning wages, hours, and working conditions for the term specified, the parties submit the Memorandum to the Mayor and the City Council of the City of Chandler with their joint recommendation that the body resolve to adopt its terms.



## **ARTICLE 1: RIGHTS**

### **Section 1 – 1: Purpose/Gender**

It is the purpose of this Memorandum to continue and maintain harmonious relations, cooperation, and understanding between the City and its unit members; and to set forth the full and entire understanding of the parties reached as a result of a good faith meeting and conferring regarding wages, hours, benefits, terms, and other conditions of employment of the unit members covered hereby, which understanding the parties intend jointly to submit and recommend for approval and implementation to the Mayor and City Council.

Whenever any words used herein are in the masculine, feminine, or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply.

### **Section 1 – 2: City and Management Rights**

The City and the City Manager's rights are not subjugated or diminished in any way by any expressed or implied duty or obligation to meet and confer. Retained management rights are not subject to the grievance procedure contained in any Memorandum of Understanding, nor are they subject to any other appeal or complaint process.

- A. The City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage its municipal services and work force performing those services. The authority of the City shall not be modified or limited by inference or implication.
- B. The exclusive rights of the City shall include, but not be limited to:
  - The right to determine the organization of City government, the purpose of each of its departments, and the purpose and mission of its constituent agencies, boards, and commissions.
  - Set standards of service to be offered to the public, and through its management officials to exercise control and discretion over its organization and operations.



- Establish rules and practices governing the conduct of unit members, to direct and supervise its unit members and their work, to take disciplinary action, to relieve its unit members from duty because of lack of work or for other legitimate reasons.
  - Determine whether goods and or services shall be made, purchased, or contracted for.
  - Determine the methods, means, and personnel by which the City's services are to be provided, including the right to schedule, and assign work and overtime, to hire, transfer, and reassign unit members and to otherwise act in the interests of efficient service to the community.
  - The City reserves the right to establish and revise work schedules and work locations; to establish, revise, and implement standards for hiring and promoting unit members; to determine the need for additional positions and the qualifications of new unit members and to determine the qualifications for and/or the qualifications of unit members considered for transfer and/or promotion; to evaluate and judge the skill, ability, and efficiency and general work performance of unit members.
  - Adopt and manage its budget, provide for the funding of certain levels of service, to add, delete, modify, or suspend certain programs, functions, divisions, and departments as the City Council in the exercise of its legislative authority to create and manage the City's budget and to determine whatever action to be necessary and appropriate.
  - Take all necessary actions to maintain uninterrupted service to the community.
- C. The City retains all rights not specifically limited by a Memorandum of Understanding approved in accordance with the provisions of the Meet and Confer Ordinance, Chandler City Code § 2-13, as amended.
- D. The enumeration of the above rights is illustrative only and is not to be construed as being all-inclusive.



## **Section 1 – 3: Rights of the Association**

- A. The City recognizes the Chandler Law Enforcement Association as the sole and exclusive Meet and Confer authorized representative pursuant to the Meet and Confer Ordinance for purposes of representation regarding wages, hours, benefits, and other conditions of employment for all regular, full-time, non-probationary unit members in the Police Officer employee group. Associations shall have no rights beyond those specified in the Meet and Confer Ordinance, Title 38 of the Revised Arizona State Statute, and this Memorandum.
- B. Certain specified representatives of the Association have the right to paid release time herein as follows:
- 1) The Association may designate up to eleven (11) representatives and shall notify the Chief of Police in writing of such designations. There shall be no obligation on the City to change or adjust normal departmental scheduling or assignments of personnel as a result of such designations.
  - 2) One (1) Association representative may, when the Association is designated in writing by the unit member group member as their representative, attend mutually scheduled grievance meetings and hearings with department and City representatives without loss of pay or benefits. In no event shall this paid release time be used for any other purposes, such as gathering information, interviewing the grievant/appellant or witnesses, or preparing a presentation. The Association representative is required to obtain the permission of their department supervisor to absent themselves from their duties to attend scheduled grievance meetings. Subject to operational needs and scheduling factors this permission shall not be unreasonably withheld. An Association representative wishing to enter a work area for the purpose of investigating a formal grievance must first gain the permission of the work area supervisor. This permission will not be unreasonably withheld, giving proper consideration to essential work of the department and the occupational safety of the Association representative.
- C. Payroll Dues Deduction
- 1) The City shall deduct yearly from all twenty-six (26) checks of Association members, the regular periodic Association membership dues pursuant to the City's deduction authorization form duly completed and signed by the



unit member and transmit such deductions monthly to the Association no later than the fourteenth (14<sup>th</sup>) day following the end of the pay period in which the deduction occurs, along with an alphabetical list of all unit members for whom the deductions have been made. Such deduction shall be made only when the Association member's earnings for a pay period are sufficient after other legally required deductions are made. Deductions may be made for both represented and non-represented members who are full-time status within the Police Officer or Police Officer Lateral classification the pay period after a completed and signed City deduction authorization form is received in Human Resources.

- 2) Authorization for membership dues deduction hereunder includes authorization for the deduction of accrued vacation leave designated in Release Time (H) of this Article the leave bank of each dues-paying member as set forth under Section 1 – 3 (H) and shall remain in effect during the term hereof unless revoked in writing by the unit member. The City shall accept revocation of dues/vacation hour deductions only between January 1<sup>st</sup>-10<sup>th</sup> and July 1<sup>st</sup>-10<sup>th</sup> each year. Termination of dues deductions shall be effective the first full payroll period following receipt of the revocation. Termination of vacation hour deductions shall be effective as of the next scheduled deduction in July. The City will notify the Association of any revocations submitted to it.
- 3) The City shall not make any payroll deductions for unit members on behalf of any other organization that purports to provide benefits similar to those offered by the designated Association (as defined in the Meet and Confer Ordinance) during the term of this Memorandum.
- 4) It is agreed that the City assumes no liability on account of any actions taken pursuant to this section. The City will; however, as promptly as technically possible, implement changes brought to its attention.
- 5) The City shall, at the written request of the Association during the term of this Memorandum, make changes in the amount of dues deduction hereunder for the general membership, provided costs for implementing such changes shall be reimbursed by the Association at actual cost incurred by the City.

#### D. Solicitation, Distribution of Material, and Use of Facilities and Services



- 1) The solicitation of members, dues collection, distribution of material, and other internal Association business occurring during working-hours shall be brief in nature and shall not unreasonably interfere with the work process.
- 2) The City shall provide the Association with space for bulletin boards for its use in communicating with its members at mutually agreeable locations. The City shall grant sole and exclusive use of such bulletin boards to the Association. Bulletin boards shall not exceed four feet wide by three feet tall (4' x 3') in size.
- 3) The bulletin boards shall be used only for the following notices: recreational and social affairs of the Association; Association meetings; Association elections; charitable events; benefits; reports of the Executive Board or committees; rulings or policies of the state or national organizations; and legislative enactments and judicial decisions affecting public sector labor relations. Notices shall not contain anything political; anything reflecting adversely on the City or any of its employees; or anything that is disruptive of the City's operations. The City may order the removal of any posted notice on the basis that it violates the requirements herein. The Association may dispute the order of removal by filing a grievance pursuant to Personnel Rule 18- Grievance Procedures. Posted material will be signed by an authorized official of the organization. The Association agrees to keep the bulletin board in good order.
- 4) The Association is authorized to use mutually agreed upon non-work areas in City facilities for pick-up by or distribution to unit members of official Association literature that is not political in nature, abusive of any person or organization. The use of working areas or use of City equipment and information systems for the solicitation of members, dues collection, and distribution of materials relating to other Association business shall be prohibited unless allowed by a specific section of the Memorandum or by written permission of the Office of the Chief, or in their absence, by the Office of the City Manager or designee.
- 5) The Association President, or their designee, will be provided a mail slot for department communications and may use the City's email system to send emails to unit members to announce meetings. With pre-approval from the Chief or designee, notice of Association charities and upcoming events



may be sent by the email system with designation as being sent on behalf of the CLEA Board.

#### E. Use of Association Hours

1) In recognition of the mutual benefit to both the City and the Association, a unit member using Association hours, as defined below, to conduct Association business shall be accorded all insurance-related benefits. Claims made for benefits will be reviewed on a case-by-case basis in the same manner as the claim of any other employee.

2) Definitions:

i. Association hours: hours donated by the membership, in accordance with this article, for use by a unit member, designated by the President or Board, to conduct legitimate Association business.

3) Approval of Hours

i. Association hours shall be approved by the unit member's supervisor consistent with other leave requests based on staffing at the time of the request and approval shall not be unduly or unreasonably delayed.

ii. The Association will make efforts to provide as much advance notice as possible for use of, or changes to the use of, Association hours. Once hours have been approved, the approval may not later be rescinded.

4) A designated Association representative may respond to a critical incident where they are providing guidance pertaining to the legal rights of a CLEA member in incidents such as an officer involved shooting, in-custody death, etc., to a unit member without advanced notice, provided that:

i. The representative's supervisor or a scene supervisor approves their response to assist the involved unit member(s); and

ii. The representative's assistance to the unit member is brief in nature and does not unreasonably interfere with their primary duties.



5) Review of Association Hours:

- i. Association hours approved as outlined above shall be entered into the established timekeeping system and require no further memorandum requesting their use.
- ii. Nothing in this article or otherwise will require an Association member to declare the purpose of their use of Association hours to any City employee beyond confirming it is for legitimate Association business. Any inquiries regarding the use of Association hours will be handled by the Board of Trustees, who will adopt an internal process to account for hours used.
- iii. If City administration has concerns about a member's Association hours usage, the CLEA Board agrees to meet with police administration. If the issue is not resolved at that time, a meeting with the CLEA Board and the Human Resources Director will occur.

F. Association Hours Contribution Process for Dues Paying Members

- 1) Each dues paying Association member will contribute a minimum of two (2) hours accrued vacation leave to be placed in an Association leave time bank for use by the Association to engage in legitimate Association business.
- 2) Increases to the contribution amount may be made with written notification to the City by the Association President yearly. The notification must be received in the Human Resources office by June 15<sup>th</sup> in the fiscal year prior to the one in which the change will occur.
- 3) Dues paying Association members will have their contribution hours split equally and placed in the Association leave time bank two times per year: effective the first full pay period in July and the first full pay period in January. It is the responsibility of the Association to notify its membership of any changes.
- 4) Authorization for the deduction of accrued vacation hours is included with the member's authorization for the deduction of dues.



- 5) An Association member's revocation of authority for the deduction of dues simultaneously revokes the authority for the annual deductions of vacation hours.
- 6) Revocation of such authority applies prospectively only as set forth in (H) below.

#### G. Association Hours Contribution Process for Non-Dues Paying Members

- 1) Non-dues paying members may elect to annually contribute a minimum of two (2) hours of accrued vacation to the leave time bank. Non-dues paying members may elect to contribute the current dues paying Association member amount if the amount is greater than two (2) hours.
- 2) For voluntary donations of hours by non-dues paying members, the Association shall supply the City with an Association Hours Authorization Form, which includes the name and signature of the unit member and the number of hours of vacation donated by the unit member into the leave time bank.
- 3) The City shall withdraw contribution hours split equally and placed in the Association leave time bank two times per year: effective the first full pay period in July and the first full pay period in January. It is the responsibility of the Association to notify its membership of any changes.
- 4) For voluntary donations of hours by non-dues paying members, the executed Association Hours Authorization Form provides the unit member's authorization for vacation hours to be withdrawn from the unit member's vacation balance in the first full pay period following January 10<sup>th</sup> and July 10<sup>th</sup> each year.
- 5) The revocation process is set forth in (H) below.

#### H. New Member Authorization and Revocation Timeframes

- 1) An individual who hires or transfers into an CLEA represented position after January 10<sup>th</sup> or July 10<sup>th</sup>, and who executes a Payroll Dues Deduction Authorization or Association Hours Authorization Form, may elect at that time to have the vacation hours withdrawn from their vacation balance: (i)



in the first full pay period after receipt of the authorization form by the City, or (ii) in the first full pay period following January 10<sup>th</sup> or July 10<sup>th</sup> in the following year. A new unit member who elects to have vacation hours withdrawn before the next scheduled withdrawal occurs, will have additional hours withdrawn in the next scheduled cycle.

- 2) A unit member may revoke their authorization for the donation of vacation hours by submitting written revocation to the CLEA President who will forward to Human Resources no later than first week of July. The revocation shall apply prospectively to the vacation donation scheduled to take place in in the first full pay period following July 10<sup>th</sup> each year.
  - 3) The Association Hours Authorization of a unit member shall be automatically revoked when the individual is no longer in a position covered by this Memorandum. The revocation shall apply only prospectively to the vacation donation scheduled to take place in July.
- I. Human Resources shall keep a record of all time donated and used. A report shall be provided to the Association by request.
  - J. Any unused donated hours in the Association leave time bank may be carried over from one fiscal year to the next.
  - K. The Association shall indemnify, defend, and hold harmless the City against any and all claims made, and any actions brought against the City arising from or related in any way to the actions taken by the City to comply with any of the provisions of this Section.
  - L. The Association will be allowed one-half (½) hour to talk to and possibly sign newly sworn police officers into the Association and to explain the rights and benefits under the Memorandum. This time will be allotted during the post-academy training time of said officers. The content of such information shall not be political in nature, abusive of any person or the department, or disruptive of the department's operation.
  - M. The employer shall count as time worked any hours or fractions of hours spent



within the unit member's regular work shift in pursuit of benefits provided by this Article. A unit member approved as outlined in E (2) above to use Association hours for Association business outside their regular work shift may use the Association hours during their scheduled work week to account for such Association business. The initial request must include the date and time of the flex hours in the work week. If minimum staffing is not impacted, the request will be approved, if impacted it will be denied and no extension will be given for use of the time outside of the unit member's workweek.

- N. The Association may designate up to five (5) unit members to represent the Association in the Meet and Confer process with the City unless otherwise mutually agreed prior to the process. These designated unit members shall be granted time off with pay for the purposes of such representation, and such times shall not be applied to bank hours.

#### **Section 1 – 4: Unit Member Rights**

- A. All unit members shall have the right to join or not to join the Association as they individually prefer. Unit members have the right to participate on behalf of or engage in activities on behalf of an Association and have the right to refrain from such activity. Unit members shall be free from any interference, restraint, or coercion by any unit member, supervisor, or manager for or against the Association. Violations will necessitate disciplinary action.

The Association must equally and fairly represent all unit members in the unit.

- B. Unit members may attend scheduled meetings of the membership in person or by electronic means if their attendance does not unreasonably interfere with department operations. Unit members attending in person while on duty may use their personal or meal break subject to general orders. Those attending outside their break or electronically will remain clearable for priority calls for service.
- C. Eligible City employees have the right to be represented by the Association and to have a member of the Association present during the grievance and the disciplinary process. The disciplinary process does not apply to an interview of a unit member during the normal course of work, counseling, instruction, informal verbal admonishment, or other routine or unplanned contact with a supervisor. If a supervisor has knowledge of a violation of General Orders, City Personnel Rules, or criminal law by a unit member, they will follow the requirements of this



Memorandum, Title 38 of Arizona Revised Statutes, and the General Orders applicable to the questioning of said member.

- D. If a unit member requests, representation will be allowed when the member is the subject of an administrative investigation and the employee reasonably believes that the interview could result in dismissal, demotion, or suspension by Professional Standards Section, or any Police Department supervisor, who is conducting an administrative investigation.

The unit member will obtain the most readily available Association representative. The Association representative will make every reasonable attempt to arrive within one (1) hour from the time a phone call is made by the unit member to the representative. The Association representative will attend the above interview only as an observer. At the end of the interview, but prior to the conclusion of the interview, the unit member being interviewed may privately confer with their representative for a period not to exceed 15 minutes. Requests for additional time must be mutually agreed upon. Upon returning to the interview, the unit member will be allowed to make a statement not to exceed five (5) minutes addressing specific factors or policies related to the interview. Requests for additional time must be mutually agreed upon. The interview session shall be for a reasonable period of time, taking into consideration the gravity and complexity of the misconduct being investigated.

- E. Any unit member who is the subject of an officer involved shooting investigation who has discharged a weapon or was shot at or violently assaulted may request to have the administrative interview postponed for up to forty-eight (48) hours from the time of the incident. The Chief of Police may deny the request when they determine that delaying the interview would be detrimental to the investigation. A unit member may waive their rights to make the request for postponement of the administrative interview. In all cases, the overall mental and physical health of the unit member shall be taken into consideration.
- F. A unit member under investigation will be notified in writing every thirty (30) days as to the current status of the investigation. This will include a brief description of the number of known witnesses still to be interviewed and other investigative processes remaining to be completed, as well as an estimated date of completion.
- G. A unit member has the right to present their own grievance in person and has the right to be represented.



- H. A unit member covered hereunder shall, on their request and by appointment, be permitted to examine their departmental or divisional personnel file in the presence of an appropriate supervisor/official of the department within three (3) business days of the requested review. Another person of their choosing may accompany the unit member. When a City directed work fitness/job performance medical evaluation process is completed, the unit member may request copies of their medical information from the City-selected physician. The City must agree to give the City selected physician authorization to release any/all information to the requesting unit member.
- I. No unit member shall have any adverse comments entered into their departmental personnel file without the member being informed by the supervisor. If the unit member requests, they may receive a copy of the adverse comment.

A unit member may, at their discretion, attach rebuttal statements to any material contained in their departmental personnel file, which may be adverse in nature.

- J. Material purged from a unit member's files in accordance with the below procedures or allegations about a unit member which are unfounded, exonerated, not sustained, or a policy failure will not be used in future performance ratings or disciplinary actions.
- K. Consistent with the requirements of A.R.S § 39-128, the City shall maintain as part of a unit member's official personnel record all documents relating to disciplinary actions, including the unit member's response to the disciplinary action, and shall make such records available for inspection and copying as required by public records laws.

Upon written request, a unit member may have written reprimands, suspensions, and letters of admonishment, which are over three (3) years old removed from the department working file when there have been no incidents or problems of a similar nature within the three (3) year period immediately preceding the request. A unit member may request to have letters of instruction and counseling statements, which are over one (1) year old removed from the department working file.

- L. A unit member under investigation by Professional Standards Section or a Police Department supervisor for a disciplinary matter that may lead to a written reprimand, suspension, demotion, or discharge, and who is interviewed, or



requested to produce any documentation, shall be given a written notice informing them of the specific nature of the investigation, their status in the investigation, and all known allegations of misconduct involved in the interview of the unit member. In addition, the unit member and/or the Police Department supervisor/Professional Standards Section representative may mechanically record such interview. Should any mechanical recordings take place, the department reserves the right to transcribe any such interview for the purpose of verifying the accuracy of the interview and, if requested, the unit member shall sign the transcription if it is accurate. For any sustained allegations resulting in a letter of reprimand or higher, the unit member has rights under the Personnel Rules or, where applicable, Title 38 of Arizona Revised Statutes.

At the time of a scheduled interview by the Professional Standards Section, a Police Department supervisor, or other City employee, the investigator will advise the unit member of all evidence known at the time of the interview that will be used in the course of the investigation. This includes any written documents, video or audio recordings, or photographs. The Investigator will inform the unit member of such evidence at the time of the interview.

- 1) A copy of the signed and dated notice of investigation will be given to the unit member prior to the beginning of the interview. The unit member shall have the right to retain the notice of investigation for their use throughout the entire course of the interview. A unit member will be provided an opportunity to make a telephone call after the issuance of the notice of investigation to obtain an Association representative.
- 2) In the event a unit member does not record their interview, they may request a copy of the investigator's tape(s) if the investigator records the interview, (the unit member provides the tape).
- 3) If any unit member is told not to speak to anyone regarding an investigation, this admonition does not apply to speaking with an attorney functioning within the attorney-client relationship, or with an Association representative who may discuss the matter only with the Grievance Chair or Association President.

When the investigation is completed, the accused unit member will be notified in writing of the findings. A unit member under internal or administrative investigation may be reassigned (may include reassignment to their home), until the completion of the investigation.



- 4) If during the course of the above-mentioned investigation, information is learned concerning additional misconduct on the part of the unit member being interviewed, a notice of investigation will be issued to the unit member prior to the unit member being questioned about the additional misconduct information.
  - 5) The unit member's immediate supervisor will normally investigate LEVEL 1 complaints, whether generated internally or externally and LEVEL II Class A "First Violation" complaints that result from a complaint of a third LEVEL 1 violation within a one (1) year period. The Professional Standards Section will normally investigate LEVEL II complaints unless otherwise directed by the Chief of Police.
  - 6) The Professional Standards Section will normally investigate any complaint that involves extensive manpower and resources that would unreasonably burden a supervisor. Division Commanders may request the Professional Standards Section to conduct an investigation for a variety of reasons. These requests will be routed through the Chief of Police.
- M. The employer shall count as time worked any hours or fractions of hours spent within the unit member's regular work shift in pursuit of benefits provided by this Article, (Unit member association representative) but shall not count as time worked any hours or fractions of hours spent outside the unit member's work shift.
- N. A unit member who receives a written reprimand may request a copy of the official documentation, if any, supporting the written reprimand.
- O. If a polygraph examination is required of a unit member, an Association representative may monitor and observe the preliminary and post examination interview and examination from the monitoring room, if one is available to do so. The results of a polygraph or voice stress examination alone will not be the sole factor for determining truthfulness or on which to impose disciplinary action. A copy of the examination results including charts will be provided to the unit member upon request.
- P. Once an employee has been formally counseled or disciplined in accordance with General Orders B-12, including the counseling/discipline chart, and B-13, no further investigation will be conducted for the same allegation for the same incident except when:



- 1) New information reveals additional allegations arising from or related to the same incident.
- 2) The Chief of Police requests further investigation for the integrity of the organization and to maintain public trust.

Q. A complaint will be treated as a delayed complaint if it relates to non-criminal misconduct by an employee that occurred more than one hundred and twenty (120) days prior to the date of the immediate complaint. The supervisor receiving the complaint will document the information in a Memorandum.

The Memorandum will be sent through the chain-of-command to the Professional Standards Section, which will review and inform the Chief of Police. A determination will be made whether or not a formal investigation will be initiated. If an investigation is merited, the Professional Standards Section will conduct the investigation, unless otherwise directed by the Chief of Police.

R. An employee subject to suspension, demotion, or dismissal shall be entitled, upon appeal, to the Disciplinary Review Group process as outlined in Personnel Rule 5 – Disciplinary & Appeal Procedures, Section 7. For purposes of Rule 5, Section 7.A.2., the CLEA Association President or designee shall replace the member of the Employee Council on the Disciplinary Review Group.

The CLEA Association President or designee may not serve on a disciplinary review group if they have a direct connection with the matter being reviewed or has any real or perceived conflict of interest. The person will be mutually agreed upon between the Human Resources Director and the CLEA President. If mutual agreement cannot be reached, the appointment will revert back to the Personnel Rule and will be a member of Employee Council. The grounds for discipline and types of discipline imposed are not grievable matters under this Memorandum.

## **Section 1 – 5: Prohibition of Strike and Lockouts**

A. The Association and the unit members covered by this Memorandum recognize and agree that rendering of services to the community cannot under any circumstances or conditions be withheld, interrupted, or discontinued, and to do so would endanger the health, safety, and welfare of the citizens of the City of Chandler.



- B. The Association pledges to maintain unimpaired municipal services as directed by the City. Neither the Association, nor any unit member, for any reason, will authorize, institute, aid, condone or engage in a slowdown, work stoppage, strike, or any other interference with the work and statutory functions and obligations of the City or the department. During the term of this Memorandum, neither the City nor its agents for any reason shall authorize, institute, aid, or promote a lockout of unit members covered by this Memorandum.
- C. Should any unit member during the term of this Memorandum, and until such time that it is expressly and legally rescinded breach the obligations of Section 1-5 (B), the City Manager or their designee shall immediately notify the Association that a prohibited action is in progress.
- D. The Association shall forthwith, through its executive officers and other authorized representatives, disavow said strike or other prohibited action, and shall notify in writing all Association members and representatives of their obligation and responsibility for maintaining compliance with this Article, including their responsibility to remain at work during any interruption which may be caused or initiated by others. Copies of such notification shall be delivered to the Office of the City Manager. In addition, the Association shall order all unit members violating this Article to immediately return to work and cease the strike or other prohibited activity. Such order shall be delivered both orally and in writing to all unit members violating this Article with copies of the written order to be delivered to the Office of the City Manager.
- E. Penalties or sanctions the City may assess against a unit member who violates this Section shall include, but not be limited to:
  - 1) Discipline up to and including discharge.
  - 2) Loss of all compensation and benefits, including seniority, during the period of such prohibited activity.
- F. Should the Association during the term of this Memorandum and until such time that it is expressly and legally rescinded, breach its obligations under this Section, it is agreed that all penalties set forth in the City Charter, shall be imposed on the Association, in addition to any other legal and administrative remedies available to the City that in its discretion it may elect to pursue.



- G. Nothing contained herein shall preclude the City from obtaining judicial restraint or from seeking damages from the Association, in the event of a violation of this Section.

## **ARTICLE 2: GRIEVANCE/ARBITRATION/LABOR MANAGEMENT**

### **Section 2 – 1: Grievance Procedure**

- A. The grievance procedures set forth in Personnel Rule 18 – Grievance Procedures shall apply to any grievance brought by a unit member or the Employee Organization alleging violation(s) of the express terms of this Memorandum for which there is no Merit System Board appeal or other specific method of review under state or city law.
- B. Any proposed changes to Personnel Rule 18 – Grievance Procedures will be provided to the Employee Organization President in a redline format and, if requested by the Employee Organization, a labor-management meeting shall be scheduled prior to submission of the proposed change to the City Council for approval. The meeting shall be scheduled within a reasonable amount of time so as not to unduly delay the process.
- C. In the event the City Manager takes unilateral action that is inconsistent with an express term or condition of this Memorandum and the effect of such action adversely affects the wages, benefits, or working conditions of a majority of unit members directly affected by the action, the Employee Organization may bring an Organization Grievance on behalf of all members using the grievance procedures under Personnel Rule 18 – Grievance Procedures. If the Organization Grievance is not resolved at the supervisor or department level, the City Manager shall refer the Organization Grievance, brought under the limited circumstances described herein, to a neutral third party who is not a current or former official or employee of the City. The City Manager may elect to exercise their sole discretion to bypass the supervisor's and department's review of the Organization Grievance and refer the Organization Grievance directly to a neutral third party.
- D. The parties, or their designated representatives, shall agree on a neutral third party. If they are unable to agree on a neutral third party within a reasonable time, the City shall provide a list of seven (7) individuals who have experience as a hearing officer or mediator with the public sector in Arizona. The parties shall, within five (5) workdays of the receipt of said list, select the neutral third party by



alternately striking names from said list until one name remains. Such person shall then become the neutral third party. The neutral third party so selected shall hold a hearing as expeditiously as possible at a time and place convenient to the parties, and shall be bound by the following:

- 1) The neutral third party shall be bound by the language of the Memorandum and departmental rules and regulations consistent therewith in considering any issue properly before them.
- 2) The neutral third party shall expressly confine themselves to the precise issue submitted and shall have no authority to consider any other issue not so submitted.
- 3) The neutral third party shall be bound by applicable state and city law.
- 4) The neutral third party shall submit findings and recommendations to the Employee Organization and to the City Manager. The cost of the neutral third party and any other mutually incurred costs shall be borne equally by the parties.
- 5) The City Manager shall, within ten (10) workdays of the receipt of the written findings and recommendations, make the final, non-appealable determination of the organization grievance and submit it in writing to the Employee Organization.

## **Section 2 – 2: Labor-Management Committee**

It is understood by the parties that the benefits granted by this Article shall not be interpreted or applied as requiring the employer to count as time worked, any hours or fractions of hours spent outside the unit member's work shift in pursuit of benefits provided by this Article. The employer shall count as time worked any hours or fractions of hours spent within the unit member's regular work shift in pursuit of benefits provided by this Article.

- A. There shall be a Labor-Management Committee consisting of two (2) representatives of the Association and two (2) representatives of the City and the City's HR Director or designee who shall be the Chairperson. The purpose of the Committee is to facilitate improved labor-management relationships by providing a forum for free and informal discussion of mutual concerns and problems.



- B. The Committee shall meet, when necessary, at mutually agreed upon times.
- C. If the representative of the Association is a unit member, such representative shall not lose pay or benefits for meetings mutually scheduled during duty time.

### **ARTICLE 3: COMPENSATION AND WAGES**

Each unit member will receive a one-time, non-pensionable lump sum payment of one thousand, five hundred dollars (\$1,500) payable the first full pay period in July 2024 and July 2025.

#### **Section 3 – 1: Merit Pay**

For each fiscal year of the agreement, the City will fund an ongoing merit increase of up to five percent (5%) for eligible unit members, effective on the first day of the pay period in which the date of the unit member's current job classification falls, until the unit member is at the top of the pay grade.

#### **Section 3 – 2: Longevity Pay**

A. In recognition of continuous service and overall performance, the City agrees to provide the following longevity payment for eligible unit members:

- 1) A unit member who meets the qualifications specified in this Article shall receive annually a longevity payment of two and one-quarter percent (2.25%) of their base rate of pay, or base rate plus assignment pay, paid in one (1) installment during the pay period of the unit member's date of classification or salary review date. The payment is not considered compensation for purposes of PSPRS.
- 2) Qualifications:
  - a. A unit member must have eight (8) years as a Chandler Police Officer or be at the top of their pay range, whichever occurs sooner.
  - b. A unit member must have achieved the overall performance rating as "meets expectations" or better on their latest scheduled performance evaluation on file in the Human Resources Department.



### **Section 3 – 3: Total Annual Cash Compensation Survey**

Wage increases are to be determined as follows:

- 1) For the purposes of this section, “Total Annual Cash Compensation” means the following:
  - a. the maximum annualized base wages for an individual officer at the top of the pay range (i.e., maximum hourly rate X 2,080); and
  - b. the annual amount paid by the City in deferred compensation, or equivalent, to an individual officer at the top of the pay range; and
  - c. the annual amount contributed by the City towards the Post Employment Health Plan (PEHP), or equivalent, for an individual officer at the top of the pay range; and
  - d. the annual amount received as longevity pay, or equivalent, by an individual officer at the top of the officer pay range.
- 2) Human Resources will finalize a Compensation Survey no later than August 1<sup>st</sup> of each year that compares Total Annual Cash Compensation for eight (8) cities: Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale, and Tempe based on verification from the respective cities’ HR departments. At the conclusion of the Compensation Survey, the eight (8) cities shall be ranked in numerical order based on Total Annual Cash Compensation with the highest being ranked as number one (1) and the lowest ranked as number eight (8). Human Resources shall determine the rank of the City of Chandler in comparison to the ranking of the seven other cities. If the City of Chandler’s Total Annual Cash Compensation is ranked at or above the third (3<sup>rd</sup>) position in the rankings, no wage adjustments shall be made.

If the City of Chandler’s Total Annual Cash Compensation is ranked below the Total Annual Cash Compensation of the third (3<sup>rd</sup>) highest city in the rankings, the top of the Chandler Officer pay scale shall be adjusted by the percentage required for Chandler’s Total Annual Cash Compensation to be



equal to the midpoint between the Total Annual Cash Compensation of the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) highest cities.

Unit members' wages shall be increased to correspond with any upward adjustment made to the officer salary range as a result of the annual survey. Any wage increase will become effective on the first day of the next full pay period after the survey data has been accepted and signed by the Association. In the event that the survey results in Chandler's being ranked above the third (3<sup>rd</sup>) position as defined in this section, Chandler's range will not be decreased.

Any time an adjustment is made to the maximum pay range for the officer position pursuant to this section, the minimum pay range for the position shall be adjusted by the same percentage increase.

### **Section 3 – 4: Field Training Pay/K-9 Pay/Special Assignment Pay Differential**

- A. Field Training Officers (FTOs) who the department selects to conduct department-approved officer field training will receive an additional five percent (5%) of their base rate of pay for every day they are assigned to an officially authorized field training position.
- B. Officers who are assigned to the following specialty assignments will receive an additional five percent (5%) of the base rate of pay for the duration of the assignment: SWAT, Criminal Apprehension Unit (CAU), Robbery/Homicide, Sex Crimes, Family Crimes, Computer Crimes, Gangs, Narcotics, Human Trafficking, Motors/DUI, Vehicular Crime Unit, Auto Theft/Property, Criminal Intelligence Unit (CIU), Financial Crimes, Property Crimes/Arson, Public Information Office (PIO), Professional Standards Section (PSS), Bike Team, School Resource Officer (SRO), Crime Prevention, Behavioral Health Unit, Neighborhood Response Team, and K-9 Unit.
- C. During this MOU, if a specialty unit listed above is disbanded, replaced, or renamed, individuals within the newly established or renamed specialty unit will receive the specialty assignment pay differential.
- D. In the event a new unit is established in addition to those listed above, a maximum of two (2) new specialty units may be eligible for the special assignment pay differential.



- E. Officers are only eligible to receive one FTO, K-9, or special assignment pay differential at a time. The differential does not include, and may be combined with, Interpreting and Translation Pay as outlined in Section 3 – 5.
- F. Officers in field training assignments, K-9, and the specialty assignments set forth above may be removed from the assignment by the Chief of Police, or designee, at any time. The removal from field training, K-9, and specialty assignments is within the sole discretion of the Chief of Police.

An Officer may not be removed from their specialty assignment without a memorandum providing the detailed reason for their removal if a completed internal investigation or performance related document was not already provided.

If the removal constitutes a shift/schedule change, Section 4 – 1 of this Memorandum shall apply.

### **Section 3 – 5: Interpreting and Translation Pay**

- A. Officers who receive certification as an Intermediate level translator will receive an additional two and one-half percent (2.5%) of their base rate of pay for every day they are officially certified to perform translation for the department.
- B. Officers who receive certification as an advanced level translator will receive an additional five percent (5%) of their base rate of pay for every day they are officially certified to perform translation for the department.

### **Section 3 – 6: Overtime**

- A. Overtime is defined as time worked in excess of forty (40) hours in a seven (7) day work period for all classes of non-exempt, fulltime unit members. All paid leave taken in lieu of hours worked, except time off taken as compensatory time or administrative leave for investigation or discipline purposes, shall be counted as "hours worked" for purposes of overtime calculation. The "hours worked" requirement does not apply to overtime compensation the City is obligated to pay by the specific terms of this Memorandum or department regulations (i.e., "contract overtime") for certain activities or situations.



Payment for hours worked on a holiday, as part of the regularly scheduled hours of work, shall be compensated as provided by this Memorandum.

- B. Part-time unit members shall be compensated for overtime when the needs of the department require scheduling the unit member to work more than forty (40) hours in a seven (7) day work period.
- C. Overtime may be authorized and required by the Chief of Police when it is clearly in the best interest of the City. Overtime shall be authorized in advance by the Chief of Police unless emergency situations preclude advance authorization.
- D. Overtime compensation for non-exempt unit members shall be computed in accordance with the Fair Labor Standards Act and the regular rate of pay including applicable shift differential, on-call pay, and assignment pays. If overtime is to be paid, it must be recorded and paid, at one and one-half times (1.5x) the regular rate, on the payroll immediately following the conclusion of the pay period in which the overtime was worked. If compensatory time is to be accrued in lieu of overtime pay, it must be accrued at the rate of one and one-half (1.5) hours of compensatory time off for each hour worked.
- E. The decision to pay overtime or record it as compensatory time shall be at the discretion of the Chief of Police.
- F. Compensatory time shall not accrue in excess of one hundred (100) hours maximum.
- G. Accrued compensatory time shall be paid:
  - 1) When the accrued compensatory time exceeds the maximum. Payment will be for that amount which exceeds the maximum.
  - 2) Upon the separation for any reason, including death of the unit member.
  - 3) When authorized by the Chief of Police.
  - 4) When requested by the unit member in accordance with Section 3 – 12.
- H. The time at which a unit member will take compensatory time off shall be chosen by the unit member with the approval of the unit member's supervisor based on



whether the unit member's absence would interfere with the department's operation.

### **Section 3 – 7: Court Overtime**

- A. When a required court appearance is scheduled during other than normal work hours, overtime is authorized. The unit member will be credited with three (3) hours, or the actual number of hours worked, whichever is greater. When court is scheduled within two (2) hours of a scheduled shift, then the actual time of court and preparation for court prior to shift will be paid.
- B. For purposes of this Article the term "Court" shall be defined as including Federal District Court, Superior Court, State of Arizona, City Court, City of Chandler, Municipal Courts in Maricopa County, Justice Court, Federal, State, County Grand Juries, Motor Vehicle Department hearings, and Prosecutorial and Defense interviews.

It is understood that this Article shall not apply to administrative hearings including but not limited to arbitration hearings pursuant to the Memorandum and hearings pursuant to Personnel Rule 18 – Grievance Procedures.

### **Section 3 – 8: Jury Duty**

When a unit member is called upon to serve as a juror in any court action, they will be allowed leave from their duties without loss of pay for the time required for their service, in accordance with Personnel Rule 15 – Leaves of Absence, Section 16.

### **Section 3 – 9: Call-Back Pay**

- A. When a unit member is called back to regular duty after leaving City facilities at a time other than their regular assigned shift, the unit member will receive a minimum of two (2) hours pay at one and one-half times (1.5x) the unit member's base pay, or base plus assignment pay, calculated to the nearest quarter (1/4) hour, except that a unit member shall not be eligible for additional compensation during that two (2) hour period.
  - 1) Compensation to a unit member who is called out at times other than their regularly scheduled shift will begin at the time the unit member is notified, but not to exceed thirty (30) minutes and shall terminate thirty (30) minutes



after being relieved from duty. A unit member is relieved from duty when they are directed by a supervisor to secure or are no longer performing the tasks directly related to the reason for the call-out. Where applicable, the travel time shall be paid only if the total work and allowed travel time exceed the minimum call back guarantee. Travel time shall not apply when a unit member is working overtime planned in advance.

- B. A unit member beginning an overtime period within two (2) hours or less prior to the regularly scheduled duty reporting time will be compensated from the time the overtime period begins to the time they are scheduled to report for duty except that a unit member shall not be eligible for additional compensation during that period.
- C. Holdover time, i.e., being held over on shift with no break in duty exceeding fifteen (15) minutes, will be compensated for actual time spent in accordance with Section 3 – 6.
- D. If the unit member is called back because of their own negligence, the unit member shall not be eligible for the two (2) hours minimum. They will only be paid for the actual time worked.

### **Section 3 – 10: Swing Shift and Night Shift Differential Pay**

A unit member shall receive the shift differential pay associated with a particular shift when the unit member is normally assigned to work that shift. If a unit member is reassigned to a different shift because they have suffered an on-the-job injury, the unit member shall continue to receive the shift differential pay associated with the shift to which the unit member was originally assigned until the unit member is released to return to full duty. If a unit member is reassigned to a different shift because of a non-job-related injury or at the unit member's own request, the unit member will receive the shift differential pay, if any, associated with the new shift.

- A. A unit member shall receive mid-day shift differential of sixty cents (\$0.60) per hour in addition to their base hourly rate of pay when working a shift which ends between 2000 hours and 2359 hours.
- B. A unit member shall receive swing shift, shift differential of eighty cents (\$0.80) per hour in addition to their base hourly rate of pay when working a shift which ends between 2400 hours and 0359 hours.



- C. A unit member shall receive graveyard shift differential of one dollar (\$1.00) per hour in addition to their base hourly rate of pay when working a shift which ends between 0400 hours and 0800 hours.

### **Section 3 – 11: Deferred Compensation**

The City shall contribute a deferred compensation contribution as follows up to the I.R.S. annual contribution limit:

#### **For unit members with less than 8 years of service as a Chandler Police Officer**

| <b>Employee Contribution</b>   | <b>City Contribution</b>                           |
|--|--|
| At least thirty dollars (\$30) but less than sixty dollars (\$60) per pay period | One percent (1%) biweekly gross pay per pay period |
| Sixty dollars (\$60) or more per pay period                                      | Two percent (2%) biweekly gross pay per pay period |

#### **For unit members with 8 or more years of service as a Chandler Police Officer**

| <b>Employee Contribution</b>   | <b>City Contribution</b>                             |
|--|--|
| At least thirty dollars (\$30) but less than sixty dollars (\$60) per pay period | One percent (1%) biweekly gross pay per pay period   |
| At least sixty dollars (\$60) but less than ninety dollars (\$90) per pay period | Two percent (2%) biweekly gross pay per pay period   |
| Ninety dollars (\$90) or more per pay period                                     | Three percent (3%) biweekly gross pay per pay period |

### **Section 3 – 12: Vacation/Comp Time Buy Back**

Unit members will be allowed to cash out up to forty (40) hours of comp time and fifty (50) hours of vacation time. This time will be compensated at the unit member's base rate of pay and can only be exercised once (1) per fiscal year. The City shall provide a means for the unit member to submit their request. The payment will be made the pay period immediately following the request.



## **ARTICLE 4: HOURS OF WORK/WORKING CONDITIONS**

### **Section 4 – 1: Hours**

- A. The regular duty hours for a unit member shall be five (5) consecutive shifts of eight (8) hours in a seven (7) calendar day work week. These five (5) consecutive shifts will be preceded and followed by two (2) “non-work” days. Duty hours may also include a 4/10 or 9/80 shift.
- B. The regular duty hours per shift shall be consecutive and may include any “briefing time” and shall include a meal period of thirty (30) minutes as reasonable work demands allow. In addition to all duties as assigned by the Chief of Police or their designees, work hours shall continue to include under normal conditions two (2), fifteen (15) minute rest periods for use as work demands allow. If work volume and service calls allow, a unit member may combine one (1), fifteen (15) minute rest period with the meal period to create an expanded meal period of forty-five (45) minutes in length. The expanded meal period may not be used for exercising during the unit member’s shift.
- C. At times, the department may have operational needs, which necessitate a change in current work schedules. The department shall give a unit member a minimum seven (7) day advance written notice when their days or hours will be changed. If this seven (7) day written notice is not given, the days or hours change will be rescheduled to allow for a seven (7) day notice period, except for emergency situations.
- D. A unit member may return to their workstation ten (10) minutes before their scheduled end of shift if work demands permit for the purpose of completing required paperwork, notifying oncoming unit members of any beat conditions, and to notify their supervisor of any unusual occurrences they encountered during their shift.
- E. Prior to any permanent change of current work schedules, the parties will discuss any proposed changes in the Labor/Management Committee setting.
- F. When a unit member is off duty or on leave and is contacted by telephone by their supervisor for purposes other than callout or a supervisor approves of the making or receiving of the call, the unit member will be paid at one and one-half times



(1.5x) their regular rate of pay for each quarter (1/4) hour calculated to the nearest quarter (1/4) hour (over five (5) minutes goes to the next quarter (1/4) hour). There will be no compensation for calls under five (5) minutes.

## **ARTICLE 5: BENEFITS**

### **Section 5 – 1: Health Insurance**

For the term of this Memorandum, the City will pay a minimum of eighty percent (80%) and the unit member will pay a maximum of twenty percent (20%) of the cost of the monthly premium of the City's medical insurance benefit.

### **Section 5 – 2: Dental Insurance**

For the term of this Memorandum, the City will pay one hundred percent (100%) of the dental insurance premium for unit member only coverage; seventy percent (70%) for unit member plus one, and fifty percent (50%) for unit member plus two coverage.

### **Section 5 – 3: Life Insurance**

The City shall make group life insurance coverage available for every regular or initial probationary unit member who works in a budgetary approved position of twenty (20) hours or more per week at least equal to the unit member's annual salary. Additional life insurance coverage for the unit member, spouse, and dependent children shall also be made available. The premiums for this insurance shall be paid by the City or the unit member as determined by the City Council.

### **Section 5 – 4: Vacation Leave**

- A. A full-time work schedule consists of fifty-two (52) weeks a year and eighty (80) hours of work during the pay period.
- B. Every unit member who works a full-time schedule, fifty-two (52) weeks a year, shall be credited vacation leave as follows for every completed pay period:

| <b>Years of Service</b> | <b>Hours</b> |
|-------------------------|--------------|
| 0-4 Years               | 5.0          |
| 5-9 Years               | 5.9          |
| 10-14 Years             | 6.6          |
| 15-19 Years             | 7.4          |



20+ Years

8.3

- C. Unit members who work less than full-time but 1,040 hours or more a year in a budgetary approved position shall be credited vacation leave on a prorated basis. The prorated basis shall be established by dividing the number of hours scheduled per week by forty (40) and multiplying by the accrual rate for a full-time unit member with the same length of service.
- D. Leaves of absence compensated under the Worker's Compensation statutes shall be considered as paid service if the absence is for no longer than one (1) year and the unit member shall continue to accrue vacation leave.
- E. Unit members who have accrued three hundred and twenty (320) hours or more of accrued and unused vacation leave (vacation, safety days, and holiday accrual hours) and who have attained a minimum of seventeen (17) years of City service may elect to have the additional vacation leave that they earn paid to them on a bi-weekly basis for the upcoming three (3) consecutive years. Once the unit member elects to exercise this benefit, it must continue for the full three (3) consecutive years. A unit member may drawdown the current three hundred and twenty (320) hour balance. The vacation leave payout under this section is not compensation for purposes of PSPRS. Unit members in the program prior to July 1, 2016, will be governed under the past Memorandum for purposes of compensation.
  - 1) The payment begins the following pay period after receipt of the election form in Human Resources and continues for the upcoming three (3) consecutive years.

#### **Section 5 – 4A: Maximum Accrual of Vacation Credits**

- A. Vacation credits shall not be allowed to accrue in excess of three hundred and twenty (320) hours, or the equivalent number of hours computed under the applicable Rule for regular employees who work less than full-time but 1,040 hours or more per year in a part-time regular budgeted position, as of the last full pay period with a payday in January.
- B. Any vacation credits in excess of three hundred and twenty (320) hours, or the equivalent number of hours computed under the applicable Rule for regular employees who work less than full-time but 1,040 hours or more per year in a part-time regular budgeted position, shall automatically be moved to vacation



carryover balance that must be used by June 30<sup>th</sup> of that same year. Any vacation carryover not used by June 30<sup>th</sup> will be forfeited.

- C. Employees that elect to forfeit vacation credits in excess of three hundred and twenty (320) hours or the equivalent as computed under the applicable Rule for regular employees who work less than full-time but 1,040 hours or more per year in a part-time regular budgeted position, in lieu of having the hours moved to vacation carryover balance that must be used by June 30<sup>th</sup> of that same year, shall notify the Human Resources Director in writing of their request.

## **Section 5 – 5: Holidays**

- A. When possible, without decreasing the effectiveness of the various municipal services, all unit members, except temporary unit members and regular part-time unit members scheduled to work less than 1,040 hours per year, shall be allowed paid holidays as provided below:

|    | <b>Holiday</b>          | <b>Observed</b>  |
|----|-------------------------|--|
| 1  | New Year's Day          | January 1  |
| 2  | Martin Luther King, Jr. | Third Monday in January                                  |
| 3  | Presidents' Day         | Third Monday in February                                 |
| 4  | Memorial Day            | Last Monday in May                                       |
| 5  | Independence Day        | July 4   |
| 6  | Labor Day               | First Monday in September                                |
| 7  | Veterans' Day           | November 11  |
| 8  | Thanksgiving Day        | Fourth Thursday in November<br>Friday after Thanksgiving |
| 9  | Christmas Day           | December 25  |
| 10 | Personal Holiday        | Must be used annually prior to the end of the tax year.  |

- B. When a holiday falls on Sunday, it will be observed on the following Monday. When a holiday falls on Saturday, it will be observed on the preceding Friday.
- C. Compensation or paid time off when not working a holiday.



- 1) When an observed holiday falls on a non-scheduled workday, unit members shall receive paid time off equivalent to the number of hours in their regularly scheduled workday on an alternate day during the pay period. When operational requirements do not permit an alternate day off in lieu of the official holiday, unit members shall receive holiday pay equivalent to the number of hours in their regularly scheduled workday.
- 2) Unit members who are scheduled to work at least 1,040 hours per year shall be provided holiday pay or paid time off on an alternative day during the pay period for holidays on a prorated basis. The prorated basis shall be calculated based on the position's number of budgeted hours.
- 3) The Chief of Police has the discretion of requiring unit members to return to a regular schedule of five (5), eight (8) hour days for the week in which the holiday occurs if it does not affect the unit member's established work period.

D. Compensation or paid time off when working a holiday.

- 1) When an observed holiday falls on a non-scheduled workday, unit members who are called in or required to work on the observed holiday shall receive compensation at one and one-half times (1.5x) their regular rate of pay for each hour worked on a holiday. In addition, unit members shall receive holiday pay equivalent to the number of hours in their regularly scheduled workday, or paid time off equivalent to the number of hours in their regularly scheduled workday on an alternative day during the pay period. Unit members who are scheduled to work at least 1,040 hours per year and who work a holiday shall be provided holiday pay or paid time off on an alternative day during the pay period on a prorated basis. The prorated basis shall be calculated based on the position's number of budgeted hours.
- 2) When an observed holiday falls on a scheduled workday, unit members that work on the observed holiday shall receive holiday pay equivalent to the number of hours in their regularly scheduled workday or paid time off equivalent to the number of hours in their regularly scheduled workday on an alternative day during the pay period.
- 3) Beginning with FY 25-26, unit members whose regularly scheduled shift begins on the actual date of a holiday listed below shall receive



compensation at one and one-half (1.5) times their rate of pay for each hour worked through the holiday shift. This applies to those on patrol or assignment to a specialty unit when operational requirements or staffing mandates do not permit an alternate day off in lieu of the official holiday.

1. New Year's Day
2. Martin Luther King, Jr./Civil Rights Day
3. Presidents' Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Veteran's Day
8. Thanksgiving Day
9. Friday after Thanksgiving
10. Christmas Day

E. Holiday pay when unit member is on leave or separates from City service.

- 1) Unit members shall receive no additional pay and shall not be charged with vacation or sick leave time while on paid leave when a holiday occurs.
- 2) Unit members must work or be on paid leave the last scheduled workday before the holiday and the first scheduled workday after the holiday to be paid for the holiday.
- 3) A unit member who is separated from City service when the last day worked is the last working day before a holiday shall not be paid for the holiday.

F. All unit members shall receive payment for holiday work on the payroll immediately following the conclusion of the pay period in which the work was performed.

## **Section 5 – 6: Sick Leave**

A. A full-time work schedule consists of fifty-two (52) weeks a year and eighty (80) hours of work during the pay period.



- B. Every unit member who works a full-time schedule, fifty-two (52) weeks per year, shall be credited three point seven (3.7) hours of sick leave accrual for each completed pay period. Sick leave shall accrue with no maximum.
- C. Unit members who work less than full-time, but 1,040 hours or more a year in a budgetary approved position, shall be credited sick leave benefits on a prorated basis. The prorated rate of accrual shall be established by dividing the number of hours scheduled per week by forty (40).
- D. Leaves of absence compensated under Worker's Compensation statutes shall be considered as paid service if the absence is for no longer than one year and sick leave credits shall continue to accrue.
- E. Unit members who have accrued one thousand (1,000) hours or more of accrued and unused sick leave and who have attained a minimum of seventeen (17) years of City service may elect to have the additional sick leave they earn to be paid to them on a bi-weekly basis for the upcoming three (3) consecutive years. Once the unit member elects to exercise this benefit, it must continue for the full three (3) consecutive year period.

After electing to receive this benefit, the unit member may draw down the requisite one thousand (1,000) hour balance. The sick leave payout under this section is not compensation for purposes of PSPRS. Unit members in the program prior to July 1, 2016, will be governed under the past Memorandum for purposes of compensation.

- 1) The payment begins the following pay period after receipt of the election form in Human Resources and continues for the upcoming three (3) consecutive years.
- F. The City Manager may establish policies for the conversion of a portion of unit member's sick leave balances to either vacation credits or cash payment, as appropriate.

## **Section 5 – 6A: Payment of Sick Leave Upon Death**

- A. The beneficiaries of a unit member who dies prior to retirement shall receive compensation for all accrued sick leave at the rate of fifty percent (50%) of the value of the accrued sick leave hours at the unit member's current base rate and shall receive compensation for Years of Service Pay as established by the terms



of this agreement for each twelve (12) month year of City service prorated for any partial year.

- C. The beneficiaries of a unit member who dies in the line of duty shall receive compensation for all accrued sick leave at the rate of one hundred percent (100%) of the accrued sick leave hours at the employee’s current base rate and shall receive compensation for Years of Service as established by the terms of this agreement for each twelve (12) month year of City service prorated for any partial year.

**Section 5 – 7: Post Employment Health Plan (PEHP)**

- A. Any unit member who has ten (10) years of service with the City of Chandler or more as of the 1st full pay period in July 2024 will receive a one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.
- B. Any unit member who has ten (10) years of service with the City of Chandler or more as of the 1st full pay period in July 2025 and who did not receive a payment in 2024 will receive a one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.
- C. Any unit member who has fifteen to nineteen (15-19) years of service with the City of Chandler in the 1st full pay period in July 2025 will receive an additional one-time, five thousand dollar (\$5,000) payment into their PHEP plan.
- D. Any member who has twenty (20) years of service with the City of Chandler or more as of the 1st full pay period in July 2025 will receive an additional one-time, ten-thousand-dollar (\$10,000) payment into their PEHP plan.
- E. The City and the unit member shall each contribute forty dollars (\$40.00) per pay period into the PEHP plan while actively employed.
- F. Upon application for retirement from the City of Chandler with immediate retirement into the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS) the following will occur in FY 24-25:

| <b>Years of Service (YOS)</b> | <b>Employer Contribution into PHEP based on YOS-pro-rated for any partial year into PHEP</b> | <b>Sick leave balance contribution into PHEP</b> |
|-------------------------------|--|--|
|-------------------------------|--|--|



|              |            |     |
|--------------|------------|-----|
| <b>5-19</b>  | \$900.00   | 50% |
| <b>20-24</b> | \$1,250.00 | 50% |
| <b>25-29</b> | \$1,500.00 | 50% |
| <b>30+</b>   | \$1,750.00 | 65% |

G. Upon application for retirement from the City of Chandler with immediate retirement into the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS) the following will occur in FY 25-26:

| <b>Years of Service (YOS)</b> | <b>Employer Contribution into PHEP based on YOS-pro-rated for any partial year</b> | <b>Sick leave balance contribution into PHEP</b> |
|-------------------------------|--|--|
| <b>5-19</b>                   | \$900.00   | 50%  |
| <b>20-24</b>                  | \$1,250.00   | 50%  |
| <b>25-29</b>                  | \$1,500.00   | 50%  |
| <b>30+</b>                    | \$1,750.00   | 50%  |

All other provisions must be in accordance with Administrative Regulation CC Reg. CM-57.

## **Section 5 – 8: Training/Tuition Reimbursement**

### **A. Responsibility for Training**

- 1) The City Council encourages the training and education of unit members. The Human Resources Director shall assume responsibility for developing Citywide training programs for unit members. The Chief of Police may establish department-specific training programs.

### **B. Credit for Special Training**

- 1) Participation in, and successful completion of, special job-related training courses may be considered in advancements and promotions.

### **C. Reimbursement for Formal Training**

- 1) Fiscal conditions permitting, the City will assist regular unit members in their pursuit of additional formal education from an institution in areas related to a City career field. A policy and procedure shall be established by which tuition reimbursement will be administered and which will reimburse unit members.



- 2) Procedures shall be established to repay the City the tuition fees upon separation from City service within twelve (12) months of completion of the course.

#### D. Seminars/Workshops Training Programs

- 1) As fiscal conditions permit, the City supports unit members' attendance in seminars and workshop training programs as a part of their regular duties with the approval of the Chief of Police.
- 2) The City shall pay all fees for such programs and the unit member shall be provided transportation under the administrative regulation established in accordance with Personnel Rule 4 – Benefits & Allowances, Section 2.
- 3) If a unit member separates from City service within twelve (12) months of completion of the workshop or seminar, the unit member may be required to reimburse the City for the costs of those workshops or seminars that are primarily designed to enhance a unit member's career.

A unit member normally will not be required to reimburse the City for workshops or seminars that they are directed to attend.

#### E. Tuition Reimbursement

- 1) The City will assist regular unit members in their pursuit of additional formal education from an institution in areas related to a City career field. A City policy and procedure shall be established by which tuition reimbursement will be administered and which will reimburse unit members.
- 2) Any unit member who has successfully completed at least six (6) months of the initial probationary period and is eligible for vacation benefits is eligible for consideration of tuition reimbursements.
- 3) The reimbursement allowed per tax calendar year for a regular full-time employee is a total of five thousand, two hundred, and fifty dollars (\$5,250). The reimbursement allowed per tax calendar year for a regular part-time employee is a total of three thousand, two hundred dollars (\$3,200). The date of reimbursement will determine the tax year to which the cost will be



allocated. If the employee completes courses which exceed the maximum allowable reimbursement, the employee shall be responsible for payment of the balance.

### **Section 5 – 9: Out-Of-State Vacation Recall**

When a unit member is temporarily recalled to duty from out-of-state while on an authorized vacation by order of the Chief of Police, they shall be reimbursed for necessary and provable transportation expenses as determined by the Chief of Police.

### **Section 5 – 10: Uniform, Clothing, and Equipment**

- A. The unit member will continue to receive uniforms and equipment through the Chandler Police Department Quartermaster System, as outlined in General Orders.
  - 1) The department shall replace those items as they, in the judgment of the department, become unserviceable to wear or damaged in the course and scope of official duties through the Quartermaster.
- B. A unit member required to wear civilian attire during the performance of duties will receive a fiscal year uniform allowance of six hundred and fifty dollars (\$650) in July and six hundred and fifty dollars (\$650) in February, in accordance with Chandler Police Department General Orders.

Payment will be made through the payroll system and paid in the first full pay period in July and the first full pay period in February.

- C. Each unit member will receive a three-hundred-dollar (\$300) uniform allowance paid the first full pay period of the fiscal year.

## **ARTICLE 6: MISCELLANEOUS**

### **Section 6 – 1: Saving Clause**

- A. If any Article or Section of this Memorandum should be held invalid by operation of law or by final judgment of any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby;



and upon issuance of such final decree, the parties, upon request of either of them, shall meet and confer and endeavor to agree on a substitution provision or that such a substitute provision is not indicated.

- B. It is recognized by the parties that this Memorandum shall be administered in compliance with appropriate provisions of the Fair Labor Standards Act as may be amended, consistent with the provisions of this Memorandum and current overtime policies of the City of Chandler.

## **Section 6 – 2: Copies of Memorandum**

Within sixty (60) days of the date that this Memorandum is adopted by the City Council, the Association will arrange for printing or electronic distribution of jointly approved copies of it for furnishing one (1) to every unit member, unit supervisor, and management personnel. The cost of such duplication and distribution will be paid for equally by the Association and the City.

## **Section 6 – 3: Seniority**

- A. The City shall provide the Association with a list of unit members showing each unit member's City employment date and badge number.
- B. Seniority shall be by badge number except when a unit member returns to City employment under the City's Personnel Rule 6, Section 4 (Return to City Employment). Seniority of a unit member rehired under this program shall be calculated by their original date of hire, provided the employee returns to City employment within two years of their resignation. If an officer returns to City employment within two (2) years of resignation, officers retain their badge number. This shall apply to all unit members hired under this City Personnel Rule in the future and retroactively to those hired under the Rule in the past.
- C. Seniority shall be used as a factor consistent with established Merit System rules and current practice in choice of work assignments, vacation schedules, and in the determination of layoffs.
- D. At the conclusion of the annual shift pick, an eligibility list will be created for each patrol team, which will take effect at shift change each year. When a vacancy occurs on a patrol team, the eligibility list will be consulted, and the vacancy will



be filled from the list. This option is available by seniority and is limited to two (2) potential total movements.

There is no maximum number of eligibility lists an officer may be on; an officer may add or remove their name from a list at any time.

An officer who chooses to use this option to move to a different beat/x-ray assignment within the officer's current team will count as a move for the year.

An officer may only use the wish list option once during a shift cycle with no movement occurring after September 30.

- E. If a unit member requests a hardship transfer and it is approved by the Chief of Police, the hardship transfer shall take precedence over any requests submitted by unit members to be placed in the available vacancy according to seniority.

#### **Section 6 – 4: Limited Duty Status**

A unit member who is injured on the job, may be assigned limited duty status by the employer. Such assignment may be made without regard to the unit member's normal assignment and shall be made within the Police Department.

#### **Section 6 – 5: Changes in Departmental General Orders Pursuant to this Memorandum**

- A. Within ninety (90) days from the date this Memorandum is adopted by the City Council, the department shall print copies of those department General Orders and Operations Orders reflecting changes pursuant to this Memorandum. Copies of such changes shall be available to each unit member on or about August 1 of each Memorandum year or as soon thereafter as possible. Prior to the printing of the described changes, the Chief of Police or their representative shall review such changes with a representative of the Association to ensure that such changes are consistent with the specific express terms of the Memorandum.
- B. During the preparation of changes to the Department's General Orders, drafts of the proposed changes will be staffed out to the Association.

#### **Section 6 – 6: Term and Effect of Memorandum**

- A. This Memorandum shall remain in full force and effect beginning July 1, 2024, through June 30, 2026, unless a specific provision of the Memorandum provides



otherwise. Thereafter, it shall continue in effect, year-by-year, unless one (1) of the parties notifies the other in writing no later than September 1, 2025, of its request(s) to modify or terminate it.

- B. Except as expressly provided in this Memorandum, the City shall not be required to meet and confer concerning any matter, whether covered or not covered herein, during the term or extensions thereof.
- C. If any section or provision of this Memorandum violates existing federal, state, or city law, then such law shall supersede such provisions or section.
- D. The lawful provisions of this Memorandum are binding upon the parties for the term thereof. The Association having had an opportunity to raise all matters in connection with the meet and confer proceedings resulting in this Memorandum is precluded from initiating any further meeting and conferring for the term thereof relative to matters under the control of the City Council or the City Manager.
- E. This Memorandum constitutes the total and entire agreement between the parties and no verbal statement shall supersede any of its provisions.
- F. The City's rules and regulations, administrative directives, departmental rules and regulations, and workplace practices shall govern unit member relations unless there is a specific conflict with a Memorandum of Understanding approved by the City Council pursuant to the Meet and Confer Ordinance. Where a specific conflict exists, the Memorandum of Understanding shall govern.
- G. A Memorandum of Understanding cannot contradict the Meet and Confer Ordinance.



**IN WITNESS WHEREOF**, the parties hereto have hereunto subscribed their names this

\_\_\_\_\_ day of \_\_\_\_\_, 2024.

City of Chandler

Association Representative

By: \_\_\_\_\_  
Mayor

By: Samuel Wagner *SW*  
Samuel Wagner

Attest: \_\_\_\_\_  
City Clerk

Approved to form:

(SEAL)

\_\_\_\_\_  
City Attorney *REL*

ATTEST: \_\_\_\_\_



**City Council Memorandum      Information Technology    Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Dawn Lang, Deputy City Manager - CFO  
Sandip Dholakia, Chief Information Officer  
**From:** Molly Mahai, IT Chief Infrastructure Officer  
**Subject:** Purchase of Carrier and Broadband Provider Services

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**Proposed Motion:**

Move City Council approve the purchase of carrier and broadband provider services, from Lumen Technologies Group, utilizing the State of Arizona Contract No. CTR049872, for a period of three years, in an amount not to exceed \$123,190 in the first year, and authorize the City Manager to sign the associated quotes and order forms.

**Background/Discussion:**

Historically, the City of Chandler has received its telephone and internet circuits through CenturyLink and Level 3. Over the last several years, Lumen Technologies Group ("Lumen") has acquired both of these companies and now provides all telephone and internet circuits across the City. The City did not have a contract with Lumen for several years, leaving it vulnerable to price hikes and rate adjustments. The City has several circuits which are becoming harder for Lumen to maintain and are subject to dramatic price increases. Staff worked with the account manager to lock in pricing to prevent such increases in existing circuits. Additionally, through negotiations, Lumen was able to further reduce the City's current costs, resulting in about \$30,000 in annual savings. This request is to approve the contracts, which will ensure the pricing structure for the next three years, paid monthly.

**Evaluation:**



The State of Arizona competitively solicited and awarded a contract for broadband and carrier services to Lumen Technologies Group. The City has an agreement with the State allowing for the cooperative use of its contracts.

**Financial Implications:**

Approval of this item will result in about \$30,000 in annual savings for the City.

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| Fiscal Impact       |              |              |               |                |
|---------------------|--------------|--------------|---------------|----------------|
| Account No.         | Fund Name    | Program Name | Dollar Amount | CIP Funded Y/N |
| 101.1199.5511.0.0.0 | General Fund | N/A          | \$123,190     | N              |

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**City Council Memorandum      Information Technology    Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Dawn Lang, Deputy City Manager - CFO  
Sandip Dholakia, Chief Information Officer  
**From:** Molly Mahai, IT Chief Infrastructure Officer  
**Subject:** Purchase of VMware Licenses Annual Support

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**Proposed Motion:**

Move City Council approve the purchase of VMware licenses annual support, from Dell Marketing, LP, utilizing the State of Arizona Contract No. ADSPO16-098163, in an amount not to exceed \$134,367.

**Background/Discussion:**

The City of Chandler Information Technology Department leverages VMware technologies to create efficiencies in infrastructure resources for applications and critical City services. VMware is a global leader in virtualization and cloud infrastructure, providing solutions that accelerate Information Technology by reducing complexity and enabling more flexible, agile service delivery. This request is the final payment of a five-year agreement approved by City Council in 2020 for the Dell/EMC VxRail solution providing server and storage resources for citywide applications such as Lucity, ESRI GIS, MyTimekeeper, Accela, and more.

**Evaluation:**

The State of Minnesota competitively solicited and awarded a contract to Dell Marketing, LP, for computer storage equipment and related peripherals and services on behalf of the National Association of State Procurement Officials (NASPO). The State of Arizona has adopted the NASPO contract. The city has a current agreement with the State of Arizona allowing for the cooperative use of its contracts.

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## Fiscal Impact

| Account No.         | Fund Name                   | Program Name | Dollar Amount | CIP Funded Y/N |
|---------------------|-----------------------------|--------------|---------------|----------------|
| 403.1290.5419.0.0.0 | Technology Replacement Fund | N/A          | \$134,367     | N              |

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**City Council Memorandum      Management Services      Memo No. MS 24-056**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Dawn Lang, Deputy City Manager - CFO  
**From:** Kristi Smith, Financial Services Assistant Director  
**Subject:** Agreement No. 4596, Amendment No. 1, for Audit Services

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**Proposed Motion:**

Move City Council approve Agreement No. 4596, Amendment No. 1, with Heinfeld, Meech & Co., for audit services, in an amount not to exceed \$162,175, for the period of one year, beginning June 1, 2024, through May 31, 2025.

**Background/Discussion:**

The city is required by City Charter and State statute to issue an annual audited financial report, and federal law requires the city to undergo an annual single audit (A-133) of federal financial assistance. The scope of services comprises audit work for the city including financials, supplemental schedules, Uniform Expenditure Limitation Compliance Report, Government Finance Officers Association (GFOA) Achievement for Excellence in Financial Reporting program checklist review and internal controls, Chandler Health Care Benefits Trust, Chandler Workers' Compensation and Employer Liability Trust, Chandler Cultural Foundation (CCF), Chandler Museum Foundation (CMF), Arizona Department of Environmental Quality (ADEQ), Landfill Assurance Report, Financial Data Schedule (SF SAC) to Housing and Urban Development's (HUD's) Real Estate Assessment Center (REAC), Impact Fee audit performed every other year, and Purchasing Card Review performed every other year. The next Impact Fee audit will be performed in FY 2023-24 and the next Purchasing Card Review is scheduled to be performed in FY 2024-25.

**Evaluation:**



On April 27, 2023, City Council approved an agreement with Heinfeld, Meech & Co., for audit services, for a one-year period, with the option of up to four one-year extensions. This is the first extension of the agreement.

### **Financial Implications:**

Funding for this agreement is contingent upon City Council adopting the FY 2024-25 budget. City audit services in the amount of \$162,175 will be paid from various funds (identified below).

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| <b>Fiscal Impact</b>     |                                     |                     |                      |                       |
|--------------------------|-------------------------------------|---------------------|----------------------|-----------------------|
| <b>Account No.</b>       | <b>Fund Name</b>                    | <b>Program Name</b> | <b>Dollar Amount</b> | <b>CIP Funded Y/N</b> |
| 101.1230.5212.0.0.0      | General Fund                        | N/A                 | \$80,350             | N                     |
| 219.4700.5212.3BG025     | Comm. Dev Block Grant Fund          | CDBG                | \$5,790              | N                     |
| 224.4650.5212.0.0.0      | PHA Family Sites Fund               | N/A                 | \$4,246              | N                     |
| 227.4650.5212.0.0.0      | PHA Elderly/Scattered Sites Fund    | N/A                 | \$3,474              | N                     |
| 233.4650.5212.0.0.0      | PHA Section 8 Vouchers Fund         | N/A                 | \$5,790              | N                     |
| 625.3700.5219.0.0.0      | Solid Waste Operating Fund          | N/A                 | \$2,325              | N                     |
| 736.1230.5212.0.0.0      | Worker's Comp & Emp Liab Trust Fund | N/A                 | \$7,725              | N                     |
| Paid by CCF              | Chandler Cultural Foundation        | N/A                 | \$17,350             | N                     |
| 741.1230.5212.0.0.0      | Health Care Benefits Trust Fund     | N/A                 | \$9,275              | N                     |
| Paid by CMF              | Chandler Museum Foundation          | N/A                 | \$11,350             | N                     |
| Paid by Impact Fee Funds | Various Impact Fee Funds            | N/A                 | \$14,500             | N                     |

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### **Attachments**

Heinfeld Meech Admendment 1





City Clerk Document No. \_\_\_\_\_

City Council Meeting Date: February 22, 2024

**AMENDMENT TO CITY OF CHANDLER AGREEMENT  
AUDIT SERVICES  
CITY OF CHANDLER AGREEMENT NO. 4596**

THIS AMENDMENT NO. 1 (Amendment No. 1) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Heinfeld, Meech & Co., P.C. (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made \_\_\_\_\_, 2024 (Effective Date).

**RECITALS**

WHEREAS, the Parties entered into an agreement for audit services (Agreement); and

WHEREAS, the term of the Agreement was June 1, 2023, through May 31, 2024, with the option of up to four one-year extensions; and

WHEREAS, the Parties wish to exercise the first option through this Amendment to extend the Agreement for one year.

**AGREEMENT**

NOW THEREFORE, the Parties agree as follows:

1. The recitals are accurate and are incorporated and made a part of the Agreement by this reference.
2. Section III is amended to read as follows: The Agreement is extended for a one-year period June 1, 2024, through May 31, 2025
3. Section IV is amended to read as follows: The City will pay the Contractor the per unit cost set forth in Exhibit B of the original Agreement, which is incorporated into and made a part of this Amendment No. 1 by this reference. Total payments made to the Contractor during the term of this Amendment No. 1 will not exceed \$162,175.



4. All other terms and conditions of the Agreement remain unchanged and in full force and effect. If a conflict or ambiguity arises between this Amendment No. 1 and the Agreement, the terms and conditions in this Amendment No. 1 prevail and control.

IN WITNESS WHEREOF, the Parties have entered into this Amendment on the Effective Date.

**FOR THE CITY**

By: \_\_\_\_\_

Its: Mayor

**FOR THE CONTRACTOR**

By:  \_\_\_\_\_

Its: Partner - Administration

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Attorney 

**ATTEST:**

By: \_\_\_\_\_  
City Clerk



**City Council Memorandum      Police Memo No. N/A**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Tadd Wille, Assistant City Manager  
Melissa Deanda, Acting Police Chief  
**From:** Donny Witt, Police Technology Senior Manager  
**Subject:** Sole Source Purchase of Police Interview Room Camera System

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**Proposed Motion:**

Move City Council approve the sole source purchase of the Police Interview Room Camera System, from Axon Enterprise, Inc., in the amount of \$230,214.90.

**Background/Discussion:**

The Chandler Police Department (CPD) currently houses seven interview rooms, some of which contain equipment installed over a decade ago. With advancements in crime-fighting technology, it is prudent to modernize CPD interview rooms to align with contemporary standards. This modernization initiative aims to afford CPD a clearer visual perspective during interviews, enhanced sound quality, and features that facilitate expeditious and efficient capture of interviews and dictations.

Integration of Axon equipment into CPD interview rooms will streamline workflow and reduce training requirements. Given CPD's existing utilization of Axon for its evidence repository, tasers, and body-worn cameras, incorporating Axon equipment into interview rooms represents a logical progression, ensuring seamless compatibility with the tools officers employ on a daily basis. Notable enhancements include the ability to securely view interviews from police-issued mobile devices, automatic transcription of interviews, and the establishment of motion boundaries within rooms for enhanced officer safety.

The acquisition of Axon equipment for CPD interview rooms is a strategic



investment aimed at enhancing investigative processes, fostering accountability, and safeguarding the reputation of law enforcement personnel. By harnessing cutting-edge technology to capture precise evidence, enhance transparency, and mitigate risks, CPD underscores its commitment to upholding the highest standards of professionalism and integrity.

**Evaluation:**

Axon Enterprise, Inc., is the sole source company that will allow for seamless integration of the interview room camera system with the existing body worn camera system. CPD has utilized the current Axon Enterprises system since full implementation in 2016. This purchase is for a five-year period and includes hardware, software licenses, and warranty. Staff recommends approval of this purchase.

| Fiscal Impact       |                        |              |               |                |
|---------------------|------------------------|--------------|---------------|----------------|
| Account No.         | Fund Name              | Program Name | Dollar Amount | CIP Funded Y/N |
| 202.2010.6314.0.0.0 | Police Forfeiture Fund | N/A          | \$230,214.90  | N              |





**City Council Memorandum      Public Works & Utilities      Memo No. CP24-107**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Andy Bass, Deputy City Manager  
John Knudson, Public Works and Utilities Director  
Daniel Haskins, CIP Engineering Senior Manager  
**From:** Sandra Story, Engineering Project Manager  
**Subject:** Professional Services Agreement No. WW2401.201, with Wilson Engineers, LLC, for the Water Reclamation Facility Improvements Phase 3 Design Services

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**Proposed Motion:**

Move City Council award Professional Services Agreement No. WW2401.201, to Wilson Engineers, LLC, for the Water Reclamation Facility Improvements Phase 3 Design Services, in an amount not to exceed \$2,574,080.

**Background/Discussion:**

The Airport Water Reclamation Facility (AWRF), located at 905 E. Queen Creek Road, was originally built in 1998 and the Ocotillo Water Reclamation Facility (OWRF), located at 3333 S. Old Price Road, was originally built in 1985. Both facilities have aging infrastructure that require replacement and rehabilitation of existing equipment and/or structures. This third and final planned phase of improvements addresses all major prior recommendations identified in previous studies.

Phase 1 consisted of improvements at AWRF that include retrofitting of existing mono-media filters with disc filters, process air system upgrades and a new maintenance building. Phase 2 consisted of improvements at OWRF that included the optimization of plant hydraulics and the secondary treatment process, replacement of existing traveling bridge filters with disc filters, the addition of a 105 MG capacity reservoir and site wide electrical upgrades. Design for both phases commenced in August 2019, with construction coming to completion this



March 2024.

Improvements at AWRP include the addition of a sixth disc filter, replacement of the aeration basin diffusers, and rehabilitation of clarifiers. Improvements at OWRP include significant rehabilitation of electrical gear, additional pumps, clarifier rehabilitation, and other ancillary improvements. The project scope of work consists of multiple phases including preliminary design, detailed design, permitting improvements, agency coordination, and construction delivery method assistance. The agreement completion time is 545 calendar days following Notice to Proceed.

**Evaluation:**

On October 10, 2023, city staff issued Request for Qualifications No. WW2401.201, for the Water Reclamation Facility Improvements Phase 3 project. Notification was sent to all registered vendors. One statement of qualifications was received from the following offerors:

1. Wilson Engineers, LLC

Although one company submitted for consideration on this project, an evaluation subcommittee of staff reviewed and scored the proposal individually. The proposal received an outstanding score and, pursuant to the CIP manual, it is recommended that the city start negotiations with Wilson Engineering. The evaluation committee evaluated the statements of qualifications and recommends awarding to Wilson Engineers, LLC, as the most qualified consultant in accordance with the evaluation criteria.

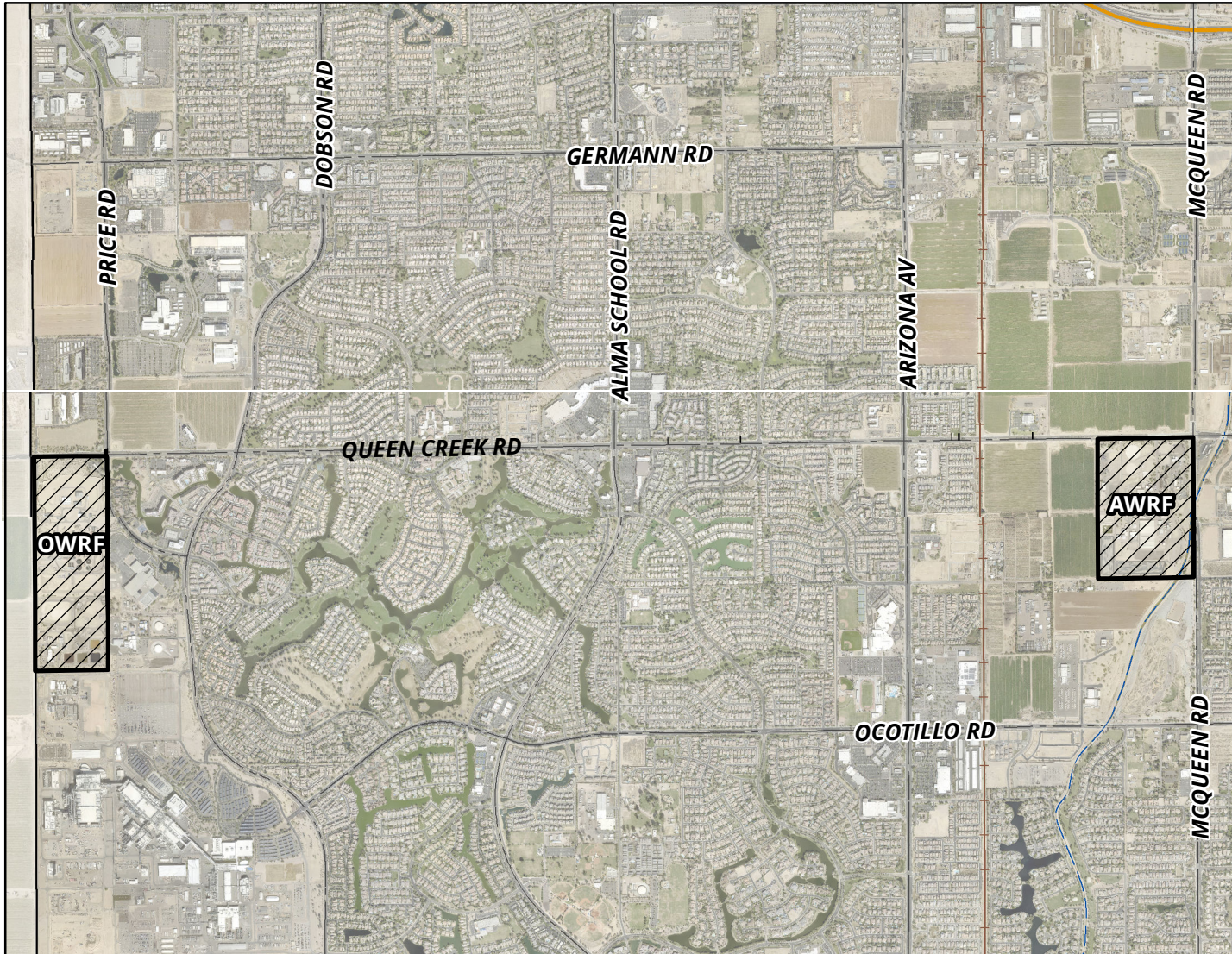
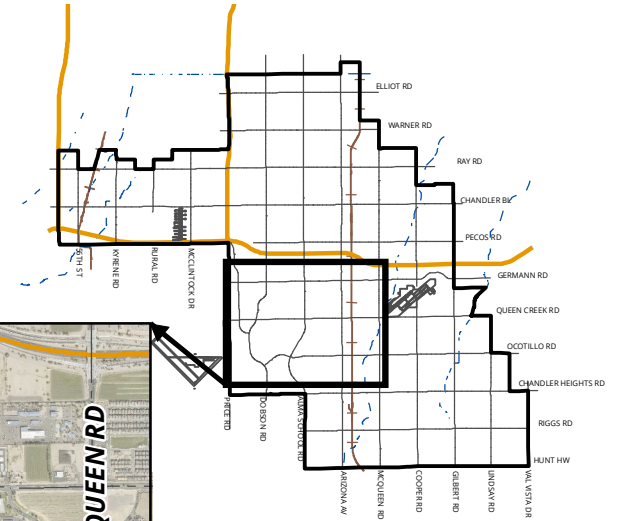
| Fiscal Impact        |                      |                                    |               |                |
|----------------------|----------------------|------------------------------------|---------------|----------------|
| Account No.          | Fund Name            | Program Name                       | Dollar Amount | CIP Funded Y/N |
| 615.3910.6814.6WW621 | Wastewater Operating | Water Reclamation Facility Improv. | \$2,574,080   | Y              |

- Attachments**
- Location Map
  - Agreement - Wilson Engineers, LLC





# WATER RECLAMATION FACILITIES IMPROVEMENTS - DESIGN SERVICES PROJECT NO. WW2401.201



MEMO NO. CP24-107

 PROJECT SITE







**PROFESSIONAL SERVICES AGREEMENT**  
**Design Services**  
**WATER RECLAMATION FACILITY IMPROVEMENTS PHASE 3**  
**Project No. WW2401.201**  
**Council Date: February 22, 2024**

This Agreement ("Agreement") is made and entered into on the \_\_\_\_ day of \_\_\_\_\_, 2024 ("Effective Date"), by and between City of Chandler, an Arizona municipal corporation, ("City"), and **Wilson Engineers, LLC**, an Arizona Limited Liability Company, ("Consultant") (City and Consultant may individually be referred to as "Party" and collectively referred to as "Parties").

**RECITALS**

- A. City proposes to engage Consultant to provide **Design Services** for **WATER RECLAMATION FACILITY IMPROVEMENTS PHASE 3** project as more fully described in **Exhibit "A"**, which is attached to and made a part of this Agreement by this reference.
- B. Consultant is ready, willing, and able to provide the services described in **Exhibit "A"** for the compensation and fees set forth and as described in **Exhibit "B"**, which is attached to and made a part of this Agreement by this reference.
- C. City desires to enter into an Agreement with Consultant to provide these services under the terms and conditions set forth in this Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and the mutual promises contained in this Agreement, City and Consultant agree as follows:

**SECTION I--CONSULTANT'S SERVICES**

Consultant must perform the services described in **Exhibit "A"** to City's satisfaction within the terms and conditions of this Agreement and within the care and skill that a person who provides similar services in Chandler, Arizona exercises under similar conditions. All work or services furnished by Consultant under this Agreement must be performed in a skilled and workmanlike manner. All fixtures, furnishings, and equipment furnished by Consultant as part of the work or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the work or service.



## **SECTION II--PERIOD OF SERVICE**

Consultant must perform the services described in **Exhibit "A"** for the term of this Agreement. Unless amended in writing by the Parties, the Agreement term expires **545** calendar days after the Notice to Proceed (NTP) Date.

## **SECTION III--PAYMENT OF COMPENSATION AND FEES**

Unless amended in writing by the Parties, Consultant's compensation and fees as more fully described in **Exhibit "B"** for performance of the services approved and accepted by City under this Agreement must not exceed **\$2,574,080** for the full term of the Agreement. Consultant may not increase any compensation or fees under this Agreement without the City's prior written consent. Consultant must submit monthly requests for payment of services approved and accepted during the previous billing period and must include, as applicable, detailed invoices and receipts, a narrative description of the tasks accomplished during the billing period, a list of any deliverables submitted, and any subconsultant's or supplier's actual requests for payment plus similar narrative and listing of their work. Consultant must submit an Application and Certification for Payment Sheet with the monthly request for payment to: CapitalProjects.Payables@chandleraz.gov. Payment for those services negotiated as a lump sum will be made in accordance with the percentage of the work completed during the preceding billing period. Services negotiated as a not-to-exceed fee will be paid in accordance with the work effort expended on the service during the preceding month. All requests for payment must be submitted to City for review and approval. City will make payment for approved and accepted services within 30 calendar days of City's receipt of the request for payment. Consultant bears all responsibility and liability for any and all tax obligations that result from Consultant's performance under this Agreement.

## **SECTION IV--CITY'S OBLIGATIONS**

As part of Consultant's services under this Agreement, City will provide furnished items, services, or obligations as detailed in **Exhibit "D"**.

## **SECTION V--GENERAL CONDITIONS**

5.1 Notices. Unless otherwise provided herein, demands under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:



|                 |   |   |
|-----------------|---|---|
| To City:        | City of Chandler - Public Works & Utilities Department<br>Attn: CIP City Engineer: Daniel Haskins, P.E.<br>P.O. Box 4008, Mail Stop 407<br>Chandler, AZ 85244-4008<br>Phone: 480-782-3335      Email: Daniel.haskins@chandleraz.gov |   |
| With a copy to: | City of Chandler - Public Works & Utilities Department<br>Attn: Sandy Story, Project Manager<br>P.O. Box 4008, Mail Stop 407, Chandler, AZ 85244-4008<br>Phone: 480-782-3588      Email: Sandra.story@chandleraz.gov                |   |
| To Consultant:  | <b>LEGAL COMPANY NAME:</b>  | Wilson Engineers, LLC                           |
|                 | Mailing Address:  | 1620 W Fountainhead Pkwy Ste 501 Tempe AZ 85282 |
|                 | Physical Address:   | same  |
|                 | Statutory Agent Name:   | Corporation Services Company                    |
|                 | Statutory Agent Mailing Address:  | 8825 N 23rd Ave Ste 100, AZ 85282               |
|                 | Statutory Agent Physical Address:   | same  |
|                 | <b>CONSULTANT'S AUTHORIZED PROJECT REPRESENTATIVE</b>   |   |
|                 | Name:   | Sreeram Rengaraj, P. E.                         |
|                 | Title:  | Principal Associate                             |
|                 | Phone:  | 480-893-8860                                    |
|                 | Email:  | sreengaraj@wilson-engineers.com                 |

5.2 Records/Audit. Records of Consultant's direct personnel payroll, reimbursable expenses pertaining to this Agreement and records of accounts between City and Consultant must be kept on the basis of generally accepted accounting principles and must be made available to City and its auditors for up to three years following City's final acceptance of the services under this Agreement (this requirement is increased to five years if construction of this project is federally funded). City, its authorized representative, or any federal agency, reserves the right to audit Consultant's records to verify the accuracy and appropriateness of all cost and pricing data, including data used to negotiate this Agreement and any amendments. City reserves the right to decrease the total amount of Agreement price or payments made under this Agreement or request reimbursement from Consultant following final Agreement payment on this Agreement if, upon audit of Consultant's records, the audit discloses Consultant has provided false, misleading, or inaccurate cost and pricing data. Consultant will include a similar provision in all of its Agreements with subconsultants who provide services under the Agreement to ensure that City, its authorized representative, or the appropriate federal agency, has access to the subconsultants' records to verify the



accuracy of all cost and pricing data. City reserves the right to decrease Agreement price or payments made on this Agreement or request reimbursement from Consultant following final payment on this Agreement if the above provision is not included in subconsultant agreements, and one or more subconsultants refuse to allow City to audit their records to verify the accuracy and appropriateness of all cost and pricing data. If, following an audit of this Agreement, the audit discloses Consultant has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, Consultant will be liable for reimbursement of the reasonable, actual cost of the audit.

5.3 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of services, cost of performance, or Project schedule, the work will be performed as directed by City. However, before any modified work is started, a written amendment must be approved and executed by City and Consultant. Such amendment must not be effective until approved by City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to Consultant may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra services or materials furnished by Consultant will be allowed by City except as provided herein, nor must Consultant do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by Consultant without prior written authorization will be at Consultant's own risk, cost, and expense, and Consultant hereby agrees that without written authorization Consultant will make no claim for compensation for such work or materials furnished.

5.4 Termination. City and Consultant hereby agree to the full performance of the covenants contained herein, except that City reserves the right, at its discretion and without cause, to terminate or abandon any service provided for in this Agreement, or abandon any portion of the Project for which services have been performed by Consultant. In the event City abandons or suspends the services, or any part of the services as provided in this Agreement, City will notify Consultant in writing and immediately after receiving such notice, Consultant must discontinue advancing the work specified under this Agreement. Upon such termination, abandonment, or suspension, Consultant must deliver to City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by City. Consultant must appraise the work Consultant has completed and submit Consultant's appraisal to City for evaluation. City may inspect Consultant's work to appraise the work completed. Consultant will receive compensation in full for services performed to the date of such termination. The fee will be paid in accordance with Section III of this Agreement, and as mutually agreed upon by Consultant and City. If there is no mutual agreement on payment, the final determination will be made in accordance with the "Disputes" provision in this Agreement. However, in no event may the fee exceed the fee set forth in Section III of this Agreement nor as amended in accordance with Section "Alteration in Character of Work." City will make the final payment within 60 days after Consultant has delivered the last of the partially completed items and the Parties agree on the final fee. If City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.



5.5 Indemnification. To the extent permitted by law, the Consultant ("Indemnitor") must indemnify, save and hold harmless City and its officers, officials, agents and employees ("Indemnitee") from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) ("Claims") caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of Consultant or any of its owners, officers, directors, agents, employees, or subconsultants in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of Consultant to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. Consultant must indemnify Indemnitee from and against any and all Claims, except those arising solely from Indemnitee's own negligent or willful acts or omissions. Consultant is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, Consultant agrees to waive all rights of subrogation against Indemnitee for losses arising from or related to this Agreement. The obligations of Consultant under this provision survive the termination or expiration of this Agreement.

5.6 Insurance Requirements. Consultant must procure insurance under the terms and conditions and for the amounts of coverage set forth in **Exhibit "C"** against claims that may arise from or relate to performance of the work under this Agreement by Consultant and its agents, representatives, employees, and subconsultants. Consultant and any subconsultant must maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. City in no way warrants that the minimum limits stated in **Exhibit "C"** are sufficient to protect Consultant from liabilities that might arise out of the performance of the work under this Agreement by Consultant, Consultant's agents, representatives, employees, or subconsultants. Consultant is free to purchase such additional insurance as may be determined necessary.

5.7 Cooperation and Further Documentation. Consultant agrees to provide City such other duly executed documents as may be reasonably requested by City to implement the intent of this Agreement.

5.8 Successors and Assigns. City and Consultant each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither City nor Consultant may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and City.

5.9 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between Consultant and City, the final determination at the administrative level will be made by City Engineer.

5.10 Completeness and Accuracy of Consultant's Work. Consultant must be responsible for the completeness and accuracy of Consultant's services, data, and other work prepared or



compiled under Consultant's obligation under this Agreement and must correct, at Consultant's expense, all willful or negligent errors, omissions, or acts that may be discovered. Correction of errors disclosed and determined to exist during any construction of the project on architectural or engineering drawings and specifications must be accomplished by Consultant. The cost of the design necessary to correct those errors attributable to Consultant and any damage incurred by City as a result of additional construction costs caused by such engineering or architectural errors will be chargeable to Consultant and will not be considered a cost of the Work. The fact that City has accepted or approved Consultant's work will in no way relieve Consultant of any of Consultant's responsibilities.

5.11 Reporting. Written monthly reports, along with updated work schedules, will be made by Consultant in the format prescribed by City. These reports will be delivered to City per schedule. When requested by City, Consultant will attend Council meetings and provide finished documents including correspondence for Council action, supporting charts, graphs, drawings and colored slides of same.

5.12 Withholding Payment. City reserves the right to withhold funds from Consultant's payments up to the amount equal to the claims City may have against Consultant until such time that a settlement on those claims has been reached.

5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Consultant. For this Agreement Consultant constitutes an independent contractor. Any provisions in this Agreement that may appear to give City the right to direct Consultant as to the details of accomplishing the work or to exercise a measure of control over the work means that Consultant must follow the wishes of City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, Consultant must submit to City detailed resumes of key personnel that will be involved in performing services prescribed in the Agreement. City hereby acknowledges its acceptance of such personnel to perform services under this Agreement. At any time hereafter that Consultant desires to change key personnel while performing under the Agreement, Consultant must submit the qualifications of the new personnel to City for prior approval. Key personnel include, but are not limited to, principals-in-charge, project manager, and project Consultant. Consultant will maintain an adequate and competent staff of qualified persons, as may be determined by City, throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Services. If City objects, with reasonable cause, to any of Consultant's staff, Consultant must take prompt corrective action acceptable to City and, if required, remove such personnel from the Project and replace with new personnel agreed to by City.

5.16 Consultants or Subconsultants. Prior to beginning the work, Consultant must furnish City for approval the names of consultants or subconsultants to be used under this Agreement. Any subsequent changes are subject to City's written prior approval.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act



required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Federal Laws. Consultant understands and acknowledges the applicability of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 to it. Consultant agrees to comply with these laws in performing this Agreement and to permit City to verify such compliance.

5.19 No Israel Boycott. By entering into this Agreement, Consultant certifies that Consultant is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits City from awarding an Agreement to any consultant who fails, or whose subconsultants fail, to comply with A.R.S. § 23-214(A). Therefore, Consultant agrees Consultant and each subconsultant it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Consultant's or subconsultant's employee who provides services under this Agreement to ensure that Consultant and subconsultants comply with the warranty under this provision.

5.21 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit City from awarding an Agreement to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of Agreement award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.22 Covenant Against Contingent Fees. Consultant warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Consultant's firm. For breach or violation of this warrant, City may annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.23 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.



5.24 Disclosure of Information Adverse to City's Interests. To evaluate and avoid potential conflicts of interest, Consultant must provide written notice to City, as set forth in this Section, of any work or services performed by Consultant for third parties that may involve or be associated with any real property or personal property owned or leased by City. Such notice must be given 7 business days prior to commencement of the services by Consultant for a third party, or 7 business days prior to an adverse action as defined below. Written notice and disclosure must be sent in accordance with Section 6.7 above. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in the Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against City; or (c) using data to produce income for Consultant or its employees independently of performing the services under this Agreement, without the prior written consent of City. Consultant represents that except for those persons, entities, and projects identified to City, the services performed by Consultant under this Agreement are not expected to create an interest with any person, entity, or third party project that is or may be adverse to City's interests. Consultant's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of this Agreement.

5.25 Data Confidentiality and Data Security. As used in the Agreement, "data" means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to Consultant or its subconsultants in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to Consultant or its subconsultants in connection with Consultant's or its subconsultant's performance of this Agreement is confidential and proprietary information belonging to City. Except as specifically provided in this Agreement, Consultant or its subconsultants must not divulge data to any third party without City's prior written consent. Consultant or its subconsultants must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to Consultant or its subconsultants have first given the required notice to City: (a) data which was known to Consultant or its subconsultants prior to its performance under this Agreement or its subconsultants by a third party, who to the best of Consultant's or its subconsultants' knowledge and belief, had the legal right to make such disclosure and Consultant or its subconsultants are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of law, regulation, or court order, to which Consultant or its subconsultants are subject. In the event Consultant or its subconsultants are required or requested to disclose data to a third party, or any other information to which Consultant or its subconsultants became privy as a result of any other Agreement with City, Consultant must first notify City as set forth in this Section of the request or demand for the data. Consultant or its subconsultants must give City sufficient facts so that City can be given an opportunity to first give its consent or take such action that City may deem appropriate to protect such data or other information from disclosure. All data must continue to be subject to the confidentiality agreements of this Agreement. Consultant or its subconsultants assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate City if any of the provisions of this Section are violated by



Consultant, its employees, agents or subconsultants. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Consultant agrees that the requirements of this Section must be incorporated into all subagreements entered into by Consultant. A violation of this Section may result in immediate termination of this Agreement without notice.

**5.26 Personal Identifying Information-Data Security.** Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Consultant or its subconsultants. At a minimum, Consultant or its subconsultants must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Consultant or its subconsultants in connection with this Agreement is believed to have been compromised, Consultant or its subconsultants must immediately notify City contact. Consultant agrees to reimburse City for any costs incurred by City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Consultant agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Consultant. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Consultant or its subconsultants under this Section must survive the termination of this Agreement.

**5.27 Jurisdiction and Venue.** This Agreement is made under and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

**5.28 Survival.** All warranties, representations, and indemnifications by Consultant must survive the completion or termination of this Agreement.

**5.29 Modification.** Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.

**5.30 Severability.** If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

**5.31 Integration.** This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.



5.32 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.33 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later than 5:00 p.m. (Chandler time) on the day of performance.

5.34 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than City and Consultant, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and Consultant and not for the benefit of any other party.

5.35 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in **Exhibit "A"**, the provisions in this Agreement prevail.

5.36 Document/Information Release. Documents and materials released to Consultant, which are identified by City as sensitive and confidential, are City's property. The document/material must be issued by and returned to City upon completion of the services under this Agreement. Consultant secondary distribution, disclosure, copying, or duplication in any manner is prohibited without City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.37 Exhibits. The following exhibits are made a part of this Agreement and are incorporated by reference:

**Exhibit A** - Scope of Services / Schedule

**Exhibit B** - Compensation and Fees

**Exhibit C** - Insurance Requirements

**Exhibit D** - Special Conditions

**Exhibit E** – Subconsultant Documents with Consultant (if applicable)

**Exhibit F** - Federal Requirements (if applicable)

5.38 Special Conditions. As part of the services Consultant provides under this Agreement, Consultant agrees to comply with and fully perform the special terms and conditions set forth in **Exhibit "D"**, which is attached to and made a part of this Agreement.

5.39 Non-Discrimination and Anti-Harassment Laws. Consultant must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.40 Licenses and Permits. Beginning with the Effective Date and for the full term of this



Agreement, Consultant must maintain all applicable City, state, and federal licenses and permits required to fully perform Consultant's services under this Agreement.

5.41 Warranties. Consultant must furnish a one-year warranty on all work and services performed under this Agreement. Consultant must furnish, or cause to be furnished, a two-year warranty on all fixtures, furnishings, and equipment furnished by Consultant, subconsultants or suppliers under this Agreement. Any defects in design, workmanship, or materials that do not comply with this Agreement must be corrected by Consultant (including, but not limited to, all parts and labor) at Consultant's sole cost and expense. All written warranties and redlines for as-built conditions must be delivered to City on or before City's final acceptance of Consultant's services under this Agreement.

5.42 Cooperative Purchasing Agreement (S.A.V.E. – Strategic Alliance for Volume Expenditures). In addition to City of Chandler and with the approval of Consultant, this Agreement may be extended for use by other municipalities, school districts, and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter, or procurement rules and regulations of the respective political entity.

5.43 Budget Approval into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as an expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council.

5.44 Forced Labor of Ethnic Uyghurs Prohibited. By entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.45 License to City for Reasonable Use. With this Agreement, Consultant and its subconsultants hereby grant a license to City, its agents, employees, and representatives for an indefinite period of time to reasonably use, make copies, and distribute as appropriate the Documents, works or deliverables developed or created as a result of the Project and this Agreement. This license also includes the making of derivative works.



This Agreement will be in full force and effect only when it has been approved and executed by the duly authorized City officials.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**"CITY" CITY OF CHANDLER**

**"CONSULTANT"**

**Wilson Engineers, LLC**

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
Signature  
Date 1/31/24

**RECOMMENDED BY:**

\_\_\_\_\_  
Daniel Haskins

Daniel Haskins, P.E.  
CIP City Engineer

\_\_\_\_\_  
Print Name Uday Kumar Gandhe

\_\_\_\_\_  
Title Principal

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Signer Email Address Uday.gandhe@wilson-engineers.com

\_\_\_\_\_  
City Attorney

**ATTEST:**

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



**EXHIBIT "A"**  
**SCOPE OF SERVICES/SCHEDULE**



**WATER RECLAMATION FACILITIES  
PHASE 3 IMPROVEMENTS PROJECT  
SCOPE OF SERVICES  
CITY PROJECT NUMBER: WW 2401-201  
January 18, 2024**

The City of Chandler (CITY) desires to plan, design, and construct, facility improvements at both their Water Reclamation Facilities, the Airport WRF and the Ocotillo WRF to replace and rehabilitate existing equipment and/or structures. The City has engaged the services of Wilson Engineers (ENGINEER) to provide the Water Reclamation Facility Improvements Project. The project involves multiple phases including preliminary design, detailed design, and permitting of improvements. It is anticipated that the project construction may be accomplished in phases (packages) to accommodate the required completion schedule. The scope of services for this phase is identified in the following paragraphs.

**SCOPE OF SERVICES**

The ENGINEER will complete the following scope for Design Phase of the project. Subsequent phases of work, if any, such as construction-related services for the Project will be provided under separate contracts.

**TASK 1 - PROJECT MANAGEMENT**

The ENGINEER will perform various project management and monitoring activities throughout the project, as delineated in the following tasks and sub-tasks. The ENGINEER shall prepare and submit regular monthly invoices and shall include a summary of the work completed for each billing cycle. The ENGINEER shall prepare authorization for Use of Allowance and obtain CITY's approval prior to beginning of any allowance work.

Prepare and distribute agenda and minutes for each meeting. Agenda will be submitted to the CITY at least two (2) days prior to the meeting. Minutes will be submitted to the CITY no more than five (5) days following each meeting.

**Kickoff Meeting:** Conduct a project kickoff meeting approximately two (2) weeks following receipt of written NTP from the CITY. Meeting objectives will be to review the various draft submittals (including the project schedule and Project milestones); confirm lines of communication; and coordinate the schedule of bi-weekly project meetings anticipated throughout the Project.



**Project Meetings:** Conduct monthly project meetings with CITY representatives throughout the Project to keep the CITY informed of the project progress and obtain input and direction as required. The monthly meeting objectives will include the presentation of alternative evaluations for CITY review and approval; results from data collection, and other outstanding project issues. The anticipated number of planned monthly meetings during this phase shall be ten, exclusive of the project kickoff meeting.

**Project Workshops:** Conduct additional coordination meetings and workshops with CITY and other project stakeholders as necessary to obtain timely input and feedback on the progression of the Project, including key interaction with CITY operations and maintenance (O&M) staff regarding process alternative evaluations. A total of three Project Workshops are anticipated for the project.

Deliverables: Meeting Agenda and Summary Notes (electronic copies)

**Project Schedule:** Develop and maintain a project progress schedule during the Project. The schedule will be developed in MS Project format. Project timelines, along with Identification of task inter-relationships, will be included. Schedule will include both original baseline and actual progress. A draft baseline project schedule will be submitted to the CITY for review and approval. The project schedule will be updated monthly to be reviewed at project meetings.

Deliverables: Draft and Final Baseline Project Schedule and Monthly Updates (electronic copies)

## **TASK 200- PRELIMINARY DESIGN DEVELOPMENT**

A condition assessment of AWRF and OWRF was completed as part of a separate project that identified several improvements at both facilities for this project as part of the roadmap. This project effort will include a brief review of the previous condition assessment work and will include validation. A detailed study for the Blower System and the Solids Facilities Optimization at AWRF will be included as part of the initial tasks.

**Preliminary Design Report (PDR):** The PDR developed under this Task will include preliminary design of items identified by the City to proceed with detailed design on this project. The preliminary design will include development of process and equipment sizing, review of any alternatives; review applicable codes, standards, design criteria; and the capital and annual O&M cost estimates for each item selected for the project. The preliminary design will be the basis for the preparation of detailed design plans and specifications. The PDR shall include the following elements:

- Executive summary that briefly summarizes the project elements identifying the reasons for decisions that were made (for project elements) to be included as part of this project.



- Process flow diagrams and schematics for the treatment processes, including preliminary hydraulic profile.
- Compilation of the anticipated preliminary design criteria for the treatment process and ancillary facilities, compiled from the preliminary criteria developed under previous tasks.
- Preparation of a budgetary-level preliminary opinion of probable construction cost with project-related administrative, general conditions, bonds, insurance and other indirect costs (including design and construction management related fees) will be included to determine a total project cost estimate.

Overall purpose of the Preliminary Design Report is to identify and finalize key design decisions to transition into detailed design. The draft PDR will be submitted to CITY for review. Along with the PDR, a 30% level design drawings will also be submitted for City's review (30% Progress Submittal are discussed below). Upon receipt of comments, the ENGINEER will make appropriate revisions and submit a final PDR to the CITY.

Deliverables: Draft and Final Preliminary Design Report (6 copies each and electronic copy)

**AWRF Blower System Study:** The original blowers were installed in the late 1990s and more blowers have been added since then. All existing blowers are constant speed blowers. The plant staff has challenges when the plant flow is low and they are unable to reduce and balance air demand between multiple blowers resulting in inefficiency in blower O&M costs. The recent Asset Management Project identified the need to replace some of the blowers. The City and Plant Staff expressed the need to review the Blower System in its entirety and develop long term robust solutions.

The ENGINEER will perform a detailed review of the Blower System at AWRF to identify options for blower optimization, replace older blowers with new blowers / add VFDs, automated process air supply to the droplegs by adding iris valves and review of control strategies. The ENGINEER will evaluate all options using a decision matrix factoring in life cycle cost, operator preference, reliability and ease of maintenance. Multiple blower types such as centrifugal blowers, turbo blowers will be evaluated. A memorandum summarizing the same with a selected option will be published prior to proceeding with detailed design. A 10% design of the proposed modifications will be included as part of this task.

The City will procure additional funding to evolve the design from 10% to completing the "For Construction" documents for the selected blower system improvements as well as procure funding for construction of the same. A contract amendment will be completed to the ENGINEER's contract to include these services.

Deliverables: Technical Memorandum (electronic copies)



**AWRF Solids Facilities Optimization Study:** The existing solids operation is a two-step process – thickening followed by dewatering. The primary elements include three Sludge Holding Tanks (SHTs), four Gravity Belt Thickeners (GBTs) in a building, two Thickend WAS Tanks, six Belt Filter Presses (BFP) in a building, and three pump stations. The Thickening Building was constructed in 2007 during the 15-MGD Expansion and the Dewatering Building was constructed as part of the original construction, with a subsequent expansion in 2012. A detailed condition assessment of the Solids Facilities at AWRF was recently completed. The assessment revealed the need for significant rehabilitation or replacement of critical equipment in the Dewatering Building. The BFPs 1 through 4 were in various stages of deterioration, requiring significant rehabilitation or likely replacement, due to their age and wear and tear. Additionally, the roll-up doors require replacement. The east biofilter is also in poor condition and will soon require replacement. The Thickening Building is relatively new and does not require major rehabilitation or replacement. Since the Dewatering Building requires replacement of a minimum of two and possibly up to 4 BFPs incurring significant capital costs, it is prudent to evaluate current thickening/dewatering technologies along with in-kind replacement of the BFPs. One such technology is the combined thickening/dewatering press that is available in the market. The Plant Staff also expressed the desire to have a Sludge Storage Silo for loading the solids into the dump trucks. Since newer technology is currently available, the Engineer will review alternatives looking at optimizing the entire Solids Handling Facilities. As part of this task, the ENGINEER will develop options that include replacement in kind, combination thickening / dewatering press to name a few. The effort will include developing a layout for the options, decision matrix that comprises life cycle cost, reliability, ease of maintenance, operator preference etc. and workshops with City Staff. A Technical Memorandum summarizing the study along with 10% drawings will be published prior to proceeding with detailed design.

The City will procure additional funding to evolve the design from 10% to completing the “For Construction” documents for the selected Solids Facilities improvements as well as procure funding for construction of the same. A contract amendment will be completed to the ENGINEER’s contract to include these services.

Deliverables: Technical Memorandum (electronic copies)

**Drainage Reports:** The ENGINEER will prepare a Drainage Report and preliminary Grading and Drainage Plan to document the incidental site drainage changes for the scope of work as part of this project at the Ocotillo WRF site. The Drainage Report will be submitted to the CITY along with the Agency Review submittal. It is anticipated that there will not be major site modifications at AWRF and



OWRF since no new structures are anticipated as part of this project at this time. The report will be included as an addendum to the PDR.

Deliverables: Drainage Report (electronic copies)

**Develop Process Control Descriptions:** The improvements at both AWRF and OWRF require updated or new process control descriptions for the areas that will part of the project scope. The ENGINEER will coordinate and develop process control descriptions prior to the 30% design and will include them in the PDR. Once the descriptions are reviewed by the City and finalized, they will be part of the Project Specifications.

Deliverables: Process Control Descriptions will be part of PDR at 30% and Project Specifications from 60% onwards (electronic copies)

### **3. DETAILED DESIGN DEVELOPMENT**

The ENGINEER will prepare detailed construction documents for the Project. In the event the City determines to select a CMAR for the project, the documents will be used by the CMAR to prepare the construction cost model and corresponding GMP, project schedule, equipment and subcontractor procurement; as well as by the regulatory agencies to issues applicable permits for the construction and operation of the Project. Alternatively, the detailed design documents can be used for procuring the contractor using the bid method.

Preparation of construction drawings and technical specifications will be as follows:

1. Drafting and CADD Standards: The organization and preparation of construction drawings shall be in accordance with the City drafting guidelines.
2. Technical Specifications: Technical specifications shall be prepared using the City's Standard Specifications Guide Documents, Divisions 1 through 17.

The Engineer will prepare progress submittal packages when the design, drawings, and specifications are considered 30, 60, and 90 percent (%) complete as described in this scope of services. Two (2) copies of the progress submittal packages will be included with each submittal for City review. The level of detail on the drawings in each progress submittal should be as given below.

**30% Progress Submittal:** The design scheme is decided and working drawings are prepared. These drawings are used to convey information about the Project's overall appearance and configuration to the City and other Project stakeholders. These drawings are not intended for construction. The lists of drawings and specifications for each discipline are ready for City review.

1. Process and hydraulic design:



- Hydraulics: Hydraulic analysis required for design (e.g., pipeline hydraulics, pump selection, etc) is complete and calculations are checked.
- Process: wastewater process design (e.g., chemical dosage, specialty equipment selection, etc) all process calculations are completed and checked.

2. Civil:

- Existing utilities are plotted; existing facility horizontal controls and elevations are confirmed with current survey.
- All unit treatment process structures, as required in design, are located.
- Preliminary drawings include overall site layout, large diameter pipe, yard piping and major grading elements.
- Demolition plans, as applicable, are prepared.
- Conceptual drawings showing drainage patterns and means for control and disposal.

3. Structural/Architectural:

- The detailed design approach for each structural component is established.
- Layout plan drawings and principal sections are started.
- Architectural concepts defined.
- Preliminary architectural plans and sections are prepared.

4. Electrical:

- Preliminary single line diagrams of major distribution system and MCCs are prepared.
- Preliminary electrical room arrangements are prepared.
- Partial equipment control schematic diagrams are prepared.
- Preliminary electrical plans showing locations of switch gear, conduit runs and main motor control centers are prepared.

5. Instrumentation:

Process and Instrumentation Devices (P&ID) should be developed to a degree which depicts the following:

- General instrumentation and control philosophy.
- Type of instrumentation.
- All primary and secondary control devices.
- Process area designation, drawing and equipment numbering system identified.

Preliminary Process Control strategies should be complete. Process control strategies shall be discussed and reviewed with the plant personnel at a project workshop prior to the 30% submittal. The draft



process control strategies shall be submitted to the City prior to the meeting to provide sufficient time for City staff review.

No specification submittal will be required at this time. The 30% Progress Submittal will be made along with the PDR discussed in Task 200 above.

Deliverables: Half size drawings (6 copies and a pdf copy). General instrumentation philosophy document and conceptual process overview schematic.

**60% Progress Submittal:** The drawings and specifications for each discipline are coordinated and have progressed where the design intent is established and must show the work in sufficient detail that a contractor can recognize elements and requirements for construction. All comments from the 30% submittal are satisfactorily addressed. The set of drawings will include a cover sheet and an index sheet.

1. Civil:

- All facilities are shown and located.
- Grading plans and demolition plans are substantially complete.
- Plan sheets are substantially complete.
- Design calculations are complete.
- Draft specifications are assembled.

2. Architectural:

- Floor, roof, and ceiling plans are near complete.
- Elevations and sections are essentially complete.
- Door, window, and finish schedules are partially complete.
- Architectural detailing is partially complete.
- Draft specifications are assembled.

3. Structural:

- Foundation plans are essentially complete.
- Other plans and sections are partially complete.
- Design calculations are complete.
- Structural detailing is partially complete.
- Draft specifications are assembled.

4. Mechanical (includes process equipment, plumbing, HVAC, and fire suppression):

- Mechanical plans and sections are essentially complete.
- Mechanical details are partially complete.
- Equipment and valves are included in equipment schedules. Piping schedules are complete.



- Specifications for the major equipment items are essentially complete.
- Design calculations are complete.

5. Electrical:

- Single line diagrams and motor control diagrams are partially complete.
- Power and control plans are partially complete.
- Panel, light fixtures schedules are complete.
- Duct bank and pull box details are partially complete.
- Lighting and receptacle plans are partially complete.
- Specifications for major equipment items have been drafted.
- Design calculations are complete.
- Control schematic diagrams are partially complete.

6. Instrumentation:

- P&IDs are essentially complete.
- Process Control Strategies are essentially complete.
- I & C details are partially complete.
- Specifications for instrumentation devices are started.

The ENGINEER shall finalize the process control narratives for the improvements at the WRFs, prior to completion of the 60% detailed design documents and after a detailed review of the narratives with the City staff.

Deliverables: Half size drawings (6 copies and a pdf copy). Draft specifications for major equipment for the project along with a list of equipment vendors for City's review. Process Control Descriptions for all processes that are included in the project including descriptions for any new processes that are added.

**90% Progress Submittal (Agency Review Set):** Drawings and details in all disciplines should be complete. Specifications should be essentially complete. Design calculations in all disciplines shall be essentially complete and checked. Comments on design, drawings and specifications from previous reviews must have appropriate responses before the 90% progress submittal is submitted. Comments from both the 30 and 60 percent reviews by City staff, any constructability reviews, and review comments from regulatory agencies must have appropriate responses or actions.

Deliverables: Half size drawings (6 copies and a pdf copy), 3 full-size copies to be submitted to agencies for review.

**Final (100%) Contract Documents:** Drawings and specifications should be complete and accepted by the City. All construction documents should be complete and ready for construction pricing of the work.



Deliverables: Half size drawings (6 copies, 1 full size copy and pdf and AutoCAD files), 1 full-size copy.

**Maintenance of Plant Operations (MOPOs):** The Maintenance of Plant Operations is a plan or series of plans that describe how to maintain operation of the existing facility when it is time to bring a newly constructed facility on line. The Engineer will prepare a draft MOPO list during preliminary design and follow up and assist the CMAR during detailed design to develop specific MOPO activities. The CMAR contractor will take lead on this task and with assistance from the ENGINEER.

The preliminary MOPO list will identify areas of construction of the proposed facility that interfaces with the existing facilities. The preliminary MOPO list will be prepared with the 30% Submittal and included in the preliminary design report. The preliminary MOPO list will be used as the basis for development of the MOPO activities during the detailed design phase.

MOPO development will occur during preparation of drawings and specifications and the ENGINEER's will include the following:

- Identification of construction interfaces with the existing facilities that affect existing operations.
- Assist CMAR in developing draft MOPOs with input from City operation and maintenance staff.
- Consider possible effects on design from the draft MOPO.
- Incorporate MOPO requirements into the drawings and specifications.
- Participate in a site walk-through with CMAR and the City operation and maintenance staff.  
Assist the CMAR in determining the MOPO durations, constraints, and shared responsibilities for MOPOs.
- Review MOPOs prepared by the CMAR, incorporate the MOPOs in the specifications.

The MOPO list for City review will be included in the 60% and 90% Submittals. The final MOPOs developed by the CMAR must have City approval and will be included in the construction documents with the final submittal.

#### **4. PERMITTING**

The ENGINEER will perform permitting coordination activities throughout the Design Phase, as delineated in the following tasks and sub-tasks. Specific permits, plans and reviews anticipated under this Project include:

- City of Chandler- Building Permit (and Building Plan Review)
- City of Chandler- Civil Plan Review
- MCESD- Approval to Construct
- ADEQ Minor Amendment Application



**City Permitting:** The ENGINEER shall develop applicable permit applications and submit preliminary supporting documents as part of the CITY's Pre-Tech Review process (at the 30 percent design stage). Submit applicable Interim Submittal Review and Agency Review documents and associated reports, plans and supporting information to the CITY's Development Services and Fire Departments for Building, Site, Civil and Fire plan review approvals accordingly. Provide additional information as requested from CITY plan review staff, as appropriate.

NOTE: It is assumed that all CITY permit fees for the Project will be paid directly by the CITY, and therefore, are not included within this scope of services.

Deliverables: Draft and Final Permit Applications and Supporting Documentation

**MCESD Permitting:** Develop the Agency Review document set(s) and associated permit application in accordance with the Permitting Assistance Plan and submit to MCESD for non-expedited review to obtain the Approval to Construct (ATC). It is assumed that one (1) review meeting will be conducted with MCESD to discuss any comments received from the County accordingly.

NOTE: The subsequent Approval of Construction (AOC) submission is not included within this scope of services, but will be included under a subsequent Construction Phase Services contract (if desired by the CITY).

Deliverables: Draft and Final Permit Applications and Supporting Documentation

**ADEQ APP Coordination:** Prepare the necessary APP Modification (Minor Amendment Permit for both facilities) and submit to ADEQ, along with applicable technical materials necessary to submit a Minor Amendment to the existing OWRF and AWRF APP's.

NOTE: It is assumed that applicable permit application review fees will be paid by the ENGINEER.

Deliverables: Draft and Final Permit Applications and Supporting Documentation

## **5. PROJECT DELIVERY METHOD ASSISTANCE**

The ENGINEER will assist the CITY with the CMAR project delivery method. The scope of work for this task is identified below.

**CMAR Coordination:** In the event the City's chooses to use the Construction Manager at Risk project delivery method, the CM at Risk will be contracted to provide design phase services and then during construction will provide all services required of a general contractor. The relationship between the CM at Risk and the Engineer is intended to be collaborative and proactive, both participating as advisors to the City during the design phase. The City wants to incorporate a contractor's perspective and input to the



Project planning and design decisions and have the ability to select certain components of the Project for construction prior to full completion of design.

Design Phase services by the CM at Risk may include:

- Provide a conceptual and progressively more detailed cost model to confirm budgets and guide design decisions;
- Provide detailed independent cost estimating and knowledge of market conditions;
- Provide a construction management plan and schedule;
- Provide alternate systems evaluation and constructability studies;
- Provide long-lead procurement studies and possibly initiate procurement of long-lead items;
- Provide procurement services for selection of subcontractors and suppliers;
- Prepare the Guaranteed Maximum Price (GMP) for construction;

The Engineer's effort to coordinate with the CM at Risk will consist of:

- Solicit CM at Risk input during design development as appropriate;
- Provide information for cost estimating;
- Provide assistance with long-lead procurement activities;
- Evaluate alternative systems suggested by CM at Risk;
- Respond to constructability review comments;
- Attend subcontractor pre-selection meetings conduct by CM at Risk;
- Assist and review during GMP development;
- Perform GMP proposal review and prepare recommendation to City;
- Assist City with review of the subcontractor/supplier bid and selection process.

The City may request the CM at Risk to proceed with early construction of certain Project features before full Project design is complete and request a GMP for that portion of the work. The Engineer will prepare the appropriate construction documents for such work. This may include;

- Early Procurement of Long-Lead Equipment Items (items that may be included consists of: secondary clarifier mechanism, electrical equipment, and packaged filter units) and certain improvements to be identified at the Ocotillo WRF by the Project Team.
- Balance of Work

In addition to coordination with the CMAR, attend meetings with the third party cost consultant and provide them with the project submittals to facilitate their review of CMAR's GMP. The ENGINEER will attend up to a total of four meetings with the cost consultant for two separate GMP packages.



NOTE: A parallel cost estimate will not be performed as the CITY intends to hire a third-party cost estimator for additional cost model and GMP validation.

## **6. Other Direct Costs**

**Geotechnical Investigation:** The ENGINEER will perform a geotechnical investigation with assistance from sub-consultant, which will include the drilling and sampling of up to four (4) test borings to determine subsoil conditions and provide samples for laboratory testing. The ENGINEER will submit draft Geotechnical Investigation Report to the CITY for review. The ENGINEER will further coordinate and consult with geotechnical sub-consultant to obtain geotechnical design data for construction any new facilities. The geotechnical investigation is limited to the OWRF site (as no new structures are anticipated at the Airport WRF as part of this project).

The CMAR shall review the Geotechnical Investigation Report and supporting data, and coordinate any additional investigations that they may determine to be necessary to be borne directly by the CMAR.

Deliverables: Draft and Final Geotechnical Investigation Report (electronic copies)

**Topographical Site Survey:** The ENGINEER with assistance from a sub-consultant will perform a site topographical survey to document the current conditions and surface features of the area proposed for the new OWRF treatment train and supporting facilities, including land north and west of the existing OWRF. Site survey will be based on City of Chandler datum and will include existing spot elevations for use in developing new contours; location and establishment of perimeter property lines based on existing legal descriptions, available survey reviews, and existing and future right-of-ways; and identification of above-ground structures, other identified facilities, and existing trees. Site survey will also include identification of staked geotechnical borings and horizontal grid development for design.

Deliverables: Draft Site Topographical Maps (electronic copies)

**Structural Engineering Services:** The ENGINEER will provide structural engineering services including structural drawings and specifications as required to support the preliminary and detailed design services for proposed improvements.

Deliverables: Structural Drawings and Specifications (electronic copies)

**HVAC Services:** The ENGINEER will provide HVAC engineering services including structural drawings and specifications as required to support the preliminary and detailed design services for proposed improvements.

Deliverables: HVAC Drawings and Specifications (electronic copies)



**Additional Engineering Allowance:** This allowance is included for any new scope of work that the City may desire to be added to the project. Use of this allowance requires prior approval from the City.

**END OF SCOPE OF WORK**



| ID | Task Name   | Start        | Finish       |  |
|----|---|--------------|--------------|--|
| 1  | CITY OF CHANDLER WRFs PHASE 3 IMPROVEMENTS PROJECT        | Fri 3/1/24   | Thu 8/12/27  |  |
| 2  | Notice To Proceed (NTP)                                   | Fri 3/1/24   | Fri 3/1/24   |  |
| 3  | Project Management Services                               | Tue 3/5/24   | Wed 10/1/25  |  |
| 4  | Kickoff Meeting   | Tue 3/5/24   | Tue 3/5/24   |  |
| 5  | Project Meetings  | Tue 4/2/24   | Wed 10/1/25  |  |
| 23 | Project Workshops   | Thu 6/20/24  | Wed 4/16/25  |  |
| 27 | Project Schedule  | Tue 3/5/24   | Tue 4/30/24  |  |
| 28 | Preliminary Design Development                            | Tue 3/5/24   | Mon 5/5/25   |  |
| 29 | Preliminary Design Report                                 | Tue 3/5/24   | Mon 5/5/25   |  |
| 30 | Preliminary Design Report (DRAFT - 30%)                   | Tue 3/5/24   | Mon 7/8/24   |  |
| 31 | Preliminary Design Report (FINAL - Agency Review)         | Tue 1/14/25  | Mon 5/5/25   |  |
| 32 | AWRF Blower Systems Study                                 | Tue 3/5/24   | Mon 5/13/24  |  |
| 33 | AWRF Solids Facilities Optimization Study                 | Tue 3/5/24   | Mon 6/10/24  |  |
| 34 | Drainage Report   | Tue 6/4/24   | Mon 7/8/24   |  |
| 35 | Develop Process Control Descriptions                      | Tue 3/5/24   | Mon 5/5/25   |  |
| 36 | Drainage Report (DRAFT - 30%)                             | Tue 3/5/24   | Mon 7/8/24   |  |
| 37 | Drainage Report (FINAL - Agency Review)                   | Tue 1/14/25  | Mon 5/5/25   |  |
| 38 | Detailed Design Development                               | Tue 3/5/24   | Thu 9/11/25  |  |
| 39 | 30% Progress Submittal                                    | Tue 3/5/24   | Mon 8/19/24  |  |
| 40 | 30% Progress Submittal                                    | Tue 3/5/24   | Mon 7/8/24   |  |
| 41 | City Review   | Tue 7/9/24   | Mon 7/22/24  |  |
| 42 | CMAR Price Model  | Tue 7/9/24   | Mon 8/19/24  |  |
| 43 | 60% Progress Submittal                                    | Tue 7/23/24  | Mon 12/2/24  |  |
| 44 | 60% Progress Submittal                                    | Tue 7/23/24  | Mon 10/21/24 |  |
| 45 | City Review   | Tue 10/22/24 | Mon 11/4/24  |  |
| 46 | CMAR Price Model  | Tue 10/22/24 | Mon 12/2/24  |  |
| 47 | 90% (Agency Review) GMP 1 Long Lead Procurement Submittal | Tue 12/3/24  | Mon 5/12/25  |  |
| 48 | 90% (Agency Review) Progress Submittal                    | Tue 12/3/24  | Mon 1/13/25  |  |
| 49 | CMAR Draft GMP 1  | Tue 1/14/25  | Mon 2/24/25  |  |
| 50 | City/ RLB Review  | Tue 2/25/25  | Mon 3/17/25  |  |
| 51 | CMAR Final GMP 1  | Tue 3/18/25  | Mon 3/31/25  |  |
| 52 | GMP 1 Approved to Contract                                | Tue 4/1/25   | Mon 5/12/25  |  |
| 53 | Agencies' Approval  | Tue 1/14/25  | Mon 3/17/25  |  |
| 54 | 90% (Agency Review) GMP 2 Progress Submittal              | Tue 1/14/25  | Thu 9/11/25  |  |
| 55 | 90% (Agency Review) Progress Submittal                    | Tue 1/14/25  | Mon 5/5/25   |  |
| 56 | CMAR Draft GMP 2  | Tue 5/6/25   | Mon 6/16/25  |  |
| 57 | City/ RLB Review  | Tue 6/17/25  | Mon 7/14/25  |  |
| 58 | CMAR Final GMP 2  | Tue 7/15/25  | Thu 7/31/25  |  |
| 59 | GMP 2 Approved to Contract                                | Fri 8/1/25   | Thu 9/11/25  |  |
| 60 | Agencies' Approval  | Tue 5/6/25   | Mon 7/7/25   |  |
| 61 | Final (100%) Submittal                                    | Tue 7/8/25   | Mon 8/4/25   |  |
| 62 | Permitting Assistance                                     | Tue 5/6/25   | Mon 10/20/25 |  |
| 63 | City of Chandler Coordination (Civil & Building Permits)  | Tue 5/6/25   | Mon 7/7/25   |  |
| 64 | MCESD Coordination (ATC)                                  | Tue 5/6/25   | Mon 7/7/25   |  |
| 65 | ADEQ APP Coordination (for Airport WRF and Ocotillo ASR \ | Tue 5/6/25   | Mon 10/20/25 |  |
| 66 | Coordination with CMAR                                    | Tue 7/9/24   | Thu 9/11/25  |  |
| 79 | Construction Services                                     | Fri 9/12/25  | Thu 8/12/27  |  |



**EXHIBIT "B"**  
**COMPENSATION AND FEES**



City of Chandler  
WRFs Phase 3 Improvements Project  
City Project No.: WW2401.201  
EXHIBIT "B-1"  
Cost Plus Reimbursible Per Task



| <u>TASK DESCRIPTION</u>                           |               | <u>SUBTOTAL</u>        |
|---|---------------|------------------------|
| <b>1. Project Management</b>                      |               | <b>\$ 134,680.00</b>   |
| Kick off Meeting                                  | \$ 9,880.00   |                        |
| Project Meetings                                  | \$ 89,120.00  |                        |
| Project Workshops                                 | \$ 25,380.00  |                        |
| Project Schedule                                  | \$ 10,300.00  |                        |
| <b>2. Preliminary Design Development</b>          |               | <b>\$ 505,040.00</b>   |
| Preliminary Design Report                         | \$ 192,980.00 |                        |
| AWRF Blower System Study                          | \$ 81,820.00  |                        |
| AWRF Solids Facilities Optimization Study         | \$ 176,940.00 |                        |
| Drainage Reports                                  | \$ 18,680.00  |                        |
| Develop Process Control Descriptions              | \$ 34,620.00  |                        |
| <b>3. Detailed Design Development</b>             |               | <b>\$ 1,453,640.00</b> |
| 30% Progress Submittal                            | \$ 291,320.00 |                        |
| 60% Progress Submittal                            | \$ 384,100.00 |                        |
| 90% Progress Submittal (Agency Review Set)        | \$ 549,960.00 |                        |
| Final (100%) Contract Documents                   | \$ 187,380.00 |                        |
| MOPOs   | \$ 40,880.00  |                        |
| <b>4. Permitting</b>                              |               | <b>\$ 164,820.00</b>   |
| City Permitting                                   | \$ 53,800.00  |                        |
| MCESD Permitting                                  | \$ 44,080.00  |                        |
| ADEQ APP Coordination                             | \$ 66,940.00  |                        |
| ADWR Coordination                                 | \$ -          |                        |
| <b>5. Project Delivery Method Assistance</b>      |               | <b>\$ 105,900.00</b>   |
| Coordination with CMAR                            | \$ 105,900.00 |                        |
| <b>6. Other Direct Costs</b>                      |               | <b>\$ 110,000.00</b>   |
| Geotechnical Investigation                        | \$ 10,000.00  |                        |
| Topographical Site Survey                         | \$ 12,500.00  |                        |
| Structural Engineering Services                   | \$ 15,000.00  |                        |
| Architectural Services                            | \$ 15,000.00  |                        |
| HVAC Services                                     | \$ 7,500.00   |                        |
| Hydrogeological Services                          |               |                        |
| Reimbursable Expenses (Permit Fees, Printing etc) |               |                        |
| Additional Engineering Allowance                  | \$ 50,000.00  |                        |
| <b>7. Owner's Allowance</b>                       |               | <b>\$ 100,000.00</b>   |
| <b>TOTAL COST:</b>                                |               | <b>\$ 2,574,080.00</b> |



City of Chandler  
WRFs Phase 3 Improvements Project  
City Project No.: WW 2401.201  
EXHIBIT "B-2"  
Hours and Rates



|                                       |  | Principal   | Sr. PM     | Sr. PM (E/I, Str., Process)          | Sr. Engr.                | Project Engineer / Proj. Prof                                      | Lead EI&C                | CADD Technicians                            | Admin                            | < PROJECT ROLE       |  |
|---------------------------------------|--|-------------|------------|--------------------------------------|--------------------------|--|--------------------------|---|----------------------------------|----------------------|--|
|                                       |  | Uday Gandhe | Sreeram R. | Damien T. Luis C., Chris Y. Scott L. | Katie G. Alex G. Sean Z. | Sydney A. Muthu K. Sai N. Pranav M Channing A. Minhee P. Xavier G. | Elvin R. Sai C. Jason G. | Kam C., Chase M. Amber A. Erin B. Calvin G. | Monica F., Paulina D. Mikayla R. | < NAME OF PERSON     |  |
|                                       |  | \$ 265.00   | \$ 245.00  | \$ 225.00                            | \$ 190.00                | \$ 145.00  | \$ 170.00                | \$ 115.00                                   | \$ 95.00                         | < HOURLY RATES       |  |
| TASK DESCRIPTION                      |  |             |            |                                      |                          |  |                          |   |                                  | TOTAL HOURS PER TASK |  |
| 1. Project Management                 |  | 48          | 144        | 28                                   | 180                      | 220  | 8                        | 76  | 44                               | 748                  |  |
|                                       | Kickoff Meeting                            | 4           | 8          | 0                                    | 12                       | 20   | 0                        | 8   | 8                                | 60                   |  |
|                                       | Project Meetings                           | 32          | 80         | 20                                   | 120                      | 160  | 8                        | 60  | 24                               | 504                  |  |
|                                       | Project Workshops                          | 8           | 40         | 8                                    | 24                       | 40   | 0                        | 8   | 4                                | 132                  |  |
|                                       | Project Schedule                           | 4           | 16         | 0                                    | 24                       | 0  | 0                        | 0   | 8                                | 52                   |  |
| 2. Preliminary Design Report          |  | 84          | 224        | 260                                  | 608                      | 1160   | 116                      | 448   | 152                              | 3052                 |  |
|                                       | Preliminary Design Reports                 | 32          | 80         | 60                                   | 240                      | 480  | 60                       | 160   | 80                               | 1192                 |  |
|                                       | AWRF Blower System Study                   | 8           | 40         | 60                                   | 100                      | 160  | 16                       | 80  | 24                               | 488                  |  |
|                                       | AWRF Solids Facilities Optimization Study  | 40          | 80         | 100                                  | 200                      | 400  | 40                       | 160   | 32                               | 1052                 |  |
|                                       | Drainage Report                            | 0           | 8          | 16                                   | 20                       | 40   | 0                        | 24  | 8                                | 116                  |  |
|                                       | Develop Process Control Descriptions       | 4           | 16         | 24                                   | 48                       | 80   | 0                        | 24  | 8                                | 204                  |  |
| 3. Detailed Design Development        |  | 76          | 352        | 608                                  | 1600                     | 3160   | 756                      | 2516  | 320                              | 9388                 |  |
|                                       | 30% Progress Submittal                     | 16          | 80         | 160                                  | 320                      | 640  | 120                      | 480   | 24                               | 1840                 |  |
|                                       | 60% Progress Submittal                     | 20          | 80         | 160                                  | 400                      | 800  | 240                      | 720   | 80                               | 2500                 |  |
|                                       | 90% Progress Submittal (Agency Review Set) | 24          | 120        | 200                                  | 600                      | 1200   | 300                      | 1000  | 160                              | 3604                 |  |
|                                       | Final (100%) Contract Documents            | 8           | 48         | 80                                   | 240                      | 400  | 80                       | 300   | 40                               | 1196                 |  |
|                                       | MOPOs                                      | 8           | 24         | 8                                    | 40                       | 120  | 16                       | 16  | 16                               | 248                  |  |
| 4. Permitting                         |  | 28          | 100        | 0                                    | 180                      | 320  | 0                        | 164   | 352                              | 1144                 |  |
|                                       | City of Chandler Coordination              | 8           | 24         | 0                                    | 60                       | 80   | 0                        | 0   | 240                              | 412                  |  |
|                                       | MCESD Coordination                         | 8           | 40         | 0                                    | 60                       | 120  | 0                        | 16  | 16                               | 260                  |  |
|                                       | ADEQ APP Coordination                      | 12          | 36         | 0                                    | 60                       | 120  | 0                        | 148   | 96                               | 472                  |  |
|                                       | ADWR Coordination                          |             |            |                                      |                          |  |                          |   |                                  | 0                    |  |
| 5. Project Delivery Method Assistance |  | 16          | 80         | 60                                   | 120                      | 240  | 24                       | 40  | 24                               | 604                  |  |
|                                       | Coordination with CMAR                     | 16          | 80         | 60                                   | 120                      | 240  | 24                       | 40  | 24                               | 604                  |  |
| 6. Other Direct Costs                 |  | 0           | 0          | 0                                    | 0                        | 0  | 0                        | 0   | 0                                | 0                    |  |
|                                       |  |             |            |                                      |                          |  |                          |   |                                  |                      |  |
| 7. Owner's Allowance                  |  |             |            |                                      |                          |  |                          |   |                                  |                      |  |
| TOTAL HOURS:                          |  | 252         | 900        | 956                                  | 2688                     | 5100   | 904                      | 3244  | 892                              | 14936                |  |



## **EXHIBIT "C"**

### **INSURANCE REQUIREMENTS**

#### **1. General.**

- 1.1 At the same time as execution of this Agreement, Consultant must furnish City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement will not be deemed to apply to required Workers' Compensation coverage.
- 1.2 Consultant and any of its subconsultants must procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- 1.3 The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- 1.4 City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Consultant from liabilities that might arise out of the performance of the Agreement services under this Agreement by Consultant, its agents, representatives, employees, subconsultants, and Consultant is free to purchase any additional insurance as may be determined necessary.
- 1.5 Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve Consultant from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- 1.6 Use of subconsultants: If any work is subcontracted in any way, Consultant must execute a written Agreement with subconsultant containing the same Indemnification Clause and Insurance Requirements as City requires of Consultant in this Agreement. Consultant is responsible for executing the Agreement with the subconsultant and obtaining Certificates of Insurance and verifying the insurance requirements.

#### **2. Minimum Scope and Limits of Insurance.** Consultant must provide coverage with limits of liability not less than those stated below.

- 2.1 *Professional Liability.* If the Agreement is the subject of any professional services or work performed by Consultant, or if Consultant engages in any professional services or work adjunct or residual to performing the work under this Agreement, Consultant must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by Consultant, or anyone employed by Consultant, or anyone whose acts, mistakes, errors and omissions Consultant is legally liable, with a liability limit of \$1,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage must extend for 3 years past



completion and acceptance of the work or services, and Consultant, or its selected Design Professional will submit Certificates of Insurance as evidence the required coverage is in effect. The Design Professional must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a 3 year period.

- 2.2 *Commercial General Liability-Occurrence Form.* Consultant must maintain “occurrence” form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be “follow form” equal or broader in coverage scope than underlying insurance.
- 2.3 *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles Vehicle Liability:* Consultant must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Consultant owned, hired, and non-owned vehicles assigned to or used in the performance of Consultant’s work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be “follow form” equal or broader in coverage scope than underlying insurance.
- 2.4 *Workers Compensation and Employers Liability Insurance:* Consultant must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant employees engaged in the performance of work or services under this Agreement and must also maintain Employers’ Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.
- 2.5 *Cyber Technology Errors and Omissions, Network Security, and Privacy Liability Insurance.* The policy must cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this Agreement with a limit of not less than \$5,000,000 for each occurrence, \$5,000,000 aggregate. In the event that the professional liability insurance required by this Agreement is written on a claims-made basis, Consultant warrants that any retroactive date under the policy must precede the effective date of this Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Agreement is completed. If such insurance is maintained on an occurrence form basis, Consultant must maintain such insurance for an additional period of one (1) year following termination of Agreement. If such insurance is maintained on a claims-made basis, Consultant must maintain such insurance for an additional period of three (3) years following termination of the Agreement. If Consultant contends that any of the insurance it maintains pursuant to other sections of this Exhibit C satisfies this requirement (or otherwise insures the risks described in this section), then Consultant must provide proof of same.
- 2.5.1. The insurance must provide coverage for the following risks:
- 2.5.1.1 Liability arising from theft, dissemination, or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or



transmitted in electronic form.

2.5.1.2 Network Security Liability arising from the unauthorized access to, use of, or tampering with computer systems including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure.

2.5.1.3 Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network, or similar computer related property and the data, software, and programs thereon.

2.5.2. The policy must provide a waiver of subrogation.

### 3. Additional Policy Provisions Required.

3.1 *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by City. If not approved, City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to City, its officers, officials, agents, employees, and volunteers.

3.1.1. Consultant's insurance must contain broad form contractual liability coverage.

3.1.2. Consultant's insurance coverage must be primary insurance with respect to City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by City, its officers, officials, agents, and employees will be in excess of the coverage provided by Consultant and must not contribute to it.

3.1.3. Consultant's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.1.4. Coverage provided by Consultant must not be limited to the liability assumed under the indemnification provisions of this Agreement.

3.1.5. The policies must contain a severability of interest clause and waiver of subrogation against City, its officers, officials, agents, and employees, for losses arising from Work performed by Consultant for City. (Does not apply to Professional Liability coverage.)

3.1.6. Consultant, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of 3 years following completion and acceptance of the Work. Consultant must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this 3-year period containing all the Agreement insurance requirements, including naming City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.

3.1.7. If a Certificate of Insurance is submitted as verification of coverage, City will reasonably rely upon the Certificate of Insurance as evidence of coverage, but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.



### 3.2. *Insurance Cancellation During Term of Agreement.*

3.2.1. If any of the required policies expire during the life of this Agreement, Consultant must forward renewal or replacement Certificates to City within 10 days after the renewal date containing all the required insurance provisions.

3.2.2. Each insurance policy required by the insurance provisions of this Agreement must provide the required coverage and must not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to City, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice must be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, Consultant or its insurance broker must notify City of any cancellation, suspension, non-renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.

### 3.3 *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:

3.3.1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, Consultant; Products and Completed operations of Consultant; and automobiles owned, leased, hired, or borrowed by Consultant.

3.3.2. City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by Consultant even if those limits of liability are in excess of those required by this Agreement.



## **EXHIBIT "D"**

### **SPECIAL CONDITIONS**

Standard Details and Specifications. Consultant must be familiar with City's latest revision of the MAG Specifications and MAG Standard Details as amended by City. City's current amendment to the MAG Specifications, part of City's Unified Development Manual, may be found and downloaded from City's website at <http://www.chandleraz.gov/udm>.

City Ownership of Project Documents. All work products (electronically or manually generated) including, but not limited to: plans, specifications, cost estimates, field notes, tracings, studies, investigations, design analyses, original drawings, original mylars, Computer Aided Drafting and Design (CADD) file diskettes which reflect all final drawings, and other related documents which are prepared in the performance of this Agreement (collectively referred to as "Documents") are to be and remain the property of City and are to be delivered to the Project Manager before the final payment is made to Consultant. In the event these Documents are altered, modified or adapted without the written consent of Consultant, which consent Consultant must not unreasonably withhold, City agrees to hold Consultant harmless to the extent permitted by law from the legal liability arising out of City's alteration, modification or adaptation of the Documents.

Re-use of Documents. The parties agree the documents, drawings, specifications and designs, although the property of City, are prepared for this specific project and are not intended nor represented by Consultant to be suitable for re-use for any other project. Any re-use without written verification or adaptation by Consultant for the specific purpose intended will be at City's sole risk and without liability or legal exposure to Consultant.

Documents to Bear Seal. Consultant and its subconsultants must endorse by professional seal all plans, works, and deliverables prepared by each for this Agreement as required by state law.

Contract Worker Access Controls, Badge and Key Access Requirements. A Contract Worker from Consultant's firm must not be allowed to begin work in any City facility without: (A) The prior completion and City's acceptance of the required background screening; and (8) when required, the Contract Worker's receipt of a City issued badge. A badge will be issued to a Contract Worker solely for access to City facility(s) to which the Contract Worker is assigned. Each Contract Worker who enters a City facility must use the badge issued to the Contract Worker.

1. Badges. After receipt of the badge application, the Contract Worker will proceed to the Badging Office for processing of the badge application and issuance of the badge. City will not process the badge application until the Contract Worker satisfies the required Background Screening (as defined herein). The Contract Worker must comply with all requirements and furnish all requested information as requested by the Badging Office. Any and all fees associated with security badging will be assessed in compliance with Chandler City Code §4-22.
2. Key Access Procedures. If the Contract Worker's services require keyed access to enter a



City facility(s), a separate key issue/return form must be completed and submitted by Consultant for each key issued.

3. Stolen or Lost Badges or Keys. Consultant must report lost or stolen badges or keys to City immediately. A new badge application or key issue form must be completed and submitted along with payment of the applicable fees prior to issuance of a new badge or key.
4. Return of Badges or Keys. All badges and keys are the property of City and must be returned to City at the Badging Office within one (1) business day of when the Contract Worker's access to a City facility is no longer required to furnish the services under this Agreement. Consultant must collect a Contract Worker's badge and key(s) upon the termination of the Contract Worker's employment; when the Contract Worker's services are no longer required at the particular City facility(s); or upon termination, cancellation or expiration of this Agreement.
5. Consultant's default under this Section must include, but is not limited to the following: (1) Contract Worker gains access to a City facility(s) without the proper badge or key; (2) Contract Worker uses a badge or key of another to gain access to a City facility; (3) Contract Worker commences services under this Agreement without the proper badge, key or Background Screening; (4) Contract Worker or Consultant submits false information or negligently submits wrong information to City to obtain a badge, key or applicable Background Screening; or (5) Consultant fails to collect and timely return Contract Worker's badge or key upon termination of Contract Worker's employment, reassignment of Contract Worker to another City facility or upon the expiration, cancellation or termination of this Agreement. Consultant acknowledges and agrees that the access control, badge and key requirements in this Section are necessary to preserve and protect public health, safety and welfare. Accordingly, Consultant agrees to properly cure any default under this Section within three (3) business days from the date notice of default is sent by City. The parties agree that Consultant's failure to properly cure any default under this Section must constitute a breach of this Section. In addition to any other remedy available to City at law or in equity, Consultant must be liable for and must pay to City the sum of one thousand dollars (\$1,000.00) for each breach by Consultant of this Section. The parties further agree that the sum fixed above is reasonable and approximates the actual or anticipated loss to City at the time and making of this Agreement in the event that Consultant breaches this Section. Further, the parties expressly acknowledge and agree to the fixed sum set forth above because of the difficulty of proving City's actual damages in the event that Consultant breaches this Section. The parties further agree that three (3) breaches by Consultant of this Section arising out of any default within a consecutive period of three (3) months or three (3) breaches by Consultant of this Section arising out of the same default within a period of twelve (12) consecutive months will constitute a material breach of this Agreement by Consultant and City expressly reserves all of its rights, remedies and interests under this Agreement, at law and in equity including, but not limited to, termination of this Agreement.
1. **Consultant and Subconsultant Worker Background Screening.** Consultant agrees that all contract workers and subconsultants (collectively "Contract Worker(s)") that Consultant furnishes to City under this Agreement will be subject to background and security checks



and screening as set forth in this Section (collectively "Background Screening") at Consultant's sole cost and expense. As part of the Background Screening, Consultant must provide to a person designated by the City the name(s), address(es), and phone number(s) of all Contract Workers who will provide any services under this Agreement. All Contract Workers must comply with these Background Screening requirements. All Contract Workers must be able to provide proof of the legal right to work in the United States. The Background Screening provided by Consultant must comply with all applicable laws, rules, and regulations. Consultant further agrees that the Background Screening required in this Section is necessary to preserve and protect public health, safety, and welfare. The Background Screening requirements set forth in this Section are the minimum requirements for this Agreement. City in no way warrants that these minimum requirements are sufficient to protect Consultant from any liabilities that may arise out of Consultant's services under this Agreement or Consultant's failure to comply with this Section. Therefore, in addition to the specific measures set forth below, Consultant and its Contract Workers must take such other reasonable, prudent, and necessary measures to further preserve and protect public health, safety, and welfare when providing services under this Agreement.

2. **Background Screening Requirements and Criteria.** Before offering or scheduling any services under this Agreement, Consultant agrees that all Contract Workers, including the Consultant, if the Consultant is an individual or sole proprietorship, must have successfully passed a Background Screening in accordance with this Section. Consultant warrants that no person will be permitted to substitute for a Contract Worker who has satisfied the Background Screening requirements until the proposed substitute has also satisfied the Background Screening requirements in this Section. For review and approval, Consultant must submit to a person designated by the City proof of a completed Background Screening for each Contract Worker over the age of 18 performing services under this Agreement no fewer than two (2) weeks before the proposed start date of such Contract Worker's services. The Background Screening must have been completed within the 12-month period preceding the Contract Worker's start date under this Agreement and must include the results of a social security (SSN) trace, a national criminal databased check with source verification.
3. **Additional City Rights Regarding Security Inquiries.** In addition to the foregoing, City reserves the rights but not the obligations to: (1) have a Contract Worker be required to provide fingerprints and execute such other documentation as may be necessary to obtain criminal justice information pursuant to A.R.S. § 41-1750(G) (4) or Chandler City Code § 4-22; (2) act on newly acquired information whether or not such information should have been previously discovered; (3) unilaterally change its standards and criteria relative to the acceptability of Contract Workers; and (4) object, at any time and for any reason, to a Contract Worker performing work (including supervision and oversight) under this Agreement.
4. **Consultant Certification.** By executing this Agreement, Consultant certifies that Consultant has read and understands the Background Screening requirements and criteria in this Section and will fully comply with such requirements. Consultant further certifies that any Background Screening information to be furnished to City related to



Consultant or its Contract Workers will be complete, current, and accurate. A Contract Worker rejected for work under this Agreement will not be proposed to perform work under other City contracts or engagements without City's prior written approval.

5. **Terms of This Section Applicable to all of Consultant's Contracts and Subcontracts.** Consultant must include the terms of this Section for Contract Worker Background Screening in all contracts and subcontracts for services furnished under this Agreement including, but not limited to, supervision and oversight services.
6. **Materiality of Background Screening Requirements: Indemnity.** The Background Screening requirements of this Section are material to City's entry into this Agreement and any breach of this Section by Consultant will be deemed a material breach of this Agreement. In addition to the indemnity provisions set forth in this Agreement, Consultant must defend, indemnify, and hold harmless City for any and all Claims arising out of this Background Screening Section including, but not limited to, the disqualification of a Contract Worker by Consultant or City for failure to satisfy this Section.
7. **Continuing Duty, Audit.** Consultant's obligations and requirements that Contract Workers satisfy this Background Screening Section will continue throughout the entire term of this Agreement. Consultant must notify City immediately of any change to a Background Screening of a Contract Worker previously accepted by City. Consultant must maintain all records and documents related to all Background Screenings and City reserves the right to audit Consultant's compliance with this Section under the terms of this Agreement.



**EXHIBIT "E"**  
**SUBCONSULTANT DOCUMENTS WITH CONSULTANT**

**Any subconsultant assumptions, clarifications, exclusions, terms & conditions, signature blocks, etc. included are strictly between the Consultant and their subconsultants, and do not apply to the Agreement between the Consultant and the City.**



**EXHIBIT "F"**  
**FEDERAL REQUIREMENTS**

**N/A**



**City Council Memorandum      Public Works & Utilities      Memo No. CP24-100**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Andy Bass, Deputy City Manager  
John Knudson, Public Works and Utilities Director  
Daniel Haskins, CIP Engineering Senior Manager  
**From:** Viviana Barrientes, Engineering Project Manager  
**Subject:** Professional Services Agreement No. ST2405.201, with J2 Engineering & Environmental Design, LLC, for the Turf to Xeriscape Program Design Services

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**Proposed Motion:**

Move City Council award Professional Services Agreement No. ST2405.201, to J2 Engineering & Environmental Design, LLC, for the Turf to Xeriscape Program Design Services, in an amount not to exceed \$440,889.

**Background/Discussion:**

This program is a three-year plan to convert approximately 58.5 acres of turf in City-maintained landscaped drainage basins into xeriscape areas. Several factors are involved in converting sod to xeriscape, including the cost associated with sod removal, edge preparation, pre-emergent, as well as the installation of 3/4" screened granite, drip irrigation, shrubs, and trees.

Maintenance costs of the existing irrigation system would be reduced along with the costs associated with the annual mowing and turf maintenance contract. Removing the grass areas will also reduce water usage and the associated water costs by 50% to 75%. As water management is a key part of Chandler's commitment to a sustainable supply of water in the future, this program fulfills the goals established to reduce water consumption where possible. As a result of Chandler's smart water management, including infrastructure investments, diverse water supplies, water reuse, drought preparation, and water conservation, the city has been able to prosper in its desert environment.



The project scope of work consists of preliminary site design concepts, project administration, field survey, geotechnical investigation, utility coordination, permitting assistance, cost estimates, public outreach, and construction document preparation. The agreement completion time is 500 calendar days following Notice to Proceed. Any projects under this program will involve significant public outreach to adjacent residential and business areas prior to conversion to xeriscape. There is a significant saving in money and water from the impact of these projects. It is estimated these project will save the city more than 20 million gallons of water each year, which would result in the city saving more than \$50,000 in water usage each year, plus landscape maintenance costs. Of note, this program impacts public drainage areas only; no developed City parks are included.

### **Evaluation:**

The selection process was conducted in accordance with city policy and procedure and state law. This project is being performed under the On-Call Consultant Pre-Qualified List for Park & Landscape Services. Staff recommends approval of this agreement with J2 Engineering & Environmental Design, LLC, based on qualifications, relevant firm experience, team experience, project understanding, and project approach.

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### **Fiscal Impact**

| <b>Account No.</b>   | <b>Fund Name</b>     | <b>Program Name</b>       | <b>Dollar Amount</b> | <b>CIP Funded Y/N</b> |
|----------------------|----------------------|---------------------------|----------------------|-----------------------|
| 401.3310.5219.6ST787 | Capital General Fund | Turf to Xeriscape Program | \$110,223            | Y                     |
| 417.3310.6517.6ST787 | Capital Grants       | Turf to Xeriscape Program | \$330,666            | Y                     |

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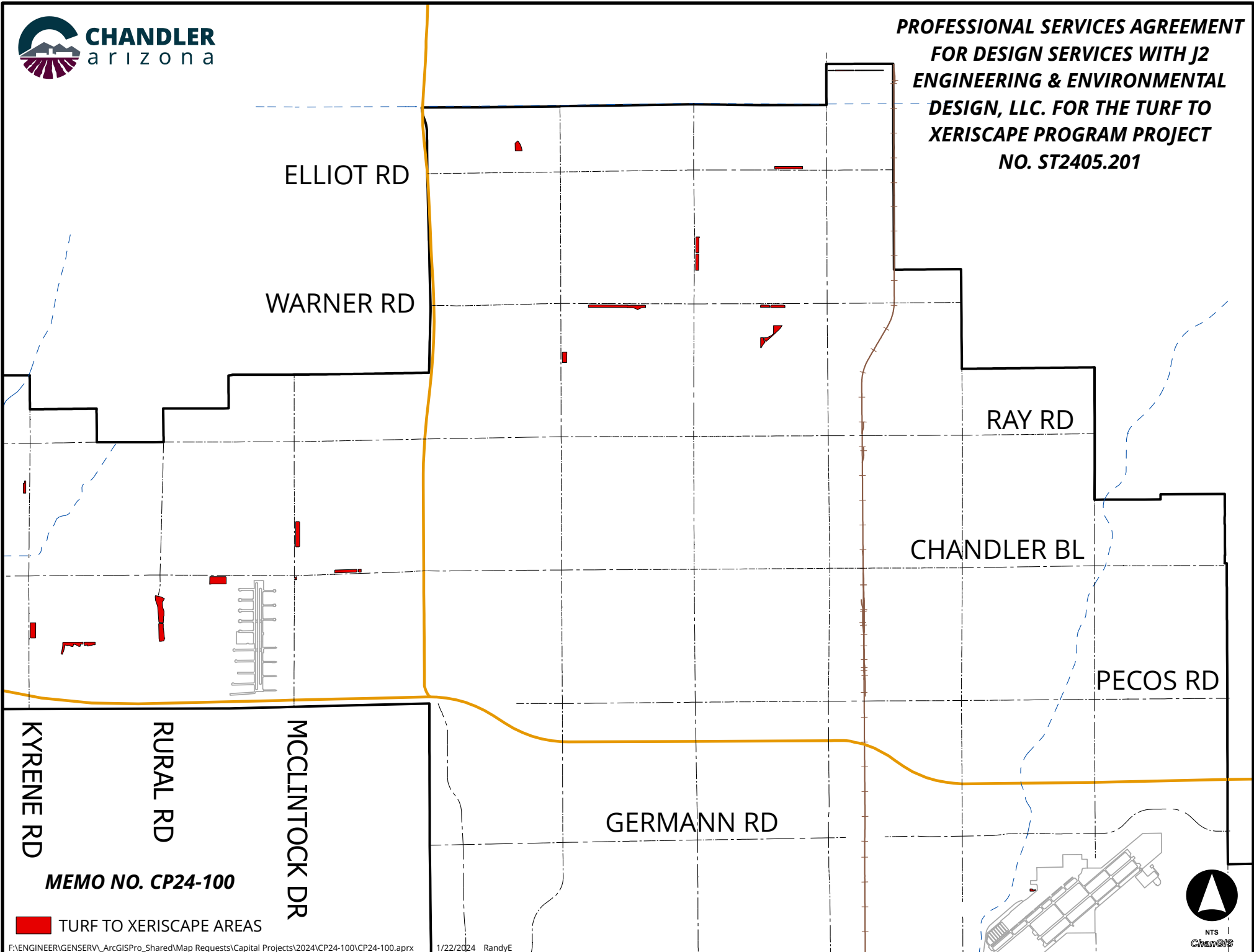
### **Attachments**

Location Map  
 Agreement - J2 Engineering





**PROFESSIONAL SERVICES AGREEMENT  
FOR DESIGN SERVICES WITH J2  
ENGINEERING & ENVIRONMENTAL  
DESIGN, LLC. FOR THE TURF TO  
XERISCAPE PROGRAM PROJECT  
NO. ST2405.201**



**MEMO NO. CP24-100**

**TURF TO XERISCAPE AREAS**







## PROFESSIONAL SERVICES AGREEMENT

### Design Services

### TURF TO XERISCAPE PROGRAM

Project No. ST2405.201

Council Date: February 22, 2024

This Agreement ("Agreement") is made and entered into on the \_\_\_\_ day of \_\_\_\_\_, 2024 ("Effective Date"), by and between City of Chandler, an Arizona municipal corporation, ("City"), and **J2 Engineering & Environmental Design, LLC**, an Arizona Limited Liability Company, ("Consultant") (City and Consultant may individually be referred to as "Party" and collectively referred to as "Parties").

### RECITALS

A. City proposes to engage Consultant to provide **Design Services** for **TURF TO XERISCAPE PROGRAM** project as more fully described in **Exhibit "A"**, which is attached to and made a part of this Agreement by this reference.

B. Consultant is ready, willing, and able to provide the services described in **Exhibit "A"** for the compensation and fees set forth and as described in **Exhibit "B"**, which is attached to and made a part of this Agreement by this reference.

C. City desires to enter into an Agreement with Consultant to provide these services under the terms and conditions set forth in this Agreement.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the premises and the mutual promises contained in this Agreement, City and Consultant agree as follows:

#### SECTION I--CONSULTANT'S SERVICES

Consultant must perform the services described in **Exhibit "A"** to City's satisfaction within the terms and conditions of this Agreement and within the care and skill that a person who provides similar services in Chandler, Arizona exercises under similar conditions. All work or services furnished by Consultant under this Agreement must be performed in a skilled and workmanlike manner. All fixtures, furnishings, and equipment furnished by Consultant as part of the work or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the work or service.



## **SECTION II--PERIOD OF SERVICE**

Consultant must perform the services described in **Exhibit "A"** for the term of this Agreement. Unless amended in writing by the Parties, the Agreement term expires **500** calendar days after the Notice to Proceed (NTP) Date.

## **SECTION III--PAYMENT OF COMPENSATION AND FEES**

Unless amended in writing by the Parties, Consultant's compensation and fees as more fully described in **Exhibit "B"** for performance of the services approved and accepted by City under this Agreement must not exceed **\$440,889** for the full term of the Agreement. Consultant may not increase any compensation or fees under this Agreement without the City's prior written consent. Consultant must submit monthly requests for payment of services approved and accepted during the previous billing period and must include, as applicable, detailed invoices and receipts, a narrative description of the tasks accomplished during the billing period, a list of any deliverables submitted, and any subconsultant's or supplier's actual requests for payment plus similar narrative and listing of their work. Consultant must submit an Application and Certification for Payment Sheet with the monthly request for payment to: CapitalProjects.Payables@chandleraz.gov. Payment for those services negotiated as a lump sum will be made in accordance with the percentage of the work completed during the preceding billing period. Services negotiated as a not-to-exceed fee will be paid in accordance with the work effort expended on the service during the preceding month. All requests for payment must be submitted to City for review and approval. City will make payment for approved and accepted services within 30 calendar days of City's receipt of the request for payment. Consultant bears all responsibility and liability for any and all tax obligations that result from Consultant's performance under this Agreement.

## **SECTION IV--CITY'S OBLIGATIONS**

As part of Consultant's services under this Agreement, City will provide furnished items, services, or obligations as detailed in **Exhibit "D"**.

## **SECTION V--GENERAL CONDITIONS**

5.1 Notices. Unless otherwise provided herein, demands under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:



|   |  |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
|---|--|--|----------------------------|--|------------------|--|-------------------|------|-----------------------|---------------------|----------------------------------|--|-----------------------------------|------|---|--|-------|-------------------|--------|---|--------|--------------|--------|------------------------|
| To City:  | City of Chandler - Public Works & Utilities Department<br>Attn: CIP City Engineer: Daniel Haskins, P.E.<br>P.O. Box 4008, Mail Stop 407<br>Chandler, AZ 85244-4008<br>Phone: 480-782-3335      Email: Daniel.haskins@chandleraz.gov  |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| With a copy to:                                       | City of Chandler - Public Works & Utilities Department<br>Attn: Vivianna Barrientes, Project Manager<br>P.O. Box 4008, Mail Stop 407, Chandler, AZ 85244-4008<br>Phone: 480-782-3314      Email: Vivianna.barrientes@chandleraz.gov  |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| To Consultant:  | <table border="1"> <tr> <td><b>LEGAL COMPANY NAME:</b></td> <td>J2 Engineering &amp; Environmental Design, LLC</td> </tr> <tr> <td>Mailing Address:</td> <td>4649 E. Cotton Gin Loop, Suite B2, Phoenix, AZ 85040</td> </tr> <tr> <td>Physical Address:</td> <td>same</td> </tr> <tr> <td>Statutory Agent Name:</td> <td>James P. O'Sullivan</td> </tr> <tr> <td>Statutory Agent Mailing Address:</td> <td>2525 E. Camelback Road, 7th Floor, Phoenix, AZ 85016</td> </tr> <tr> <td>Statutory Agent Physical Address:</td> <td>same</td> </tr> <tr> <td colspan="2"><b>CONSULTANT'S AUTHORIZED PROJECT REPRESENTATIVE</b></td> </tr> <tr> <td>Name:</td> <td>Jeffrey Velasquez</td> </tr> <tr> <td>Title:</td> <td>Vice President, Principal Landscape Architect</td> </tr> <tr> <td>Phone:</td> <td>602-438-2221</td> </tr> <tr> <td>Email:</td> <td>jvelasquez@j2design.us</td> </tr> </table> |  | <b>LEGAL COMPANY NAME:</b> | J2 Engineering & Environmental Design, LLC | Mailing Address: | 4649 E. Cotton Gin Loop, Suite B2, Phoenix, AZ 85040 | Physical Address: | same | Statutory Agent Name: | James P. O'Sullivan | Statutory Agent Mailing Address: | 2525 E. Camelback Road, 7th Floor, Phoenix, AZ 85016 | Statutory Agent Physical Address: | same | <b>CONSULTANT'S AUTHORIZED PROJECT REPRESENTATIVE</b> |  | Name: | Jeffrey Velasquez | Title: | Vice President, Principal Landscape Architect | Phone: | 602-438-2221 | Email: | jvelasquez@j2design.us |
| <b>LEGAL COMPANY NAME:</b>                            | J2 Engineering & Environmental Design, LLC   |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Mailing Address:                                      | 4649 E. Cotton Gin Loop, Suite B2, Phoenix, AZ 85040   |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Physical Address:                                     | same   |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Statutory Agent Name:                                 | James P. O'Sullivan  |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Statutory Agent Mailing Address:                      | 2525 E. Camelback Road, 7th Floor, Phoenix, AZ 85016   |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Statutory Agent Physical Address:                     | same   |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| <b>CONSULTANT'S AUTHORIZED PROJECT REPRESENTATIVE</b> |  |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Name:   | Jeffrey Velasquez  |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Title:  | Vice President, Principal Landscape Architect  |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Phone:  | 602-438-2221   |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |
| Email:  | jvelasquez@j2design.us   |  |                            |  |                  |  |                   |      |                       |                     |                                  |  |                                   |      |   |  |       |                   |        |   |        |              |        |                        |

5.2 Records/Audit. Records of Consultant's direct personnel payroll, reimbursable expenses pertaining to this Agreement and records of accounts between City and Consultant must be kept on the basis of generally accepted accounting principles and must be made available to City and its auditors for up to three years following City's final acceptance of the services under this Agreement (this requirement is increased to five years if construction of this project is federally funded). City, its authorized representative, or any federal agency, reserves the right to audit Consultant's records to verify the accuracy and appropriateness of all cost and pricing data, including data used to negotiate this Agreement and any amendments. City reserves the right to decrease the total amount of Agreement price or payments made under this Agreement or request reimbursement from Consultant following final Agreement payment on this Agreement if, upon audit of Consultant's records, the audit discloses Consultant has provided false, misleading, or inaccurate cost and pricing data. Consultant will include a similar provision in all of its Agreements with subconsultants who provide services under the Agreement to ensure that City, its authorized representative, or the appropriate federal agency, has access to the subconsultants' records to verify the



accuracy of all cost and pricing data. City reserves the right to decrease Agreement price or payments made on this Agreement or request reimbursement from Consultant following final payment on this Agreement if the above provision is not included in subconsultant agreements, and one or more subconsultants refuse to allow City to audit their records to verify the accuracy and appropriateness of all cost and pricing data. If, following an audit of this Agreement, the audit discloses Consultant has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, Consultant will be liable for reimbursement of the reasonable, actual cost of the audit.

5.3 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of services, cost of performance, or Project schedule, the work will be performed as directed by City. However, before any modified work is started, a written amendment must be approved and executed by City and Consultant. Such amendment must not be effective until approved by City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to Consultant may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra services or materials furnished by Consultant will be allowed by City except as provided herein, nor must Consultant do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by Consultant without prior written authorization will be at Consultant's own risk, cost, and expense, and Consultant hereby agrees that without written authorization Consultant will make no claim for compensation for such work or materials furnished.

5.4 Termination. City and Consultant hereby agree to the full performance of the covenants contained herein, except that City reserves the right, at its discretion and without cause, to terminate or abandon any service provided for in this Agreement, or abandon any portion of the Project for which services have been performed by Consultant. In the event City abandons or suspends the services, or any part of the services as provided in this Agreement, City will notify Consultant in writing and immediately after receiving such notice, Consultant must discontinue advancing the work specified under this Agreement. Upon such termination, abandonment, or suspension, Consultant must deliver to City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by City. Consultant must appraise the work Consultant has completed and submit Consultant's appraisal to City for evaluation. City may inspect Consultant's work to appraise the work completed. Consultant will receive compensation in full for services performed to the date of such termination. The fee will be paid in accordance with Section III of this Agreement, and as mutually agreed upon by Consultant and City. If there is no mutual agreement on payment, the final determination will be made in accordance with the "Disputes" provision in this Agreement. However, in no event may the fee exceed the fee set forth in Section III of this Agreement nor as amended in accordance with Section "Alteration in Character of Work." City will make the final payment within 60 days after Consultant has delivered the last of the partially completed items and the Parties agree on the final fee. If City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.



5.5 Indemnification. To the extent permitted by law, the Consultant ("Indemnitor") must indemnify, save and hold harmless City and its officers, officials, agents and employees ("Indemnitee") from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) ("Claims") caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of Consultant or any of its owners, officers, directors, agents, employees, or subconsultants in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of Consultant to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. Consultant must indemnify Indemnitee from and against any and all Claims, except those arising solely from Indemnitee's own negligent or willful acts or omissions. Consultant is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, Consultant agrees to waive all rights of subrogation against Indemnitee for losses arising from or related to this Agreement. The obligations of Consultant under this provision survive the termination or expiration of this Agreement.

5.6 Insurance Requirements. Consultant must procure insurance under the terms and conditions and for the amounts of coverage set forth in **Exhibit "C"** against claims that may arise from or relate to performance of the work under this Agreement by Consultant and its agents, representatives, employees, and subconsultants. Consultant and any subconsultant must maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. City in no way warrants that the minimum limits stated in **Exhibit "C"** are sufficient to protect Consultant from liabilities that might arise out of the performance of the work under this Agreement by Consultant, Consultant's agents, representatives, employees, or subconsultants. Consultant is free to purchase such additional insurance as may be determined necessary.

5.7 Cooperation and Further Documentation. Consultant agrees to provide City such other duly executed documents as may be reasonably requested by City to implement the intent of this Agreement.

5.8 Successors and Assigns. City and Consultant each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither City nor Consultant may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and City.

5.9 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between Consultant and City, the final determination at the administrative level will be made by City Engineer.

5.10 Completeness and Accuracy of Consultant's Work. Consultant must be responsible for the completeness and accuracy of Consultant's services, data, and other work prepared or



compiled under Consultant's obligation under this Agreement and must correct, at Consultant's expense, all willful or negligent errors, omissions, or acts that may be discovered. Correction of errors disclosed and determined to exist during any construction of the project on architectural or engineering drawings and specifications must be accomplished by Consultant. The cost of the design necessary to correct those errors attributable to Consultant and any damage incurred by City as a result of additional construction costs caused by such engineering or architectural errors will be chargeable to Consultant and will not be considered a cost of the Work. The fact that City has accepted or approved Consultant's work will in no way relieve Consultant of any of Consultant's responsibilities.

5.11 Reporting. Written monthly reports, along with updated work schedules, will be made by Consultant in the format prescribed by City. These reports will be delivered to City per schedule. When requested by City, Consultant will attend Council meetings and provide finished documents including correspondence for Council action, supporting charts, graphs, drawings and colored slides of same.

5.12 Withholding Payment. City reserves the right to withhold funds from Consultant's payments up to the amount equal to the claims City may have against Consultant until such time that a settlement on those claims has been reached.

5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Consultant. For this Agreement Consultant constitutes an independent contractor. Any provisions in this Agreement that may appear to give City the right to direct Consultant as to the details of accomplishing the work or to exercise a measure of control over the work means that Consultant must follow the wishes of City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, Consultant must submit to City detailed resumes of key personnel that will be involved in performing services prescribed in the Agreement. City hereby acknowledges its acceptance of such personnel to perform services under this Agreement. At any time hereafter that Consultant desires to change key personnel while performing under the Agreement, Consultant must submit the qualifications of the new personnel to City for prior approval. Key personnel include, but are not limited to, principals-in-charge, project manager, and project Consultant. Consultant will maintain an adequate and competent staff of qualified persons, as may be determined by City, throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Services. If City objects, with reasonable cause, to any of Consultant's staff, Consultant must take prompt corrective action acceptable to City and, if required, remove such personnel from the Project and replace with new personnel agreed to by City.

5.16 Consultants or Subconsultants. Prior to beginning the work, Consultant must furnish City for approval the names of consultants or subconsultants to be used under this Agreement. Any subsequent changes are subject to City's written prior approval.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act



required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Federal Laws. Consultant understands and acknowledges the applicability of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 to it. Consultant agrees to comply with these laws in performing this Agreement and to permit City to verify such compliance.

5.19 No Israel Boycott. By entering into this Agreement, Consultant certifies that Consultant is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits City from awarding an Agreement to any consultant who fails, or whose subconsultants fail, to comply with A.R.S. § 23-214(A). Therefore, Consultant agrees Consultant and each subconsultant it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Consultant's or subconsultant's employee who provides services under this Agreement to ensure that Consultant and subconsultants comply with the warranty under this provision.

5.21 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit City from awarding an Agreement to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of Agreement award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.22 Covenant Against Contingent Fees. Consultant warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Consultant's firm. For breach or violation of this warrant, City may annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.23 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.



5.24 Disclosure of Information Adverse to City's Interests. To evaluate and avoid potential conflicts of interest, Consultant must provide written notice to City, as set forth in this Section, of any work or services performed by Consultant for third parties that may involve or be associated with any real property or personal property owned or leased by City. Such notice must be given 7 business days prior to commencement of the services by Consultant for a third party, or 7 business days prior to an adverse action as defined below. Written notice and disclosure must be sent in accordance with Section 6.7 above. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in the Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against City; or (c) using data to produce income for Consultant or its employees independently of performing the services under this Agreement, without the prior written consent of City. Consultant represents that except for those persons, entities, and projects identified to City, the services performed by Consultant under this Agreement are not expected to create an interest with any person, entity, or third party project that is or may be adverse to City's interests. Consultant's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of this Agreement.

5.25 Data Confidentiality and Data Security. As used in the Agreement, "data" means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to Consultant or its subconsultants in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to Consultant or its subconsultants in connection with Consultant's or its subconsultant's performance of this Agreement is confidential and proprietary information belonging to City. Except as specifically provided in this Agreement, Consultant or its subconsultants must not divulge data to any third party without City's prior written consent. Consultant or its subconsultants must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to Consultant or its subconsultants have first given the required notice to City: (a) data which was known to Consultant or its subconsultants prior to its performance under this Agreement or its subconsultants by a third party, who to the best of Consultant's or its subconsultants' knowledge and belief, had the legal right to make such disclosure and Consultant or its subconsultants are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of law, regulation, or court order, to which Consultant or its subconsultants are subject. In the event Consultant or its subconsultants are required or requested to disclose data to a third party, or any other information to which Consultant or its subconsultants became privy as a result of any other Agreement with City, Consultant must first notify City as set forth in this Section of the request or demand for the data. Consultant or its subconsultants must give City sufficient facts so that City can be given an opportunity to first give its consent or take such action that City may deem appropriate to protect such data or other information from disclosure. All data must continue to be subject to the confidentiality agreements of this Agreement. Consultant or its subconsultants assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate City if any of the provisions of this Section are violated by



Consultant, its employees, agents or subconsultants. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Consultant agrees that the requirements of this Section must be incorporated into all subagreements entered into by Consultant. A violation of this Section may result in immediate termination of this Agreement without notice.

5.26 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Consultant or its subconsultants. At a minimum, Consultant or its subconsultants must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Consultant or its subconsultants in connection with this Agreement is believed to have been compromised, Consultant or its subconsultants must immediately notify City contact. Consultant agrees to reimburse City for any costs incurred by City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Consultant agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Consultant. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Consultant or its subconsultants under this Section must survive the termination of this Agreement.

5.27 Jurisdiction and Venue. This Agreement is made under and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

5.28 Survival. All warranties, representations, and indemnifications by Consultant must survive the completion or termination of this Agreement.

5.29 Modification. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.

5.30 Severability. If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

5.31 Integration. This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.



5.32 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.33 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later than 5:00 p.m. (Chandler time) on the day of performance.

5.34 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than City and Consultant, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and Consultant and not for the benefit of any other party.

5.35 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in **Exhibit "A"**, the provisions in this Agreement prevail.

5.36 Document/Information Release. Documents and materials released to Consultant, which are identified by City as sensitive and confidential, are City's property. The document/material must be issued by and returned to City upon completion of the services under this Agreement. Consultant secondary distribution, disclosure, copying, or duplication in any manner is prohibited without City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.37 Exhibits. The following exhibits are made a part of this Agreement and are incorporated by reference:

**Exhibit A** - Scope of Services / Schedule

**Exhibit B** - Compensation and Fees

**Exhibit C** - Insurance Requirements

**Exhibit D** - Special Conditions

**Exhibit E** – Subconsultant Documents with Consultant (if applicable)

**Exhibit F** - Federal Requirements (if applicable)

5.38 Special Conditions. As part of the services Consultant provides under this Agreement, Consultant agrees to comply with and fully perform the special terms and conditions set forth in **Exhibit "D"**, which is attached to and made a part of this Agreement.

5.39 Non-Discrimination and Anti-Harassment Laws. Consultant must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.40 Licenses and Permits. Beginning with the Effective Date and for the full term of this



Agreement, Consultant must maintain all applicable City, state, and federal licenses and permits required to fully perform Consultant's services under this Agreement.

5.41 Warranties. Consultant must furnish a one-year warranty on all work and services performed under this Agreement. Consultant must furnish, or cause to be furnished, a two-year warranty on all fixtures, furnishings, and equipment furnished by Consultant, subconsultants or suppliers under this Agreement. Any defects in design, workmanship, or materials that do not comply with this Agreement must be corrected by Consultant (including, but not limited to, all parts and labor) at Consultant's sole cost and expense. All written warranties and redlines for as-built conditions must be delivered to City on or before City's final acceptance of Consultant's services under this Agreement.

5.42 Cooperative Purchasing Agreement (S.A.V.E. – Strategic Alliance for Volume Expenditures). In addition to City of Chandler and with the approval of Consultant, this Agreement may be extended for use by other municipalities, school districts, and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter, or procurement rules and regulations of the respective political entity.

5.43 Budget Approval into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as an expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council.

5.44 Forced Labor of Ethnic Uyghurs Prohibited. By entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.45 License to City for Reasonable Use. With this Agreement, Consultant and its subconsultants hereby grant a license to City, its agents, employees, and representatives for an indefinite period of time to reasonably use, make copies, and distribute as appropriate the Documents, works or deliverables developed or created as a result of the Project and this Agreement. This license also includes the making of derivative works.



This Agreement will be in full force and effect only when it has been approved and executed by the duly authorized City officials.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**"CITY" CITY OF CHANDLER**

\_\_\_\_\_  
MAYOR

**RECOMMENDED BY:**

Daniel Haskins

Daniel Haskins, P.E.  
CIP City Engineer

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

*JNB*

**ATTEST:**

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

Seal

**"CONSULTANT"**

**J2 Engineering & Environmental Design,  
L.L.C.**

*Jeffrey Velasquez*  
Signature

1-31-24  
Date

Jeffrey Velasquez

Print Name

Vice President, Principal Landscape Architect

Title

jvelasquez@j2design.us

Signer Email Address



**EXHIBIT "A"**  
**SCOPE OF SERVICES/SCHEDULE**



## EXHIBIT A SCOPE OF WORK

**Project Description:** The City of Chandler Turf to Xeriscape project consists of converting turf grass to xeriscape landscape in (14) fourteen city maintained sites within the City of Chandler. The planned areas to be converted to low water desert landscape are all located north of the SR202 freeway and entail a total site area on approximately 58.40 acres. The project intent is to review and inventory each site to determine the existing conditions and how the new low water use landscape will blend with the surrounding communities. Preliminary concepts will be developed for each site for use in a public and stakeholder engagement process, as well as City staff input. For some sites, a simple removal of turf and new landscape installation may occur.

### **Task 100 – Preliminary Site Design Concepts & Public Outreach**

J2 Team shall visit each site to photo document the existing conditions, review existing drainage infrastructure, evaluate the health of the existing trees & shrubs & review the existing irrigation system including the water meter, backflow preventer & irrigation controller. A Blue Stake ticket will be submitted to each site to identify any utility conflicts.

For each of the (14) sites, J2 shall develop a preliminary design concept for the site. Photo imagery boards of each site and the preliminary black & white design concepts shall be developed based on J2's initial assessment of the site and how to maintain the overall aesthetics of the site without turf grass. A working session between J2 & city staff will occur for the city to review and provide input on the proposed design for each site.

The refined preliminary site design concepts and photo imagery boards will be then be developed as fully-rendered 11x17 pdf plan view exhibits for public, stakeholder and city input. J2 along with MakPro will contact the stakeholders as proved by the city and set up a series of virtual public meetings to gather stakeholder input on the sites where turf will be removed.

Once additional stakeholder input is gathered, the comments will be incorporated into the construction documents. For each site, a preliminary opinion of probable cost (OPC) will be developed as well as a phasing plan to determine which sites move forward into construction documents.

### **Task 100 Deliverables shall include the following:**

- Fourteen (14) black & white preliminary design concepts.
- Seven (7) project graphic imagery boards will be produced to accompany the preliminary site design concept plan boards. These deliverables will depict the existing conditions, various site program elements, and low water use plant materials proposed for the site.
- Fourteen (14) final design concept plans. Plan will be provided in 11x17 pdf.
- Fourteen (14) assessment memos for existing trees at each site.
- (1) drainage memo that will cover all fourteen (14) sites.
- Conceptual Opinion of Probable Construction Cost. The J2 Team will provide one (OPC) for each site in an electronic PDF and Excel format to the City. The City is responsible for reproduction and distribution of the OPC for review.
- One (1) phasing plan.



**Task 100 Meetings shall include the following:**

- Kickoff Meeting at City of Chandler for a total of one (1) meeting. The meeting is expected to be two (2) hours in duration inclusive of travel time to and from the meeting and site. Three (3) J2 staff will attend the meeting and site walk.
- Fourteen (14) bi-weekly virtual design meetings
- A site visit to each site by J2 to photo document and evaluate existing conditions.
- A working sessions at either City offices or at the J2 office to review the preliminary design concepts for each site. It is anticipated that three (3) J2 staff will attend.
- Two (2) in-person and one (1) virtual public outreach meetings. It is anticipated that these meetings will be set up and run by J2 & MakPro. We anticipate (2) two J2 staff attending each meeting.

**Task 200 – Final Design & Construction Documents**

After receiving comments from the project stakeholder on the Final Design Concept Plans, the J2 Team shall develop the 60%, 90% & 100% Construction Documents and Specifications for the Project. After each stage submittal, a comment resolution meeting will occur between J2 and the City to discuss the comments and agree on a resolution for the comment.

The plan set is anticipated to have overall key map, total project quantities, general notes and detail sheets. However, each site will have its own legend/ quantities sheet, a plant inventory/ demolition sheet, planting plans sheets and irrigation plans sheets. The entire plan set is anticipated to be 97 plan sheets.

At the 100% submittal stage, the J2 Team shall then submit electronic and bond copies of sealed and signed final construction documents along with final specifications and OPC to the City for final approval. The final sealed plans shall also be submitted to the City of Chandler Development Services for permit review and approval. These plans shall be used for construction and a Bid Tab form shall be submitted by the J2 Team.

**Task 200 Meetings shall include the following:**

- 60% Comment Resolution Meeting for a total of one (1) meeting. This meeting is anticipated to be two (2) hours in duration inclusive of travel time to and from the meeting. The J2 Team shall have two (2) representatives at the meeting.
- 90% Comment Resolution Meeting for a total of one (1) meeting. This meeting is anticipated to be two (2) hours in duration inclusive of travel time to and from the meeting. The J2 Team shall have two (2) representatives at the meeting.
- 100% Comment Resolution Meeting for a total of one (1) meeting. This meeting is anticipated to be two (2) hours in duration inclusive of travel time to and from the meeting. The J2 Team shall have two (2) representatives at the meeting.
- Development Services Comment Resolution Meeting for a total of one (1) meeting. This meeting is anticipated to be two (2) hours in duration inclusive of travel time to and from the meeting. The J2 Team shall have two (2) representatives at the meeting.

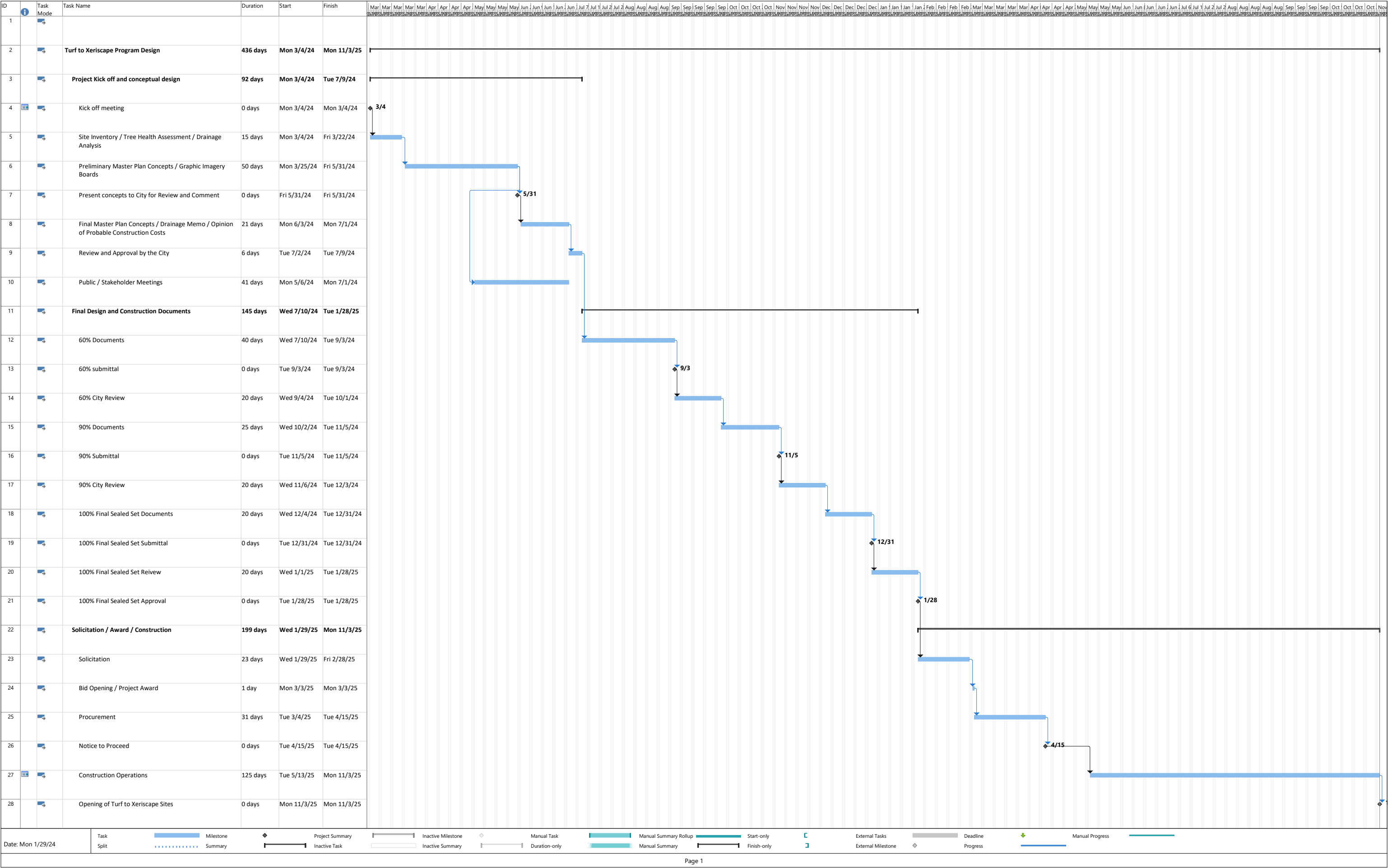


### **Design Assumptions & Exclusions:**

1. The J2 Team has provided no environmental, cultural, or biological investigations in this scope of work, has no knowledge of any adverse environmental, cultural, or biological conditions on the site/project, and is not responsible for nor has any liability for any such environmental, cultural, or biological conditions should one be found. It is the responsibility of the City to investigate and make these environmental or cultural determinations based on the best knowledge and information available at the time of this project. Clearance to begin work shall be given prior to directing or ordering the preparation of any engineering documents.
2. The City shall make available to the Design Team existing available data and records relevant to the site that the City has available including as-builts and GIS data.
3. If available, any Legal descriptions, Boundary Survey, and ALTA shall be provided to the J2 Team by the City.
4. The J2 Team has not included any water, sanitary sewer, or other utility work in this scope other than landscape irrigation design upgrades.
5. The J2 Team has not included any Permit fees.
6. Utility potholing is not included in this scope of services.
7. Storm Water Pollution and Prevention Plans have not been included in this scope of services.
8. Post Design/Construction Phase services have not been included in this scope of services and may be part of a separate, future contract if desired by City of Chandler.
9. Electrical Engineering plans are not included in this scope. Any impacts to these shall be noted on the hardscape plans.
10. Sketch up models or photo simulations are not included in this scope.



Turf to Xeriscape - Project Schedule





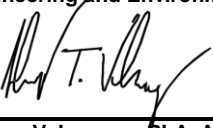
**EXHIBIT "B"**  
**COMPENSATION AND FEES**



EXHIBIT "B-1"  
Lump Sum Cost Per Task

| <u>TASK DESCRIPTION</u>  |   | <u>SUBTOTAL</u>      |
|--|---|----------------------|
| <b>Task 1.0 Project Description &amp; Scope of Construction</b>              |   |                      |
| <b>Task 2.0 Assignment</b>   |   |                      |
| <b>Task 100 Preliminary Site Design Concepts &amp; Public Outreach (30%)</b> |   | <b>\$ 75,429.89</b>  |
| 101  | Bluestake Utility Conflict Research                                       | \$ 3,021.88          |
| 102  | Preliminary Site Design Concepts- 14 Sites                                | \$ 16,508.40         |
| 103  | Project Graphic Imagery Boards for Plant Materials / Amenities (7 sheets) | \$ 3,641.74          |
| 104  | Final Site Design Concepts w/ Rendering (14 sites)                        | \$ 10,905.84         |
| 105  | Tree Health Assessment Memo (14 sites)                                    | \$ 6,227.94          |
| 106  | Drainage Analysis (14 sites)  | \$ 10,168.40         |
| 107  | Drainage Memo (1 memo including all 14 sites)                             | \$ 2,859.18          |
| 108  | Conceptual Opinion of Probable Construction Costs (14 sites)              | \$ 3,646.52          |
| 109  | Phasing Plan  | \$ 1,057.46          |
| 110  | Kickoff Meeting at City of Chandler (1)                                   | \$ 1,062.44          |
| 111  | Site Inventory by J2 Staff (14 sites)                                     | \$ 6,680.32          |
| 112  | Bi-Weekly Virtual Meetings (14 Total)                                     | \$ 5,228.16          |
| 113  | Public Outreach Meetings (10 meetings)                                    | \$ 6,372.00          |
| 114  | City-Team Working Sessions at City or at J2 (1)                           | \$ 1,235.61          |
| <b>Task 200 Final Design &amp; Construction Documents</b>                    |   | <b>\$ 240,709.42</b> |
| 201  | Cover Sheet (1)   | \$ 1,159.34          |
| 202  | General Notes / Sheet Index (1)   | \$ 1,910.92          |
| 203  | Demolition General Notes Sheet (1)  | \$ 1,921.26          |
| 204  | Landscape General Notes Sheet (1)   | \$ 1,714.46          |
| 205  | Irrigation General Notes Sheet (1)  | \$ 1,714.46          |
| 206  | Site 1 (4 sheets)   | \$ 9,156.10          |
| 207  | Site 2 (4 sheets)   | \$ 9,156.10          |
| 208  | Site 3 (6 sheets)   | \$ 13,691.20         |
| 209  | Site 4 (4 sheets)   | \$ 9,156.10          |
| 210  | Site 5 (8 sheets)   | \$ 18,435.00         |
| 211  | Site 6 (10 sheets)  | \$ 23,228.80         |
| 212  | Site 7 (6 sheets)   | \$ 13,691.20         |
| 213  | Site 8 (2 sheets)   | \$ 4,621.00          |
| 214  | Site 9 (10 sheets)  | \$ 23,228.80         |
| 215  | Site 10 (6 sheets)  | \$ 13,691.20         |
| 216  | Site 11 (8 sheets)  | \$ 18,435.00         |
| 217  | Site 12 (12 sheets)   | \$ 28,145.56         |
| 218  | Site 13 (4 sheets)  | \$ 9,156.10          |
| 219  | Site 14 (2 sheets)  | \$ 4,621.00          |
| 220  | General Landscape Details (3 sheets)                                      | \$ 8,707.38          |
| 221  | General Irrigation Details (4 sheets)                                     | \$ 11,609.84         |
| 222  | Specifications  | \$ 6,285.40          |
| 223  | Opinion of Probable Cost  | \$ 4,375.04          |
| 224  | Comment Resolution Meetings   | \$ 1,723.28          |
| 225  | Geotech and survey coordination (as needed)                               | \$ 1,174.88          |
| <b>ALLOWANCES</b>  |   | <b>\$ 124,750.00</b> |
| 301  | Consultant Registered Survey (site survey & topography)                   | \$ 77,550.00         |
| 302  | Makpro (publuc outreach)  | \$ 22,200.00         |
| 303  | Potholing Allowance   | \$ 5,000.00          |
| 304  | City of Chandler Owner Allowance  | \$ 20,000.00         |
| <b>TOTAL COST:</b>   |   | <b>\$ 440,889.00</b> |



| DERIVATION OF COST PROPOSAL  |                        |                   |                    |                                     |
|--|------------------------|-------------------|--------------------|-------------------------------------|
| Turf to Xeriscape Program  |                        |                   |                    |                                     |
| City of Chandler   |                        |                   |                    |                                     |
| J2 Engineering and Environmental Design, LLC   |                        |                   |                    |                                     |
| Direct labor and rates   |                        |                   |                    |                                     |
| Classification   | Estimated Man Hours    | Current Rates     |                    | Total                               |
| Project Principal  | 23                     | \$206.80          |                    | \$4,756.00                          |
| Project Engineer - Senior  | 27                     | \$186.12          |                    | \$5,025.00                          |
| Project Engineer   | 96                     | \$127.96          |                    | \$12,284.00                         |
| Designer - Sr.   | 555                    | \$122.14          |                    | \$67,788.00                         |
| Project Manager / Senior Land. Arch.   | 381                    | \$196.46          |                    | \$74,851.00                         |
| Landscape Architect  | 555                    | \$131.51          |                    | \$72,988.00                         |
| Designer   | 935                    | \$83.90           |                    | \$78,447.00                         |
| Total Hours  |                        | 2572              | Total Direct Labor | \$316,139.00                        |
|  |                        |                   |                    | Total Labor: \$316,139              |
|  |                        |                   |                    | Total Labor and Overhead: \$316,139 |
| Estimated Direct Expenses  | Estimated Expenses     | Total             |                    |                                     |
| Printing, Reproduction, Reprographics, Supplies Etc.   | None (included in fee) |                   |                    | \$0.00                              |
| Total Direct Expenses  |                        |                   |                    | \$0.00                              |
| Subconsultants: Design   |                        |                   |                    |                                     |
| Consultant Registered Survey   |                        |                   |                    | \$77,550.00                         |
| MakPro   |                        |                   |                    | \$22,200.00                         |
| Potholing Allowance  |                        |                   |                    | \$5,000.00                          |
| City of Chandler Owner Allowance   |                        |                   |                    | \$20,000.00                         |
| Total Outside Services & Allowances:   |                        |                   |                    | \$124,750.00                        |
| Total Cost J2, Allowances, & Subconsultants  |                        |                   |                    | \$440,889                           |
| Total Cost:  |                        |                   |                    | \$440,889                           |
| J2 Engineering and Environmental Design LLC  |                        |                   |                    |                                     |
| <br>Jeffrey Velasquez, PLA, ASLA<br>Vice President<br>Principal Landscape Architect |                        | 1/29/2024<br>Date |                    |                                     |



# Turf to Xeriscape Fee Schedule

1/29/2024

## J2 Engineering and Environmental Design, LLC

Jeff Velasquez   Jason Touchin   Alex Bramhall   Aaron Hendrickson   Seth Placko   Shane Hanneman   Maria Novacek, Aurelio Lopez

| Task Number | Task:  | Project Principal | Project Engineer - Senior | Project Engineer | Designer - Sr. | Project Manager / Senior Land. Arch. | Landscape Architect | Designer   | Total      |
|-------------|--|-------------------|---------------------------|------------------|----------------|--------------------------------------|---------------------|------------|------------|
|             |  | 206.80            | 186.12                    | 127.96           | 122.14         | 196.46                               | 131.51              | 83.90      |            |
| <b>100</b>  | <b>Preliminary Master Plan &amp; Public Outreach</b>                                 |                   |                           |                  |                |                                      |                     |            |            |
| 101         | Bluestake Utility Conflict Research  |                   | 6                         | 8                | 4              | 2                                    |                     |            | 20         |
| 102         | Preliminary Site Design Concepts (14 sites)  | 2                 | 2                         | 4                | 24             | 24                                   | 32                  | 40         | 128        |
| 103         | Project Graphic Imagery Boards for Plant Materials / Amenities (7 sheets)            | 1                 |                           |                  | 8              | 3                                    | 4                   | 16         | 32         |
| 104         | Final Site Design Concepts w/ Rendering (14 sites)                                   | 1                 |                           | 2                | 16             | 12                                   | 16                  | 48         | 95         |
| 105         | Tree Health Assessment Memo (14 sites)   |                   |                           |                  |                | 1                                    | 28                  | 28         | 57         |
| 106         | Drainage Analysis (14 sites)   | 1                 | 8                         | 20               | 20             | 4                                    |                     | 32         | 85         |
| 107         | Drainage Memo (1 memo including all 14 sites) Preliminary memo to be provided at 30% | 1                 | 2                         | 4                | 6              | 1                                    |                     | 10         | 24         |
| 108         | Conceptual Opinion of Probable Construction Costs (14 sites)                         | 1                 | 1                         | 2                | 4              | 4                                    | 8                   | 8          | 28         |
| 109         | Phasing Plan   | 1                 |                           |                  | 1              | 2                                    |                     | 4          | 8          |
|             |  |                   |                           |                  |                |                                      |                     |            |            |
| 110         | Kickoff Meeting at City of Chandler (1)  | 2                 |                           | 2                |                | 2                                    |                     |            | 6          |
| 111         | Site Visit by J2 Staff (14 sites)  |                   |                           | 2                |                | 2                                    | 28                  | 28         | 60         |
| 112         | Bi-Weekly Virtual Meetings (14)  |                   |                           | 6                | 14             | 14                                   |                     |            | 34         |
| 113         | Public Outreach Meetings (2 In-Person & 1 virtual meetings)                          |                   |                           |                  | 10             | 10                                   |                     |            | 20         |
| 114         | City-Team Working Sessions at City or at J2 (1)                                      |                   |                           |                  |                | 3                                    | 3                   | 3          | 9          |
|             |  |                   |                           |                  |                |                                      |                     |            |            |
|             | <b>Sub-Total Task 100</b>  | <b>10</b>         | <b>19</b>                 | <b>50</b>        | <b>107</b>     | <b>84</b>                            | <b>119</b>          | <b>217</b> | <b>606</b> |
|             |  |                   |                           |                  |                |                                      |                     |            |            |
| <b>200</b>  | <b>Final Design &amp; Construction Documents</b>                                     |                   |                           |                  |                |                                      |                     |            |            |
| 201         | Cover Sheet (1)  |                   |                           |                  |                | 2                                    | 2                   | 6          | 10         |
| 202         | General Notes / Sheet Index (1)  |                   |                           |                  | 4              | 2                                    | 4                   | 6          | 16         |
| 203         | Demolition General Notes Sheet (1)   | 1                 |                           |                  | 4              | 1                                    | 4                   | 6          | 16         |
| 204         | Landscape General Notes Sheet (1)  |                   |                           |                  | 4              | 1                                    | 4                   | 6          | 15         |
| 205         | Irrigation General Notes Sheet (1)   |                   |                           |                  | 4              | 1                                    | 4                   | 6          | 15         |
| 206         | Site 1 (4 sheets)  | 1                 |                           | 2                | 24             | 8                                    | 14                  | 28         | 77         |
| 207         | Site 2 (4 sheets)  | 1                 |                           | 2                | 24             | 8                                    | 14                  | 28         | 77         |
| 208         | Site 3 (6 sheets)  | 1                 |                           | 2                | 32             | 16                                   | 24                  | 36         | 111        |
| 209         | Site 4 (4 sheets)  | 1                 |                           | 2                | 24             | 8                                    | 14                  | 28         | 77         |
| 210         | Site 5 (8 sheets)  | 1                 | 1                         | 4                | 32             | 24                                   | 32                  | 56         | 150        |
| 211         | Site 6 (10 sheets)   | 1                 | 2                         | 4                | 40             | 32                                   | 40                  | 68         | 187        |
| 212         | Site 7 (6 sheets)  | 1                 |                           | 2                | 32             | 16                                   | 24                  | 36         | 111        |
| 213         | Site 8 (2 sheets)  |                   |                           | 1                | 8              | 4                                    | 8                   | 20         | 41         |
| 214         | Site 9 (10 sheets)   | 1                 | 2                         | 4                | 40             | 32                                   | 40                  | 68         | 187        |
| 215         | Site 10 (6 sheets)   | 1                 |                           | 2                | 32             | 16                                   | 24                  | 36         | 111        |



## Turf to Xeriscape Fee Schedule

1/29/2024

**J2 Engineering and Environmental Design, LLC**

| Task Number | Task:                                       | Project Principal | Project Engineer - Senior | Project Engineer | Designer - Sr. | Project Manager / Senior Land. Arch. | Landscape Architect | Designer   | Total       |
|-------------|---|-------------------|---------------------------|------------------|----------------|--------------------------------------|---------------------|------------|-------------|
| 216         | Site 11 (8 sheets)                          | 1                 | 1                         | 4                | 32             | 24                                   | 32                  | 56         | 150         |
| 217         | Site 12 (12 sheets)                         | 1                 | 2                         | 6                | 48             | 36                                   | 48                  | 90         | 231         |
| 218         | Site 13 (4 sheets)                          | 1                 |                           | 2                | 24             | 8                                    | 14                  | 28         | 77          |
| 219         | Site 14 (2 sheets)                          |                   |                           | 1                | 8              | 4                                    | 8                   | 20         | 41          |
| 220         | General Landscape Details (3 sheets)        |                   |                           |                  | 12             | 12                                   | 18                  | 30         | 72          |
| 221         | General Irrigation Details (4 sheets)       |                   |                           |                  | 16             | 16                                   | 24                  | 40         | 96          |
| 222         | Specifications                              |                   |                           | 4                |                | 16                                   | 20                  |            | 40          |
| 223         | Opinion of Probable Cost                    |                   |                           | 2                | 4              | 8                                    | 8                   | 12         | 34          |
| 224         | Comment Resolution Meetings                 |                   |                           |                  |                |                                      | 8                   | 8          | 16          |
|             |   |                   |                           |                  |                |                                      |                     |            |             |
| 225         | Geotech and survey coordination (as needed) |                   |                           | 2                |                | 2                                    | 4                   |            | 8           |
|             |   |                   |                           |                  |                |                                      |                     |            |             |
|             | <b>Sub-Total Task 200</b>                   | <b>13</b>         | <b>8</b>                  | <b>46</b>        | <b>448</b>     | <b>297</b>                           | <b>436</b>          | <b>718</b> | <b>1966</b> |
|             |   |                   |                           |                  |                |                                      |                     |            |             |
|             |   |                   |                           |                  |                |                                      |                     |            |             |
|             | <b>Hours Total</b>                          | <b>23</b>         | <b>27</b>                 | <b>96</b>        | <b>555</b>     | <b>381</b>                           | <b>555</b>          | <b>935</b> | <b>2572</b> |



## **EXHIBIT "C"**

### **INSURANCE REQUIREMENTS**

1. General.

- 1.1 At the same time as execution of this Agreement, Consultant must furnish City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement will not be deemed to apply to required Workers' Compensation coverage.
- 1.2 Consultant and any of its subconsultants must procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- 1.3 The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- 1.4 City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Consultant from liabilities that might arise out of the performance of the Agreement services under this Agreement by Consultant, its agents, representatives, employees, subconsultants, and Consultant is free to purchase any additional insurance as may be determined necessary.
- 1.5 Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve Consultant from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- 1.6 Use of subconsultants: If any work is subcontracted in any way, Consultant must execute a written Agreement with subconsultant containing the same Indemnification Clause and Insurance Requirements as City requires of Consultant in this Agreement. Consultant is responsible for executing the Agreement with the subconsultant and obtaining Certificates of Insurance and verifying the insurance requirements.

2. Minimum Scope and Limits of Insurance. Consultant must provide coverage with limits of liability not less than those stated below.

- 2.1 *Professional Liability.* If the Agreement is the subject of any professional services or work performed by Consultant, or if Consultant engages in any professional services or work adjunct or residual to performing the work under this Agreement, Consultant must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by Consultant, or anyone employed by Consultant, or anyone whose acts, mistakes, errors and omissions Consultant is legally liable, with a liability limit of \$1,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage must extend for 3 years past



completion and acceptance of the work or services, and Consultant, or its selected Design Professional will submit Certificates of Insurance as evidence the required coverage is in effect. The Design Professional must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a 3 year period.

2.2 *Commercial General Liability-Occurrence Form.* Consultant must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

2.3 *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles Vehicle Liability:* Consultant must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Consultant owned, hired, and non-owned vehicles assigned to or used in the performance of Consultant's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

2.4 *Workers Compensation and Employers Liability Insurance:* Consultant must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.

### 3. Additional Policy Provisions Required.

3.1 *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by City. If not approved, City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to City, its officers, officials, agents, employees, and volunteers.

3.1.1. Consultant's insurance must contain broad form contractual liability coverage.

3.1.2. Consultant's insurance coverage must be primary insurance with respect to City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by City, its officers, officials, agents, and employees will be in excess of the coverage provided by Consultant and must not contribute to it.

3.1.3. Consultant's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.1.4. Coverage provided by Consultant must not be limited to the liability assumed under the indemnification provisions of this Agreement.



- 3.1.5. The policies must contain a severability of interest clause and waiver of subrogation against City, its officers, officials, agents, and employees, for losses arising from Work performed by Consultant for City. (Does not apply to Professional Liability coverage.)
- 3.1.6. Consultant, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of 3 years following completion and acceptance of the Work. Consultant must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this 3-year period containing all the Agreement insurance requirements, including naming City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.
- 3.1.7. If a Certificate of Insurance is submitted as verification of coverage, City will reasonably rely upon the Certificate of Insurance as evidence of coverage, but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

3.2. *Insurance Cancellation During Term of Agreement.*

- 3.2.1. If any of the required policies expire during the life of this Agreement, Consultant must forward renewal or replacement Certificates to City within 10 days after the renewal date containing all the required insurance provisions.
- 3.2.2. Each insurance policy required by the insurance provisions of this Agreement must provide the required coverage and must not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to City, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice must be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, Consultant or its insurance broker must notify City of any cancellation, suspension, non-renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.

3.3 *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:

- 3.3.1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, Consultant; Products and Completed operations of Consultant; and automobiles owned, leased, hired, or borrowed by Consultant.
- 3.3.2. City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by Consultant even if those limits of liability are in excess of those required by this Agreement.



## **EXHIBIT "D"**

### **SPECIAL CONDITIONS**

Standard Details and Specifications. Consultant must be familiar with City's latest revision of the MAG Specifications and MAG Standard Details as amended by City. City's current amendment to the MAG Specifications, part of City's Unified Development Manual, may be found and downloaded from City's website at <http://www.chandleraz.gov/udm>.

City Ownership of Project Documents. All work products (electronically or manually generated) including, but not limited to: plans, specifications, cost estimates, field notes, tracings, studies, investigations, design analyses, original drawings, original mylars, Computer Aided Drafting and Design (CADD) file diskettes which reflect all final drawings, and other related documents which are prepared in the performance of this Agreement (collectively referred to as "Documents") are to be and remain the property of City and are to be delivered to the Project Manager before the final payment is made to Consultant. In the event these Documents are altered, modified or adapted without the written consent of Consultant, which consent Consultant must not unreasonably withhold, City agrees to hold Consultant harmless to the extent permitted by law from the legal liability arising out of City's alteration, modification or adaptation of the Documents.

Re-use of Documents. The parties agree the documents, drawings, specifications and designs, although the property of City, are prepared for this specific project and are not intended nor represented by Consultant to be suitable for re-use for any other project. Any re-use without written verification or adaptation by Consultant for the specific purpose intended will be at City's sole risk and without liability or legal exposure to Consultant.

Documents to Bear Seal. Consultant and its subconsultants must endorse by professional seal all plans, works, and deliverables prepared by each for this Agreement as required by state law.

Work within City's Right-of-Way. All work performed within City's Right-of-Way by Consultant and Consultant's subconsultants must comply with City of Chandler requirements.



**EXHIBIT "E"**  
**SUBCONSULTANT DOCUMENTS WITH CONSULTANT**

**Any subconsultant assumptions, clarifications, exclusions, terms & conditions, signature blocks, etc. included are strictly between the Consultant and their subconsultants, and do not apply to the Agreement between the Consultant and the City.**





**CONSULTANT REGISTERED SURVEYING INC.**  
**CARL SITTERLEY, R.L.S.**

MAILING ADDRESS: 3370 N. Hayden, Suite #123, **P.M.B. 567**  
Scottsdale, Arizona 85251

PHONE: (480) 620-1382

OFFICE ADDRESS: 8732 E. Piccadilly Rd.  
Scottsdale, Arizona 85251

E-mail:  
csitterley-crs@cox.net

January 25, 2024

Attn: Jeff Velasquez, R.L.A., A.S.L.A., Vice President, Landscape Architect  
J2 Engineering and Environmental Design, LLC.  
4649 East Cotton Gin Loop, Suite B2  
Phoenix, AZ 85040

RE City of Chandler, Arizona—Turf Replacement Sites. (See itemized sheet of 14+ sites.  
Topographic Survey and Ground horizontal / vertical surveying control.

The purpose of this project is replacement of the existing turf zones, the topo areas defined by attached aerial exhibits created by CRS. Each site is itemized for review. Each site is assumed to be independently completed and CRS has applied costs for establishing surveying control as each site completed one at a time. Should close sites be requested simultaneously, CRS and the City of Chandler would realize a time and cost saving.

For each project site, CRS anticipates completing a topographic survey of the general area indicated on the attached aerial exhibit sheets. Each site is a bit different, but generally the topographic survey limits will be to the closest lane line on busy roadways; to the centerline of existing residential adjoining roadways; and to access limited bordering perimeter walls or fences. Adjoining alleyways that are wall enclosed will NOT be topo-observed.

The topo-survey will include sufficient topographic observations of all visible improvements. Improvements include paving, curbs, walks, ramps, larger vegetation, utility improvements, and paths/berms. Ground surface observations and pavement observations will be taken in a sufficient manner to allow creation of a competent digital terrain model (DTM). Any marked visible underground utilities will be observed at the time of the field topo observations. J2 or the City should arrange for utility marking prior to CRS site visit. Topographic survey will be completed in Autodesk 2007 format with a DTM data base, 3D lines, and 0.2' contours provided. CRS will also provide a comma delimited point ASCII file for the site point observations. A sealed rough plot and printed survey points will be provided with the survey package as professional deliverable of the electronic files stated to be provided. The CAD and plot of the site will be completed to a general scale of 1"=40' unless a more desirable scale is determined.

(continued page 2)



This project will be referenced to the existing City of Chandler published horizontal and vertical datum. The NAVD88 vertical datum will be check referenced to the local GDACS sectional plats for the individual site Sectional monuments. CRS will make observations on the local visible street monuments. The horizontal datum will be ground coordinates referenced to the said GDACS plats Arizona Central Zone State Plane Coordinates. The basis of coordinates or horizontal datum for these projects will be ground coordinates scaled to ground by a Grid-to-Ground Combined scale factor local to the site using the GDACS published scale factors. Should multiple project sites be requested and within a grouping of an area, CRS will determine a common grid-to-ground scale factor to use for the site grouping. For each site, CRS will set 5-10 local control points, both horizontal and vertical, around the site area for future plan/construction control reference. This scope of work does not include any base mapping or recovery of any buried street monuments. Any requested base mapping will be provided at an extra service fee. This scope of work does not include a boundary survey and any found surveying monuments, provided as control, are assumed to already be of record.

Below is the itemized site cost estimate that includes site control for each individual site. As stated above, cost savings will be incurred if groups of sites, close together, are requested simultaneously. CRS invoices \$110 per hour for both a 1-man crew and for office land surveying services.

**SITE 1** (Jordan School Basin), Carriage Lane at Silvergate Drive, APN 302-86-326,  
Section 7, T1S, R5E, G&SRM, Reference plat MCR 194-17. CRS anticipates:

- 08 hours of 1-man crew establishing surveying control;
- 09 hours of 1-man crew site robotic topo-survey observations;
- 10 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

|   |                   |
|---|-------------------|
| 1-Man Crew time 17 hours =                        | \$1,870.00        |
| Office Land Surveying Services 10 hours           | <u>\$1,100.00</u> |
| <b>Site Sub-total not-to-exceed fee estimate=</b> | <b>\$2,970.00</b> |

**SITE 2** (Elliot Road), Summit Place, east to private driveway, APN 302-88-970,  
Section 9, T1S, R5E, G&SRM, Reference plat MCR 216-01. CRS anticipates:

- 08 hours of 1-man crew establishing surveying control;
- 12 hours of 1-man crew site robotic topo-survey observations;
- 12 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

|   |                   |
|---|-------------------|
| 1-Man Crew time 20 hours =                        | \$2,200.00        |
| Office Land Surveying Services 12 hours           | <u>\$1,320.00</u> |
| <b>Site Sub-total not-to-exceed fee estimate=</b> | <b>\$3,520.00</b> |

**SITE 3** (Alma School Road), east side, N. & S. of Palomino Drive, APN 302-27-887 & -246,  
Section 16, T1S, R5E, G&SRM, Reference plats MCR 233-35 & MCR 210-47.

CRS anticipates:

- 08 hours of 1-man crew establishing surveying control;
- 23 hours of 1-man crew site robotic topo-survey observations;
- 20 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

|   |                   |
|---|-------------------|
| 1-Man Crew time 31 hours =                        | \$3,410.00        |
| Office Land Surveying Services 20 hours           | <u>\$2,200.00</u> |
| <b>Site Sub-total not-to-exceed fee estimate=</b> | <b>\$5,610.00</b> |

(continued page 3)



**SITE 4** (Dobson Road at Highland Street), Southeast corner, APN 302-81-718,

Section 20, T1S, R5E, G&SRM, Reference plat MCR 249-41. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--12 hours of 1-man crew site robotic topo-survey observations;

--12 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 20 hours = \$2,200.00

Office Land Surveying Services 12 hours \$1,320.00

**Site Sub-total not-to-exceed fee estimate= \$3,520.00**

**SITE 5A & 5B** (Warner Rd./Hartford St.), Cedar Ridge Basins 2 & 1, APN 302-41-102 & -103,

Section 21, T1S, R5E, G&SRM, Reference plat MCR 240-15. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--20 hours of 1-man crew site robotic topo-survey observations;

--18 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 28 hours = \$3,080.00

Office Land Surveying Services 18 hours \$1,980.00

**Site Sub-total not-to-exceed fee estimate= \$5,060.00**

**SITE 5C** (Warner Rd./Hartford St.), Cedar Ridge Basin 3, APN 302-41-105,

Section 21, T1S, R5E, G&SRM, Reference plat MCR 240-15. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--10 hours of 1-man crew site robotic topo-survey observations;

--10 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 18 hours = \$1,980.00

Office Land Surveying Services 10 hours \$1,100.00

**Site Sub-total not-to-exceed fee estimate= \$3,080.00**

**SITE 5D & 5E** (Warner Rd./Hartford St.), Cedar Ridge Basins 4 & 5, APN 302-41-105 & -106,

Section 21, T1S, R5E, G&SRM, Reference plat MCR 240-15. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--15 hours of 1-man crew site robotic topo-survey observations;

--14 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 23 hours = \$2,530.00

Office Land Surveying Services 14 hours \$1,540.00

**Site Sub-total not-to-exceed fee estimate= \$4,070.00**

**SITE 6** (Warner Road, south side), Pennington to Arrowhead, APN 302-81-362 & -064,

Section 20, T1S, R5E, G&SRM, Reference plats MCR 219-44 & MCR 215-11.

CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--29 hours of 1-man crew site robotic topo-survey observations;

--24 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 37 hours = \$4,070.00

Office Land Surveying Services 24 hours \$2,640.00

**Site Sub-total not-to-exceed fee estimate= \$6,710.00**

(continued page 4)



**SITE 7** (Tremaine Drive, medians), Arizona Avenue east to Nevada Street, APN (none, r/w),  
Section 10, T1S, R5E, G&SRM, Reference plat MCR 116-36. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--15 hours of 1-man crew site robotic topo-survey observations;

--14 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 23 hours = \$2,530.00

Office Land Surveying Services 14 hours \$1,540.00

**Site Sub-total not-to-exceed fee estimate= \$4,070.00**

**SITE 8** (Chandler Air Park, pocket park), Airport Blvd., tower lot, APN 303-32-003E & -990,  
Section 11, T2S, R5E, G&SRM, Reference plats (none). CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--07 hours of 1-man crew site robotic topo-survey observations;

--07 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 15 hours = \$1,650.00

Office Land Surveying Services 07 hours \$0,770.00

**Site Sub-total not-to-exceed fee estimate= \$2,420.00**

**SITE 9A** (Kyrene Road) Gila Springs Road to Chicago Street, APN 301-88-092,  
Section 34, T1S, R4E, G&SRM, Reference plat MCR 231-16. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--16 hours of 1-man crew site robotic topo-survey observations;

--14 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 24 hours = \$2,640.00

Office Land Surveying Services 14 hours \$1,540.00

**Site Sub-total not-to-exceed fee estimate= \$4,180.00**

**SITE 9B** (bike path) Oak Street to end turf east of Elm Street, APN 301-88-423 & -424,  
Section 34, T1S, R4E, G&SRM, Reference plat MCR 264-35. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--27 hours of 1-man crew site robotic topo-survey observations;

--22 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 35 hours = \$3,850.00

Office Land Surveying Services 22 hours \$2,420.00

**Site Sub-total not-to-exceed fee estimate= \$6,270.00**

**SITE 10** (Chandler Boulevard) Galaxy Drive west to subdivision wall, APN 301-89-442,  
Section 35, T1S, R4E, G&SRM, Reference plat MCR 224-39. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--12 hours of 1-man crew site robotic topo-survey observations;

--12 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 20 hours = \$2,200.00

Office Land Surveying Services 12 hours \$1,320.00

**Site Sub-total not-to-exceed fee estimate= \$3,520.00**

(continued page 5)



**SITE 11A** (McClintock Drive) Galveston Street to Tyson Street, APN 301-64-456,

Section 25, T1S, R4E, G&SRM, Reference plat MCR 250-19. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--12 hours of 1-man crew site robotic topo-survey observations;

--12 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 20 hours = \$2,200.00

Office Land Surveying Services 12 hours \$1,320.00

**Site Sub-total not-to-exceed fee estimate= \$3,520.00**

**SITE 11B** (Chandler Boulevard) Los Feliz Dr. to Country Club Way, APN 301-64-121 & -122,

Section 25, T1S, R4E, G&SRM, Reference plat MCR 216-10. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--15 hours of 1-man crew site robotic topo-survey observations;

--14 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 23 hours = \$2,530.00

Office Land Surveying Services 14 hours \$1,540.00

**Site Sub-total not-to-exceed fee estimate= \$4,070.00**

**SITE 12** (large drainage basins) Twelve Oaks Blvd. south past Butler Drive to school fence,  
APN 301-89-732 & -733, Section 35, T1S, R4E, G&SRM, Reference plat MCR 276-49.

CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--34 hours of 1-man crew site robotic topo-survey observations;

--30 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 42 hours = \$4,620.00

Office Land Surveying Services 30 hours \$3,300.00

**Site Sub-total not-to-exceed fee estimate= \$7,920.00**

**SITE 13** (Kyrene Road) Ivanhoe Street to Del Rio Street, APN 301-68-447,

Section 28, T1S, R4E, G&SRM, Reference plat MCR 276-40. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--12 hours of 1-man crew site robotic topo-survey observations;

--12 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 20 hours = \$2,200.00

Office Land Surveying Services 12 hours \$1,320.00

**Site Sub-total not-to-exceed fee estimate= \$3,520.00**

**SITE 14** (McClintock Drive at Chandler Boulevard) S.E. Corner, APN 301-66-001; -002; -003;  
& -037A, Section 36, T1S, R4E, G&SRM, Reference plat MCR 35-03. CRS anticipates:

--08 hours of 1-man crew establishing surveying control;

--10 hours of 1-man crew site robotic topo-survey observations;

--12 hours of office time complete data processing in CAD and complete a Survey Package to J2.

With the stated assumptions, the itemized cost is as follows:

1-Man Crew time 20 hours = \$2,200.00

Office Land Surveying Services 12 hours \$1,320.00

**Site Sub-total not-to-exceed fee estimate= \$3,520.00**

(continued page 6)



**Site Tally (not-to-exceed fee):**

|                             |            |                    |
|-----------------------------|------------|--------------------|
| --Site 1                    | sub-total= | \$02,970.00        |
| --Site 2                    | sub-total= | \$03,520.00        |
| --Site 3                    | sub-total= | \$05,610.00        |
| --Site 4                    | sub-total= | \$03,520.00        |
| --Site 5A & 5B              | sub-total= | \$05,060.00        |
| --Site 5C                   | sub-total= | \$03,080.00        |
| --Site 5D & 5E              | sub-total= | \$04,070.00        |
| --Site 6                    | sub-total= | \$06,710.00        |
| --Site 7                    | sub-total= | \$04,070.00        |
| --Site 8                    | sub-total= | \$02,420.00        |
| --Site 9A                   | sub-total= | \$04,180.00        |
| --Site 9B                   | sub-total= | \$06,270.00        |
| --Site 10                   | sub-total= | \$03,520.00        |
| --Site 11A                  | sub-total= | \$03,520.00        |
| --Site 11B                  | sub-total= | \$04,070.00        |
| --Site 12                   | sub-total= | \$07,920.00        |
| --Site 13                   | sub-total= | \$03,520.00        |
| --Site 14                   | sub-total= | <u>\$03,520.00</u> |
| <b>Not-to-Exceed Total=</b> |            | <b>\$77,550.00</b> |

**CRS is fully insured with general liability, professional liability, commercial auto, and workers compensation insurance, and will provide insurance certificates on request.**

Map with topo-survey limits shown attached for reference.

Thank you for this opportunity to continue to be of service.

This proposal to be attached to any contract.

Sincerely,  
CONSULTANT REGISTERED SURVEYING, INC.



Carl Sitterley, RLS  
President



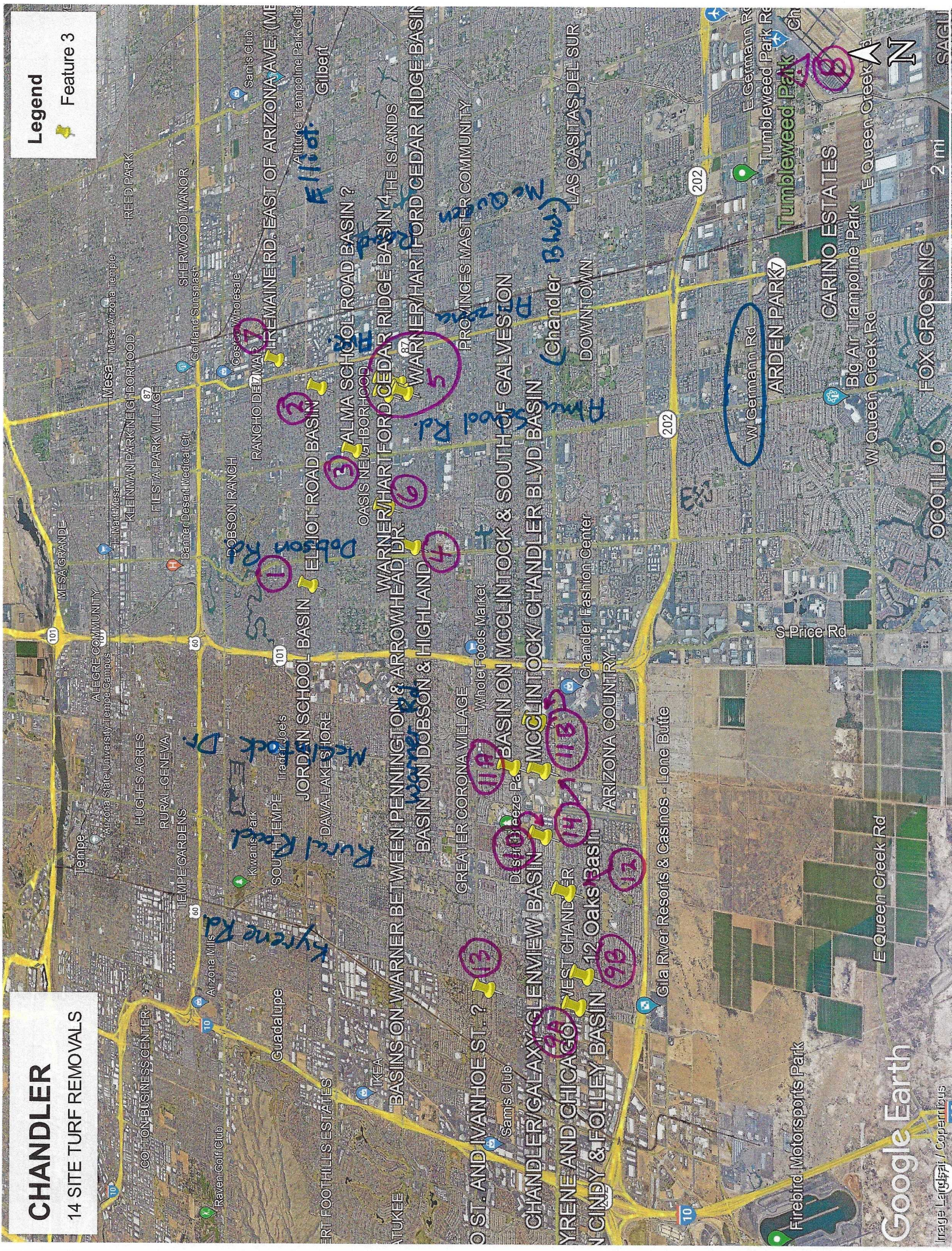
TURF TO XERISCAPE: SITE DESCRIPTIONS

| SITE NO.    | CITY NO. | TYPE | LOCATION   | AREA  | ACRES | Viewport                         | Notes       | Plan Sheets |
|-------------|----------|------|--|-------|-------|----------------------------------|-------------|-------------|
| 1           | 106      | T    | JORDAN SCHOOL BASIN (BASIN - ON CARRIAGE LANE AND SILVERGATE, NORTH OF ELLIOT)   | 1     | 2.75  | 300x415                          |             | 4           |
| 2           | 107      | T    | ELLIOT ROAD (BASIN - NORTH SIDE OF ELLIOT ROAD, SUMMIT EAST TO SAN MARCOS PL.)   | 1     | 3.30  | 125x1150                         | 3 vports    | 4           |
| 3           | 108      | T    | ALMA SCHOOL ROAD (BASINS - EAST SIDE - NORTH & SOUTH OF PALOMINO)  | 1     | 4.32  | 160x1500                         | multi vport | 6           |
| 4           | 117      | T    | DOBSON & HIGHLAND (BASIN - SE CORNER AND GRANITE AROUND BASIN AREA)  | 1     | 1.93  | 225x465                          |             | 4           |
| 5           | 118      | T    | WARNER/HARTFORD CEDAR RIDGE BASINS (SOUTH SIDE TWO BASINS ON WARNER EAST AND WEST OF ILLINOIS ONE - WEST SIDE HARTFORD BETWEEN RANCH AND HIGHLAND TOW-BASINS WEST SIDE HARTFORD NORTH AND SOUTH OF IOWA) | 1     | 4.89  | 1000x150,<br>400x375,<br>500x400 |             | 8           |
| 6           | 119      | T    | WARNER RD. SOUTH SIDE (BASINS ON WARNER BETWEEN PENNINGTON & ARROWHEAD DR.)  | 1     | 7.20  | 2350x260                         |             | 10          |
| 7           | 127      | T    | TREMAINE RD. EAST OF ARIZONA AVE. (MEDIAN)   | 1     | 1.00  | 2300x 60                         | 3 vports    | 6           |
| 8           | 335      | T    | AIRPORT OLD TERMINAL "SCOUT" AREA (exact location to be verified)  | 3     | 0.50  |                                  |             | 2           |
| 9           | 416      | T    | KYRENE/CHICAGO CRESTVIEW IV & V (BASIN - KYRENE ROAD - BASIN AT KYRENE & CHICAGO; BIKE PATH BETWEEN CINDY & FOLLEY, OAK TO EAST OF ELM)  | 4     | 5.75  | 250x650,<br>850x120              |             | 10          |
| 10          | 417      | T    | CHANDLER/GALAXY GLENVIEW (BASIN - ON CHANDLER BLVD. AT GALAXY ST.)   | 4     | 4.53  | 335x715                          |             | 6           |
| 11          | 418      | T    | CHANDLER/MCCLINTOCK/COUNTRY CLUB WAY (BASIN - TWO ON CHANDLER BLVD. EAST & WEST OF COUNTRY CLUB - NORTH SIDE; ONE ON MCCLINTOCK & SOUTH OF GALVESTON - EAST SIDE)  | 4     | 7.14  | 1100x160,<br>220x1050            |             | 8           |
| 12          | 419      | T    | TWELVE OAKS (BASINS & ROW - SOUTH OF TWELVE OAKS BLVD. FROM TWELVE OAKS BLVD TO MILKY WAY DR.)   | 4     | 13.90 | 400x1900                         |             | 12          |
| 13          | 420      | T    | KYRENE RD. (BASIN - WEST SIDE ON KYRENE BETWEEN DEL RIO ST. AND IVANHOE ST.)   | 4     | 1.00  | 250x800                          |             | 4           |
| 14          | 427      | T    | MCCLINTOCK/CHANDLER BLVD. (BASIN - SOUTH OF CHANDLER EAST OF MCCLINTOCK)   | 4     | 0.20  | 250x170                          |             | 2           |
| TOTAL ACRES |          |      |  | 58.41 |       |                                  |             |             |



## 14 SITE TURF REMOVALS

### Feature 3





An aerial photograph of a residential area. A large, irregularly shaped parcel of land is outlined in magenta. The parcel is labeled "TRACT B6" in yellow text. The parcel is bordered by a road labeled "N CARRIAGE LN" in white text. The parcel contains several trees and a small body of water. The parcel is surrounded by other residential lots, many of which are labeled with addresses in yellow text: 302-86-387, 302-86-122, 302-86-123, 302-86-124, 302-86-125, 302-86-126, 302-86-127, 302-86-128, 302-86-129, 302-86-130, 302-86-131, 302-86-132, 302-86-133, 302-86-134, 302-86-135, 302-86-136, 302-86-137, 302-86-138, 302-86-139, 302-86-140, 302-86-141, 302-86-142, 302-86-143, 302-86-144, 302-86-145, 302-86-146, 302-86-147, 302-86-148, 302-86-149, 302-86-150, 302-86-151, 302-86-152, 302-86-153, 302-86-154, 302-86-155, 302-86-156, 302-86-157, 302-86-158, 302-86-159, 302-86-160, 302-86-161, 302-86-162, 302-86-163, 302-86-164, 302-86-165, 302-86-166, 302-86-167, 302-86-168, 302-86-169, 302-86-170, 302-86-171, 302-86-172, 302-86-173, 302-86-174, 302-86-175, 302-86-176, 302-86-177, 302-86-178, 302-86-179, 302-86-180, 302-86-181, 302-86-182, 302-86-183, 302-86-184, 302-86-185, 302-86-186, 302-86-187, 302-86-188, 302-86-189, 302-86-190, 302-86-191, 302-86-192, 302-86-193, 302-86-194, 302-86-195, 302-86-196, 302-86-197, 302-86-198, 302-86-199, 302-86-200, 302-86-201, 302-86-202, 302-86-203, 302-86-204, 302-86-205, 302-86-206, 302-86-207, 302-86-208, 302-86-209, 302-86-210, 302-86-211, 302-86-212, 302-86-213, 302-86-214, 302-86-215, 302-86-216, 302-86-217, 302-86-218, 302-86-219, 302-86-220, 302-86-221, 302-86-222, 302-86-223, 302-86-224, 302-86-225, 302-86-226, 302-86-227, 302-86-228, 302-86-229, 302-86-230, 302-86-231, 302-86-232, 302-86-233, 302-86-234, 302-86-235, 302-86-236, 302-86-237, 302-86-238, 302-86-239, 302-86-240, 302-86-241, 302-86-242, 302-86-243, 302-86-244, 302-86-245, 302-86-246, 302-86-247, 302-86-248, 302-86-249, 302-86-250, 302-86-251, 302-86-252, 302-86-253, 302-86-254, 302-86-255, 302-86-256, 302-86-257, 302-86-258, 302-86-259, 302-86-260, 302-86-261, 302-86-262, 302-86-263, 302-86-264, 302-86-265, 302-86-266, 302-86-267, 302-86-268, 302-86-269, 302-86-270, 302-86-271, 302-86-272, 302-86-273, 302-86-274, 302-86-275, 302-86-276, 302-86-277, 302-86-278, 302-86-279, 302-86-280, 302-86-281, 302-86-282, 302-86-283, 302-86-284, 302-86-285, 302-86-286, 302-86-287, 302-86-288, 302-86-289, 302-86-290, 302-86-291, 302-86-292, 302-86-293, 302-86-294, 302-86-295, 302-86-296, 302-86-297, 302-86-298, 302-86-299, 302-86-300, 302-86-301, 302-86-302, 302-86-303, 302-86-304, 302-86-305, 302-86-306, 302-86-307, 302-86-308, 302-86-309, 302-86-310, 302-86-311, 302-86-312, 302-86-313, 302-86-314, 302-86-315, 302-86-316, 302-86-317, 302-86-318, 302-86-319, 302-86-320, 302-86-321, 302-86-322, 302-86-323, 302-86-324, 302-86-325, 302-86-326, 302-86-327, 302-86-328, 302-86-329, 302-86-330, 302-86-331, 302-86-332, 302-86-333, 302-86-334, 302-86-335, 302-86-336, 302-86-337, 302-86-338, 302-86-339, 302-86-340, 302-86-341, 302-86-342, 302-86-343, 302-86-344, 302-86-345, 302-86-346, 302-86-347, 302-86-348, 302-86-349, 302-86-350, 302-86-351, 302-86-352, 302-86-353, 302-86-354, 302-86-355, 302-86-356, 302-86-357, 302-86-358, 302-86-359, 302-86-360, 302-86-361, 302-86-362, 302-86-363, 302-86-364, 302-86-365, 302-86-366, 302-86-367, 302-86-368, 302-86-369, 302-86-370, 302-86-371, 302-86-372, 302-86-373, 302-86-374, 302-86-375, 302-86-376, 302-86-377, 302-86-378, 302-86-379, 302-86-380, 302-86-381, 302-86-382, 302-86-383, 302-86-384, 302-86-385, 302-86-386, 302-86-387, 302-86-388, 302-86-389, 302-86-390, 302-86-391, 302-86-392, 302-86-393, 302-86-394, 302-86-395, 302-86-396, 302-86-397, 302-86-398, 302-86-399, 302-86-400, 302-86-401, 302-86-402, 302-86-403, 302-86-404, 302-86-405, 302-86-406, 302-86-407, 302-86-408, 302-86-409, 302-86-410, 302-86-411, 302-86-412, 302-86-413, 302-86-414, 302-86-415, 302-86-416, 302-86-417, 302-86-418, 302-86-419, 302-86-420, 302-86-421, 302-86-422, 302-86-423, 302-86-424, 302-86-425, 302-86-426, 302-86-427, 302-86-428, 302-86-429, 302-86-430, 302-86-431, 302-86-432, 302-86-433, 302-86-434, 302-86-435, 302-86-436, 302-86-437, 302-86-438, 302-86-439, 302-86-440, 302-86-441, 302-86-442, 302-86-443, 302-86-444, 302-86-445, 302-86-446, 302-86-447, 302-86-448, 302-86-449, 302-86-450, 302-86-451, 302-86-452,

1:1,128

0 0.01 0.03 0.05 mi

0 0.01 0.03 0.05 km

Maricopa County GIS, Maricopa County Assessor's Office

18abf189f0a-layer-19



Map



Site 2 - Topo-limits  
Elliot Rd - East of Summit Place

January 24, 2024

18abf189f0a-layer-19

1:2,257

0 0.01 0.03 0.05 0.06 mi  
0 0.03 0.05 0.1 km

Maricopa County GIO, Maricopa County Assessor's Office

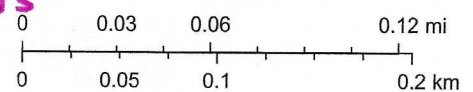


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## Site 3-Topo-limits

Alma School Road.  
N. & S. of Palomino Dr.

1:4,514



Maricopa County GIO, Maricopa County Assessor's Office



# Map

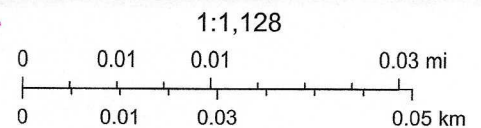


January 24, 2024

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Site 4-Topo-Limits

Dobson @ Highland St.  
S.E. Corner.



Maricopa County GIO, Maricopa County Assessor's Office



# Map

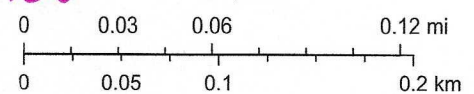


January 24, 2024

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Sites 5A - 5E. Over View  
Warner/Hartford  
Cedar Ridge Basins  
1-5

1:4,514



Maricopa County GIO, Maricopa County Assessor's Office



Basin 1

Basin 2

Illinois Street

302-41-072, 302-41-073, 302-41-074, 302-41-075, 302-41-076, 302-41-071, 302-41-070, 302-41-036, 302-41-037, 302-41-029, 302-41-028, 302-41-027, 302-41-030, 302-41-031, 302-41-032, 302-41-033, 302-41-034, 302-41-035, 302-41-3819, 302-41-4229

Site 5A & 5B - Topo-limits  
Warner/Hartford  
Cedar Basins 1 & 2  
Ridge

Maricopa County GIO, Maricopa County Assessor's Office



Map



Site 5A & 5B Topo-Limits  
Wanner/Hartford  
Cedar Ridge Basins 1 & 2

January 24, 2024

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1:1,128  
0 0.01 0.01 0.03 0.03 mi  
0 0.01 0.01 0.03 0.05 km  
Maricopa County GIO, Maricopa County Assessor's Office



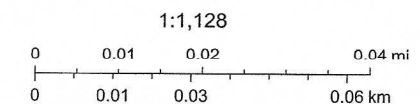
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January 24, 2024

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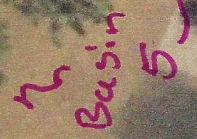
Site 5C Topo-limits  
Warner / Hartford  
Cedar Ridge Basin 3



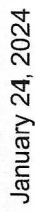
Maricopa County GIO, Maricopa County Assessor's Office



✓ Basin



January 24, 2024  
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This is an aerial map of a residential area, likely for a subdivision or development project. The map shows several streets and numerous lots, each labeled with a yellow number. The lots are organized into five distinct basins, labeled in magenta text: Basin 3, Basin 4, and Basin 5. The basins are separated by magenta lines. A blue line runs vertically through the center of the map. A green 'X' and a green circle are marked on the map. The streets shown include Town St. and W Caroline Ln. The map also shows a blue line running vertically through the center, and a green 'X' and a green circle are marked on the map. The map is divided into five basins (Basin 3, Basin 4, Basin 5) by magenta lines. Streets shown include Town St. and W Caroline Ln. Lot numbers are labeled in yellow text. A blue line runs vertically through the center. A green 'X' and a green circle are marked on the map.

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Site 5E Topo-limits  
Warner / Hartford  
Cedar Ridge Basin 5

2023 - Maricopa County Assessor's Office

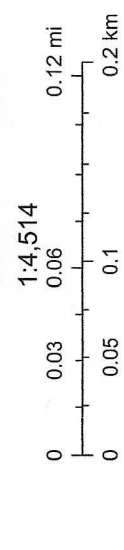


This aerial map shows Warner Rd running vertically through the center. To the left of Warner Rd, streets include N Los Arboles Pl, W Los Arboles Pl, W Mariposa Dr, and N Longmore. To the right, streets include W Brooks St, W Temple St, W Stoffer Dr, W Esirella Dr, and N Highland St. A red line with arrows and lightning bolt symbols is drawn along Warner Rd, indicating a utility route. Green 'X' marks are placed at intersections along Warner Rd. Yellow text labels '302-93-002' and '302-93-003' are visible near the top of Warner Rd. The map also shows various residential lots, some with swimming pools, and a large open area on the left side.

Site 6 Topo-limits

Warner Road

## Pennington - Arrowhead Drives





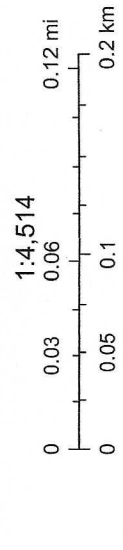
# Map



Site 7 - Topo limits  
(edge of Asphalt Roadway)  
Tremaine Road/Drive

January 25, 2024

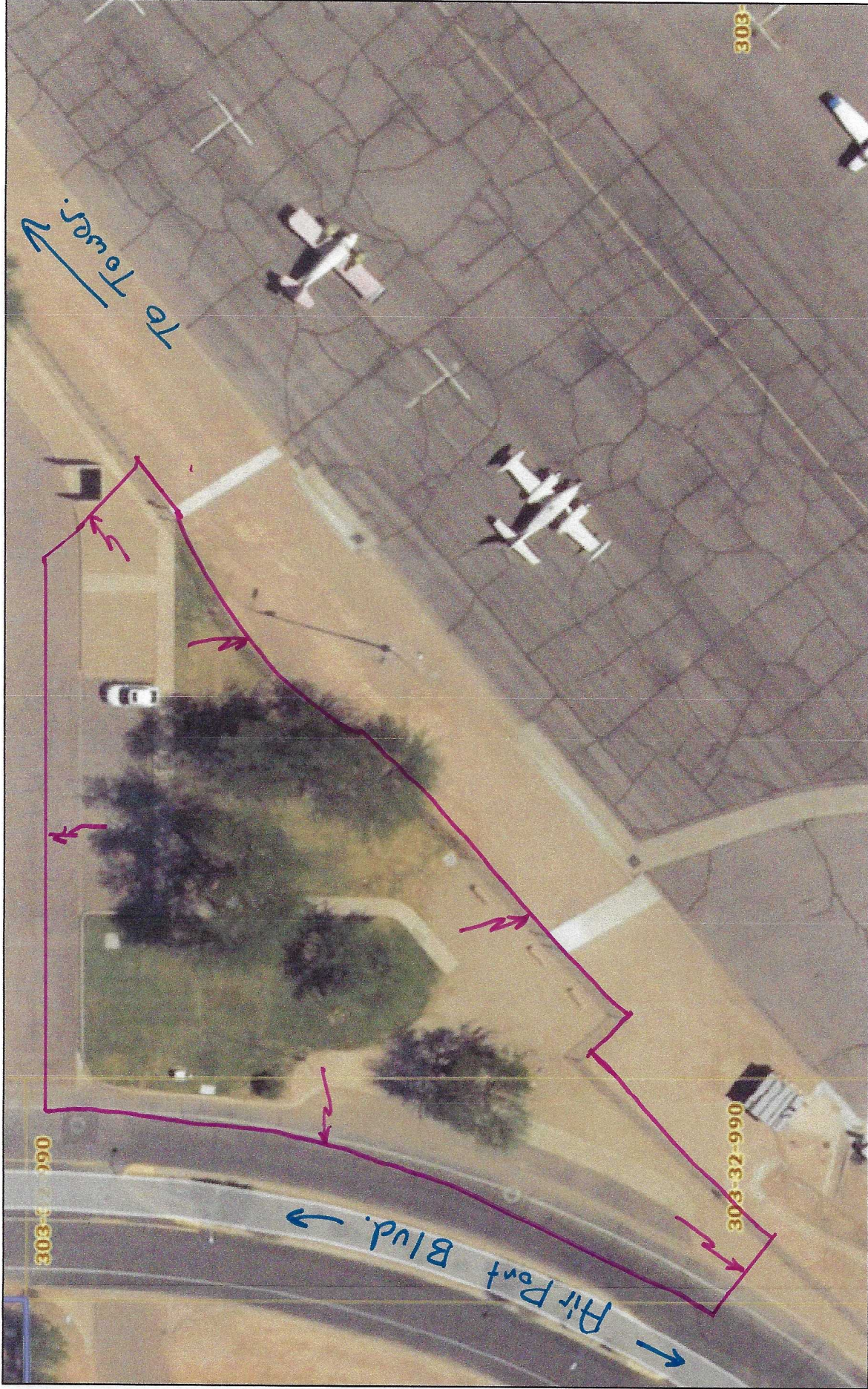
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Maricopa County Assessor's Office



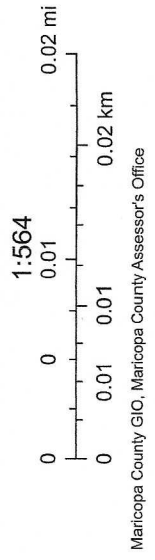
Map



Site 8 - Topo-limits  
Chandler Air Park.  
South of Germann Road

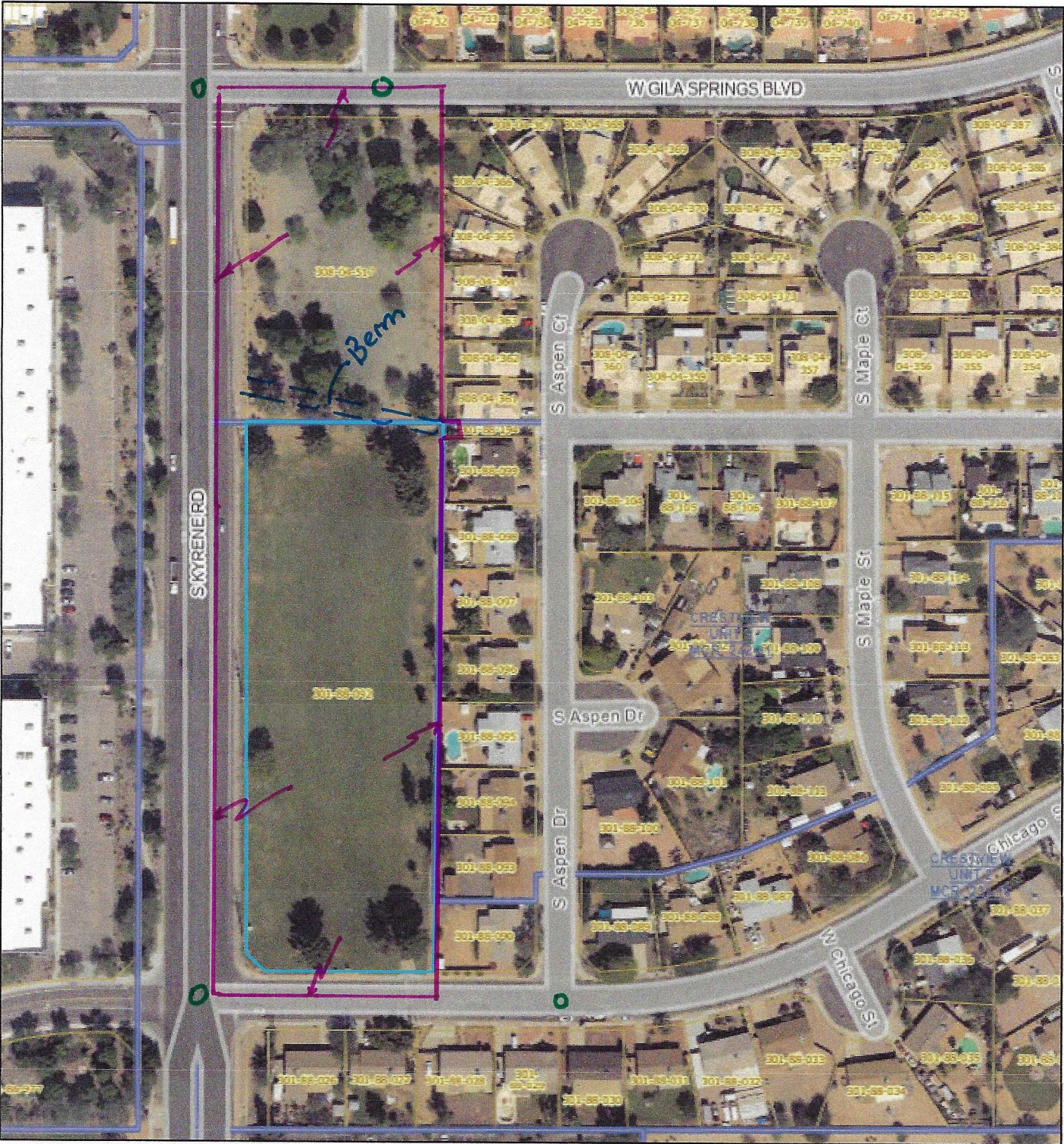
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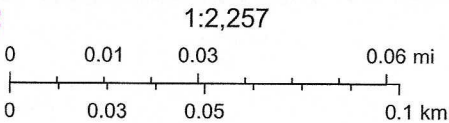
# Map



January 24, 2024

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Site 9A Topo-limits  
Kyrene Rd.  
Chicago - Gila Springs



Maricopa County GIO, Maricopa County Assessor's Office



# Map



January 24, 2024

18abf189f0a-layer-19

Site 9B Topo-limits  
Bike path - Oak east to Elm  
and east to end turf

1:2,257  
0 0.01 0.03 0.06 mi  
0 0.03 0.05 0.1 km

Maricopa County GIO, Maricopa County Assessor's Office



# Map

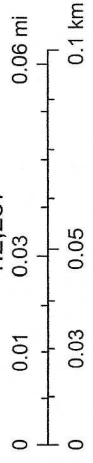


Site 10 Topo-limits  
Chandler Blvd. @ Galaxy-west

January 24, 2024

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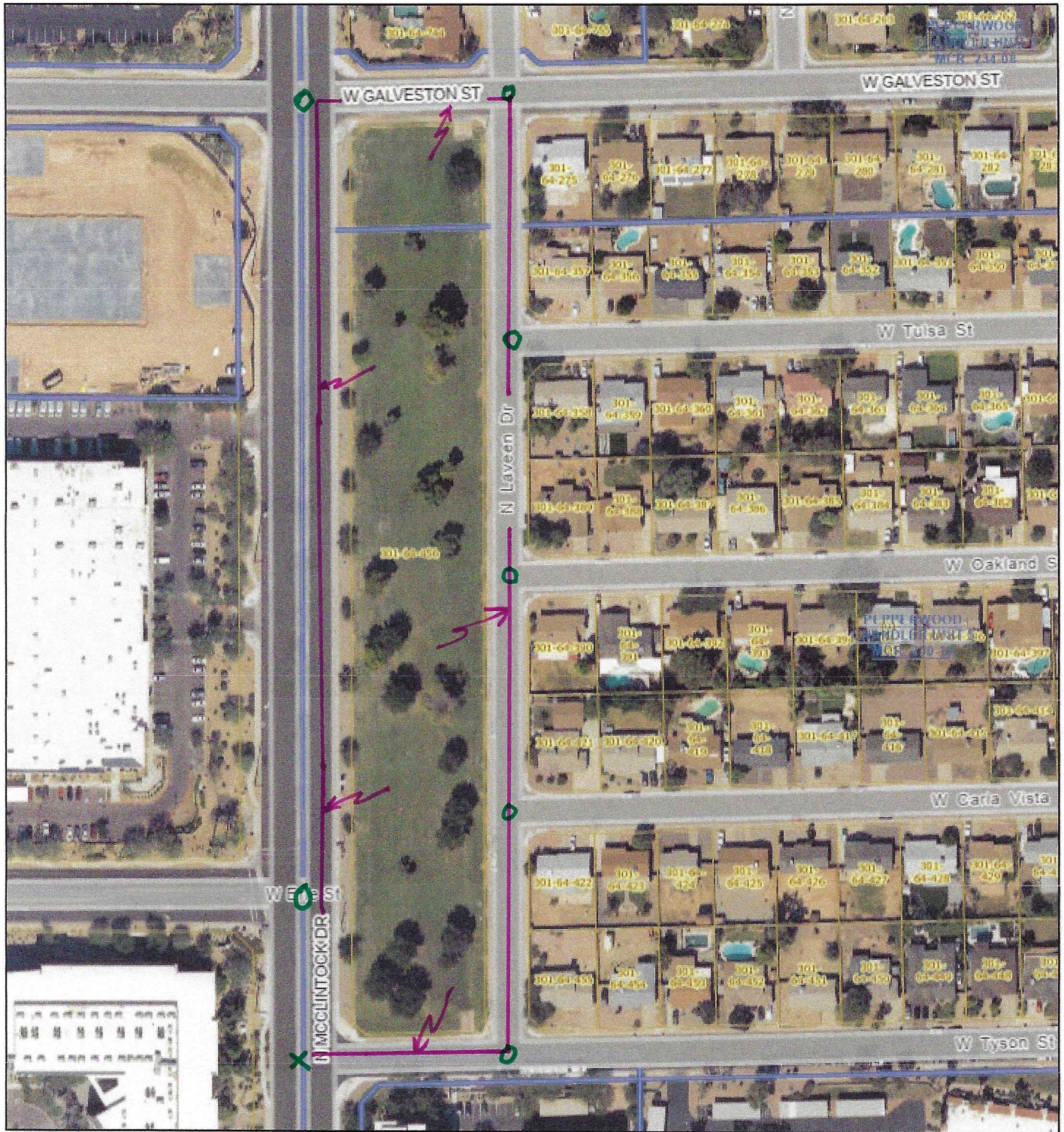
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Maricopa County GIO, Maricopa County Assessor's Office



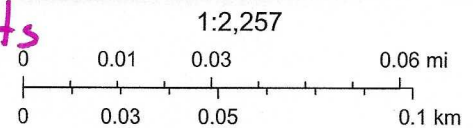
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January 24, 2024

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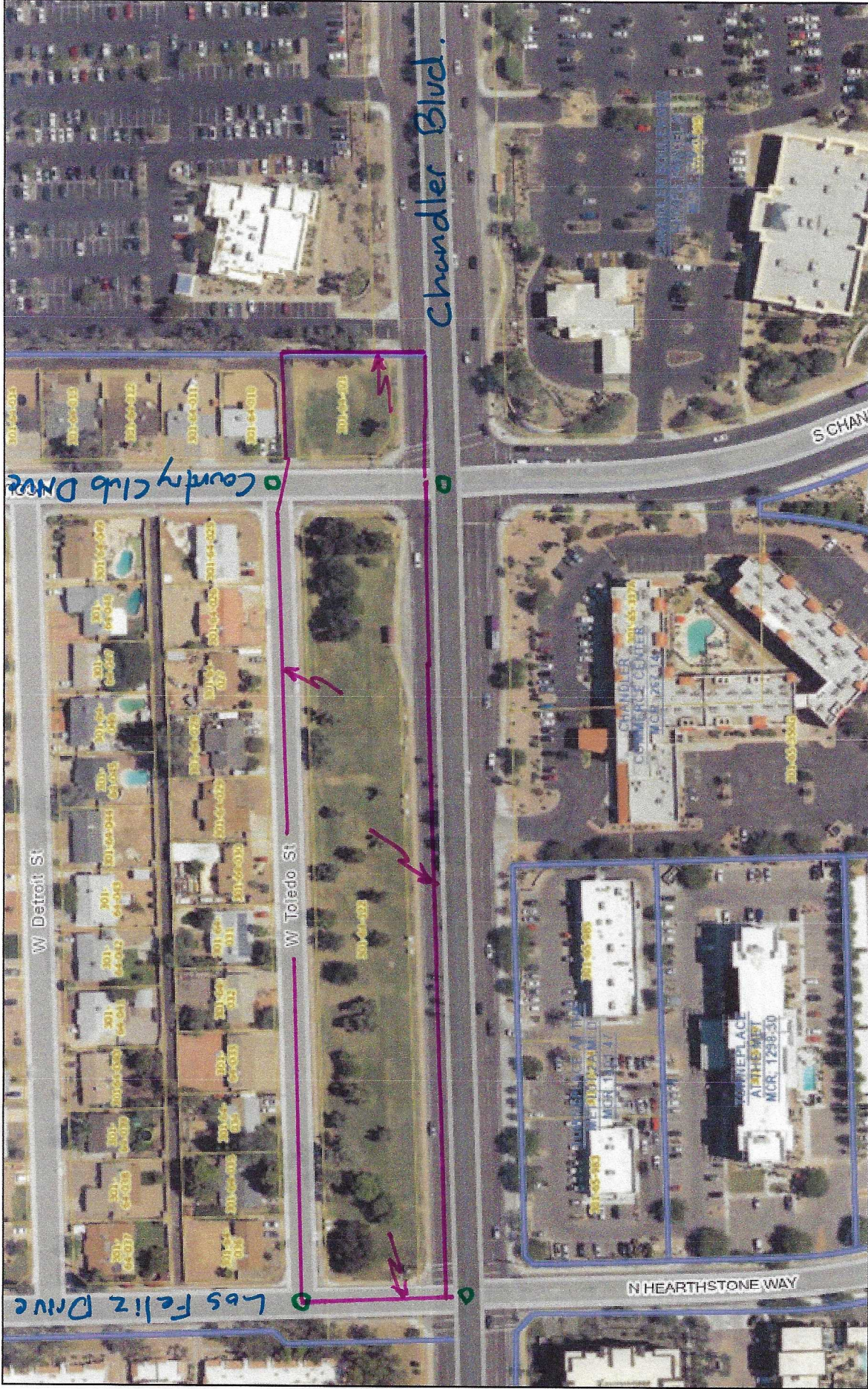
Site 11A Topo-limits  
McClintock Drive  
Tyson - Galveston



Maricopa County GIO, Maricopa County Assessor's Office



# Map

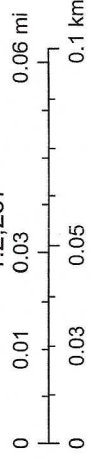


January 24, 2024

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Site, 11B Topo - limits  
Chandler Blvd.  
Los Feliz - Country Club

1:2,257



Maricopa County GIO, Maricopa County Assessor's Office



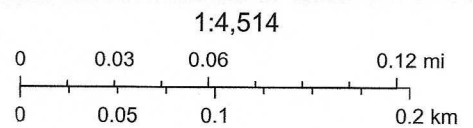
# Map



January 24, 2024

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Site 12 Topo - Limits  
Basin  
Twelve Oaks to  
milky way



Maricopa County GIO, Maricopa County Assessor's Office



# Map

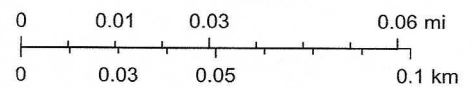


January 25, 2024

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Site 13 - Topo-limits  
Kyrene Road.  
Ivanhoe - Del Rio

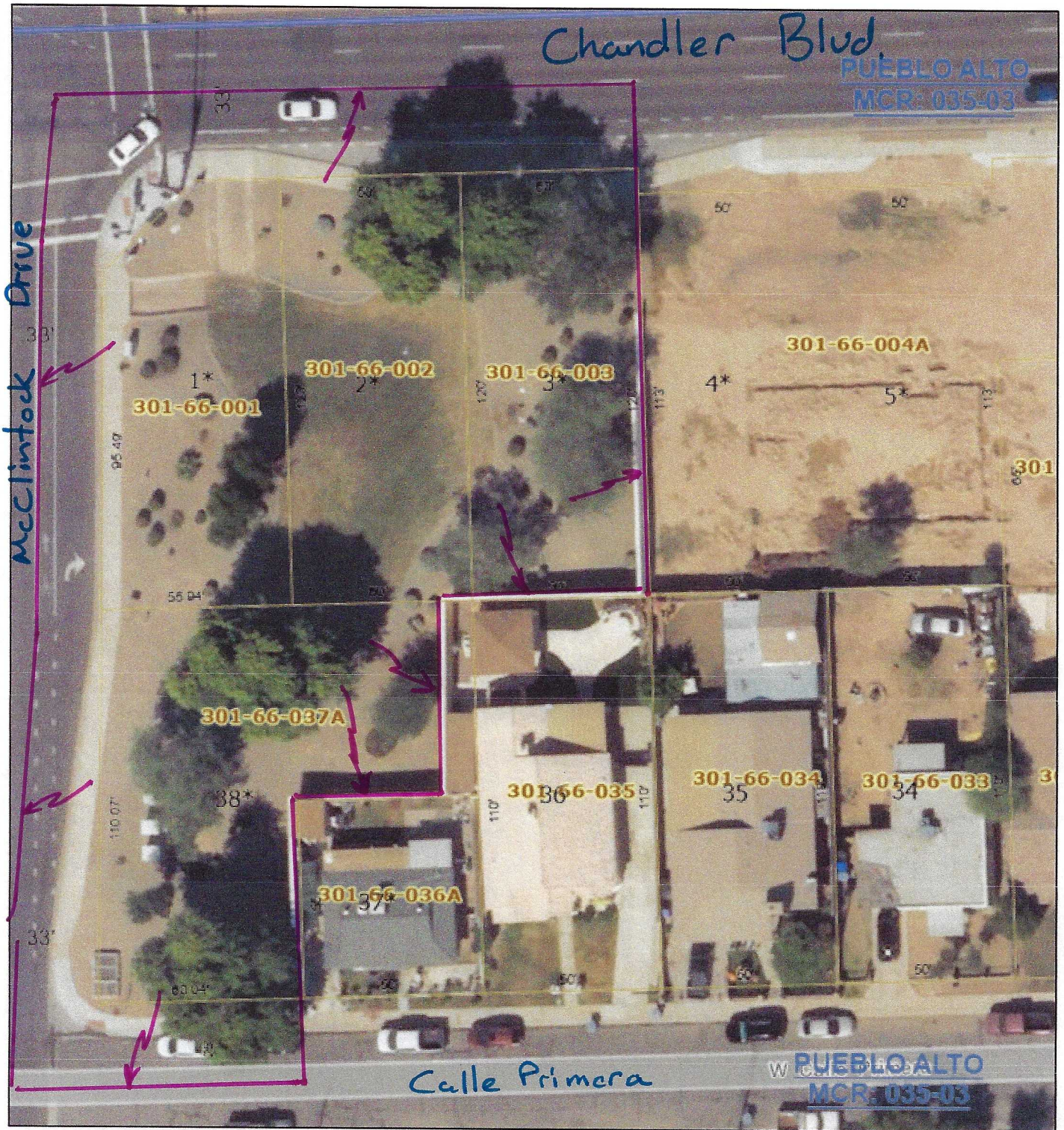
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Maricopa County GIO, Maricopa County Assessor's Office



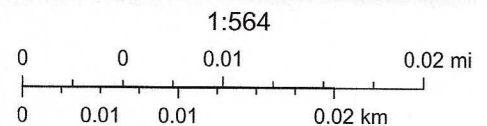
# Map



January 25, 2024

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Site 14 Topo-limits  
Chandler Blvd. @  
McClintock Dr.  
S.E. corner.



Maricopa County GIO, Maricopa County Assessor's Office





**MakPro Services, LLC**  
2036 N. Gentry • Mesa, AZ 85213

Office: 480-890-1927  
Email: [teresa@makprosvc.com](mailto:teresa@makprosvc.com)

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January 29, 2024

Mr. Jeff Velasquez  
J2 Engineering & Environmental Design  
4649 E. Cotton Gin Loop, Suite B2  
Phoenix, Arizona 85040

Dear Jeff:

MakPro Services, LLC (MakPro) is pleased to provide the following proposal and cost estimate for public involvement services as part J2's effort for the City of Chandler's Turf to Xeriscape Project which consists of converting turf grass to xeriscape landscape in 14 City-maintained sites within Chandler. Public involvement is an important element in projects such as this when trying to engage the nearby community to provide their input to improve nearby parks. It provides a link between the project and the community it impacts and many times, this small link is all that is needed to help a project run more smoothly.

The services included in this scope and fee are for PLANNING/DESIGN PHASE ONLY and are based on the information you provided and our conversation with the City's project manager. This effort is expected to begin in March 2024 with public engagement taking place sometime in July 2024. This estimate includes planning, design, preparation, staffing, management, and documentation for two in-person public meetings, and a web-based virtual public meeting, consisting of a narrated video and mechanism for resident feedback.

Please take a moment to review this scope and cost estimate and if I've missed or misunderstood any of the project characteristics, or if you'd like to customize this proposal in some other way, please let me know. (p = principal hours / a = associate hours)

**Project Meetings & Administration:** As part of the planning and public engagement process, MakPro will:

- prep for and attend a kick-off meeting for the project. (p-2 hr)
- prepare for and attend up to up to four planning/progress meetings to discuss the public engagement approach. (p-4 hrs)
- communications with team and project manager related to effort, and project administration. (p-4 hrs)



**Public Meetings (2):** Up to two public meetings, assumed to be in-person, will be scheduled to provide an opportunity for nearby residents to provide their comments and feedback, and engage in the process, and view the plan concepts. To that end, MakPro will:

- prepare for and attend up to two planning meetings to discuss public meeting format and presentation. (p-6 hrs)
- coordinate with J2 to develop exhibits or a presentation and identify appropriate comment feedback form or online survey questions/selections. (p-6 hrs)
- develop a draft meeting notification for City/team review to inform nearby residents of the public meeting. (p-8 hrs / a-8 hrs)
- compile a mailing list and HOA community management contact to connect with nearby residents. (a-2 hrs)
- make any revisions to the notification and prepare for printing/distribution. (p-2 hrs)
- prep for, staff, participate in, facilitate and document an in-person public meeting.
- document public meeting Q&A. (p-8 hrs / a-16 hrs)
- compile information from feedback forms/survey and recap for team. (p-6 hrs)

\*estimated hours are for two public meetings

**Virtual Public Meeting (1):** A virtual, web-based, public meeting will be developed consisting of narrated video information and a mechanism for resident feedback. To that end, MakPro will:

- develop a presentation and script for review by City, make any edits, narrate and load to web. (p-8 hrs)
- develop a draft meeting notification for City/team review to inform nearby residents of the web-based information being available for viewing. (p-1 hrs / a-2 hrs)
- develop an on-line comment feedback form for residents to provide comments/questions and respond to questions that may be received. (p-3 hrs)
- schedule, prepare for and attend up to two planning meetings to discuss meeting objectives and format. (p-6 hrs / a-2 hrs)
- document the meetings and conduct any follow-up required. (p- 4 hrs)

**Community Communications:** MakPro will work with the project team and City of Chandler's CAPA Office to identify and create appropriate communication mechanisms, to include:

- create content for a webpage on chandleraz.gov and coordinate with webmaster for creating a page that can be maintained/edited by MakPro and team. (p-4 hrs)
- incorporate updates to webpage after public meetings and as needed to keep current. (p-2 hrs)
- connect with nearby HOAs to ensure they are aware of the master plan process and can share this information with their residents. (a-3 hrs)
- coordinate with CAPA to share information on the City's social media platforms to include NextDoor. (p-2 hrs)
- provide a project hotline for project inquiries or comments. (hotline fee + 4 hrs (p-2 hrs / a-2 hrs))



The following cost estimate is provided based on the above tasks/activities with respective hours provided after each task.

| <b>Public Involvement Services</b>  | <b>Principal Hrs<br/>(\$120/hr)</b> | <b>Associate Hrs<br/>(\$100/hr)</b> | <b>Total</b>    |
|---|-------------------------------------|-------------------------------------|-----------------|
| Project Meetings & Administration   | 10                                  | -                                   | \$1,200         |
| Public Meetings (2)   | 36                                  | 26                                  | \$6,920         |
| Virtual Public Meeting (1)  | 22                                  | 4                                   | \$3,040         |
| Community Communications  | 10                                  | 5                                   | \$1,700         |
| <b>Subtotal</b>   | <b>78</b>                           | <b>35</b>                           | <b>\$12,860</b> |
| Reimbursable Allowance (printing/public meeting materials (e.g., sign-in sheets, comment forms, etc.) and printing/postage for mailers) |                                     |                                     | \$8,340         |
| Project hotline (\$1,000 for all of project design)   |                                     |                                     | \$1,000         |
| <b>Grand Total</b>  |                                     |                                     | <b>\$22,200</b> |

The total cost for public involvement services identified herein **should not exceed \$22,200.00**, which includes an allowance of \$8,340 related to printing and postage, based on a 1,000-ft boundary around each of the sites. This estimate assumes this effort is not federally funded so there are no special requirements related to Title VI. Costs for translation or interpreter services are not included in this estimate. This estimate assumes a rate of \$120/hour for principal and \$100/hour for associate hours, and a flat fee of \$1,000 for the project hotline. Printing/postage costs are based on mailing to occupants for an average 600 addresses per site for 16 sites for a 4-up mailer, one-side color with current first-class postage rates.

This estimate incorporates efficiencies from one task/activity to another, so removal or adjustment to one activity may require an adjustment of hours in other activities. This proposal assumes any displays, exhibits, engineering designs or details, required for public meeting or information will be provided by Chandler or J2. Changes of substance to this proposal during the project may affect the final cost.

Thank you for the opportunity to work with J2 and the City of Chandler on this exciting project.

Sincerely,



Teresa Makinen



**EXHIBIT "F"**  
**FEDERAL REQUIREMENTS**

**N/A**



**City Council Memorandum      Public Works & Utilities      Memo No. UA24-055**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Andy Bass, Deputy City Manager  
John Knudson, Public Works and Utilities Director  
**From:** Jeremy Abbott, Public Works & Utilities Assistant Director  
**Subject:** Agreement No. PW3-925-4631, Amendment No. 1, with Hazen and Sawyer, P.C., for the Water System Upgrades Program Consultant Services

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**Proposed Motion:**

Move City Council approve Agreement No. PW3-925-4631, Amendment No. 1, with Hazen and Sawyer, P.C., for the Water System Upgrades Program consultant services, increasing the agreement amount by \$149,680.

**Background/Discussion:**

The Pecos Surface Water Treatment Plant (PSWTP), located at 1475 East Pecos Road, was put into service in 1989. The current capacity of the PSWTP is 60 million gallons per day (MGD). The water distribution system includes over 1,200 miles of water mains, 19 reservoir and booster sites, and 30 active drinking water wells, and also receives water from the Santan Vista Water Treatment Plant in Gilbert (owned jointly by the City of Chandler and the Town of Gilbert).

The Water Systems Upgrade Program is intended to leverage outside consultants as extensions of staff to expedite the short and long term planning for improvements at PSWTP. On October 19, 2023, City Council approved Agreement No. PW3-925-4631, with Hazen and Sawyer, P.C., for the Water System Upgrade Program consultant services. Through the work to date, key opportunities have been identified to enhance the maximum process and hydraulic throughput of the PSWTP. Amendment No. 1 includes high-rate filtration testing, process testing, and near-term control system programming. Hazen and Sawyer will provide on-site support to city operations personnel, as well as perform data analysis and report on the results of the testing. An additional 120 calendar days



has been added for a revised total of 360 days to final completion, following Notice to Proceed.

**Evaluation:**

On October 19, 2023, City Council approved an agreement with Hazen and Sawyer, P.C., for the Water System Upgrades Program consultant services, in an amount not to exceed \$695,720. Amendment No. 1 adds additional services, extends the term of the agreement, and increases the amount of the agreement by \$149,680. The total revised amount of the contract is not to exceed \$845,400. Staff recommends this amendment to the agreement.

---

| Fiscal Impact        |            |                                    |               |                |
|----------------------|------------|------------------------------------|---------------|----------------|
| Account No.          | Fund Name  | Program Name                       | Dollar Amount | CIP Funded Y/N |
| 601.3820.6718.6WA210 | Water Bond | Water Treatment Plant Improvements | \$149,680     | y              |

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**Attachments**

Amendment - Hazen and Sawyer





**AMENDMENT NO. 1 TO  
CONSULTANT SERVICES AGREEMENT**

**Water System Upgrades Program  
Project No. PW3-925-4631**

**Council Date: February 22, 2024**

**THIS AMENDMENT NO. ONE** ("Amendment No. 1") to the professional services agreement dated October 24, 2023 (the "Agreement") is made by and between the City of Chandler, an Arizona municipal corporation, ("City") and **Hazen and Sawyer, P.C., a New York professional corporation** ("Consultant"), on this \_\_\_\_ day of \_\_\_\_\_, 2024 ("Effective Date" by Clerk). (City and Consultant may individually be referred to as "Party" and collectively referred to as "Parties").

**RECITALS**

- A. The Parties entered into the Agreement for: **Consultant Services** ("Services") for the **Water System Upgrades Program** project.
- B. The Parties have determined that it is necessary and desirable for the Consultant to perform additional services for the City under the terms and conditions set forth in this Amendment No. 1 and the Agreement.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and mutual promises contained in the Agreement and this Amendment No. 1, the Parties agree to amend and modify the Agreement as follows.

**SECTION I - CONSULTANT'S SERVICES**

The Consultant's Services are modified as described in the Exhibit "A" attached to and made part of this amendment by reference.



## **SECTION II – PERIOD OF SERVICE**

The Period of Service is increased by 120 calendar days for a revised total of 360 calendar days.

## **SECTION III – PAYMENT OF COMPENSATION AND FEES**

The Fees are increased by \$149,680 and will be payable in accordance with Exhibit "B" attached to and made part of this amendment by reference, for a revised total not to exceed \$845,400.

## **SECTION IV – CONFLICT AMONG DOCUMENTS**

The Agreement, this amendment, and any previous amendments constitute the complete agreement between the Parties concerning the subject matter of the Agreement and replace any prior oral or written communications between the Parties. If a conflict or ambiguity arises between the Agreement and this amendment, the instrument in the following order prevails and controls: (1) this amendment; (2) any previous Amendments from most recent to oldest; and (3) the Agreement.

SIGNATURE PAGE TO FOLLOW



**IN WITNESS WHEREOF**, the Parties hereto have caused this Amendment No. 1 to be duly executed. Each Party warrants and represents that its respective signatories whose signatures appear below have been and are on the date of signature duly authorized to execute this Amendment No. 1.

**"CITY" CITY OF CHANDLER**

**"CONSULTANT"**

**Hazen and Sawyer, P.C.**

\_\_\_\_\_  
MAYOR

*Curtis Courter*

January 26, 2024

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**RECOMMENDED BY:**

\_\_\_\_\_  
Curtis Courter

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Associate Vice President

\_\_\_\_\_  
Jeremy Abbott  
Public Works and Utilities Assistant  
Director

\_\_\_\_\_  
Title

\_\_\_\_\_  
ccourter@hazenandsawyer.com

\_\_\_\_\_  
Signer Email Address

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

*JWB*

**ATTEST:**

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

\_\_\_\_\_  
Seal



Amendment No. 1 (cont.)  
Project No. PW3-925-4631

These changes result in the following adjustments of Agreement amount and/or time:

|   |                                     |                          |
|---|-------------------------------------|--------------------------|
| <b>Amendment authorized by Owner name:</b> Danny Sargent                |                                     | <b>Date:</b> 1/25/2024   |
| <b>Consultant email:</b> ccourter@hazenandsawyer.com                    |                                     |                          |
| Original Agreement amount:  | \$695,720                           |                          |
| Previous Amendment(s) total:  | \$0                                 |                          |
| Last Agreement amount approved by Council:                              | \$0                                 |                          |
| This Amendment:   | \$149,680                           |                          |
| This Amendment + previous Amendment(s) not approved by Council total:   | \$149,680                           |                          |
| Revised Agreement total:  | \$845,400                           |                          |
| <b>Council Approval Required</b> (yes indicates approval required)      | <b>Yes</b>                          | <b>No</b>                |
| Amendment(s) total over \$100,000:                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Amendment(s) total causes Agreement to exceed \$100,000:                | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <b>Agreement Time</b>   |                                     |                          |
| Agreement time prior to this Amendment (including previous amendments): | <u>240</u><br>Calendar Days         |                          |
| Net change resulting from this Amendment:                               | <u>120</u><br>Calendar Days         |                          |
| Revised Agreement time (including this Amendment):                      | <u>360</u><br>Calendar Days         |                          |
| <b>Council Approval</b> (if applicable)                                 |                                     |                          |
| Council Approval Date: <u>10/19/2023</u> Item No. <u>47</u>             |                                     |                          |

cc: Project Manager, Consultant, Owner, File



## EXHIBIT A

### SCOPE OF WORK

#### Introduction

During the execution of Task 3.4 of the Water System Program, which involved identifying opportunities to enhance the maximum process and hydraulic throughput of the Pecos Surface Water Treatment Plant (SWTP), several additional tasks are needed to improve water quality in 2024. These tasks are outlined in the subsequent sections.

#### Task 1 – High Rate Filtration Testing

Filtration rates up to 8.5 gallons per minute per square foot (gpm/sf) were determined to be hydraulically feasible through the existing filters at Pecos SWTP. Currently, the filters are designed and approved for a filtration rate of 5.0 gpm/sf. This task includes testing existing filters at increased filter loading rates to determine if the existing filters can be rated to utilize higher filtration rates for long-term planning to meet capacity needs. Two (2) filters, taken from Filters 1 through 4 will be selected for the test. These filters will operate at filtration rates greater than 5.0 gpm/sf for the duration of the test to allow for performance comparisons to the other filters operating in parallel operating at filtration rates necessary to meet production capacity needs.

- **Task 1.1 - MCESD Permitting**

In this task, Consultant will coordinate with Maricopa County Environmental Services Department (MCESD) for approval to conduct a full scale demonstration test.

Consultant will develop draft and final test plan for City and MCESD approval. One additional meeting is assumed for final approval of the test plan. After conclusion of full-scale testing, two meetings are allowed to discuss results with MCESD and request full-scale approval for increased filter loading rates.

- **Task 1.2 - Control System Modifications**

Consultant will develop a draft and final process control narrative (PCN) to document the control requirements to operate 2 filters at different flowrates, meeting target filtration rates, as compared to the remaining online filters needed to meet production needs. Two PCN workshops (Draft and Final) will be conducted with City's Control System Integrator. Consultant to attend in-person Factory Acceptance Test (FAT). Consultant to attend in-person Site Acceptance Test (SAT).

- **Task 1.3 - On Site Support**

Consultant to be present on site for first 3 days of full scale operations of new control philosophy. Consultant to hold daily check-ins with operations staff for the next 10 days of operation after, including weekends, to discuss operational results for each 24 hour time block.

- **Task 1.4 - Data Analysis and Reporting**

Consultant to analyze two months of operational data and present results to City. Consultant will develop a draft and final report of findings to support the request of full-scale implementation of increased filtration rates for MCESD.



The official application for plant capacity rerating is not encompassed within this scope, primarily due to the uncertainty surrounding the level of effort required for rerating. The Consultant will collaborate with MCESD to determine the necessary efforts and work with the City to allocate Allowance funds, if required, for the rerate effort.

## **Task 2 - Other Process Testing**

Hydraulic analysis conducted by Consultant indicates that hydraulic and/or process bottlenecks may occur as the Pecos SWTP operates at flowrates approaching 60 mgd or above. To clearly define these limitations, temporary testing of individual treatment units will aid in identifying these limitations and offer insights on methods of alleviating these performance issues.

- **Task 2.1 - Test Plan**

Consultant to write draft and final test plan to observe the following systems:

- Presedimentation - Process performance issues with solids carry over when a single train is operated at greater than 30 mgd.
- Ballasted Flocculation - Hydraulic bottlenecks when filters are at normal operating levels and total process flow exceeds 30 mgd through two trains.
- Conventional Sedimentation - Waves observed when Trains 1 and 3 are operated at greater than 10 mgd each. Operations staff has not indicated that Train 2 experiences waves and is excluded from this analysis.

- **Task 2.2 - On-Site Observation and Analysis**

- Consultant to observe each of the above systems on-site during operations.
- Consultant to report results in a presentation to City.

## **Task 3 - Near Term Control System Improvements**

Multiple additional process control concerns have been identified in recent years. To improve operations during the summer of 2024 and to inform the long-term implementation of the SCADA system improvements currently underway (by others), control system modifications are recommended.

- **Task 3.1 - Control System Modifications**

Consultant will develop draft and final PCNs to document the following systems. The intent is to address these issues prior to Task 1.

- Backwash Equalizing Basin (BWEQ) Recycle System - Improve ability to accept flows into the storage basins and recycle water at a constant rate back to the head of the facility over the course of the 24 hour operational day. Draft PCN by others will be used as basis to begin work on this system.
- Filter Flow Control/Level Trim - Improve flow balance between Filters 1-8 and Filters 9-12, which currently differ greater than 5% much of the time.
- Raw Water Pump Station (RWPS) 2 Flow Control/Level Trim - Develop the ability of this pump station to operate completely independent of RWPS 1, allowing operations to operate Ballasted Flocculation without Conventional Sedimentation being online.
- Two (2) PCN workshops (Draft and Final) will be conducted with City's Control System Integrator. Consultant to attend in-person Factory Acceptance Test (FAT). Consultant to attend in-person Site Acceptance Test (SAT).



- **Task 3.2 - On Site Support**
  - Consultant to be present on site for first 3 days of full scale operations of new control philosophies. Consultant to hold daily check-ins with operations staff for the next 10 days of operation after, including weekends, to discuss operational results for each 24 hour time block.
- **Task 3.3 - Data Analysis and Reporting**
  - Consultant to analyze two months of operational data and present results to City. This analysis can be used to determine the best implementation methodology for the new SCADA system to be implemented at a later date. Results will be documented in a Technical Memorandum.

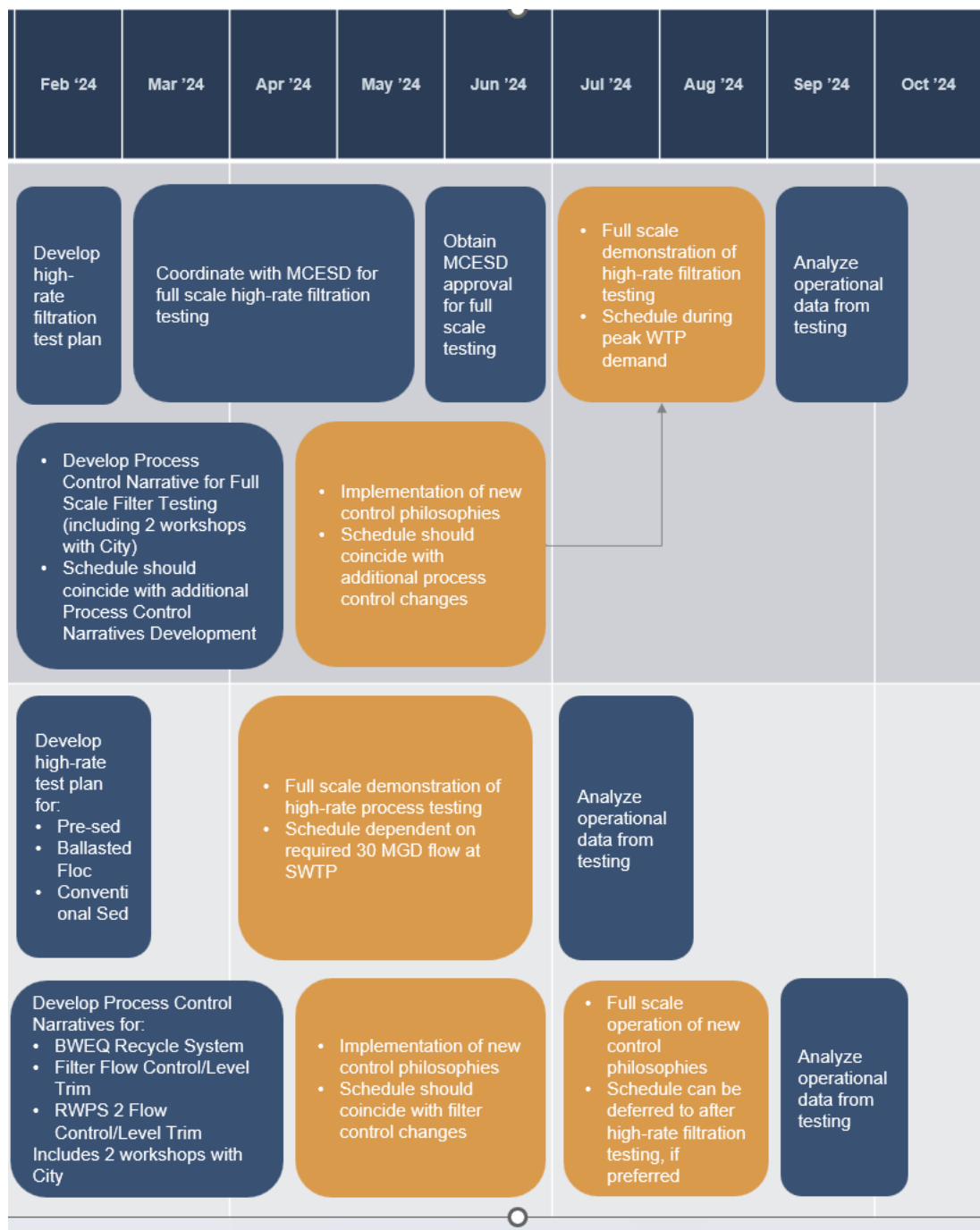
### **Assumptions**

- It is expected that the test, once begun, will last a minimum of two (2) months to collect data. Longer testing may be required by MCESD or may be preferred by City staff if performance results are positive.
- Control System Integration will be performed by the City. Work to be conducted in existing Foxboro control system.
- Operational data, in 5 minute timesteps, to be exported in tabular format by City and provided to Consultant.
- Project Management activities, which are about 10% of the effort, will be covered under Water System Program, Task 100.

### **Schedule**

The anticipated schedule is shown below.







## EXHIBIT B FEE SCHEDULE

The Lump sum fee for this effort is \$149,680, not including Owner's Allowance. Fee breakdown is shown below.

|         |   |                         |                  |          |                 |                |                |                  |               |              |                     |
|---------|---|-------------------------|------------------|----------|-----------------|----------------|----------------|------------------|---------------|--------------|---------------------|
| Client  | City of Chandler                                    |                         |                  |          |                 |                |                |                  |               |              |                     |
| Project | Pecos SWTP Filter Testing and Controls Improvements |                         |                  |          |                 |                |                |                  |               |              |                     |
| Date    | 1/13/2024   |                         |                  |          |                 |                |                |                  |               |              |                     |
|         |   | Name                    | Curtis Courter   | Brinda D | Daniel a Panfil | Jason Curl     | Katie Robles   | Jacob Mitten     | TASK SUBTOTAL | TOTAL FEE    | TASK % OF TOTAL FEE |
|         |   | Classification          | Project Director | PM       | Asst. PM        | Technical Lead | Senior Project | Project Engineer |               |              |                     |
|         |   |                         | AVP              | SA       | SPE             | SA             | PE             | AE               |               |              |                     |
|         |   | Hourly Rate             | \$ 265           | \$ 250   | \$ 200          | \$ 265         | \$ 190         | \$ 150           |               |              |                     |
| Task    | Description   |                         |                  |          |                 |                |                |                  | (HOURS)       |              |                     |
|         |   | LEVEL OF EFFORT (HOURS) |                  |          |                 |                |                |                  |               |              |                     |
| 100     | High Rate Filtration Testing                        |                         |                  |          |                 |                |                |                  | 392           | \$ 75,740.00 | 51%                 |
| 1.1     | MCESD Permitting                                    |                         |                  |          |                 | 12             | 24             | 24               | 60            | \$ 11,340.00 | 8%                  |
| 1.2     | Control System                                      |                         |                  |          |                 | 24             | 32             | 32               | 88            | \$ 17,240.00 | 12%                 |
| 1.3     | On-Site Support                                     |                         |                  |          |                 | 40             | 40             | 40               | 120           | \$ 24,200.00 | 16%                 |
| 1.4     | Data Analysis and Reporting                         |                         |                  |          |                 | 24             | 40             | 60               | 124           | \$ 22,960.00 | 15%                 |
| 200     | Process High Rate Testing                           |                         |                  |          |                 |                |                |                  | 112           | \$ 21,140.00 | 14%                 |
| 2.1     | Test Plan   |                         |                  |          |                 | 12             | 12             | 24               | 48            | \$ 9,060.00  | 6%                  |
| 2.2     | On-Site Support                                     |                         |                  |          |                 | 16             | 16             | 32               | 64            | \$ 12,080.00 | 8%                  |
| 300     | Control System Improvements                         |                         |                  |          |                 |                |                |                  | 224           | \$ 43,800.00 | 29%                 |
| 3.1     | Control System                                      |                         |                  |          |                 | 24             | 16             | 24               | 64            | \$ 13,000.00 | 9%                  |
| 3.2     | On-Site Support                                     |                         |                  |          |                 | 40             | 16             | 40               | 96            | \$ 19,640.00 | 13%                 |
| 3.3     | Data Analysis and Reporting                         |                         |                  |          |                 | 8              | 16             | 40               | 64            | \$ 11,160.00 | 7%                  |
| 400     | Other Direct Costs                                  |                         |                  |          |                 |                |                |                  |               | \$ 9,000.00  | 6%                  |
| 4.1     | Travel and other reimbursable expenses              |                         |                  |          |                 |                |                |                  |               | \$ 9,000.00  | 6%                  |
| 500     | Owner's Allowance                                   |                         |                  |          |                 |                |                |                  |               |              | 0%                  |
|         | TOTAL FEE   |                         |                  |          |                 |                |                |                  |               | \$ 149,680   |                     |





**City Council Memorandum      Management Services      Memo No. 24-062**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Dawn Lang, Deputy City Manager - CFO  
**From:** Matthew Dunbar, Budget and Policy Assistant Director  
**Subject:** Public Hearing and Staff Presentation on Modified System Development Fees

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**Background/Discussion**

The city implemented a full schedule of System Development Fees on January 20, 1997, to provide a funding source for growth-related infrastructure needs. In order to continue to collect System Development Fees, the city must comply with Arizona Revised Statute §9-463.05, which includes conducting a Public Hearing on the recommended fees included in the attached System Development Fee Update ("the report") prepared by the consulting firm Duncan and Associates. The Public Hearing process provides residents and other stakeholders with the opportunity to address Council about the modified system development fees shown in the report.

The report includes the recommended system development fees, as well as the Land Use Assumptions and the Infrastructure Improvements Plan, which were adopted by Council on January 11, 2024. The modified system development fees included in the report are calculated by service area for arterial streets, parks, fire, police, public buildings, water, wastewater, and reclaimed water.

In order to ensure compliance with statutory requirements, the consultant calculated three costs per service unit for each of the fee categories: existing level of service, 10-year cost per service unit, and build-out cost per service unit. Each fee category uses the lowest of the three calculated costs by service area as the basis for the fee. The Public Buildings grandfathered fee category remains the same as in the prior report and will only be collected until the outstanding pledged debt is paid off for each fee category.



The report was provided to stakeholders representing single family and multi-family developers, commercial builders, and others.

The report, including the recommended fees, was posted on the City's website on October 11, 2023, to provide interested parties with a minimum of 30 days advance notice of the planned Public Hearing; a link to the report was also disseminated through social media. The Notice of Intent to modify fees was approved at the January 11, 2024, Council meeting and has been posted on the City's website and the official posting board. Social media was again used to disseminate the date and time of the Public Hearing. Following this Public Hearing, an ordinance modifying City Code Chapter 38 with the fee updates will be introduced, with final adoption scheduled for April 4, 2024. If approved, the modified system development fees will then become effective Monday, July 1, 2024.

### **Financial Implications**

System development fees are designed to provide funding to a community for the cost of expanding infrastructure required to support new development. If these fees are not maintained at the proper level, the City may have to provide additional General Fund support for growth-related capital projects or increase the secondary property tax rate to support additional bond proceeds to fund growth-related capital projects. System development fees are a significant funding source for growth-related capital projects in the City's 10-year Capital Improvement Plan, providing an estimated \$48,281,620 worth of projects over the next ten years in addition to paying off existing System Development Fee internal debt.

---

### **Attachments**

System Development Fee Update Report  
SDF Fee Update\_Public Hearing Presentation



An aerial photograph of Chandler, Arizona, showing a mix of urban, agricultural, and undeveloped land. The city's grid-like street pattern is visible, along with various green spaces and industrial areas.

# **City of Chandler, Arizona System Development Fee Update:**

## **2022-2032 Land Use Assumptions and Infrastructure Improvements Plan**

**duncan** | associates

**September 2023**



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## EXECUTIVE SUMMARY

Impact fees are charges assessed on new development to cover the costs of capital improvements needed to accommodate growth. The City of Chandler calls its impact fees “system development fees,” or SDFs. Duncan Associates has been retained by the City of Chandler to update the City’s system development fees in compliance with the five-year update requirement of the Arizona development impact fee enabling act. This report provides all the analysis required prior to the adoption of updated impact fees, including land use assumptions, infrastructure improvements plans and fee calculations.

### History of System Development Fees

In 2011, the legislature passed SB 1525, which was signed by the governor on April 26, 2011. SB 1525 constituted a major overhaul of Arizona’s impact fee enabling act for municipalities. The City updated its system development fees in compliance with the statute based on studies completed in 2014 and 2018.<sup>1</sup>

Major changes were made in the 2014 study to comply with the new State enabling act and to make the fees as defensible as possible. The 2014 study added a ten-year cost analysis, and the fees were based on the lowest of the existing, ten-year or buildout cost per service unit. The addition of the ten-year analysis was intended to ensure compliance with SB 1525’s requirement that the infrastructure improvements plan may not cover a period longer than ten years. The arterial street methodology was modified to take into account pass-by trips and average trip lengths. For the utility fees, an existing cost per service unit calculation was also added, as required by SB 1525. Finally, the 2014 update merged the separate water resources fee with the water fee, and the separate wastewater treatment and trunkline fees were combined.

The City has pledged library and public building system development fees for the repayment of bonds and interfund loans. The City has no plans to build another library, and public building fees are no longer authorized except to repay pledged debt. Consequently, updated infrastructure improvements plans are not prepared for libraries and public buildings. The City can retain its current library and public building system development fees and use them to repay pledged debt until the remaining obligations have been retired.

The 2018 update made two changes to the arterial street fee. The updated arterial street fees no longer included a pass-through adjustment, which was determined not to be necessary. In addition, a portion of the downtown area was removed from the arterial street service area. This change to the service area recognized that this area has paid for arterial street improvements through public improvement districts, and was also intended to encourage development in the affected area.

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<sup>1</sup> Duncan Associates, *City of Chandler System Development Fee Update*, January 2014 and August 2018.



## Summary of Findings

The updated non-utility system development fees are summarized in Table 1 below, along with a comparison to current fees. It is not possible to show a single total updated non-utility fee for residential uses, because the park fees differ between three service areas. Also note that the arterial street fees apply only in the arterial street service area (see Figure 3) – total current and updated fees would be lower outside this area. Total updated non-utility fees are lower for most land use types in most areas of the city. The City will cease collecting park fees in the Northwest park service area, which has almost no remaining residential development potential.

**Table 1. Updated and Current Non-Utility Fees**

| Land Use              | Unit     | Arterial Streets* | Parks by Serv. Area |       |         | Library | Fire    | Police  | Public Bldgs. | Total Fees by Park Area |         |         |
|-----------------------|----------|-------------------|---------------------|-------|---------|---------|---------|---------|---------------|-------------------------|---------|---------|
|                       |          |                   | NW                  | NE    | SE      |         |         |         |               | NW                      | NE      | SE      |
| Updated Fees          |          |                   |                     |       |         |         |         |         |               |                         |         |         |
| Single-Family**       | Dwelling | \$3,792           | \$0                 | \$129 | \$5,242 | \$61    | \$308   | \$74    | \$110         | \$4,345                 | \$4,474 | \$9,587 |
| Multi-Family**        | Dwelling | \$2,059           | \$0                 | \$109 | \$4,424 | \$44    | \$259   | \$62    | \$79          | \$2,503                 | \$2,612 | \$6,927 |
| Retail/Comm.          | sq. ft.  | \$3.894           |                     |       |         |         | \$0.323 | \$0.078 | \$0.120       | \$4.415                 | \$4.415 | \$4.415 |
| Office                | sq. ft.  | \$5.347           |                     |       |         |         | \$0.169 | \$0.041 | \$0.080       | \$5.637                 | \$5.637 | \$5.637 |
| Industrial/Whse.      | sq. ft.  | \$1.050           |                     |       |         |         | \$0.077 | \$0.018 | \$0.020       | \$1.165                 | \$1.165 | \$1.165 |
| Public/Institutional. | sq. ft.  | \$1.976           |                     |       |         |         | \$0.161 | \$0.039 | \$0.030       | \$2.206                 | \$2.206 | \$2.206 |
| Current Fees          |          |                   |                     |       |         |         |         |         |               |                         |         |         |
| Single-Family**       | Dwelling | \$3,869           | \$983               | \$237 | \$2,338 | \$61    | \$218   | \$127   | \$110         | \$5,368                 | \$4,622 | \$6,723 |
| Multi-Family**        | Dwelling | \$2,190           | \$729               | \$176 | \$1,735 | \$44    | \$161   | \$94    | \$79          | \$3,297                 | \$2,744 | \$4,303 |
| Retail/Comm.          | sq. ft.  | \$5.040           |                     |       |         |         | \$0.220 | \$0.130 | \$0.120       | \$5.510                 | \$5.510 | \$5.510 |
| Office                | sq. ft.  | \$4.040           |                     |       |         |         | \$0.200 | \$0.110 | \$0.080       | \$4.430                 | \$4.430 | \$4.430 |
| Industrial/Whse.      | sq. ft.  | \$1.170           |                     |       |         |         | \$0.040 | \$0.020 | \$0.020       | \$1.250                 | \$1.250 | \$1.250 |
| Public/Institutional. | sq. ft.  | \$0.970           |                     |       |         |         | \$0.060 | \$0.030 | \$0.030       | \$1.090                 | \$1.090 | \$1.090 |
| Percent Change        |          |                   |                     |       |         |         |         |         |               |                         |         |         |
| Single-Family         | Dwelling | -2%               | -100%               | -46%  | 124%    | 0%      | 41%     | -42%    | 0%            | -19%                    | -3%     | 43%     |
| Multi-Family          | Dwelling | -6%               | -100%               | -38%  | 155%    | 0%      | 61%     | -34%    | 0%            | -24%                    | -5%     | 61%     |
| Retail/Comm.          | sq. ft.  | -23%              |                     |       |         |         | 47%     | -40%    | 0%            | -20%                    | -20%    | -20%    |
| Office                | sq. ft.  | 32%               |                     |       |         |         | -16%    | -63%    | 0%            | 27%                     | 27%     | 27%     |
| Industrial/Whse.      | sq. ft.  | -10%              |                     |       |         |         | 93%     | -10%    | 0%            | -7%                     | -7%     | -7%     |
| Public/Institutional. | sq. ft.  | 104%              |                     |       |         |         | 168%    | 30%     | 0%            | 102%                    | 102%    | 102%    |

\* arterial streets fee applies only in arterial street service area (see Figure 3), and totals only apply to the arterial streets service area

\*\* single-family defined as a dwelling unit with an individual water meter, multi-family as sharing a meter with other units

Source: Updated fees from Table 23 (streets), Table 40 (parks), Table 54 (fire), and Table 63 (police); updated library and public building fees are unchanged from current fees; current fees from City of Chandler, System Development Fee Schedule.

The updated utility system development fees are summarized in Table 2 below, along with a comparison to current fees. The combined updated utility fees are 16% higher than current fees for most customer types.



Table 2. Updated and Current Utility Fees

| Housing or Meter Type |              | Water     | Waste-Water | Reclaimed Water | Total     |
|-----------------------|--------------|-----------|-------------|-----------------|-----------|
| <b>Updated Fees</b>   |              |           |             |                 |           |
| Single-Family Unit    |              | \$2,460   | \$5,989     | \$1,094         | \$9,543   |
| Multi-Family Unit     |              | \$822     | \$2,539     | \$464           | \$3,825   |
| 3/4"                  | Disc         | \$3,690   | \$8,984     | \$1,641         | \$14,315  |
| 1"                    | Disc         | \$6,150   | \$14,973    | \$2,735         | \$23,858  |
| 1 1/2"                | Disc         | \$12,300  | \$29,945    | \$5,470         | \$47,715  |
| 2"                    | Disc/Turbine | \$19,680  | \$47,912    | \$8,752         | \$76,344  |
| 3"                    | Compound     | \$55,350  | \$134,753   | \$24,615        | \$214,718 |
| 4"                    | Compound     | \$61,500  | \$149,725   | \$27,350        | \$238,575 |
| 6"                    | Compound     | \$123,000 | \$299,450   | \$54,700        | \$477,150 |
| 8"                    | Compound     | \$196,800 | \$479,120   | \$87,520        | \$763,440 |
| 3"                    | Turbine      | \$43,050  | \$104,808   | \$19,145        | \$167,003 |
| 4"                    | Turbine      | \$73,800  | \$179,670   | \$32,820        | \$286,290 |
| 6"                    | Turbine      | \$153,750 | \$374,313   | \$68,375        | \$596,438 |
| 8"                    | Turbine      | \$221,400 | \$539,010   | \$98,460        | \$858,870 |
| <b>Current Fees</b>   |              |           |             |                 |           |
| Single-Family Unit    |              | \$3,397   | \$4,024     | \$837           | \$8,258   |
| Multi-Family Unit     |              | \$1,281   | \$1,940     | \$403           | \$3,624   |
| 3/4"                  | Disc         | \$5,096   | \$6,036     | \$1,256         | \$12,388  |
| 1"                    | Disc         | \$8,493   | \$10,060    | \$2,093         | \$20,646  |
| 1 1/2"                | Disc         | \$16,985  | \$20,120    | \$4,185         | \$41,290  |
| 2"                    | Disc/Turbine | \$27,176  | \$32,192    | \$6,696         | \$66,064  |
| 3"                    | Compound     | \$54,352  | \$64,384    | \$13,392        | \$132,128 |
| 4"                    | Compound     | \$84,925  | \$100,600   | \$20,925        | \$206,450 |
| 6"                    | Compound     | \$169,850 | \$201,200   | \$41,850        | \$412,900 |
| 8"                    | Compound     | \$271,760 | \$321,920   | \$66,960        | \$660,640 |
| 3"                    | Turbine      | \$59,448  | \$70,420    | \$14,648        | \$144,516 |
| 4"                    | Turbine      | \$101,910 | \$120,720   | \$25,110        | \$247,740 |
| 6"                    | Turbine      | \$212,313 | \$251,500   | \$52,313        | \$516,126 |
| 8"                    | Turbine      | \$305,730 | \$362,160   | \$75,330        | \$743,220 |
| <b>Percent Change</b> |              |           |             |                 |           |
| Single-Family Unit    |              | -28%      | 49%         | 31%             | 16%       |
| Multi-Family Unit     |              | -36%      | 31%         | 15%             | 6%        |
| 3/4"                  | Disc         | -28%      | 49%         | 31%             | 16%       |
| 1"                    | Disc         | -28%      | 49%         | 31%             | 16%       |
| 1 1/2"                | Disc         | -28%      | 49%         | 31%             | 16%       |
| 2"                    | Disc/Turbine | -28%      | 49%         | 31%             | 16%       |
| 3"                    | Compound     | 2%        | 109%        | 84%             | 63%       |
| 4"                    | Compound     | -28%      | 49%         | 31%             | 16%       |
| 6"                    | Compound     | -28%      | 49%         | 31%             | 16%       |
| 8"                    | Compound     | -28%      | 49%         | 31%             | 16%       |
| 3"                    | Turbine      | -28%      | 49%         | 31%             | 16%       |
| 4"                    | Turbine      | -28%      | 49%         | 31%             | 16%       |
| 6"                    | Turbine      | -28%      | 49%         | 31%             | 16%       |
| 8"                    | Turbine      | -28%      | 49%         | 31%             | 16%       |

**Note:** For meters larger than 8", the fee is calculated by multiplying the safe maximum operating capacity of the meter in gallons per minute (gpm) by the fee for a 1" meter, and dividing the result by 20 gpm.

**Source:** Updated fees from Table 86 (water), Table 101 (wastewater) and Table 112 (reclaimed water); current fees from *System Development Fee Schedule* on City's website, December 15 2021.



Total (utility plus non-utility) system development fees can only be shown for residential uses, because nonresidential utility fees are assessed based on meter size. Updated system development fees per single-family unit are compared to current fees in Table 3. Changes in total fees per single-family unit range from increases of 2% to 15%, depending on the area.

**Table 3. Updated and Current Single-Family Fees**

| Fee Type               | Updated Fees            |              | Current Fees            |              | Percent Change          |              |
|------------------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|
|                        | Art. Streets Serv. Area | Rest of City | Art. Streets Serv. Area | Rest of City | Art. Streets Serv. Area | Rest of City |
| Arterial Streets       | \$3,792                 | \$0          | \$3,869                 | \$0          | -2%                     | n/a          |
| Parks, NW Service Area | \$0                     | \$0          | \$983                   | \$983        | -100%                   | -100%        |
| Parks, NE Service Area | \$129                   | \$129        | \$237                   | \$237        | -46%                    | -46%         |
| Parks, SE Service Area | \$5,242                 | n/a          | \$2,338                 | n/a          | 124%                    | n/a          |
| Library                | \$61                    | \$61         | \$61                    | \$61         | 0%                      | 0%           |
| Fire                   | \$308                   | \$308        | \$218                   | \$218        | 41%                     | 41%          |
| Police                 | \$74                    | \$74         | \$127                   | \$127        | -42%                    | -42%         |
| Public Building        | \$110                   | \$110        | \$110                   | \$110        | 0%                      | 0%           |
| Water                  | \$2,460                 | \$2,460      | \$3,397                 | \$3,397      | -28%                    | -28%         |
| Wastewater             | \$5,989                 | \$5,989      | \$4,024                 | \$4,024      | 49%                     | 49%          |
| Reclaimed Water        | \$1,094                 | \$1,094      | \$837                   | \$837        | 31%                     | 31%          |
| Total, Parks NW Area   | \$13,888                | \$10,096     | \$13,626                | \$9,757      | 2%                      | 3%           |
| Total, Parks NE Area   | \$14,017                | \$10,225     | \$12,880                | \$9,011      | 9%                      | 13%          |
| Total, Parks SE Area   | \$19,130                | \$10,096     | \$14,981                | \$8,774      | 28%                     | 15%          |

Source: Table 1 and Table 2 ("na" indicates not applicable – all of the southeast parks service area is within the arterial streets service area).

While fee changes differ by facility type, land use and area, the overall system development fee revenue over the next ten years, based on the land use assumptions, will be slightly higher than under current fees, as shown in Table 4 below.

**Table 4. Updated and Current Fee Revenue, 2022-2032**

| Fee Type                   | Current Fees         | Updated Fees         | Percent Change |
|----------------------------|----------------------|----------------------|----------------|
| <b>Non-Utility Fees</b>    |                      |                      |                |
| Parks, NW Service Area     | \$30,473             | \$0                  | -100%          |
| Parks, NE Service Area     | \$1,227,186          | \$667,962            | -46%           |
| Parks, SE Service Area     | \$2,943,542          | \$6,599,678          | 124%           |
| Parks Subtotal             | \$4,201,201          | \$7,267,640          | 73%            |
| Arterial Streets           | \$25,721,112         | \$25,209,216         | -2%            |
| Library                    | \$7,933              | \$7,933              | 0%             |
| Fire                       | \$2,399,526          | \$3,390,156          | 41%            |
| Police                     | \$1,397,889          | \$814,518            | -42%           |
| Public Building            | \$1,210,770          | \$1,210,770          | 0%             |
| Subtotal, Non-Utility Fees | \$34,938,431         | \$37,900,233         | 8%             |
| <b>Utility Fees</b>        |                      |                      |                |
| Water                      | \$80,084,275         | \$57,994,500         | -28%           |
| Wastewater                 | \$46,605,968         | \$69,364,598         | 49%            |
| Reclaimed Water            | \$9,694,134          | \$12,670,708         | 31%            |
| Subtotal, Utility Fees     | \$136,384,377        | \$140,029,806        | 3%             |
| <b>Grand Total</b>         | <b>\$171,322,808</b> | <b>\$177,930,039</b> | <b>4%</b>      |

Source: Fee revenue is current and updated single-family fee from Table 1 and Table 2 times new 2022-2032 EDUs from Table 13 (streets), Table 29 (parks), Table 47 (fire and police), Table 72 (water) and Table 92 (wastewater and reclaimed water); library revenue from Table 44; public building revenue from Table 68.



None of the updated fees are based on the existing level of service, because those fees would generate more revenue than the lowest plan-based fee. Consequently, the fees are based on the lower fees calculated using the plan-based methodology (total capital cost over the next ten years or to buildout, whichever is lowest, divided by new service units projected over the same time period). Types of capital costs to be recovered include new improvements, encumbered costs for ongoing projects, pledged debt or interfund loans, the cost of required SDF study updates, and the cost of biennial impact fee audits. Available revenue is the sum of current fund balance and projected revenue based on the updated fee and the growth projections in the Land Use Assumptions. The results are summarized on Table 5.

Arterial street and fire impact fees are based on the ten-year needs, because additional projects beyond ten years would result in a higher buildout cost per service unit. The library fee covers pledged debt, which should be fully retired within a few years. The grandfathered public building fees should cover most of its pledged debt within the next ten years.

The park fees for the northwest service areas are no longer needed, as the fund balance is sufficient to repay all capital obligations. The updated park fees for the other two park service area, as well as the police and utility fees, are based on buildout capital needs, because the buildout cost per service unit is less than both the existing level of service and the ten-year cost per service unit. The updated fees for these facilities will generate less revenue in the next ten years than ten-year capital needs, but enough revenue to fully fund buildout capital needs.

**Table 5. Capital Needs and Fee Revenue, 10-Year and Buildout**

| Fee Type                    | 10-Year Needs* | 10-Year Revenue | % of Needs | Buildout Needs* | Buildout Revenue | % of Needs |
|-----------------------------|----------------|-----------------|------------|-----------------|------------------|------------|
| <b>Non-Utility Fees</b>     |                |                 |            |                 |                  |            |
| Parks, NW Service Area      | \$0            | \$0             | 0%         | \$0             | \$0              | 0%         |
| Parks, NE Service Area      | \$1,528,805    | \$667,962       | 44%        | \$1,549,280     | \$1,553,289      | 100%       |
| Parks, SE Service Area      | \$8,844,323    | \$6,599,678     | 75%        | \$8,864,798     | \$8,864,222      | 100%       |
| Parks Subtotal              | \$10,373,128   | \$7,267,640     | 70%        | \$10,414,078    | \$10,417,511     | 100%       |
| Arterial Streets            | \$25,211,186   | \$25,209,216    | 100%       | \$143,204,359   | \$57,543,600     | 40%        |
| Library                     | \$7,933        | \$7,933         | 100%       | \$7,933         | \$7,933          | 100%       |
| Fire                        | \$3,630,957    | \$3,629,541     | 100%       | \$20,495,407    | \$7,832,509      | 38%        |
| Police                      | \$2,051,375    | \$1,071,971     | 52%        | \$2,092,325     | \$2,081,775      | 99%        |
| Public Building             | \$1,611,424    | \$1,210,770     | 75%        | \$1,611,424     | \$1,611,424      | 100%       |
| Subtotal, Non-Utility Fees  | \$42,886,003   | \$38,397,071    | 90%        | \$177,825,526   | \$79,494,752     | 45%        |
| <b>Utility Fees</b>         |                |                 |            |                 |                  |            |
| Water                       | \$116,442,198  | \$70,083,018    | 60%        | \$116,483,148   | \$116,495,838    | 100%       |
| Wastewater                  | \$140,967,559  | \$87,789,200    | 62%        | \$143,908,509   | \$143,906,130    | 100%       |
| Reclaimed Water             | \$25,489,352   | \$15,285,434    | 60%        | \$25,530,302    | \$25,536,214     | 100%       |
| Subtotal Utility Fees       | \$282,899,109  | \$173,157,652   | 61%        | \$285,921,959   | \$285,938,182    | 100%       |
| <b>All Impact Fee Types</b> |                |                 |            |                 |                  |            |
| Grand Total                 | \$325,785,112  | \$211,554,723   | 65%        | \$463,747,485   | \$365,432,934    | 79%        |

\* "needs" is needed revenue (the cost of planned projects and obligations, less current fund balance)

Source: Table 26 (arterial streets), Table 43 (parks), Table 44 (library), Table 57 (fire), Table 66 (police), Table 67 and Table 68 (public building), Table 89 (water), Table 104 (wastewater), and Table 115 (reclaimed water).



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## LEGAL FRAMEWORK

Impact fees are a way for local governments to require new developments to pay a proportionate share of the infrastructure costs they impose on the community. In contrast to traditional “negotiated” developer exactions, impact fees are charges that are assessed on new development using a standard formula based on objective characteristics, such as the number and type of dwelling units constructed. The fees are one-time, up-front charges, with the payment made at the time of building permit issuance. Impact fees require each new development project to pay its pro-rata share of the cost of new capital facilities required to serve that development.

Arizona’s enabling act for municipalities is codified in A.R.S. Sec. 9-463.05. In 2011, the legislature passed SB 1525, which was signed by the governor on April 26, 2011. SB 1525 constituted a major overhaul of Arizona’s enabling act for municipalities. This section summarizes some of the major provisions of the current state act.

### Eligible Facilities

Prior to SB 1525, municipalities could assess impact fees for any “necessary public services” (which was not defined) that constituted “costs to the municipality.” SB 1525 amended the statute to limit the types of facilities for which impact fees can be assessed. Authorized facilities for which impact fees can be assessed, after January 1, 2012, are limited to the following defined “necessary public services:”

*“Necessary public service” means any of the following facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the municipality:*

- (a) Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities.*
- (b) Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.*
- (c) Storm water, drainage and flood control facilities, including any appurtenances for those facilities.*
- (d) Library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances.*
- (e) Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.*
- (f) Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.*



(g) *Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.*

(h) *Any facility that was financed and that meets all of the requirements prescribed in subsection R of this section. (A.R.S. Sec. 9-463.05.T.7)*

No longer authorized are fees for public building facilities, sanitation facilities, library buildings larger than 10,000 square feet and library books or equipment, fire and police administrative and training facilities and aircraft, parks larger than 30 acres and community centers larger than 3,000 square feet. No changes were made to authorized improvements for road, stormwater drainage, water or wastewater facilities, other than the new requirement that eligible facilities must have a life expectancy of at least three years.

## Pledged Debt

Municipalities are authorized to continue to charge impact fees that were enacted prior to the January 1, 2012 effective date of SB 1525 without updating them according to the new enabling act if they were pledged to retire debt, pursuant to A.R.S. Sec. 9-463.05.R:

R. *A municipality may continue to assess a development fee adopted before January 1, 2012 for any facility that was financed before June 1, 2011 if:*

1. *Development fees were pledged to repay debt service obligations related to the construction of the facility.*
2. *After August 1, 2014, any development fees collected under this subsection are used solely for the payment of principal and interest on the portion of the bonds, notes or other debt service obligations issued before June 1, 2011 to finance construction of the facility.*

The Arizona League of Cities and Towns has construed the word “pledged” to include the expressed intent to use impact fees to repay interfund loans or more formal debt instruments, such as general obligation or revenue bonds. The City has pledged fee revenue in this sense for all its system development fees. However, whether debt is pledged pursuant to SB 1525 is of real significance only for improvements that are no longer authorized after January 1, 2012. Consequently, pledged debt is of significance only for parks (Chandler has pledged the use of park fees to retire outstanding debt used for improvements to three parks larger than 30 acres), library (the City has pledged debt on the Sunset Branch library, which is larger than 10,000 square feet) and public buildings (public building fees are no longer authorized, but the City has interfund loans for the construction of City Hall).



## Compliance Deadlines

SB 1525 added numerous new requirements related to how impact fees are calculated. Land use assumptions (growth projections) must be prepared for each service area, covering at least a ten-year period. Many new requirements were added for the infrastructure improvements plan (IIP) and the impact fee analysis. Compliance with these was required by August 1, 2014, and the City of Chandler met that deadline.

*A development fee that was adopted before January 1, 2012 may continue to be assessed only to the extent that it will be used to provide a necessary public service for which development fees can be assessed pursuant to this section and shall be replaced by a development fee imposed under this section on or before August 1, 2014. (A.R.S. Sec. 9-463.05K)*

Significant changes were made to the requirements for adopting updated infrastructure improvements plans and fee schedules. These requirements were effective as of January 1, 2012, but only applied to the updated IIP and impact fee schedules that had to be in place by August 1, 2014.

Provisions were also added relating to refunds. However, these provisions only apply to fees collected after August 1, 2014. Other changes, however, were effective as of January 1, 2012. These include new provisions or amendments related to developer credits, the locking-in of fee schedules for 24 months following development approval, and annual reporting requirements. In addition, the expenditure of impact fees enacted or updated after January 1, 2012 is restricted to facilities authorized by SB 1525 (including repayment of pledged debt for unauthorized facilities).

## Service Areas

Service areas are a key requirement for impact fees under SB 1525. A service area is defined as “any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.” Land use assumptions (growth projections) and an infrastructure improvements plan (list of capital improvements and impact fee analysis) must be prepared for each service area.

It should be noted that multiple service areas are not mandated by SB 1525. As long it can be shown that developments located anywhere within the service area will be served by or benefit from improvements in the service area – which is another way of saying that a “substantial nexus” can be demonstrated – a single service area may be permitted. Service areas for this update are described in the Service Areas section (see page 13).

## Service Units

In impact fee analysis, demand for facilities must be expressed in terms of a common unit of measurement, called a “service unit.” SB 1525 defines a service unit as “a standardized measure of



consumption, use, generation or discharge attributable to an individual unit of development calculated pursuant to generally accepted engineering or planning standards for a particular category of necessary public services or facility expansions.” The service unit used by the City for all its system development fees is the Equivalent Dwelling Unit, or EDU. One EDU represents the average demand for services generated by a single-family dwelling unit.

### **Level of Service (LOS) Standards**

SB 1525 does not define the term “level of service” (LOS), nor does it require the formal adoption of LOS standards. It does require, however, that impact fees be based on the same LOS provided to existing development in the service area. This does not mean that impact fees cannot be based on a higher standard than is currently provided to existing development in a service area. If the fees are based on a higher-than-existing LOS, there must be a plan to use non-impact fee funds to remedy the existing deficiency.

### **Methodology**

SB 1525 is sometimes misunderstood to dictate a particular methodology for calculating impact fees. Because cities must forecast anticipated growth over a fixed time period and identify improvements over the same time period, some are led to think that a “plan-based” methodology is required, where the cost per service unit is calculated by dividing planned costs by anticipated new service units. In fact, however, SB 1525 does not dictate this methodology, and most impact fees in the state have not been calculated in this way. The reason is that, to support a plan-based methodology, the list of planned improvements must be developed using a rigorous analysis, such as the modeling used to develop a transportation master plan, to establish the required nexus between the anticipated growth and the specific list of improvements required to serve that growth. In many cases, such a master plan is not available.

The principal alternative to the plan-based methodology is “standards-based.” The key difference is that the plan-based approach is based on a complex level of service (LOS) standard, such as “every road shall function at LOS D or better,” or “the average fire response time shall not exceed three minutes,” that requires projecting growth by small areas and using sophisticated modeling or analysis to determine the specific improvements needed to maintain the desired LOS. In contrast, a standards-based approach uses a generalized LOS standard, such as the ratio of park acres to population, which does not require an extensive master planning effort to determine the improvements and costs that are attributable to a specific quantity of growth.

There are advantages and disadvantages to the two methodologies. The major advantage of a standards-based methodology is that it is more flexible, since the fees are not dependent on the specific projects included in the list of improvements, only on the average cost to construct a unit of capacity. Changing the list of planned projects typically does not require recalculation of standards-based impact fees, since a single project is likely to have an insignificant impact on the average cost of capacity added by all the improvements. This allows the capital plan to change in response to unforeseen development without triggering the need for an impact fee update. The major disadvantage of the standards-based approach is that it may not be appropriate for cities such as Chandler that are landlocked and approaching buildout. In the case of cities that are near buildout, the standards-based



approach could end up collecting more revenue than is needed to pay for remaining improvement costs and remaining costs to pay for existing facilities with excess capacity.

SB 1525 made three major changes that were addressed in the 2014 study methodology. First, it required that fees not be based on a higher standard than is currently provided to existing development in a service area. Second, it limited the infrastructure improvements plan (IIP) to a maximum of ten years. Third and finally, SB 1525 mandates that fees must be spent within ten years from when they are collected (15 years in the case of water, wastewater, and reclaimed water fees). To ensure compliance with SB 1525, three costs per service unit are calculated in the 2014 study and subsequent updates. The fees are based on the lowest of the three: existing level of service, buildout cost per service unit, and 10-year cost per service unit. This modified methodology complies with all the relevant requirements of SB 1525.

In sum, the existing level of service is calculated using the standards-based methodology, while the ten-year and buildout costs per service unit are calculated using the plan-based methodology (planned costs divided by new service units). The existing level of service is not used as the basis of the updated fees for any of the facility types, because in every case it would generate more revenue than needed over the next ten years or to buildout.

## **Land Use Assumptions**

An impact fee update must now include the development of land use assumptions (growth projections) for each service area. SB 1525 defines land use assumptions as “projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the general plan of the municipality.” Since the infrastructure improvements plan (IIP) that must be prepared for each service area must identify improvement needs for a period not to exceed 10 years, a 10-year time-frame is provided. However, because Chandler is so close to buildout, a buildout time frame is also provided. Land use assumptions are provided in the Land Use Assumptions section of this report (see page 19).

## **Infrastructure Improvements Plan**

SB 1525 requires that an infrastructure improvements plan (IIP) be prepared for each facility type and service area. Impact fees may only be collected to pay for improvements identified in the IIP. By implication, impact fees can only be spent on improvements listed in the IIP. The IIP must identify planned projects over a period of not more than ten years. The updated IIP will cover the ten-year period from 2022-2032.

The IIP is often confused with a list of planned capital improvements. While the IIP must include such a list, it must also contain much more analysis. The IIP is basically the impact fee study. To avoid confusion, this study refers to the list of improvements that must be included in the IIP as the “capital plan.” This study provides a single, consolidated document that includes land use assumptions, infrastructure improvements plans and impact fee analyses for all of the City’s system development fees.



The IIP must include only new improvements that add capacity to accommodate future growth, or costs attributable to existing improvements that have excess capacity to accommodate future growth. Replacing an existing fire truck or an existing fire station, or remodeling or repairing an existing building, are examples of improvements that do not add capacity. Some projects may be partially eligible. For example, replacing an existing two-bay fire station with a larger three-bay fire station would be partially eligible for impact fee funding.

## **Refunds**

A common and understandable misinterpretation of SB 1525 is that a municipality may be required to refund fees collected if any improvement listed in the IIP is not completed within the timeframe of the IIP. A.R.S. Sec. 9-463.05.B.7 provides that collection of impact fees is allowed only to pay for a project that is identified in the IIP, “and the municipality plans to complete construction and have the service available within the time period established in the infrastructure improvements plan, but in no event longer than the time period provided in subsection H, paragraph 3 of this section” (i.e., 15 years for water, wastewater and reclaimed water, and 10 years for other facilities). The key terms in this section are “plans to complete” and “have the service available.” No community has a crystal ball that allows it to know with certainty how much development is going to occur over a 10-15 year period in the future. While the City may plan to complete an improvement in this time period in order to serve anticipated growth, if the anticipated growth does not materialize the improvement may not be needed to serve the growth that does occur.

The refund provisions in the referenced refund subsection (H) reinforce this interpretation. The first two subparagraphs refer to the collection of fees when “service is not provided” (H.1) or when “service is not available” and the municipality has failed to complete construction within the time period identified in the IIP (H.2), a clear echo of the “have the service available” phrase in subsection B.7. In general, impact fees are not collected when services are not available. A clear case would be collecting water, wastewater and reclaimed water fees from a development that is not able to connect to the water and wastewater system. However, the City of Chandler does not do this. For other facilities, service is provided immediately upon development, even if a planned facility could provide service from a closer location. A.R.S. Sec. 9-463.05.B.7 directly references only the final paragraph of subsection H (H.3), which simply requires that the impact fees be spent within a certain time period (15 years for water, wastewater and reclaimed water, and 10 years for other facilities) from the date they were collected. It is reasonable to conclude that this is the only refund provision that will likely be applicable, as long as the City does not collect impact fees and deny access to services. However, there is the possibility that refunds could be required if a construction project comes in significantly lower than its estimated cost, per A.R.S. Sec. 9-463.05.I.

## **Offsets**

New development should not be required to pay twice for the cost of new facilities – once through impact fees and again through other taxes or fees that are used to fund the same facilities. To avoid such potential double-payment, impact fees may be reduced, and such a reduction is referred to as an “offset.” Offsets are incorporated into the impact fee calculation. While this has long been a part of impact fee practice in Arizona, the current statute contains the following provision:



*The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection. (A.R.S. Sec. 9-463.05.B.12)*

The language inserted in the state enabling act by SB 1525, cited above, requires municipalities to provide offsets for the excess portion of any construction contracting excise tax. Since the City of Chandler does not charge a construction excise tax higher than for other types of business activities, no such offset is required.

The revenue forecast required by A.R.S. Sec. 9-463.05.B.12 is provided in Appendix D. In general, offsets are only required for funding that is dedicated for capacity-expanding improvements of the type addressed by the impact fee. A municipality is not required to use general fund revenue to pay for growth-related improvements. If, for example, a municipality decides that the existing level of service on which impact fees are based is insufficient and opts to use general revenue to raise the level of service for both existing and new development, no offset would be required.

The clearest situation that requires an offset is when there is outstanding debt on the facilities that are providing existing development with the level of service that new development will be expected to pay for through impact fees. In this case, new development will be paying for the facilities that will serve them, while also paying for a portion of the cost of facilities serving existing development through property or other taxes. Consequently, the impact fees should be reduced to avoid this potential double-payment.

Another clear case requiring offsets is when the impact fees for a particular service area have been adopted based on a level of service that is higher than what is currently provided to existing development in the service area. In such a case, the cost of remedying the existing deficiency will almost always be funded by future revenue sources to which new development in the service area will contribute. To the extent that this is the case, an offset is required. Because the updated fees do not exceed the cost of the existing level of service, such an offset is not applicable to this study.

As noted above, an offset will generally be warranted when new development will be contributing toward a funding source that is dedicated to fund the same growth-related improvements addressed by the impact fee. Offsets are also often provided for anticipated grant funding that may be available to help fund growth-related improvements, although the uncertainty of such funding and the fact that it is not generated specifically by new development generally make this type of offset discretionary.



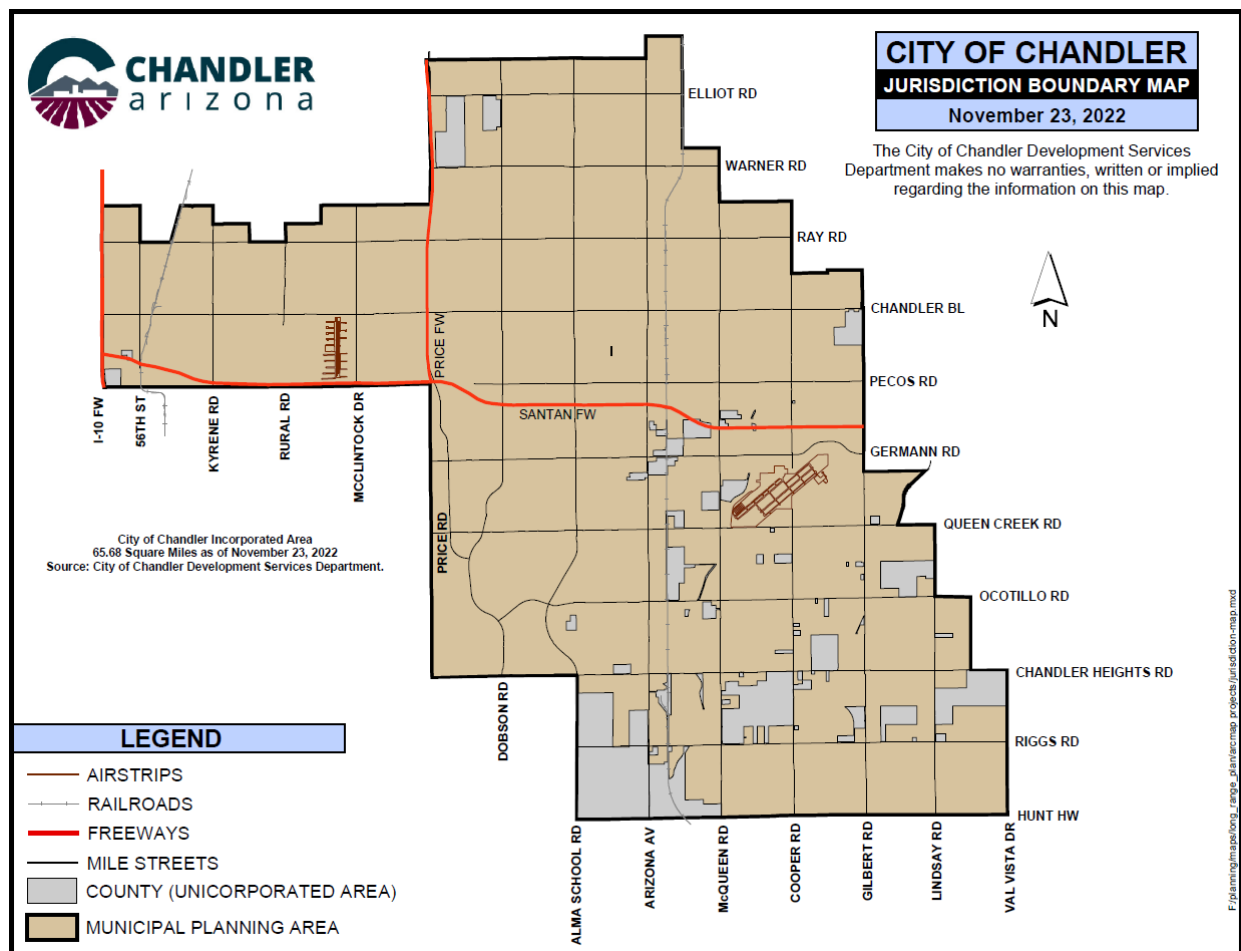
## SERVICE AREAS

As noted in the Legal Framework section, service areas are a key requirement for impact fees under SB 1525. Land use assumptions (growth projections) and an infrastructure improvements plan (list of capital improvements and impact fee analysis) must be prepared for each service area. Multiple service areas are not mandated by SB 1525, as long as it can be shown that developments located anywhere within the service area will be served by or benefit from improvements anywhere in the service area – which is another way of saying that a “substantial nexus” can be demonstrated.

Chandler currently charges system development fees for arterial streets, water (including water resources), wastewater, reclaimed water, parks, libraries, fire, police and public building facilities. Except for arterial streets and parks, the current service areas are city-wide.

The service areas include most unincorporated areas within the City’s municipal planning area. Non-utility system development fees are not assessed in the unincorporated areas, unless they annex into the City. Utility system development fees may be assessed on new City utility customers located in unincorporated areas. The municipal planning area and the areas that are currently unincorporated are shown in Figure 1.

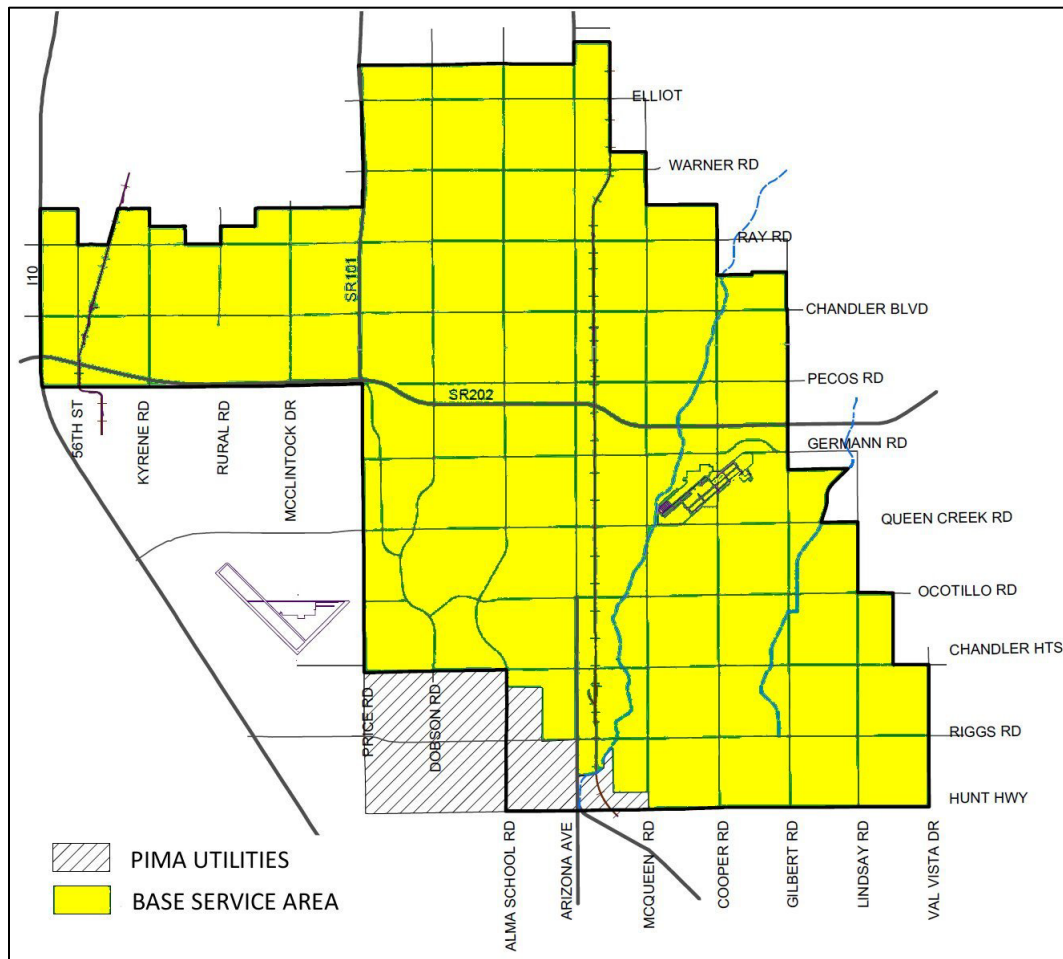
**Figure 1. City Limits and Municipal Planning Area**





The city-wide service area excludes the unincorporated area in the southwest corner of the planning area that is served by Pima Utilities, because the City does not anticipate ever annexing or providing services to this area. As discussed below, the city-wide service area continues to be appropriate for the water, wastewater, reclaimed water, fire, and police system development fees.

**Figure 2. City-Wide Service Area**

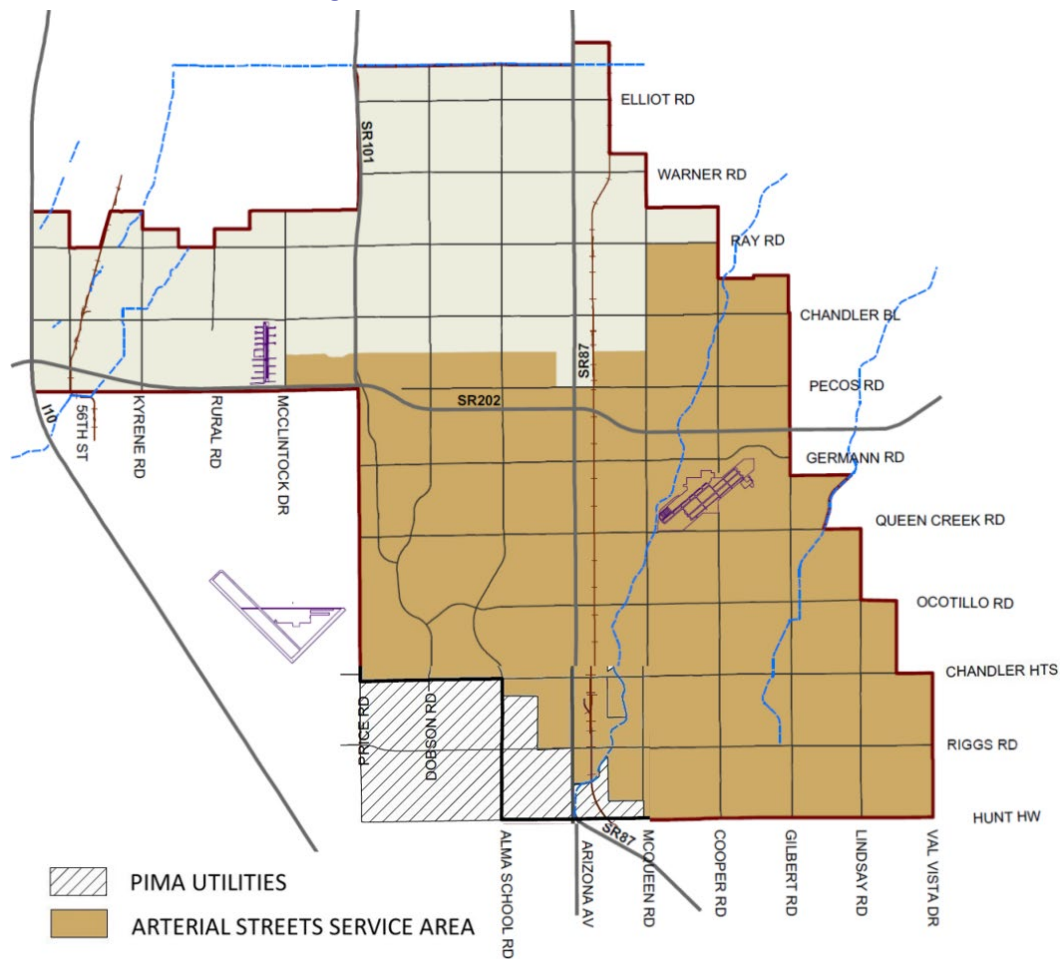


## Arterial Streets

Transportation planners classify roadways according to function. The primary function of arterial streets is to move traffic long distances within a community. Since arterial streets are designed to move traffic throughout the community, a single service area continues to be appropriate. The City's current arterial streets service area excludes an area in the northwest part of the city where arterial streets have been funded with improvement districts. It also excludes the largely developed downtown area, where the arterial street system is in place and the City desires to encourage redevelopment, as shown in Figure 3.



Figure 3. Arterial Streets Service Area



## Parks

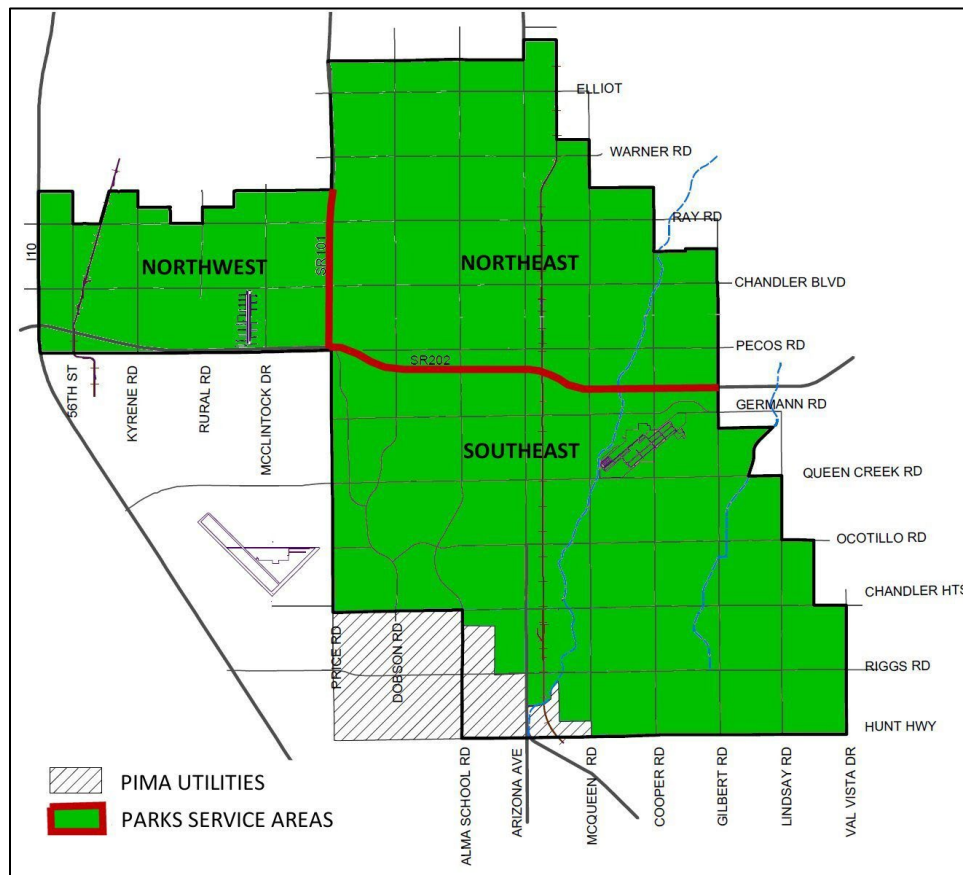
SB 1525 authorizes fees for “neighborhood parks,” although the term is undefined except for certain restrictions. The most important restriction is that neighborhood parks cannot not exceed 30 acres (unless a “direct benefit” - another undefined term - can be demonstrated).

The City’s 2021 *Parks Strategic Master Plan* contains planning standards for neighborhood and community parks. A neighborhood park is typically 1-10 acres and serves an area of about a one-half mile radius, while a community park has a typical size of 10-75 acres and serves an area of about a two- to three-mile radius. The 30-acre park size authorized for impact fees falls in the middle of Chandler’s community park planning standards.

Park impact fee service areas can reasonably be larger than the area served by a single park. Residents do not always use the park closest to them. A park impact fee system where each existing or potential park has its own service area would be unworkable. The City’s three park service areas are shown in Figure 4. Each is roughly the size of one or two community park areas.



Figure 4. Park Service Areas



## Libraries and Public Buildings

The City continues to assess library and public building fees to retire pledged debt incurred prior to 2011. These fees are not required to be updated in conformance with the current state impact fee enabling act. The fees are collected on new development city-wide.

## Fire and Police

The current service areas for fire and police system development fees are city-wide. Police services are deployed from the Police Main Station, Desert Breeze Substation and Chandler Heights Substation, and are supported by a Property and Evidence Facility. Police protection are provided by patrol officers assigned to a specific geographic area but available to respond to any incident, as needed. Fire and emergency response is provided by units located in 11 stations, supported by administrative facilities. While units are typically dispatched to an incident from the nearest station, units from other stations may respond if the unit from the closest station is responding to another incident. In addition, units from multiple stations may be dispatched to a major incident. Fire and police facilities thus form an integrated system, and the city-wide service area is appropriate.

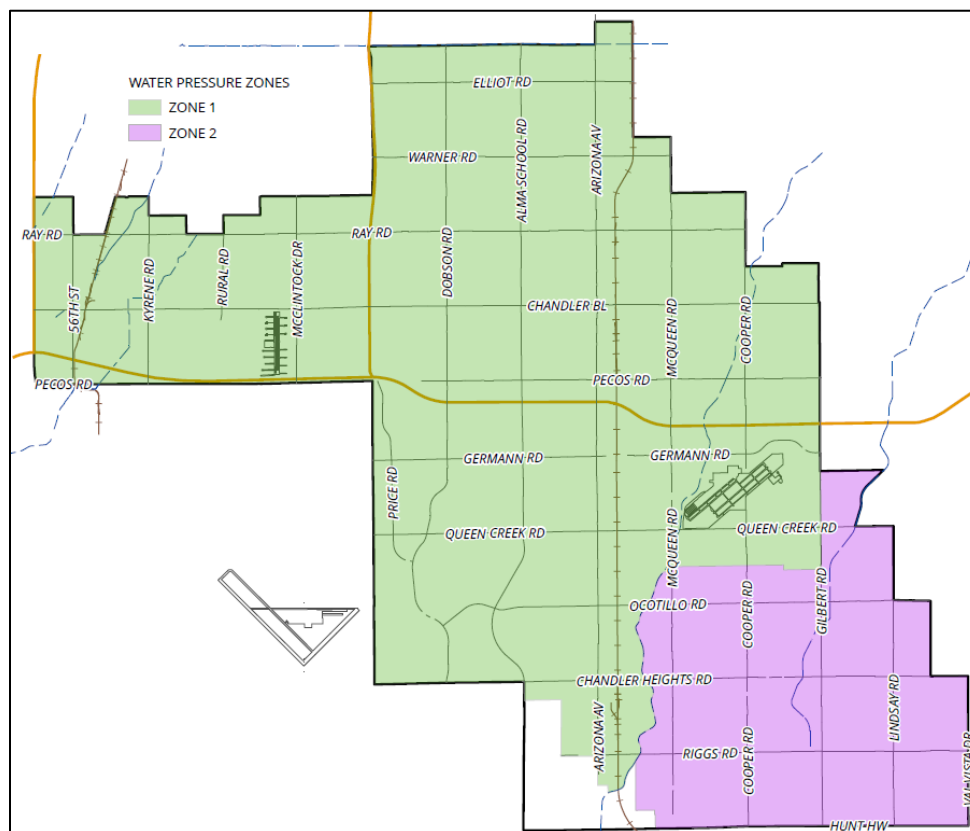


## Water, Wastewater and Reclaimed Water

A single city-wide service area continues to be appropriate for water, wastewater and reclaimed water, because of the interconnected nature of the City's water and wastewater systems.

The City's surface water supplies include Salt River Project (SRP) water, Roosevelt Water Conservation District (RWCD) water, New Conservation Storage (NCS) water (which was developed by increasing the capacity of Roosevelt Dam), and Colorado River water delivered through the Central Arizona Project (CAP). Groundwater is pumped from wells throughout the City to supplement surface water supplies and to provide additional supply during times of surface water shortage. Surface water treatment facilities include the Surface Water Treatment Plant and the City's share of the San Tan Vista Water Treatment Plant jointly owned with the Town of Gilbert. There are currently two pressure zones, although the configuration of these zones may change in the future. Pressure reducing valves (PRVs) provide interconnections between the two pressure zones to provide backup water supply (see Figure 5). No area of the City is served by a separate set of facilities. The City's water system is a pressurized, integrated system suitable for a single service area.

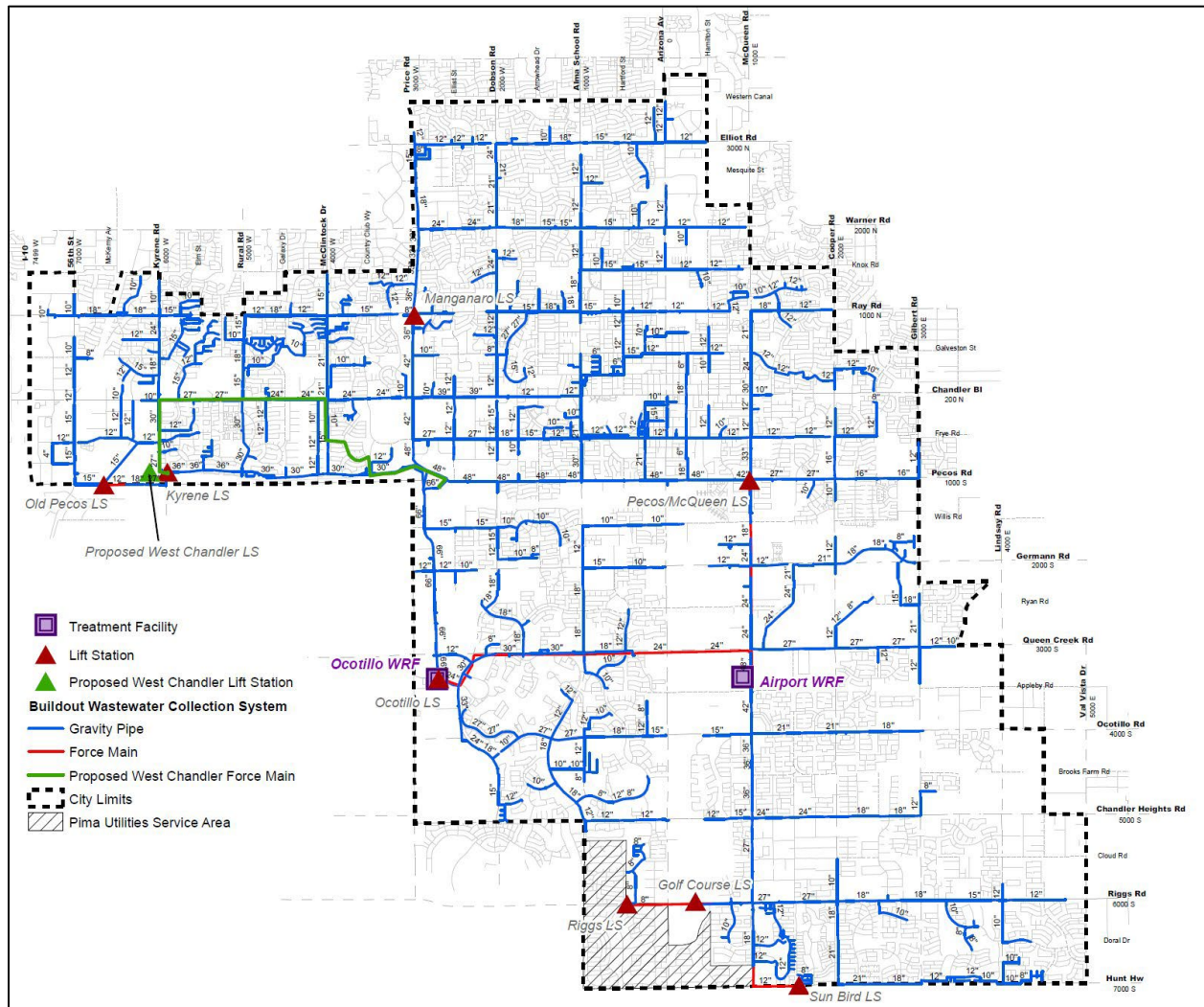
**Figure 5. Water Pressure Zones**





Chandler's wastewater is currently treated at three facilities: the Ocotillo Water Reclamation Facility, the Airport Water Reclamation Facility and the Lone Butte Wastewater Treatment Plant. The Lone Butte plant will eventually be decommissioned. At buildout, the city will be served by two treatment plants, which are already interconnected with two force mains from the Ocotillo to Airport plant. Chandler's buildout wastewater system as recommended by the master plan is illustrated in Figure 6. The wastewater system is an integrated system appropriate for a single service area.

**Figure 6. Planned Wastewater System**



The City charges a separate reclaimed water system development fee. The reclaimed water system is part of both the water and wastewater systems. Reclaimed water provides both an efficient method of disposing of wastewater and a supplemental water supply source. Consequently, the water/wastewater service area is also the appropriate service area for the reclaimed water system development fee.



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## LAND USE ASSUMPTIONS

In an attempt to make the fee calculations in this report easier to follow, numbers in one table that are inputs into another table are highlighted in red.

This section presents land use assumptions covering a ten-year period (2022-2032) to serve as the basis for the infrastructure improvements plan and impact fee calculations for the City of Chandler's update of arterial streets, parks, fire, police, water, wastewater, and reclaimed water system development fees. State law requires that land use assumptions be developed for each service area. It defines land use assumptions as "projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the general plan of the municipality." Due to Chandler's proximity to buildout, buildout projections are also provided.

Chandler's Development Services Department maintains a database on existing and buildout development that is broken down by small areas and contains information on residential population, dwelling units by housing type and nonresidential building square footage by land use type. The Land Use Assumptions are based on the City's existing land use data and buildout projections.

The City's land use data includes all the land within the City's municipal planning area, with the exception that they exclude the area served by Pima Utilities and unincorporated county islands that are unlikely to be annexed. Estimates of existing nonresidential square footage are based on Maricopa County Assessor records. Nonresidential square footage and residential units for future projects that have received zoning approval or are currently under review are included in the buildout estimates. Undeveloped parcels that have not yet received zoning entitlements are assigned a land use that is consistent with the General Plan and any specific area plans that may have been adopted for the area. Building permit data are utilized to update newly constructed homes and nonresidential buildings in a GIS database on a quarterly basis. Density assumptions applied to undeveloped/un-entitled parcels are average densities derived from existing developments in Chandler. Residential population estimates are based on population per housing unit ratios. The City's Development Services Department can provide a more detailed description of assumptions upon request.

While the City has exceptionally good data on existing (2022) and buildout development, it does not have intermediate projections required for the 10-year Land Use Assumptions. An estimate of the percent of new development to buildout that will occur over the next ten years is derived from the Maricopa Association of Governments' (MAG) socioeconomic projections of population and employment by land use type for small areas, prepared in 2019. MAG projections are available for 2020, 2030, 2040, and 2055.

### Population and Housing

Based on MAG projections of residential population growth, the percentages of buildout (assumed 2055 MAG projection) residential growth anticipated to occur over the next ten years by service area is shown in Table 6 on the following page.



**Table 6. Ten-Year Percent of Buildout New Population**

| RAZ                   | Service Area |       | Residential Population |         |         |         |         |         | New Pop. |        | New 22-32<br>% of 22-55 |
|-----------------------|--------------|-------|------------------------|---------|---------|---------|---------|---------|----------|--------|-------------------------|
|                       | Parks        | Strts | 2020                   | 2022    | 2030    | 2032    | 2040    | 2055    | 22-32    | 22-55  |                         |
| 310                   | NE           |       | 51,165                 | 52,340  | 57,041  | 57,977  | 61,722  | 67,997  | 5,637    | 15,657 | n/a                     |
| 315                   | NW           |       | 40,137                 | 40,681  | 42,858  | 42,891  | 43,024  | 43,284  | 2,210    | 2,603  | n/a                     |
| 316                   | NE           |       | 35,809                 | 36,769  | 40,607  | 40,920  | 42,174  | 42,901  | 4,151    | 6,132  | n/a                     |
| 317                   | NE           | Yes   | 34,271                 | 34,845  | 37,141  | 37,616  | 39,516  | 42,264  | 2,771    | 7,419  | n/a                     |
| 325                   | SE           | Yes   | 46,190                 | 46,782  | 49,149  | 49,315  | 49,980  | 50,253  | 2,533    | 3,471  | n/a                     |
| 327                   | SE           | Yes   | 25,353                 | 26,275  | 29,965  | 30,134  | 30,810  | 31,013  | 3,859    | 4,738  | n/a                     |
| 328                   | SE           | Yes   | 46,586                 | 47,727  | 52,291  | 52,606  | 53,865  | 54,646  | 4,879    | 6,919  | n/a                     |
| Subtotal, Parks NW    |              |       | 40,137                 | 40,681  | 42,858  | 42,891  | 43,024  | 43,284  | 2,210    | 2,603  | 84.9%                   |
| Subtotal, Parks NE    |              |       | 121,245                | 123,954 | 134,789 | 136,513 | 143,412 | 153,162 | 12,559   | 29,208 | 43.0%                   |
| Subtotal, Parks SE    |              |       | 118,129                | 120,784 | 131,405 | 132,055 | 134,655 | 135,912 | 11,271   | 15,128 | 74.5%                   |
| City-Wide Population  |              |       | 279,511                | 285,419 | 309,052 | 311,459 | 321,091 | 332,358 | 26,040   | 46,939 | 55.5%                   |
| Arterial Streets Area |              |       | 152,400                | 155,629 | 168,546 | 169,671 | 174,171 | 178,176 | 14,042   | 22,547 | 62.3%                   |

\* 2022 and 2032 are straight-line interpolations between 2000-2030 and 2030-2040 respectively

Source: Maricopa Association of Governments (MAG), *Socioeconomic Projections*, June 2019.

Projections of ten-year (2022-2032) population and housing units are derived from the City's current estimates and buildout projections, assuming the above percentages of remaining residential development that will occur over the next ten years. Existing, ten-year, and buildout projections of population and housing units by service area are summarized in Table 7.

**Table 7. Housing Units and Population by Service Area, 2022-Buildout**

| Service Area              | Single-Family | Multi-Family | Total Units | Population |
|---------------------------|---------------|--------------|-------------|------------|
| Parks Northwest, 2022     | 11,856        | 5,366        | 17,222      | 43,916     |
| Parks Northeast, 2022     | 33,471        | 18,697       | 52,168      | 133,028    |
| Parks Southeast, 2022     | 35,611        | 8,629        | 44,240      | 112,812    |
| City-Wide, 2022           | 80,938        | 32,692       | 113,630     | 289,756    |
| Streets, 2022             | 52,349        | 16,384       | 68,733      | 175,269    |
|                           |               |              |             |            |
| Parks Northwest, 2032     | 11,877        | 5,378        | 17,255      | 44,000     |
| Parks Northeast, 2032     | 34,266        | 23,890       | 58,156      | 148,298    |
| Parks Southeast, 2032     | 36,583        | 8,969        | 45,552      | 116,158    |
| City-Wide, 2032           | 82,726        | 38,237       | 120,963     | 308,456    |
| Streets, 2032             | 53,523        | 18,437       | 71,960      | 183,498    |
|                           |               |              |             |            |
| Parks Northwest, Buildout | 11,881        | 5,380        | 17,261      | 44,016     |
| Parks Northeast, Buildout | 35,319        | 30,774       | 66,093      | 168,537    |
| Parks Southeast, Buildout | 36,916        | 9,086        | 46,002      | 117,305    |
| City-Wide, Buildout       | 84,116        | 45,390       | 129,506     | 329,858    |
| Streets, Buildout         | 54,233        | 19,680       | 73,913      | 188,478    |

Note: Single-family defined as detached, single-family attached (townhome), and mobile home units

Source: 2022 and buildout housing unit estimates from City of Chandler Planning Division, December 23, 2022; 2032 projections based on ten-year percentages of buildout new development from Table 6; population estimates based on 2.55 persons per unit from 2020 census.



The impact of a dwelling unit on the need for capital facilities is often proportional to the number of persons residing in the dwelling unit. Population density can be measured for different housing types in terms of either average household size (average number of persons per occupied dwelling unit) or persons per unit (average number of persons per dwelling unit, including vacant as well as occupied units). In this analysis, average household size is used. Current information on average household size by housing type in Chandler is available from the U.S. Census Bureau's American Community Survey, as shown in Table 8. These population densities are used to determine residential demand per unit by housing type for parks, fire and police system development fees.

**Table 8. Average Household Size by Housing Type**

| Housing Type   | Household Population | Occupied Units | Avg. HH Size |
|----------------|----------------------|----------------|--------------|
| Single-Family* | 220,451              | 78,244         | 2.82         |
| Multi-Family   | 51,084               | 21,502         | 2.38         |
| Total          | 271,535              | 99,746         | 2.72         |

\* includes single-family detached, attached, and mobile home units

Source: U.S. Census Bureau, American Community Survey 5% weighted sample data based on 1% annual samples in 2017 through 2021 in the City of Chandler.

## Nonresidential Development

Using the same procedure described above for residential, the MAG data on employment are used to develop the percentages of buildout nonresidential growth for the Chandler municipal planning area anticipated to occur over the next ten years. These are shown by service area in Table 9.

**Table 9. Ten-Year Percent of Buildout New Employment**

| RAZ                   | Service Area |       | 2020    | 2022    | 2030    | 2032    | 2040    | 2055    | New Jobs |        | New 22-32<br>% of 22-55 |
|-----------------------|--------------|-------|---------|---------|---------|---------|---------|---------|----------|--------|-------------------------|
|                       | Parks        | Strts |         |         |         |         |         |         | 22-32    | 22-55  |                         |
| 310                   | NE           |       | 21,428  | 22,678  | 27,678  | 28,319  | 30,882  | 34,225  | 5,641    | 11,547 | n/a                     |
| 315                   | NW           |       | 43,778  | 44,461  | 47,194  | 47,756  | 50,004  | 51,578  | 3,295    | 7,117  | n/a                     |
| 316                   | NE           |       | 27,585  | 28,356  | 31,442  | 31,918  | 33,820  | 35,676  | 3,562    | 7,320  | n/a                     |
| 317                   | NE           | Yes   | 8,782   | 9,156   | 10,653  | 10,963  | 12,201  | 14,118  | 1,807    | 4,962  | n/a                     |
| 325                   | SE           | Yes   | 33,031  | 34,409  | 39,919  | 40,839  | 44,517  | 50,351  | 6,430    | 15,942 | n/a                     |
| 327                   | SE           | Yes   | 11,166  | 12,010  | 15,384  | 16,252  | 19,723  | 24,209  | 4,242    | 12,199 | n/a                     |
| 328                   | SE           | Yes   | 8,893   | 9,127   | 10,065  | 10,237  | 10,923  | 11,848  | 1,110    | 2,721  | n/a                     |
| City-Wide             |              |       | 154,663 | 160,197 | 182,335 | 186,284 | 202,070 | 222,005 | 26,087   | 61,808 | 42.2%                   |
| Arterial Streets Area |              |       | 61,872  | 64,702  | 76,021  | 78,291  | 87,364  | 100,526 | 13,589   | 35,824 | 37.9%                   |

\* 2022 and 2032 are straight-line interpolations between 2020-2030 and 2030-2040, respectively

Source: Maricopa Association of Governments (MAG), *Socioeconomic Projections*, June 2019.

Projections of ten-year (2022-2032) and buildout nonresidential building square footage by land use type are derived from the City's buildout projections, utilizing the percentages of remaining growth that will occur over the next ten years from Table 9 above. Because park fees are not assessed on nonresidential development, it is not necessary to prepare nonresidential projections for the park service areas. The resulting nonresidential projections city-wide and for the arterial street service area are shown in Table 10.



**Table 10. Nonresidential Square Feet by Service Area, 2022-Buildout**

| Service Area        | Commercial | Office     | Industrial | Public     | Total       |
|---------------------|------------|------------|------------|------------|-------------|
| City-Wide, 2022     | 18,758,424 | 8,088,348  | 45,475,860 | 12,407,444 | 84,730,076  |
| Streets, 2022       | 8,285,349  | 3,902,248  | 24,851,325 | 7,404,121  | 44,443,043  |
| City-Wide, 2032     | 19,859,121 | 10,027,413 | 53,756,525 | 12,929,082 | 96,572,141  |
| Streets, 2032       | 9,190,558  | 5,065,809  | 30,389,226 | 7,892,937  | 52,538,530  |
| City-Wide, Buildout | 21,366,710 | 12,683,289 | 65,098,288 | 13,643,554 | 112,791,841 |
| Streets, Buildout   | 10,673,762 | 6,972,329  | 39,463,200 | 8,693,874  | 65,803,165  |

Source: 2022 and buildout estimates from City of Chandler Planning Division, December 23, 2022; 2032 projections based on ten-year percentages of buildout new jobs from Table 9.

Employee densities are derived from the estimates currently used by the Maricopa Association of Governments, as shown in Table 11. MAG conducted an analysis of employment density by land use type. Building square footage was divided by jobs for each land use type to determine average square feet per employee. These have been converted to employees per 1,000 square feet for use in the functional population estimates (see Appendix B) used to develop the fire and police service unit multipliers.

**Table 11. Nonresidential Employment Densities**

| Land Use Type        | Sq. Feet/<br>Employee | Employees/<br>1,000 sq. ft. |
|----------------------|-----------------------|-----------------------------|
| Retail Commercial    | 561                   | 1.78                        |
| Office               | 459                   | 2.18                        |
| Industrial/Warehouse | 727                   | 1.38                        |
| Public               | 459                   | 2.18                        |

Source: Maricopa Association of Governments, *Data, Models, Methods, and Assumptions in the MAG Socioeconomic Projections*, 2019.



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## ARTERIAL STREETS

This section updates the City’s arterial street system development fees in compliance with the Arizona impact fee enabling act for municipalities (SB 1525). The fee applies only to new development in the subarea of the city designated as the arterial street service area. The system development fee ordinance defines the arterial street system to exclude local streets, collector streets, and freeways. An inventory of the existing arterial street system in the service area was compiled for this update and is presented in Table 116 in Appendix A.

### Service Units

As described in the Service Unit subsection of the Legal Framework section, the service unit for all the City’s system development fees is the Equivalent Dwelling Unit, or EDU, which represents the demand for facilities generated by a typical single-family dwelling unit. For the arterial street system development fees, the demand for facilities is based on afternoon peak hour trip generation. Trip generation rates are based on information published in the most recent edition of the Institute of Transportation Engineers’ (ITE) *Trip Generation Manual*.

Trip generation rates need to be adjusted to exclude pass by and diverted-linked trips. Pass by trips are those trips that are already on a particular route for a different purpose and simply stop at a development on that route. For example, a stop at a convenience store on the way home from the office is a pass by trip for the convenience store. A pass by trip does not create an additional burden on the street system and therefore should not be counted in the assessment of system development fees. Diverted-linked trips are similar to pass by trips in that an intermediate stop is made on the way to the primary destination, but a short diversion is made from the most direct path to the primary destination. The adjustment is made in this update to include only primary trips generated by the development.

It is also necessary to adjust trip generation rates for differences in the average length of trips. A shorter trip imposes a smaller burden on the arterial street system than a longer trip. While published information is available for average trip lengths by trip purpose, the average trip length for peak hour trips of residential, office, industrial/warehouse and public/institutional land uses are dominated by the home-to-work trip and tend to be relatively similar. The exception is retail/commercial uses, which tend to have shorter trip lengths than the home-to-work commute. An adjustment is made to the retail/commercial trip rate to account for the shorter-than-average shopping trip.

The result of combining trip generation rates, primary trip factors and the retail trip length adjustment is a schedule that establishes the number of arterial street service units generated by various land use types per unit of development for Chandler. The recommended service unit multipliers are presented in Table 12.



**Table 12. Arterial Street Service Unit Multipliers**

| Land Use             | ITE Code | Unit         | Pk Hr Trip Rate | New Trips Factor | Trip Length Factor | Adjusted Trip Rate | EDUs/ Unit |
|----------------------|----------|--------------|-----------------|------------------|--------------------|--------------------|------------|
| Single-Family        | 210      | Dwelling     | 0.94            | 100%             | 100%               | 0.940              | 1.000      |
| Multi-Family         | 220      | Dwelling     | 0.51            | 100%             | 100%               | 0.510              | 0.543      |
| Retail/Commercial    | 820      | 1000 sq. ft. | 3.40            | 43%              | 66%                | 0.965              | 1.027      |
| Office               | 710      | 1000 sq. ft. | 1.44            | 92%              | 100%               | 1.325              | 1.410      |
| Industrial/Warehouse | 130/150  | 1000 sq. ft. | 0.26            | 100%             | 100%               | 0.260              | 0.277      |
| Public/Institutional | 560      | 1000 sq. ft. | 0.49            | 100%             | 100%               | 0.490              | 0.521      |

Source: Trip rates during the p.m. peak hour of adjacent street traffic on a weekday from the Institute of Transportation Engineers (ITE), *Trip Generation*, 11th ed., 2021 (retail/commercial based on shopping center, office based on general office, industrial/warehouse based on average for industrial park and warehousing; public/institutional based on church); new trips factor for retail/commercial from ITE, *Trip Generation Handbook*, 2017 for shopping center; new trip factor for office from national data base of origin and destination studies provided in Tindale-Oliver, *Orange County Transportation Impact Fee Study*, September, 2020, p. A-14; trip length factor for retail/commercial based on ratio of average shopping trip length to average trip length for all trips from U.S. Department of Transportation, *National Household Travel Survey*, 2017; adjusted trip rate is product of trip rate, new trip factor and trip length factor; EDUs per unit is ratio of adjusted trip rate to single-family adjusted trip rate.

The estimates of existing, ten-year and buildout arterial street service units are based on the service unit multipliers above and the Land Use Assumptions. The results are shown in Table 13.

**Table 13. Arterial Street Service Units, 2022-Buildout**

| Land Use                       | Unit         | Units  | EDUs/Unit | EDUs    |
|--------------------------------|--------------|--------|-----------|---------|
| Single Family, 2022            | Dwelling     | 52,349 | 1.000     | 52,349  |
| Multi-Family, 2022             | Dwelling     | 16,384 | 0.543     | 8,897   |
| Retail/Commercial, 2022        | 1000 sq. ft. | 8,285  | 1.027     | 8,509   |
| Office, 2022                   | 1000 sq. ft. | 3,902  | 1.410     | 5,502   |
| Industrial/Warehouse, 2022     | 1000 sq. ft. | 24,851 | 0.277     | 6,884   |
| Public/Institutional, 2022     | 1000 sq. ft. | 7,404  | 0.521     | 3,857   |
| Total 2022 EDUs                |              |        |           | 85,998  |
| Single Family, 2032            | Dwelling     | 53,523 | 1.000     | 53,523  |
| Multi-Family, 2032             | Dwelling     | 18,437 | 0.543     | 10,011  |
| Retail/Commercial, 2032        | 1000 sq. ft. | 9,191  | 1.027     | 9,439   |
| Office, 2032                   | 1000 sq. ft. | 5,066  | 1.410     | 7,143   |
| Industrial/Warehouse, 2032     | 1000 sq. ft. | 30,389 | 0.277     | 8,418   |
| Public/Institutional, 2032     | 1000 sq. ft. | 7,893  | 0.521     | 4,112   |
| Total 2032 EDUs                |              |        |           | 92,646  |
| Single Family, Buildout        | Dwelling     | 54,233 | 1.000     | 54,233  |
| Multi-Family, Buildout         | Dwelling     | 19,680 | 0.543     | 10,686  |
| Retail/Commercial, Buildout    | 1000 sq. ft. | 10,674 | 1.027     | 10,962  |
| Office, Buildout               | 1000 sq. ft. | 6,972  | 1.410     | 9,831   |
| Industrial/Warehouse, Buildout | 1000 sq. ft. | 39,463 | 0.277     | 10,931  |
| Public/Institutional, Buildout | 1000 sq. ft. | 8,694  | 0.521     | 4,530   |
| Total Buildout EDUs            |              |        |           | 101,173 |
| New EDUs, 2022-2032            |              |        |           | 6,648   |
| New EDUs, 2022-Build-out       |              |        |           | 15,175  |

Source: 2022, 2032 and buildout units for arterial street service area from Table 7 (residential) and Table 10 (nonresidential); EDUs per unit from Table 12; EDUs is product of units and EDUs per unit.



## Cost per Service Unit

As described in the Methodology subsection of the Legal Framework section, the updated system development fees are based on the lowest of three costs per service unit: existing level of service, ten-year cost and buildout cost. The 2014 update reduced the fees to account for pass-through traffic. However, the 2014 study noted that such an adjustment is not required because of the counterbalancing nature of spill-over effects between jurisdictions. The 2018 and this update do not include an adjustment for pass-through traffic.

### Existing Level of Service

One measure of level of service used in road impact fee analysis is the system-wide ratio of demand to capacity. This is similar to the volume/capacity (V/C) ratio used to measure levels of service on individual roadway segments, but it applies to the entire roadway system. The system-wide measure is the ratio of vehicle-miles of travel (VMT) to vehicle-miles of capacity (VMC).

An analysis of the existing level of service was conducted by preparing a detailed inventory of the existing arterial street network (see Appendix A). For each roadway segment, information was gathered on segment length in miles, number of through lanes, and recent traffic counts. Vehicle-miles of capacity are based on generalized maximum volumes at LOS D from the City's 2019 *Transportation Master Plan Update*, shown in Table 14 below.

**Table 14. Arterial Street Capacities at Level of Service D**

|                                 | 2-Lane | 4-Lane | 6-Lane |
|---------------------------------|--------|--------|--------|
| Average Daily Capacity at LOS D | 15,300 | 32,200 | 48,500 |
| x Peak Hour Factor              | 0.085  | 0.085  | 0.085  |
| Peak Hour Capacity at LOS D     | 1,300  | 2,700  | 4,100  |

Source: Average daily capacities at LOS D from Kimley-Horn, *Chandler Transportation Master Plan 2019 Update*, Final Report, January 2020; peak hour factor from City of Chandler Public Works & Utilities Department.

The inventory data demonstrates that average congestion on the arterial street system will remain constant from now to buildout, as summarized in Table 15.

**Table 15. Arterial Street VMT/VMC Ratios, Existing and Buildout**

|   | Existing | Buildout |
|---|----------|----------|
| Total Vehicle-Miles of Travel (VMT)     | 153,148  | 175,006  |
| ÷ Total Vehicle-Miles of Capacity (VMC) | 255,472  | 289,926  |
| VMT/VMC Ratio                           | 0.60     | 0.60     |

Source: Existing VMC and VMT from Table 116 in Appendix A; buildout VMC and VMT from Table 117 in Appendix A.

The existing level of service can also be quantified in terms of the cost per service unit. The first step is to determine the average cost to construct a new vehicle-mile of capacity. The average cost of capacity added by the ten-year planned improvements is \$7,160 per new VMC, as shown in Table 16.



**Table 16. Average Cost per Vehicle-Mile of Capacity, 2022-2032**

| Arterial Street | From        | To           | Miles | Lanes |      | Total<br>Project Cost | Capacity |        | New<br>VMC | Cost/<br>VMC   |
|-----------------|-------------|--------------|-------|-------|------|-----------------------|----------|--------|------------|----------------|
|                 |             |              |       | Exist | Fut. |                       | Exist    | Future |            |                |
| Alma School Rd  | Germann Rd  | Queen Creek  | 0.98  | 4     | 6    | \$8,177,000           | 2,700    | 4,100  | 1,372      | \$5,960        |
| Alma School Rd* | Frye Rd     | Pecos Rd     | 0.50  | 4     | 6    | \$4,703,500           | 2,700    | 4,100  | 700        | \$6,719        |
| Chandler Hts Rd | McQueen Rd  | Val Vista Dr | 3.96  | 2     | 4    | \$41,063,079          | 1,300    | 2,700  | 5,544      | \$7,407        |
| Lindsay Rd      | Ocotillo Rd | Hunt Hwy     | 3.00  | 2     | 4    | \$30,661,503          | 1,300    | 2,700  | 4,200      | \$7,300        |
| Total           |             |              | 8.44  |       |      | \$84,605,082          |          |        | 11,816     | <b>\$7,160</b> |

\* excludes half of segment length and cost that are outside the arterial street service area.

Source: Improvements and costs (total costs including costs incurred over last 10 years) from City of Chandler, 2023-2032 Capital Improvements Plan; capacity based on existing and future lanes and generalized capacities from Table 14; new VMC is the product of miles and increase in capacity; cost per VMC is project cost divided by new VMC.

The calculation of the existing arterial street level of service in terms of the cost per service unit is presented in Table 17. The first step is to compute the existing capacity utilized by existing traffic. This is done by dividing existing VMT by the buildout VMT/VMC ratio. The VMC utilized by existing traffic is multiplied by the average cost per VMC to determine the cost of existing facilities serving existing traffic. Deducting the amount of outstanding debt/interfund loans related to existing facilities yields the cost of existing facilities serving existing development that has been fully paid for. The final step is to divide the net cost of facilities serving existing development by the number of existing service units. This results in the existing cost per service unit of \$20,850 per EDU.

**Table 17. Arterial Street Existing Cost per Service Unit**

|  |                 |
|--|-----------------|
| Existing Vehicle-Miles of Travel (VMT)                       | 153,148         |
| ÷ Buildout VMT/VMC Ratio                                     | 0.60            |
| Vehicle-Miles of Capacity (VMC) Utilized by Existing Traffic | 255,247         |
| x Cost per Vehicle-Mile of Capacity (VMC)                    | \$7,160         |
| Replacement Cost of Facilities Serving Existing Traffic      | \$1,827,568,520 |
| – Outstanding Debt/Interfund Loans                           | -\$34,530,036   |
| Net Cost of Facilities Serving Existing Traffic              | \$1,793,038,484 |
| ÷ 2022 Service Units (EDUs)                                  | 85,998          |
| Existing Cost per Service Unit                               | <b>\$20,850</b> |

Source: Existing VMT and buildout VMT/VMC ratio from Table 15; cost per VMC from Table 16; 2022 arterial street EDUs from Table 13; outstanding debt from Table 123.

### Ten-Year Cost

Some of the City's planned ten-year improvement costs will be paid for by regional transportation funds administered through the Maricopa Association of Governments (MAG). MAG funding sources include Federal and State transportation funds and Regional Arterial Road Funding (RARF), which comes from dedicated county-wide transportation sales tax revenue. Regional funding from the voter-approved authorization runs out in FY 2026, and the remaining RARF funding for arterial street improvements in Chandler will occur in the next year or two. The anticipated outside funding over the next ten years is summarized in Table 18.



**Table 18. Outside Funding for Arterial Street Improvements**

| Improvement                     | Phase            | Fiscal Years | Fed./State Funding  | RARF Funding       | Total Non-City Funding |
|---------------------------------|------------------|--------------|---------------------|--------------------|------------------------|
| Alma School, Pecos-Germann      | ROW/Des./Constr. | 2023         | \$0                 | \$3,000,000        | \$3,000,000            |
| Chandler Hts, Gilbert-Val Vista | Construction     | 2023         | \$7,495,063         | \$0                | \$7,495,063            |
| Lindsay Rd, Ocotillo-Hunt Hwy   | ROW/Constr.      | 2023         | \$5,809,290         | \$0                | \$5,809,290            |
| <b>Ten-Year Total</b>           |                  |              | <b>\$13,304,353</b> | <b>\$3,000,000</b> | <b>\$16,304,353</b>    |

Source: Maricopa Association of Governments, FY 2022 Arterial Life Cycle Program (ALCP), December 1, 2021 and City of Chandler, 2023-2032 Capital Improvements Plan (excludes funding for intersection improvements, which are not funded with Chandler's system development fees).

The ten-year cost per service unit represents costs that will be incurred by the City over the next ten years to build new capacity to serve anticipated development, repay outstanding debt/interfund loans associated with existing capacity available to serve new development, pay for encumbrances on current projects, and pay for updated SDF studies and biennial audits. The results, shown in Table 19, indicate a ten-year cost per service unit of \$3,792 per EDU.

**Table 19. Arterial Street 10-Year Cost per Service Unit**

|  |                |
|--|----------------|
| Alma School Rd, Germann-Queen Creek, widen 4-6 lanes, 0.98 miles | \$4,558,000    |
| Alma School Rd, Frye-Pecos, widen 4-6 lanes, 0.50 miles          | \$4,140,000    |
| Chandler Hts Rd, Gilbert-Val Vista, widen 2-4 lanes, 2.00 miles  | \$2,524,314    |
| Lindsay Rd, Ocotillo-Hunt Hwy, widen 2-4 lanes, 3.00 miles       | \$17,691,575   |
| City Eligible Cost of Planned Improvements, 2022-2032            | \$28,913,889   |
| Debt/Interfund Loans for Past Capacity Improvements              | \$34,530,036   |
| Encumbrances on Current Projects                                 | \$23,417,040   |
| Required Fee Studies and Biennial Audits                         | \$75,900       |
| Total Planned Expenditures                                       | \$86,936,865   |
| – Current Fund Balance   | -\$61,725,679  |
| Needed Revenue, 2022-2032  | \$25,211,186   |
| ÷ New Service Units (EDUs), 2022-2032                            | 6,648          |
| <b>Ten-Year Cost per Service Unit</b>                            | <b>\$3,792</b> |

Source: City eligible cost of planned improvement costs from Table 25 (excludes Federal/State and regional funding, as well as bond funding for intersection costs); outstanding debt/interfund loans, encumbrances and current fund balance from Table 122; cost of required studies and audit from Table 125 and Table 126; new service units from Table 13.

### Buildout Cost

The RARF authorization expires in FY 2026, so no RARF funds are anticipated after 2032. Some of the buildout project costs will be paid with Federal/State highway funds. The amount of such funding that will be available for capacity improvements beyond ten years will tend to decrease with the buildout of the City's arterial street system. A reasonable assumption is that Federal/State funding will pay for the same percentage of capacity project costs beyond 2032 that it will over the next ten years. Based on these assumptions, the City could expect to receive about \$75.8 million from 2032 to buildout in Federal/State funding for the completion of the arterial street system, as shown in Table 20.



**Table 20. Federal/State Funding, 2022-Buildout**

|                               | 2022-2032    | 2032-Buildout       | 2022-Buildout |
|-------------------------------|--------------|---------------------|---------------|
| Federal/State Funding         | \$13,304,353 | <b>\$75,826,647</b> | \$89,131,000  |
| ÷ Planned Improvement Cost    | \$28,913,889 | \$164,850,031       | \$193,763,920 |
| Federal/State Funding Percent | 46.0%        | 46.0%               | 46.0%         |

Source: 2022-2032 Federal/State funding from Table 18; planned improvement costs from Table 19 (2022-2032) and Table 21 (2022-buildout); Federal/State funding for 2022-buildout based on percentage for 2022-2032.

The buildout cost per service unit represents costs that will be incurred by the City to buildout to construct new capacity to serve anticipated development in the city, repay outstanding debt/interfund loans associated with existing capacity to serve new development, pay for encumbrances that represent remaining costs associated with projects currently under construction, and pay for future study updates and audits. The planned expenditures shown in Table 21 result in a buildout cost per service unit of \$9,437 per EDU.

**Table 21. Arterial Street Buildout Cost per Service Unit**

|  |                      |
|--|----------------------|
| Alma School Rd, Germann-Queen Creek, widen 4-6 lanes, 0.98 miles           | \$4,558,000          |
| Alma School Rd, Frye-Pecos, widen 4-6 lanes, 0.50 miles                    | \$4,140,000          |
| Chandler Hts Rd, Gilbert-Val Vista, widen 2-4 lanes, 2.00 miles            | \$2,524,314          |
| Lindsay Rd, Ocotillo-Hunt Hwy, widen 2-4 lanes, 3.00 miles                 | \$17,691,575         |
| <b>Subtotal, City Cost of Eligible Planned Improvements, 2022-2032</b>     | <b>\$28,913,889</b>  |
| Alma School Rd, Willis-Germann, widen 4-6 lanes, 0.50 miles                | \$5,012,000          |
| Alma School Rd, Queen Creek-Ocotillo, widen 4-6 lanes, 1.12 miles          | \$11,226,880         |
| McQueen, Ray-Chandler, widen 4-6 lanes, 1.00 mile                          | \$10,024,000         |
| McQueen, Chandler-Pecos, widen 4-6 lanes, 1.00 mile                        | \$10,024,000         |
| Cooper, Queen Creek-Riggs, widen 2-4 lanes, 3.00 miles                     | \$30,072,000         |
| Ray, McQueen-Cooper, widen 4-6 lanes, 1.00 mile                            | \$10,024,000         |
| Germann, City Limits-Price, widen 2-4 lanes, 0.25 miles                    | \$2,506,000          |
| Germann, Arizona-Cooper, widen 4-6 lanes, 2.00 miles                       | \$20,048,000         |
| Queen Creek, McQueen-Gilbert, widen 2-6 lanes, 2.00 miles                  | \$40,096,000         |
| Ocotillo, Gilbert-148th Street, widen 2-4, 1.50 mile                       | \$15,036,000         |
| Chandler Heights, Arizona-Gilbert, widen 2-4, 2.96 miles                   | \$29,671,040         |
| Chandler Heights, Lindsay-Val Vista, widen 2-4, 1.00 mile                  | \$10,024,000         |
| <b>Cost of Planned Improvements, 2032-Buildout</b>                         | <b>\$193,763,920</b> |
| – Anticipated Regional Funding, 2032-Buildout                              | \$0                  |
| – Anticipated Federal/State Funding, 2032-Buildout                         | -\$75,826,647        |
| <b>Subtotal, City Cost of Eligible Planned improvements, 2032-Buildout</b> | <b>\$117,937,273</b> |
| <b>Total, City Cost of Eligible Planned improvements, 2022-Buildout</b>    | <b>\$146,851,162</b> |
| Debt/Interfund Loans for Past Capacity Improvements                        | \$34,530,036         |
| Encumbrances on Current Projects   | \$23,417,040         |
| Required System Development Fee Studies                                    | \$131,800            |
| – Current Fund Balance   | -\$61,725,679        |
| <b>Needed Revenue, 2022-Buildout</b>                                       | <b>\$143,204,359</b> |
| ÷ New Service Units (EDUs), 2022-Buildout                                  | 15,175               |
| <b>Buildout Cost per Service Unit</b>                                      | <b>\$9,437</b>       |

Source: Planned improvement costs for 10-year projects from Table 25 (first four projects); remaining projects are those needed to complete the buildout inventory in Table 117; costs for remaining projects based on VMC added derived from miles and lanes indicated in Table 117, capacities from Table 14, and average cost per VMC from Table 16; anticipated regional funding from Table 18; anticipated Federal/State funding to buildout from Table 20; outstanding debt/interfund loans, encumbrances and current fund balance from Table 122; cost of required studies and audits from Table 125 and Table 126; new service units from Table 13.



### Cost per Service Unit Summary

The three costs per service unit calculated above are summarized in Table 22. The updated system development fees are based on the 10-year cost per service unit, which is the lowest of the three.

**Table 22. Arterial Street Cost per Service Unit**

|                                |                |
|--------------------------------|----------------|
| Existing Cost per Service Unit | \$20,850       |
| Ten-Year Cost per Service Unit | \$3,792        |
| Buildout Cost per Service Unit | \$9,437        |
| Lowest Cost per Service Unit   | <b>\$3,792</b> |

Source: Table 17, Table 19 and Table 21.

### Net Cost per Service Unit

As noted in the Legal Framework section of this report, system development fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The arterial street system development fees calculated in this report are based on a system-wide buildout cost per service unit that is lower than the existing level of service. Consequently, there are no existing deficiencies from an impact fee perspective.

The outstanding arterial street debt/interfund loans have been excluded from the existing level of service calculation, and can reasonably be attributed to existing excess capacity available for future development. Consequently, the debt/loan amount has been included in the calculation of ten-year and buildout costs per service unit.

The City has funded arterial street capacity improvements with system development fees and general obligation bonds, supplemented with Federal, State, and regional transportation funding. Such outside funding has been taken into account in the calculation of the ten-year and buildout costs per service unit. In sum, no additional offsets are warranted and the net cost per service unit is the same as the cost per service unit calculated above.



## Updated System Development Fees

The updated arterial street system development fees that may be adopted by the City based on this study are the products of the number of service units (EDUs) generated by a unit of development and the net cost per service unit calculated above. The updated fee schedule is presented in Table 23.

**Table 23. Arterial Street Net Cost Schedule**

| Land Use Type        | Unit     | EDUs/<br>Unit | Net Cost/<br>EDU | Net Cost/<br>Unit |
|----------------------|----------|---------------|------------------|-------------------|
| Single-Family        | Dwelling | 1.000         | \$3,792          | <b>\$3,792</b>    |
| Multi-Family         | Dwelling | 0.543         | \$3,792          | <b>\$2,059</b>    |
| Retail/Commercial    | Sq. Foot | 0.001027      | \$3,792          | <b>\$3.894</b>    |
| Office               | Sq. Foot | 0.001410      | \$3,792          | <b>\$5.347</b>    |
| Industrial/Warehouse | Sq. Foot | 0.000277      | \$3,792          | <b>\$1.050</b>    |
| Public/Institutional | Sq. Foot | 0.000521      | \$3,792          | <b>\$1.976</b>    |

Source: EDUs per unit from Table 12 (nonresidential divided by 1,000 to convert from per 1,000 sq. ft. to per square foot); net cost per EDU is lowest cost per EDU from Table 22.

The updated arterial street system development fees are compared to the City's current fees in Table 24. The updated fees are significantly lower than current fees for all land uses except office and public/institutional.

**Table 24. Current and Updated Arterial Street Fees**

| Land Use Type        | Unit     | Current<br>Fee | Updated<br>Fee | Percent<br>Change |
|----------------------|----------|----------------|----------------|-------------------|
| Single-Family        | Dwelling | \$3,869        | \$3,792        | -2%               |
| Multi-Family         | Dwelling | \$2,190        | \$2,059        | -6%               |
| Retail/Commercial    | Sq. Foot | \$5.040        | \$3.894        | -23%              |
| Office               | Sq. Foot | \$4.040        | \$5.347        | 32%               |
| Industrial/Warehouse | Sq. Foot | \$1.170        | \$1.050        | -10%              |
| Public/Institutional | Sq. Foot | \$0.970        | \$1.976        | 104%              |

Source: Current fees from City of Chandler City Code, Section 38; updated fees from Table 23.

## Capital Plan

Assuming that growth occurs as projected in the land use assumptions, the City plans to fund approximately \$86.9 million in growth-related expenditures related to the major road system over the next ten years, as summarized in Table 25. Some of the improvements may be constructed by developers in return for credits against their arterial street system development fees.



**Table 25. Arterial Street Capital Plan, 2022-2032**

| Improvement                               | 10-Year Eligible Cost |
|---|-----------------------|
| Alma School Rd, Germann Rd to Queen Creek | \$4,558,000           |
| Alma School Rd, Frye to Pecos             | \$4,140,000           |
| Chandler Hts Rd, Gilbert Rd-Val Vista     | \$2,524,314           |
| Lindsay Rd, Ocotillo Rd to Hunt Hwy       | \$17,691,575          |
| Subtotal, Planned Improvements, 2022-2032 | \$28,913,889          |
| Outstanding Pledged Debt/Interfund Loans  | \$34,530,036          |
| Encumbrances/Carry-Forwards               | \$23,417,040          |
| Required SDF Studies, 2022-2032           | \$65,900              |
| Required Biennial Audits, 2022-2032       | \$10,000              |
| <b>Total</b>                              | <b>\$86,936,865</b>   |

Source: 10-year CIP cost is programmed arterial street system development fee expenditures from City of Chandler, 2023-2032 Capital Improvements Plan; financial data from Table 122; study update cost from Table 125; biennial audit cost from Table 126.

The new development anticipated by the land use assumptions would generate the revenues shown in Table 26. Anticipated arterial street system development fee revenues plus the current fund balance would cover all costs anticipated over the next ten years, but not all costs needed by buildout. The City will need to increase the fee during the next update or at least within the next ten years.

**Table 26. Arterial Street Fee Revenue Projections, 2022-Buildout**

|                                     | 2022-2032    | 2022-Buildout |
|-------------------------------------|--------------|---------------|
| New Arterial Street EDUs            | 6,648        | 15,175        |
| x Net Cost per EDU                  | \$3,792      | \$3,792       |
| Projected Revenue                   | \$25,209,216 | \$57,543,600  |
| + Needed Revenue                    | \$25,211,186 | \$143,204,359 |
| Percent of Needed Revenue Generated | 100%         | 40%           |

Source: New EDUs from Table 13; net cost per EDU is lowest cost per EDU from Table 22; needed revenue from Table 19 (2022-2032) and Table 21 (2022-buildout).



## PARKS

The City of Chandler adopted a community park system development fee in 1997 and a neighborhood park system development fee in 2005. In 2008, the neighborhood and community park fees were combined into a single park fee. The park fees were updated to be compliant with SB 1525 in 2014. They were updated in 2018, and this section updates them again in compliance with the current Arizona impact fee enabling act for municipalities.

The locations of existing and planned parks are illustrated in Figure 7. An inventory of existing parks, including name, park classification, service area and developed and undeveloped acreage, is presented in Table 27 on the following pages.

**Figure 7. Existing and Planned Parks**

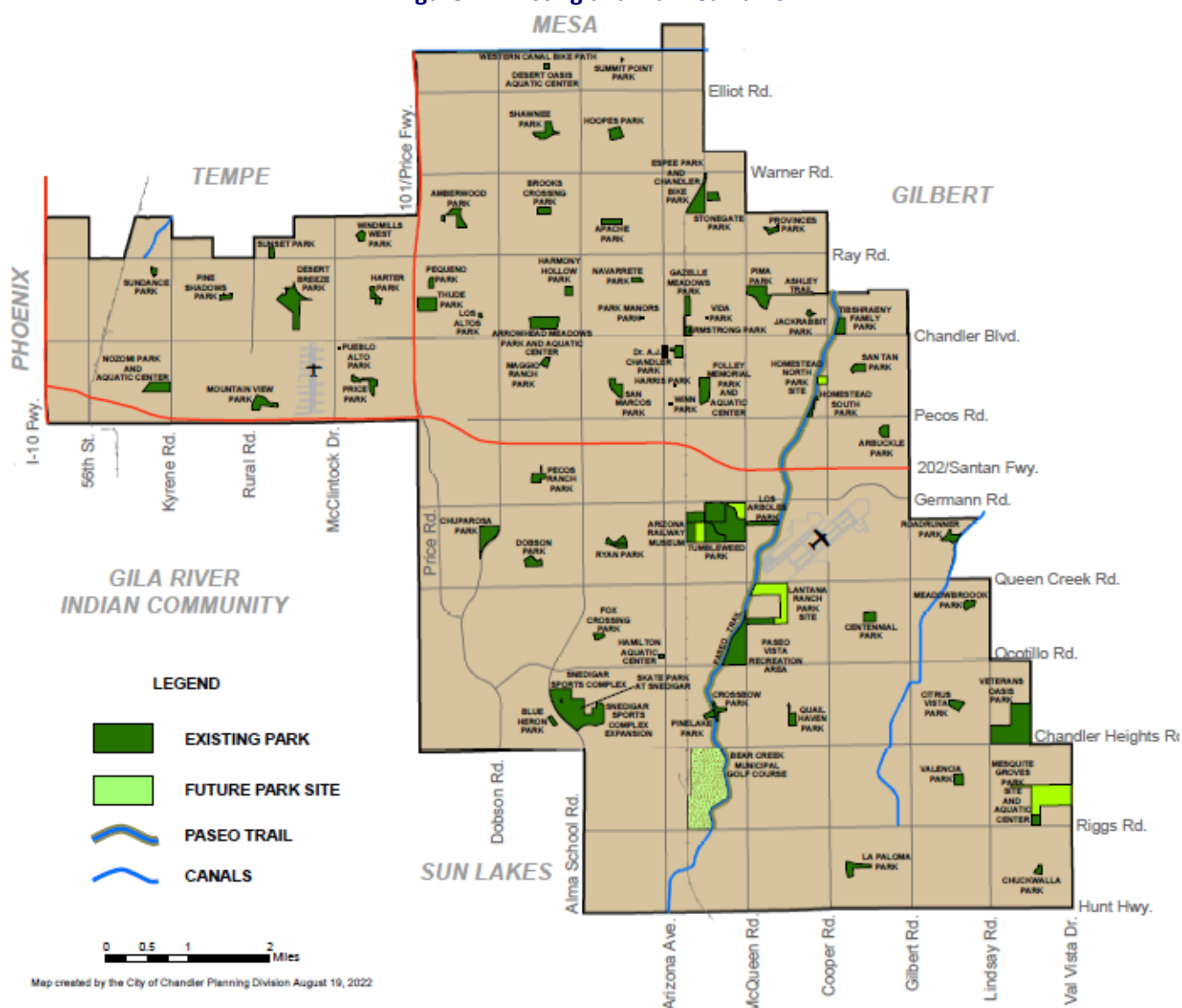




Table 27. Existing Park Inventory

| Park Name              | Type  | Service Area | Total Acres |        | Eligible Acres |        | Eligible Dev'd Ac. |        |
|------------------------|-------|--------------|-------------|--------|----------------|--------|--------------------|--------|
|                        |       |              | Dev'd       | Undev. | Nhood          | Comm   | Nhood              | Comm   |
| Northwest Service Area |       |              |             |        |                |        |                    |        |
| Desert Breeze          | Comm  | NW           | 47.34       | 2.50   | 0.00           | 30.00  | 0.00               | 30.00  |
| Harter                 | Nhood | NW           | 8.60        | 0.00   | 8.60           | 0.00   | 8.60               | 0.00   |
| Mountain View          | Nhood | NW           | 19.00       | 0.00   | 19.00          | 0.00   | 19.00              | 0.00   |
| Nozomi Park            | Comm  | NW           | 20.00       | 0.00   | 0.00           | 20.00  | 0.00               | 20.00  |
| Pine Shadows           | Nhood | NW           | 5.42        | 0.00   | 5.42           | 0.00   | 5.42               | 0.00   |
| Price                  | Nhood | NW           | 12.10       | 0.00   | 12.10          | 0.00   | 12.10              | 0.00   |
| Pueblo Alto            | Nhood | NW           | 0.25        | 0.00   | 0.25           | 0.00   | 0.25               | 0.00   |
| Sundance               | Nhood | NW           | 3.51        | 0.00   | 3.51           | 0.00   | 3.51               | 0.00   |
| Sunset                 | Nhood | NW           | 5.06        | 0.00   | 5.06           | 0.00   | 5.06               | 0.00   |
| Windmills West         | Nhood | NW           | 6.50        | 0.00   | 6.50           | 0.00   | 6.50               | 0.00   |
| Subtotal, Northwest    |       |              | 127.78      | 2.50   | 60.44          | 50.00  | 60.44              | 50.00  |
| Northeast Service Area |       |              |             |        |                |        |                    |        |
| Amberwood              | Nhood | NE           | 18.60       | 0.00   | 18.60          | 0.00   | 18.60              | 0.00   |
| Apache                 | Nhood | NE           | 9.47        | 0.00   | 9.47           | 0.00   | 9.47               | 0.00   |
| Arbuckle               | Nhood | NE           | 9.51        | 0.00   | 9.51           | 0.00   | 9.51               | 0.00   |
| Armstrong              | Nhood | NE           | 3.21        | 0.00   | 3.21           | 0.00   | 3.21               | 0.00   |
| Arrowhead Meadows      | Comm  | NE           | 30.81       | 0.00   | 0.00           | 30.00  | 0.00               | 30.00  |
| Boys & Girls Club      | Nhood | NE           | 2.18        | 0.00   | 2.18           | 0.00   | 2.18               | 0.00   |
| Brooks Crossing        | Nhood | NE           | 8.10        | 0.00   | 8.10           | 0.00   | 8.10               | 0.00   |
| Desert Oasis Aquatic   | Nhood | NE           | 0.72        | 0.00   | 0.72           | 0.00   | 0.72               | 0.00   |
| Espee                  | Comm  | NE           | 33.00       | 0.00   | 0.00           | 30.00  | 0.00               | 30.00  |
| Folley                 | Comm  | NE           | 23.92       | 0.00   | 0.00           | 23.92  | 0.00               | 23.92  |
| Gazelle Meadows        | Nhood | NE           | 8.99        | 0.00   | 8.99           | 0.00   | 8.99               | 0.00   |
| Harmony Hollow         | Nhood | NE           | 6.92        | 0.00   | 6.92           | 0.00   | 6.92               | 0.00   |
| Harris                 | Nhood | NE           | 0.81        | 0.00   | 0.81           | 0.00   | 0.81               | 0.00   |
| Homestead North        | Nhood | NE           | 7.60        | 0.00   | 7.60           | 0.00   | 7.60               | 0.00   |
| Homestead South        | Nhood | NE           | 4.96        | 0.00   | 4.96           | 0.00   | 4.96               | 0.00   |
| Hoopes                 | Nhood | NE           | 12.80       | 0.00   | 12.80          | 0.00   | 12.80              | 0.00   |
| Jackrabbit             | Nhood | NE           | 4.57        | 0.00   | 4.57           | 0.00   | 4.57               | 0.00   |
| Los Altos              | Nhood | NE           | 0.75        | 0.00   | 0.75           | 0.00   | 0.75               | 0.00   |
| Maggio Ranch           | Nhood | NE           | 5.60        | 0.00   | 5.60           | 0.00   | 5.60               | 0.00   |
| Navarrete              | Nhood | NE           | 5.00        | 0.00   | 5.00           | 0.00   | 5.00               | 0.00   |
| Park Manors            | Nhood | NE           | 0.25        | 0.00   | 0.25           | 0.00   | 0.25               | 0.00   |
| Pequeno                | Nhood | NE           | 4.73        | 0.00   | 4.73           | 0.00   | 4.73               | 0.00   |
| Pima                   | Comm  | NE           | 31.75       | 0.00   | 0.00           | 30.00  | 0.00               | 30.00  |
| Provinces              | Nhood | NE           | 6.25        | 0.00   | 6.25           | 0.00   | 6.25               | 0.00   |
| San Marcos             | Nhood | NE           | 14.74       | 0.00   | 14.74          | 0.00   | 14.74              | 0.00   |
| San Tan                | Nhood | NE           | 14.31       | 0.00   | 14.31          | 0.00   | 14.31              | 0.00   |
| Shawnee                | Nhood | NE           | 17.51       | 0.00   | 17.51          | 0.00   | 17.51              | 0.00   |
| Stonegate              | Nhood | NE           | 8.37        | 0.00   | 8.37           | 0.00   | 8.37               | 0.00   |
| Summit Point           | Nhood | NE           | 0.29        | 0.00   | 0.29           | 0.00   | 0.29               | 0.00   |
| Tibshraeny Family      | Nhood | NE           | 13.00       | 0.00   | 13.00          | 0.00   | 13.00              | 0.00   |
| Vida                   | Nhood | NE           | 0.25        | 0.00   | 0.25           | 0.00   | 0.25               | 0.00   |
| Winn                   | Nhood | NE           | 1.00        | 0.00   | 1.00           | 0.00   | 1.00               | 0.00   |
| Subtotal, Northeast    |       |              | 309.97      | 0.00   | 190.49         | 113.92 | 190.49             | 113.92 |

continued on next page



Table 27. Existing Park Inventory (continued)

| Park Name                 | Park Type | Service Area | Total Acres |        | Eligible Acres |        | Eligible Dev'd Ac. |        |
|---------------------------|-----------|--------------|-------------|--------|----------------|--------|--------------------|--------|
|                           |           |              | Dev'd       | Undev. | Nhood          | Comm   | Nhood              | Comm   |
| Southeast Service Area    |           |              |             |        |                |        |                    |        |
| Blue Heron                | Nhood     | SE           | 3.91        | 0.00   | 3.91           | 0.00   | 3.91               | 0.00   |
| Centennial                | Nhood     | SE           | 10.88       | 0.00   | 10.88          | 0.00   | 10.88              | 0.00   |
| Chuckwalla                | Nhood     | SE           | 4.45        | 0.00   | 4.45           | 0.00   | 4.45               | 0.00   |
| Chuparosa                 | Comm      | SE           | 28.00       | 0.00   | 0.00           | 28.00  | 0.00               | 28.00  |
| Citrus Vista              | Nhood     | SE           | 10.02       | 0.00   | 10.02          | 0.00   | 10.02              | 0.00   |
| Crossbow                  | Nhood     | SE           | 7.94        | 0.00   | 7.94           | 0.00   | 7.94               | 0.00   |
| Dobson                    | Nhood     | SE           | 12.44       | 0.00   | 12.44          | 0.00   | 12.44              | 0.00   |
| Fox Crossing              | Nhood     | SE           | 4.95        | 0.00   | 4.95           | 0.00   | 4.95               | 0.00   |
| La Paloma                 | Nhood     | SE           | 13.07       | 0.00   | 13.07          | 0.00   | 13.07              | 0.00   |
| Lantana Ranch Park Site   | Comm      | SE           | 0.00        | 42.37  | 0.00           | 30.00  | 0.00               | 0.00   |
| Lantana Ranch             | Nhood     | SE           | 8.40        | 0.00   | 8.40           | 0.00   | 8.40               | 0.00   |
| Los Arboles               | Nhood     | SE           | 11.35       | 0.00   | 11.35          | 0.00   | 11.35              | 0.00   |
| Meadowbrook               | Nhood     | SE           | 7.11        | 0.00   | 7.11           | 0.00   | 7.11               | 0.00   |
| Mesquite Groves Park Site | Comm      | SE           | 6.00        | 98.40  | 0.00           | 30.00  | 0.00               | 6.00   |
| Pecos Ranch               | Nhood     | SE           | 10.23       | 0.00   | 10.23          | 0.00   | 10.23              | 0.00   |
| Pinelake                  | Nhood     | SE           | 5.21        | 0.00   | 5.21           | 0.00   | 5.21               | 0.00   |
| Quail Haven               | Nhood     | SE           | 9.75        | 0.00   | 9.75           | 0.00   | 9.75               | 0.00   |
| Roadrunner                | Nhood     | SE           | 10.97       | 0.00   | 10.97          | 0.00   | 10.97              | 0.00   |
| Ryan                      | Nhood     | SE           | 13.89       | 0.00   | 13.89          | 0.00   | 13.89              | 0.00   |
| Snedigar Sportsplex       | Comm      | SE           | 90.83       | 0.00   | 0.00           | 30.00  | 0.00               | 30.00  |
| Tumbleweed                | Comm      | SE           | 147.84      | 58.35  | 0.00           | 30.00  | 0.00               | 30.00  |
| Valencia                  | Nhood     | SE           | 9.34        | 0.00   | 9.34           | 0.00   | 9.34               | 0.00   |
| Veterans Oasis            | Comm      | SE           | 113.00      | 0.00   | 0.00           | 30.00  | 0.00               | 30.00  |
| Subtotal, Southeast       |           |              | 539.58      | 199.12 | 153.91         | 178.00 | 153.91             | 124.00 |
| City-Wide                 |           |              |             |        |                |        |                    |        |
| Total, City-Wide          |           |              | 977.33      | 201.62 | 404.84         | 341.92 | 404.84             | 287.92 |

Source: City of Chandler Community Services Department, November 8, 2022.

## Service Units

As described in the Service Unit subsection of the Legal Framework section, the service unit for all the City's fees is the Equivalent Dwelling Unit, or EDU, which represents the demand for facilities generated by a typical single-family dwelling unit.

SB 1525 provides that "... the fees shall be assessed against commercial, residential and industrial development, except that the municipality may distinguish between different categories of residential, commercial and industrial development in assessing the costs to the municipality of providing necessary public services to new development and in determining the amount of the development fee applicable to the category of development." (A.R.S. Sec. 9-463.05.B.13)

Park impact fees are traditionally only assessed on residential development, because there is a much clearer nexus between the number of residents and the demand for park facilities than is the case for nonresidential development. Company-sponsored events in parks are paid for with facility reservation fees. Any additional demand on park facilities attributable to nonresidential development would come from nonresidents who work in the city using parks during their lunch breaks – any such impact would be difficult to measure and relatively insignificant. Consequently, the park fees will continue to be assessed only on residential development.



A single-family unit is, by definition, one park service unit (equivalent dwelling unit or EDU). The number of service units associated with other housing types is determined by dividing the average household size by the average household size of a single-family unit. Average household size (the ratio of household population to occupied units) is preferable as the basis of the service unit to persons per unit (the ratio of household population to total units), because it eliminates the volatile factor of occupancy rates. The resulting service unit multipliers are presented in Table 28.

**Table 28. Park Service Unit Multipliers**

| Housing Type  | Avg. HH Size | EDUs/ Unit |
|---------------|--------------|------------|
| Single-Family | 2.82         | 1.000      |
| Multi-Family  | 2.38         | 0.844      |

Source: Average household size from Table 8; EDUs per unit is ratio of AHHS to single-family average household size.

The number of service units in each of the three park service areas can be determined by multiplying the number of housing units by the single-family and multi-family service unit multipliers and summing for the area. Existing and projected service units (EDUs) are calculated in Table 29.

**Table 29. Park Service Units, 2022-Buildout**

|                         | Northwest     |              |        | Northeast     |              |        | Southeast     |              |        | City-Wide Total |
|-------------------------|---------------|--------------|--------|---------------|--------------|--------|---------------|--------------|--------|-----------------|
|                         | Single-Family | Multi-Family | Total  | Single-Family | Multi-Family | Total  | Single-Family | Multi-Family | Total  |                 |
| EDUs/Unit               | 1.000         | 0.844        | na     | 1.000         | 0.844        | na     | 1.000         | 0.844        | na     | n/a             |
| 2022 Units              | 11,856        | 5,366        | 17,222 | 33,471        | 18,697       | 52,168 | 35,611        | 8,629        | 44,240 | 113,630         |
| 2022 EDUs               | 11,856        | 4,529        | 16,385 | 33,471        | 15,780       | 49,251 | 35,611        | 7,283        | 42,894 | 108,530         |
| 2032 Units              | 11,877        | 5,378        | 17,255 | 34,266        | 23,890       | 58,156 | 36,583        | 8,969        | 45,552 | 120,963         |
| 2032 EDUs               | 11,877        | 4,539        | 16,416 | 34,266        | 20,163       | 54,429 | 36,583        | 7,570        | 44,153 | 114,998         |
| Buildout Units          | 11,881        | 5,380        | 17,261 | 35,319        | 30,774       | 66,093 | 36,916        | 9,086        | 46,002 | 129,356         |
| Buildout EDUs           | 11,881        | 4,541        | 16,422 | 35,319        | 25,973       | 61,292 | 36,916        | 7,669        | 44,585 | 122,299         |
| New EDUs, 2022-2032     |               |              | 31     |               |              | 5,178  |               |              | 1,259  | 6,468           |
| New EDUs, 2022-Buildout |               |              | 37     |               |              | 12,041 |               |              | 1,691  | 13,769          |

Source: EDUs per unit from Table 28; housing units from Table 7; EDUs are product of units and EDUs/unit.

## Cost per Service Unit

As described in the Methodology subsection of the Legal Framework section, the updated system development fees are based on the lowest of three costs per service unit: existing level of service, ten-year cost and buildout cost.

### Existing Level of Service

SB 1525 limits park impact fees to “neighborhood parks,” an undefined term that excludes parks larger than 30 acres in size, unless a larger park can be shown to provide a “direct benefit” to development. SB 1525 also excludes a number of park improvements from being funded with park impact fees, including:



... that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.

According to SB 1525, impact fees cannot be based on a level of service that exceeds the level of service currently being provided to existing development. For park facilities, the existing level of service will be quantified in terms of the replacement value of existing eligible park facilities per service unit.

A key component of the park level of service is the cost of land. Recent park land acquisitions are all located in the Southeast service area, where land is the least expensive of the three service areas. The City's most recent park land purchase in this area, completed in May 2013. This 10-year old cost has been adjusted to 2023 dollars using the consumer price index. The current land cost per acre is estimated to be \$153,514, as shown in Table 30.

**Table 30. Park Land Cost per Acre**

|                              |                  |
|------------------------------|------------------|
| Centennial Park Site         | \$353,433        |
| ÷ Acres                      | 3.0068           |
| 2013 Cost per Acre           | \$117,545        |
| x 2013-2023 Inflation Factor | 1.306            |
| 2023 Cost per Acre           | <b>\$153,514</b> |

Source: Purchase price from City of Chandler, July 15, 2013; inflation factor is ratio of U.S. Census, Consumer Price Index for All Urban Customers (CPI-U, May 2013 to May 2023..

Another major cost is the development of land with standard park improvements, including site work, landscaping, driveways, parking, walking paths, and standard amenities such as pavilions, ballfields, etc. The average development costs per acre for neighborhood and community parks are based on recent or planned costs (in current dollars), as shown in Table 31.

**Table 31. Park Development Cost per Acre**

|                           | Neighborhood<br>Parks | Community<br>Parks |
|---------------------------|-----------------------|--------------------|
| Mesquite Groves (FY 2026) |                       | \$615,206          |
| Homestead North (FY 2022) | \$506,800             |                    |
| Lantana Ranch (FY 2021)   | \$430,449             |                    |
| Average Cost per Acre     | <b>\$468,625</b>      | <b>\$615,206</b>   |

Source: City of Chandler, November 8, 2022.

Pursuant to SB 1525, only the first 3,000 square feet of recreation centers are eligible to be funded with impact fees. The City has two recreation centers, both located in the Southeast service area. The total costs of these facilities and the eligible costs are shown in Table 32.



**Table 32. Eligible Recreation Center Costs**

| Recreation Center               | Service Area | Sq. Feet | Total Cost   | Eligible Cost      |
|---------------------------------|--------------|----------|--------------|--------------------|
| Snedigar Park Recreation Center | SE           | 8,266    | \$2,185,086  | \$793,039          |
| Tumbleweed Recreation Center    | SE           | 59,905   | \$18,393,336 | \$921,125          |
| Total                           |              | 68,171   | \$20,578,422 | <b>\$1,714,164</b> |

Source: Square feet and costs from City of Chandler, FY 2022/23 Statement of Values; eligible cost is pro rata share for 3,000 sq. ft.

SB 1525 prohibits aquatic centers but allows swimming pools. This poses some problems of interpretation, since aquatic centers include swimming pools. The Arizona League of Cities and Towns proposes the following definition of an excluded aquatic center:

*A facility primarily designed to host non-recreational competitive functions generally occurring within water, including, but not limited to, water polo games, swimming meets, and diving events. Such facility may be indoors, outdoors, or any combination thereof, and includes all necessary supporting amenities, including but not limited to, locker rooms, offices, snack bars, bleacher seating, and shade structures.*

While some of the City's swimming facilities are called "aquatic centers," they do not meet the League of Cities and Town's definition of an aquatic center, because they are not designed primarily for non-recreational competitive functions. Nevertheless, the approach that will be used is to charge only for the pool itself, without the cost of associated amenities. The replacement cost of existing pools is estimated based on the cost per square foot of water surface area for the City's most recently-constructed pool in the Mesquite Groves Aquatic Center. The cost of a pool itself is estimated to be \$322 per square foot of water surface area, as shown in Table 33 below. This is the same cost per square foot used in the 2014 and 2018 studies.

**Table 33. Mesquite Groves Pool Cost per Square Foot**

|   |              |
|---|--------------|
| Pool Cost (including pumphouse)         | \$3,439,477  |
| Other Water Features Cost               | \$778,663    |
| Building Cost (excluding pumphouse)     | \$1,352,377  |
| Total Building/Pool Costs               | \$5,570,517  |
| Site Work/Contingency/Indirect Costs    | \$3,296,901  |
| x Pool Share of Building/Pool Costs     | 61.7%        |
| Pool-Related Other Cost                 | \$2,034,188  |
| Total Pool Cost                         | \$5,473,665  |
| ÷ Water Surface Area (sq. feet)         | 17,002       |
| Pool Cost per Square Foot of Water Area | <b>\$322</b> |

Source: City of Chandler, Mesquite Groves' aquatic center cost sheet, June 2, 2008; pumphouse share of total building costs based on 3,625 out of 9,759 total sq. ft., per Chandler Parks and Recreation, October 7, 2011; total pool cost is pool cost plus pool-related other cost; square feet from City of Chandler Park Development and Operations Division, July 22, 2013.



Multiplying the water area of each pool by the cost per square foot calculated above yields the replacement costs for the City's existing swimming pools for each service area. These are shown in Table 34.

**Table 34. Swimming Pool Replacement Costs**

| Swimming Facility              | Service Area | Water Sq. Feet | Cost per Sq. Foot | Pool Cost           |
|--------------------------------|--------------|----------------|-------------------|---------------------|
| <b>Northwest Service Area</b>  |              |                |                   |                     |
| Nozomi Aquatic Center          | NW           | 12,468         | \$322             | <b>\$4,014,696</b>  |
| <b>Northeast Service Area</b>  |              |                |                   |                     |
| Arrowhead Pool                 | NE           | 21,064         | \$322             | \$6,782,608         |
| Desert Oasis Aquatic Center    | NE           | 8,880          | \$322             | \$2,859,360         |
| Folley Pool                    | NE           | 5,703          | \$322             | \$1,836,366         |
| Total, Northeast Service Area  |              |                |                   | <b>\$11,478,334</b> |
| <b>Southeast Service Area</b>  |              |                |                   |                     |
| Hamilton Aquatic Center        | SE           | 12,040         | \$322             | \$3,876,880         |
| Mesquite Groves Aquatic Center | SE           | 17,002         | \$322             | \$5,474,644         |
| Total, Southeast Service Area  |              |                |                   | <b>\$9,351,524</b>  |

Source: Sq. ft. of water surface area from City of Chandler, September 2017; cost per sq. ft. from Table 33.

The replacement cost of existing facilities in each of the three park service areas can be determined based on the existing park inventory, the unit costs for land acquisition and swimming pools, eligible recreation center costs and the average cost per acre to develop neighborhood and community parks. The total replacement values of existing land and facilities serving the three park service areas are shown in Table 35 on the following page.



**Table 35. Existing Park Facility Replacement Costs**

|                                    | Neighborhood<br>Park | Community<br>Park | Total                |
|------------------------------------|----------------------|-------------------|----------------------|
| <b>Northwest Service Area</b>      |                      |                   |                      |
| NW Total Eligible Acres            | 60.44                | 50.00             | 110.44               |
| x Land Cost/Acre                   |                      |                   | \$153,514            |
| NW Eligible Land Value             |                      |                   | \$0                  |
| NW Developed Eligible Acres        | 60.44                | 50.00             | 110.44               |
| x Development Cost/Acre            | \$468,625            | \$615,206         | n/a                  |
| NW Eligible Development Cost       | \$28,323,695         | \$30,760,300      | \$59,083,995         |
| NW Eligible Rec. Center/Pool Cost  |                      |                   | \$4,014,696          |
| NW Total Eligible Replacement Cost |                      |                   | <b>\$63,098,691</b>  |
| <b>Northeast Service Area</b>      |                      |                   |                      |
| NE Total Eligible Acres            | 190.49               | 113.92            | 304.41               |
| x Land Cost/Acre                   |                      |                   | \$153,514            |
| NE Eligible Land Value             |                      |                   | \$46,731,197         |
| NE Developed Eligible Acres        | 190.49               | 113.92            | 304.41               |
| x Development Cost/Acre            | \$468,625            | \$615,206         | n/a                  |
| NE Eligible Development Cost       | \$89,268,376         | \$70,084,268      | \$159,352,644        |
| NE Eligible Rec. Center/Pool Cost  |                      |                   | \$11,478,334         |
| NE Total Eligible Replacement Cost |                      |                   | <b>\$217,562,175</b> |
| <b>Southeast Service Area</b>      |                      |                   |                      |
| SE Total Eligible Acres            | 153.91               | 178.00            | 331.91               |
| x Land Cost/Acre                   |                      |                   | \$153,514            |
| SE Eligible Land Value             |                      |                   | \$50,952,832         |
| SE Developed Eligible Acres        | 153.91               | 124.00            | 277.91               |
| x Development Cost/Acre            | \$468,625            | \$615,206         | n/a                  |
| SE Eligible Development Cost       | \$72,126,074         | \$76,285,544      | \$148,411,618        |
| SE Eligible Rec. Center/Pool Cost  |                      |                   | \$11,065,688         |
| SE Total Eligible Replacement Cost |                      |                   | <b>\$210,430,138</b> |

Source: Total and developed eligible acres from Table 27; land cost per acre from Table 30; development costs per acre from Table 31; recreation center and pool costs from Table 32 and Table 34.

The existing levels of service in the park service areas can be expressed in terms of the current cost per service unit, as shown in Table 36. The capital investment represented by existing facilities and current fund balances is reduced to account for outstanding debt that will be paid by future system development fees.

**Table 36. Existing Park Levels of Service**

|                                  | Northwest      | Northeast      | Southeast      |
|----------------------------------|----------------|----------------|----------------|
| Existing Eligible Cost           | \$63,098,691   | \$217,562,175  | \$210,430,138  |
| Current Fund Balance             | \$2,825,224    | \$6,424,043    | \$21,984,807   |
| – Outstanding Pledged Debt/Loans | -\$2,825,224   | -\$5,853,189   | \$0            |
| Net Eligible Cost                | \$63,098,691   | \$218,133,029  | \$232,414,945  |
| ÷ Existing EDUs                  | 16,385         | 49,251         | 42,894         |
| Existing LOS (Cost/EDU)          | <b>\$3,851</b> | <b>\$4,429</b> | <b>\$5,418</b> |

Source: Eligible park costs from Table 35; eligible debt/interfund loans and fund balance from Table 122 in Appendix C; existing EDUs from Table 29.



### Ten-Year Cost per Service Unit

The ten-year cost per service unit represents costs that will be incurred by the City over the next ten years to build new capacity to serve anticipated development in the city, to repay outstanding debt/interfund loans associated with existing capacity available to serve new development, to pay encumbrances for projects under construction, and to pay for updated studies and biennial audits. The results are shown in Table 37.

**Table 37. Park Ten-Year Cost per Service Unit**

|  | Northwest    | Northeast    | Southeast     |
|--|--------------|--------------|---------------|
| Mesquite Groves Comm. Park Dev't, Ph. I (30-acre part) | \$0          | \$0          | \$20,519,574  |
| Lantana Ranch Comm. Park Design/Dev't (21.6-ac. part)  | \$0          | \$0          | \$9,572,156   |
| Subtotal, Planned Improvements                         | \$0          | \$0          | \$30,091,730  |
| Debt/Interfund Loan Obligations                        | \$2,825,224  | \$5,853,189  | \$0           |
| Encumbrances for Projects Under Construction           | \$0          | \$2,078,184  | \$715,925     |
| Required Fee Studies and Audits                        | \$0          | \$21,475     | \$21,475      |
| Total Planned Expenditures                             | \$2,825,224  | \$7,952,848  | \$30,829,130  |
| – Fund Balance   | -\$2,825,224 | -\$6,424,043 | -\$21,984,807 |
| Total Revenue Needs                                    | \$0          | \$1,528,805  | \$8,844,323   |
| ÷ New Service Units (EDUs), 2022-2032                  | 31           | 5,178        | 1,259         |
| Ten-Year Cost per Service Unit (EDU)                   | \$0          | \$295        | \$7,025       |

Source: Planned improvements and costs from City of Chandler, 2022-2031 *Capital Improvement Program*; debt/interfund loans, encumbrances, and fund balances from Table 122 in Appendix C, study cost from Table 125 and audit cost from Table 126, allocated equally between the northeast and southeast service areas; new service units from Table 29.

### Buildout Cost per Service Unit

The Northwest park service area has no remaining revenue needs. The buildout costs per service unit for the Northeast and Southeast service areas represent costs that will be incurred by buildout to construct capacity to serve anticipated development, repay outstanding debt/interfund loans associated with existing capacity to serve new development, pay encumbrances for projects under construction, and pay for updated studies and audits. The results are shown in Table 38.

**Table 38. Park Buildout Cost per Service Unit**

|  | Northwest    | Northeast    | Southeast     |
|--|--------------|--------------|---------------|
| Mesquite Groves Comm. Park Dev't, Ph. I (30-acre part) | \$0          | \$0          | \$20,519,574  |
| Lantana Ranch Comm. Park Design/Dev't (eligible part)  | \$0          | \$0          | \$9,572,156   |
| Subtotal, Planned Improvements                         | \$0          | \$0          | \$30,091,730  |
| Debt/Interfund Loan Obligations                        | \$2,825,224  | \$5,853,189  | \$0           |
| Encumbrances for Projects Under Construction           | \$0          | \$2,078,184  | \$715,925     |
| Required Fee Studies and Audits                        | \$0          | \$41,950     | \$41,950      |
| Total Planned Expenditures                             | \$2,825,224  | \$7,973,323  | \$30,849,605  |
| – Fund Balance   | -\$2,825,224 | -\$6,424,043 | -\$21,984,807 |
| Total Revenue Needs                                    | \$0          | \$1,549,280  | \$8,864,798   |
| ÷ New Service Units (EDUs), 2022-Buildout              | 37           | 12,041       | 1,691         |
| Buildout Cost per Service Unit (EDU)                   | \$0          | \$129        | \$5,242       |

Source: Study/audit cost from Table 125 (allocated equally between the northeast and southeast service areas); new EDUs from Table 29; all other data from Table 37.



### Cost per Service Unit Summary

The three costs per service unit calculated above are summarized in Table 39. The updated system development fees for the Northeast and Southeast are based on the lowest of the three costs per service unit for those areas.

**Table 39. Park Cost per Service Unit**

|                                | Northwest | Northeast | Southeast |
|--------------------------------|-----------|-----------|-----------|
| Existing Cost per Service Unit | \$3,851   | \$4,429   | \$5,418   |
| Ten-Year Cost per Service Unit | \$0       | \$295     | \$7,025   |
| Buildout Cost per Service Unit | \$0       | \$129     | \$5,242   |
| Lowest Cost per Service Unit   | n/a       | \$129     | \$5,242   |

Source: Existing from Table 36; ten-year from Table 37; buildout from Table 38.

### Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The parks system development fees calculated in this report are based on the existing level of service (unless the ten-year or buildout cost per service unit is lower), so there are no existing deficiencies. Other than system development fees, the City has no dedicated source of revenue to fund growth-related parks improvements. The City has not received any grant funding for park improvements in recent years, and does not anticipate any grants over the next ten years.

The City has funded park improvements with system development fees or general fund monies or general obligation bond proceeds in return for a pledge against future SDF revenues. Since outstanding pledged debt/interfund loans have been excluded from the calculation of the existing level of service, future system development fees can be used to repay those obligations without raising double-payment issues. Consequently, no additional offsets are warranted, and the cost per service unit calculated above is the same as the net cost per service unit.



## Updated System Development Fees

The updated parks system development fees that may be adopted by the City based on this study are the products of the numbers of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 40 below.

**Table 40. Park Net Cost Schedule**

|                                      | Northwest | Northeast | Southeast |
|--------------------------------------|-----------|-----------|-----------|
| Single-Family EDUs per Dwelling Unit | 1.000     | 1.000     | 1.000     |
| Multi-Family EDUs per Dwelling Unit  | 0.844     | 0.844     | 0.844     |
| x Net Cost per Service Unit          | n/a       | \$129     | \$5,242   |
| Single-Family Fee per Dwelling Unit  | n/a       | \$129     | \$5,242   |
| Multi-Family Fee per Dwelling Unit   | n/a       | \$109     | \$4,424   |

Source: EDUs per unit from Table 28; net cost per EDU is cost per EDU from Table 39.

The updated park fees are compared to current fees in Table 41. The park fees will cease to be collected in the Northwest service area.

**Table 41. Current and Updated Park Fees**

|   | Northwest | Northeast | Southeast |
|---|-----------|-----------|-----------|
| Updated Single-Family Fee per Dwelling Unit | \$0       | \$129     | \$5,242   |
| Current Single-Family Fee per Dwelling Unit | \$983     | \$237     | \$2,338   |
| Percent Change                              | -100%     | -46%      | 124%      |
| Updated Multi-Family Fee per Dwelling Unit  | \$0       | \$109     | \$4,424   |
| Current Multi-Family Fee per Dwelling Unit  | \$729     | \$176     | \$1,735   |
| Percent Change                              | -100%     | -38%      | 155%      |

Source: Current fees from City of Chandler, *System Development Fee Schedule, Effective July 28, 2014*; updated fees from Table 40.



## Capital Plan

Assuming that growth occurs as projected in the land use assumptions, the City plans to complete the park improvements listed in Table 42 over the next ten years, as well as repay outstanding debt/interfund loans on existing improvements with excess capacity, pay encumbrances on projects currently underway, and pay for required study updates and audits required by SB 1525.

**Table 42. Park Capital Plan, 2022-2032**

| Improvement/Expenditure                                | Northwest   | Northeast   | Southeast    |
|--|-------------|-------------|--------------|
| Mesquite Groves Comm. Park Dev't, Ph. I (30-acre part) | \$0         | \$0         | \$20,519,574 |
| Lantana Ranch Nhood Park Design/Dev't (21.6 acres)     | \$0         | \$0         | \$9,572,156  |
| Subtotal, Planned Improvements                         | \$0         | \$0         | \$30,091,730 |
| Outstanding Debt/Interfund Loans                       | \$2,825,224 | \$5,853,189 | \$0          |
| Encumbrances/Carry-Forwards                            | \$0         | \$2,078,184 | \$715,925    |
| Required System Development Fee Studies                | \$0         | \$16,475    | \$16,475     |
| Required Biennial Audits                               | \$0         | \$5,000     | \$5,000      |
| Total Planned Eligible Expenditures                    | \$2,825,224 | \$7,952,848 | \$30,829,130 |

Source: Planned improvements and costs from City of Chandler, 2023-2032 *Capital Improvement Program*; debt/interfund loans and encumbrances from Table 122, study cost from Table 125 and audit cost from Table 126 allocated equally between the northeast and southeast service areas.

For the Northeast and Southeast service areas, the updated park fees would provide all the needed revenue by buildout, but less than the revenue needed over the next ten years, as shown in Table 43 below. The City will need to defer repayment of some debt/interfund loans beyond ten years.

**Table 43. Park Fee Revenue Projections, 2022-Buildout**

|                                       | 2022-2032   | 2022-Buildout |
|---------------------------------------|-------------|---------------|
| <b>Northeast Service Area</b>         |             |               |
| New Park EDUs, Northeast Service Area | 5,178       | 12,041        |
| x Net Cost per EDU                    | \$129       | \$129         |
| Projected Revenue                     | \$667,962   | \$1,553,289   |
| ÷ Needed Revenue                      | \$1,528,805 | \$1,549,280   |
| % of Needed Revenue, Northeast        | 44%         | 100%          |
| <b>Southeast Service Area</b>         |             |               |
| New Park EDUs, Southeast Service Area | 1,259       | 1,691         |
| x Net Cost per EDU                    | \$5,242     | \$5,242       |
| Projected Revenue                     | \$6,599,678 | \$8,864,222   |
| ÷ Needed Revenue                      | \$8,844,323 | \$8,864,798   |
| % of Needed Revenue, Southeast        | 75%         | 100%          |

Source: New service units from Table 29; net cost per EDU is the lowest cost per EDU from Table 39; needed revenue from Table 37 (2022-2032) and Table 38 (2022-buildout).



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## LIBRARY

The City has no plans to build another library. The City's library system development fees were updated on January 1, 2012 to cover only the cost of retiring the pledged debt for the acquisition of the Sunset Branch Library. Fees that are used solely to retire debt issued prior to June 1, 2011 and pledged to be paid with future fee revenues are exempt under the terms of SB 1525 from the requirements to prepare infrastructure improvements plans, and may continue to be charged until the debt pledge is satisfied.

The City pledged future library system development fees to retire \$1.29 million, which is the portion of the 2011A general obligations bonds used to acquire the Sunset branch. In the revisions to the fees that were adopted effective January 1, 2012, the City reduced its library fees to cover only the cost of this pledged debt. Some adjustments were made in the 2014 study that reduced the fees even more. The City is not obligated to revisit grandfathered fees used to repay pledged debt every five years. No changes are proposed as part of this update. The City may continue to collect the current library fee until the outstanding debt/interfund loan obligations have been retired. The remaining obligations are shown in Table 44.

**Table 44. Remaining Library Pledged Debt**

| Outstanding Pledged Debt/Interfund Loan | \$13,000 |
|---|----------|
| – Current Fund Balance                  | -\$5,067 |
| Future Revenue Needed                   | \$7,933  |

Source: Outstanding pledged debt and fund balance from Table 122.

Based on the land use assumptions, new development can be expected to generate all the revenue needed over the next ten years to fully repay the outstanding pledged debt obligation, as shown in Table 45. The library fee will cease to be collected once the debt is repaid.

**Table 45. Library Revenue Projections, 10-Year and to Buildout**

|  | 10-Year   | Buildout  |
|--|-----------|-----------|
| New EDUs                               | 6,468     | 13,769    |
| x Current Fee for a Single-Family Unit | \$61      | \$61      |
| Projected Revenue                      | \$394,548 | \$839,909 |

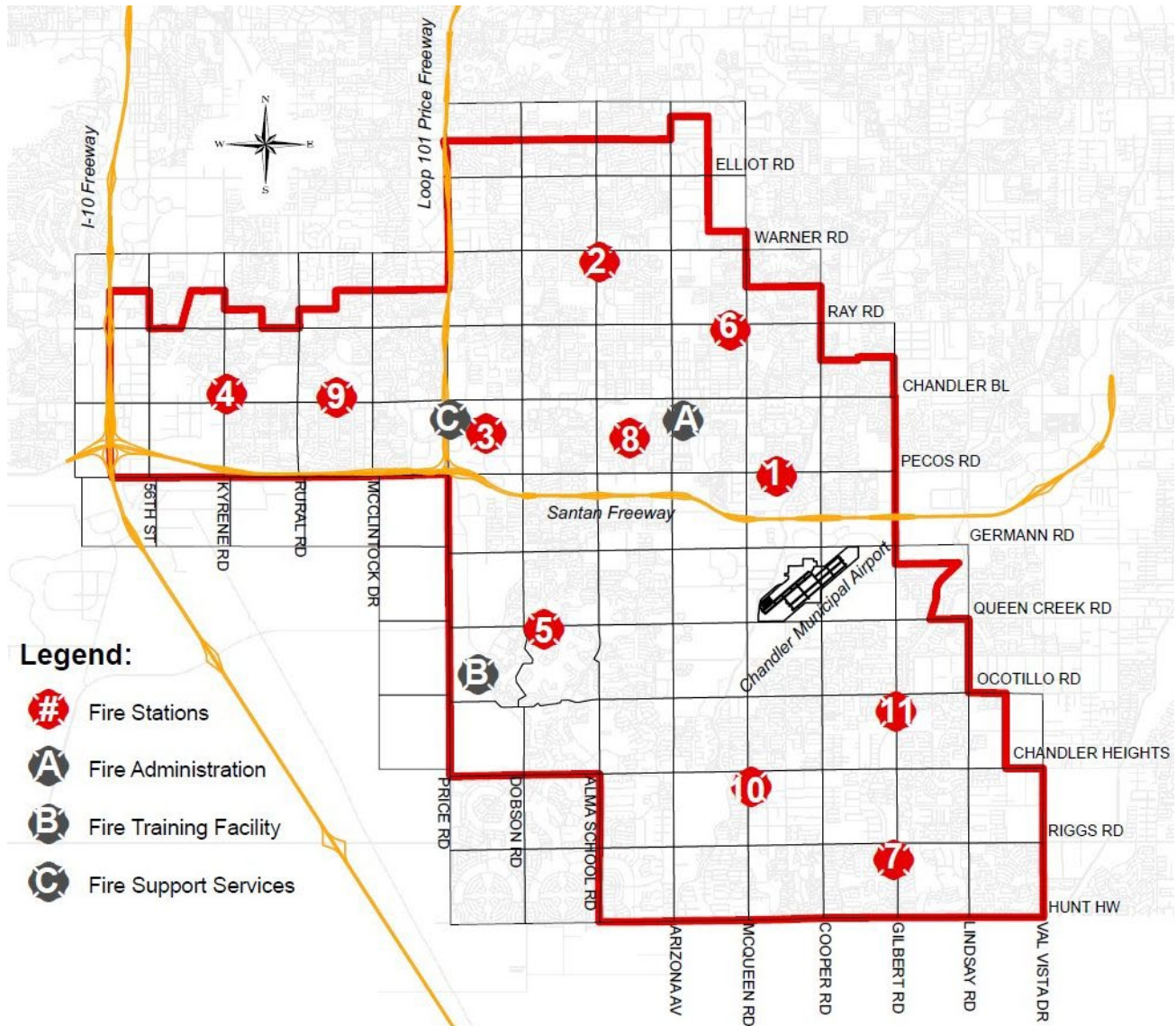
Source: New city-wide EDUs from Table 29 in Parks section; current single-family fee from Table 1; projected revenue is new EDUs times current fee per single-family unit.



## FIRE

This section updates the City's fire system development fees in compliance with the Arizona impact fee enabling act for municipalities. The Chandler Fire Department operates out of eleven fire stations, a fire administration building and a support services facility. The locations of existing fire facilities are shown in Figure 8.

**Figure 8. Existing Fire Facilities**





## Service Units

Disparate types of development must be translated into a common unit of measurement that reflects the impact of new development on the demand for fire facilities. This unit of measurement is called a “service unit.”

The two most common methodologies used in calculating public safety service units and impact fees are the “calls-for-service” approach and the “functional population” approach. A major problem with relying on call data is that it tends to be unstable over time. This means that fees often go up or down significantly for individual land uses each time the fees are updated. This update continues to use the “functional population” approach to calculate and assess the fire system development fees. This approach is a generally-accepted methodology for these impact fee types and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people.

Similar to the concept of full-time equivalent employees, functional population represents the number of “full-time equivalent” people present at the site of a land use. Functional population represents the average number of equivalent persons present at the site of a land use for an entire 24-hour day. For residential development, functional population is simply average household size times the percentage of time people spend at home. For nonresidential development, functional population is based on a formula that includes square feet per employee ratios, trip generation rates, average vehicle occupancy and average number of hours spent by employees and visitors at a land use. These all tend to be relatively stable characteristics that do not change significantly over short periods of time. Functional population multipliers by land use are calculated in Appendix B. The functional population multipliers are converted into service units (Equivalent Dwelling Units or EDUs), by dividing the functional population per unit for each land use type by the functional population for a single-family unit, as shown in Table 46.

**Table 46. Fire Service Unit Multipliers**

| Land Use             | Unit          | Func. Pop./<br>Unit | EDUs/<br>Unit |
|----------------------|---------------|---------------------|---------------|
| Single-Family        | Dwelling      | 1.89                | 1.000         |
| Multi-Family         | Dwelling      | 1.59                | 0.841         |
| Retail/Commercial    | 1,000 sq. ft. | 1.98                | 1.048         |
| Office               | 1,000 sq. ft. | 1.04                | 0.550         |
| Industrial/Warehouse | 1,000 sq. ft. | 0.47                | 0.249         |
| Public/Institutional | 1,000 sq. ft. | 0.99                | 0.524         |

Source: Functional population per unit from Table 119 (residential) and Table 120 (nonresidential) in Appendix B; EDUs per unit is functional population per unit divided by functional population per single-family unit.

The number of service units in the fire service area can be determined by multiplying the amount of development by the service unit multipliers for each land use type and summing for the area. Existing and projected service units (EDUs) are calculated in Table 47 below for the 2022-2032 planning horizon and for buildout.



**Table 47. Fire Service Units, 2022-Buildout**

| Land Use                            | Unit          | Units  | EDUs<br>per Unit | EDUs    |
|-------------------------------------|---------------|--------|------------------|---------|
| Single-Family                       | Dwelling      | 80,938 | 1.000            | 80,938  |
| Multi-Family                        | Dwelling      | 32,692 | 0.841            | 27,494  |
| Retail/Commercial                   | 1,000 sq. ft. | 18,758 | 1.048            | 19,658  |
| Office                              | 1,000 sq. ft. | 8,088  | 0.550            | 4,448   |
| Industrial/Warehouse                | 1,000 sq. ft. | 45,476 | 0.249            | 11,324  |
| Public/Institutional                | 1,000 sq. ft. | 12,407 | 0.524            | 6,501   |
| Total 2022 Service Units (EDUs)     |               |        |                  | 150,363 |
| Single-Family                       | Dwelling      | 82,726 | 1.000            | 82,726  |
| Multi-Family                        | Dwelling      | 38,237 | 0.841            | 32,157  |
| Retail/Commercial                   | 1,000 sq. ft. | 19,859 | 1.048            | 20,812  |
| Office                              | 1,000 sq. ft. | 10,027 | 0.550            | 5,515   |
| Industrial/Warehouse                | 1,000 sq. ft. | 53,757 | 0.249            | 13,385  |
| Public/Institutional                | 1,000 sq. ft. | 12,929 | 0.524            | 6,775   |
| Total 2032 Service Units (EDUs)     |               |        |                  | 161,370 |
| Single-Family                       | Dwelling      | 84,116 | 1.000            | 84,116  |
| Multi-Family                        | Dwelling      | 45,390 | 0.841            | 38,173  |
| Retail/Commercial                   | 1,000 sq. ft. | 21,367 | 1.048            | 22,393  |
| Office                              | 1,000 sq. ft. | 12,683 | 0.550            | 6,976   |
| Industrial/Warehouse                | 1,000 sq. ft. | 65,098 | 0.249            | 16,209  |
| Public/Institutional                | 1,000 sq. ft. | 13,644 | 0.524            | 7,149   |
| Total Buildout Service Units (EDUs) |               |        |                  | 175,016 |
| New EDUs, 2022-2032                 |               |        |                  | 11,007  |
| New EDUs, 2022-Buildout             |               |        |                  | 24,653  |

Source: Units from Table 7 (residential) and Table 10 (nonresidential) in the Land Use Assumptions section; EDUs per unit from Table 46.

## Cost per Service Unit

As described in the Methodology subsection of the Legal Framework section, the updated system development fees are based on the lowest of three costs per service unit: existing level of service, ten-year cost and buildout cost.

### Existing Level of Service

The cost per service unit to provide fire protection to new development is based on the existing level of service provided to existing development. The level of service is quantified as the ratio of the replacement cost of existing fire capital facilities to existing fire service units. The inventory of the City's existing fire facilities is provided in Table 48. The City's fire training facility has been excluded, as it is not eligible for fire impact fees under SB 1525. Replacement costs of existing facilities are estimated based on the construction cost per square foot for the most recent fire station and the land cost per acre of the City's most recent park land purchase.



**Table 48. Existing Fire Facilities**

| Facility                     | Year Built | Bldg. (s.f.)        | Land (ac.)         |
|------------------------------|------------|---------------------|--------------------|
| Fire Station #1              | 2015       | 13,500              | 2.00               |
| Fire Station #2              | 1985       | 8,000               | 2.91               |
| Fire Station #3              | 1999       | 11,974              | 1.72               |
| Fire Station #4              | 1985       | 7,328               | 1.85               |
| Fire Station #5              | 1998       | 8,200               | 0.79               |
| Fire Station #6              | 2002       | 8,000               | 1.54               |
| Fire Station #7              | 2003       | 8,000               | 1.66               |
| Fire Station #8              | 2004       | 9,434               | 1.84               |
| Fire Station #9              | 2006       | 10,200              | 1.84               |
| Fire Station #10             | 2008       | 10,264              | 2.81               |
| Fire Station #11             | 2018       | 11,600              | 2.50               |
| Fire Administration Building | 2009       | 18,700              | 1.35               |
| Fire Maintenance Facility    | 1985       | 15,010              | 1.29               |
| Total                        |            | 140,210             | 24.10              |
| x Cost per Sq. Foot or Acre  |            | \$308               | \$153,514          |
| Total Replacement Value      |            | <b>\$43,184,680</b> | <b>\$3,699,687</b> |

Source: City of Chandler Fire Department, November 24, 2021, cost per building square foot from cost for Station #11, February 2, 2018; cost per acre is park land cost from Table 30.

In addition to land and buildings, fire services require firefighting apparatus. The City's current fire vehicles have a total replacement cost, based on current unit costs, of almost \$18 million, as summarized in Table 49.

**Table 49. Fire Apparatus**

| Fire Appartus           | Quantity | Unit Cost   | Replacment Value    |
|-------------------------|----------|-------------|---------------------|
| Engine                  | 16       | \$650,000   | \$10,400,000        |
| Ladder Truck, 95'       | 3        | \$1,300,000 | \$3,900,000         |
| Ladder Truck, Reserve   | 2        | \$1,100,000 | \$2,200,000         |
| Heavy Rescue            | 1        | \$700,000   | \$700,000           |
| Tanker                  | 1        | \$300,000   | \$300,000           |
| Utility                 | 1        | \$450,000   | \$450,000           |
| Total Replacement Value |          |             | <b>\$17,950,000</b> |

Source: City of Chandler, November 23, 2021.

The existing level of service can be expressed in terms of current cost per service unit. However, in addition to the costs of existing facilities, current fund balances and outstanding debt/interfund loans for existing facilities must also be taken into consideration. The existing level of service is \$409 per EDU, as shown in Table 50.



**Table 50. Fire Existing Level of Service**

|  |              |
|--|--------------|
| Building Cost                            | \$43,184,680 |
| Land Cost                                | \$3,699,687  |
| Apparatus Cost                           | \$17,950,000 |
| Total Replacement Cost                   | \$64,834,367 |
| – Interfund Loan Obligations             | -\$3,588,007 |
| Fund Balance                             | \$239,385    |
| Net Replacement Cost                     | \$61,485,745 |
| ÷ Existing Service Units (EDUs)          | 150,363      |
| Existing Level of Service (Cost per EDU) | <b>\$409</b> |

Source: Building and land cost from Table 48; apparatus cost from Table 49; outstanding debt/interfund loans and fund balance from Table 122; existing (2022) EDUs from Table 47.

#### Ten-Year Cost per Service Unit

The City does not plan any capacity improvements over the next ten years. The ten-year cost per service unit represents costs that will be incurred by the City over the next ten years to repay outstanding interfund loans associated with existing capacity available to serve new development, pay encumbrances for projects currently underway, and pay for updated studies. The results are shown in Table 51 and indicate a ten-year cost per service unit of \$308 per EDU.

**Table 51. Fire Ten-Year Cost per Service Unit**

|  |              |
|--|--------------|
| Interfund Loan Obligations                     | \$3,588,007  |
| Encumbrances for Projects Under Construction   | \$0          |
| Required Fee Study Updates and Biennial Audits | \$42,950     |
| Total Planned Expenditures                     | \$3,630,957  |
| – Fund Balance                                 | -\$239,385   |
| Total Revenue Needs                            | \$3,391,572  |
| ÷ New Service Units (EDUs), 2022-2032          | 11,007       |
| Ten-Year Cost per Service Unit (EDU)           | <b>\$308</b> |

Source: Outstanding interfund loans, encumbrances, and fund balance from Table 122; study and audit costs from Table 125 and Table 126; new service units from Table 47.

#### Buildout Cost per Service Unit

The City plans to construct a new fire station in the southeast part of the city sometime after the next ten years. The buildout cost also includes current outstanding obligations and the cost of additional update studies and audits. The results are shown in Table 52 and indicate a buildout cost per service unit of \$822 per EDU.



**Table 52. Fire Buildout Cost per Service Unit**

|  |              |
|--|--------------|
| New Southeast Fire Station #12                 | \$16,823,500 |
| Interfund Loan Obligations                     | \$3,588,007  |
| Encumbrances for Projects Under Construction   | \$0          |
| Required Fee Study Updates and Biennial Audits | \$83,900     |
| Total Planned Expenditures                     | \$20,495,407 |
| – Fund Balance                                 | -\$239,385   |
| Total Revenue Needs                            | \$20,256,022 |
| ÷ New Service Units (EDUs), 2022-Buildout      | 24,653       |
| Buildout Cost per Service Unit (EDU)           | <b>\$822</b> |

Source: Estimated cost of planned new station (in FY 2033 dollars) from City of Chandler, January 16, 2023; outstanding debt/interfund loans, encumbrances, and fund balance from Table 122; study and audit costs from Table 125 and Table 126; new service units from Table 47.

### Cost per Service Unit Summary

The three costs per service unit calculated above are summarized in Table 53. The updated system development fees are based on the ten-year cost per service unit, which is the lowest of the three.

**Table 53. Fire Cost per Service Unit**

|                                |              |
|--------------------------------|--------------|
| Existing Cost per Service Unit | \$409        |
| Ten-Year Cost per Service Unit | \$308        |
| Buildout Cost per Service Unit | \$822        |
| Lowest Cost per Service Unit   | <b>\$308</b> |

Source: Existing from Table 50; ten-year from Table 51; buildout from Table 52.

### Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The fire system development fees calculated in this report are based on a lower cost per service unit than the existing level of service, so there are no existing deficiencies. Other than system development fees, the City has no dedicated source of revenue to fund growth-related fire improvements. The City has not received any grant funding for fire improvements in recent years, and does not anticipate any grants over the next ten years.

The City has funded fire improvements with system development fees or using loans from the general fund to advance-fund certain improvements. The updated fees are lower than they would be based on the existing level of service, which was reduced to account for outstanding interfund loans used to build existing capacity that will serve future development.



Future system development fees can be used to repay outstanding interfund loans without raising double-payment issues. The City does have some additional non-eligible debt on the fire training facility, but this can legitimately be retired with future general funds raised from both existing and future development, because the training facility has not been included in determining the existing level of service. Consequently, no additional offsets are warranted, and the cost per service unit calculated above is the same as the net cost per service unit.

### Updated System Development Fees

The updated fire system development fees that may be adopted by the City based on this study are the products of the numbers of service units generated by a unit of development and the net cost per service unit calculated above. The resulting fee schedule is presented in Table 54.

**Table 54. Fire Net Cost Schedule**

| Land Use             | Unit     | EDUs/<br>Unit | Net Cost/<br>EDU | Net Cost/<br>Unit |
|----------------------|----------|---------------|------------------|-------------------|
| Single-Family        | Dwelling | 1.000000      | \$308            | <b>\$308</b>      |
| Multi-Family         | Dwelling | 0.841000      | \$308            | <b>\$259</b>      |
| Retail/Commercial    | Sq. Ft.  | 0.001048      | \$308            | <b>\$0.323</b>    |
| Office               | Sq. Ft.  | 0.000550      | \$308            | <b>\$0.169</b>    |
| Industrial/Warehouse | Sq. Ft.  | 0.000249      | \$308            | <b>\$0.077</b>    |
| Public/Institutional | Sq. Ft.  | 0.000524      | \$308            | <b>\$0.161</b>    |

Source: EDUs per unit from Table 46 (nonresidential divided by 1,000 to convert from per 1,000 sq. ft. to per square foot); net cost per EDU is the lowest cost per EDU from Table 53.

The updated fire fees are compared to current fees in Table 55. The updated fees are higher than current fees for all land use categories except office.

**Table 55. Current and Updated Fire Fees**

| Land Use             | Unit     | Current<br>Fees | Updated<br>Fees | Percent<br>Change |
|----------------------|----------|-----------------|-----------------|-------------------|
| Single-Family        | Dwelling | \$218           | \$308           | 41%               |
| Multi-Family         | Dwelling | \$161           | \$259           | 61%               |
| Retail/Commercial    | Sq. Ft.  | \$0.22          | \$0.32          | 47%               |
| Office               | Sq. Ft.  | \$0.20          | \$0.17          | -16%              |
| Industrial/Warehouse | Sq. Ft.  | \$0.04          | \$0.08          | 93%               |
| Public/Institutional | Sq. Ft.  | \$0.06          | \$0.16          | 168%              |

Source: Current fees from Table 1; updated fees from Table 54.



## Capital Plan

Assuming that growth occurs as projected in the land use assumptions, the City plans to fund approximately \$3.6 million in growth-related fire expenditures over the next ten years, as summarized in Table 56.

**Table 56. Fire Capital Plan, 2022-2032**

| Improvement                             | 10-Year Cost       |
|---|--------------------|
| Outstanding Debt/Interfund Loans        | \$3,588,007        |
| Required System Development Fee Studies | \$32,950           |
| Required Biennial Audits                | \$10,000           |
| <b>Total</b>                            | <b>\$3,630,957</b> |

Source: Interfund loan balance from Table 122; study cost from Table 125 audit cost from Table 126.

Projected fire system development fee revenue over the next ten years, based on new development anticipated by the land use assumptions, would be sufficient to cover 100% of ten-year costs but only 38% of buildout costs, which include a new fire station. The City will need to increase fees once the new fire station is within the 10-year horizon.

**Table 57. Projected Fire Fee Revenue, 2022-Buildout**

|  | 2022-2032   | 2022-Buildout |
|--|-------------|---------------|
| New Service Units (EDUs)                     | 11,007      | 24,653        |
| x Net Cost per Service Unit (EDU)            | \$308       | \$308         |
| Projected Revenue                            | \$3,390,156 | \$7,593,124   |
| Current Fund Balance                         | \$239,385   | \$239,385     |
| Total System Development Fee Funds Available | \$3,629,541 | \$7,832,509   |
| ÷ Planned Expenditures                       | \$3,630,957 | \$20,495,407  |
| Percent of Costs Covered by Fire Fees        | 100%        | 38%           |

Source: New service units from Table 47; net cost per service unit is the lowest cost per EDU from Table 53; current fund balance from Table 122; 2022-2032 planned expenditures from Table 56; 2022-buildout expenditures from Table 52.



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## POLICE

This section updates the City’s police system development fees in compliance with the Arizona impact fee enabling act for municipalities.

### Service Units

Disparate types of development must be translated into a common unit of measurement that reflects the impact of new development on the demand for police facilities. This unit of measurement is called a “service unit.” This update continues to use the “functional population” approach to calculate and assess the police system development fees. This approach is a generally-accepted methodology for these impact fee types and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people at a particular site. It is more fully described in the Fire section and in Appendix B.

As with the City’s fire system development fees, the police service area is also city-wide. Since the number of fire service units is also calculated using functional population, the existing and projected police service units (Equivalent Dwelling Units or EDUs) for the 2022-2032 ten-year planning horizon and to buildout are the same as those calculated earlier for the fire system development fees (see Table 47 in the Fire section).

### Cost per Service Unit

As described in the Methodology subsection of the Legal Framework section, the updated system development fees are based on the lowest of three costs per service unit: existing level of service, ten-year cost and buildout cost.

#### Existing Level of Service

The cost per service unit to provide police protection to new development should not exceed the existing level of service provided to existing development. The existing level of service is quantified as the ratio of the replacement cost of existing police capital facilities to existing police service units. The inventory of the City’s existing police facilities is provided in Table 58. Replacement costs of existing facilities are estimated based on the estimated construction cost per square foot for the planned Public Safety Training Center and the land cost per acre based on the City’s most recent land purchases for parks.



**Table 58. Existing Police Facilities**

| Facility                               | Year Built | Bldg. (s.f.)        | Land (ac.)         |
|--|------------|---------------------|--------------------|
| Police Headquarters                    | 1998       | 67,529              | 5.85               |
| Police Dispatch/Family Advocacy Center | 1990       | 11,243              | 0.46               |
| Property & Evidence                    | 1976/2003  | 30,430              | 1.83               |
| Chandler Heights Substation            | 2008       | 21,841              | 4.50               |
| Desert Breeze Substation               | 2006       | 21,253              | 5.00               |
| Hamilton Facility                      | 1990       | 13,816              | 1.74               |
| Total Building Square Feet/Acres       |            | 166,112             | 19.38              |
| x Unit Cost                            |            | \$346               | \$153,514          |
| Total Replacement Value                |            | <b>\$57,474,752</b> | <b>\$2,975,101</b> |

Source: Year built, square feet, and land area from City of Chandler Police Department, December 23, 2021, cost per building square foot is estimated construction cost per square foot for phase 1 of Public Safety Training Center per City of Chandler Police Department, September 6, 2017; land cost per acre is park cost per acre from Table 30.

The existing level of service can be expressed in terms of the current cost per service unit. In addition to the costs of existing facilities, the current fund balance and interfund loans must also be taken into consideration. The existing level of service is \$390 per EDU, as shown in Table 59.

**Table 59. Police Existing Level of Service**

|  |              |
|--|--------------|
| Police Buildings                         | \$57,474,752 |
| Land Value                               | \$2,975,101  |
| Total Replacement Cost                   | \$60,449,853 |
| Fund Balance                             | \$257,453    |
| – Interfund Loan Obligations             | -\$2,008,425 |
| Total Existing Facility Value            | \$58,698,881 |
| ÷ Existing Service Units (EDUs)          | 150,363      |
| Existing LOS (Replacement Value per EDU) | <b>\$390</b> |

Source: Building and land cost from Table 58; outstanding debt/interfund loans and fund balance from Table 122; existing (2022) EDUs from Table 47.

### Ten-Year Cost per Service Unit

The City does not plan to construct any new impact fee-eligible police capital improvements over the next ten years. The City has already constructed all the improvements it will need to serve buildout development. However, not all the improvements have been fully paid for. The City will need to repay interfund loans from the general fund and to pay for required study updates and audits over the next ten years. The results are shown in Table 60 and indicate a ten-year cost per service unit of \$163 per EDU.



**Table 60. Police Ten-Year Cost per Service Unit**

|  |              |
|--|--------------|
| Interfund Loans for Past Projects              | \$2,008,425  |
| Required Fee Study Updates and Biennial Audits | \$42,950     |
| Total Planned Expenditures                     | \$2,051,375  |
| – Fund Balance                                 | -\$257,453   |
| Total Revenue Needs                            | \$1,793,922  |
| + New Service Units (EDUs), 2022-2032          | 11,007       |
| Ten-Year Cost per Service Unit (EDU)           | <b>\$163</b> |

Source: Outstanding interfund loans and fund balance from Table 122; study cost from Table 125; new service units from Table 47.

### Buildout Cost per Service Unit

The buildout cost per service unit includes the outstanding pledged debt and the cost of required SDF study updates and audits. Since most of these costs will be incurred over the next ten years, the City's buildout revenue needs are the same as its ten-year needs, with the exception that additional fee study update and audits will be required. The results are shown in Table 61 and indicate a buildout cost per service unit of \$74 per EDU.

**Table 61. Police Buildout Cost per Service Unit**

|  |             |
|--|-------------|
| Interfund Loans for Past Projects              | \$2,008,425 |
| Required Fee Study Updates and Biennial Audits | \$83,900    |
| Total Planned Expenditures                     | \$2,092,325 |
| – Fund Balance                                 | -\$257,453  |
| Total Revenue Needs                            | \$1,834,872 |
| + New Service Units (EDUs), 2022-Buildout      | 24,653      |
| Buildout Cost per Service Unit (EDU)           | <b>\$74</b> |

Source: Interfund loans and fund balance from Table 122; study and audit cost from Table 125 and Table 126; new service units from Table 47.

### Cost per Service Unit Summary

The three costs per service unit calculated above are summarized in Table 62. The updated system development fees are based on the buildout cost per service unit, which is the lowest of the three.

**Table 62. Police Cost per Service Unit**

|                                |             |
|--------------------------------|-------------|
| Existing Cost per Service Unit | \$390       |
| Ten-Year Cost per Service Unit | \$163       |
| Buildout Cost per Service Unit | \$74        |
| Lowest Cost per Service Unit   | <b>\$74</b> |

Source: Existing from Table 59; ten-year from Table 60; buildout from Table 61.



## Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The police system development fees calculated in this report are based on the buildout level of service, which is lower than the existing level of service, so there are no existing deficiencies. Other than system development fees, the City has no dedicated source of revenue to fund growth-related police improvements. The City has not received any grant funding for police improvements in recent years, and does not anticipate any grants over the next ten years.

The City has funded police improvements with system development fees or using general fund revenues, either on a pay-go basis or to retire debt. The updated fees are lower than the existing level of service, which has been reduced to account for outstanding interfund loans used to build some existing capacity that will serve future development. Future system development fees can be used to repay that obligation without raising double-payment issues. Consequently, no additional offsets are warranted, and the net cost per service unit is the same as the cost per service unit calculated above.

## Updated System Development Fees

The updated police system development fees that may be adopted by the City based on this study are the products of the number of service units generated by a unit of development for each land use and the net cost per service unit calculated above. The resulting updated fee schedule is presented in Table 63.

**Table 63. Police Net Cost Schedule**

| Land Use             | Unit     | EDUs/<br>Unit | Net Cost/<br>EDU | Net Cost/<br>Unit |
|----------------------|----------|---------------|------------------|-------------------|
| Single-Family        | Dwelling | 1.000000      | \$74             | \$74              |
| Multi-Family         | Dwelling | 0.841000      | \$74             | \$62              |
| Retail/Commercial    | Sq. Ft.  | 0.001048      | \$74             | \$0.078           |
| Office               | Sq. Ft.  | 0.000550      | \$74             | \$0.041           |
| Industrial/Warehouse | Sq. Ft.  | 0.000249      | \$74             | \$0.018           |
| Public/Institutional | Sq. Ft.  | 0.000524      | \$74             | \$0.039           |

Source: EDUs per unit same as for fire from Table 46; net cost per EDU is the lowest cost per EDU from Table 62.



The updated police fees are compared to current fees in Table 64. The updated fees are lower than current fees for all land uses except public/institutional.

**Table 64. Current and Updated Police Fees**

| Land Use             | Unit     | Current Fees | Updated Fees | Percent Change |
|----------------------|----------|--------------|--------------|----------------|
| Single-Family        | Dwelling | \$127        | \$74         | -42%           |
| Multi-Family         | Dwelling | \$94         | \$62         | -34%           |
| Commercial           | Sq. Ft.  | \$0.130      | \$0.078      | -40%           |
| Office               | Sq. Ft.  | \$0.110      | \$0.041      | -63%           |
| Industrial/Warehouse | Sq. Ft.  | \$0.020      | \$0.018      | -10%           |
| Public/Institutional | Sq. Ft.  | \$0.030      | \$0.039      | 30%            |

Source: Current fees from Table 1; updated fees from Table 63.

## Capital Plan

The City has approximately \$2 million in growth-related police capital costs to be paid over the next ten years, as summarized in Table 65.

**Table 65. Police Capital Plan, 2022-2032**

| Improvement/Expenditure                          | 10-Year Cost       |
|--|--------------------|
| FY 2006/2007 Interfund Loan for South Substation | \$2,008,425        |
| Required System Development Fee Studies          | \$32,950           |
| Required Biennial Audits                         | \$10,000           |
| <b>Total</b>                                     | <b>\$2,051,375</b> |

Source: Interfund loan amount from Table 122; study cost from Table 125; audit cost from Table 126.

Projected police system development fee revenue over the next ten years, based on new development anticipated by the land use assumptions, is \$0.81 million. With the inclusion of the current fund balance, the City would have \$1.07 million in system development fee funds available to spend over the next ten years, as shown in Table 66. The City will need to defer some of the interfund loan repayment beyond ten years, but should recover the full cost by buildout.

**Table 66. Projected Police Fee Revenue, 2022-Buildout**

|  | 2022-2032   | 2022-Buildout |
|--|-------------|---------------|
| New Service Units (EDUs)                     | 11,007      | 24,653        |
| x Net Cost per Service Unit (EDU)            | \$74        | \$74          |
| Projected Revenue                            | \$814,518   | \$1,824,322   |
| Current Fund Balance                         | \$257,453   | \$257,453     |
| Total System Development Fee Funds Available | \$1,071,971 | \$2,081,775   |
| ÷ Planned Expenditures                       | \$2,051,375 | \$2,092,325   |
| Percent of Costs Covered by Police Fees      | 52%         | 99%           |

Source: New service units from Table 47; net cost per service unit is the lowest cost per EDU from Table 62; current fund balance from Table 122 in Appendix C; 2022-2032 planned expenditures from Table 65; 2022-buildout planned expenditures from Table 61.



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## PUBLIC BUILDINGS

The City's public building system development fee funds administrative buildings, fleet maintenance facilities and other general government facilities not covered by the City's arterial street, park, fire, police, library, water and wastewater system development fees. Public building fees are no longer authorized by SB 1525 as of January 1, 2012. However, SB 1525 allows cities to continue to collect public building fees to repay debt service obligations for improvement financed before June 1, 2011 that impact fees were pledged to repay.

Attorneys working with the Arizona League of Cities and Towns have interpreted the language of SB 1525 to allow pledges of impact fees to include repayment of interfund loans as well as formal debt instruments. The League's model development impact fee ordinance defines the term "financing or debt" as follows:

*Any debt, bond, note, loan, interfund loan, fund transfer, or other debt service obligation used to finance the development or expansion of a Capital Facility.*

The City recorded two interfund loans from the general fund to the public building system development fee fund for a portion of the cost of construction of the City Hall complex, which was completed in 2010. The interfund loans were made in fiscal years 2010 and 2011, for a total of \$4,369,352. The current interfund loan balance is \$1,764,427. Public building system development fees were pledged to retire this loan by repaying the general fund.

Because public building fees are no longer authorized, SB 1525 update requirements, including preparation of infrastructure improvements plans, do not apply, and the City may continue to charge its current fees until the interfund loan is repaid. The current outstanding interfund loan amount, net of the current fund balance, is about \$1.6 million, as shown in Table 67.

**Table 67. Remaining Public Building Pledged Debt**

|                            |             |
|----------------------------|-------------|
| Outstanding Interfund Loan | \$1,764,427 |
| – Current Fund Balance     | -\$153,003  |
| Future Revenue Needed      | \$1,611,424 |

Source: Outstanding interfund loan and fund balance from Table 122.

Based on the land use assumptions, new development will generate approximately \$1.2 million over the next ten years, as shown in Table 68 below. By buildout, new development could generate about \$2.7 million, but the public building fees will cease to be collected when the pledged debt obligation is repaid.

**Table 68. Public Building Revenue Projections, 10-Year and to Buildout**

|  | 10-Year     | Buildout    |
|--|-------------|-------------|
| New EDUs                               | 11,007      | 24,653      |
| x Current Fee for a Single-Family Unit | \$110       | \$110       |
| Projected Revenue                      | \$1,210,770 | \$2,711,830 |

Source: New EDUs from Table 47 in Fire section; current single-family fee from Table 1; projected revenue is new EDUs times current fee per single-family unit.



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# WATER

This section updates the City’s water system development fees in compliance with the Arizona impact fee enabling act for municipalities.

## Service Units

To calculate water and wastewater impact fees, the demand associated with different types of customers must be expressed in a common unit of measurement, called a “service unit.” The service unit for the City’s water and wastewater system development fees is an “equivalent dwelling unit” (EDU). An EDU is a single-family dwelling unit or its equivalent in terms of water demand.

Residential development is charged per dwelling unit. A single-family unit is, by definition, one EDU. Multi-family development is assessed based on the average water demand of a multi-family unit compared to a single-family unit. Average demand during the summer months is used for this purpose, because water facilities must be sized to accommodate peak season usage. Based on average water demand per unit during the summer months for the last five years, a multi-family unit represents 0.334 water EDUs, as shown in Table 69.

**Table 69. Water Demand per Multi-Family Unit**

|   |       |
|---|-------|
| Average Daily Summer Water Consumption (gpd) per Multi-Family Unit    | 138   |
| ÷ Average Daily Summer Water Consumption (gpd) per Single-Family Unit | 414   |
| Multi-Family EDUs/Unit  | 0.334 |

Source: City of Chandler water billing data for the summer months (May through September), average of fiscal year 2017-2021 data provided by City on August 6, 2022.

The number of water service units associated with a nonresidential customer is determined by the capacity of the water meter relative to the capacity of the smallest meter size. Table 70 on the following page presents EDU multipliers for various meter sizes based on meter capacities.



**Table 70. Meter Capacity Ratios**

| Meter Size  | Type         | Capacity (gpm) | EDU Multiplier |
|-------------|--------------|----------------|----------------|
| 5/8" x 3/4" | Disc         | 10             | 1.0            |
| 3/4"        | Disc         | 15             | 1.5            |
| 1"          | Disc         | 25             | 2.5            |
| 1 1/2"      | Disc         | 50             | 5.0            |
| 2"          | Disc/Turbine | 80             | 8.0            |
| 3"          | Compound     | 225            | 22.5           |
| 4"          | Compound     | 250            | 25.0           |
| 6"          | Compound     | 500            | 50.0           |
| 8"          | Compound     | 800            | 80.0           |
| 3"          | Turbine      | 175            | 17.5           |
| 4"          | Turbine      | 300            | 30.0           |
| 6"          | Turbine      | 625            | 62.5           |
| 8"          | Turbine      | 900            | 90.0           |
| 10"         | Turbine      | 1,450          | 145.0          |
| 12"         | Turbine      | 2,150          | 215.0          |
| 16"         | Turbine      | 3,100          | 310.0          |

Source: Meter capacities in gallons per minute (gpm) represent the recommended maximum rates for continuing operations from Chandler Public Works & Utilities Department, January 4, 2023.

The number of existing water service units are estimated based on the number of current City water customers and the service unit multipliers described above. As shown in Table 71, the City's current water customer base amounts to 124,954 service units (EDUs).

**Table 71. Existing Water Service Units**

| Meter Size               | Type         | Units or Meters | EDU Multiplier | EDUs    |
|--------------------------|--------------|-----------------|----------------|---------|
| 5/8"x3/4"                | Disc         | 545             | 1.0            | 545     |
| 3/4"                     | Disc         | 274             | 1.5            | 411     |
| 1"                       | Disc         | 1,250           | 2.5            | 3,125   |
| 1 1/2"                   | Disc         | 1,226           | 5.0            | 6,130   |
| 2"                       | Disc/Turbine | 1,791           | 8.0            | 14,328  |
| 3"                       | Compound     | 94              | 22.5           | 2,115   |
| 4"                       | Compound     | 57              | 25.0           | 1,425   |
| 6"                       | Turbine      | 27              | 62.5           | 1,688   |
| 8"                       | Turbine      | 13              | 90.0           | 1,170   |
| 10"                      | Turbine      | 7               | 145.0          | 1,015   |
| 12"                      | Turbine      | 1               | 215.0          | 215     |
| 16"                      | Turbine      | 3               | 310.0          | 930     |
| Subtotal, Nonresidential |              | 5,288           | n/a            | 33,097  |
| Single-Family Units      |              | 80,938          | 1.000          | 80,938  |
| Multi-Family Units       |              | 32,692          | 0.334          | 10,919  |
| Total Water EDUs         |              |                 |                | 124,954 |

Source: Residential units and nonresidential meters (excluding hydrant and fire flow meters) from City of Chandler, Public Works & Utilities Department, August 6, 2022; multi-family EDU multiplier from Table 69; EDU multipliers by meter size from Table 70.



The number of service units should increase proportionately with the increase in water demand. As shown in Table 72, average daily water demand and service units are projected to increase by 23,575 over the next ten years, and by 42,442 from 2022 to buildout.

**Table 72. Water Demand and Service Units, 2022-Buildout**

|                               | 2020       | 2022       | 2032       | Buildout   |
|-------------------------------|------------|------------|------------|------------|
| Water Avg. Daily Demand (gpd) | 60,500,000 | 62,870,000 | 74,710,000 | 84,200,000 |
| Water EDUs                    |            | 124,954    | 148,529    | 167,396    |
| New EDUs, 2022-2032           |            |            | 23,575     |            |
| New EDUs, 2022-Buildout       |            |            |            | 42,442     |

Source: 2020 and buildout average day water demand from City of Chandler, August 6, 2022 (2022 is straight-line interpolation between 2020 and an estimated 2040 buildout; 2032 is 55.5% of remaining 2022-buildout demand (percent of city-wide population from Table 6 and employment from Table 9 in the Land Use Assumptions section); 2022 water EDUs from Table 71; 2032 and buildout EDUs projected to increase proportionately to water demand.

### Cost per Service Unit

As described earlier in the Methodology subsection of the Legal Framework section, the updated system development fees are based on the lowest of three costs per service unit: existing level of service, ten-year cost and buildout cost.

### Existing Level of Service

The existing level of service for the water system development fees is quantified, in large part, by the capacity provided by existing water facilities and the current cost to construct that capacity. Water production facilities (surface water treatment plants and wells) must be sized for maximum day demand. System-wide maximum day water demand (in millions of gallons or mgd) and water production capacity are summarized in Table 73 for both existing and buildout conditions. Current water production capacity is sufficient to accommodate buildout demand.

**Table 73. Water Demand and Capacity, 2022-Buildout**

|                                 | 2022   | Buildout |
|---------------------------------|--------|----------|
| Annual Average Day Demand (mgd) | 62.87  | 84.20    |
| x Peaking Factor                | 1.33   | 1.33     |
| Maximum Day Demand (mgd)        | 83.62  | 111.99   |
|                                 |        |          |
| Total Production Capacity (mgd) | 149.30 | 149.30   |

Source: Average day demand projections and peaking factor from City of Chandler Public Works & Utilities Department, August 6, 2022; 2022 and buildout capacity from Table 74.

Chandler's water production capacity consists of the City-owned Surface Water Treatment Plant, the City-owned capacity in the San Tan Vista Water Treatment Plant co-owned with the Town of Gilbert, and the firm capacity of the City's groundwater wells (firm capacity is capacity with the largest well in each pressure zone out of service). Existing water production capacities available to meet maximum day demands are detailed in Table 74. The City has sufficient existing capacity to accommodate projected buildout demand.



**Table 74. Existing Water Production Capacity**

| <b>Water Production Facility</b> | <b>Capacity (mgd)</b> |
|----------------------------------|-----------------------|
| Surface Water Treatment Plant    | 60.0                  |
| San Tan Vista WTP, Phases I & II | 24.0                  |
| Subtotal, Treatment Plants       | 84.0                  |
| Airport Well                     | 2.3                   |
| Amberwood Well                   | 1.5                   |
| Appleby Well                     | 2.3                   |
| Arrowhead Well                   | 2.9                   |
| Bright Angel Well                | 1.0                   |
| Brooks Crossing Well*            | 3.3                   |
| Bush Way Well                    | 1.8                   |
| Colt Well                        | 2.3                   |
| Desert Breeze Well               | 4.2                   |
| East Knox                        | 0.7                   |
| Eastwood Well                    | 2.2                   |
| Fire Station Well                | 2.4                   |
| Frye Well                        | 2.4                   |
| Hahn Well (owned by SRP)         | 2.1                   |
| Hightown Well                    | 2.7                   |
| Iris Well                        | 1.6                   |
| Knox Well                        | 2.2                   |
| Lindsay Well*                    | 3.4                   |
| McDermott Well                   | 2.2                   |
| McQueen Well                     | 2.9                   |
| Monterey Well*                   | 5.0                   |
| Normal Well                      | 1.9                   |
| Ocotillo Well                    | 1.1                   |
| Pennington Well                  | 2.5                   |
| Pleasant Well                    | 1.5                   |
| Price South Well No. 2           | 1.0                   |
| Riggs Well                       | 2.0                   |
| Roosevelt Well                   | 2.2                   |
| Rural Road Well                  | 4.2                   |
| Shawnee Well                     | 1.9                   |
| Warner Well (owned by SRP)       | 3.0                   |
| Subtotal, Wells                  | 72.7                  |
| Subtotal, Well Firm Capacity*    | 65.3                  |
| Total Firm Capacity              | 149.3                 |

\* firm capacity excludes largest well in each pressure zone and Brooks Crossing, which is dedicated for industrial use

Source: City of Chandler Public Works & Utilities Department, August 6, 2022 (total firm capacity is sum of treatment plant capacity and firm well capacity).

A water system must have sufficient storage capacity to meet peak day as well as peak hour requirements. According to the City's most recent water master plan, Chandler currently has sufficient storage capacity to accommodate buildout needs. The existing storage capacity is summarized in Table 75.



**Table 75. Existing Water Storage Capacity**

|                                | Gallons<br>(millions) |
|--------------------------------|-----------------------|
| Airport Tank                   | 2.0                   |
| Alamosa Tank                   | 2.0                   |
| Apache Tank                    | 2.0                   |
| Arrowhead Tank                 | 2.0                   |
| Basha Road Tank                | 2.0                   |
| Brooks Crossing Tank           | 1.0                   |
| Bush Way Tank                  | 2.0                   |
| Colt Tank                      | 2.0                   |
| Dobson South Tank              | 2.0                   |
| Frye Tank *                    | n/a                   |
| Gilbert Road Tank              | 2.0                   |
| Hahn Tank                      | 2.0                   |
| Hunt Highway Tank              | 2.0                   |
| Lindsay Road Tank              | 2.0                   |
| McQueen Tank                   | 1.0                   |
| Monterey Tank                  | 2.0                   |
| Price South Tank *             | n/a                   |
| Roosevelt Tank *               | n/a                   |
| Rural Tank                     | 2.0                   |
| SWTP Finished Water Reservoirs | 12.0                  |
| <b>Total</b>                   | <b>42.0</b>           |

\* will be removed from service by 2024

Source: City of Chandler Public Works & Utilities Department, August 6, 2022.

Another essential component of a water system is booster pumps, which are used to inject water from treatment plants, direct-pumping wells and storage tanks into the transmission/distribution system at the appropriate pressure. The City's existing booster pump station capacities are summarized in Table 76.



**Table 76. Existing Booster Pump Station Capacity**

| Booster Pump Station    | Existing Firm Capacity (mgd) |
|-------------------------|------------------------------|
| Airport                 | 2.1                          |
| Alamosa                 | 6.0                          |
| Apache                  | 3.7                          |
| Arrowhead               | 4.4                          |
| Basha Road              | 6.1                          |
| Brooks Crossing         | 3.3                          |
| Bush Way                | 5.1                          |
| Colt                    | 3.8                          |
| Dobson South            | 4.5                          |
| Frye                    | n/a                          |
| Gilbert Road            | 5.8                          |
| Hahn                    | 3.9                          |
| Hunt Highway            | 3.8                          |
| Lindsay Road            | 5.7                          |
| McQueen                 | 1.7                          |
| Monterey                | 3.1                          |
| Price South             | n/a                          |
| Roosevelt               | n/a                          |
| Rural                   | 7.3                          |
| SWTP Pump Station No. 1 | 54.0                         |
| SWTP Pump Station No. 2 | 18.0                         |
| Direct-Pumping Wells    | 22.3                         |
| <b>Total</b>            | <b>164.6</b>                 |

Source: City of Chandler Public Works & Utilities Department, August 6, 2022.

A final component of a water system is the transmission and distribution lines that convey the potable water to the customer. Water impact fees typically charge only for transmission lines, since distribution lines are often constructed by developers without credit against their water impact fees. The City's water master plan does not clearly distinguish between transmission and distribution lines. For this study, transmission lines are defined as any waterline of 16 inches in diameter or greater. The current inventory of transmission lines is provided in Table 77.

**Table 77. Existing Water Transmission Lines**

| Pipe Size (in.) | Linear Feet |
|-----------------|-------------|
| 16              | 561,191     |
| 20              | 8,010       |
| 24              | 127,745     |
| 30              | 41,513      |
| 36              | 54,287      |
| 42              | 11,576      |
| 48              | 14,438      |

Source: City of Chandler Public Works & Utilities Department, August 6, 2022.



Prior to the 2014 update, a separate water resources system development fee was assessed only on new water customers located on lands lacking water rights that can be provided to the City as a condition of water service. These are Salt River Project (SRP) Off-Project and Non-Member lands. In the 2014 update, the cost of water supplies was included in the water system development fee assessed to all new water customers. This change was based on analysis presented in the 2014 study demonstrating that SRP On-Project lands have no additional water rights to offset their additional water demands.

Current and buildout water supplies are summarized in Table 78. This analysis shows that the ratio of water supplies to water demand will fall from now to buildout, indicating that the City currently has sufficient water supply capacity to serve buildout development.

**Table 78. Water Supplies, 2022-Buildout**

|  |           |
|--|-----------|
| Surface Water Supplies Available (acre-feet/year)              | 93,605    |
| Groundwater Safe Yield Pumping (acre-feet/year)                | 4,400     |
| Total Water Supply Available (acre-feet/year)                  | 98,005    |
| x Conversion Factor  | 0.0008927 |
| Total Water Supply Available (mgd)                             | 87.49     |
| ÷ Current Average Day Water Demand (mgd)                       | 62.87     |
| Current Ratio of Water Supply to Average Day Demand            | 1.39      |
| New Water Supplies Planned to be Acquired (mgd), 2022-Buildout | 4.10      |
| ÷ New Average Day Water Demand (mgd), 2022-Buildout            | 21.33     |
| Ratio of New Water Supplies to New Average Day Demand          | 0.19      |
| Buildout Water Supplies (mgd)                                  | 91.59     |
| ÷ Buildout Average Day Water Demand (mgd)                      | 84.20     |
| Buildout Ratio of Water Supplies to Average Day Demand         | 1.09      |

Source: Current and buildout water supplies from City of Chandler Public Works & Utilities Department, August 6, 2022; acre-feet to mgd conversion factor is 325,851 gallons per acre-foot divided by 365 days per year divided by 1 million; current and buildout average day water demand from Table 73.

The City has made two water supply acquisitions over the past several years. Based on these costs, the current marginal cost of additional water supplies is estimated to be \$5.85 per gallon per day, as shown in Table 79. Note that the White Mountain settlement cost will increase with the Consumer Price Index until a dam is built and the settlement is finalized.

**Table 79. Water Supplies Cost per Gallon per Day**

|  | Cost         | Gallons/Day | Cost/gpd |
|--|--------------|-------------|----------|
| Gila River Indian Community CAP Purchase, FY 2018-2020 | \$42,860,000 | 5,500,000   | \$7.79   |
| White Mountain Apache Tribe Water Settlement, FY 2020  | \$13,257,195 | 4,100,000   | \$3.23   |
| Water Supplies Cost per Gallon per Day                 | \$56,117,195 | 9,600,000   | \$5.85   |

Source: Planned water supply cost and capacity from City of Chandler, Public Works & Utilities Department, August 6, 2022.

As shown above, there is some excess capacity in current water supplies. The percentage of existing water supplies that are utilized by current customers, based on the projected buildout ratio of water supplies to average day water demand, is estimated at about 78% in Table 80 below.



**Table 80. Percent of Water Supplies Currently Utilized**

|   |        |
|---|--------|
|   | 62.87  |
| Current Average Day Water Demand (mgd)                        | 62.87  |
| x Buildout Ratio of Water Supplies to Daily Demand            | 1.09   |
| Current Water Supplies Utilized (mgd)                         | 68.39  |
| ÷ Existing Water Supplies (mgd)                               | 87.49  |
| Percent of Existing Water Supplies Utilized at Buildout Ratio | 78.17% |

Source: Current demand, buildout ratio, and existing water supplies from Table 78.

The replacement cost of Chandler's existing water system is estimated based on current capacities and the current unit costs to construct water facilities and to acquire additional water supplies, as shown in Table 81.

**Table 81. Replacement Cost of Existing Water Facilities**

| System Component                       | Unit        | Existing Units | Unit Cost | Replacement Cost       |
|--|-------------|----------------|-----------|------------------------|
| Water Supplies                         | gallons/day | 87,490,000     | \$5.85    | \$511,816,500          |
| Treatment Plant Capacity               | gallons/day | 84,000,000     | \$3.63    | \$304,920,000          |
| Well Capacity                          | gallons/day | 65,300,000     | \$1.69    | \$110,357,000          |
| Storage Capacity                       | gallons     | 42,000,000     | \$1.62    | \$68,040,000           |
| Booster Pump Station Capacity          | gallons/day | 164,600,000    | \$0.68    | \$111,928,000          |
| 16" Transmission Lines                 | linear feet | 561,191        | \$325     | \$182,364,627          |
| 20" Transmission Lines                 | linear feet | 8,010          | \$406     | \$3,253,662            |
| 24" Transmission Lines                 | linear feet | 127,745        | \$487     | \$62,268,023           |
| 30" Transmission Lines                 | linear feet | 41,513         | \$609     | \$25,293,871           |
| 36" Transmission Lines                 | linear feet | 54,287         | \$731     | \$39,692,483           |
| 42" Transmission Lines                 | linear feet | 11,576         | \$853     | \$9,874,560            |
| 48" Transmission Lines                 | linear feet | 14,438         | \$975     | \$14,075,317           |
| Total Existing System Replacement Cost |             |                |           | <b>\$1,443,884,043</b> |

Source: Existing water supplies from Table 78; unit cost for water supplies from Table 79; existing treatment plant and well firm capacity from Table 74; storage capacity from Table 75; booster pump station capacity from Table 76; linear feet transmission lines from Table 77; unit costs other than water supplies from Public Works & Utilities Department, August 6, 2022.

The existing level of service for water facilities is calculated in Table 82 by dividing the replacement cost of existing facilities utilized by existing customers, less outstanding debt obligations, by the number of existing service units. The result is \$7,341 per equivalent dwelling unit (EDU).

**Table 82. Water Existing Level of Service**

| Water System Component                    | Replacement Cost | Percent Utilized | Cost Utilized   | Existing EDUs | Cost/EDU       |
|---|------------------|------------------|-----------------|---------------|----------------|
| Water Supplies                            | \$511,816,500    | 78.17%           | \$400,086,958   | n/a           | n/a            |
| Treatment Plant and Well Facilities       | \$415,277,000    | 56.01%           | \$232,596,648   | n/a           | n/a            |
| Storage, Pumping, Transmission Facilities | \$516,790,543    | 74.67%           | \$385,887,498   | n/a           | n/a            |
| Total Cost                                | \$1,443,884,043  |                  | \$1,018,571,104 | n/a           | n/a            |
| – Outstanding Debt/Interfund Loans        |                  |                  | -\$113,317,614  | n/a           | n/a            |
| Fund Balance                              |                  |                  | \$12,088,518    | n/a           | n/a            |
| Net Cost                                  |                  |                  | \$917,342,008   | 124,954       | <b>\$7,341</b> |

Source: Replacement costs from Table 81; percent of water supply from Table 80; percent of treatment plant and well facilities is ratio of existing demand to existing capacity from Table 73; percent of storage, pumping and transmission facilities is ratio of existing to buildout water demand from Table 72; outstanding debt/interfund loans from Table 122; existing (2022) service units from Table 72.



### Ten-Year Cost per Service Unit

The City does not plan to make any capacity-expanding improvements to the water system over the next ten years. The City will need to repay outstanding debt and interfund loans on several past capacity projects with excess capacity, pay encumbrances on current projects, and pay for required study updates and biennial audits over the next ten years. The results are shown in Table 83 and indicate a ten-year cost per service unit of \$4,426 per EDU.

**Table 83. Water Ten-Year Cost per Service Unit**

|  |                |
|--|----------------|
| Debt/Interfund Loan Obligations          | \$113,317,614  |
| Encumbrances on Current Projects         | \$3,081,634    |
| Required Fee Studies and Biennial Audits | \$42,950       |
| Total Expenditures                       | \$116,442,198  |
| – Fund Balance                           | -\$12,088,518  |
| Total Revenue Needs                      | \$104,353,680  |
| ÷ New Service Units (EDUs), 2022-2032    | 23,575         |
| Ten-Year Cost per Service Unit (EDU)     | <b>\$4,426</b> |

Source: Planned project and cost from City of Chandler, 2023-2032 *Capital Improvement Program*; debt/interfund loans, encumbrances, and account balance from Table 122; study and audit costs from Table 125 and Table 126, respectively; new service units from Table 72.

### Buildout Cost per Service Unit

No additional improvements to the water system are planned prior to buildout. The buildout cost per service unit represents costs that will be incurred by the City to buildout to repay outstanding debt and interfund loans associated with existing capacity available to serve new development, pay encumbrances on current projects, and pay for study updates and biennial audits from now to buildout. Dividing buildout costs by new service units to buildout results in a buildout cost per service unit of \$2,460 per EDU, as shown in Table 84.

**Table 84. Water Buildout Cost per Service Unit**

|   |                |
|---|----------------|
| Debt/Interfund Loan Obligations           | \$113,317,614  |
| Encumbrances on Current Projects          | \$3,081,634    |
| Required Fee Studies and Biennial Audits  | \$83,900       |
| Total Expenditures                        | \$116,483,148  |
| – Fund Balance                            | -\$12,088,518  |
| Total Revenue Needs                       | \$104,394,630  |
| ÷ New Service Units (EDUs), 2022-Buildout | 42,442         |
| Buildout Cost per Service Unit (EDU)      | <b>\$2,460</b> |

Source: Planned project and cost from City of Chandler, 2023-2032 *Capital Improvement Program*; debt/interfund loans, encumbrances, and account balance (sum of water and water resources) from Table 122; study and audit costs from Table 125 and Table 126, respectively; new service units from Table 72.



### Cost per Service Unit Summary

The three costs per service unit calculated above are summarized in Table 85. The updated system development fees are based on the buildout cost per service unit, which is the lowest of the three.

**Table 85. Water Cost per Service Unit**

|                                |                |
|--------------------------------|----------------|
| Existing Cost per Service Unit | \$7,341        |
| Ten-Year Cost per Service Unit | \$4,426        |
| Buildout Cost per Service Unit | \$2,460        |
| Lowest Cost per Service Unit   | <b>\$2,460</b> |

Source: Existing from Table 82; ten-year from Table 83; buildout from Table 84.

### Net Cost per Service Unit

As noted in the Legal Framework section, impact fees should be reduced (or “offset”) to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt/interfund loans on existing facilities, and dedicated revenue sources to fund growth-related improvements.

The water system development fees calculated in this report are based on the buildout cost per service unit, which is lower than the existing level of service, so there are no existing deficiencies. The outstanding debt/interfund loans for capacity improvements has been excluded from the existing level of service calculation, and can reasonably be attributed to capacity that is available for future customers. Other than system development fees and water utility rates, the City has no dedicated source of revenue to fund growth-related water improvements. The City has not received any grant funding for water improvements in recent years and does not anticipate any grants over the next ten years. Consequently, no additional offsets are warranted, and the net cost per service unit is the same as the cost per service unit calculated above.

### Updated System Development Fees

The updated water system development fees that may be adopted by the City based on this study are determined by multiplying the number of service units generated by a dwelling unit or nonresidential meter by the net cost per service unit calculated above. The resulting updated fee schedule is presented in Table 86.



**Table 86. Water Net Cost Schedule**

| Housing/Meter Type    | EDUs per Unit/Meter | Net Cost/EDU | Net Cost per Unit/Meter |
|-----------------------|---------------------|--------------|-------------------------|
| Single-Family Unit    | 1.000               | \$2,460      | \$2,460                 |
| Multi-Family Unit     | 0.334               | \$2,460      | \$822                   |
| Nonresidential Meter: |                     |              |                         |
| 3/4" Disc             | 1.5                 | \$2,460      | \$3,690                 |
| 1" Disc               | 2.5                 | \$2,460      | \$6,150                 |
| 1 1/2" Disc           | 5.0                 | \$2,460      | \$12,300                |
| 2" Disc/Turbine       | 8.0                 | \$2,460      | \$19,680                |
| 3" Compound           | 22.5                | \$2,460      | \$55,350                |
| 4" Compound           | 25.0                | \$2,460      | \$61,500                |
| 6" Compound           | 50.0                | \$2,460      | \$123,000               |
| 8" Compound           | 80.0                | \$2,460      | \$196,800               |
| 3" Turbine            | 17.5                | \$2,460      | \$43,050                |
| 4" Turbine            | 30.0                | \$2,460      | \$73,800                |
| 6" Turbine            | 62.5                | \$2,460      | \$153,750               |
| 8" Turbine            | 90.0                | \$2,460      | \$221,400               |

Source: Single-family EDUs per unit is by definition 1.000; multi-family EDUs per unit from Table 69; nonresidential EDUs per meter from Table 70; net cost per EDU is the lowest cost per EDU from Table 85.

The updated water fees are compared to current fees in Table 87 below. The updated fees are 28% lower than current fees for most new customers. The fee for the 3" compound meter increases because the capacity of this meter size has been reevaluated and increased significantly (from 160 to 225 gallons per minute) as part of this update.

**Table 87. Current and Updated Water Fees**

| Housing/Meter Type    | Current Fee | Updated Fee | Percent Change |
|-----------------------|-------------|-------------|----------------|
| Single-Family Unit    | \$3,397     | \$2,460     | -28%           |
| Multi-Family Unit     | \$1,281     | \$822       | -36%           |
| Nonresidential Meter: |             |             |                |
| 3/4" Disc             | \$5,096     | \$3,690     | -28%           |
| 1" Disc               | \$8,493     | \$6,150     | -28%           |
| 1 1/2" Disc           | \$16,985    | \$12,300    | -28%           |
| 2" Disc/Turbine       | \$27,176    | \$19,680    | -28%           |
| 3" Compound           | \$54,352    | \$55,350    | 2%             |
| 4" Compound           | \$84,925    | \$61,500    | -28%           |
| 6" Compound           | \$169,850   | \$123,000   | -28%           |
| 8" Compound           | \$271,760   | \$196,800   | -28%           |
| 3" Turbine            | \$59,448    | \$43,050    | -28%           |
| 4" Turbine            | \$101,910   | \$73,800    | -28%           |
| 6" Turbine            | \$212,313   | \$153,750   | -28%           |
| 8" Turbine            | \$305,730   | \$221,400   | -28%           |

Source: Current water fees from Table 2; updated fees from Table 86.



## Capital Plan

The City has approximately \$116 million in anticipated growth-related water costs over the next ten years, as summarized in Table 88.

**Table 88. Water Capital Plan, 2022-2032**

|   |                      |
|---|----------------------|
| Outstanding Pledged Debt/Interfund Loans        | \$113,317,614        |
| Encumbrances/Carry-Forwards                     | \$3,081,634          |
| Required System Development Fee Studies         | \$32,950             |
| Required System Development Fee Biennial Audits | \$10,000             |
| <b>Total Planned Expenditures</b>               | <b>\$116,442,198</b> |

Source: Planned projects and costs from City of Chandler, 2023-2032 *Capital Improvement Program*; encumbrances and; debt/interfund loans from Table 122; study cost from Table 125.

New water customers projected by the City's water demand forecasts would generate the revenues shown in Table 89 below. Anticipated water system development fee revenues plus the current fund balance would be sufficient to cover all of the future City costs to buildout, and would cover 60% of costs anticipated to be incurred the next ten years. The City will need to defer some debt/interfund loan repayments beyond ten years.

**Table 89. Projected Water Fee Revenue, 2022-Buildout**

|  | 2022-2032     | 2022-Buildout |
|--|---------------|---------------|
| New Water Service Units (EDUs)               | 23,575        | 42,442        |
| x Net Cost per Service Unit (EDU)            | \$2,460       | \$2,460       |
| Projected Revenue                            | \$57,994,500  | \$104,407,320 |
| Current Fund Balance                         | \$12,088,518  | \$12,088,518  |
| Total System Development Fee Funds Available | \$70,083,018  | \$116,495,838 |
| ÷ Total Planned Expenditures                 | \$116,442,198 | \$116,483,148 |
| Percent of Costs Covered by Water Fees       | 60%           | 100%          |

Source: New service units from Table 72; net cost per service unit is the lowest cost per EDU from Table 85; planned expenditures from Table 83 (2022-2032) and Table 84 (2022-buildout)); current fund balance from Table 122 in Appendix C.



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# WASTEWATER

This section updates the City’s wastewater system development fees in compliance with the Arizona impact fee enabling act for municipalities.

## Service Units

To calculate wastewater impact fees, the demand associated with different types of customers must be expressed in a common unit of measurement, called a “service unit.” The service unit for the City’s water and wastewater system development fees is an “equivalent dwelling unit” (EDU). An EDU is a single-family dwelling unit or its equivalent in terms of wastewater demand.

Residential development is charged per dwelling unit. A single-family unit is, by definition, one EDU. Multi-family development is assessed based on the average wastewater demand of a multi-family unit compared to a single-family unit. While wastewater flow is not metered directly, it can be estimated based on average water demand per unit during the winter months, when outdoor water use is limited and most water used is returned to the wastewater system. Based on billing data for the last five years, a multi-family unit represents 0.424 of a wastewater EDU, as shown in Table 90.

**Table 90. Wastewater Demand per Multi-Family Unit**

|   |       |
|---|-------|
| Average Daily Winter Water Consumption (gpd) per Multi-Family Unit    | 120   |
| ÷ Average Daily Winter Water Consumption (gpd) per Single-Family Unit | 283   |
| Multi-Family EDUs/Unit  | 0.424 |

Source: City of Chandler water billing data for the winter months, average of fiscal years 2016/17 through 2020/21, based on data provided by City on August 6, 2022.

The number of wastewater service units associated with a nonresidential customer is determined by the capacity of the water meter relative to the capacity of the smallest meter size. The water meter capacity ratios presented earlier in the Water section (see Table 70) will also be used to determine relative wastewater demand for nonresidential customers. The number of existing wastewater service units are estimated based on the number of current City wastewater customers and the service unit multipliers described above. As shown in Table 91, the City’s current wastewater customer base amounts to 118,261 service units (EDUs).



**Table 91. Existing Wastewater Service Units**

| Meter Size               | Type         | Units or Meters | EDU Multiplier | EDUs           |
|--------------------------|--------------|-----------------|----------------|----------------|
| 5/8"x3/4"                | Disc         | 359             | 1.00           | 359            |
| 3/4"                     | Disc         | 114             | 1.50           | 171            |
| 1"                       | Disc         | 582             | 2.50           | 1,455          |
| 1 1/2"                   | Disc         | 782             | 5.00           | 3,910          |
| 2"                       | Disc/Turbine | 1,154           | 8.00           | 9,232          |
| 3"                       | Compound     | 88              | 22.50          | 1,980          |
| 4"                       | Compound     | 56              | 25.00          | 1,400          |
| 6"                       | Turbine      | 26              | 62.50          | 1,625          |
| 8"                       | Turbine      | 13              | 90.00          | 1,170          |
| 10"                      | Turbine      | 7               | 145.00         | 1,015          |
| 12"                      | Turbine      | 1               | 215.00         | 215            |
| 16"                      | Turbine      | 3               | 310.00         | 930            |
| Subtotal, Nonresidential |              | 3,185           | n/a            | 23,462         |
| Single-Family Units      |              | 80,938          | 1.000          | 80,938         |
| Multi-Family Units       |              | 32,692          | 0.424          | 13,861         |
| Total Wastewater EDUs    |              |                 |                | <b>118,261</b> |

Source: Residential units and nonresidential meters (excluding landscape meters) from City of Chandler, Public Works & Utilities Department, August 6, 2022; multi-family EDU multiplier from Table 90; EDUs multipliers by meter size from Table 70.

The number of wastewater service units should increase proportionately with the increase in wastewater demand. As shown in Table 92, average daily wastewater demand and service units are projected to increase by 11,582 over the next ten years, and by a total of 20,952 new service units from 2022 to buildout.

**Table 92. Wastewater Demand and Service Units, 2022-Buildout**

|                                    | 2020       | 2022           | 2032           | Buildout       |
|------------------------------------|------------|----------------|----------------|----------------|
| Wastewater Avg. Daily Demand (gpd) | 29,420,000 | 30,010,000     | 32,980,000     | 35,360,000     |
| Wastewater EDUs                    |            | <b>118,261</b> | <b>129,843</b> | <b>139,213</b> |
| New EDUs, 2022-2032                |            |                | <b>11,582</b>  |                |
| New EDUs, 2022-Buildout            |            |                |                | <b>20,952</b>  |

Source: 2020 and buildout average day wastewater demand from City of Chandler, Public Works & Utilities Department, August 6, 2022 (2022 is straight-line interpolation between 2020 and an estimated 2040 buildout; 2032 is 55.5% of remaining 2022-buildout demand (based on MAG population in Table 6 in the Land Use Assumptions section); 2022 wastewater EDUs from Table 91; 2032 and buildout EDUs projected to increase proportionately to water demand.

The updated projection of buildout demand of 35.4 mgd is 19% less than the 43.6 mgd projected for buildout in 2018. The lowered projection is due to Intel's recent completion of their private water reclamation plant, which will treat their wastewater and reduce demand on City wastewater treatment facilities.



## Cost per Service Unit

As described earlier in the Methodology subsection of the Legal Framework section, the updated system development fees are based on the lowest of three costs per service unit: existing level of service, ten-year cost and buildout cost.

### Existing Level of Service

The existing level of service for the wastewater system development fees is quantified, in large part, by the capacity provided by existing wastewater facilities and the current cost to construct that capacity.

Chandler's wastewater treatment facilities include the Ocotillo and Airport Water Reclamation Facilities and the Lone Butte Wastewater Treatment Plant. The capacity of existing and planned treatment facilities is summarized in Table 93. Because the Lone Butte plant will be decommissioned, it is not included in determining the existing level of service.

**Table 93. Wastewater Treatment Capacity, 2022-Buildout**

| Wastewater Facility                                  | Current | Buildout |
|--|---------|----------|
| Ocotillo Water Reclamation Facility Capacity (mgd)   | 18.6    | 18.6     |
| Airport Water Reclamation Facility Capacity (mgd)    | 27.0    | 27.0     |
| Lone Butte Wastewater Treatment Plant Capacity (mgd) | 8.8     | 0.0      |
| Total Treatment Capacity (mgd)                       | 54.4    | 45.6     |
| Total Capacity Excluding Lone Butte (mgd)            | 45.6    | 45.6     |

Source: Treatment plant capacity from City of Chandler Public Works & Utilities Department, August 6, 2022.

The wastewater collection system consists of lift stations, force mains and gravity lines. Existing lift station capacities are summarized in Table 94.

**Table 94. Existing Lift Station Capacity**

| Lift Station              | Firm Capacity (mgd) |
|---------------------------|---------------------|
| Golf Course               | 1.6                 |
| Manganaro                 | 10.0                |
| Mission Estates           | 0.5                 |
| Ocotillo (to Airport WRF) | 20.0                |
| Old Pecos                 | 2.7                 |
| Riggs                     | 3.0                 |
| Robertson                 | 5.8                 |
| Sunbird                   | 0.7                 |
| Total                     | 44.3                |

Source: City of Chandler Public Works & Utilities Department, August 22, 2022.

Another component of a wastewater system is the gravity mains and force mains that convey the wastewater to the treatment plants. Wastewater impact fees typically charge only for major system lines, since local lines are often constructed by developers without credit against their wastewater impact fees. The City's wastewater master plan does not clearly distinguish between system lines and local lines. For this study, system lines are defined as gravity mains of 18 inches in diameter or greater, and force mains of 12 inches or greater. These are summarized in Table 95.



**Table 95. Existing Wastewater System Line Costs**

| Pipe Diameter (inches)      | Linear Feet    | Cost/ Foot | System Line Cost     |
|-----------------------------|----------------|------------|----------------------|
| 18                          | 130,034        | \$487      | \$63,383,773         |
| 21                          | 36,129         | \$569      | \$20,545,840         |
| 24                          | 66,748         | \$650      | \$43,380,860         |
| 27                          | 55,228         | \$731      | \$40,380,504         |
| 30                          | 66,191         | \$812      | \$53,773,568         |
| 33                          | 7,326          | \$894      | \$6,546,807          |
| 36                          | 16,030         | \$975      | \$15,627,326         |
| 39                          | 5,274          | \$1,056    | \$5,569,977          |
| 42                          | 13,475         | \$1,137    | \$15,325,926         |
| 48                          | 20,061         | \$1,273    | \$25,537,653         |
| 60                          | 220            | \$1,625    | \$357,456            |
| 66                          | 13,635         | \$1,787    | \$24,369,563         |
| <b>Total, Gravity Mains</b> | <b>430,351</b> |            | <b>\$314,799,253</b> |
| 12                          | 6,245          | \$292      | \$1,826,288          |
| 16                          | 12,192         | \$390      | \$4,753,905          |
| 18                          | 10,913         | \$439      | \$4,787,097          |
| 20                          | 35,899         | \$487      | \$17,497,173         |
| 24                          | 22,532         | \$585      | \$13,178,516         |
| 42                          | 23,902         | \$1,023    | \$24,451,746         |
| <b>Total, Force Mains</b>   | <b>111,683</b> |            | <b>\$66,494,724</b>  |

Source: City of Chandler Public Works & Utilities Department, August 6, 2022.

The replacement cost of Chandler's existing wastewater system is estimated based on current capacities and the current unit costs to construct wastewater facilities, as shown in Table 96.

**Table 96. Replacement Cost of Existing Wastewater Facilities**

| System Component  | Unit        | Existing Units | Unit Cost | Replacement Cost       |
|---|-------------|----------------|-----------|------------------------|
| Treatment Plants*   | gallons/day | 45,600,000     | \$24.37   | \$1,111,272,000        |
| Lift Stations   | gallons/day | 44,300,000     | \$1.80    | \$79,740,000           |
| Gravity Mains   | linear feet | 430,351        | n/a       | \$314,799,253          |
| Force Mains   | linear feet | 111,683        | n/a       | \$66,494,724           |
| <b>Total Replacement Cost of Existing Wastewater Facilities</b> |             |                |           | <b>\$1,572,305,977</b> |

\* excludes Lone Butte plant, which is planned to be decommissioned

Source: Treatment plant capacity (excluding Lone Butte) from Table 93; lift station capacity from Table 94; linear feet and costs of gravity and force mains from Table 95; unit costs for treatment and lift station capacity from City of Chandler Public Works & Utilities Department, August 6, 2022.

The existing level of service for wastewater facilities is calculated in Table 97 below. The replacement cost of existing treatment plants, excluding Lone Butte, which will be decommissioned, and the cost of the existing collection system are reduced to account for the fact that there is excess capacity to serve future new customers. The total cost of currently utilized capacity is divided by the number of existing service units to determine the existing level of service, which results in an existing cost per service unit of \$8,457 per EDU.



**Table 97. Wastewater Existing Level of Service**

|   |                 |
|---|-----------------|
| Replacement Cost of Existing Treatment Plant Capacity   | \$1,111,272,000 |
| x Percent of Capacity Currently Utilized                | 65.81%          |
| Cost of Treatment Plant Capacity Utilized               | \$731,328,103   |
| Replacement Cost of Collection System                   | \$461,033,977   |
| x Percent of Capacity Currently Utilized                | 84.87%          |
| Cost of Collection System Utilized                      | \$391,279,536   |
| Total Replacement Costs Utilized by Existing Customers* | \$1,122,607,639 |
| Fund Balance  | \$18,424,602    |
| Existing Capital Investment                             | \$1,141,032,241 |
| – Outstanding Debt/Interfund Loans                      | -\$140,924,609  |
| Net Capital Cost  | \$1,000,107,632 |
| ÷ Existing Service Units (EDUs)                         | 118,261         |
| Existing Cost per Service Unit (EDU)                    | <b>\$8,457</b>  |

\* sum of replacement costs of treatment plant and collection system utilized

Source: Treatment plant and collection system costs from Table 96; percent of treatment capacity utilized is ratio of 2022 average day demand from Table 92 to current capacity from Table 93; percent of collection system currently utilized is ratio of existing to buildout demand from Table 92; fund balance and accounts receivable from Table 122; existing (2022) service units from Table 92.

#### Ten-Year Cost per Service Unit

The City does not plan to construct any new wastewater capacity improvements over the next ten years. The City will need to repay debt and interfund loans on existing facilities with excess capacity, pay encumbrances on current projects, and pay for the study updates and biennial audits that will be required over the next ten years. The calculations are shown in Table 98 and result in a ten-year cost per service unit of \$10,580 per EDU.

**Table 98. Wastewater Ten-Year Cost per Service Unit**

|  |                 |
|--|-----------------|
| Debt/Interfund Loan Obligations          | \$140,924,609   |
| Required Fee Studies and Biennial Audits | \$42,950        |
| Total Planned Expenditures               | \$140,967,559   |
| – Fund Balance                           | -\$18,424,602   |
| Total Revenue Needs                      | \$122,542,957   |
| ÷ New Service Units (EDUs), 2022-2032    | 11,582          |
| Ten-Year Cost per Service Unit (EDU)     | <b>\$10,580</b> |

Source: Planned projects and costs City of Chandler, 2023-2032 *Capital Improvement Program*; financial data from Table 122; study and audit costs from Table 125 and Table 126, respectively; new 2022-2032 service units from Table 92.

#### Buildout Cost per Service Unit

An additional sewer line expansion improvement is planned after 2032. The buildout cost also includes costs that will be incurred by the City to repay outstanding debt and interfund loans associated with existing capacity to serve new development and pay for updated studies and audits. Dividing the total buildout cost by new service units to buildout results in a buildout cost per service unit of \$5,989 per EDU, as shown in Table 99 on the following page.



**Table 99. Wastewater Buildout Cost per Service Unit**

|  |                |
|--|----------------|
| North Chandler Sewer Line Expansion (capacity portion) | \$2,900,000    |
| Debt/Interfund Loan Obligations                        | \$140,924,609  |
| Required Fee Studies and Biennial Audits               | \$83,900       |
| Total Planned Expenditures                             | \$143,908,509  |
| – Fund Balance   | -\$18,424,602  |
| Total Revenue Needs                                    | \$125,483,907  |
| ÷ New Service Units (EDUs), 2022-Buildout              | 20,952         |
| Buildout Cost per Service Unit (EDU)                   | <b>\$5,989</b> |

Source: Planned project and cost from City of Chandler, January 12, 2023 (capacity portion, which is 20% of \$14.5 million total cost); debt/interfund loan obligation and fund balance from Table 122; study and audit costs from Table 125 and Table 126, respectively; new 2022-buildout service units from Table 92.

### Cost per Service Unit Summary

The three costs per service unit calculated above are summarized in Table 100. The updated system development fees are based on the buildout cost per service unit, which is the lowest of the three.

**Table 100. Wastewater Cost per Service Unit**

|                                |                |
|--------------------------------|----------------|
| Existing Cost per Service Unit | \$8,457        |
| Ten-Year Cost per Service Unit | \$10,580       |
| Buildout Cost per Service Unit | \$5,989        |
| Lowest Cost per Service Unit   | <b>\$5,989</b> |

Source: Existing from Table 97; ten-year from Table 98; buildout from Table 99.

### Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.

Outstanding debt for past capacity improvements has been excluded from the existing level of service calculation, and can reasonably be attributed to capacity that is available for future customers. Other than system development fees, the City has no dedicated source of revenue to fund growth-related wastewater improvements. The City has not received any grant funding for wastewater improvements in recent years and does not anticipate any grants over the next ten years. Consequently, no additional offsets are warranted, and the net cost per service unit is the same as the cost per service unit calculated above.



## Updated System Development Fees

The updated wastewater system development fees that may be adopted by the City based on this study are the products of the numbers of service units generated by a unit of development and the net cost per service unit calculated above. The resulting updated fee schedule is presented in Table 101.

**Table 101. Wastewater Net Cost Schedule**

| Housing/Meter Type    | EDUs per Unit/Meter | Net Cost/EDU | Net Cost per Unit/Meter |
|-----------------------|---------------------|--------------|-------------------------|
| Single-Family Unit    | 1.000               | \$5,989      | <b>\$5,989</b>          |
| Multi-Family Unit     | 0.424               | \$5,989      | <b>\$2,539</b>          |
| Nonresidential Meter: |                     |              |                         |
| 3/4" Disc             | 1.5                 | \$5,989      | <b>\$8,984</b>          |
| 1" Disc               | 2.5                 | \$5,989      | <b>\$14,973</b>         |
| 1 1/2" Disc           | 5.0                 | \$5,989      | <b>\$29,945</b>         |
| 2" Disc/Turbine       | 8.0                 | \$5,989      | <b>\$47,912</b>         |
| 3" Compound           | 22.5                | \$5,989      | <b>\$134,753</b>        |
| 4" Compound           | 25.0                | \$5,989      | <b>\$149,725</b>        |
| 6" Compound           | 50.0                | \$5,989      | <b>\$299,450</b>        |
| 8" Compound           | 80.0                | \$5,989      | <b>\$479,120</b>        |
| 3" Turbine            | 17.5                | \$5,989      | <b>\$104,808</b>        |
| 4" Turbine            | 30.0                | \$5,989      | <b>\$179,670</b>        |
| 6" Turbine            | 62.5                | \$5,989      | <b>\$374,313</b>        |
| 8" Turbine            | 90.0                | \$5,989      | <b>\$539,010</b>        |

Source: Single-family EDUs per unit is by definition one; multi-family EDUs per unit from Table 90; nonresidential EDUs per meter from Table 70; net cost per EDU is the lowest cost per EDU from Table 100.

The updated wastewater fees are compared to current fees in Table 102 below. The updated fees are 49% higher than current fees for most new customers. The fee for the 3" compound meter increases more because the capacity of this water meter size has been reevaluated and increased significantly as part of this update.

**Table 102. Current and Updated Wastewater Fees**

| Housing/Meter Type    | Current Fee | Updated Fee | Percent Change |
|-----------------------|-------------|-------------|----------------|
| Single-Family Unit    | \$4,024     | \$5,989     | 49%            |
| Multi-Family Unit     | \$1,940     | \$2,539     | 31%            |
| Nonresidential Meter: |             |             |                |
| 3/4" Disc             | \$6,036     | \$8,984     | 49%            |
| 1" Disc               | \$10,060    | \$14,973    | 49%            |
| 1 1/2" Disc           | \$20,120    | \$29,945    | 49%            |
| 2" Disc/Turbine       | \$32,192    | \$47,912    | 49%            |
| 3" Compound           | \$64,384    | \$134,753   | 109%           |
| 4" Compound           | \$100,600   | \$149,725   | 49%            |
| 6" Compound           | \$201,200   | \$299,450   | 49%            |
| 8" Compound           | \$321,920   | \$479,120   | 49%            |
| 3" Turbine            | \$70,420    | \$104,808   | 49%            |
| 4" Turbine            | \$120,720   | \$179,670   | 49%            |
| 6" Turbine            | \$251,500   | \$374,313   | 49%            |
| 8" Turbine            | \$362,160   | \$539,010   | 49%            |

Source: Current fees from Table 2; updated fees from Table 101.



## Capital Plan

Assuming that growth occurs as projected in the land use assumptions, the City anticipates approximately \$141 million in growth-related wastewater costs over the next ten years, as shown in Table 103.

**Table 103. Wastewater Capital Plan, 2022-2032**

|   |                      |
|---|----------------------|
| Outstanding Pledged Debt/Interfund Loans        | \$140,924,609        |
| Required System Development Fee Studies         | \$32,950             |
| Required System Development Fee Biennial Audits | \$10,000             |
| <b>Total Planned Expenditures</b>               | <b>\$140,967,559</b> |

Source: Debt/interfund loans from Table 122; study cost from Table 125; audit cost from Table 126.

With projected updated wastewater system development fee revenue, plus the current fund balance, the City would have about \$88 million in system development fee funds available over the next ten years, as shown in Table 104 below. This is only 62% of planned 10-year expenditures. However, the timing of expenditures is flexible, as the City can defer repayment of interfund loans and debt until sufficient system development fees become available. Assuming the City continues to collect wastewater system development fees until it reaches buildout, future fees plus the current fund balance should be sufficient to cover all future costs.

**Table 104. Projected Wastewater Fee Revenue, 2022-Buildout**

|   | 2022-2032     | 2022-Buildout |
|---|---------------|---------------|
| New Service Units (EDUs)                                | 11,582        | 20,952        |
| x Net Cost per Service Unit (EDU)                       | \$5,989       | \$5,989       |
| Projected Revenue                                       | \$69,364,598  | \$125,481,528 |
| Current Fund Balance                                    | \$18,424,602  | \$18,424,602  |
| Total System Development Fee Funds Available, 2022-2032 | \$87,789,200  | \$143,906,130 |
| ÷ Planned Expenditures                                  | \$140,967,559 | \$143,908,509 |
| Percent of Costs Covered by Wastewater Fees             | 62%           | 100%          |

Source: New service units from Table 92; net cost per service unit is the lowest cost per EDU from Table 100; current fund balance and accounts receivable from Table 122 in Appendix C; 2022-2032 expenditures from Table 103; 2022-buildout expenditures from Table 99.



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## RECLAIMED WATER

This section updates the City’s reclaimed water system development fees in compliance with the Arizona impact fee enabling act for municipalities. Reclaimed water is wastewater that is treated and purified to be safely used for irrigating golf courses, common areas, and roadside landscaping. Chandler’s water reclamation facilities use a state-of-the-art treatment process that cleans and disinfects the wastewater before it is added to the reclaimed water distribution system. The reclaimed water system benefits all City water and wastewater utility customers by providing an efficient method of disposing of wastewater and conserving limited water resources. The ability to expand the City’s wastewater treatment capacity is limited by the ability to reuse or recharge the effluent. Because the reclaimed water system is most closely linked to the wastewater system, reclaimed water system development fees are assessed based on wastewater demand.

### Service Units

To calculate system development fees, the demand associated with different types of development must be expressed in a common unit of measurement, called a “service unit.” The service unit for the reclaimed water fee is an “equivalent dwelling unit” (EDU). An EDU is a single-family dwelling unit or its equivalent in terms of reclaimed water demand. Because the reclaimed water system development fees are based on wastewater demand, the wastewater service unit multipliers and projections calculated in the previous wastewater section are appropriate for the reclaimed water fees as well.

### Cost per Service Unit

As described earlier in the Methodology subsection of the Legal Framework section, the updated system development fees are based on the lowest of three costs per service unit: existing level of service, ten-year cost, and buildout cost.

#### Existing Level of Service

The existing level of service for the reclaimed water system development fees is quantified, in large part, by the capacity provided by existing reclaimed water facilities and the current cost to construct that capacity. Chandler’s reclaimed water facilities include pump stations, recharge and recovery wells and reclaimed water transmission lines. The City’s existing pump station capacities are summarized in Table 105.

**Table 105. Existing Reclaimed Water Pump Stations**

| Reclaimed Water Pump Station                | Capacity (mgd) |
|---|----------------|
| Effluent Pump Station at Ocotillo WRF       | 36.0           |
| Intel Effluent Pump Station                 | 2.0            |
| Reclaimed Water Pump Station at Airport WRF | 38.5           |
| Total, Pump Stations                        | 76.5           |

Source: City of Chandler Public Works & Utilities Department, August 6, 2022.



A key component of the reclaimed water system is the system of aquifer storage and recovery (ASR) wells. The City's existing reclaimed well capacities are summarized in Table 106.

**Table 106. Existing Reclaimed Water Wells**

| Recharge Well                          | Recharge Capacity (mgd) |
|--|-------------------------|
| Tumbleweed Park ASR Well No. 1         | 1.7                     |
| Tumbleweed Park ASR Well No. 2         | 1.1                     |
| Tumbleweed Park ASR Well No. 3         | 1.1                     |
| Tumbleweed Park ASR Well No. 4         | 1.4                     |
| Tumbleweed Park ASR Well No. 5         | 1.7                     |
| Tumbleweed Park ASR Well No. 6         | 1.6                     |
| Tumbleweed Park ASR Well No. 7         | 1.2                     |
| Tumbleweed Park ASR Well No. 8         | 1.3                     |
| Tumbleweed Park ASR Well No. 9         | 1.0                     |
| Tumbleweed Park ASR Well No. 10        | 1.2                     |
| <b>Total Capacity, Tumbleweed Park</b> | <b>13.3</b>             |
| Ocotillo ASR Well No. 1                | 1.6                     |
| Ocotillo ASR Well No. 2                | 1.5                     |
| Ocotillo ASR Well No. 3                | 1.6                     |
| Ocotillo ASR Well No. 4                | 1.5                     |
| Ocotillo ASR Well No. 5                | 1.5                     |
| Ocotillo ASR Well No. 6                | 1.4                     |
| Ocotillo ASR Well No. 7                | 1.0                     |
| Ocotillo ASR Well No. 8                | 1.0                     |
| Ocotillo ASR Well No. 9                | 0.9                     |
| Ocotillo ASR Well No. 10               | 0.9                     |
| <b>Total Capacity, Ocotillo</b>        | <b>12.9</b>             |
| <b>Veterans Oasis Recharge Basin</b>   | <b>6.0</b>              |
| <b>Total System Capacity</b>           | <b>32.2</b>             |

Source: City of Chandler Public Works & Utilities Department, August 6, 2022.

Another component of a reclaimed water system is the network of transmission mains that distribute the reclaimed water to reclaimed water users. The existing major lines are summarized in Table 107.

**Table 107. Existing Reclaimed Water System Lines**

| Pipe Size (in.) | Linear Feet |
|-----------------|-------------|
| 12              | 241,723     |
| 16              | 2,902       |
| 18              | 1,508       |
| 24              | 109,005     |
| 36              | 22,091      |

Source: City of Chandler Public Works & Utilities Department, August 6, 2022.



The total replacement cost of Chandler's existing reclaimed water system is estimated based on current capacities and the current unit costs to construct reclaimed water facilities. Outstanding debt/interfund loans in excess of the current reclaimed water system development fee fund balance are deducted to determine the net replacement cost that has been fully paid for by existing wastewater customers. The net replacement cost is divided by the number of existing wastewater service units to determine the existing cost per service unit of \$2,091 per EDU, as shown in Table 108.

**Table 108. Reclaimed Water Existing Level of Service**

| System Component                       | Unit        | Existing Units | Unit Cost | Replacement Cost |
|--|-------------|----------------|-----------|------------------|
| Pump Station Capacity                  | gallons/day | 76,500,000     | \$0.68    | \$52,020,000     |
| ASR Well Capacity                      | gallons/day | 32,200,000     | \$2.71    | \$87,262,000     |
| 12" Transmission Lines                 | linear feet | 241,723        | \$244     | \$58,980,412     |
| 16" Transmission Lines                 | linear feet | 2,902          | \$325     | \$943,150        |
| 18" Transmission Lines                 | linear feet | 1,508          | \$366     | \$551,928        |
| 24" Transmission Lines                 | linear feet | 109,005        | \$487     | \$53,085,435     |
| 36" Transmission Lines                 | linear feet | 22,091         | \$731     | \$16,148,521     |
| Total Existing System Replacement Cost |             |                |           | \$268,991,446    |
| – Debt/Interfund Loan Obligations      |             |                |           | -\$24,370,725    |
| Fund Balance                           |             |                |           | \$2,614,726      |
| Net Existing System Replacement Cost   |             |                |           | \$247,235,447    |
| ÷ Existing Service Units (EDUs)        |             |                |           | 118,261          |
| Existing Cost per Service Unit (EDU)   |             |                |           | <b>\$2,091</b>   |

Source: Pump station capacity from Table 105; well capacity from Table 106; transmission lines from Table 107; unit costs from City of Chandler Municipal Utilities Department, July 23, 2013 increased by a factor of 35.4% per Public Works & Utilities Department, August 6, 2022; outstanding debt/interfund loans and fund balance from Table 122; existing (2022) service units from Table 92.

#### Ten-Year Cost per Service Unit

The City does not plan to make any capacity improvements to the reclaimed water system over the next ten years. The City will need to repay debt/interfund loans on existing facilities with excess capacity, pay encumbrances on current projects, and pay for required SDF study updates and biennial audits that will be required over the next ten years. The results are shown in Table 109 and indicate a ten-year cost per service unit of \$1,975 per EDU.

**Table 109. Reclaimed Water Ten-Year Cost per Service Unit**

|  |                |
|--|----------------|
| Debt/Interfund Loan Obligations          | \$24,370,725   |
| Encumbrances for Current Projects        | \$1,075,677    |
| Required Fee Studies and Biennial Audits | \$42,950       |
| Total Planned Expenditures               | \$25,489,352   |
| – Fund Balance                           | -\$2,614,726   |
| Total Revenue Needs                      | \$22,874,626   |
| ÷ New Service Units (EDUs), 2022-2032    | 11,582         |
| Ten-Year Cost per Service Unit (EDU)     | <b>\$1,975</b> |

Source: Debt/interfund loans, encumbrances and fund balance from Table 122; study and audit costs from Table 125 and Table 126, respectively; new 2022-buildout service units from Table 92.



### Buildout Cost per Service Unit

The City has not identified a need for any additional growth-related improvements beyond the next ten years. The total buildout cost includes future costs that will be incurred by the City to repay outstanding debt/interfund loans associated with existing capacity to serve new development, pay encumbrances for current projects, and pay for updated SDF studies and biennial audits. Dividing buildout costs by new service units to buildout results in a buildout cost per service unit of \$1,094 per EDU, as shown in Table 110.

**Table 110. Reclaimed Water Buildout Cost per Service Unit**

|   |                |
|---|----------------|
| Debt/Interfund Loan Obligations           | \$24,370,725   |
| Encumbrances for Current Projects         | \$1,075,677    |
| Required Fee Studies and Biennial Audits  | \$83,900       |
| Total Planned Expenditures                | \$25,530,302   |
| – Fund Balance                            | -\$2,614,726   |
| Total Revenue Needs                       | \$22,915,576   |
| ÷ New Service Units (EDUs), 2022-Buildout | 20,952         |
| Buildout Cost per Service Unit (EDU)      | <b>\$1,094</b> |

Source: Debt/interfund loans; encumbrances and fund balance from Table 122; study cost from Table 125; new service units from Table 92.

### Cost per Service Unit Summary

The three costs per service unit calculated above are summarized in Table 111. The updated system development fees are based on the buildout cost per service unit, which is the lowest of the three.

**Table 111. Reclaimed Water Cost per Service Unit**

|                                |                |
|--------------------------------|----------------|
| Existing Cost per Service Unit | \$2,091        |
| Ten-Year Cost per Service Unit | \$1,975        |
| Buildout Cost per Service Unit | \$1,094        |
| Lowest Cost per Service Unit   | <b>\$1,094</b> |

Source: Existing from Table 108; ten-year from Table 109; buildout from Table 110.

### Net Cost per Service Unit

As noted in the Legal Framework section of this report, impact fees should be reduced (or “offset”) in order to account for other types of revenues that will be generated by new development and used to fund capacity-expanding improvements of the same type as those to be funded by the impact fees. Cases in which such an offset is warranted include funding of existing deficiencies, outstanding debt payments on existing facilities, and dedicated revenue sources to fund growth-related improvements.



The reclaimed water system development fees calculated in this report are based on the buildout cost per service unit, which is lower than the existing level of service, so there are no existing deficiencies. Outstanding debt and interfund loans on existing facilities have been excluded from the existing level of service calculation, and can reasonably be attributed to excess capacity available to serve future customers. Other than system development fees and utility rates, the City has no dedicated source of revenue to fund growth-related reclaimed water improvements. The City has not received any grant funding for reclaimed water improvements in recent years and does not anticipate any grants over the next ten years. Consequently, no additional offsets are warranted, and the net cost per service unit is the same as the cost per service unit calculated above.

### Updated System Development Fees

The updated reclaimed water system development fees that may be adopted by the City based on this study are the products of the numbers of service units generated by a unit of development and the net cost per service unit calculated above. The resulting updated fee schedule is presented in Table 112.

**Table 112. Reclaimed Water Net Cost Schedule**

| Housing/Meter Type    |              | EDUs per Unit/Meter | Net Cost/ EDU | Net Cost per Unit/Meter |
|-----------------------|--------------|---------------------|---------------|-------------------------|
| Single-Family Unit    |              | 1.000               | \$1,094       | \$1,094                 |
| Multi-Family Unit     |              | 0.424               | \$1,094       | \$464                   |
| Nonresidential Meter: |              |                     |               |                         |
| 3/4"                  | Disc         | 1.5                 | \$1,094       | \$1,641                 |
| 1"                    | Disc         | 2.5                 | \$1,094       | \$2,735                 |
| 1 1/2"                | Disc         | 5.0                 | \$1,094       | \$5,470                 |
| 2"                    | Disc/Turbine | 8.0                 | \$1,094       | \$8,752                 |
| 3"                    | Compound     | 22.5                | \$1,094       | \$24,615                |
| 4"                    | Compound     | 25.0                | \$1,094       | \$27,350                |
| 6"                    | Compound     | 50.0                | \$1,094       | \$54,700                |
| 8"                    | Compound     | 80.0                | \$1,094       | \$87,520                |
| 3"                    | Turbine      | 17.5                | \$1,094       | \$19,145                |
| 4"                    | Turbine      | 30.0                | \$1,094       | \$32,820                |
| 6"                    | Turbine      | 62.5                | \$1,094       | \$68,375                |
| 8"                    | Turbine      | 90.0                | \$1,094       | \$98,460                |

Source: EDUs per unit or meter are the same as for wastewater from Table 101; net cost per EDU is the lowest cost per EDU from Table 111.

The updated reclaimed water fees are compared to current fees in Table 113 below. The updated fees are 31% higher for most new customers. The fee for the 3" compound meter increases more because the capacity of this water meter size has been reevaluated and increased significantly as part of this update.



**Table 113. Current and Updated Reclaimed Water Fees**

| Housing/Meter Type    | Current Fee | Updated Fee | Percent Change |
|-----------------------|-------------|-------------|----------------|
| Single-Family Unit    | \$837       | \$1,094     | 31%            |
| Multi-Family Unit     | \$403       | \$464       | 15%            |
| Nonresidential Meter: |             |             |                |
| 3/4" Disc             | \$1,256     | \$1,641     | 31%            |
| 1" Disc               | \$2,093     | \$2,735     | 31%            |
| 1 1/2" Disc           | \$4,185     | \$5,470     | 31%            |
| 2" Disc/Turbine       | \$6,696     | \$8,752     | 31%            |
| 3" Compound           | \$13,392    | \$24,615    | 84%            |
| 4" Compound           | \$20,925    | \$27,350    | 31%            |
| 6" Compound           | \$41,850    | \$54,700    | 31%            |
| 8" Compound           | \$66,960    | \$87,520    | 31%            |
| 3" Turbine            | \$14,648    | \$19,145    | 31%            |
| 4" Turbine            | \$25,110    | \$32,820    | 31%            |
| 6" Turbine            | \$52,313    | \$68,375    | 31%            |
| 8" Turbine            | \$75,330    | \$98,460    | 31%            |

Source: Current fees from Table 2; updated fees from Table 112.

## Capital Plan

Assuming that growth occurs as projected in the land use assumptions, the City anticipates approximately \$25.5 million in growth-related reclaimed water costs over the next ten years, as summarized in Table 114.

**Table 114. Reclaimed Water Capital Plan, 2022-2032**

|   |                     |
|---|---------------------|
| Encumbrances for Current Projects               | \$1,075,677         |
| Debt/Interfund Loan Obligations                 | \$24,370,725        |
| Required System Development Fee Studies         | \$32,950            |
| Required System Development Fee Biennial Audits | \$10,000            |
| <b>Total Planned Expenditures</b>               | <b>\$25,489,352</b> |

Source: Encumbrances and debt/interfund loans from Table 122; study cost from Table 125; audit cost from Table 126.



With projected updated reclaimed water system development fee revenue, plus the current fund balance, the City would have about \$15.3 million in system development fee funds available over the next ten years, as shown in Table 115. This is only 60% of planned 10-year expenditures. However, the timing of expenditures is flexible, as the City can defer repayment of interfund loans until sufficient system development fees become available. Assuming the City continues to collect reclaimed water system development fees until it reaches buildout, future fee revenues plus the current fund balance should be enough to cover all future costs.

**Table 115. Projected Reclaimed Water Fee Revenue, 2022-Buildout**

|  | 2022-2032    | 2022-Buildout |
|--|--------------|---------------|
| New Service Units (EDUs)                         | 11,582       | 20,952        |
| x Net Cost per Service Unit (EDU)                | \$1,094      | \$1,094       |
| Projected Revenue                                | \$12,670,708 | \$22,921,488  |
| Current Fund Balance                             | \$2,614,726  | \$2,614,726   |
| Total System Development Fee Funds Available     | \$15,285,434 | \$25,536,214  |
| ÷ Planned Expenditures                           | \$25,489,352 | \$25,530,302  |
| Percent of Costs Covered by Reclaimed Water Fees | 60%          | 100%          |

*Source:* New service units from Table 92; net cost per service unit is the lowest cost per EDU from Table 111; current fund balance from Table 122 in Appendix C; planned expenditures from Table 109 (2022-2032) and Table 110 (2022-buildout).



## APPENDIX A: ARTERIAL STREET INVENTORY

**Table 116. Existing Arterial Street Inventory**

| Street        | From             | To               | Miles | Lns | Lane-Miles | Pk Hr Count | Capacity | VMT   | VMC   |
|---------------|------------------|------------------|-------|-----|------------|-------------|----------|-------|-------|
| McClintock Rd | Frye             | Loop 202         | 0.50  | 4   | 2.00       | 680         | 2,700    | 340   | 1,350 |
| Price         | Loop 202         | Germann          | 1.15  | 6   | 6.90       | 4,029       | 4,100    | 4,633 | 4,715 |
| Price         | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 2,125       | 4,100    | 2,125 | 4,100 |
| Price         | Queen Creek      | Dobson           | 0.50  | 6   | 3.00       | 2,694       | 4,100    | 1,347 | 2,050 |
| Dobson        | Frye             | Pecos            | 0.50  | 6   | 3.00       | 2,278       | 4,100    | 1,139 | 2,050 |
| Dobson        | Pecos            | Germann          | 1.06  | 6   | 6.36       | 4,692       | 4,100    | 4,974 | 4,346 |
| Dobson        | Germann          | Queen Creek      | 1.10  | 6   | 6.60       | 1,692       | 4,100    | 1,861 | 4,510 |
| Dobson        | Queen Creek      | Price            | 0.42  | 4   | 1.68       | 2,145       | 2,700    | 901   | 1,134 |
| Dobson        | Price            | Ocotillo         | 1.00  | 4   | 4.00       | 1,573       | 2,700    | 1,573 | 2,700 |
| Dobson        | Ocotillo         | End              | 0.80  | 4   | 3.20       | 2,170       | 2,700    | 1,736 | 2,160 |
| Alma School   | Frye             | Pecos            | 0.50  | 4   | 2.00       | 2,567       | 2,700    | 1,284 | 1,350 |
| Alma School   | Pecos            | Loop 202         | 0.30  | 4   | 1.20       | 2,950       | 2,700    | 885   | 810   |
| Alma School   | Loop 202         | Willis           | 0.25  | 6   | 1.50       | 2,771       | 4,100    | 693   | 1,025 |
| Alma School   | Willis           | Germann          | 0.50  | 4   | 2.00       | 2,771       | 2,700    | 1,386 | 1,350 |
| Alma School   | Germann          | Queen Creek      | 0.98  | 4   | 3.92       | 2,508       | 2,700    | 2,458 | 2,646 |
| Alma School   | Queen Creek      | Ocotillo         | 1.12  | 4   | 4.48       | 2,253       | 2,700    | 2,523 | 3,024 |
| Alma School   | Ocotillo         | Chandler Heights | 1.13  | 4   | 4.52       | 1,870       | 2,700    | 2,113 | 3,051 |
| Arizona       | Pecos            | Loop 202         | 0.30  | 6   | 1.80       | 2,950       | 4,100    | 885   | 1,230 |
| Arizona       | Loop 202         | Germann          | 0.73  | 6   | 4.38       | 3,655       | 4,100    | 2,668 | 2,993 |
| Arizona       | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 3,179       | 4,100    | 3,179 | 4,100 |
| Arizona       | Queen Creek      | Ocotillo         | 1.00  | 6   | 6.00       | 2,992       | 4,100    | 2,992 | 4,100 |
| Arizona       | Ocotillo         | Chandler Heights | 1.00  | 6   | 6.00       | 2,474       | 4,100    | 2,474 | 4,100 |
| Arizona       | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 1,828       | 2,700    | 1,828 | 2,700 |
| Arizona       | Riggs            | Hunt Highway     | 1.00  | 4   | 4.00       | 1,199       | 2,700    | 1,199 | 2,700 |
| McQueen       | Ray              | Chandler         | 1.00  | 4   | 4.00       | 2,287       | 2,700    | 2,287 | 2,700 |
| McQueen       | Chandler         | Pecos            | 1.00  | 4   | 4.00       | 4,641       | 2,700    | 4,641 | 2,700 |
| McQueen       | Pecos            | Loop 202         | 0.62  | 6   | 3.72       | 2,950       | 4,100    | 1,829 | 2,542 |
| McQueen       | Loop 202         | Germann          | 0.40  | 6   | 2.40       | 3,349       | 4,100    | 1,340 | 1,640 |
| McQueen       | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 3,434       | 4,100    | 3,434 | 4,100 |
| McQueen       | Queen Creek      | Ocotillo         | 1.00  | 6   | 6.00       | 2,814       | 4,100    | 2,814 | 4,100 |
| McQueen       | Ocotillo         | Chandler Heights | 1.00  | 4   | 4.00       | 2,227       | 2,700    | 2,227 | 2,700 |
| McQueen       | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 1,777       | 2,700    | 1,777 | 2,700 |
| McQueen       | Riggs            | City Limit       | 0.75  | 4   | 3.00       | 510         | 2,700    | 383   | 2,025 |
| Cooper        | Ray              | Chandler         | 1.00  | 6   | 6.00       | 2,210       | 4,100    | 2,210 | 4,100 |
| Cooper        | Chandler         | Pecos            | 0.98  | 6   | 5.88       | 2,049       | 4,100    | 2,008 | 4,018 |
| Cooper        | Pecos            | Loop 202         | 0.62  | 6   | 3.72       | 1,811       | 4,100    | 1,123 | 2,542 |
| Cooper        | Loop 202         | Germann          | 0.40  | 6   | 2.40       | 1,394       | 4,100    | 558   | 1,640 |
| Cooper        | Queen Creek      | Ocotillo         | 1.00  | 2   | 2.00       | 833         | 1,300    | 833   | 1,300 |
| Cooper        | Ocotillo         | Chandler Heights | 1.00  | 2   | 2.00       | 689         | 1,300    | 689   | 1,300 |
| Cooper        | Chandler Heights | Riggs            | 1.00  | 2   | 2.00       | 451         | 1,300    | 451   | 1,300 |
| Cooper        | Riggs            | Hunt Highway     | 1.00  | 4   | 4.00       | 230         | 2,700    | 230   | 2,700 |
| Gilbert       | Pecos            | Loop 202         | 0.60  | 6   | 3.60       | 3,885       | 4,100    | 2,331 | 2,460 |
| Gilbert       | Loop 202         | Germann          | 0.40  | 6   | 2.40       | 4,505       | 4,100    | 1,802 | 1,640 |

continued on next page



Table 116. Existing Arterial Street Inventory (continued)

| Street           | From             | To               | Miles | Lns | Lane-Miles | Pk Hr Count | Capacity | VMT   | VMC   |
|------------------|------------------|------------------|-------|-----|------------|-------------|----------|-------|-------|
| Gilbert          | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 4,446       | 4,100    | 4,446 | 4,100 |
| Gilbert          | Queen Creek      | Ocotillo         | 1.00  | 6   | 6.00       | 3,417       | 4,100    | 3,417 | 4,100 |
| Gilbert          | Ocotillo         | Chandler Heights | 1.00  | 4   | 4.00       | 2,686       | 2,700    | 2,686 | 2,700 |
| Gilbert          | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 2,091       | 2,700    | 2,091 | 2,700 |
| Gilbert          | Riggs            | Hunt Highway     | 1.00  | 4   | 4.00       | 918         | 2,700    | 918   | 2,700 |
| Lindsay          | Ocotillo         | Chandler Heights | 1.00  | 2   | 2.00       | 1,428       | 1,300    | 1,428 | 1,300 |
| Lindsay          | Chandler Heights | Riggs            | 1.00  | 2   | 2.00       | 1,301       | 1,300    | 1,301 | 1,300 |
| Lindsay          | Riggs            | Hunt Highway     | 1.00  | 2   | 2.00       | 400         | 1,300    | 400   | 1,300 |
| Ray              | McQueen          | Cooper           | 1.00  | 4   | 4.00       | 2,040       | 2,700    | 2,040 | 2,700 |
| Chandler         | McQueen          | Cooper           | 0.99  | 6   | 5.94       | 1,726       | 4,100    | 1,709 | 4,059 |
| Chandler         | Cooper           | Gilbert          | 1.00  | 6   | 6.00       | 1,760       | 4,100    | 1,760 | 4,100 |
| Pecos            | Ellis            | Dobson           | 0.50  | 2   | 1.00       | 833         | 1,300    | 417   | 650   |
| Pecos            | Dobson           | Alma School      | 1.00  | 6   | 6.00       | 833         | 4,100    | 833   | 4,100 |
| Pecos            | Alma School      | Arizona          | 1.00  | 6   | 6.00       | 1,165       | 4,100    | 1,165 | 4,100 |
| Pecos            | Arizona          | McQueen          | 1.02  | 6   | 6.12       | 1,139       | 4,100    | 1,162 | 4,182 |
| Pecos            | McQueen          | Cooper           | 1.00  | 6   | 6.00       | 1,148       | 4,100    | 1,148 | 4,100 |
| Pecos            | Cooper           | Gilbert          | 1.00  | 6   | 6.00       | 1,003       | 4,100    | 1,003 | 4,100 |
| Germann          | City Limits      | Price            | 0.25  | 2   | 0.50       | 50          | 1,300    | 13    | 325   |
| Germann          | Price            | Dobson           | 0.75  | 4   | 3.00       | 680         | 2,700    | 510   | 2,025 |
| Germann          | Dobson           | Alma School      | 1.00  | 6   | 6.00       | 1,088       | 4,100    | 1,088 | 4,100 |
| Germann          | Alma School      | Arizona          | 1.00  | 6   | 6.00       | 1,292       | 4,100    | 1,292 | 4,100 |
| Germann          | Arizona          | McQueen          | 1.00  | 4   | 4.00       | 961         | 2,700    | 961   | 2,700 |
| Germann          | McQueen          | Cooper           | 1.00  | 4   | 4.00       | 1,165       | 2,700    | 1,165 | 2,700 |
| Germann          | Cooper           | Gilbert          | 1.10  | 6   | 6.60       | 2,049       | 4,100    | 2,254 | 4,510 |
| Queen Creek      | City Limits      | Price            | 0.27  | 6   | 1.62       | 2,587       | 4,100    | 698   | 1,107 |
| Queen Creek      | Price            | Dobson           | 0.45  | 6   | 2.70       | 1,411       | 4,100    | 635   | 1,845 |
| Queen Creek      | Dobson           | Alma School      | 1.30  | 6   | 7.80       | 1,522       | 4,100    | 1,979 | 5,330 |
| Queen Creek      | Alma School      | Arizona          | 1.00  | 6   | 6.00       | 1,590       | 4,100    | 1,590 | 4,100 |
| Queen Creek      | Arizona          | McQueen          | 1.00  | 6   | 6.00       | 1,335       | 4,100    | 1,335 | 4,100 |
| Queen Creek      | McQueen          | Cooper           | 1.00  | 2   | 2.00       | 1,165       | 1,300    | 1,165 | 1,300 |
| Queen Creek      | Cooper           | Gilbert          | 1.00  | 2   | 2.00       | 1,726       | 1,300    | 1,726 | 1,300 |
| Queen Creek      | Gilbert          | Lindsay          | 1.00  | 6   | 6.00       | 2,117       | 4,100    | 2,117 | 4,100 |
| Ocotillo         | Dobson           | Alma School      | 0.80  | 4   | 3.20       | 1,250       | 2,700    | 1,000 | 2,160 |
| Ocotillo         | Alma School      | Arizona          | 1.40  | 4   | 5.60       | 1,224       | 2,700    | 1,714 | 3,780 |
| Ocotillo         | Arizona          | McQueen          | 1.00  | 4   | 4.00       | 1,615       | 2,700    | 1,615 | 2,700 |
| Ocotillo         | McQueen          | Cooper           | 1.00  | 4   | 4.00       | 1,360       | 2,700    | 1,360 | 2,700 |
| Ocotillo         | Cooper           | Redwood          | 0.25  | 4   | 1.00       | 1,420       | 2,700    | 355   | 675   |
| Ocotillo         | Redwood          | Gilbert          | 0.75  | 4   | 3.00       | 1,420       | 2,700    | 1,065 | 2,025 |
| Ocotillo         | Gilbert          | Lindsay          | 1.00  | 2   | 2.00       | 1,165       | 1,300    | 1,165 | 1,300 |
| Ocotillo         | Lindsay          | 148th St.        | 0.50  | 2   | 1.00       | 2,171       | 1,300    | 1,086 | 650   |
| Chandler Heights | Alma School      | Arizona          | 1.00  | 4   | 4.00       | 952         | 2,700    | 952   | 2,700 |
| Chandler Heights | Arizona          | McQueen          | 1.00  | 2   | 2.00       | 944         | 1,300    | 944   | 1,300 |
| Chandler Heights | McQueen          | Cooper           | 1.00  | 2   | 2.00       | 774         | 1,300    | 774   | 1,300 |
| Chandler Heights | Cooper           | Gilbert          | 0.96  | 2   | 1.92       | 816         | 1,300    | 783   | 1,248 |
| Chandler Heights | Gilbert          | Lindsay          | 1.00  | 4   | 4.00       | 655         | 2,700    | 655   | 2,700 |
| Chandler Heights | Lindsay          | Val Vista        | 1.00  | 2   | 2.00       | 561         | 1,300    | 561   | 1,300 |

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Table 116. Existing Arterial Street Inventory (continued)

| Street | From    | To        | Miles | Lns | Lane-Miles | Pk Hr Count | Capacity | VMT     | VMC     |
|--------|---------|-----------|-------|-----|------------|-------------|----------|---------|---------|
| Riggs  | Arizona | McQueen   | 1.00  | 6   | 6.00       | 2,219       | 4,100    | 2,219   | 4,100   |
| Riggs  | McQueen | Cooper    | 1.00  | 6   | 6.00       | 2,295       | 4,100    | 2,295   | 4,100   |
| Riggs  | Cooper  | Gilbert   | 1.00  | 6   | 6.00       | 2,244       | 4,100    | 2,244   | 4,100   |
| Riggs  | Gilbert | Lindsay   | 1.00  | 6   | 6.00       | 2,754       | 4,100    | 2,754   | 4,100   |
| Riggs  | Lindsay | Val Vista | 1.00  | 6   | 6.00       | 2,992       | 4,100    | 2,992   | 4,100   |
| Total  |         |           |       |     | 376.66     |             |          | 153,148 | 255,472 |

Source: Street descriptions, miles, number of lanes and counts from City of Chandler Capital Projects Division, June 2, 2023; capacity is maximum hourly volumes at LOS D from Table 14; VMT is peak hour vehicle-miles of travel, which is product of segment miles and peak hour volume; VMC is vehicle-miles of capacity, which is product of miles and capacity.



Table 117. Buildout Arterial Street Inventory

| Street        | From             | To               | Miles | Lns | Lane-Miles | Pk Hr Count | Capacity | VMT   | VMC   |
|---------------|------------------|------------------|-------|-----|------------|-------------|----------|-------|-------|
| McClintock Rd | Frye             | Loop 202         | 0.50  | 4   | 2.00       | 884         | 2,700    | 442   | 1,350 |
| Price         | Loop 202         | Germann          | 1.15  | 6   | 6.90       | 4,250       | 4,100    | 4,888 | 4,715 |
| Price         | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 2,873       | 4,100    | 2,873 | 4,100 |
| Price         | Queen Creek      | Dobson           | 0.50  | 6   | 3.00       | 1,624       | 4,100    | 812   | 2,050 |
| Dobson        | Frye             | Pecos            | 0.50  | 6   | 3.00       | 4,330       | 4,100    | 2,165 | 2,050 |
| Dobson        | Pecos            | Germann          | 1.06  | 6   | 6.36       | 3,043       | 4,100    | 3,226 | 4,346 |
| Dobson        | Germann          | Queen Creek      | 1.10  | 6   | 6.60       | 2,253       | 4,100    | 2,478 | 4,510 |
| Dobson        | Queen Creek      | Price            | 0.42  | 4   | 1.68       | 1,284       | 2,700    | 539   | 1,134 |
| Dobson        | Price            | Ocotillo         | 1.00  | 4   | 4.00       | 2,100       | 2,700    | 2,100 | 2,700 |
| Dobson        | Ocotillo         | End              | 0.80  | 4   | 3.20       | 935         | 2,700    | 748   | 2,160 |
| Alma School   | Frye             | Pecos            | 0.50  | 6   | 3.00       | 4,781       | 4,100    | 2,391 | 2,050 |
| Alma School   | Pecos            | Loop 202         | 0.30  | 6   | 1.80       | 4,950       | 4,100    | 1,485 | 1,230 |
| Alma School   | Loop 202         | Willis           | 0.25  | 6   | 1.50       | 3,978       | 4,100    | 995   | 1,025 |
| Alma School   | Willis           | Germann          | 0.50  | 6   | 3.00       | 3,978       | 4,100    | 1,989 | 2,050 |
| Alma School   | Germann          | Queen Creek      | 0.98  | 6   | 5.88       | 3,698       | 4,100    | 3,624 | 4,018 |
| Alma School   | Queen Creek      | Ocotillo         | 1.12  | 6   | 6.72       | 3,094       | 4,100    | 3,465 | 4,592 |
| Alma School   | Ocotillo         | Chandler Heights | 1.13  | 4   | 4.52       | 2,686       | 2,700    | 3,035 | 3,051 |
| Arizona       | Pecos            | Loop 202         | 0.30  | 6   | 1.80       | 4,985       | 4,100    | 1,496 | 1,230 |
| Arizona       | Loop 202         | Germann          | 0.73  | 6   | 4.38       | 4,318       | 4,100    | 3,152 | 2,993 |
| Arizona       | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 4,080       | 4,100    | 4,080 | 4,100 |
| Arizona       | Queen Creek      | Ocotillo         | 1.00  | 6   | 6.00       | 3,732       | 4,100    | 3,732 | 4,100 |
| Arizona       | Ocotillo         | Chandler Heights | 1.00  | 6   | 6.00       | 2,873       | 4,100    | 2,873 | 4,100 |
| Arizona       | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 2,244       | 2,700    | 2,244 | 2,700 |
| Arizona       | Riggs            | Hunt Highway     | 1.00  | 4   | 4.00       | 1,233       | 2,700    | 1,233 | 2,700 |
| McQueen       | Ray              | Chandler         | 1.00  | 6   | 6.00       | 3,026       | 4,100    | 3,026 | 4,100 |
| McQueen       | Chandler         | Pecos            | 1.00  | 6   | 6.00       | 2,941       | 4,100    | 2,941 | 4,100 |
| McQueen       | Pecos            | Loop 202         | 0.62  | 6   | 3.72       | 3,239       | 4,100    | 2,008 | 2,542 |
| McQueen       | Loop 202         | Germann          | 0.40  | 6   | 2.40       | 3,239       | 4,100    | 1,296 | 1,640 |
| McQueen       | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 3,698       | 4,100    | 3,698 | 4,100 |
| McQueen       | Queen Creek      | Ocotillo         | 1.00  | 6   | 6.00       | 3,868       | 4,100    | 3,868 | 4,100 |
| McQueen       | Ocotillo         | Chandler Heights | 1.00  | 4   | 4.00       | 1,981       | 2,700    | 1,981 | 2,700 |
| McQueen       | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 1,386       | 2,700    | 1,386 | 2,700 |
| McQueen       | Riggs            | City Limit       | 0.75  | 4   | 3.00       | 680         | 2,700    | 510   | 2,025 |
| Cooper        | Ray              | Chandler         | 1.00  | 6   | 6.00       | 2,397       | 4,100    | 2,397 | 4,100 |
| Cooper        | Chandler         | Pecos            | 0.98  | 6   | 5.88       | 2,210       | 4,100    | 2,166 | 4,018 |
| Cooper        | Pecos            | Loop 202         | 0.62  | 6   | 3.72       | 2,074       | 4,100    | 1,286 | 2,542 |
| Cooper        | Loop 202         | Germann          | 0.40  | 6   | 2.40       | 2,074       | 4,100    | 830   | 1,640 |
| Cooper        | Queen Creek      | Ocotillo         | 1.00  | 4   | 4.00       | 2,040       | 2,700    | 2,040 | 2,700 |
| Cooper        | Ocotillo         | Chandler Heights | 1.00  | 4   | 4.00       | 1,683       | 2,700    | 1,683 | 2,700 |
| Cooper        | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 1,360       | 2,700    | 1,360 | 2,700 |
| Cooper        | Riggs            | Hunt Highway     | 1.00  | 4   | 4.00       | 315         | 2,700    | 315   | 2,700 |
| Gilbert       | Pecos            | Loop 202         | 0.60  | 6   | 3.60       | 3,256       | 4,100    | 1,954 | 2,460 |
| Gilbert       | Loop 202         | Germann          | 0.40  | 6   | 2.40       | 3,256       | 4,100    | 1,302 | 1,640 |

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Table 117. Buildout Arterial Street Inventory (continued)

| Street           | From             | To               | Miles | Lns | Lane-Miles | Pk Hr Count | Capa-city | VMT   | VMC   |
|------------------|------------------|------------------|-------|-----|------------|-------------|-----------|-------|-------|
| Gilbert          | Germann          | Queen Creek      | 1.00  | 6   | 6.00       | 3,579       | 4,100     | 3,579 | 4,100 |
| Gilbert          | Queen Creek      | Ocotillo         | 1.00  | 6   | 6.00       | 2,278       | 4,100     | 2,278 | 4,100 |
| Gilbert          | Ocotillo         | Chandler Heights | 1.00  | 4   | 4.00       | 2,448       | 2,700     | 2,448 | 2,700 |
| Gilbert          | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 1,649       | 2,700     | 1,649 | 2,700 |
| Gilbert          | Riggs            | Hunt Highway     | 1.00  | 4   | 4.00       | 731         | 2,700     | 731   | 2,700 |
| Lindsay          | Ocotillo         | Chandler Heights | 1.00  | 4   | 4.00       | 1,114       | 2,700     | 1,114 | 2,700 |
| Lindsay          | Chandler Heights | Riggs            | 1.00  | 4   | 4.00       | 1,063       | 2,700     | 1,063 | 2,700 |
| Lindsay          | Riggs            | Hunt Highway     | 1.00  | 4   | 4.00       | 468         | 2,700     | 468   | 2,700 |
| Ray              | McQueen          | Cooper           | 1.00  | 6   | 6.00       | 2,729       | 4,100     | 2,729 | 4,100 |
| Chandler         | McQueen          | Cooper           | 0.99  | 6   | 5.94       | 2,253       | 4,100     | 2,230 | 4,059 |
| Chandler         | Cooper           | Gilbert          | 1.00  | 6   | 6.00       | 1,768       | 4,100     | 1,768 | 4,100 |
| Pecos            | Ellis            | Dobson           | 0.50  | 4   | 2.00       | 1,000       | 2,700     | 500   | 1,350 |
| Pecos            | Dobson           | Alma School      | 1.00  | 6   | 6.00       | 1,539       | 4,100     | 1,539 | 4,100 |
| Pecos            | Alma School      | Arizona          | 1.00  | 6   | 6.00       | 1,870       | 4,100     | 1,870 | 4,100 |
| Pecos            | Arizona          | McQueen          | 1.02  | 6   | 6.12       | 1,777       | 4,100     | 1,813 | 4,182 |
| Pecos            | McQueen          | Cooper           | 1.00  | 6   | 6.00       | 1,896       | 4,100     | 1,896 | 4,100 |
| Pecos            | Cooper           | Gilbert          | 1.00  | 6   | 6.00       | 1,284       | 4,100     | 1,284 | 4,100 |
| Germann          | City Limits      | Price            | 0.25  | 4   | 1.00       | 200         | 2,700     | 50    | 675   |
| Germann          | Price            | Dobson           | 0.75  | 4   | 3.00       | 1,173       | 2,700     | 880   | 2,025 |
| Germann          | Dobson           | Alma School      | 1.00  | 6   | 6.00       | 1,649       | 4,100     | 1,649 | 4,100 |
| Germann          | Alma School      | Arizona          | 1.00  | 6   | 6.00       | 1,921       | 4,100     | 1,921 | 4,100 |
| Germann          | Arizona          | McQueen          | 1.00  | 6   | 6.00       | 1,394       | 4,100     | 1,394 | 4,100 |
| Germann          | McQueen          | Cooper           | 1.00  | 6   | 6.00       | 1,513       | 4,100     | 1,513 | 4,100 |
| Germann          | Cooper           | Gilbert          | 1.10  | 6   | 6.60       | 2,125       | 4,100     | 2,338 | 4,510 |
| Queen Creek      | City Limits      | Price            | 0.27  | 6   | 1.62       | 3,104       | 4,100     | 838   | 1,107 |
| Queen Creek      | Price            | Dobson           | 0.45  | 6   | 2.70       | 1,768       | 4,100     | 796   | 1,845 |
| Queen Creek      | Dobson           | Alma School      | 1.30  | 6   | 7.80       | 2,219       | 4,100     | 2,885 | 5,330 |
| Queen Creek      | Alma School      | Arizona          | 1.00  | 6   | 6.00       | 2,202       | 4,100     | 2,202 | 4,100 |
| Queen Creek      | Arizona          | McQueen          | 1.00  | 6   | 6.00       | 1,794       | 4,100     | 1,794 | 4,100 |
| Queen Creek      | McQueen          | Cooper           | 1.00  | 6   | 6.00       | 1,726       | 4,100     | 1,726 | 4,100 |
| Queen Creek      | Cooper           | Gilbert          | 1.00  | 6   | 6.00       | 1,488       | 4,100     | 1,488 | 4,100 |
| Queen Creek      | Gilbert          | Lindsay          | 1.00  | 6   | 6.00       | 1,666       | 4,100     | 1,666 | 4,100 |
| Ocotillo         | Dobson           | Alma School      | 0.80  | 4   | 3.20       | 1,717       | 2,700     | 1,374 | 2,160 |
| Ocotillo         | Alma School      | Arizona          | 1.40  | 4   | 5.60       | 1,641       | 2,700     | 2,297 | 3,780 |
| Ocotillo         | Arizona          | McQueen          | 1.00  | 4   | 4.00       | 2,134       | 2,700     | 2,134 | 2,700 |
| Ocotillo         | McQueen          | Cooper           | 1.00  | 4   | 4.00       | 1,802       | 2,700     | 1,802 | 2,700 |
| Ocotillo         | Cooper           | Redwood          | 0.25  | 4   | 1.00       | 1,734       | 2,700     | 434   | 675   |
| Ocotillo         | Redwood          | Gilbert          | 0.75  | 4   | 3.00       | 1,734       | 2,700     | 1,301 | 2,025 |
| Ocotillo         | Gilbert          | Lindsay          | 1.00  | 4   | 4.00       | 1,760       | 2,700     | 1,760 | 2,700 |
| Ocotillo         | Lindsay          | 148th St.        | 0.50  | 4   | 2.00       | 2,605       | 2,700     | 1,303 | 1,350 |
| Chandler Heights | Alma School      | Arizona          | 1.00  | 4   | 4.00       | 1,284       | 2,700     | 1,284 | 2,700 |
| Chandler Heights | Arizona          | McQueen          | 1.00  | 4   | 4.00       | 1,267       | 2,700     | 1,267 | 2,700 |
| Chandler Heights | McQueen          | Cooper           | 1.00  | 4   | 4.00       | 1,275       | 2,700     | 1,275 | 2,700 |
| Chandler Heights | Cooper           | Gilbert          | 0.96  | 4   | 3.84       | 1,394       | 2,700     | 1,338 | 2,592 |
| Chandler Heights | Gilbert          | Lindsay          | 1.00  | 4   | 4.00       | 1,394       | 2,700     | 1,394 | 2,700 |
| Chandler Heights | Lindsay          | Val Vista        | 1.00  | 4   | 4.00       | 1,173       | 2,700     | 1,173 | 2,700 |

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Table 117. Buildout Arterial Street Inventory (continued)

| Street | From    | To        | Miles | Lns | Lane-Miles | Pk Hr Count | Capacity | VMT     | VMC     |
|--------|---------|-----------|-------|-----|------------|-------------|----------|---------|---------|
| Riggs  | Arizona | McQueen   | 1.00  | 6   | 6.00       | 2,499       | 4,100    | 2,499   | 4,100   |
| Riggs  | McQueen | Cooper    | 1.00  | 6   | 6.00       | 2,261       | 4,100    | 2,261   | 4,100   |
| Riggs  | Cooper  | Gilbert   | 1.00  | 6   | 6.00       | 2,142       | 4,100    | 2,142   | 4,100   |
| Riggs  | Gilbert | Lindsay   | 1.00  | 6   | 6.00       | 2,125       | 4,100    | 2,125   | 4,100   |
| Riggs  | Lindsay | Val Vista | 1.00  | 6   | 6.00       | 1,632       | 4,100    | 1,632   | 4,100   |
| Total  |         |           | 81.90 |     | 425.88     |             |          | 175,006 | 289,926 |

Source: Street descriptions, miles, number of lanes and projected volumes from City of Chandler Capital Projects Division, June 2, 2023; capacity is maximum hourly volumes at LOS D from Table 14; VMT is vehicle-miles of travel, which is the product of segment miles and peak hour volume; VMC is vehicle-miles of capacity, which is the product of miles and capacity.



## APPENDIX B: FUNCTIONAL POPULATION

The two most common methodologies used in calculating public safety service units and impact fees are the “calls-for-service” approach and the “functional population” approach. This update continues to use the “functional population” approach to calculate and assess the fire and police system development fees. This approach is a generally-accepted methodology for these impact fee types and is based on the observation that demand for public safety facilities tends to be proportional to the presence of people at a particular site.

Functional population is analogous to the concept of “full-time equivalent” employees. It represents the number of “full-time equivalent” people present at the site of a land use, and it is used for the purpose of determining the impact of a particular development on the need for facilities. For residential development, functional population is simply average household size times the percent of time people spend at home. For nonresidential development, functional population is based on a formula that factors in trip generation rates, average vehicle occupancy, employee density and average number of hours spent by employees and visitors at a land use.

### Residential Functional Population

In 2018, the U.S. Bureau of Labor Statistics interviewed one person each from 9,600 randomly-selected households to determine how people spent their time during a recent day. Survey respondents were limited to persons aged 15 or older in the civilian population. The survey determined the average number of hours spent on various types of activities. While it did not itemize where the activities occurred, reasonable assumptions have been made about which activities were more likely to take place at the place of residence or away from home. The results are summarized in Table 118

**Table 118. Time Usage Survey Data**

| Primary Activity                                   | Hours per Day | At Home | Away |
|--|---------------|---------|------|
| Sleeping (including naps, spells of sleeplessness) | 8.82          | 8.82    | –    |
| Personal care activities (other than sleeping)     | 0.76          | 0.76    | –    |
| Eating and drinking*                               | 1.19          | 0.89    | 0.30 |
| Household activities                               | 1.78          | 1.78    | –    |
| Purchasing goods and services                      | 0.72          | –       | 0.72 |
| Caring for and helping household members           | 0.51          | 0.51    | –    |
| Caring for and helping non-household members       | 0.21          | –       | 0.21 |
| Working and work-related activities                | 3.57          | –       | 3.57 |
| Educational activities                             | 0.46          | –       | 0.46 |
| Organizational, civic and religious activities     | 0.30          | –       | 0.30 |
| Watching television                                | 2.84          | 2.84    | –    |
| Other leisure and sports                           | 2.43          | –       | 2.43 |
| Telephone, mail and email                          | 0.15          | 0.15    | –    |
| Other activities                                   | 0.26          | 0.26    | –    |
| Total Hours  | 24.00         | 16.01   | 7.99 |
| Percent of Time                                    | 100%          | 67%     | 33%  |

\* assumes 3/4 of meals eaten at home

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, *American Time Use Survey - 2018 Results*, June 19, 2019 release, survey of U.S. civilians 15 years of age or older.



Determining residential functional population multipliers is considerably simpler than the nonresidential component. As shown in the table above, it is estimated that people spend an average of 16 hours, or 67 percent, of each 24-hour day at their place of residence and the other 33 percent away from home. The functional population per unit for residential uses is shown in Table 119.

**Table 119. Functional Population per Unit for Residential Uses**

| Housing Type  | Unit     | Average HH Size | Occupancy Factor | Func. Pop. per Unit |
|---------------|----------|-----------------|------------------|---------------------|
| Single-Family | Dwelling | 2.82            | 0.67             | 1.89                |
| Multi-Family  | Dwelling | 2.38            | 0.67             | 1.59                |

Source: Average household size from Table 8; occupancy factor from Table 118.

## Nonresidential Functional Population

The functional population methodology for nonresidential land uses is based on trip generation data utilized in developing the transportation demand schedule prepared for the updated arterial street system development fees. Functional population per 1,000 square feet is derived by dividing the total number of hours spent by employees and visitors during a weekday by 24 hours. Employees are estimated to spend 8 hours per day at their place of employment, and visitors are estimated to spend one hour per visit. The formula used to derive the nonresidential functional population estimates is summarized in Figure 9 below.

**Figure 9. Nonresidential Functional Population Formula**

|                        |   |  |
|------------------------|---|--|
| FUNCPOP/UNIT           | = | (employee hours/1000 sf + visitor hours/1000 sf) ÷ 24 hours/day  |
| <u>Where:</u>          |   |  |
| Employee hours/1000 sf | = | employees/1000 sf x 8 hours/day                                  |
| Visitor hours/1000 sf  | = | visitors/1000 sf x 1 hour/visit                                  |
| Visitors/1000 sf       | = | weekday ADT/1000 sf x avg. vehicle occupancy – employees/1000 sf |
| Weekday ADT/1000 sf    | = | one-way avg. daily trips (total trip ends ÷ 2)                   |

Using this formula and information on trip generation rates, vehicle occupancy rates from the National Household Travel Survey and other sources and assumptions, nonresidential functional population estimates per 1,000 square feet of gross floor area are calculated in Table 120 on the following page.



**Table 120. Functional Population per Unit for Nonresidential Uses**

| Land Use             | Unit          | Trip Rate | Persons/<br>Trip | Employee/<br>Unit | Visitors/<br>Unit | Func. Pop./<br>Unit |
|----------------------|---------------|-----------|------------------|-------------------|-------------------|---------------------|
| Retail/Commercial    | 1,000 sq. ft. | 18.50     | 1.90             | 1.78              | 33.37             | 1.98                |
| Office               | 1,000 sq. ft. | 5.42      | 1.81             | 2.18              | 7.63              | 1.04                |
| Industrial/Warehouse | 1,000 sq. ft. | 1.27      | 1.30             | 1.38              | 0.27              | 0.47                |
| Public/Institutional | 1,000 sq. ft. | 3.37      | 2.54             | 2.18              | 6.38              | 0.99                |

*Source:* Trip rates are one-half of daily trip ends on a weekday from Institute of Transportation Engineers, *Trip Generation Manual*, 11th edition, 2021 (retail/commercial based on shopping center, office based on general office, industrial/warehouse based on average for industrial park and warehousing, public/institutional based on nursing home); persons/trip is average vehicle occupancy from Federal Highway Administration, *National Household Travel Survey*, 2017 by trip purpose (retail is shopping, office is medical/dental, industrial/warehouse is to-from work, public is school/church; employees/unit from Table 11; visitors/unit is trips times persons/trip minus employees/unit; functional population/unit calculated based on formula in Figure 9.



## APPENDIX C: FINANCIAL DATA

This appendix provides financial data on the City's system development fees. SDF collections by fund over the last four fiscal years are summarized in Table 121. Revenues have tended to decline over this period, particularly in the last year.

**Table 121. System Development Fee Revenue, FY 2019-2022**

| SDF Fund               | FY 2018/19   | FY 2019/20   | FY 2020/21   | FY 2021/22   |
|------------------------|--------------|--------------|--------------|--------------|
| Parks Northwest        | \$144,070    | \$64,505     | \$983        | \$0          |
| Park Northeast         | \$1,277,898  | \$110,295    | \$84,435     | \$205,150    |
| Park Southeast         | \$1,422,474  | \$1,860,397  | \$2,198,381  | \$1,214,291  |
| Parks Subtotal         | \$2,844,442  | \$2,035,197  | \$2,283,799  | \$1,419,441  |
| Arterial Streets       | \$4,819,431  | \$5,576,240  | \$4,882,337  | \$2,701,703  |
| Library                | \$59,783     | \$81,111     | \$85,542     | \$83,172     |
| Public Bldgs           | \$163,724    | \$237,020    | \$193,846    | \$196,851    |
| Police                 | \$463,376    | \$290,713    | \$224,665    | \$225,311    |
| Fire                   | \$672,922    | \$510,692    | \$394,103    | \$404,554    |
| Total Non-Utility Fees | \$9,023,678  | \$8,730,973  | \$8,064,292  | \$5,031,032  |
| Water                  | \$6,527,184  | \$5,410,398  | \$5,160,606  | \$4,239,339  |
| Reclaimed Water        | \$990,677    | \$1,358,289  | \$1,272,946  | \$1,144,679  |
| Wastewater             | \$6,451,071  | \$5,829,836  | \$5,873,312  | \$5,144,713  |
| Total Utility Fees     | \$13,968,932 | \$12,598,523 | \$12,306,864 | \$10,528,731 |
| All SDF Funds          | \$22,992,610 | \$21,329,496 | \$20,371,156 | \$15,559,763 |

Source: City of Chandler Management Services Department, February 6, 2023.

Table 122 below summarizes financial data as of June 30, 2022 for the system development fee accounts, including fund balances, outstanding obligations to repay debt/interfund loans, and encumbrances/carry-forward costs associated with construction projects that are underway.

**Table 122. Summary of Fund Balances and Obligations**

|                           | Fund Balance* | Outstanding Debt | Encumb./ Carry-Fwd |
|---------------------------|---------------|------------------|--------------------|
| NW Parks Fund 425         | \$2,825,224   | \$2,825,224      | \$0                |
| NE Parks Fund 426         | \$6,424,043   | \$5,853,189      | \$2,078,184        |
| SE Parks Fund 427         | \$21,984,807  | \$0              | \$715,925          |
| Parks Subtotal            | \$31,234,074  | \$8,678,413      | \$2,794,109        |
| Arterial Streets Fund 415 | \$61,725,679  | \$34,530,036     | \$23,417,040       |
| Library Fund 431          | \$5,067       | \$13,000         | \$0                |
| Public Building Fund 440  | \$153,003     | \$1,764,427      | \$0                |
| Police Fund 465           | \$257,453     | \$2,008,425      | \$0                |
| Fire Fund 475             | \$239,385     | \$3,588,007      | \$0                |
| Water Fund 603            | \$12,088,518  | \$113,317,614    | \$3,081,634        |
| Reclaimed Water Fund 610  | \$2,614,726   | \$24,370,725     | \$1,075,677        |
| Wastewater Fund 614       | \$18,424,602  | \$140,924,609    | \$0                |
| Total                     | \$126,742,507 | \$329,195,256    | \$30,368,460       |

\* SE fund balance includes the \$2,866,162 fund balance for the pre-SB 1525 city-wide parks fund 424  
Source: Fund balances from City of Chandler Management Services Department, *Annual System Development Fee Report for Fiscal Year Ending June 30, 2022*; outstanding obligations as of June 30, 2022 for interfund loans/bond debt from Table 123 and for encumbrances/carry-forwards from Table 124.



Interfund loans to the system development fee accounts represent money advanced by the general fund, general obligation bond funds, or the water or wastewater operating or bond funds to fund certain fee-eligible projects when sufficient system development fee funds had not been accumulated. These interfund loans need to be repaid with either current system development fee cash balances or future fee revenues. The cost to repay these loans is appropriately included in calculating the ten-year and buildout costs per service unit. Details on the original and outstanding debt/interfund loans are provided in Table 123.

The pledged park debt is a city-wide obligation made in 2007, when the City had a single city-wide park service area. In this update it has been allocated to be partially paid by the current fund balance in the Northwest park service area (that area has little residential development potential, and the fee is to be eliminated), with the remainder to become an obligation of the Northeast service area, which has the most remaining development of all the service areas but no need for additional parks.

**Table 123. Outstanding Pledged Debt/Interfund Loans**

| Fund Recipient                  | Year(s) of Loan  | Loan From        | Orig. Loan    | Outstanding          |
|---------------------------------|------------------|------------------|---------------|----------------------|
| Arterial Streets SDF Fund 415   | FY 2009          | Gen. Fund-Bonds  | \$37,756,132  | <b>\$34,530,036</b>  |
| Parks, Northwest Fund 425       | n/a              | Gen. Fund-Bonds  | n/a           | \$2,825,224          |
| Parks, Northeast Fund 426       | n/a              | Gen. Fund-Bonds  | n/a           | \$5,853,189          |
| Parks, Southeast Fund 427       | n/a              | Gen. Fund-Bonds  | n/a           | \$0                  |
| Parks SDF Fund 424*             | FY 2007          | Gen. Fund-Bonds  | \$17,865,000  | <b>\$8,678,413</b>   |
| Library SDF Fund 431            | FY 2011          | Gen. Fund-Bonds  | \$1,290,000   | <b>\$13,000</b>      |
| Public Building SDF Fund 440    | FY 2010          | General Fund     | \$4,204,427   | <b>\$1,764,427</b>   |
| Fire SDF Fund 475               | FY 2006/10       | General Fund     | \$3,588,007   | <b>\$3,588,007</b>   |
| Police SDF Fund 465             | FY 2006/07       | General Fund     | \$6,158,425   | <b>\$2,008,425</b>   |
| Water SDF Fund 603              | FY 2008          | Water Operating  | \$15,929,877  | \$15,929,877         |
| Water SDF Fund 603              | FY 2007/09/14/20 | Water Bonds      | \$97,387,737  | \$97,387,737         |
| Total, Water SDF Fund 603       |                  |                  | \$113,317,614 | <b>\$113,317,614</b> |
| Wastewater SDF Fund 614         | FY 2009/14/16    | Wastewater Bonds | \$140,924,609 | <b>\$140,924,609</b> |
| Reclaimed Water SDF Fund 610    | FY 2007          | Wastewater SDF   | \$7,700,000   | \$7,700,000          |
| Reclaimed Water SDF Fund 610    | FY 2009          | Wastewater Bonds | \$16,670,725  | \$16,670,725         |
| Total, Reclaimed Water SDF Fund |                  |                  | \$24,370,725  | <b>\$24,370,725</b>  |
| Grand Total                     |                  |                  | \$349,474,940 | \$329,195,256        |

\* pledged debt obligation incurred by the pre-SB 1525 city-wide parks fund allocated to NW park fund in an amount equal to the current fund balance, with remainder allocated to NE park fund

Source: City of Chandler Management Services Department, February 6, 2023 (outstanding as of June 30, 2022).

In addition to debt/interfund loans, another future cost to be paid from system development fees are the costs of encumbrances and capital carry-forward balances, which represents unpaid costs of improvements currently underway for fee-eligible improvements. These costs are appropriately included in calculating the ten-year and buildout costs per service. Table 124 on the following page provides details on current projects and associated encumbrances and carry-forward amounts.



**Table 124. Encumbrances and Carry-Forwards**

| Improvement Project                       | Encumbrances | Carry-Forwards | Total        |
|---|--------------|----------------|--------------|
| Cooper - Queen Creek to Riggs             | \$596,093    | \$472          | \$596,565    |
| Alma School Rd - Pecos to German          | \$235,783    | \$296,973      | \$532,756    |
| Lindsay Rd - Ocotillo to Hunt Hwy         | \$270,996    | \$1,751,085    | \$2,022,081  |
| Chandler Hts - McQueen to Val Vista       | \$14,609,791 | \$1,273,570    | \$15,883,361 |
| Ocotillo Rd -Cooper to 148th St           | \$4,087,077  | \$295,200      | \$4,382,277  |
| Total, Arterial Streets                   | \$19,799,740 | \$3,617,300    | \$23,417,040 |
| Homestead North Park Site                 | \$2,073,187  | \$4,997        | \$2,078,184  |
| Total, Parks Northeast Service Area       | \$2,073,187  | \$4,997        | \$2,078,184  |
| Lantana Ranch Park Site                   | \$0          | \$7,697        | \$7,697      |
| Lantana Ranch Park Site                   | \$0          | \$708,228      | \$708,228    |
| Total, Parks Southeast Service Area       | \$0          | \$715,925      | \$715,925    |
| Well Construction                         | \$1,309,708  | \$1,771,926    | \$3,081,634  |
| Total, Water                              | \$1,309,708  | \$1,771,926    | \$3,081,634  |
| Effluent Reuse-Storage and Recovery Wells | \$770,585    | \$63,262       | \$833,847    |
| Effluent Reuse-Transmission Mains         | \$42,281     | \$199,549      | \$241,830    |
| Total, Reclaimed Water                    | \$812,866    | \$262,811      | \$1,075,677  |
| Grand Total                               | \$23,995,501 | \$6,372,959    | \$30,368,460 |

Source: City of Chandler Management Services Department, February 6, 2023 (outstanding as of June 30, 2022).

The cost of studies to update the fees every five years, as required by SB 1525, is a cost that is attributable entirely to new development. The future update costs are based on the actual cost of the current update. Given SB 1525's requirement that the fees be updated at least every five years, a minimum of two updates will be required over the next ten years. While the timing of buildout is uncertain, it is projected to be at about 97% of buildout population by 2040, indicating a need for four update studies by buildout. The update study costs by fee type are summarized in Table 125.

**Table 125. Study Update Costs**

| Fee Type         | Current Study Cost | Cost of 2 Studies, 2022-2032 | Cost of 4 Studies, 2022-Buildout |
|------------------|--------------------|------------------------------|----------------------------------|
| Arterial Streets | \$32,950           | \$65,900                     | \$131,800                        |
| Parks            | \$16,475           | \$32,950                     | \$65,900                         |
| Fire             | \$16,475           | \$32,950                     | \$65,900                         |
| Police           | \$16,475           | \$32,950                     | \$65,900                         |
| Water            | \$16,475           | \$32,950                     | \$65,900                         |
| Wastewater       | \$16,475           | \$32,950                     | \$65,900                         |
| Reclaimed Water  | \$16,475           | \$32,950                     | \$65,900                         |
| Total            | \$131,800          | \$263,600                    | \$527,200                        |

Source: Current study cost is consultant cost for this update, allocated evenly among fee types; cost of the two studies required over the next ten years is twice the current study cost; cost of four studies needed 2022-buildout is four times study cost.



The biennial audits used by the City to meet the requirements of SB 1525 are a cost that is attributable entirely to new development. The future audit costs are based on the cost of the most recent audit. Given SB 1525's requirement that the audit take place every two years, five audits will be required over the next ten years. While the timing of buildout is uncertain, it is projected to be at about 97% of buildout population by 2040, indicating a need for four additional audits by buildout. The biennial audit costs by fee type are summarized in Table 126.

**Table 126. Biennial Audit Costs**

| Fee Type         | Biennial Audit Cost | Cost of 5 Audits, 2022-2032 | Cost of 9 Audits, 2022-Buildout |
|------------------|---------------------|-----------------------------|---------------------------------|
| Arterial Streets | \$2,000             | \$10,000                    | \$18,000                        |
| Parks            | \$2,000             | \$10,000                    | \$18,000                        |
| Fire             | \$2,000             | \$10,000                    | \$18,000                        |
| Police           | \$2,000             | \$10,000                    | \$18,000                        |
| Water            | \$2,000             | \$10,000                    | \$18,000                        |
| Wastewater       | \$2,000             | \$10,000                    | \$18,000                        |
| Reclaimed Water  | \$2,000             | \$10,000                    | \$18,000                        |
| <b>Total</b>     | <b>\$14,000</b>     | <b>\$70,000</b>             | <b>\$126,000</b>                |

Source: Most recent total biennial audit cost from City of Chandler, allocated evenly among fee types; cost of the five audits required over the next ten years is five times the current audit cost; cost of nine audits needed 2022-buildout is nine times study cost.



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## APPENDIX D: REVENUE FORECAST

SB 1525 requires that the infrastructure improvements plan include (A.R.S. Sec. 9-463.05.E.7):

*A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.*

The maximum revenues from these sources that may be attributed to new development over the next ten years are summarized in Table 128 on the following page. In general, the forecasts are based on the total of new revenue projected to be received, some of which is growth-related and the remainder of which is due to inflation, increases from existing development or increases in cost recovery fees. However, with the City's practice of using ongoing revenues for ongoing expenditures, most of this revenue will be used for ongoing operations and maintenance purposes. None of the City's General Fund or Highway User Revenue Funds are used for growth-related capital improvements, other than as loans. Only revenue generated by new development that is dedicated to growth-related capital improvements needs to be considered in determining the extent of the burden imposed by new development. As discussed in greater detail in the Legal Framework section, offsets against impact fees are warranted in the following cases: (1) new development will be paying taxes or fees used to retire debt on existing facilities serving existing development; (2) new development will be paying taxes or fees used to fund an existing deficiency, or (3) new development will be paying taxes or fees that are dedicated to being used for growth-related improvements.

In this study, offsets against the fees have been accounted for in the following manner:

- (1) **Outstanding debt.** Only "eligible" debt for past capacity-expanding improvements that are currently authorized to be funded with impact fees needs to be considered. For all the facility types, the eligible debt is attributable to existing excess capacity available for future development. Consequently, the amount of outstanding eligible debt principal has been excluded from the calculation of the existing level of service, and has been included in the calculation of ten-year and buildout costs per service unit.
- (2) **Existing deficiencies.** Impact fees are typically calculated based on a system-wide analysis. Consequently, existing deficiencies from an impact fee perspective are different from those that might be identified using a facility-specific standard. For example, road impact fees are based on ratio of capacity to demand in the major road system as a whole, rather than on levels of congestion on individual road segments. As long as a road fee is not based on the cost to ensure that every road segment functions at a desired level of service, individual road segments can be currently deficient with respect to that standard without constituting existing deficiencies from an impact fee perspective. In this study, the existing level of service is calculated as the replacement cost per service unit of existing, fully-paid for facilities serving existing development. The updated fees are, in every case, based on a cost per service unit that is lower than the existing level of service. Consequently, the requirement of SB 1525 that fees be based on the existing level of service has been met, and there are no existing deficiencies that need to be addressed.



- (3) **Dedicated future funding.** The only dedicated source of revenue for capital funding of growth-related capacity improvements that has been identified in this study is Federal/State and regional transportation funds that are programmed for capacity-expanding arterial street improvements in Chandler over the next ten years. This has been addressed by excluding that anticipated funding from the calculation of the cost per service unit on which the updated arterial street fees are based (see Arterial Streets section).

**Table 127. Total Revenue Forecast**

| Description                     | 2022/2023            | 2023/2024            | 2024/2025            | 2025/2026            | 2026/2027            |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Construction Contracting TPT    | \$27,500,000         | \$22,000,000         | \$14,658,129         | \$15,100,000         | \$15,550,000         |
| Other Transaction/Privilege Tax | \$172,950,000        | \$172,950,000        | \$144,858,803        | \$149,210,000        | \$153,690,000        |
| Franchise Fees                  | \$3,630,000          | \$3,471,000          | \$3,506,500          | \$3,542,800          | \$3,579,800          |
| State Shared Sales Tax          | \$39,000,000         | \$28,500,000         | \$29,925,000         | \$30,830,000         | \$31,760,000         |
| Vehicle License Tax             | \$13,500,000         | \$10,800,000         | \$11,016,000         | \$11,236,400         | \$11,470,000         |
| Urban Revenue Sharing           | \$52,000,000         | \$39,000,000         | \$41,340,000         | \$42,590,000         | \$43,870,000         |
| Smart and Safe - Prop 207       | \$1,100,000          | \$1,100,000          | \$1,155,000          | \$1,212,800          | \$1,237,100          |
| Primary Property Tax            | \$8,663,078          | \$8,681,611          | \$9,028,900          | \$9,400,000          | \$9,690,000          |
| <b>Total</b>                    | <b>\$318,343,078</b> | <b>\$286,502,611</b> | <b>\$255,488,332</b> | <b>\$263,122,000</b> | <b>\$270,846,900</b> |

| Description                     | 2027/2028            | 2028/2029            | 2029/2030            | 2030/2031            | 2031/2032            | Total                  |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Construction Contracting TPT    | \$16,330,000         | \$16,330,000         | \$16,820,000         | \$17,330,000         | \$17,850,000         | \$179,468,129          |
| Other Transaction/Privilege Tax | \$161,380,000        | \$161,380,000        | \$161,380,000        | \$166,230,000        | \$171,220,000        | \$1,615,248,803        |
| Franchise Fees                  | \$3,617,600          | \$3,656,100          | \$3,695,400          | \$3,735,500          | \$3,776,400          | \$36,211,100           |
| State Shared Sales Tax          | \$32,720,000         | \$33,710,000         | \$34,730,000         | \$35,780,000         | \$36,860,000         | \$333,815,000          |
| Vehicle License Tax             | \$11,700,000         | \$11,940,000         | \$12,180,000         | \$12,430,000         | \$12,680,000         | \$118,952,400          |
| Urban Revenue Sharing           | \$45,190,000         | \$46,550,000         | \$47,950,000         | \$49,390,000         | \$50,880,000         | \$458,760,000          |
| Smart and Safe - Prop 207       | \$1,261,900          | \$1,287,200          | \$1,313,000          | \$1,339,300          | \$1,366,100          | \$12,372,400           |
| Primary Property Tax            | \$9,890,000          | \$10,090,000         | \$10,300,000         | \$10,510,000         | \$10,730,000         | \$96,983,589           |
| <b>Total</b>                    | <b>\$282,089,500</b> | <b>\$284,943,300</b> | <b>\$288,368,400</b> | <b>\$296,744,800</b> | <b>\$305,362,500</b> | <b>\$2,851,811,421</b> |

Source: City of Chandler Management Services Department, July 7, 2023.

**Table 128. Revenue Attributable to New Development**

| Description                     | Growth % | 2022/2023           | 2023/2024           | 2024/2025          | 2025/2026           | 2026/2027           |
|---------------------------------|----------|---------------------|---------------------|--------------------|---------------------|---------------------|
| Construction Contracting TPT    | 50.0%    | \$13,750,000        | \$11,000,000        | \$7,329,065        | \$7,550,000         | \$7,775,000         |
| Other Transaction/Privilege Tax | 1.0%     | \$1,729,500         | \$1,729,500         | \$1,448,588        | \$1,492,100         | \$1,536,900         |
| Franchise Fees                  | 1.0%     | \$36,300            | \$34,710            | \$35,065           | \$35,428            | \$35,798            |
| State Shared Sales Tax          | 1.0%     | \$390,000           | \$285,000           | \$299,250          | \$308,300           | \$317,600           |
| Vehicle License Tax             | 1.0%     | \$135,000           | \$108,000           | \$110,160          | \$112,364           | \$114,700           |
| Urban Revenue Sharing           | 1.0%     | \$520,000           | \$390,000           | \$413,400          | \$425,900           | \$438,700           |
| Smart and Safe - Prop 207       | 1.0%     | \$11,000            | \$11,000            | \$11,550           | \$12,128            | \$12,371            |
| Primary Property Tax            | 1.0%     | \$86,631            | \$86,816            | \$90,289           | \$94,000            | \$96,900            |
| <b>Total</b>                    |          | <b>\$16,658,431</b> | <b>\$13,645,026</b> | <b>\$9,737,367</b> | <b>\$10,030,220</b> | <b>\$10,327,969</b> |

| Description                     | 2027/2028           | 2028/2029           | 2029/2030           | 2030/2031           | 2031/2032           | Total                |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Construction Contracting TPT    | \$8,165,000         | \$8,165,000         | \$8,410,000         | \$8,665,000         | \$8,925,000         | \$89,734,065         |
| Other Transaction/Privilege Tax | \$1,613,800         | \$1,613,800         | \$1,613,800         | \$1,662,300         | \$1,712,200         | \$16,152,488         |
| Franchise Fees                  | \$36,176            | \$36,561            | \$36,954            | \$37,355            | \$37,764            | \$362,111            |
| State Shared Sales Tax          | \$327,200           | \$337,100           | \$347,300           | \$357,800           | \$368,600           | \$3,338,150          |
| Vehicle License Tax             | \$117,000           | \$119,400           | \$121,800           | \$124,300           | \$126,800           | \$1,189,524          |
| Urban Revenue Sharing           | \$451,900           | \$465,500           | \$479,500           | \$493,900           | \$508,800           | \$4,587,600          |
| Smart and Safe - Prop 207       | \$12,619            | \$12,872            | \$13,130            | \$13,393            | \$13,661            | \$123,724            |
| Primary Property Tax            | \$98,900            | \$100,900           | \$103,000           | \$105,100           | \$107,300           | \$969,836            |
| <b>Total</b>                    | <b>\$10,822,595</b> | <b>\$10,851,133</b> | <b>\$11,125,484</b> | <b>\$11,459,148</b> | <b>\$11,800,125</b> | <b>\$116,457,498</b> |

Source: Total revenue from Table 127 times growth percent; 50% of construction contracting TPT attributed to new development (rest is remodeling) per City; all other revenues attributed to new development based on the average of compounded annual growth rates in population and nonresidential sq. ft. from 2022-2032 derived from Table 7 and Table 10 in the Land Use Assumptions section.



# Public Hearing

System Development Fee Update

City Council Chambers  
February 22, 2024



# Agenda

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- Background and Program requirements
- Fee Categories / Service Areas
- Fee Update Summary and Comparisons
- Remaining Project Timeline





# Background

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- SDF process governed by A.R.S. §9-463.05
- Developers pay SDFs during the building permit process
- One-time funding for growth-related capital infrastructure
  - Cannot be used to fund repairs or operations & maintenance
  - Cannot be used for capital that is not directly attributed to growth
  - Must be infrastructure that is a necessary public service and that directly provides a beneficial use to the development



# Why Charge System Development Fees (SDFs)?

One of the 1<sup>st</sup> cities to implement the full range of SDFs “Impact Fees” in 1997 in an effort to ensure growth pays for growth.

If not for SDFs, Chandler would have had to find an alternative revenue source (e.g. additional bond elections & related taxes, etc.) to fund needed infrastructure as the city grew and continues to grow.

Examples of arterial streets, fire stations, police facilities, libraries, parks, and utilities projects completed with SDFs:

SDF's funded growth related infrastructure through the years, which was and still is paid by developers at the time of permitting.

SDFs have allowed Chandler to keep taxes low over the years. Provided a capital funding source in lieu of selling bonds.

Desert Breeze Police Substation; Tumbleweed, Snedigar, Arbuckle, Roadrunner, Chuparosa, and Espee parks, Fire Stations 2-11, Mesquite Groves Aquatic Center, Water/Wastewater Mains, Wells, and Other Infrastructure, and all Major Arterial Street widenings.



# Program Requirements

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A.R.S. requires the following to ensure transparency and oversight

- Complete the Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP) report as a precursor to Fee Updates based on methodology outlined in A.R.S.\*
  - Requires update every five years – legally required by January of 2029
  - Last LUA & IIP Adoption - January of 2024
  - Includes an updated fee schedule
  - Public outreach and Council approval process
- Prepare an “Annual Report” and post online
  - Includes actual results for the previous year
- Complete Biennial Audit\*
  - Results require a Public Hearing



\* Must be Prepared by a Qualified Professional

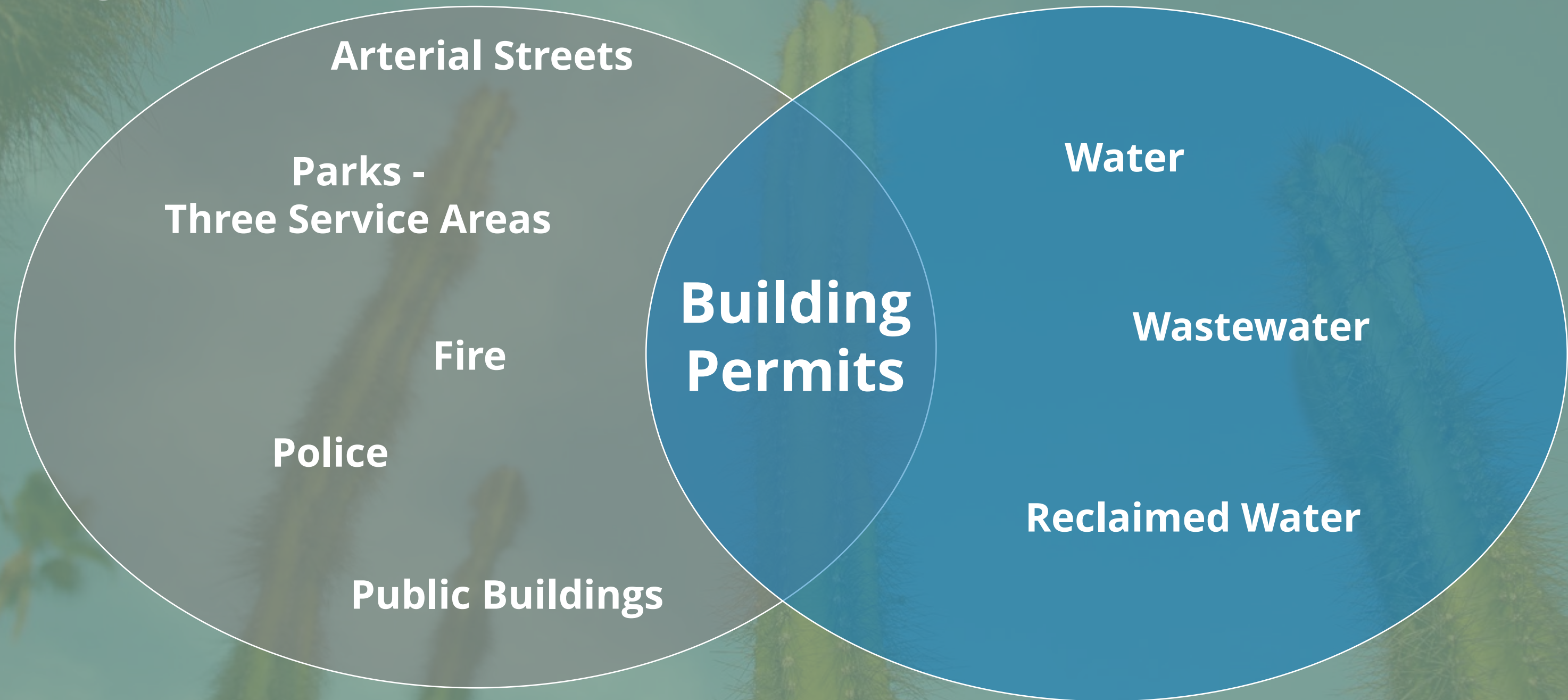


# Fee Category Summary

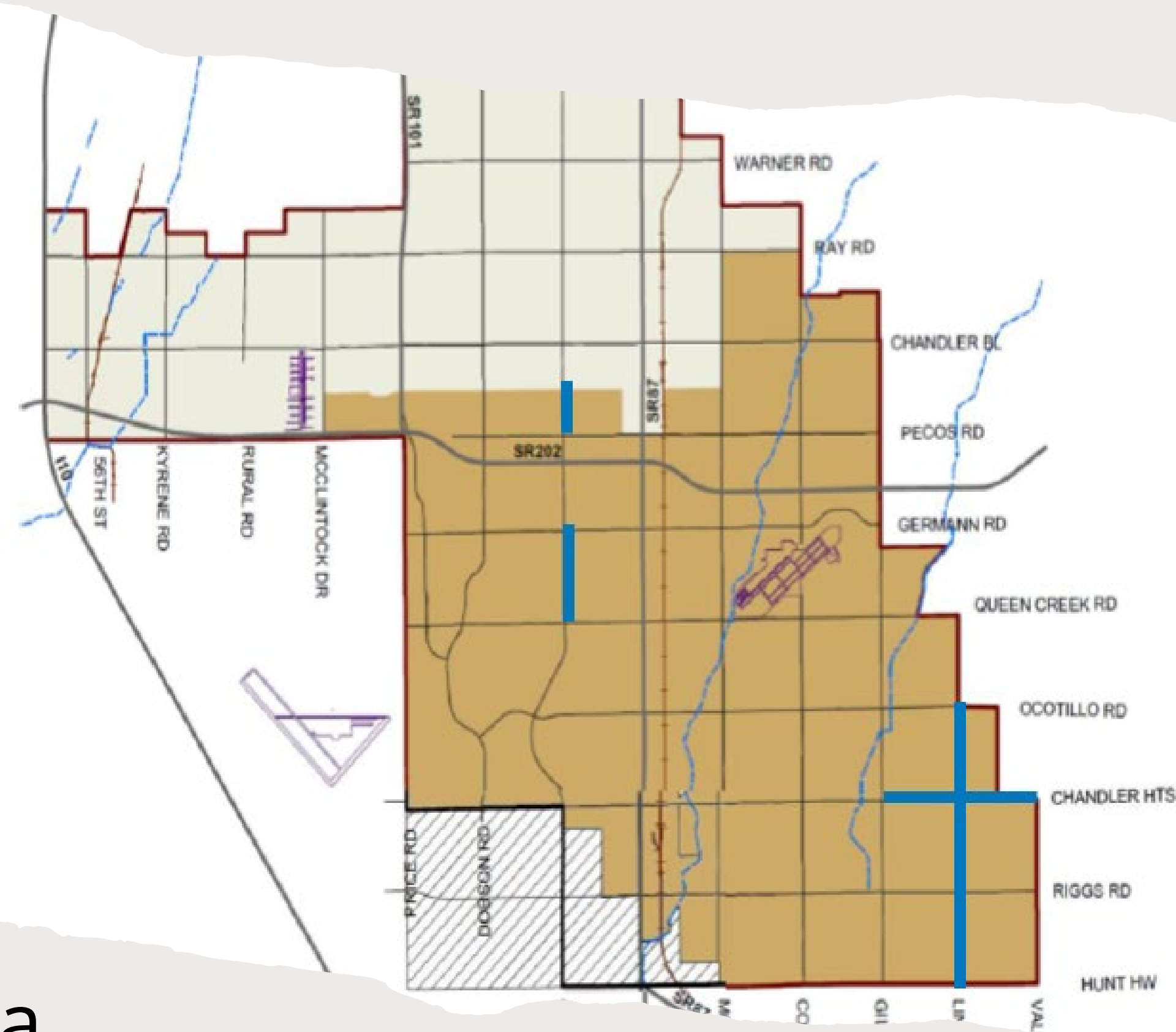
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**Fees Charged by Equivalent Dwelling Unit (EDU) or SQ FT**

**Fees by Meter Size**





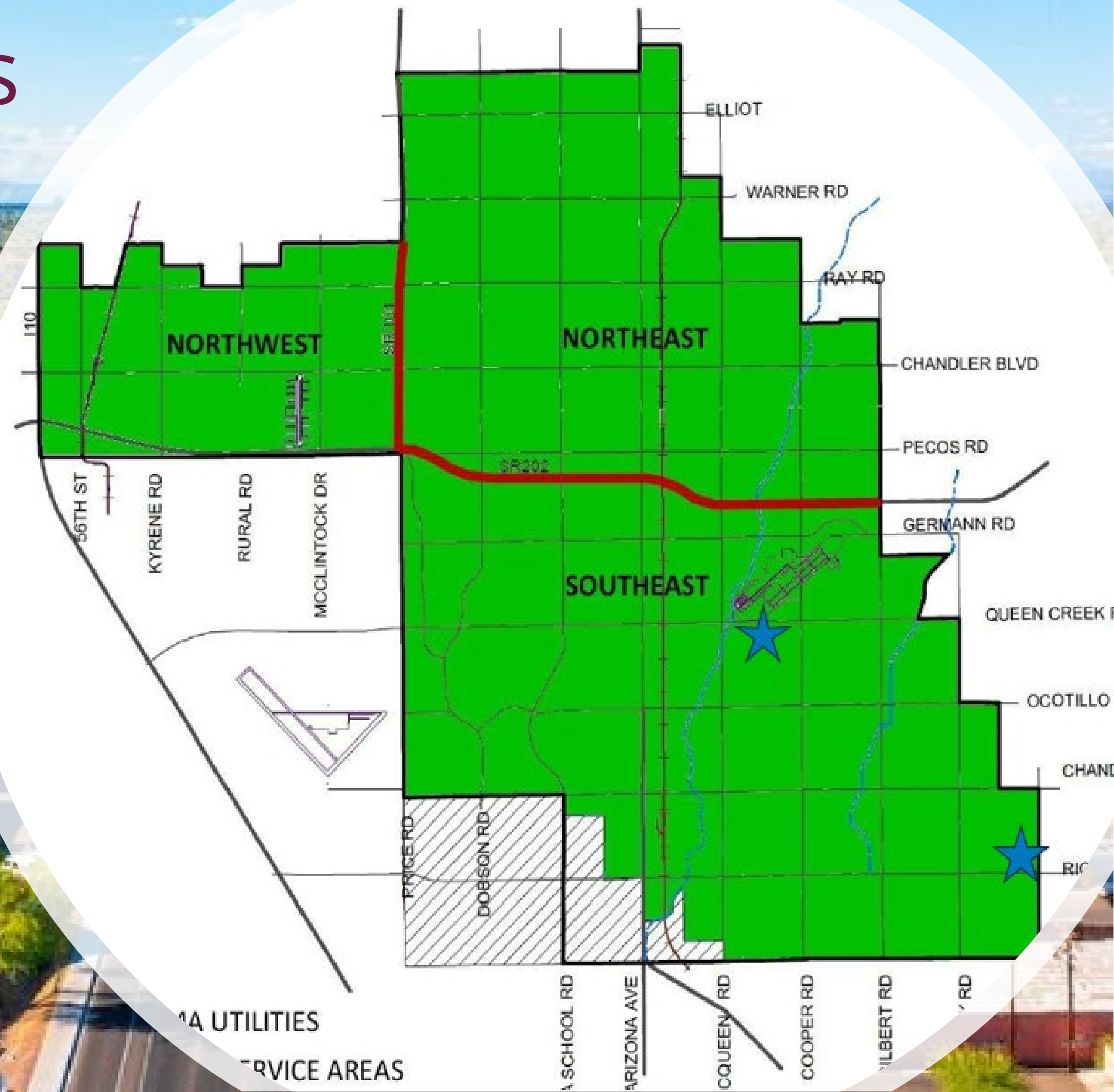


# Arterial Streets Service Area

(Excludes northwest area of city limits where arterial streets were funded with Improvement Districts)



# Parks Service Areas





# Fee Update Summary

## APPENDIX A. FEE SCHEDULE

| System Development Fee                             | Single-Family (unit)          | Multi-Family (unit)           | Retail/Commercial (square foot) | Office (square foot)        | Industrial/Warehouse (square foot) | Public/Quasi-Public (square foot)         |
|--|-------------------------------|-------------------------------|---------------------------------|-----------------------------|------------------------------------|---|
| Arterial Street <sup>(1)</sup>                     | <del>\$3,869</del><br>\$3,792 | <del>\$2,190</del><br>\$2,059 | <del>\$5.04</del><br>\$3.89     | <del>\$4.04</del><br>\$5.35 | <del>\$1.17</del><br>\$1.05        | <del>\$0.97<sup>(2)</sup></del><br>\$1.98 |
| Fire <sup>(2)</sup>                                | <del>\$218</del><br>\$308     | <del>\$161</del><br>\$259     | <del>\$0.22</del><br>\$0.32     | <del>\$0.20</del><br>\$0.17 | <del>\$0.04</del><br>\$0.08        | <del>\$0.06</del><br>\$0.16               |
| Library <sup>(2)</sup>                             | <del>\$61</del> 0.00          | <del>\$44</del> 0.00          | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Parks - Northwest Service Area <sup>(2), (4)</sup> | <del>\$983</del><br>\$0.00    | <del>\$729</del><br>\$0.00    | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Parks - Northeast Service Area <sup>(2), (4)</sup> | <del>\$237</del><br>\$129     | <del>\$176</del><br>\$109     | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Parks - Southeast Service Area <sup>(2), (4)</sup> | <del>\$2,338</del><br>\$5,242 | <del>\$1,735</del><br>\$4,424 | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Police <sup>(2)</sup>                              | <del>\$127</del><br>\$74      | <del>\$94</del><br>\$62       | <del>\$0.13</del><br>\$0.08     | <del>\$0.11</del><br>\$0.04 | <del>\$0.02</del><br>\$0.02        | <del>\$0.03</del><br>\$0.04               |
| Public Buildings <sup>(2)</sup>                    | \$110                         | \$79                          | \$0.12                          | \$0.08                      | \$0.02                             | \$0.03                                    |
| Reclaimed Water <sup>(3)</sup>                     | <del>\$837</del><br>\$1,094   | <del>\$403</del><br>\$464     | See Table A                     |                             |                                    |   |
| Wastewater <sup>(3)</sup>                          | <del>\$4,024</del><br>\$5,989 | <del>\$1,940</del><br>\$2,539 | See Table A                     |                             |                                    |   |
| Water  | <del>\$3,397</del><br>\$2,460 | <del>\$1,281</del><br>\$822   | See Table A                     |                             |                                    |   |

<sup>(1)</sup> Assessed in any area south of Frye Road, east of McClintock Road, and north of Frye Road, east of McQueen Road, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Knox Road, or north of Ray Road.

<sup>(2)</sup> Pursuant to A.R.S. 9-500.18, these non-utility system development fees may not be assessed on school districts or charter schools. In addition, arterial street system development fees shall not be collected from a school district or charter school.

<sup>(3)</sup> No reclaimed water or wastewater fees for water-only (landscape) connections.

<sup>(4)</sup> Fees for the Parks - Northwest Service Area are assessed in the area west of Price Road. Fees for the Parks - Northeast Service Area are assessed in the area both east of Price Road and north of the 202 Freeway. Fees for the Parks - Southeast Service Area are assessed in the area both east of Price Road and south of the 202 Freeway.



# Fee Update Summary

| Table A: Non-Residential Utility System Development Fees |                  |                                 |                                   |                                   |
|--|------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Water Meter Size   | Water Meter Type | Reclaimed Water <sup>(1)</sup>  | Wastewater <sup>(1)</sup>         | Water                             |
| ¾"   | Disc             | <del>\$1,256</del><br>\$1,641   | <del>\$6,036</del><br>\$8,984     | <del>\$5,096</del><br>\$3,690     |
| 1"   | Disc             | <del>\$2,093</del><br>\$2,734   | <del>\$10,060</del><br>\$14,973   | <del>\$8,493</del><br>\$6,150     |
| 1½"  | Disc             | <del>\$4,185</del><br>\$5,470   | <del>\$20,120</del><br>\$29,945   | <del>\$16,985</del><br>\$12,300   |
| 2"   | Disc/Turbine     | <del>\$6,696</del><br>\$8,752   | <del>\$32,192</del><br>\$47,912   | <del>\$27,176</del><br>\$19,680   |
| 3"   | Compound         | <del>\$13,392</del><br>\$24,615 | <del>\$64,384</del><br>\$134,753  | <del>\$54,352</del><br>\$55,350   |
| 3"   | Turbine          | <del>\$14,648</del><br>\$19,145 | <del>\$70,420</del><br>\$104,808  | <del>\$59,448</del><br>\$43,050   |
| 4"   | Compound         | <del>\$20,925</del><br>\$27,350 | <del>\$100,600</del><br>\$149,725 | <del>\$84,925</del><br>\$61,500   |
| 4"   | Turbine          | <del>\$25,110</del><br>\$32,820 | <del>\$120,720</del><br>\$179,670 | <del>\$101,910</del><br>\$73,800  |
| 6"   | Compound         | <del>\$41,850</del><br>\$54,700 | <del>\$201,200</del><br>\$299,450 | <del>\$169,850</del><br>\$123,000 |
| 6"   | Turbine          | <del>\$52,313</del><br>\$68,375 | <del>\$251,500</del><br>\$374,313 | <del>\$212,313</del><br>\$153,750 |
| 8"   | Compound         | <del>\$66,960</del><br>\$87,520 | <del>\$321,920</del><br>\$479,120 | <del>\$271,760</del><br>\$196,800 |
| 8"   | Turbine          | <del>\$75,330</del><br>\$98,460 | <del>\$362,160</del><br>\$539,010 | <del>\$305,730</del><br>\$221,400 |
| 10" and Larger   | Any              | (2)                             | (2)                               | (2)                               |

<sup>(1)</sup> No Reclaimed Water or wastewater fees for water-only (landscape) connections.

<sup>(2)</sup> For meters ten (10) inches and larger, the Reclaimed Water, Wastewater and Water system development fees shall be based on the following formula:

$$\text{System Development Fee} = (1" \text{ Fee}) \times (\text{Safe Maximum Operating Capacity (GPM)} / 20 \text{ (GPM)})$$



# City of Chandler SDF Permit Examples





# Single Family SDF – Permit Example

## Northeast Service Area



| Category                | Current Fee     | % of Current Total | Proposed Fee    | % of Proposed Total | % Change in Fee |
|-------------------------|-----------------|--------------------|-----------------|---------------------|-----------------|
| Arterial Street         | \$3,869         | 30%                | \$3,792         | 27%                 | -2%             |
| Parks (NE service area) | 237             | 2%                 | 129             | 1%                  | -46%            |
| All Other Non-Utility*  | 455             | 4%                 | 492             | 4%                  | 8%              |
| Utility                 | <u>8,258</u>    | <u>64%</u>         | <u>9,543</u>    | <u>68%</u>          | <u>16%</u>      |
| Total Single Family Fee | <b>\$12,819</b> |                    | <b>\$13,956</b> |                     | <b>9%</b>       |

\* All Other Non-Utility Includes: Police, Fire, Public Buildings (excluded Library)



# Single Family SDF – Permit Example

## Southeast Service Area



| Category                | Current Fee     | % of Current Total | Proposed Fee    | % of Proposed Total | % Change in Fee |
|-------------------------|-----------------|--------------------|-----------------|---------------------|-----------------|
| Arterial Street         | \$3,869         | 26%                | \$3,792         | 20%                 | -2%             |
| Parks (SE service area) | 2,338           | 16%                | 5,242           | 27%                 | 124%            |
| All Other Non-Utility*  | 455             | 3%                 | 492             | 3%                  | 8%              |
| Utility                 | <u>8,258</u>    | <u>55%</u>         | <u>9,543</u>    | <u>50%</u>          | <u>16%</u>      |
| Total Single Family Fee | <b>\$14,920</b> |                    | <b>\$19,069</b> |                     | <b>28%</b>      |

\* All Other Non-Utility Includes: Police, Fire, Public Buildings (excluded Library)



# Multi-Family SDF – Permit Example per Unit

## Northeast Service Area



| Category                | Current Fee    | % of Current Total | Proposed Fee   | % of Proposed Total | % Change in Fee |
|-------------------------|----------------|--------------------|----------------|---------------------|-----------------|
| Arterial Street         | \$2,190        | 35%                | \$2,059        | 32%                 | -6%             |
| Parks (NE service area) | 176            | 3%                 | 109            | 2%                  | -38%            |
| All Other Non-Utility*  | 334            | 5%                 | 400            | 6%                  | 20%             |
| Utility                 | <u>3,624</u>   | <u>57%</u>         | <u>3,825</u>   | <u>60%</u>          | <u>6%</u>       |
| Total Multi-Family Fee  | <b>\$6,324</b> |                    | <b>\$6,393</b> |                     | <b>1%</b>       |

• All Other Non-Utility Includes: Police, Fire, Public Buildings (excludes Library)



# Multi-Family SDF – Permit Example per Unit

## Southeast Service Area



| Category                | Current Fee    | % of Current Total | Proposed Fee    | % of Proposed Total | % Change in Fee |
|-------------------------|----------------|--------------------|-----------------|---------------------|-----------------|
| Arterial Street         | \$2,190        | 28%                | \$2,059         | 19%                 | -6%             |
| Parks (SE service area) | 1,735          | 22%                | 4,424           | 41%                 | 155%            |
| All Other Non-Utility*  | 334            | 4%                 | 400             | 4%                  | 20%             |
| Utility                 | <u>3,624</u>   | <u>46%</u>         | <u>3,825</u>    | <u>36%</u>          | <u>6%</u>       |
| Total Multi-Family Fee  | <b>\$7,883</b> |                    | <b>\$10,708</b> |                     | <b>36%</b>      |

• All Other Non-Utility Includes: Police, Fire, Public Buildings (excludes Library)



# Commercial or Retail SDF Permit Example



| Category               | Current Fee      | % of Current Total | Proposed Fee     | % of Proposed Total | % Change in Fee |
|------------------------|------------------|--------------------|------------------|---------------------|-----------------|
| Arterial Street        | \$504,000        | 82%                | \$389,400        | 75%                 | -23%            |
| All Other Non-Utility* | 47,000           | 8%                 | 52,100           | 10%                 | 11%             |
| Utility                | <u>66,064</u>    | <u>11%</u>         | <u>76,344</u>    | <u>15%</u>          | <u>16%</u>      |
| Total Commercial Fee   | <b>\$617,064</b> |                    | <b>\$517,844</b> |                     | <b>-16%</b>     |

\* All Other Non-Utility Includes: Police, Fire, Public Buildings

Note: Fees based on 100,000 sq ft building with a 2" meter



# Office SDF Permit Example



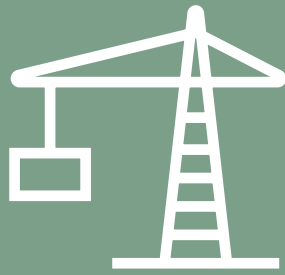
| Category               | Current Fee      | % of Current Total | Proposed Fee     | % of Proposed Total | % Change in Fee |
|------------------------|------------------|--------------------|------------------|---------------------|-----------------|
| Arterial Street        | \$404,000        | 79%                | \$534,700        | 84%                 | 32%             |
| All Other Non-Utility* | 39,000           | 8%                 | 29,000           | 5%                  | -26%            |
| Utility                | <u>66,064</u>    | <u>13%</u>         | <u>76,344</u>    | <u>12%</u>          | <u>16%</u>      |
| Total Office Fee       | <b>\$509,064</b> |                    | <b>\$640,044</b> |                     | <b>26%</b>      |

\* All Other Non-Utility Includes: Police, Fire, Public Buildings

Note: Fees based on 100,000 sq ft building with a 2” meter



# Industrial SDF Permit Example



| Category               | Current Fee      | % of Current Total | Proposed Fee     | % of Proposed Total | % Change in Fee |
|------------------------|------------------|--------------------|------------------|---------------------|-----------------|
| Arterial Street        | \$117,000        | 61%                | \$105,000        | 54%                 | -10%            |
| All Other Non-Utility* | 8,000            | 4%                 | 11,500           | 6%                  | 44%             |
| Utility                | <u>66,064</u>    | <u>35%</u>         | <u>76,344</u>    | <u>40%</u>          | <u>16%</u>      |
| Total Industrial Fee   | <b>\$191,064</b> |                    | <b>\$192,844</b> |                     | <b>1%</b>       |

\* All Other Non-Utility Includes: Police, Fire, Public Buildings

Note: Fees based on 100,000 sq ft building with a 2" meter



# Institutional SDF Permit Example

| Category                | Current Fee      | % of Current Total | Proposed Fee     | % of Proposed Total | % Change in Fee |
|-------------------------|------------------|--------------------|------------------|---------------------|-----------------|
| Arterial Street         | \$97,000         | 55%                | \$197,600        | 67%                 | 104%            |
| All Other Non-Utility*  | 12,000           | 7%                 | 23,000           | 8%                  | 92%             |
| Utility                 | <u>66,064</u>    | <u>38%</u>         | <u>76,344</u>    | <u>26%</u>          | <u>16%</u>      |
| Total Institutional Fee | <b>\$175,064</b> |                    | <b>\$296,944</b> |                     | <b>70%</b>      |

\* All Other Non-Utility Includes: Police, Fire, Public Buildings

Note: Fees based on 100,000 sq ft building with a 2" meter



# Project Timeline

Public  
Outreach –  
Oct. 2023 &  
Council  
Work  
Session  
Dec. 4, 2023  
COMPLETE

Public  
Hearing –  
LUA & IIP  
Report  
Dec. 7, 2023  
COMPLETE

Adopt LUA  
and IIP  
Report  
January 11,  
2024  
COMPLETE

Adopt Notice  
of Intent to  
modify SDF  
fees  
January 11,  
2024  
COMPLETE

Public  
Hearing on  
Proposed  
SDF fees &  
First Read of  
Ordinance  
Feb. 22, 2024

Final  
Adoption of  
Ordinance to  
modify SDF  
fees  
April 4, 2024

New Fees  
Effective  
Date  
July 1, 2024



# Thank you Questions?



**CHANDLER**  
arizona  
Community of Innovation





**City Council Memorandum      Management Services      Memo No. 24-058**

**Date:** February 22, 2024  
**To:** Mayor and Council  
**Thru:** Joshua H. Wright, City Manager  
Dawn Lang, Deputy City Manager - CFO  
**From:** Matthew Dunbar, Budget and Policy Assistant Director  
**Subject:** Introduction of Ordinance No. 5083 Amending Appendix A of Chapter 38 of the Chandler City Code, to Modify Certain Arterial Street, Fire, Parks, Police, Reclaimed Water, Wastewater, and Water System Development Fees

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**Proposed Motion:**

Move City Council introduce and tentatively adopt Ordinance No. 5083 amending Appendix A of Chapter 38 of the Chandler City Code to modify certain arterial street, fire, parks, police, reclaimed water, wastewater, and water system development fees.

**Background:**

In order to continue to collect system development fees, the City must comply with Arizona Revised Statute §9-463.05, which includes updating the Land Use Assumptions (LUA) and Infrastructure Improvements Plan (IIP) every five years.

The City engaged Duncan Associates to update the LUA and IIP and prepare a report based on these items to update the City's system development fees.

The draft report was posted on the city website and a link to the report was disseminated through social media and to stakeholders representing single family, multi-family, and commercial developers at a meeting held on October 11, 2023. The link additionally provided interested parties with a minimum of 60 days advance notice of the planned Public Hearing, as required by state statute. To date, no concerns have been communicated to staff regarding the draft report. The report includes the recommended system development fees, as well as the LUA and the IIP, which were adopted by Council on January 11, 2024. The modified system development fees included in the report and detailed in the attached ordinance are calculated by service area for arterial streets, parks, fire,



police, public buildings, water, wastewater, and reclaimed water.

The ordinance makes modifications to existing amounts and language in the City Code, as reflected in Appendix A, which amends the related system development fee amounts. A public hearing on the modified fees will be conducted on February 22, 2024; if approved, the modified system development fees would become effective Monday, July 1, 2024.

### **Financial Implications:**

System development fees are designed to provide funding to a community for the cost of expanding infrastructure required to support new development. If these fees are not maintained at the proper level, the City may have to provide additional General Fund support for growth-related capital projects through use of fund balance or issuance of General Obligation Bonds.

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### **Attachments**

Ordinance 5083  
Chapter 38 Blackline  
Chapter 38 Clean



## ORDINANCE NO. 5083

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AMENDING APPENDIX A OF CHAPTER 38 OF THE CHANDLER CITY CODE, TO MODIFY CERTAIN ARTERIAL STREET, FIRE, PARKS, POLICE, RECLAIMED WATER, WASTEWATER, AND WATER SYSTEM DEVELOPMENT FEES

WHEREAS, new development imposes increased and excessive demands on City facilities and infrastructure needed to provide necessary public services; and

WHEREAS, the City projects new development to continue which will place ever-increasing demands on the City to provide public facilities and infrastructure to serve new developments; and

WHEREAS, to the extent that new development places demands upon public facilities and infrastructure, those demands should be satisfied by shifting the responsibility for financing such public facilities and infrastructure from the public to the development creating the demands; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, that the Code of the City of Chandler, Arizona be amended as follows:

### Section 2: Appendix A is hereby amended as follows:

APPENDIX A. FEE SCHEDULE

| System Development Fee                             | Single-Family (unit) | Multi-Family (unit) | Retail/ Commercial (square foot) | Office (square foot) | Industrial/ Warehouse (square foot) | Public/ Quasi-Public (square foot) |
|--|----------------------|---------------------|----------------------------------|----------------------|-------------------------------------|------------------------------------|
| Arterial Street <sup>(1)</sup>                     | \$3,792              | \$2,059             | \$3.89                           | \$5.35               | \$1.05                              | \$1.98 <sup>(2)</sup>              |
| Fire <sup>(2)</sup>                                | \$308                | \$259               | \$0.32                           | \$0.17               | \$0.08                              | \$0.16                             |
| Library <sup>(2)</sup>                             | \$0                  | \$0                 | \$0.00                           | \$0.00               | \$0.00                              | \$0.00                             |
| Parks - Northwest Service Area <sup>(2), (4)</sup> | \$0                  | \$0                 | \$0.00                           | \$0.00               | \$0.00                              | \$0.00                             |
| Parks - Northeast Service Area <sup>(2), (4)</sup> | \$129                | \$109               | \$0.00                           | \$0.00               | \$0.00                              | \$0.00                             |
| Parks - Southeast Service Area <sup>(2), (4)</sup> | \$5,242              | \$4,424             | \$0.00                           | \$0.00               | \$0.00                              | \$0.00                             |
| Police <sup>(2)</sup>                              | \$74                 | \$62                | \$0.078                          | \$0.04               | \$0.02                              | \$0.04                             |
| Public Buildings <sup>(2)</sup>                    | \$110                | \$79                | \$0.12                           | \$0.08               | \$0.02                              | \$0.03                             |
| Reclaimed Water <sup>(3)</sup>                     | \$1,094              | \$464               | See Table A                      |                      |                                     |                                    |
| Wastewater <sup>(3)</sup>                          | \$5,989              | \$2,539             | See Table A                      |                      |                                     |                                    |
| Water  | \$2,460              | \$822               | See Table A                      |                      |                                     |                                    |

<sup>(1)</sup> Assessed in any area south of Frye Road, east of McClintock Road, and north of Frye Road, east of McQueen Road, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Knox Road, or north of Ray Road.

<sup>(2)</sup> Pursuant to A.R.S. 9-500.18, these non-utility system development fees may not be assessed on school districts or charter schools. In addition, arterial street system development fees shall not be collected from a school district or charter school.

<sup>(3)</sup> No reclaimed water or wastewater fees for water-only (landscape) connections.

<sup>(4)</sup> Fees for the Parks - Northwest Service Area are assessed in the area west of Price Road. Fees for the Parks - Northeast Service Area are assessed in the area both east of Price Road and north of the 202 Freeway. Fees for the Parks - Southeast Service Area are assessed in the area both east of Price Road and south of the 202 Freeway.



**And Table A is amended as follows:**

| Table A: Non-Residential Utility System Development Fees |                  |                                |                           |                     |
|--|------------------|--------------------------------|---------------------------|---------------------|
| Water Meter Size   | Water Meter Type | Reclaimed Water <sup>(1)</sup> | Wastewater <sup>(1)</sup> | Internship Check-In |
| ¾"   | Disc             | \$1,641                        | \$8,984                   | \$3,690             |
| 1"   | Disc             | \$2,735                        | \$14,973                  | \$6,150             |
| 1½"  | Disc             | \$5,470                        | \$29,945                  | \$12,300            |
| 2"   | Disc/Turbine     | \$8,752                        | \$47,912                  | \$19,680            |
| 3"   | Compound         | \$24,615                       | \$134,753                 | \$55,350            |
| 3"   | Turbine          | \$19,145                       | \$104,808                 | \$43,050            |
| 4"   | Compound         | \$27,350                       | \$149,725                 | \$61,500            |
| 4"   | Turbine          | \$32,820                       | \$179,670                 | \$73,800            |
| 6"   | Compound         | \$54,700                       | \$299,450                 | \$123,000           |
| 6"   | Turbine          | \$68,375                       | \$374,313                 | \$153,750           |
| 8"   | Compound         | \$87,520                       | \$479,120                 | \$196,800           |
| 8"   | Turbine          | \$98,460                       | \$539,010                 | \$221,400           |
| 10" and Larger   | Any              | (2)                            | (2)                       | (2)                 |

**Section 3:** The amended fees established by this Ordinance shall become effective July 1, 2024.

INTRODUCED AND TENTATIVELY APPROVED by the City of Chandler, Arizona, this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR



CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 5083 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on \_\_\_\_\_ day of \_\_\_\_\_, 2024, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

PUBLISHED:

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

JNB



## Chapter 38 SYSTEM DEVELOPMENT FEES<sup>1</sup>

### 38-1. Title.

This chapter shall be known as the "System Development Fee Ordinance of the City of Chandler," and may be cited as such.

(Ord. No. 4459, 7-8-13)

### 38-2. Legislative intent and purpose.

This chapter is adopted for the purpose of promoting the health, safety and general welfare of the residents of the City by:

- A. Requiring new development to pay its proportionate share of the costs incurred by the City that are associated with providing necessary public services to new development;
- B. Setting forth standards and procedures for creating and assessing system development fees consistent with the requirements of Arizona Revised Statutes ("A.R.S.") § 9-463.05, including requirements pursuant to A.R.S. § 9-463.05, Subsection K, that on or before August 1, 2014, the City replace its system development fees that were adopted prior to January 1, 2012 with system development fees adopted pursuant to the requirements of A.R.S. § 9-463.05 as amended by the state legislature in SB 1525, Fiftieth Legislature, First Regular Session;
- C. Providing for the temporary continuation of certain system development fees adopted prior to January 1, 2012 until otherwise replaced pursuant to this chapter, or longer where such system development fees were pledged to support financing or debt for a grandfathered facility as permitted by A.R.S. § 9-463.05, Subsections K, R, and S; and
- D. Setting forth procedures for administering the system development fee program, including mandatory offsets, credits, and refunds of system development fees. All system development fee assessments, offsets, credits, or refunds must be administered in accordance with the provisions of this chapter.

This chapter shall not affect the City's zoning authority or its authority to adopt or amend its general plan, provided that planning and zoning activities by the City may require amendments to system development fees as provided in Section 38-7 of this chapter.

(Ord. No. 4459, 7-8-13)

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<sup>1</sup>Editor's note(s)—Ord. No. 4459, adopted July 8, 2013, amended Ch. 38 in its entirety to read as herein set out. Former Ch. 38, §§ 38-1—38-19, pertained to development fees and charges, and derived from Ord. No. 3047, § 2, adopted Nov. 4, 1999; Ord. No. 3721, adopted Oct. 27, 2005. See the Code Comparative Table for complete derivation.



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### 38-3. Definitions.

When used in this chapter, the terms listed below shall have the following meanings unless the context requires otherwise. Singular terms shall include their plural.

*Applicant:* A person who applies to the City for a building permit.

*Appurtenance:* Any fixed machinery or equipment, structure or other fixture, including integrated hardware, software or other components, associated with a capital facility that is necessary or convenient to the operation, use, or maintenance of a capital facility.

*Aquatic center:* A facility primarily designed to host non-recreational competitive functions generally occurring within water, including, but not limited to, water polo games, swimming meets and diving events. Such facility may be indoors, outdoors, or any combination thereof, and includes all necessary supporting amenities, including but not limited to, locker rooms, offices, snack bars, bleacher seating and shade structures.

*Arterial streets:* See "Street facilities."

*Building permit:* A written permit or license issued by an authorized officer of the City, which is intended to: ensure that work is performed according to the applicable provisions of the City's building, safety and zoning codes; authorize the applicant and/or holder to construct a building or structure of a particular kind on specified property; authorize vertical construction; increase square footage; authorize changes to land use; or provide for the addition of a residential or nonresidential point of demand to the water or wastewater system. A building permit may be issued in connection with the construction of a new building or structure or in connection with the substantial alteration of an existing building or structure, either for expansion of an existing use or to accommodate a new use.

*Capital facility:* An asset having a useful life of three (3) or more years that is a component of one or more categories of necessary public service provided by the City. A capital facility may include any associated purchase of real property, architectural and engineering services leading to the design and construction of buildings and facilities, improvements to existing facilities, improvements to or expansions of existing facilities and associated financing and professional services.

*Category of development:* A specific type of residential, commercial, or industrial development against which a system development fee is calculated and assessed. The City assesses system development fees against the following types of development within each of the three (3) broader categories of development: (i) for residential development, single-family and multi-family; (ii) for commercial development, retail/commercial and office; and (iii) for industrial, industrial/warehouse and public/quasi-public. The development fees with categories associated with non-residential developments: "retail/commercial," "office," "public/quasi-public" and "industrial/warehouse" take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. For uses that cannot readily be designated under a particular category and are not part of a larger retail, industrial or office development, the City Engineer shall determine the category the particular use will be assigned based on which category has a p.m. peak hour trip generation rate equal to or less than the rate for the land use under consideration.

*Category of necessary public service:* A specific type of necessary public services for which the City is authorized to assess system development fees, as further defined in Section 38-8.A.1 of this chapter.

*City:* The City of Chandler, Arizona.

*Credit:* A reduction in an assessed system development fee resulting from developer contributions to, payments for, construction of, or dedications for capital facilities included in an infrastructure improvements plan pursuant to Section 38-12 of this chapter (or as otherwise permitted by this chapter).



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*Credit agreement:* A written agreement between the City and the developer(s) of a subject development that allocates credits to the subject development pursuant to Section 38-12 of this chapter. A credit agreement may be included as part of a development agreement pursuant to Section 38-13 of this chapter.

*Credit allocation:* A term used to describe when credits are distributed to a particular development or parcel of land after execution of a credit agreement, but are not yet issued.

*Credit issuance:* A term used to describe when the amount of an assessed system development fee attributable to a particular development or parcel of land is reduced by applying a credit allocation.

*Developer:* An individual, group of individuals, partnership, corporation, limited liability company, association, municipal corporation, state agency, or other person or entity undertaking land development activity, and their respective successors and assigns.

*Development agreement:* An agreement prepared in accordance with the requirements of Section 38-13 of this chapter and A.R.S. § 9-500.05 and any applicable requirements of the Chandler City Code.

*Direct benefit:* A benefit to a development resulting from a capital facility that: (a) addresses the need for a necessary public service created in whole or in part by the development; and that (b) meets either of the following criteria: (i) the capital facility is located in the immediate area of the development and is needed in the immediate area of the development to maintain the level of service; or (ii) the capital facility substitutes for, or eliminates the need for a capital facility that would have otherwise have been needed in the immediate area of the development to maintain the City's level of service.

*Dwelling unit:* One (1) or more rooms, or a portion of a room in a building, providing complete, independent living facilities for one (1) or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation.

*Equipment:* Machinery, tools, materials, and other supplies, not including vehicles, that are needed by a capital facility to provide the level of service specified by the infrastructure improvements plan.

*Equivalent demand unit (EDU):* A unit of demand within a particular category of necessary public services, defined in terms of a standardized measure of the demand that a unit of development in a category of development generates for necessary public services in relation to the demand generated by a single-family dwelling unit. For all categories of necessary public services, the EDU factor for a single-family dwelling unit is one (1), while the EDU factor for a unit of development within another category of development is represented as a ratio of the demand for that category of necessary public services typically generated by that unit as compared to the demand for such services typically generated by a single-family dwelling unit. An EDU shall be a "service unit" for purposes of Paragraph T, Subparagraph 10 of A.R.S. § 9-463.05.

*Excluded library facility:* Library improvements for which system development fees may not be charged pursuant to A.R.S. § 9-463.05.T.7.(d), including that portion of any library building that exceeds ten thousand (10,000) square feet, and equipment, vehicles or appurtenances associated with library operations.

*Excluded park facility:* Park and recreational improvements for which system development fees may not be charged pursuant to A.R.S. § 9-463.05.T.7.(g), including amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand (3,000) square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, or zoo facilities.

*Fee report:* A written report adopted pursuant to Section 38-9 of this chapter that identifies the methodology for calculating the amount of each system development fee, explains the relationship between the system development fee to be assessed and the plan-based cost per EDU calculated in the infrastructure improvements plan and which meets other requirements set forth in A.R.S. § 9-463.05.



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*Financing or debt:* Any debt, bond, note, loan, interfund loan, fund transfer, or other debt service obligation used to finance the development or expansion of a capital facility or associated appurtenances, vehicles or equipment.

*Fire protection facilities:* A category of necessary public services that includes fire stations, fire equipment, fire vehicles and all appurtenances for fire stations. Fire protection facilities do not include vehicles or equipment used to provide administrative services, or helicopters or airplanes. Fire protection facilities do not include any facility that is used for training firefighters from more than one (1) station or substation.

*General plan:* Refers to the overall land-use plan for the City establishing areas of the City for different purposes, zones and activities adopted pursuant to City Resolution Number 4195 on June 26, 2008 and as may be amended from time to time thereafter.

*Grandfathered facilities:* Capital facilities and associated appurtenances, vehicles or equipment provided through financing or debt incurred before June 1, 2011, for which a system development fee has been pledged towards repayment as described in Section 38-5.C of this chapter.

*Gross floor area:* The sum of the gross horizontal areas of each story of a building measured from the exterior faces of the exterior walls or from the center line of walls separating two (2) buildings or different uses, including attic space with headroom of seven (7) feet or greater and served by a permanent, fixed stair, but not including enclosed off-street parking or loading areas. Gross floor area shall also include areas of buildings within the horizontal projection of the roof or floor above, which do not have surrounding exterior walls but exceed three (3) feet in horizontal dimension. Gross floor area shall also include basements, if provided, and outdoor patios/retail areas without roofs or walls as further described in the definition of retail/commercial.

*Gross system development fee:* The total system development fee to be assessed against a subject development on a per unit basis, prior to subtraction of any credits.

*Industrial/warehouse:* Based on the category of development, any establishments primarily engaged in the fabrication, assembly or processing of goods; the display, storage and sale of goods to other firms for resale; activities involving movement and storage of products or equipment; or an enclosed storage facility containing independent, fully enclosed bays that are leased to persons for storage of their household goods or personal property.

*Infrastructure improvements plan:* A document or series of documents that meet the requirements set forth in A.R.S. § 9-463.05, including those adopted pursuant to Section 38-9 of this chapter to cover any category or combination of categories of necessary public services.

*Interim fee schedule:* Any system development fee schedule established prior to January 1, 2012, in accordance with then-applicable law, and which shall expire not later than August 1, 2014, pursuant to Section 38-11 of this chapter.

*Land use assumptions:* Projections of changes in land uses, densities, intensities and population for a service area over a period of at least ten (10) years as specified in Section 38-7 of this chapter.

*Level of service:* A quantitative and/or qualitative measure of a necessary public service that is to be provided by the City to development in a particular service area, defined in terms of the relationship between service capacity and service demand, accessibility, response times, comfort or convenience of use, or other similar measures or combinations of measures. Level of service may be measured differently for different categories of necessary public services, as identified in the applicable infrastructure improvements plan.

*Library facilities:* A category of necessary public services in which literary, musical, artistic, or reference materials are kept (materials may be kept in any form of media such as electronic, magnetic, or paper) for non-commercial use by the public in a facility providing a direct benefit to development. Libraries do not include excluded library facilities, although a library may contain, provide access to, or otherwise support an excluded library facility.



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**Lot:** As defined in Section 35-200 of the Chandler City Code, a piece or parcel of land separated from other parcels of land by description, as in a subdivision or on a record survey map or by metes and bounds, for purposes of sale, lease or separate use, and having frontage on at least one (1) street.

**Multi-family:** A building or buildings containing multiple dwelling units that has a single City water meter serving the building(s).

**Necessary public services:** "Necessary public services" shall have the meaning prescribed in A.R.S. § 9-463.05, Subsection T, Paragraph 7.

**Non-residential:** All land uses, except single-family and multi-family.

**Office:** Based on the category of development, professional, business, administrative, executive, medical and dental buildings and clinics, and other buildings having no storage of stock-in-trade (other than samples) or heavy equipment and no sale of commodities on the premises.

**Offset:** An amount which is subtracted from the overall costs of providing necessary public services to account for those capital facilities or associated debt that will be paid for by a development through taxes, fees (except for system development fees), and other revenue sources, as determined by the City pursuant to Section 38-8.13 of this chapter.

**Park facilities:** A category of necessary public services including but not limited to parks, swimming pools and related facilities and equipment located on real property not larger than thirty (30) acres in area, as well as park facilities larger than thirty (30) acres where such facilities provide a direct benefit. Park facilities do not include excluded park facilities, although park facilities may contain, provide access to, or otherwise support an excluded park facility.

**Plan-based cost per EDU:** The total future capital costs identified in the infrastructure improvements plan for a category of necessary public services as attributable to new development over a specified time period divided by the total new equivalent demand units projected in a particular service area for that category of necessary public services over the same time period.

**Pledged:** Where used with reference to a system development fee, a system development fee shall be considered "pledged" where it was identified by the City as a source of payment or repayment for financing or debt that was identified as the source of financing for a necessary public service for which a system development fee was assessed pursuant to the then-applicable provisions of A.R.S. § 9-463.05.

**Police facilities:** A category of necessary public services, including vehicles and equipment, that are used by law enforcement agencies to preserve the public peace, prevent crime, detect and arrest criminal offenders, protect the rights of persons and property, regulate and control motorized and pedestrian traffic, train sworn personnel, and/or provide and maintain police records, vehicles, equipment and communications systems. Police facilities do not include vehicles and equipment used to provide administrative services, or helicopters or airplanes. Police facilities do not include any facility that is used for training officers from more than one station or substation.

**Public or quasi-public:** Based on the category of development, a governmental or institutional use, or a non-profit recreational use, not located in a retail/commercial establishment. Typical uses include elementary, secondary or higher educational establishments, day care centers, hospitals, mental institutions, nursing homes, assisted living facilities, group homes, adult care homes, fire stations, city halls, county court houses, post offices, jails, libraries, museums, places of religious worship, military bases, airports, bus stations, fraternal lodges, parks and playgrounds.

**Public school:** An institution of learning which receives public funding and offers tuition-free education for all children, including some or all of the grades from kindergarten through 12th grade. The site may contain athletic, dining, assembly and recreation facilities.

**Qualified professional:** Any one of the following: (a) a professional engineer, surveyor, financial analyst or planner, or other licensed professional providing services within the scope of that person's education or experience related



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to city planning, zoning, or system development fees and holding a license issued by an agency or political subdivision of the State of Arizona; (b) a financial analyst, planner, or other non-licensed professional who is providing services within the scope of the person's education or experience related to city planning, zoning, or system development fees; or (c) any other person operating under the supervision of one or more of the above.

*Residential land use:* A single-family or multi-family development.

*Retail/commercial:* Based on the category of development, establishments primarily devoted to, or intended for, the sale, lease, rental or display of goods, food or merchandise for consumption by the general public, including any outdoor sales and display area(s) and storage/stockroom area(s) but excluding any outdoor area for sale of cars, trucks, boats, recreational vehicles or manufactured dwellings. Calculation of gross floor area shall include all other indoor and outdoor sales areas or customer service area(s) that may be incidental to, but nevertheless share customer walking aisles or store entrances.

*Service area:* Any specified area within the boundaries of the City within which: (a) the City will provide a category of necessary public services to development at a planned level of service; and (b) within which (i) a substantial nexus exists between the capital facilities to be provided and the development to be served, or (ii) in the case of library facilities or a park facility larger than thirty (30) acres, a direct benefit exists between the library facilities or park facilities and the development to be served, each as prescribed in the infrastructure improvements plan. Some or all of the capital facilities providing service to a service area may be physically located outside of that service area provided that the required substantial nexus or direct benefit is demonstrated to exist.

*Single-family:* A building containing one (1) dwelling unit that is not attached to any other dwelling unit and has its own City water meter.

*Storm drainage:* A category of necessary public services including but not limited to storm sewers constructed in sizes needed to provide for stormwater management for areas beyond major street projects and stormwater detention/retention basins, tanks, pump stations and channels necessary to provide for proper stormwater management, including any appurtenances for those facilities.

*Street facilities:* A category of necessary public service, which includes a "street" (as defined in Section 1-2 of the Chandler City Code) that is identified in the zoning code (Chapter 35 of the Chandler City Code) as an arterial street, or which is a road that has been so designated on an officially adopted plan of the City; and also includes traffic signals, rights-of-way, and improvements thereon; culverts, irrigation tiling, and storm drains serving such streets.

*Subject development:* A land area linked by a unified plan of development, which must be contiguous unless the land area is part of a development agreement executed in accordance with Section 38-13 of this chapter.

*Substantial nexus:* A substantial nexus exists where the demand for necessary public services that will be generated by a development can be reasonably quantified in terms of the burden it will impose on the available capacity of existing capital facilities, the need it will create for new or expanded capital facilities, and/or the benefit to the development from those capital facilities.

*Swimming pool:* A public facility primarily designed and/or utilized for recreational non-competitive functions generally occurring within water, including, but not limited to, swimming classes, open public swimming sessions and recreational league swimming/diving events. The facility may be indoors, outdoors, or any combination thereof, and includes all necessary supporting amenities.

*Useful life:* The period of time in which an asset can reasonably be expected to be used under normal conditions, whether or not the asset will continue to be owned and operated by the City over the entirety of such period.

*Vehicle:* Any device, structure, or conveyance utilized for transportation in the course of providing a particular category of necessary public services at a specified level of service, excluding helicopters and other aircraft.

*Wastewater:* A category of necessary public services including but not limited to sanitary sewer lines, lift stations, reclamation plants, wastewater treatment plants, and all other facilities for the collection, interception,



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transportation, treatment and disposal of wastewater, as well as for the distribution of reclaimed water, and any appurtenances for those facilities.

*Water:* A category of necessary public services including but not limited to those facilities necessary to provide for water services to development, including the acquisition, supply, transportation, treatment, purification and distribution of water, and any appurtenances to those facilities.

(Ord. No. 4459, 7-8-13)

### **38-4. Applicability.**

A. Except as otherwise provided herein, from and after June 27, 2013, this chapter shall apply to all new development within any service area.

B. The provisions of this chapter shall apply to all of the territory within the corporate limits of the City, and water, reclaimed water and wastewater system development fees shall apply within the City's water, reclaimed water and wastewater service areas, subject to the following:

1. Arterial street system development fees shall only be assessed in the area south of Frye Road, east of McClintock Road, and north of Frye Road, east of McQueen Road, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Knox Road, or north of Ray Road.
2. Wastewater and reclaimed water fees shall not be assessed on water-only (landscape) connections.

C. The City Engineer or his/her designee is authorized to make determinations regarding the application, administration and enforcement of the provisions of this chapter.

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14; Ord. No. 4876, § 1, 4-25-19)

### **38-5. Authority and requirements.**

A. *Fee report and implementation.* The City may assess and collect a system development fee for costs of necessary public services, including all professional services required for the preparation or revision of an infrastructure improvements plan, fee report, system development fee, and required reports or audits conducted pursuant to this chapter. System development fees shall be subject to the following requirements:

1. The City shall develop and adopt a fee report that analyzes and defines the system development fees to be charged in each service area for each category of necessary public service, based on the infrastructure improvements plan and the plan-based cost per EDU calculated pursuant to Section 38-8.A.14 of this chapter.
2. System development fees shall be assessed against all new commercial, residential, and industrial developments, provided that the City may assess different amounts of system development fees against specific categories of development based on the actual burdens and costs that are associated with providing necessary public services to that category of development. No system development fee shall exceed the plan-based cost per EDU for any category of development.
3. No system development fees shall be charged, or credits issued, for any capital facility that does not fall within one of the categories of necessary public services for which system development fees may be assessed as identified in Section 38-8.A.1 of this chapter.
4. Costs for necessary public services made necessary by new development shall be based on the same level of service provided to existing development in the same service area. System development fees may not be used to provide a higher level of service to existing development or to meet stricter safety, efficiency,



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environmental, or other regulatory standards to the extent that these are applied to existing capital facilities that are serving existing development.

5. System development fees may not be used to pay the City's administrative, maintenance, or other operating costs.

6. Projected interest charges and financing costs can only be included in system development fees to the extent they represent principal and/or interest on the portion of any financing or debt used to finance the construction or expansion of a capital facility identified in the infrastructure improvements plan.

7. Except for any fees included on interim fee schedules, all system development fees charged by the City must be included in a "Fee Schedule" prepared and adopted pursuant to this chapter.

8. All system development fees shall meet the requirements of A.R.S. § 9-463.05.

B. *Costs per EDU.* The fee report shall summarize the costs of capital facilities necessary to serve new development on a per EDU basis as defined and calculated in the infrastructure improvements plan, including all required offsets, and shall recommend a system development fee schedule for adoption by the City. The actual system development fees to be assessed shall be disclosed and adopted in the form of system development fee schedules in Appendix A to this chapter.

C. *Carry-over of previously-established system development fees, credits and grandfathered facilities.*

Notwithstanding the requirements of this chapter, certain system development fees adopted by the City prior to the effective date of this chapter shall continue in effect as follows:

1. Until August 1, 2014, or the date a new system development fee is adopted for the applicable category of necessary public services in a service area pursuant to this chapter, whichever occurs first, system development fees established prior to January 1, 2012, shall continue in full force and effect to the extent that the system development fee is used to provide a category of necessary public services that is authorized by Section 38-8.A.1 of this chapter. System development fees collected prior to January 1, 2012, shall be expended on capital facilities within the same category of necessary public services for which they were collected.

2. The City may continue to collect and use any system development fee established before January 1, 2012, even if the system development fee would not otherwise be permitted to be collected and spent pursuant to A.R.S. § 9-463.05, as amended by the state legislature in SB 1525, Fiftieth Legislature, First Regular Session, if either of the following apply:

(a) Both of the following conditions are met:

i. Prior to June 1, 2011, the system development fee was pledged towards the repayment of financing or debt incurred by the City to provide a capital facility.

ii. The applicable capital facility was included in the City's infrastructure improvements plan, or other City planning document prepared pursuant to applicable law, prior to June 1, 2011.

(b) Before August 1, 2014, the City uses the system development fee to finance a capital facility in accordance with A.R.S. § 9-463.05, Subsection S.

3. Defined terms in any previously established fee schedule shall be interpreted according to the ordinance in effect at the time of their adoption.

(Ord. No. 4459, 7-8-13)



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### **38-6. Administration.**

A. *Separate accounts.* System development fees collected pursuant to this chapter shall be placed in separate, interest-bearing accounts for each category of necessary public services within each service area.

B. *Limitations on use of fees.* System development fees and any interest thereon collected pursuant to this chapter shall be spent to provide capital facilities associated with the same category of necessary public services in the same service area for which they were collected, including costs of financing or debt used by the City to finance such capital facilities and other costs authorized by this chapter that are included in the infrastructure improvements plan.

C. *Time limit.* System development fees collected after July 31, 2014 shall be used within ten (10) years of the date upon which they were collected for all categories of necessary public services except for water and wastewater facilities. System development fees for water facilities or wastewater facilities collected after July 31, 2014 shall be used within fifteen (15) years of the date upon which they were collected.

(Ord. No. 4459, 7-8-13)

### **38-7. Land use assumptions.**

The infrastructure improvements plan shall be consistent with the City's current land use assumptions for each service area and each category of necessary public services as adopted by the City pursuant to A.R.S. § 463.05.

A. *Reviewing the land use assumptions.* Prior to the adoption or amendment of an infrastructure improvements plan, the City shall review and evaluate the land use assumptions on which the infrastructure improvements plan is to be based to ensure that the land use assumptions within each service area conform to the general plan.

B. *Evaluating necessary changes.* If the land use assumptions upon which an infrastructure improvements plan is based have not been updated within the last five (5) years, the City shall evaluate the land use assumptions to determine whether changes are necessary. If, after general evaluation, the City determines that the land use assumptions are still valid, the City shall issue the notice required in Section 38-10.B of this chapter.

C. *Required modifications to land use assumptions.* If the City determines that changes to the land use assumptions are necessary in order to adopt or amend an infrastructure improvements plan, it shall make such changes as necessary to the land use assumptions prior to or in conjunction with the review and approval of the infrastructure improvements plan pursuant to Section 38-9 of this chapter.

(Ord. No. 4459, 7-8-13)

### **38-8. Infrastructure improvements plan.**

A. *Infrastructure improvements plan contents.* The infrastructure improvements plan shall be developed by qualified professionals and may be based upon or incorporated within the City's capital improvements plan. The infrastructure improvements plan shall:

1. Specify the categories of necessary public services for which the City will impose a system development fee, which may include any or all of the following:
  - (a) Water (including water system development fees and water resource system development fees);
  - (b) Wastewater (including wastewater system development fees/trunkline, wastewater system development fees/treatment and reclaimed water system development fees);



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- (c) Stormwater, drainage, and flood control;
  - (d) Libraries;
  - (e) Street facilities;
  - (f) Fire protection;
  - (g) Police; and
  - (h) Parks.

2. Define and provide a map of one or more service areas within which the City will provide each category of necessary public services for which system development fees will be charged. Each service area must be defined in a manner that demonstrates a substantial nexus between the capital facilities to be provided in the service area and the EDUs to be served by those capital facilities. For libraries and for parks larger than thirty (30) acres, each service area must be defined in a manner that demonstrates a direct benefit between the capital facilities and the EDUs to be served by those capital facilities. The City may cover more than one category of capital facilities in the same service area provided that there is an independent substantial nexus or direct benefit, as applicable, between each category of necessary public services and the EDUs to be served.

3. Identify and describe the land use assumptions upon which the infrastructure improvements plan is based in each service area.

4. Analyze and identify the existing level of service provided by the City to existing EDUs for each category of necessary public services in each service area.

5. Identify the level of service to be provided by the City for each category of necessary public services in each service area based on the relevant land use assumptions and any established City standards or policies related to required levels of service. If the City provides the same category of necessary public services in more than one service area, the infrastructure improvements plan shall include a comparison of the levels of service to be provided in each service area.

6. For each category of necessary public services, analyze and identify the existing capacity of the capital facilities in each service area, the utilization of those capital facilities by existing EDUs and the available excess capacity of those capital facilities to serve new EDUs including any existing or planned commitments or agreements for the usage of such capacity. The infrastructure improvements plan shall additionally identify any changes or upgrades to existing capital facilities that will be needed to achieve or maintain the planned level of service to existing EDUs, or to meet new safety, efficiency, environmental, or other regulatory requirements for services provided to existing EDUs.

7. Identify any grandfathered facilities and the impact thereof on the need for necessary public services in each affected service area.

8. Estimate the total number of existing and future EDUs within each service area based on the City's land use assumptions and projected new EDUs in each service area.

9. Based on the analysis in Subsections 3—6 of this Section, provide a summary table or tables describing the level of service for each category of necessary public services by relating the required capital facilities to EDUs in each service area, and identifying the applicable EDU factor associated with each category of development.

10. For each category of necessary public services, analyze and identify the projected utilization of any available excess capacity in existing capital facilities, and all new or expanded capital facilities that will be required to provide and maintain the planned level of service in each service area as a result of the new projected EDUs in that service area, for a period not to exceed ten (10) years. Nothing in this subsection shall prohibit the City from additionally including in its infrastructure improvements plan projected utilization of,



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or needs for, capital facilities for a period longer than ten (10) years, provided that the costs of such capital facilities are excluded from the calculation of the plan-based cost per EDU.

11. For each category of necessary public services, estimate the total cost of any available excess capacity and/or new or expanded capital facilities that will be required to serve new EDUs, including costs of land acquisition, improvements, engineering and architectural services, studies leading to design, design, construction, financing, and administrative costs, as well as projected costs of inflation. Such total costs shall not include costs for ongoing operation and maintenance of capital facilities, nor for replacement of capital facilities to the extent that such replacement is necessary to serve existing EDUs. If the infrastructure improvements plan includes changes or upgrades to existing capital facilities that will be needed to achieve or maintain the planned level of service to existing EDUs, or to meet new regulatory requirements for services provided to existing EDUs, such costs shall be identified and distinguished in the infrastructure improvements plan.

12. Forecast the revenues from taxes, fees, assessments or other sources that will be available to fund the new or expanded capital facilities identified in the infrastructure improvements plan, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions. The infrastructure improvements plan shall additionally estimate the time required to finance, construct and implement the new or expanded capital facilities.

13. Calculate required offsets as follows:

(a) From the forecasted revenues in Subsection 12 of this Section, identify those sources of revenue that: (i) are attributable to new development, and (ii) will contribute to paying for the capital costs of necessary public services.

(b) For each source and amount of revenue identified pursuant to paragraph (a) of this subsection, calculate the relative contribution of new development paying for the capital costs of necessary public services in each service area.

(c) Based on the relative contributions identified pursuant to paragraph (b) of this subsection, for each category of necessary public services, calculate the total offset to be provided in each service area.

(d) For each category of necessary public services, convert the total offset to be provided in each service area into an offset amount per EDU by dividing the total offset by the number of new EDUs.

(e) Beginning August 1, 2014, for purposes of calculating the required offset, if the City imposes a construction, contracting, or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate that is imposed on the majority of other transaction privilege tax classifications in the City, the entire excess portion of the construction, contracting, or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to new development unless the excess portion is already utilized for such purpose pursuant to this section.

(f) In determining the amount of required offset for land included in a community facilities district established under A.R.S. Title 48, Chapter 4, Article 6, the City shall take into account any capital facilities provided by the district that are included in the infrastructure improvements plan and the capital costs paid by the district for such capital facilities, and shall offset system development fees assessed within the community facilities district proportionally.

14. Calculate the plan-based cost per EDU by:

(a) Dividing the total projected costs to provide capital facilities to new EDUs for each category of necessary public services in each service area as determined pursuant to Subsections 1 through 12 of



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this Section by the total number of new EDUs projected for that service area over a period not to exceed ten (10) years for each category of necessary public services.

(b) Subtracting the required offset per EDU calculated pursuant to Subsection 13 of this Section.

B. *Multiple plans.* An infrastructure improvements plan adopted pursuant to this subsection may address one or more of the City's categories of necessary public services in any or all of the City's service areas. Each capital facility shall be subject to no more than one infrastructure improvements plan at any given time.

C. *Reserved capacity.* The City may reserve capacity in an infrastructure improvements plan to serve one or more planned future developments, including capacity reserved through a development agreement pursuant to Section 38-13 of this chapter. All reservations of existing capacity must be disclosed in the infrastructure improvements plan at the time it is adopted.

(Ord. No. 4459, 7-8-13)

### **38-9. Adoption and modification procedures.**

A. *Adopting or amending the infrastructure improvements plan.* The infrastructure improvements plan shall be adopted or amended subject to the following procedures:

1. *Major amendments to the infrastructure improvements plan.* Except as provided in paragraph 2 of this subsection, the adoption or amendment of an infrastructure improvements plan shall occur at one or more public hearings according to the following schedule, and may occur concurrently with the adoption of an update of the City's land use assumptions as provided in Section 38-7 of this chapter:

(a) Sixty (60) days before the first public hearing regarding a new or updated infrastructure improvements plan, the City shall provide public notice of the hearing and post the infrastructure improvements plan and the underlying land use assumptions on its website; the City shall additionally make available to the public the documents used to prepare the infrastructure improvements plan and underlying land use assumptions and the amount of any proposed changes to the plan-based cost per EDU.

(b) The City shall conduct a public hearing on the infrastructure improvements plan and underlying land use assumptions.

(c) The City shall approve or disapprove the infrastructure improvements plan within sixty (60) days, but no sooner than thirty (30) days, after the public hearing. If the document was amended as a result of the public hearing, the revised infrastructure improvements plan shall be posted on the City's public website at least fifteen (15) days prior to the meeting.

2. *Minor amendments to the infrastructure improvements plan.* Notwithstanding the other requirements of this section, the City may update the infrastructure improvements plan and/or its underlying land use assumptions without a public hearing if all of the following apply:

(a) The changes in the infrastructure improvements plan and/or the underlying land use assumptions will not add any new category of necessary public services to any service area.

(b) The changes in the infrastructure improvements plan and/or the underlying land use assumptions will not increase the level of service to be provided in any service area.

(c) Based on an analysis of the fee report and the City's adopted system development fee schedules, the changes in the infrastructure improvements plan and/or the underlying land use assumptions would not, individually or cumulatively with other amendments undertaken pursuant to this subsection, have caused a system development fee in any service area to have been increased by more



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than five (5) per cent above the system development fee that is provided in the current system development fee schedule.

(d) At least thirty (30) days prior to the date that the any amendment pursuant to this section is adopted, the City shall post the proposed amendments on the City website.

B. *Adopting or amending the fee report.* Any adoption or amendment of a fee report and fee schedule shall occur at one or more public hearings according to the following schedule:

1. The first public hearing on the fee report and fee schedule must be held at least thirty (30) days after the adoption or approval of the infrastructure improvements plan as provided in Subsection A of this Section. The City must give at least thirty (30) days notice prior to the hearing, provided that this notice may be given on the same day as the approval or disapproval of the infrastructure improvements plan.
2. The City shall make the fee report and fee schedule available to the public on the City's website thirty (30) days prior to the public hearing described in paragraph 1 of this subsection.
3. The fee report and fee schedule may be adopted by the City no sooner than thirty (30) days, and no later than sixty (60) days, after the hearing described in paragraph 1 of this subsection. If the document was amended as a result of the public hearing, the revised fee report shall be posted on the City's public website at least fifteen (15) days prior to the meeting.
4. The development fee schedules adopted pursuant to this subsection shall become effective no earlier than seventy-five (75) days after adoption of the fee report by the City.

(Ord. No. 4459, 7-8-13)

### **38-10. Timing of updates.**

A. *Updating the infrastructure improvements plan.* Except as provided in Subsection B of this Section, not later than every five (5) years the City shall update the applicable infrastructure improvements plan and fee report related to each category of necessary public services pursuant to Section 38-9 of this chapter. Such five-year period shall be calculated from the date of the adoption of the infrastructure improvements plan.

B. *Determination of no changes.* Notwithstanding Subsection A of this Section, if the City determines that no changes to an infrastructure improvements plan, underlying land use assumptions, or fee report are needed, the City may elect to continue the existing infrastructure improvements plan and fee report without amendment by providing notice as follows:

1. Notice of the determination shall be published at least one hundred eighty (180) days prior to the end of the five-year period described in Subsection A of this Section.
2. The notice shall identify the infrastructure improvements plan and fee report that shall continue in force without amendment.
3. The notice shall provide a map and description of the service area(s) covered by such infrastructure improvements plan and fee report.
4. The notice shall identify an address to which any resident of the City may submit, within sixty (60) days, a written request that the City update the infrastructure improvements plan, underlying land use assumptions, and/or fee report and the reasons and basis for the request.

C. *Response to comments.* The City shall consider and respond within thirty (30) days to any timely requests submitted pursuant to paragraph 4 of Subsection B of this Section.

(Ord. No. 4459, 7-8-13)



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### 38-11. Collection of fees.

A. *Collection.* System development fees, together with any administrative charges assessed to defray the costs of administering this chapter, shall be calculated and collected at issuance of permission to commence development; specifically:

1. Unless otherwise specified pursuant to a Development agreement adopted pursuant to Section 38-13 of this chapter, system development fees shall be paid at the time of issuance of a building permit according to the current system development fee schedule for the applicable service area(s) as adopted pursuant to this chapter, or according to any other applicable system development fee schedule as authorized in this chapter.

(a) The City shall determine the amount of each required system development fee through the use of the applicable fee schedule.

(b) The City shall determine the category of development for each development based on the land use(s) applicable to the lot to be developed in its entirety. The system development fees for retail/commercial, office, public/quasi-public and industrial/warehouse shall take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. If a lot consists of two (2) or more separate areas with different land uses applicable to each separate area, then the system development fee shall be determined by adding up all the fees that would be applicable for each land use type in each separate area. Determinations of the category of development by the City Engineer may be appealed to the City Manager or his/her designee.

(c) The City shall determine the water meter size for each lot based on the actual meter size installed on each lot. If the exact meter size is not listed in a table, then the City shall use the next largest meter size in such table. If a lot consists of two (2) or more separate areas with separate meters in each separate area, then the system development fee shall be determined by adding up all the fees that would be applicable for each meter size in each separate area. If a new wastewater customer is not a water customer, the City Engineer will determine the appropriate water meter size based on the estimated wastewater generation for the project.

(d) In assessing the system development fees for non-residential land use types, square footage shall be measured in terms of gross floor area, and any determination of square footage shall be in whole units, with any fractions thereof being rounded up to the next square foot.

(e) System development fees for development projects involving an addition to or remodeling of an existing facility, change of use, change of housing type, change of meter size or other modification or redevelopment of a previously developed lot or building with a valid certificate of occupancy shall be calculated as follows: the applicable system development fees for the proposed development as set forth in the current system development fee schedules minus the applicable system development fees for the previous development as set forth in the current system development fee schedules. In the event that the difference is negative, no refund of previously paid system development fees shall be made.

2. If a building permit is not required for the development, but water or wastewater connections are required, any and all system development fees due shall be paid at the time the water service connection is purchased. If only a wastewater connection is required, the system development fees shall be paid prior to approval of a connection to the sewer system. If no building permit or water or wastewater connection is required, all system development fees shall be paid prior to development approval. Wastewater system development fees shall be assessed if a development connects to the public sewer, or as determined by the City Engineer, is capable of discharging sewage to a City public sewer.



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3. If the development is located in a service area with a stormwater, drainage, and flood control system development fee, and neither a building permit, water, or sewer service connection is required, the storm drainage system development fee due shall be paid at the time a civil or site permit is issued for the development.

4. No building permit, water or sewer connection, or certificate of occupancy shall be issued if a system development fee is not paid as directed in the previous paragraphs.

5. If the building permit is for a change in the type of building use, an increase in square footage, a change to land use, or an addition to a point of demand to the water or wastewater system, the system development fee shall be assessed on the additional service units resulting from the expansion or change, and following the system development fee schedule applicable to any new use type.

6. For issued permits that expire or are voided, system development fees and administrative charges shall be as follows:

(a) If the original permittee is seeking to renew an expired or voided permit, and the system development fees paid for such development have not been refunded, then the permittee shall pay the difference between any system development fees paid at the time the permit was issued and those in the fee schedule at the time the permit is reissued or renewed.

(b) If a new or renewed permit for the same development is being sought by someone other than the original permittee, the new permit applicant shall pay the full system development fees specified in the fee schedule in effect at the time that the permits are reissued or renewed. If the original permittee has assigned its rights under the permits to the new permit applicant, the new permit applicant shall pay system development fees as if it were the original permittee.

**B. *Exceptions.*** System development fees shall not be owed under any of the following conditions.

1. System development fees have been paid for the development and the permit(s) which triggered the collection of the system development fees have not expired or been voided.

2. The approval(s) that trigger the collection of system development fees involve modifications to existing development that do not: (a) add new EDUs, (b) increase the impact of existing EDUs on existing or future capital facilities, or (c) change the land-use type of the existing development to a different category of development for which a higher system development fee would have been due. To the extent that any modification does not meet the requirements of this paragraph, the system development fee due shall be the difference between the system development fee that was or would have been due on the existing development and the system development fee that is due on the development as modified.

3. Public schools and charter schools shall be exempt from payment of non-utility system development fees in accordance with A.R.S. § 9-500.18 with the exception of arterial street system development fees. In addition, public schools and charter schools shall be exempt from arterial street system development fees.

4. Separate water meters installed for irrigation purposes only shall not be included in the calculation of the wastewater system development fee. In redevelopment situations, credit shall be issued for existing water meters assigned to the property in question based on the current utility system development fees in effect at the time. When a building(s) is demolished as part of redevelopment, any credits will be applied to utility system development fees owed. When a larger water meter is required to serve an existing building due to a change in use, the difference between the value of the existing meter system development fees in current dollars will be applied against any new system development fees owed.

Water, wastewater and reclaimed water system development fees shall not be charged for meters dedicated only for fire flow. In the case of a change of use of an existing building where a larger meter is required to accommodate fire flow, the system development fees will be based only on the meter size upgrade that is required for domestic consumption.



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5. Temporary structures for which an administrative use permit is secured for use as a sales office and not for residential or other purposes and intended to be removed within the two-year period granted under the use permit shall be exempt from system development fees. This exemption shall not apply where the temporary building is erected on a parcel of land upon which a permanent building with permanent facilities is to be constructed.

C. *Temporary exemptions from system development fee schedules.* New developments in the City shall be temporarily exempt from increases in system development fees that result from the adoption of new or modified system development fee schedules as follows:

1. *Single-family uses.* On or after the day that the first building permit is issued for a single-family development, the City shall, at the permittee's request, provide the permittee with an applicable system development fee schedule that shall be in force for a period of twenty-four (24) months beginning on the day that the first building permit is issued, and which shall expire at the end of the first business day of the 25th month thereafter. During the effective period of the applicable system development fee schedule, any building permit issued for the same single-family development shall not be subject to any new or modified system development fee schedule, provided that if the City reduces the amount of an applicable system development fee during the period that a grandfathered system development fee schedule is in force, the City shall assess the lower system development fee.

2. *Non-residential and multi-family uses.* On or after the day that the final approval is issued for a non-residential or multi-family development, the City shall provide an applicable system development fee schedule that shall be in force for a period of twenty-four (24) months beginning on the day that final development approval of a site plan or final subdivision plat is given, and which shall expire at the end of the first business day of the 25th month thereafter. For the purpose of this paragraph, final approval shall mean the approval of a site plan or, if no site plan is submitted for the development, the approval of a final subdivision plat. During the effective period of the applicable system development fee schedule, any building permit issued for the same development shall not be subject to any new or modified system development fee schedule, provided that if the City reduces the amount of an applicable system development fee during the period that a grandfathered system development fee schedule is in force, the City shall assess the lower system development fee.

3. *Other development.* Any development not covered under paragraphs 1 and 2 of this subsection shall pay system development fees according to the fee schedule that is current at the time of collection as specified in Subsection A of this Section.

4. *Changes to site plans and subdivision plats.* Notwithstanding the other requirements of this subsection, if changes are made to a development's final site plan or subdivision plat that will increase the number of service units after the issuance of a grandfathered system development fee schedule, the City may assess any new or modified system development fees against the additional service units.

D. *Option to pursue special fee determination.* The development fees with categories "Retail/Commercial," "Office," "Public/Quasi-Public" and "Industrial/Warehouse" take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. For uses that cannot readily be designated under a particular category and are not part of a larger retail, industrial or office development, the City Engineer shall determine the category the particular use will be assigned based on which category has a p.m. peak hour trip generation rate equal to or less than the rate for the land use under consideration.

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14)



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## 38-12. Credits and credit agreements.

A. *Eligibility of capital facility.* All system development fee credits must meet the following requirements:

1. One of the following is true:

(a) The capital facility, or the financial contribution toward a capital facility that will be provided by the developer and for which a credit will be issued, must be identified in an adopted infrastructure improvements plan and fee report as a capital facility for which a system development fee was assessed; or

(b) The applicant must demonstrate to the satisfaction of the City that, given the class and type of improvement, the subject capital facility should have been included in the infrastructure improvements plan in lieu of a different capital facility that was included in the infrastructure improvements plan and for which a system development fee was assessed. If the subject capital facility is determined to be eligible for a credit in this manner, the City shall amend the infrastructure improvements plan to (i) include the subject replacement facility and (ii) delete the capital facility that will be replaced.

2. Credits shall not be available for any capital facility provided by a developer if the cost of such capital facility will be repaid to the developer by the City through another agreement or mechanism. To the extent that the developer will be paid or reimbursed by the City for any contribution, payment, construction, or dedication from any City funding source including an agreement to reimburse the developer with future collected system development fees pursuant to Section 38-13 of this chapter, any credits claimed by the developer shall be: (a) deducted from any amounts to be paid or reimbursed by the City; or (b) reduced by the amount of such payment or reimbursement.

B. *Eligibility of subject development.* To be eligible for a credit, the subject development must be located within the service area of the eligible capital facility.

C. *Calculation of credits.* Credits will be based on that portion of the costs for an eligible capital facility identified in the adopted infrastructure improvements plan for which a development fee was assessed pursuant to the fee report. If the gross system development fee for a particular category of necessary public service is adopted at an amount lower than the plan-based cost per EDU, the amount of any credit shall be reduced in proportion to the difference between the plan-based cost per EDU and the gross system development fee adopted. A credit shall not exceed the actual costs the applicant incurred in providing the eligible capital facility, nor shall it exceed the amount of the applicable system development fee for the subject development.

D. *Allocation of credits.* Before any credit can be issued to a subject development (or portion thereof), the credit must be allocated to that development as follows:

1. The developer and the City must execute a credit agreement including all of the following:

(a) The total amount of the credits resulting from provision of an eligible capital facility.

(b) The estimated number of EDUs to be served within the subject development.

(c) The method by which the credit values will be distributed within the subject development.

2. It is the responsibility of the developer to request allocation of system development fee credits through an application for a credit agreement (which may be part of a Development agreement entered into pursuant to Section 38-13 of this chapter).

3. If a building permit is issued or a water/sewer connection is purchased, and a system development fee is paid prior to execution of a credit agreement for the subject development, no credits may be allocated retroactively to that permit or connection. Credits may be allocated to any remaining permits for the subject development in accordance with this chapter.



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4. If the entity that provides an eligible capital facility sells or relinquishes a development (or portion thereof) that it owns or controls prior to execution of a credit agreement or Development agreement, credits resulting from the eligible capital facility will only be allocated to the development if the entity legally assigns such rights and responsibilities to its successor(s) in interest for the subject development.

5. If multiple entities jointly provide an eligible capital facility, both entities must enter into a single credit agreement with the City, and any request for the allocation of credit within the subject development(s) must be made jointly by the entities that provided the eligible capital facility.

6. Credits may only be reallocated from or within a subject development with the City's approval of an amendment to an executed credit agreement, subject to the following conditions:

(a) The entity that executed the original agreement with the City, or its legal successor in interest, and the entity that currently controls the subject development are parties to the request for reallocation.

(b) The reallocation proposal does not change the value of any credits already issued for the subject development.

7. A credit agreement may authorize the allocation of credits to a non-contiguous parcel only if all of the following conditions are met:

(a) The entity that executed the original agreement with the City or its legal successor in interest, the entity that currently controls the subject development, and the entity that controls the non-contiguous parcel are parties to the request for reallocation.

(b) The reallocation proposal does not change the value of any credits already issued for the subject development.

(c) The non-contiguous parcel is in the same service area as that served by the eligible capital facility.

(d) The non-contiguous parcel receives a necessary public service from the eligible capital facility.

(e) The credit agreement specifically states the value of the credits to be allocated to each parcel and/or EDU, or establishes a mechanism for future determination of the credit values.

(f) The credit agreement does not involve the transfer of credits to or from any property subject to a development agreement.

(g) The City must obtain ownership or control of the Capital Facility subsequent to August 1, 2014 to allow for allocation of credits to non-contiguous parcels.

E. *Credit agreement.* Credits shall only be issued pursuant to a credit agreement executed in accordance with Subsection D of this Section. The City Engineer or authorized designee is authorized by this chapter to enter into a credit agreement with the controlling entity of a subject development, subject to the following:

1. The developer requesting the credit agreement shall provide all information requested by the City to allow it to determine the value of the credit to be applied.

2. An application for a credit agreement shall be submitted to the City by the developer within one year of the date on which ownership or control of the capital facility passes to the City.

3. The developer shall submit a draft credit agreement to the City Engineer or authorized designee(s) for review in the form provided to the applicant by the City. The draft credit agreement shall include, at a minimum, all of the following information and supporting documentation:

(a) A legal description and map depicting the location of the subject development for which credit is being applied. The map shall depict the location of the capital facilities that have been or will be provided.



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- (b) An estimate of the total EDUs that will be developed within the subject development depicted on the map and described in the legal description.
  - (c) A list of the capital facilities, associated physical attributes and the related costs as stated in the infrastructure improvements plan.
  - (d) Documentation showing the date(s) of acceptance by the City, if the capital facilities have already been provided.
  - (e) The total amount of credit to be applied within the subject development and the calculations leading to the total amount of credit.
  - (f) The credit amount to be applied to each EDU within the subject development for each category of necessary public services.

4. The City's determination of the credit to be allocated is final.

5. Upon execution of the credit agreement by the City and the applicant, credits shall be deemed allocated to the subject development.

6. Any amendment to a previously approved credit agreement must be initiated within two (2) years of the City's final acceptance of the eligible capital facility for which the amendment is requested.

7. Any credit agreement approved as part of a development agreement shall be amended in accordance with the terms of the development agreement and Section 38-13 of this chapter.

F. *Issuance of credits.* Credits allocated pursuant to Subsection D of this Section may be issued and applied toward the gross system development fees due from a development, subject to the following conditions:

- 1. Credits issued for an eligible capital facility may only be applied to the system development fee due for the applicable category of necessary public services, and may not be applied to any fee due for another category of necessary public services.
- 2. Credits shall only be issued when the eligible capital facility from which the credits were derived has been accepted by the City.
- 3. Where credits have been issued pursuant to paragraph 2 of this subsection, a system development fee due at the time a building permit is issued shall be reduced by the credit amount stated in or calculated from the executed credit agreement. Where credits have not yet been issued, the gross system development fee shall be paid in full.
- 4. Credits, once issued, may not be rescinded or reallocated to another permit or parcel, except that credits may be released for reuse on the same subject development if a building permit for which the credits were issued has expired or been voided and is otherwise eligible for a refund under Section 38-15.A.2(a) of this chapter.
- 5. Notwithstanding the other provisions of this Section 38-12, credits issued prior to August 1, 2014, may only be used for the subject development for which they were issued.

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14)

### **38-13. Development agreements.**

Development agreements containing provisions regarding system development fees, system development fee credits and/or disbursement of revenues from system development fee accounts shall comply with the following:

A. *Development agreement required.* A development agreement is required to authorize any of the following:



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1. To issue credits prior to the City's acceptance of an eligible capital facility.
  2. To allocate credits to a parcel that is not contiguous with the subject development and that does not meet the requirements of Section 38-12.D.(7) of this chapter.
  3. To reimburse the developer of an eligible capital facility using funds from system development fee accounts.
  4. To allocate different credit amounts per EDU to different parcels within a subject development.
  5. For a single-family dwelling unit, to allow system development fees to be paid at a later time than the issuance of a building permit as provided in this Section.

B. *General requirements.* Except where specifically modified by this Section, all provisions of Section 38-12 of this chapter shall apply to any credit agreement that is authorized as part of a development agreement.

C. *Early credit issuance.* A development agreement may authorize the issuance of credits prior to acceptance of an eligible capital facility by the City when the Development agreement specifically states the form and value of the security (i.e., bond, letter of credit, etc.) to be provided to the City prior to issuance of any credits. The City shall determine the acceptable form and value of the security to be provided.

D. *Non-contiguous credit allocation.* A development agreement may authorize the allocation of credits to a non-contiguous parcel only if all of the following conditions are met:

1. The non-contiguous parcel is in the same service area as that served by the eligible capital facility.
2. The non-contiguous parcel receives a necessary public service from the eligible capital facility.
3. The development agreement specifically states the value of the credits to be allocated to each parcel and/or EDU, or establishes a mechanism for future determination of the credit values.

E. *Uneven credit allocation.* The development agreement must specify how credits will be allocated amongst different parcels on a per-EDU basis, if the credits are not to be allocated evenly. If the development agreement is silent on this topic, all credits will be allocated evenly amongst all parcels on a per-EDU basis.

F. *Use of reimbursements.* Funds reimbursed to developers from system development fee accounts for construction of an eligible capital facility must be utilized in accordance with applicable law for the use of City funds in construction or acquisition of capital facilities, including A.R.S. § 34-201 et seq.

G. *Deferral of fees.* A development agreement shall not provide for the deferral of payment of system development fees for any type of development beyond the issuance of a building permit.

H. *Waiver of fees.* If the City agrees to waive any system development fees assessed on development in a development agreement, the City shall reimburse the appropriate system development fee account for the amount that was waived.

I. *No Obligation.* Nothing in this section obligates the City to enter into any development agreement or to authorize any type of credit agreement permitted by this section.

(Ord. No. 4459, 7-8-13)

### **38-14. Appeals.**

A system development fee determination by City staff may be appealed in accordance with the following procedures:

A. *Limited scope.* An appeal shall be limited to disputes regarding the calculation of the system development fees for a specific development and/or permit and calculation of EDUs for the development.



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B. *Form of appeal.* An appeal shall be initiated on such written form as the City may prescribe, including a full statement of the grounds, and submitted to the City Engineer.

C. *Action by Manager.* The City Manager or authorized designee shall act upon the appeal within 14 calendar days of receipt of the appeal and the applicant shall be notified of the City Manager or authorized designee's decision in writing.

D. *Final decision.* The City Manager or authorized designee's decision regarding the appeal is final.

E. *Fees during pendency.* Building permits may be issued during the pendency of an appeal if the applicant (1) pays the full system development fee calculated by the City at the time the appeal is filed or (2) provides the City with financial assurances in the form acceptable to the City Manager or authorized designee equal to the full amount of the system development fee. Upon final disposition of an appeal, the fee shall be adjusted in accordance with the decision rendered, and a refund paid if warranted. If the appeal is denied by the City Manager or authorized designee, and the applicant has provided the City with financial assurances as set forth in clause (2) above, the applicant shall deliver the full amount of the system development fee to the City within ten days of the City Manager or designee's final decision on the appeal. If the applicant fails to deliver the full amount of the system development fees when required by this subsection, the City may draw upon such financial assurance instrument(s) as necessary to recover the full amount of the system development fees due from the applicant.

(Ord. No. 4459, 7-8-13)

### **38-15. Refunds.**

A. *Refunds.* A refund (or partial refund) will be paid to any current owner of property within the City who submits a written request to the City and demonstrates that:

1. The permit(s) that triggered the collection of the system development fee have expired or been voided prior to the commencement of the development for which the permits were issued and the system development fees collected have not been expended, encumbered, or pledged for the repayment of financing or debt; or
2. The owner of the subject real property or its predecessor in interest paid a system development fee for the applicable category of necessary public services on or after August 1, 2014, and one of the following conditions exists:
  - (a) The capital facility designed to serve the subject real property has been constructed, has the capacity to serve the subject real property and any development for which there is reserved capacity and the service which was to be provided by that capital facility has not been provided to the subject real property from that capital facility or from any other capital facility.
  - (b) After collecting the fee to construct a capital facility, the City fails to complete construction of the capital facility within the time period identified in the infrastructure improvements plan, as it may be amended, and the corresponding service is otherwise unavailable to the subject real property from that capital facility or any other capital facility.
  - (c) For a category of necessary public services other than water or wastewater facilities, any part of a system development fee is not spent within ten (10) years of the City's receipt of the system development fee.
  - (d) Any part of a system development fee for water or wastewater facilities is not spent within fifteen (15) years of the City's receipt of the system development fee.



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(e) The system development fee was calculated and collected for the construction cost to provide all or a portion of a specific capital facility serving the subject real property and the actual construction costs for the capital facility are less than the construction costs projected in the infrastructure improvements plan by a factor of ten (10) percent or more. In such event, the current owner of the subject real property shall, upon request as set forth in this Section A, be entitled to a refund for the difference between the amounts of the system development fee charged for and attributable to such construction cost and the amount the system development fee would have been calculated to be if the actual construction cost had been included in the fee report. In performing the recalculation, the City may take into consideration actual construction costs for other improvements serving the subject real property that were included in the infrastructure improvements plan for the same category of necessary public facilities. The refund contemplated by this Subsection shall relate only to the costs specific to the construction of the applicable capital facility and shall not include any related design, administrative, or other costs not directly incurred for construction of the capital facility that are included in the system development fee as permitted by A.R.S. § 9-463.05.

B. *Earned interest.* A refund of a system development fee shall include any interest actually earned on the refunded portion of the system development fee by the City from the date of collection to the date of refund. All refunds shall be made to the record owner of the property at the time the refund is paid.

C. *Refund to government.* If a system development fee was paid by a governmental entity, any refund shall be paid to that governmental entity.

D. *Correction of errors.* The City Engineer is hereby authorized and directed to correct any error in the assessment and collection of system development fees detected within twenty-four (24) months of the date of the payment of the system development fees, including assessing additional system development fee amounts or issuing a refund from the appropriate system development fee fund(s).

E. *No refund for change of development.* After a system development fee has been paid pursuant to this chapter, no refund of any part of such system development fee shall be made if the development for which the system development fee was paid is later demolished, destroyed, or is altered, reconstructed, or reconfigured so as to reduce the size of the development, the number of units in the development, or the number of EDUs.

(Ord. No. 4459, 7-8-13)

### **38-16. Oversight of program.**

A. *Annual report.* Within ninety (90) days of the end of each fiscal year, the City shall file with the City Clerk an unaudited annual report accounting for the collection and use of the fees for each service area and shall post the report on its website in accordance with A.R.S. § 9-463.05, Subsections N and O, as amended.

B. *Biennial audit.* In addition to the annual report described in Subsection A of this Section, the City shall provide for a biennial, certified audit of the City's land use assumptions, infrastructure improvements plan and system development fees.

1. An audit pursuant to this subsection shall be conducted by one or more qualified professionals who are not employees or officials of the City and who did not prepare the infrastructure improvements plan.
2. The audit shall review the collection and expenditures of development fees for each project in the plan and provide written comments describing the amount of system development fees assessed, collected and spent on capital facilities.
3. The audit shall describe the level of service in each service area and evaluate any inequities in implementing the infrastructure improvements plan or imposing the system development fee.



4. The City shall post the findings of the audit on the City's website and shall conduct a public hearing on the audit within sixty (60) days of the release of the audit to the public.

5. For purposes of this subsection a certified audit shall mean any audit authenticated by one (1) or more of the qualified professionals conducting the audit pursuant to paragraph 1 of this subsection.

(Ord. No. 4459, 7-8-13)

#### APPENDIX A. FEE SCHEDULE

| System Development Fee                             | Single-Family (unit)          | Multi-Family (unit)           | Retail/Commercial (square foot) | Office (square foot)        | Industrial/Warehouse (square foot) | Public/Quasi-Public (square foot)         |
|--|-------------------------------|-------------------------------|---------------------------------|-----------------------------|------------------------------------|---|
| Arterial Street <sup>(1)</sup>                     | <del>\$3,869</del><br>\$3,792 | <del>\$2,190</del><br>\$2,059 | <del>\$5.04</del><br>\$3.89     | <del>\$4.04</del><br>\$5.35 | <del>\$1.17</del><br>\$1.05        | <del>\$0.97<sup>(2)</sup></del><br>\$1.98 |
| Fire <sup>(2)</sup>                                | <del>\$218</del><br>\$308     | <del>\$161</del><br>\$259     | <del>\$0.22</del><br>\$0.32     | <del>\$0.20</del><br>\$0.17 | <del>\$0.04</del><br>\$0.08        | <del>\$0.06</del><br>\$0.16               |
| Library <sup>(2)</sup>                             | <del>\$61</del> 0.00          | <del>\$44</del> 0.00          | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Parks - Northwest Service Area <sup>(2), (4)</sup> | <del>\$983</del><br>\$0.00    | <del>\$729</del><br>\$0.00    | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Parks - Northeast Service Area <sup>(2), (4)</sup> | <del>\$237</del><br>\$129     | <del>\$176</del><br>\$109     | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Parks - Southeast Service Area <sup>(2), (4)</sup> | <del>\$2,338</del><br>\$5,242 | <del>\$1,735</del><br>\$4,424 | \$0.00                          | \$0.00                      | \$0.00                             | \$0.00                                    |
| Police <sup>(2)</sup>                              | <del>\$127</del><br>\$74      | <del>\$94</del><br>\$62       | <del>\$0.13</del><br>\$0.08     | <del>\$0.11</del><br>\$0.04 | <del>\$0.02</del><br>\$0.02        | <del>\$0.03</del><br>\$0.04               |
| Public Buildings <sup>(2)</sup>                    | \$110                         | \$79                          | \$0.12                          | \$0.08                      | \$0.02                             | \$0.03                                    |
| Reclaimed Water <sup>(3)</sup>                     | <del>\$837</del><br>\$1,094   | <del>\$403</del><br>\$464     | See Table A                     |                             |                                    |   |
| Wastewater <sup>(3)</sup>                          | <del>\$4,024</del><br>\$5,989 | <del>\$1,940</del><br>\$2,539 | See Table A                     |                             |                                    |   |
| Water  | <del>\$3,397</del><br>\$2,460 | <del>\$1,281</del><br>\$822   | See Table A                     |                             |                                    |   |

<sup>(1)</sup> Assessed in any area south of Frye Road, east of McClintock Road, and north of Frye Road, east of McQueen Road, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Knox Road, or north of Ray Road.

<sup>(2)</sup> Pursuant to A.R.S. 9-500.18, these non-utility system development fees may not be assessed on school districts or charter schools. In addition, arterial street system development fees shall not be collected from a school district or charter school.

<sup>(3)</sup> No reclaimed water or wastewater fees for water-only (landscape) connections.

<sup>(4)</sup> Fees for the Parks - Northwest Service Area are assessed in the area west of Price Road. Fees for the Parks - Northeast Service Area are assessed in the area both east of Price Road and north of the 202 Freeway. Fees for the Parks - Southeast Service Area are assessed in the area both east of Price Road and south of the 202 Freeway.



| Table A: Non-Residential Utility System Development Fees |                  |                                 |                                   |                                   |
|--|------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Water Meter Size   | Water Meter Type | Reclaimed Water <sup>(1)</sup>  | Wastewater <sup>(1)</sup>         | Water                             |
| ¾"   | Disc             | <del>\$1,256</del><br>\$1,641   | <del>\$6,036</del><br>\$8,984     | <del>\$5,096</del><br>\$3,690     |
| 1"   | Disc             | <del>\$2,093</del><br>\$2,734   | <del>\$10,060</del><br>\$14,973   | <del>\$8,493</del><br>\$6,150     |
| 1½"  | Disc             | <del>\$4,185</del><br>\$5,470   | <del>\$20,120</del><br>\$29,945   | <del>\$16,985</del><br>\$12,300   |
| 2"   | Disc/Turbine     | <del>\$6,696</del><br>\$8,752   | <del>\$32,192</del><br>\$47,912   | <del>\$27,176</del><br>\$19,680   |
| 3"   | Compound         | <del>\$13,392</del><br>\$24,615 | <del>\$64,384</del><br>\$134,753  | <del>\$54,352</del><br>\$55,350   |
| 3"   | Turbine          | <del>\$14,648</del><br>\$19,145 | <del>\$70,420</del><br>\$104,808  | <del>\$59,448</del><br>\$43,050   |
| 4"   | Compound         | <del>\$20,925</del><br>\$27,350 | <del>\$100,600</del><br>\$149,725 | <del>\$84,925</del><br>\$61,500   |
| 4"   | Turbine          | <del>\$25,110</del><br>\$32,820 | <del>\$120,720</del><br>\$179,670 | <del>\$101,910</del><br>\$73,800  |
| 6"   | Compound         | <del>\$41,850</del><br>\$54,700 | <del>\$201,200</del><br>\$299,450 | <del>\$169,850</del><br>\$123,000 |
| 6"   | Turbine          | <del>\$52,313</del><br>\$68,375 | <del>\$251,500</del><br>\$374,313 | <del>\$212,313</del><br>\$153,750 |
| 8"   | Compound         | <del>\$66,960</del><br>\$87,520 | <del>\$321,920</del><br>\$479,120 | <del>\$271,760</del><br>\$196,800 |
| 8"   | Turbine          | <del>\$75,330</del><br>\$98,460 | <del>\$362,160</del><br>\$539,010 | <del>\$305,730</del><br>\$221,400 |
| 10" and Larger   | Any              | (2)                             | (2)                               | (2)                               |

<sup>(1)</sup> No Reclaimed Water or wastewater fees for water-only (landscape) connections.

<sup>(2)</sup> For meters ten (10) inches and larger, the Reclaimed Water, Wastewater and Water system development fees shall be based on the following formula:

$$\text{System Development Fee} = (1" \text{ Fee}) \times (\text{Safe Maximum Operating Capacity (GPM)} / 20 \text{ (GPM)})$$

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14; Ord. No. 4876, § 1, 4-25-19)

Editor's note(s)—Section 3 of Ord. No. 4876, adopted April 25, 2019, states: The new fees established by this Ordinance shall become effective July 15, 2019.



## Chapter 38 SYSTEM DEVELOPMENT FEES<sup>1</sup>

### 38-1. Title.

This chapter shall be known as the "System Development Fee Ordinance of the City of Chandler," and may be cited as such.

(Ord. No. 4459, 7-8-13)

### 38-2. Legislative intent and purpose.

This chapter is adopted for the purpose of promoting the health, safety and general welfare of the residents of the City by:

- A. Requiring new development to pay its proportionate share of the costs incurred by the City that are associated with providing necessary public services to new development;
- B. Setting forth standards and procedures for creating and assessing system development fees consistent with the requirements of Arizona Revised Statutes ("A.R.S.") § 9-463.05, including requirements pursuant to A.R.S. § 9-463.05, Subsection K, that on or before August 1, 2014, the City replace its system development fees that were adopted prior to January 1, 2012 with system development fees adopted pursuant to the requirements of A.R.S. § 9-463.05 as amended by the state legislature in SB 1525, Fiftieth Legislature, First Regular Session;
- C. Providing for the temporary continuation of certain system development fees adopted prior to January 1, 2012 until otherwise replaced pursuant to this chapter, or longer where such system development fees were pledged to support financing or debt for a grandfathered facility as permitted by A.R.S. § 9-463.05, Subsections K, R, and S; and
- D. Setting forth procedures for administering the system development fee program, including mandatory offsets, credits, and refunds of system development fees. All system development fee assessments, offsets, credits, or refunds must be administered in accordance with the provisions of this chapter.

This chapter shall not affect the City's zoning authority or its authority to adopt or amend its general plan, provided that planning and zoning activities by the City may require amendments to system development fees as provided in Section 38-7 of this chapter.

(Ord. No. 4459, 7-8-13)

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<sup>1</sup>Editor's note(s)—Ord. No. 4459, adopted July 8, 2013, amended Ch. 38 in its entirety to read as herein set out. Former Ch. 38, §§ 38-1—38-19, pertained to development fees and charges, and derived from Ord. No. 3047, § 2, adopted Nov. 4, 1999; Ord. No. 3721, adopted Oct. 27, 2005. See the Code Comparative Table for complete derivation.



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### 38-3. Definitions.

When used in this chapter, the terms listed below shall have the following meanings unless the context requires otherwise. Singular terms shall include their plural.

*Applicant:* A person who applies to the City for a building permit.

*Appurtenance:* Any fixed machinery or equipment, structure or other fixture, including integrated hardware, software or other components, associated with a capital facility that is necessary or convenient to the operation, use, or maintenance of a capital facility.

*Aquatic center:* A facility primarily designed to host non-recreational competitive functions generally occurring within water, including, but not limited to, water polo games, swimming meets and diving events. Such facility may be indoors, outdoors, or any combination thereof, and includes all necessary supporting amenities, including but not limited to, locker rooms, offices, snack bars, bleacher seating and shade structures.

*Arterial streets:* See "Street facilities."

*Building permit:* A written permit or license issued by an authorized officer of the City, which is intended to: ensure that work is performed according to the applicable provisions of the City's building, safety and zoning codes; authorize the applicant and/or holder to construct a building or structure of a particular kind on specified property; authorize vertical construction; increase square footage; authorize changes to land use; or provide for the addition of a residential or nonresidential point of demand to the water or wastewater system. A building permit may be issued in connection with the construction of a new building or structure or in connection with the substantial alteration of an existing building or structure, either for expansion of an existing use or to accommodate a new use.

*Capital facility:* An asset having a useful life of three (3) or more years that is a component of one or more categories of necessary public service provided by the City. A capital facility may include any associated purchase of real property, architectural and engineering services leading to the design and construction of buildings and facilities, improvements to existing facilities, improvements to or expansions of existing facilities and associated financing and professional services.

*Category of development:* A specific type of residential, commercial, or industrial development against which a system development fee is calculated and assessed. The City assesses system development fees against the following types of development within each of the three (3) broader categories of development: (i) for residential development, single-family and multi-family; (ii) for commercial development, retail/commercial and office; and (iii) for industrial, industrial/warehouse and public/quasi-public. The development fees with categories associated with non-residential developments: "retail/commercial," "office," "public/quasi-public" and "industrial/warehouse" take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. For uses that cannot readily be designated under a particular category and are not part of a larger retail, industrial or office development, the City Engineer shall determine the category the particular use will be assigned based on which category has a p.m. peak hour trip generation rate equal to or less than the rate for the land use under consideration.

*Category of necessary public service:* A specific type of necessary public services for which the City is authorized to assess system development fees, as further defined in Section 38-8.A.1 of this chapter.

*City:* The City of Chandler, Arizona.

*Credit:* A reduction in an assessed system development fee resulting from developer contributions to, payments for, construction of, or dedications for capital facilities included in an infrastructure improvements plan pursuant to Section 38-12 of this chapter (or as otherwise permitted by this chapter).



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*Credit agreement:* A written agreement between the City and the developer(s) of a subject development that allocates credits to the subject development pursuant to Section 38-12 of this chapter. A credit agreement may be included as part of a development agreement pursuant to Section 38-13 of this chapter.

*Credit allocation:* A term used to describe when credits are distributed to a particular development or parcel of land after execution of a credit agreement, but are not yet issued.

*Credit issuance:* A term used to describe when the amount of an assessed system development fee attributable to a particular development or parcel of land is reduced by applying a credit allocation.

*Developer:* An individual, group of individuals, partnership, corporation, limited liability company, association, municipal corporation, state agency, or other person or entity undertaking land development activity, and their respective successors and assigns.

*Development agreement:* An agreement prepared in accordance with the requirements of Section 38-13 of this chapter and A.R.S. § 9-500.05 and any applicable requirements of the Chandler City Code.

*Direct benefit:* A benefit to a development resulting from a capital facility that: (a) addresses the need for a necessary public service created in whole or in part by the development; and that (b) meets either of the following criteria: (i) the capital facility is located in the immediate area of the development and is needed in the immediate area of the development to maintain the level of service; or (ii) the capital facility substitutes for, or eliminates the need for a capital facility that would have otherwise have been needed in the immediate area of the development to maintain the City's level of service.

*Dwelling unit:* One (1) or more rooms, or a portion of a room in a building, providing complete, independent living facilities for one (1) or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation.

*Equipment:* Machinery, tools, materials, and other supplies, not including vehicles, that are needed by a capital facility to provide the level of service specified by the infrastructure improvements plan.

*Equivalent demand unit (EDU):* A unit of demand within a particular category of necessary public services, defined in terms of a standardized measure of the demand that a unit of development in a category of development generates for necessary public services in relation to the demand generated by a single-family dwelling unit. For all categories of necessary public services, the EDU factor for a single-family dwelling unit is one (1), while the EDU factor for a unit of development within another category of development is represented as a ratio of the demand for that category of necessary public services typically generated by that unit as compared to the demand for such services typically generated by a single-family dwelling unit. An EDU shall be a "service unit" for purposes of Paragraph T, Subparagraph 10 of A.R.S. § 9-463.05.

*Excluded library facility:* Library improvements for which system development fees may not be charged pursuant to A.R.S. § 9-463.05.T.7.(d), including that portion of any library building that exceeds ten thousand (10,000) square feet, and equipment, vehicles or appurtenances associated with library operations.

*Excluded park facility:* Park and recreational improvements for which system development fees may not be charged pursuant to A.R.S. § 9-463.05.T.7.(g), including amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand (3,000) square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, or zoo facilities.

*Fee report:* A written report adopted pursuant to Section 38-9 of this chapter that identifies the methodology for calculating the amount of each system development fee, explains the relationship between the system development fee to be assessed and the plan-based cost per EDU calculated in the infrastructure improvements plan and which meets other requirements set forth in A.R.S. § 9-463.05.



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*Financing or debt:* Any debt, bond, note, loan, interfund loan, fund transfer, or other debt service obligation used to finance the development or expansion of a capital facility or associated appurtenances, vehicles or equipment.

*Fire protection facilities:* A category of necessary public services that includes fire stations, fire equipment, fire vehicles and all appurtenances for fire stations. Fire protection facilities do not include vehicles or equipment used to provide administrative services, or helicopters or airplanes. Fire protection facilities do not include any facility that is used for training firefighters from more than one (1) station or substation.

*General plan:* Refers to the overall land-use plan for the City establishing areas of the City for different purposes, zones and activities adopted pursuant to City Resolution Number 4195 on June 26, 2008 and as may be amended from time to time thereafter.

*Grandfathered facilities:* Capital facilities and associated appurtenances, vehicles or equipment provided through financing or debt incurred before June 1, 2011, for which a system development fee has been pledged towards repayment as described in Section 38-5.C of this chapter.

*Gross floor area:* The sum of the gross horizontal areas of each story of a building measured from the exterior faces of the exterior walls or from the center line of walls separating two (2) buildings or different uses, including attic space with headroom of seven (7) feet or greater and served by a permanent, fixed stair, but not including enclosed off-street parking or loading areas. Gross floor area shall also include areas of buildings within the horizontal projection of the roof or floor above, which do not have surrounding exterior walls but exceed three (3) feet in horizontal dimension. Gross floor area shall also include basements, if provided, and outdoor patios/retail areas without roofs or walls as further described in the definition of retail/commercial.

*Gross system development fee:* The total system development fee to be assessed against a subject development on a per unit basis, prior to subtraction of any credits.

*Industrial/warehouse:* Based on the category of development, any establishments primarily engaged in the fabrication, assembly or processing of goods; the display, storage and sale of goods to other firms for resale; activities involving movement and storage of products or equipment; or an enclosed storage facility containing independent, fully enclosed bays that are leased to persons for storage of their household goods or personal property.

*Infrastructure improvements plan:* A document or series of documents that meet the requirements set forth in A.R.S. § 9-463.05, including those adopted pursuant to Section 38-9 of this chapter to cover any category or combination of categories of necessary public services.

*Interim fee schedule:* Any system development fee schedule established prior to January 1, 2012, in accordance with then-applicable law, and which shall expire not later than August 1, 2014, pursuant to Section 38-11 of this chapter.

*Land use assumptions:* Projections of changes in land uses, densities, intensities and population for a service area over a period of at least ten (10) years as specified in Section 38-7 of this chapter.

*Level of service:* A quantitative and/or qualitative measure of a necessary public service that is to be provided by the City to development in a particular service area, defined in terms of the relationship between service capacity and service demand, accessibility, response times, comfort or convenience of use, or other similar measures or combinations of measures. Level of service may be measured differently for different categories of necessary public services, as identified in the applicable infrastructure improvements plan.

*Library facilities:* A category of necessary public services in which literary, musical, artistic, or reference materials are kept (materials may be kept in any form of media such as electronic, magnetic, or paper) for non-commercial use by the public in a facility providing a direct benefit to development. Libraries do not include excluded library facilities, although a library may contain, provide access to, or otherwise support an excluded library facility.



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**Lot:** As defined in Section 35-200 of the Chandler City Code, a piece or parcel of land separated from other parcels of land by description, as in a subdivision or on a record survey map or by metes and bounds, for purposes of sale, lease or separate use, and having frontage on at least one (1) street.

**Multi-family:** A building or buildings containing multiple dwelling units that has a single City water meter serving the building(s).

**Necessary public services:** "Necessary public services" shall have the meaning prescribed in A.R.S. § 9-463.05, Subsection T, Paragraph 7.

**Non-residential:** All land uses, except single-family and multi-family.

**Office:** Based on the category of development, professional, business, administrative, executive, medical and dental buildings and clinics, and other buildings having no storage of stock-in-trade (other than samples) or heavy equipment and no sale of commodities on the premises.

**Offset:** An amount which is subtracted from the overall costs of providing necessary public services to account for those capital facilities or associated debt that will be paid for by a development through taxes, fees (except for system development fees), and other revenue sources, as determined by the City pursuant to Section 38-8.13 of this chapter.

**Park facilities:** A category of necessary public services including but not limited to parks, swimming pools and related facilities and equipment located on real property not larger than thirty (30) acres in area, as well as park facilities larger than thirty (30) acres where such facilities provide a direct benefit. Park facilities do not include excluded park facilities, although park facilities may contain, provide access to, or otherwise support an excluded park facility.

**Plan-based cost per EDU:** The total future capital costs identified in the infrastructure improvements plan for a category of necessary public services as attributable to new development over a specified time period divided by the total new equivalent demand units projected in a particular service area for that category of necessary public services over the same time period.

**Pledged:** Where used with reference to a system development fee, a system development fee shall be considered "pledged" where it was identified by the City as a source of payment or repayment for financing or debt that was identified as the source of financing for a necessary public service for which a system development fee was assessed pursuant to the then-applicable provisions of A.R.S. § 9-463.05.

**Police facilities:** A category of necessary public services, including vehicles and equipment, that are used by law enforcement agencies to preserve the public peace, prevent crime, detect and arrest criminal offenders, protect the rights of persons and property, regulate and control motorized and pedestrian traffic, train sworn personnel, and/or provide and maintain police records, vehicles, equipment and communications systems. Police facilities do not include vehicles and equipment used to provide administrative services, or helicopters or airplanes. Police facilities do not include any facility that is used for training officers from more than one station or substation.

**Public or quasi-public:** Based on the category of development, a governmental or institutional use, or a non-profit recreational use, not located in a retail/commercial establishment. Typical uses include elementary, secondary or higher educational establishments, day care centers, hospitals, mental institutions, nursing homes, assisted living facilities, group homes, adult care homes, fire stations, city halls, county court houses, post offices, jails, libraries, museums, places of religious worship, military bases, airports, bus stations, fraternal lodges, parks and playgrounds.

**Public school:** An institution of learning which receives public funding and offers tuition-free education for all children, including some or all of the grades from kindergarten through 12th grade. The site may contain athletic, dining, assembly and recreation facilities.

**Qualified professional:** Any one of the following: (a) a professional engineer, surveyor, financial analyst or planner, or other licensed professional providing services within the scope of that person's education or experience related



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to city planning, zoning, or system development fees and holding a license issued by an agency or political subdivision of the State of Arizona; (b) a financial analyst, planner, or other non-licensed professional who is providing services within the scope of the person's education or experience related to city planning, zoning, or system development fees; or (c) any other person operating under the supervision of one or more of the above.

*Residential land use:* A single-family or multi-family development.

*Retail/commercial:* Based on the category of development, establishments primarily devoted to, or intended for, the sale, lease, rental or display of goods, food or merchandise for consumption by the general public, including any outdoor sales and display area(s) and storage/stockroom area(s) but excluding any outdoor area for sale of cars, trucks, boats, recreational vehicles or manufactured dwellings. Calculation of gross floor area shall include all other indoor and outdoor sales areas or customer service area(s) that may be incidental to, but nevertheless share customer walking aisles or store entrances.

*Service area:* Any specified area within the boundaries of the City within which: (a) the City will provide a category of necessary public services to development at a planned level of service; and (b) within which (i) a substantial nexus exists between the capital facilities to be provided and the development to be served, or (ii) in the case of library facilities or a park facility larger than thirty (30) acres, a direct benefit exists between the library facilities or park facilities and the development to be served, each as prescribed in the infrastructure improvements plan. Some or all of the capital facilities providing service to a service area may be physically located outside of that service area provided that the required substantial nexus or direct benefit is demonstrated to exist.

*Single-family:* A building containing one (1) dwelling unit that is not attached to any other dwelling unit and has its own City water meter.

*Storm drainage:* A category of necessary public services including but not limited to storm sewers constructed in sizes needed to provide for stormwater management for areas beyond major street projects and stormwater detention/retention basins, tanks, pump stations and channels necessary to provide for proper stormwater management, including any appurtenances for those facilities.

*Street facilities:* A category of necessary public service, which includes a "street" (as defined in Section 1-2 of the Chandler City Code) that is identified in the zoning code (Chapter 35 of the Chandler City Code) as an arterial street, or which is a road that has been so designated on an officially adopted plan of the City; and also includes traffic signals, rights-of-way, and improvements thereon; culverts, irrigation tiling, and storm drains serving such streets.

*Subject development:* A land area linked by a unified plan of development, which must be contiguous unless the land area is part of a development agreement executed in accordance with Section 38-13 of this chapter.

*Substantial nexus:* A substantial nexus exists where the demand for necessary public services that will be generated by a development can be reasonably quantified in terms of the burden it will impose on the available capacity of existing capital facilities, the need it will create for new or expanded capital facilities, and/or the benefit to the development from those capital facilities.

*Swimming pool:* A public facility primarily designed and/or utilized for recreational non-competitive functions generally occurring within water, including, but not limited to, swimming classes, open public swimming sessions and recreational league swimming/diving events. The facility may be indoors, outdoors, or any combination thereof, and includes all necessary supporting amenities.

*Useful life:* The period of time in which an asset can reasonably be expected to be used under normal conditions, whether or not the asset will continue to be owned and operated by the City over the entirety of such period.

*Vehicle:* Any device, structure, or conveyance utilized for transportation in the course of providing a particular category of necessary public services at a specified level of service, excluding helicopters and other aircraft.

*Wastewater:* A category of necessary public services including but not limited to sanitary sewer lines, lift stations, reclamation plants, wastewater treatment plants, and all other facilities for the collection, interception,



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transportation, treatment and disposal of wastewater, as well as for the distribution of reclaimed water, and any appurtenances for those facilities.

*Water:* A category of necessary public services including but not limited to those facilities necessary to provide for water services to development, including the acquisition, supply, transportation, treatment, purification and distribution of water, and any appurtenances to those facilities.

(Ord. No. 4459, 7-8-13)

### **38-4. Applicability.**

A. Except as otherwise provided herein, from and after June 27, 2013, this chapter shall apply to all new development within any service area.

B. The provisions of this chapter shall apply to all of the territory within the corporate limits of the City, and water, reclaimed water and wastewater system development fees shall apply within the City's water, reclaimed water and wastewater service areas, subject to the following:

1. Arterial street system development fees shall only be assessed in the area south of Frye Road, east of McClintock Road, and north of Frye Road, east of McQueen Road, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Knox Road, or north of Ray Road.
2. Wastewater and reclaimed water fees shall not be assessed on water-only (landscape) connections.

C. The City Engineer or his/her designee is authorized to make determinations regarding the application, administration and enforcement of the provisions of this chapter.

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14; Ord. No. 4876, § 1, 4-25-19)

### **38-5. Authority and requirements.**

A. *Fee report and implementation.* The City may assess and collect a system development fee for costs of necessary public services, including all professional services required for the preparation or revision of an infrastructure improvements plan, fee report, system development fee, and required reports or audits conducted pursuant to this chapter. System development fees shall be subject to the following requirements:

1. The City shall develop and adopt a fee report that analyzes and defines the system development fees to be charged in each service area for each category of necessary public service, based on the infrastructure improvements plan and the plan-based cost per EDU calculated pursuant to Section 38-8.A.14 of this chapter.
2. System development fees shall be assessed against all new commercial, residential, and industrial developments, provided that the City may assess different amounts of system development fees against specific categories of development based on the actual burdens and costs that are associated with providing necessary public services to that category of development. No system development fee shall exceed the plan-based cost per EDU for any category of development.
3. No system development fees shall be charged, or credits issued, for any capital facility that does not fall within one of the categories of necessary public services for which system development fees may be assessed as identified in Section 38-8.A.1 of this chapter.
4. Costs for necessary public services made necessary by new development shall be based on the same level of service provided to existing development in the same service area. System development fees may not be used to provide a higher level of service to existing development or to meet stricter safety, efficiency,



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environmental, or other regulatory standards to the extent that these are applied to existing capital facilities that are serving existing development.

5. System development fees may not be used to pay the City's administrative, maintenance, or other operating costs.

6. Projected interest charges and financing costs can only be included in system development fees to the extent they represent principal and/or interest on the portion of any financing or debt used to finance the construction or expansion of a capital facility identified in the infrastructure improvements plan.

7. Except for any fees included on interim fee schedules, all system development fees charged by the City must be included in a "Fee Schedule" prepared and adopted pursuant to this chapter.

8. All system development fees shall meet the requirements of A.R.S. § 9-463.05.

B. *Costs per EDU.* The fee report shall summarize the costs of capital facilities necessary to serve new development on a per EDU basis as defined and calculated in the infrastructure improvements plan, including all required offsets, and shall recommend a system development fee schedule for adoption by the City. The actual system development fees to be assessed shall be disclosed and adopted in the form of system development fee schedules in Appendix A to this chapter.

C. *Carry-over of previously-established system development fees, credits and grandfathered facilities.*

Notwithstanding the requirements of this chapter, certain system development fees adopted by the City prior to the effective date of this chapter shall continue in effect as follows:

1. Until August 1, 2014, or the date a new system development fee is adopted for the applicable category of necessary public services in a service area pursuant to this chapter, whichever occurs first, system development fees established prior to January 1, 2012, shall continue in full force and effect to the extent that the system development fee is used to provide a category of necessary public services that is authorized by Section 38-8.A.1 of this chapter. System development fees collected prior to January 1, 2012, shall be expended on capital facilities within the same category of necessary public services for which they were collected.

2. The City may continue to collect and use any system development fee established before January 1, 2012, even if the system development fee would not otherwise be permitted to be collected and spent pursuant to A.R.S. § 9-463.05, as amended by the state legislature in SB 1525, Fiftieth Legislature, First Regular Session, if either of the following apply:

(a) Both of the following conditions are met:

i. Prior to June 1, 2011, the system development fee was pledged towards the repayment of financing or debt incurred by the City to provide a capital facility.

ii. The applicable capital facility was included in the City's infrastructure improvements plan, or other City planning document prepared pursuant to applicable law, prior to June 1, 2011.

(b) Before August 1, 2014, the City uses the system development fee to finance a capital facility in accordance with A.R.S. § 9-463.05, Subsection S.

3. Defined terms in any previously established fee schedule shall be interpreted according to the ordinance in effect at the time of their adoption.

(Ord. No. 4459, 7-8-13)



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### **38-6. Administration.**

A. *Separate accounts.* System development fees collected pursuant to this chapter shall be placed in separate, interest-bearing accounts for each category of necessary public services within each service area.

B. *Limitations on use of fees.* System development fees and any interest thereon collected pursuant to this chapter shall be spent to provide capital facilities associated with the same category of necessary public services in the same service area for which they were collected, including costs of financing or debt used by the City to finance such capital facilities and other costs authorized by this chapter that are included in the infrastructure improvements plan.

C. *Time limit.* System development fees collected after July 31, 2014 shall be used within ten (10) years of the date upon which they were collected for all categories of necessary public services except for water and wastewater facilities. System development fees for water facilities or wastewater facilities collected after July 31, 2014 shall be used within fifteen (15) years of the date upon which they were collected.

(Ord. No. 4459, 7-8-13)

### **38-7. Land use assumptions.**

The infrastructure improvements plan shall be consistent with the City's current land use assumptions for each service area and each category of necessary public services as adopted by the City pursuant to A.R.S. § 463.05.

A. *Reviewing the land use assumptions.* Prior to the adoption or amendment of an infrastructure improvements plan, the City shall review and evaluate the land use assumptions on which the infrastructure improvements plan is to be based to ensure that the land use assumptions within each service area conform to the general plan.

B. *Evaluating necessary changes.* If the land use assumptions upon which an infrastructure improvements plan is based have not been updated within the last five (5) years, the City shall evaluate the land use assumptions to determine whether changes are necessary. If, after general evaluation, the City determines that the land use assumptions are still valid, the City shall issue the notice required in Section 38-10.B of this chapter.

C. *Required modifications to land use assumptions.* If the City determines that changes to the land use assumptions are necessary in order to adopt or amend an infrastructure improvements plan, it shall make such changes as necessary to the land use assumptions prior to or in conjunction with the review and approval of the infrastructure improvements plan pursuant to Section 38-9 of this chapter.

(Ord. No. 4459, 7-8-13)

### **38-8. Infrastructure improvements plan.**

A. *Infrastructure improvements plan contents.* The infrastructure improvements plan shall be developed by qualified professionals and may be based upon or incorporated within the City's capital improvements plan. The infrastructure improvements plan shall:

1. Specify the categories of necessary public services for which the City will impose a system development fee, which may include any or all of the following:
  - (a) Water (including water system development fees and water resource system development fees);
  - (b) Wastewater (including wastewater system development fees/trunkline, wastewater system development fees/treatment and reclaimed water system development fees);



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- (c) Stormwater, drainage, and flood control;
  - (d) Libraries;
  - (e) Street facilities;
  - (f) Fire protection;
  - (g) Police; and
  - (h) Parks.

2. Define and provide a map of one or more service areas within which the City will provide each category of necessary public services for which system development fees will be charged. Each service area must be defined in a manner that demonstrates a substantial nexus between the capital facilities to be provided in the service area and the EDUs to be served by those capital facilities. For libraries and for parks larger than thirty (30) acres, each service area must be defined in a manner that demonstrates a direct benefit between the capital facilities and the EDUs to be served by those capital facilities. The City may cover more than one category of capital facilities in the same service area provided that there is an independent substantial nexus or direct benefit, as applicable, between each category of necessary public services and the EDUs to be served.

3. Identify and describe the land use assumptions upon which the infrastructure improvements plan is based in each service area.

4. Analyze and identify the existing level of service provided by the City to existing EDUs for each category of necessary public services in each service area.

5. Identify the level of service to be provided by the City for each category of necessary public services in each service area based on the relevant land use assumptions and any established City standards or policies related to required levels of service. If the City provides the same category of necessary public services in more than one service area, the infrastructure improvements plan shall include a comparison of the levels of service to be provided in each service area.

6. For each category of necessary public services, analyze and identify the existing capacity of the capital facilities in each service area, the utilization of those capital facilities by existing EDUs and the available excess capacity of those capital facilities to serve new EDUs including any existing or planned commitments or agreements for the usage of such capacity. The infrastructure improvements plan shall additionally identify any changes or upgrades to existing capital facilities that will be needed to achieve or maintain the planned level of service to existing EDUs, or to meet new safety, efficiency, environmental, or other regulatory requirements for services provided to existing EDUs.

7. Identify any grandfathered facilities and the impact thereof on the need for necessary public services in each affected service area.

8. Estimate the total number of existing and future EDUs within each service area based on the City's land use assumptions and projected new EDUs in each service area.

9. Based on the analysis in Subsections 3—6 of this Section, provide a summary table or tables describing the level of service for each category of necessary public services by relating the required capital facilities to EDUs in each service area, and identifying the applicable EDU factor associated with each category of development.

10. For each category of necessary public services, analyze and identify the projected utilization of any available excess capacity in existing capital facilities, and all new or expanded capital facilities that will be required to provide and maintain the planned level of service in each service area as a result of the new projected EDUs in that service area, for a period not to exceed ten (10) years. Nothing in this subsection shall prohibit the City from additionally including in its infrastructure improvements plan projected utilization of,



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or needs for, capital facilities for a period longer than ten (10) years, provided that the costs of such capital facilities are excluded from the calculation of the plan-based cost per EDU.

11. For each category of necessary public services, estimate the total cost of any available excess capacity and/or new or expanded capital facilities that will be required to serve new EDUs, including costs of land acquisition, improvements, engineering and architectural services, studies leading to design, design, construction, financing, and administrative costs, as well as projected costs of inflation. Such total costs shall not include costs for ongoing operation and maintenance of capital facilities, nor for replacement of capital facilities to the extent that such replacement is necessary to serve existing EDUs. If the infrastructure improvements plan includes changes or upgrades to existing capital facilities that will be needed to achieve or maintain the planned level of service to existing EDUs, or to meet new regulatory requirements for services provided to existing EDUs, such costs shall be identified and distinguished in the infrastructure improvements plan.

12. Forecast the revenues from taxes, fees, assessments or other sources that will be available to fund the new or expanded capital facilities identified in the infrastructure improvements plan, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions. The infrastructure improvements plan shall additionally estimate the time required to finance, construct and implement the new or expanded capital facilities.

13. Calculate required offsets as follows:

(a) From the forecasted revenues in Subsection 12 of this Section, identify those sources of revenue that: (i) are attributable to new development, and (ii) will contribute to paying for the capital costs of necessary public services.

(b) For each source and amount of revenue identified pursuant to paragraph (a) of this subsection, calculate the relative contribution of new development paying for the capital costs of necessary public services in each service area.

(c) Based on the relative contributions identified pursuant to paragraph (b) of this subsection, for each category of necessary public services, calculate the total offset to be provided in each service area.

(d) For each category of necessary public services, convert the total offset to be provided in each service area into an offset amount per EDU by dividing the total offset by the number of new EDUs.

(e) Beginning August 1, 2014, for purposes of calculating the required offset, if the City imposes a construction, contracting, or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate that is imposed on the majority of other transaction privilege tax classifications in the City, the entire excess portion of the construction, contracting, or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to new development unless the excess portion is already utilized for such purpose pursuant to this section.

(f) In determining the amount of required offset for land included in a community facilities district established under A.R.S. Title 48, Chapter 4, Article 6, the City shall take into account any capital facilities provided by the district that are included in the infrastructure improvements plan and the capital costs paid by the district for such capital facilities, and shall offset system development fees assessed within the community facilities district proportionally.

14. Calculate the plan-based cost per EDU by:

(a) Dividing the total projected costs to provide capital facilities to new EDUs for each category of necessary public services in each service area as determined pursuant to Subsections 1 through 12 of



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this Section by the total number of new EDUs projected for that service area over a period not to exceed ten (10) years for each category of necessary public services.

(b) Subtracting the required offset per EDU calculated pursuant to Subsection 13 of this Section.

B. *Multiple plans.* An infrastructure improvements plan adopted pursuant to this subsection may address one or more of the City's categories of necessary public services in any or all of the City's service areas. Each capital facility shall be subject to no more than one infrastructure improvements plan at any given time.

C. *Reserved capacity.* The City may reserve capacity in an infrastructure improvements plan to serve one or more planned future developments, including capacity reserved through a development agreement pursuant to Section 38-13 of this chapter. All reservations of existing capacity must be disclosed in the infrastructure improvements plan at the time it is adopted.

(Ord. No. 4459, 7-8-13)

### **38-9. Adoption and modification procedures.**

A. *Adopting or amending the infrastructure improvements plan.* The infrastructure improvements plan shall be adopted or amended subject to the following procedures:

1. *Major amendments to the infrastructure improvements plan.* Except as provided in paragraph 2 of this subsection, the adoption or amendment of an infrastructure improvements plan shall occur at one or more public hearings according to the following schedule, and may occur concurrently with the adoption of an update of the City's land use assumptions as provided in Section 38-7 of this chapter:

(a) Sixty (60) days before the first public hearing regarding a new or updated infrastructure improvements plan, the City shall provide public notice of the hearing and post the infrastructure improvements plan and the underlying land use assumptions on its website; the City shall additionally make available to the public the documents used to prepare the infrastructure improvements plan and underlying land use assumptions and the amount of any proposed changes to the plan-based cost per EDU.

(b) The City shall conduct a public hearing on the infrastructure improvements plan and underlying land use assumptions.

(c) The City shall approve or disapprove the infrastructure improvements plan within sixty (60) days, but no sooner than thirty (30) days, after the public hearing. If the document was amended as a result of the public hearing, the revised infrastructure improvements plan shall be posted on the City's public website at least fifteen (15) days prior to the meeting.

2. *Minor amendments to the infrastructure improvements plan.* Notwithstanding the other requirements of this section, the City may update the infrastructure improvements plan and/or its underlying land use assumptions without a public hearing if all of the following apply:

(a) The changes in the infrastructure improvements plan and/or the underlying land use assumptions will not add any new category of necessary public services to any service area.

(b) The changes in the infrastructure improvements plan and/or the underlying land use assumptions will not increase the level of service to be provided in any service area.

(c) Based on an analysis of the fee report and the City's adopted system development fee schedules, the changes in the infrastructure improvements plan and/or the underlying land use assumptions would not, individually or cumulatively with other amendments undertaken pursuant to this subsection, have caused a system development fee in any service area to have been increased by more



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than five (5) per cent above the system development fee that is provided in the current system development fee schedule.

(d) At least thirty (30) days prior to the date that the any amendment pursuant to this section is adopted, the City shall post the proposed amendments on the City website.

B. *Adopting or amending the fee report.* Any adoption or amendment of a fee report and fee schedule shall occur at one or more public hearings according to the following schedule:

1. The first public hearing on the fee report and fee schedule must be held at least thirty (30) days after the adoption or approval of the infrastructure improvements plan as provided in Subsection A of this Section. The City must give at least thirty (30) days notice prior to the hearing, provided that this notice may be given on the same day as the approval or disapproval of the infrastructure improvements plan.
2. The City shall make the fee report and fee schedule available to the public on the City's website thirty (30) days prior to the public hearing described in paragraph 1 of this subsection.
3. The fee report and fee schedule may be adopted by the City no sooner than thirty (30) days, and no later than sixty (60) days, after the hearing described in paragraph 1 of this subsection. If the document was amended as a result of the public hearing, the revised fee report shall be posted on the City's public website at least fifteen (15) days prior to the meeting.
4. The development fee schedules adopted pursuant to this subsection shall become effective no earlier than seventy-five (75) days after adoption of the fee report by the City.

(Ord. No. 4459, 7-8-13)

### **38-10. Timing of updates.**

A. *Updating the infrastructure improvements plan.* Except as provided in Subsection B of this Section, not later than every five (5) years the City shall update the applicable infrastructure improvements plan and fee report related to each category of necessary public services pursuant to Section 38-9 of this chapter. Such five-year period shall be calculated from the date of the adoption of the infrastructure improvements plan.

B. *Determination of no changes.* Notwithstanding Subsection A of this Section, if the City determines that no changes to an infrastructure improvements plan, underlying land use assumptions, or fee report are needed, the City may elect to continue the existing infrastructure improvements plan and fee report without amendment by providing notice as follows:

1. Notice of the determination shall be published at least one hundred eighty (180) days prior to the end of the five-year period described in Subsection A of this Section.
2. The notice shall identify the infrastructure improvements plan and fee report that shall continue in force without amendment.
3. The notice shall provide a map and description of the service area(s) covered by such infrastructure improvements plan and fee report.
4. The notice shall identify an address to which any resident of the City may submit, within sixty (60) days, a written request that the City update the infrastructure improvements plan, underlying land use assumptions, and/or fee report and the reasons and basis for the request.

C. *Response to comments.* The City shall consider and respond within thirty (30) days to any timely requests submitted pursuant to paragraph 4 of Subsection B of this Section.

(Ord. No. 4459, 7-8-13)



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### 38-11. Collection of fees.

A. *Collection.* System development fees, together with any administrative charges assessed to defray the costs of administering this chapter, shall be calculated and collected at issuance of permission to commence development; specifically:

1. Unless otherwise specified pursuant to a Development agreement adopted pursuant to Section 38-13 of this chapter, system development fees shall be paid at the time of issuance of a building permit according to the current system development fee schedule for the applicable service area(s) as adopted pursuant to this chapter, or according to any other applicable system development fee schedule as authorized in this chapter.

(a) The City shall determine the amount of each required system development fee through the use of the applicable fee schedule.

(b) The City shall determine the category of development for each development based on the land use(s) applicable to the lot to be developed in its entirety. The system development fees for retail/commercial, office, public/quasi-public and industrial/warehouse shall take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. If a lot consists of two (2) or more separate areas with different land uses applicable to each separate area, then the system development fee shall be determined by adding up all the fees that would be applicable for each land use type in each separate area. Determinations of the category of development by the City Engineer may be appealed to the City Manager or his/her designee.

(c) The City shall determine the water meter size for each lot based on the actual meter size installed on each lot. If the exact meter size is not listed in a table, then the City shall use the next largest meter size in such table. If a lot consists of two (2) or more separate areas with separate meters in each separate area, then the system development fee shall be determined by adding up all the fees that would be applicable for each meter size in each separate area. If a new wastewater customer is not a water customer, the City Engineer will determine the appropriate water meter size based on the estimated wastewater generation for the project.

(d) In assessing the system development fees for non-residential land use types, square footage shall be measured in terms of gross floor area, and any determination of square footage shall be in whole units, with any fractions thereof being rounded up to the next square foot.

(e) System development fees for development projects involving an addition to or remodeling of an existing facility, change of use, change of housing type, change of meter size or other modification or redevelopment of a previously developed lot or building with a valid certificate of occupancy shall be calculated as follows: the applicable system development fees for the proposed development as set forth in the current system development fee schedules minus the applicable system development fees for the previous development as set forth in the current system development fee schedules. In the event that the difference is negative, no refund of previously paid system development fees shall be made.

2. If a building permit is not required for the development, but water or wastewater connections are required, any and all system development fees due shall be paid at the time the water service connection is purchased. If only a wastewater connection is required, the system development fees shall be paid prior to approval of a connection to the sewer system. If no building permit or water or wastewater connection is required, all system development fees shall be paid prior to development approval. Wastewater system development fees shall be assessed if a development connects to the public sewer, or as determined by the City Engineer, is capable of discharging sewage to a City public sewer.



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3. If the development is located in a service area with a stormwater, drainage, and flood control system development fee, and neither a building permit, water, or sewer service connection is required, the storm drainage system development fee due shall be paid at the time a civil or site permit is issued for the development.

4. No building permit, water or sewer connection, or certificate of occupancy shall be issued if a system development fee is not paid as directed in the previous paragraphs.

5. If the building permit is for a change in the type of building use, an increase in square footage, a change to land use, or an addition to a point of demand to the water or wastewater system, the system development fee shall be assessed on the additional service units resulting from the expansion or change, and following the system development fee schedule applicable to any new use type.

6. For issued permits that expire or are voided, system development fees and administrative charges shall be as follows:

(a) If the original permittee is seeking to renew an expired or voided permit, and the system development fees paid for such development have not been refunded, then the permittee shall pay the difference between any system development fees paid at the time the permit was issued and those in the fee schedule at the time the permit is reissued or renewed.

(b) If a new or renewed permit for the same development is being sought by someone other than the original permittee, the new permit applicant shall pay the full system development fees specified in the fee schedule in effect at the time that the permits are reissued or renewed. If the original permittee has assigned its rights under the permits to the new permit applicant, the new permit applicant shall pay system development fees as if it were the original permittee.

**B. *Exceptions.*** System development fees shall not be owed under any of the following conditions.

1. System development fees have been paid for the development and the permit(s) which triggered the collection of the system development fees have not expired or been voided.

2. The approval(s) that trigger the collection of system development fees involve modifications to existing development that do not: (a) add new EDUs, (b) increase the impact of existing EDUs on existing or future capital facilities, or (c) change the land-use type of the existing development to a different category of development for which a higher system development fee would have been due. To the extent that any modification does not meet the requirements of this paragraph, the system development fee due shall be the difference between the system development fee that was or would have been due on the existing development and the system development fee that is due on the development as modified.

3. Public schools and charter schools shall be exempt from payment of non-utility system development fees in accordance with A.R.S. § 9-500.18 with the exception of arterial street system development fees. In addition, public schools and charter schools shall be exempt from arterial street system development fees.

4. Separate water meters installed for irrigation purposes only shall not be included in the calculation of the wastewater system development fee. In redevelopment situations, credit shall be issued for existing water meters assigned to the property in question based on the current utility system development fees in effect at the time. When a building(s) is demolished as part of redevelopment, any credits will be applied to utility system development fees owed. When a larger water meter is required to serve an existing building due to a change in use, the difference between the value of the existing meter system development fees in current dollars will be applied against any new system development fees owed.

Water, wastewater and reclaimed water system development fees shall not be charged for meters dedicated only for fire flow. In the case of a change of use of an existing building where a larger meter is required to accommodate fire flow, the system development fees will be based only on the meter size upgrade that is required for domestic consumption.



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5. Temporary structures for which an administrative use permit is secured for use as a sales office and not for residential or other purposes and intended to be removed within the two-year period granted under the use permit shall be exempt from system development fees. This exemption shall not apply where the temporary building is erected on a parcel of land upon which a permanent building with permanent facilities is to be constructed.

C. *Temporary exemptions from system development fee schedules.* New developments in the City shall be temporarily exempt from increases in system development fees that result from the adoption of new or modified system development fee schedules as follows:

1. *Single-family uses.* On or after the day that the first building permit is issued for a single-family development, the City shall, at the permittee's request, provide the permittee with an applicable system development fee schedule that shall be in force for a period of twenty-four (24) months beginning on the day that the first building permit is issued, and which shall expire at the end of the first business day of the 25th month thereafter. During the effective period of the applicable system development fee schedule, any building permit issued for the same single-family development shall not be subject to any new or modified system development fee schedule, provided that if the City reduces the amount of an applicable system development fee during the period that a grandfathered system development fee schedule is in force, the City shall assess the lower system development fee.

2. *Non-residential and multi-family uses.* On or after the day that the final approval is issued for a non-residential or multi-family development, the City shall provide an applicable system development fee schedule that shall be in force for a period of twenty-four (24) months beginning on the day that final development approval of a site plan or final subdivision plat is given, and which shall expire at the end of the first business day of the 25th month thereafter. For the purpose of this paragraph, final approval shall mean the approval of a site plan or, if no site plan is submitted for the development, the approval of a final subdivision plat. During the effective period of the applicable system development fee schedule, any building permit issued for the same development shall not be subject to any new or modified system development fee schedule, provided that if the City reduces the amount of an applicable system development fee during the period that a grandfathered system development fee schedule is in force, the City shall assess the lower system development fee.

3. *Other development.* Any development not covered under paragraphs 1 and 2 of this subsection shall pay system development fees according to the fee schedule that is current at the time of collection as specified in Subsection A of this Section.

4. *Changes to site plans and subdivision plats.* Notwithstanding the other requirements of this subsection, if changes are made to a development's final site plan or subdivision plat that will increase the number of service units after the issuance of a grandfathered system development fee schedule, the City may assess any new or modified system development fees against the additional service units.

D. *Option to pursue special fee determination.* The development fees with categories "Retail/Commercial," "Office," "Public/Quasi-Public" and "Industrial/Warehouse" take into account that a development or phase of development may contain components of more than one use category but the primary use category for which the development or phase of development is being constructed shall be the basis for which fees are assessed. For uses that cannot readily be designated under a particular category and are not part of a larger retail, industrial or office development, the City Engineer shall determine the category the particular use will be assigned based on which category has a p.m. peak hour trip generation rate equal to or less than the rate for the land use under consideration.

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14)



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## 38-12. Credits and credit agreements.

A. *Eligibility of capital facility.* All system development fee credits must meet the following requirements:

1. One of the following is true:

(a) The capital facility, or the financial contribution toward a capital facility that will be provided by the developer and for which a credit will be issued, must be identified in an adopted infrastructure improvements plan and fee report as a capital facility for which a system development fee was assessed; or

(b) The applicant must demonstrate to the satisfaction of the City that, given the class and type of improvement, the subject capital facility should have been included in the infrastructure improvements plan in lieu of a different capital facility that was included in the infrastructure improvements plan and for which a system development fee was assessed. If the subject capital facility is determined to be eligible for a credit in this manner, the City shall amend the infrastructure improvements plan to (i) include the subject replacement facility and (ii) delete the capital facility that will be replaced.

2. Credits shall not be available for any capital facility provided by a developer if the cost of such capital facility will be repaid to the developer by the City through another agreement or mechanism. To the extent that the developer will be paid or reimbursed by the City for any contribution, payment, construction, or dedication from any City funding source including an agreement to reimburse the developer with future collected system development fees pursuant to Section 38-13 of this chapter, any credits claimed by the developer shall be: (a) deducted from any amounts to be paid or reimbursed by the City; or (b) reduced by the amount of such payment or reimbursement.

B. *Eligibility of subject development.* To be eligible for a credit, the subject development must be located within the service area of the eligible capital facility.

C. *Calculation of credits.* Credits will be based on that portion of the costs for an eligible capital facility identified in the adopted infrastructure improvements plan for which a development fee was assessed pursuant to the fee report. If the gross system development fee for a particular category of necessary public service is adopted at an amount lower than the plan-based cost per EDU, the amount of any credit shall be reduced in proportion to the difference between the plan-based cost per EDU and the gross system development fee adopted. A credit shall not exceed the actual costs the applicant incurred in providing the eligible capital facility, nor shall it exceed the amount of the applicable system development fee for the subject development.

D. *Allocation of credits.* Before any credit can be issued to a subject development (or portion thereof), the credit must be allocated to that development as follows:

1. The developer and the City must execute a credit agreement including all of the following:

(a) The total amount of the credits resulting from provision of an eligible capital facility.

(b) The estimated number of EDUs to be served within the subject development.

(c) The method by which the credit values will be distributed within the subject development.

2. It is the responsibility of the developer to request allocation of system development fee credits through an application for a credit agreement (which may be part of a Development agreement entered into pursuant to Section 38-13 of this chapter).

3. If a building permit is issued or a water/sewer connection is purchased, and a system development fee is paid prior to execution of a credit agreement for the subject development, no credits may be allocated retroactively to that permit or connection. Credits may be allocated to any remaining permits for the subject development in accordance with this chapter.



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4. If the entity that provides an eligible capital facility sells or relinquishes a development (or portion thereof) that it owns or controls prior to execution of a credit agreement or Development agreement, credits resulting from the eligible capital facility will only be allocated to the development if the entity legally assigns such rights and responsibilities to its successor(s) in interest for the subject development.

5. If multiple entities jointly provide an eligible capital facility, both entities must enter into a single credit agreement with the City, and any request for the allocation of credit within the subject development(s) must be made jointly by the entities that provided the eligible capital facility.

6. Credits may only be reallocated from or within a subject development with the City's approval of an amendment to an executed credit agreement, subject to the following conditions:

(a) The entity that executed the original agreement with the City, or its legal successor in interest, and the entity that currently controls the subject development are parties to the request for reallocation.

(b) The reallocation proposal does not change the value of any credits already issued for the subject development.

7. A credit agreement may authorize the allocation of credits to a non-contiguous parcel only if all of the following conditions are met:

(a) The entity that executed the original agreement with the City or its legal successor in interest, the entity that currently controls the subject development, and the entity that controls the non-contiguous parcel are parties to the request for reallocation.

(b) The reallocation proposal does not change the value of any credits already issued for the subject development.

(c) The non-contiguous parcel is in the same service area as that served by the eligible capital facility.

(d) The non-contiguous parcel receives a necessary public service from the eligible capital facility.

(e) The credit agreement specifically states the value of the credits to be allocated to each parcel and/or EDU, or establishes a mechanism for future determination of the credit values.

(f) The credit agreement does not involve the transfer of credits to or from any property subject to a development agreement.

(g) The City must obtain ownership or control of the Capital Facility subsequent to August 1, 2014 to allow for allocation of credits to non-contiguous parcels.

E. *Credit agreement.* Credits shall only be issued pursuant to a credit agreement executed in accordance with Subsection D of this Section. The City Engineer or authorized designee is authorized by this chapter to enter into a credit agreement with the controlling entity of a subject development, subject to the following:

1. The developer requesting the credit agreement shall provide all information requested by the City to allow it to determine the value of the credit to be applied.

2. An application for a credit agreement shall be submitted to the City by the developer within one year of the date on which ownership or control of the capital facility passes to the City.

3. The developer shall submit a draft credit agreement to the City Engineer or authorized designee(s) for review in the form provided to the applicant by the City. The draft credit agreement shall include, at a minimum, all of the following information and supporting documentation:

(a) A legal description and map depicting the location of the subject development for which credit is being applied. The map shall depict the location of the capital facilities that have been or will be provided.



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- (b) An estimate of the total EDUs that will be developed within the subject development depicted on the map and described in the legal description.
  - (c) A list of the capital facilities, associated physical attributes and the related costs as stated in the infrastructure improvements plan.
  - (d) Documentation showing the date(s) of acceptance by the City, if the capital facilities have already been provided.
  - (e) The total amount of credit to be applied within the subject development and the calculations leading to the total amount of credit.
  - (f) The credit amount to be applied to each EDU within the subject development for each category of necessary public services.

4. The City's determination of the credit to be allocated is final.

5. Upon execution of the credit agreement by the City and the applicant, credits shall be deemed allocated to the subject development.

6. Any amendment to a previously approved credit agreement must be initiated within two (2) years of the City's final acceptance of the eligible capital facility for which the amendment is requested.

7. Any credit agreement approved as part of a development agreement shall be amended in accordance with the terms of the development agreement and Section 38-13 of this chapter.

F. *Issuance of credits.* Credits allocated pursuant to Subsection D of this Section may be issued and applied toward the gross system development fees due from a development, subject to the following conditions:

- 1. Credits issued for an eligible capital facility may only be applied to the system development fee due for the applicable category of necessary public services, and may not be applied to any fee due for another category of necessary public services.
- 2. Credits shall only be issued when the eligible capital facility from which the credits were derived has been accepted by the City.
- 3. Where credits have been issued pursuant to paragraph 2 of this subsection, a system development fee due at the time a building permit is issued shall be reduced by the credit amount stated in or calculated from the executed credit agreement. Where credits have not yet been issued, the gross system development fee shall be paid in full.
- 4. Credits, once issued, may not be rescinded or reallocated to another permit or parcel, except that credits may be released for reuse on the same subject development if a building permit for which the credits were issued has expired or been voided and is otherwise eligible for a refund under Section 38-15.A.2(a) of this chapter.
- 5. Notwithstanding the other provisions of this Section 38-12, credits issued prior to August 1, 2014, may only be used for the subject development for which they were issued.

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14)

### **38-13. Development agreements.**

Development agreements containing provisions regarding system development fees, system development fee credits and/or disbursement of revenues from system development fee accounts shall comply with the following:

A. *Development agreement required.* A development agreement is required to authorize any of the following:



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1. To issue credits prior to the City's acceptance of an eligible capital facility.
  2. To allocate credits to a parcel that is not contiguous with the subject development and that does not meet the requirements of Section 38-12.D.(7) of this chapter.
  3. To reimburse the developer of an eligible capital facility using funds from system development fee accounts.
  4. To allocate different credit amounts per EDU to different parcels within a subject development.
  5. For a single-family dwelling unit, to allow system development fees to be paid at a later time than the issuance of a building permit as provided in this Section.

B. *General requirements.* Except where specifically modified by this Section, all provisions of Section 38-12 of this chapter shall apply to any credit agreement that is authorized as part of a development agreement.

C. *Early credit issuance.* A development agreement may authorize the issuance of credits prior to acceptance of an eligible capital facility by the City when the Development agreement specifically states the form and value of the security (i.e., bond, letter of credit, etc.) to be provided to the City prior to issuance of any credits. The City shall determine the acceptable form and value of the security to be provided.

D. *Non-contiguous credit allocation.* A development agreement may authorize the allocation of credits to a non-contiguous parcel only if all of the following conditions are met:

1. The non-contiguous parcel is in the same service area as that served by the eligible capital facility.
2. The non-contiguous parcel receives a necessary public service from the eligible capital facility.
3. The development agreement specifically states the value of the credits to be allocated to each parcel and/or EDU, or establishes a mechanism for future determination of the credit values.

E. *Uneven credit allocation.* The development agreement must specify how credits will be allocated amongst different parcels on a per-EDU basis, if the credits are not to be allocated evenly. If the development agreement is silent on this topic, all credits will be allocated evenly amongst all parcels on a per-EDU basis.

F. *Use of reimbursements.* Funds reimbursed to developers from system development fee accounts for construction of an eligible capital facility must be utilized in accordance with applicable law for the use of City funds in construction or acquisition of capital facilities, including A.R.S. § 34-201 et seq.

G. *Deferral of fees.* A development agreement shall not provide for the deferral of payment of system development fees for any type of development beyond the issuance of a building permit.

H. *Waiver of fees.* If the City agrees to waive any system development fees assessed on development in a development agreement, the City shall reimburse the appropriate system development fee account for the amount that was waived.

I. *No Obligation.* Nothing in this section obligates the City to enter into any development agreement or to authorize any type of credit agreement permitted by this section.

(Ord. No. 4459, 7-8-13)

### **38-14. Appeals.**

A system development fee determination by City staff may be appealed in accordance with the following procedures:

A. *Limited scope.* An appeal shall be limited to disputes regarding the calculation of the system development fees for a specific development and/or permit and calculation of EDUs for the development.



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B. *Form of appeal.* An appeal shall be initiated on such written form as the City may prescribe, including a full statement of the grounds, and submitted to the City Engineer.

C. *Action by Manager.* The City Manager or authorized designee shall act upon the appeal within 14 calendar days of receipt of the appeal and the applicant shall be notified of the City Manager or authorized designee's decision in writing.

D. *Final decision.* The City Manager or authorized designee's decision regarding the appeal is final.

E. *Fees during pendency.* Building permits may be issued during the pendency of an appeal if the applicant (1) pays the full system development fee calculated by the City at the time the appeal is filed or (2) provides the City with financial assurances in the form acceptable to the City Manager or authorized designee equal to the full amount of the system development fee. Upon final disposition of an appeal, the fee shall be adjusted in accordance with the decision rendered, and a refund paid if warranted. If the appeal is denied by the City Manager or authorized designee, and the applicant has provided the City with financial assurances as set forth in clause (2) above, the applicant shall deliver the full amount of the system development fee to the City within ten days of the City Manager or designee's final decision on the appeal. If the applicant fails to deliver the full amount of the system development fees when required by this subsection, the City may draw upon such financial assurance instrument(s) as necessary to recover the full amount of the system development fees due from the applicant.

(Ord. No. 4459, 7-8-13)

### **38-15. Refunds.**

A. *Refunds.* A refund (or partial refund) will be paid to any current owner of property within the City who submits a written request to the City and demonstrates that:

1. The permit(s) that triggered the collection of the system development fee have expired or been voided prior to the commencement of the development for which the permits were issued and the system development fees collected have not been expended, encumbered, or pledged for the repayment of financing or debt; or
2. The owner of the subject real property or its predecessor in interest paid a system development fee for the applicable category of necessary public services on or after August 1, 2014, and one of the following conditions exists:
  - (a) The capital facility designed to serve the subject real property has been constructed, has the capacity to serve the subject real property and any development for which there is reserved capacity and the service which was to be provided by that capital facility has not been provided to the subject real property from that capital facility or from any other capital facility.
  - (b) After collecting the fee to construct a capital facility, the City fails to complete construction of the capital facility within the time period identified in the infrastructure improvements plan, as it may be amended, and the corresponding service is otherwise unavailable to the subject real property from that capital facility or any other capital facility.
  - (c) For a category of necessary public services other than water or wastewater facilities, any part of a system development fee is not spent within ten (10) years of the City's receipt of the system development fee.
  - (d) Any part of a system development fee for water or wastewater facilities is not spent within fifteen (15) years of the City's receipt of the system development fee.



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(e) The system development fee was calculated and collected for the construction cost to provide all or a portion of a specific capital facility serving the subject real property and the actual construction costs for the capital facility are less than the construction costs projected in the infrastructure improvements plan by a factor of ten (10) percent or more. In such event, the current owner of the subject real property shall, upon request as set forth in this Section A, be entitled to a refund for the difference between the amounts of the system development fee charged for and attributable to such construction cost and the amount the system development fee would have been calculated to be if the actual construction cost had been included in the fee report. In performing the recalculation, the City may take into consideration actual construction costs for other improvements serving the subject real property that were included in the infrastructure improvements plan for the same category of necessary public facilities. The refund contemplated by this Subsection shall relate only to the costs specific to the construction of the applicable capital facility and shall not include any related design, administrative, or other costs not directly incurred for construction of the capital facility that are included in the system development fee as permitted by A.R.S. § 9-463.05.

B. *Earned interest.* A refund of a system development fee shall include any interest actually earned on the refunded portion of the system development fee by the City from the date of collection to the date of refund. All refunds shall be made to the record owner of the property at the time the refund is paid.

C. *Refund to government.* If a system development fee was paid by a governmental entity, any refund shall be paid to that governmental entity.

D. *Correction of errors.* The City Engineer is hereby authorized and directed to correct any error in the assessment and collection of system development fees detected within twenty-four (24) months of the date of the payment of the system development fees, including assessing additional system development fee amounts or issuing a refund from the appropriate system development fee fund(s).

E. *No refund for change of development.* After a system development fee has been paid pursuant to this chapter, no refund of any part of such system development fee shall be made if the development for which the system development fee was paid is later demolished, destroyed, or is altered, reconstructed, or reconfigured so as to reduce the size of the development, the number of units in the development, or the number of EDUs.

(Ord. No. 4459, 7-8-13)

### **38-16. Oversight of program.**

A. *Annual report.* Within ninety (90) days of the end of each fiscal year, the City shall file with the City Clerk an unaudited annual report accounting for the collection and use of the fees for each service area and shall post the report on its website in accordance with A.R.S. § 9-463.05, Subsections N and O, as amended.

B. *Biennial audit.* In addition to the annual report described in Subsection A of this Section, the City shall provide for a biennial, certified audit of the City's land use assumptions, infrastructure improvements plan and system development fees.

1. An audit pursuant to this subsection shall be conducted by one or more qualified professionals who are not employees or officials of the City and who did not prepare the infrastructure improvements plan.

2. The audit shall review the collection and expenditures of development fees for each project in the plan and provide written comments describing the amount of system development fees assessed, collected and spent on capital facilities.

3. The audit shall describe the level of service in each service area and evaluate any inequities in implementing the infrastructure improvements plan or imposing the system development fee.



4. The City shall post the findings of the audit on the City's website and shall conduct a public hearing on the audit within sixty (60) days of the release of the audit to the public.

5. For purposes of this subsection a certified audit shall mean any audit authenticated by one (1) or more of the qualified professionals conducting the audit pursuant to paragraph 1 of this subsection.

(Ord. No. 4459, 7-8-13)

#### APPENDIX A. FEE SCHEDULE

| System Development Fee                             | Single-Family (unit) | Multi-Family (unit) | Retail/Commercial (square foot) | Office (square foot) | Industrial/Warehouse (square foot) | Public/Quasi-Public (square foot) |
|--|----------------------|---------------------|---------------------------------|----------------------|------------------------------------|-----------------------------------|
| Arterial Street <sup>(1)</sup>                     | \$3,792              | \$2,059             | \$3.89                          | \$5.35               | \$1.05                             | \$1.98 <sup>(2)</sup>             |
| Fire <sup>(2)</sup>                                | \$308                | \$259               | \$0.32                          | \$0.17               | \$0.08                             | \$0.16                            |
| Library <sup>(2)</sup>                             | \$0                  | \$0                 | \$0.00                          | \$0.00               | \$0.00                             | \$0.00                            |
| Parks - Northwest Service Area <sup>(2), (4)</sup> | \$0                  | \$0                 | \$0.00                          | \$0.00               | \$0.00                             | \$0.00                            |
| Parks - Northeast Service Area <sup>(2), (4)</sup> | \$129                | \$109               | \$0.00                          | \$0.00               | \$0.00                             | \$0.00                            |
| Parks - Southeast Service Area <sup>(2), (4)</sup> | \$5,242              | \$4,424             | \$0.00                          | \$0.00               | \$0.00                             | \$0.00                            |
| Police <sup>(2)</sup>                              | \$74                 | \$62                | \$0.078                         | \$0.04               | \$0.02                             | \$0.04                            |
| Public Buildings <sup>(2)</sup>                    | \$110                | \$79                | \$0.12                          | \$0.08               | \$0.02                             | \$0.03                            |
| Reclaimed Water <sup>(3)</sup>                     | \$1,094              | \$464               | See Table A                     |                      |                                    |                                   |
| Wastewater <sup>(3)</sup>                          | \$5,989              | \$2,539             | See Table A                     |                      |                                    |                                   |
| Water  | \$2,460              | \$822               | See Table A                     |                      |                                    |                                   |

<sup>(1)</sup> Assessed in any area south of Frye Road, east of McClintock Road, and north of Frye Road, east of McQueen Road, or east of Palm Lane, north of Pecos Road and west of the Southern Pacific Railroad tracks to Knox Road, or north of Ray Road.

<sup>(2)</sup> Pursuant to A.R.S. 9-500.18, these non-utility system development fees may not be assessed on school districts or charter schools. In addition, arterial street system development fees shall not be collected from a school district or charter school.

<sup>(3)</sup> No reclaimed water or wastewater fees for water-only (landscape) connections.

<sup>(4)</sup> Fees for the Parks - Northwest Service Area are assessed in the area west of Price Road. Fees for the Parks - Northeast Service Area are assessed in the area both east of Price Road and north of the 202 Freeway. Fees for the Parks - Southeast Service Area are assessed in the area both east of Price Road and south of the 202 Freeway.



| Table A: Non-Residential Utility System Development Fees |                  |                                |                           |           |
|--|------------------|--------------------------------|---------------------------|-----------|
| Water Meter Size   | Water Meter Type | Reclaimed Water <sup>(1)</sup> | Wastewater <sup>(1)</sup> | Water     |
| ¾"   | Disc             | \$1,641                        | \$8,984                   | \$3,690   |
| 1"   | Disc             | \$2,735                        | \$14,973                  | \$6,150   |
| 1½"  | Disc             | \$5,470                        | \$29,945                  | \$12,300  |
| 2"   | Disc/Turbine     | \$8,752                        | \$47,912                  | \$19,680  |
| 3"   | Compound         | \$24,615                       | \$134,753                 | \$55,350  |
| 3"   | Turbine          | \$19,145                       | \$104,808                 | \$43,050  |
| 4"   | Compound         | \$27,350                       | \$149,725                 | \$61,500  |
| 4"   | Turbine          | \$32,820                       | \$179,670                 | \$73,800  |
| 6"   | Compound         | \$54,700                       | \$299,450                 | \$123,000 |
| 6"   | Turbine          | \$68,375                       | \$374,313                 | \$153,750 |
| 8"   | Compound         | \$87,520                       | \$479,120                 | \$196,800 |
| 8"   | Turbine          | \$98,460                       | \$539,010                 | \$221,400 |
| 10" and Larger   | Any              | (2)                            | (2)                       | (2)       |

<sup>(1)</sup> No Reclaimed Water or wastewater fees for water-only (landscape) connections.

<sup>(2)</sup> For meters ten (10) inches and larger, the Reclaimed Water, Wastewater and Water system development fees shall be based on the following formula:

$$\text{System Development Fee} = (1" \text{ Fee}) \times (\text{Safe Maximum Operating Capacity (GPM)} / 20 \text{ (GPM)})$$

(Ord. No. 4459, 7-8-13; Ord. No. 4528, § 1, 5-8-14; Ord. No. 4876, § 1, 4-25-19)

Editor's note(s)—Section 3 of Ord. No. 4876, adopted April 25, 2019, states: The new fees established by this Ordinance shall become effective July 15, 2019.





**City Council Memorandum      Management Services      Memo No. MS 24-063**

**Date:** February 22, 2024  
**To:** Mayor and Council  
Joshua H. Wright, City Manager  
**Thru:** Dawn Lang, Deputy City Manager - CFO  
Kristi Smith, Financial Services Assistant Director  
**From:** Christina Pryor, Procurement & Supply Senior Manager  
**Subject:** Contracts and Agreements Administratively Approved, Month of January 2024

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**Background/Discussion**

On November 7, 2022, City Council adopted Ordinance No. 5030 amending the Code of the City of Chandler, Chapter 3, raising the threshold for Council approval of contracts and agreements for materials, services, equipment, and construction from \$50,000 to \$100,000. The threshold for Council approval of contracts and agreements for professional services was raised from \$30,000 to \$100,000. The changes allow contracts and agreements valued less than \$100,000 to be approved administratively. As part of the change, Council requested a monthly summary of contracts and agreements approved under the newly adopted thresholds that would have required Council approval under the previous thresholds. The attached report summarizes the administratively approved contracts and agreements for materials, services, equipment, and construction valued between \$50,000 and \$99,999, and professional services valued between \$30,000 and \$99,999.

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**Attachments**

Contracts and Agreements Administratively Approved



**Informational Procurement Council Item – January 2024 Administrative Approvals**

**Administrative Approval of Contracts and Agreements for Materials, Services, Equipment and Construction Valued Between \$50,000 and \$99,999 and Professional Services Valued Between \$30,000 and \$99,999**

Agreement No.: 4457

Subject: BuildingBlocks Software

Contractor: OpportunitySpace Inc., dba Tolemi

Value: \$73,000.00

Notes: Renewal of the agreement for the software providing for geospatial analysis for the Neighborhood Resources Department.

Agreement No.: 3999

Subject: Occupational Health Care Providers

Contractor: Banner Occupational Health

Value: \$95,000.00

Notes: Renewal of the agreement for one year for the contractor to provide occupational medical treatment, physical examinations, immunizations, medical surveillance, program assistance and consulting services.

Agreement No.: 4277

Subject: City Website Hosting Services

Contractor: Pantheon Systems, Inc.

Value: \$51,814.00

Notes: Renewal of the agreement for the hosting of the city's website.

Agreement No.: 4732

Subject: Customer Flow Management System

Contractor: CXM Solutions

Value: \$86,000.00

Notes: Vendor will provide installation of the Court's new lobby queuing system. The new system will provide an effective and efficient way to manage lobby flow and provide metrics to assist with staff resources.

Agreement No.: WW2001.454

Subject: Ocotillo Brine Reduction Facility Ion Exchange Outlet Waste Improvements

Contractor: Carollo Engineers, Inc.

Value: \$55,716.60

Notes: Construction management services to include preconstruction assistance, construction management, construction inspection and utility coordination.

Agreement No.: GG2401.401

Subject: Tree Grate and Fencing Along Arizona Avenue

Contractor: SDB, Inc.

Value: \$99,549.62



Notes: Tree grates and fencing project on Arizona Avenue. The scope of work consists of installing tree grates and landscape fencing along Arizona Avenue from Chandler Boulevard to Boston Street.

Agreement No.: CA2402.101

Subject: Dr. AJ Chandler Park Improvements

Contractor: Dig Studio, Inc.

Value: \$99,776.00

Notes: Pre-design services for Dr. A.J. Chandler Park Master Plan with new cost estimates and development options since the last plan was completed in 2016-2017. Pre-design services will include but not be limited to landscape, civil, and architectural master planning services, preparing for a future full design process with City Council and public input.

Agreement No.: ST2007.271

Subject: Hamilton Street Improvements from Iris Place to Appleby Road

Contractor: NFRA INC.

Value: \$76,524.00

Notes: Post design services including pre-construction assistance, engineering design services during construction to address issues and/or specialized technical products and preparation of as-built drawings.

**Contracts or Agreements with Significant (+50%) Price Changes Valued Between \$50,000 and \$99,999**

Agreement No.:

Subject:

Contractor:

Value:

Notes: