

Meeting Minutes

City Council Regular Meeting

August 15, 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
Councilmember Angel Encinas
Councilmember Christine Ellis
Councilmember Mark Stewart
Councilmember Matt Orlando
Councilmember Jane Poston

Appointee Attendance

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

*Councilmember Christine Ellis attended telephonically.

Absent

Vice Mayor OD Harris - excused

Invocation

The invocation was given by Rev Fr Teilo M Lwande AJ – St. Andrew the Apostle Catholic Church.

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Orlando.

Consent Agenda and Discussion

Communications and Public Affairs

1. Agreement No. CAPA2-918-4421, Amendment No. 3, with Davidson Belluso, for Digital Marketing Services

Move City Council approve Agreement No. CAPA2-918-4421, Amendment No. 3, with Davidson Belluso, for digital marketing services for recruitment campaigns, for the period of one year, September 1, 2024, through August 31, 2025, in an amount not to exceed \$125,000.

Community Services

2. Resolution No. 5830, Accepting a Grant Award from the Gila River Indian Community for Creation of a Native Plant Oasis at Chandler's Veteran's Oasis Park
Move City Council pass and adopt Resolution No. 5830, accepting a grant award from the Gila River Indian Community in the amount of \$50,000 and authorizing the Community Services Director, as designated by the City Manager, to conduct all negotiations and to execute and submit all documents necessary in connection with such grant.
3. Professional Services Agreement No. PR2107.451, with Ardurra Group, Inc., for the Gazelle Meadows Park Renovations Construction Management Services
Move City Council award Professional Services Agreement No. PR2107.451 to Ardurra Group, Inc., for the Gazelle Meadows Park Renovations Construction Management Services, in an amount not to exceed \$467,810.
4. Construction Agreement No. ST2101.401, Change Order No. 3, to Achen-Gardner Construction, LLC, for Detroit Basin/Gazelle Meadows Park Storm System & Associated Improvements
Move City Council award Construction Agreement No. ST2101.401, change order no. 3, to Achen-Gardner Construction, LLC, for Detroit Basin/Gazelle Meadows Park storm system & associated improvements, in the amount of \$4,671,358.93.

Cultural Development

5. Professional Services Agreement with Weddle Gilmore for the Tumbleweed Ranch Design Services
Move City Council award Professional Services Agreement No. CA2301.201 to Weddle Gilmore, for the Tumbleweed Ranch Design Services, in an amount not to exceed \$498,360.
6. Professional Services Agreement No. CA2402.201, with Dig Studio, Inc., for the Dr. A.J. Chandler Park Renovation Phase 1 Design Services
Move City Council award Professional Services Agreement No. CA2402.201 to Dig Studio, Inc., for the Dr. A.J. Chandler

Development Services

7. Use Permit, PLH24-0008 Fun Fusion Learning Center, 4640 E Peach Tree Drive, Generally Located 1/4 Mile North and West of Hunt Highway and Val Vista Drive (Request to Continue to the September 12, 2024, Council Meeting)
Move City Council continue PLH24-0008 Fun Fusion Learning Center to the September 12, 2024, City Council hearing.

8. Use Permit, PLH24-0006 Ponderosa Dispensary, 318 S. Bracken Lane, Generally Located 1/2 Mile South of Chandler Boulevard and 1/4 Mile East of Price Road (Request to Continue to the September 12, 2024, Council Meeting)
Move City Council continue PLH24-0006 Ponderosa Dispensary to the September 12, 2024, City Council meeting.
9. Entertainment Use Permit, PLH24-0014 Celoni Hospitality, LLC, DBA Recreo Cantina, 28 S San Marcos Place, Generally Located ¼ Mile South of the Southwest Corner of Arizona Avenue and Chandler Boulevard (Request to Continue to the September 12, 2024, Council Meeting)
Move City Council continue Entertainment Use Permit, PLH24-0014 Celoni Hospitality, LLC, DBA Recreo Cantina, to the September 12, 2024, City Council meeting.
10. Entertainment Use Permit PLH24-0013 Legends Showcase Bar & Grill, 2386 N Alma School Road, Generally Located North of the Northwest Corner of Alm School and Warner Roads (Request to Continue to the September 12, 2024, Council Meeting)
Move City Council continue Entertainment Use Permit, PLH24-0013 Legends Showcase Bar & Grill, to the September 12, 2024, City Council meeting.
11. Entertainment Use Permit, PLH24-0007 Sawtooth Bar and Grill, 4929 W Ray Road, Generally Located at the Southeast Corner of Ray and Rural Roads (Request to Continue to the September 12, 2024, Council Meeting)
Move City Council continue Entertainment Use Permit, PLH24-0007 Sawtooth Bar and Grill, to the September 12, 2024, City Council Hearing.
12. Entertainment Use Permit, PLH22-0056 Topsy Egg & The Uncommon, 1 E Boston Street, Generally Located 1/4 mile South of the Southeast Corner of Arizona Avenue and Chandler Boulevard (Request to Continue to the September 12, 2024, Council Meeting)
Move City Council continue Entertainment Use Permit, PLH22-0056 Topsy Egg & The Uncommon, to the September 12, 2024, City Council Hearing.
13. Replat PLT24-0008 Earnhardt Ranch, Located at the Northeast Corner of Hunt Highway and McQueen Road
Move City Council approve Replat PLT24-0008 Earnhardt Ranch, as recommended by staff.

Facilities and Fleet

14. Professional Services Agreement No. BF2402.201, with GLHN Architects & Engineers, for the City Hall Mezzanine Improvements Design Services
Move City Council award Professional Services Agreement No. BF2402.201 to GLHN Architects & Engineers, for the City Hall Mezzanine Improvements design services, in an amount not to exceed \$164,835.

Information Technology

15. Purchase of Enterprise WiFi Services
Move City Council approve the purchase of enterprise WiFi services, from Hye Tech Network and Security Solutions, LLC, utilizing the 1GPA Contract No. 22-02PV-08, in an amount not to exceed \$1,230,887.
16. Purchase of Annual Support and Maintenance for the Talent Management Suite
Move City Council approve the purchase of annual support and maintenance for the talent management suite, from Saba Software, Inc., in the amount of \$150,865.

Management Services

17. Agreement No. WH2-914-4361, Amendment No. 3, for Electrical Supplies
Move City Council approve Agreement No. WH2-914-4361, Amendment No. 3, with Consolidated Electrical Distributors, Inc., DBA Arizona Electric Supply, for electrical supplies, in an amount not to exceed \$200,000, for the period of September 1, 2024, through August 31, 2025.
18. Purchase of Office Supplies
Move City Council approve the purchase of office supplies, from Staples Business Advantage, utilizing the Sourcwell Contract No. 012320-SCC, for the period of April 1, 2024, through March 31, 2025, in an amount not to exceed \$181,000.
19. Withdrawal Liquor License Series 6, Bar Liquor License application for Juanita Alicia Esparza, Agent, Sneaker Heads Sports Bar, LLC, DBA Sneaker Heads Sports Bar
Move to accept the withdrawal of the application for a Series 6, Bar Liquor License for Juanita Alicia Esparza, Agent, Sneaker Heads Sports Bar, LLC, DBA Sneaker Heads Sports Bar, located at 3002 N. Arizona Avenue, Suite #18.
20. Liquor License Series 12, Restaurant Liquor License application for Andrea Dahlman Lewkowitz, Agent, Macayo Restaurant Group, LLC, DBA Macayo's Mexican Food
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 286611, a Series 12, Restaurant Liquor License, for Andrea Dahlman Lewkowitz, Agent, Macayo Restaurant Group, LLC, DBA Macayo's Mexican Food, located at 2885 S. Alma School Road, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 307727.
21. Liquor License Series 10, Beer and Wine Store Liquor License application for Jeffrey Craig Miller, Agent, Ora Investments, LLC, DBA A Amigos Food Mart
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 298961, a Series 10, Beer and Wine Store Liquor License, for Jeffrey Craig Miller, Agent, Ora Investments, LLC, DBA A Amigos Food Mart, located at 500 E. Chandler Boulevard, Suite 2, and approval of the City of Chandler, Series 10, Beer and Wine Store Liquor License No. 307716.

Police Department

22. Resolution No. 5829 Approving a Grant Application and Authorizing the Acceptance of an Indian Gaming Revenue Sharing Grant from the Gila River Indian Community for Police Communications Equipment
Move City Council pass and adopt Resolution No. 5829 approving a grant application and authorizing the acceptance of an Indian gaming revenue sharing grant from the Gila River Indian Community, for police communications equipment.
23. Agreement No. 4820, Police Department On-Site Clinician Services
Move City Council approve Agreement No. 4820, with Crisis Preparation and Recovery, Inc., for on-site clinician services for the police department, in an amount not to exceed \$150,000, for a period of one year.
24. Maricopa County Detention Services for Fiscal Year (FY) 2024-2025
Move City Council approve the use of Maricopa County detention services, for the booking and housing of inmates, in an aggregate amount not to exceed \$1,477,573, for the period of one year, July 1, 2024, through June 30, 2025.
25. Purchase of Mobile Communication Services
Move City Council approve the purchase of mobile communication services for Fiscal Year 2024-2025, from AT&T FirstNet, utilizing the State of Arizona Contract No. CTR052804, in an amount not to exceed \$130,000.
26. Purchase of Training Simulator
Move City Council approve the purchase of a RECON 180 training simulator, from Ti Training, in an amount not to exceed \$94,300.
27. Purchase of Victim Notification Software
Move City Council approve the purchase of SPIDR Tech victim notification software, from Versaterm Public Safety, Inc., in an amount not to exceed \$117,478.20, for the period of one year, beginning August 1, 2024, through July 31, 2025.

Public Works and Utilities

28. Resolution No. 5828 Approving a Certification Acceptance Agreement Between the City of Chandler and the State of Arizona to Administer Design and Construction of Federal-Aid Highway Program Projects
Move City Council pass and adopt Resolution No. 5828 approving a Certification Acceptance Agreement between the City of Chandler and the State of Arizona to administer design and construction of FAHP projects.
29. Agreement No. WW3-885-4614, Amendment No. 1, with US Peroxide, LLC, dba USP Technologies, for Iron Salt for Odor and Corrosion Control
Move City Council approve Agreement No. WW3-885-4614, Amendment No. 1, with US Peroxide LLC, dba USP Technologies, for iron salt for odor and corrosion control, in an

amount not to exceed \$650,000, for a one-year period, September 21, 2024, through September 20, 2025.

30. Agreement No. PW0-285-4197, Amendment No. 4, with AM Signal, LLC, for Traffic Signal Equipment
Move City Council approve Agreement No. PW0-285-4197, Amendment No. 4, with AM Signal, LLC, for traffic signal equipment, in an amount not to exceed \$100,000, for a one-year period, September 1, 2024, through August 31, 2025.
31. Agreement No. PW1-855-4313, Amendment No.3 with Aquafit Chlorination Systems, LLC; Hill Brothers Chemical Company; Momar, Inc.; Polydyne, Inc.; PVS DX, Inc; Salt Works; Thatcher Company of Arizona, Inc.; Univar Solutions USA, Inc.; and Waternuts Aquatic Enterprise, Inc., dba Commercial Pool Repair, for the Purchase of Water Treatment Chemicals
Move City Council approve Agreement No. PW1-855-4313, Amendment No.3, with Aquafit Chlorination Systems, LLC, Hill Brothers Chemical Company; Momar, Inc., Polydyne, Inc.; PVS DX, Inc., Salt Works, Thatcher Company of Arizona, Inc., Univar Solutions USA, Inc., and Waternuts Aquatic Enterprise, Inc., dba Commercial Pool Repair, for the purchase of water treatment chemicals, in a combined amount not to exceed \$13,600,000, for a one-year term, August 15, 2024, through August 14, 2025.
32. Agreement No. PW0-745-4123, Amendment No. 7, with M.R. Tanner Development and Construction, Inc., for Street Maintenance and Repair Services
Move City Council approve Agreement No. PW0-745-4123, Amendment No. 7, with M.R. Tanner Development and Construction, Inc., for street maintenance and repair services, increasing the spending limit by \$995,900, for the existing term ending December 31, 2024.
33. Sole Source Purchase of Water Quality Monitoring Equipment, Service, and Parts
Move City Council approve the sole source purchase of water quality monitoring equipment, service, and parts, from Hach Company, in the amount of \$500,000, for a two-year term, August 16, 2024, through August 15, 2026.
34. Purchase of Water Treatment Chemicals
Move City Council approve the purchase of water treatment chemicals, from Thatcher Company of Arizona, Inc., utilizing the Omnia Partners Contract No. 212528, and from Brenntag Pacific, Inc., Hill Brothers Chemical Company, and Thatcher Company of Arizona, Inc., utilizing the City of Mesa Contract No. 2020135, in a combined amount not to exceed \$3,245,000, for a one-year term, August 15, 2024, through August 14, 2025.
35. Purchase of Dump Truck
Move City Council approve the purchase of a dump truck, from Inland Kenworth, Inc., utilizing Source well Contract No.060920-KTC, in the amount of \$203,206.05.

36. Purchase of Traffic Signal Heads and Components

Move City Council approve the purchase of traffic signal heads and components, from Clark Electric Sales, Inc., utilizing Maricopa County Agreement No. 220205-C, in an amount not to exceed \$800,000.

37. Purchase of Pole Painting Services

Move City Council approve the purchase of pole painting services, from OLS Restoration, Inc., utilizing City of Mesa Contract No. 2024033, in an amount not to exceed \$150,000.

38. Purchase of Intelligent Transportation System (ITS) Devices and Communication Equipment

Move City Council approve the purchase of ITS devices and communication equipment, from AM Signal, LLC, and Sierra Transportation & Technologies, utilizing Maricopa County Contract No. 230200-C, in an amount not to exceed \$639,995.

Consent Agenda Motion and Vote

Councilmember Stewart moved to approve the Consent Agenda of the August 15, 2024, Regular City Council Meeting; Seconded by Councilmember Encinas. (Vice Mayor Harris absent/excused.)

Motion carried unanimously (6-0).

Briefing

39. Economic Development Update, requested by Mayor Hartke

MICAH MIRANDA, Economic Development Director, presented the following presentation.

- Chandler Economic Update
- Chandler Evolving Economy
- National Awards
- Chandler Stats
- Chandler Stats
- Targeted Industries
 - Automotive Technology
 - Aviation & Aerospace
 - Advanced Business Svcs.
 - Healthcare
 - High-Tech Manufacturing
 - IT & Software
- Employment Base
- New & Expanding Employers
- New & Expanding Employers
- New & Expanding Employers
- Development Stats
- Retail Real Estate Stats

COUNCILMEMBER STEWART asked if the amount of vacant and available square footage of retail real estate is shrinking.

MR. MIRANDA said the current rate of retail is flat, there is no decrease or increase.

COUNCILMEMBER STEWART asked if the decreasing availability of retail space increases the cost.

MR. MIRANDA answered there is some slight increase in cost, but normal growth is being backfilled by other value add items in our economy.

MR. MIRANDA continued the presentation.

- Office Real Estate Stats

COUNCILMEMBER ORLANDO commented about the impact of hybrid work and if there will be vacancies due to office leases coming up.

MR. MIRANDA noted that this space is not fully utilized but is on the market as fully occupied. Staff is working to find developers and partners who are willing to invest in subdividing their space. The development community is reacting to the actual office market, spending time and money to reposition the space. The city is working to deliver new amenities and locations to attract tenants.

COUNCILMEMBER ORLANDO asked if medical office real estate is considered as a part of the repositioning.

MR. MIRANDA said yes, staff is working to find solutions to code requirements such as parking standards in order to have healthcare industry backfill this existing space. Medical office users would bring the vacancy rate down.

COUNCILMEMBER ORLANDO asked about the role of light manufacturing.

MR. MIRANDA said converting office to general manufacturing flex space can be done, however the buildings themselves may not support that transition.

COUNCILMEMBER ORLANDO asked if there is a reimagination of call centers to hybrid facilities.

MR. MIRANDA said the requests are very company specific. Some companies own their own buildings and employees are returning to office space in a hybrid work model. The intent is to remain a western hub for consolidation. Feedback indicates that larger advanced business service firms are not ready to completely vacate office space they have ownership of.

COUNCILMEMBER ORLANDO asked if the market displays trends of consolidation.

MR. MIRANDA answered yes, Chandler has a strong business case for West Coast consolidation and centralization.

COUNCILMEMBER POSTON asked how economic development strategies are impacted by the changing hybrid workforce.

MR. MIRANDA said each business handles their hybrid model differently. For city-related concerns, this would be part of the new general plan, where existing employment corridors will be reimagined, perhaps to include some new ideas for mixed use.

COUNCILMEMBER POSTON said this strategy sounds people-driven, like the downtown redevelopment strategy.

MR. MIRANDA said there are some similarities. Mixed use development in micro sites may become popular in the future to address these goals.

COUNCILMEMBER ELLIS asked about the partnerships in education to grow Chandler's workforce.

MR. MIRANDA said education is driving innovation in the economy which starts at the K-12 level. Partnerships with education groups deliver workforce development based upon the needs of businesses. An example of this is the new program through University of Arizona Master of Business Analytics. Grand Canyon University is pleased with the growth of the Accelerated Bachelor of Nursing Program, and discussions are in place about potential additional programming. Arizona State University's site in Downtown Chandler grows programs and exposure, such as the Master of Public Administration program. These are long term opportunities where the intention is to incrementally grow access to higher education in Chandler. This fall, the city will award its first scholarships to Chandler Gilbert Community College students.

MR. MIRANDA continued the presentation.

- Medical Office Real Estate Stats
- Industrial Real Estate Stats

COUNCILMEMBER STEWART commented that diversification of our economy was a focus in prior years. He asked if this diverse economy would help Chandler weather any recession related impacts.

MR. MIRANDA said diversification is key. Onshoring will make Chandler's economy more resilient. Chandler's industry clusters are strong and new projects are examined in terms of fit and opportunity cost. Staff have worked up front with the development community to address concerns.

MR. MIRANDA continued the presentation.

- Unemployment Rate

- Restaurant & Bar Revenue
- Population Pyramids
- U.S. Population Pyramids
- Chandler Population Pyramids
- Potential Challenges for Chandler
 - Labor force availability
 - Consumer spending habits
 - School enrollment
 - Changing service expectations
 - Sustainability of revenue streams
 - “Low fertility – and the aging population that it generates – implies fewer workers per capita and creates significant headwinds to economic growth, the fiscal sustainability of public benefit programs, and the trend of continuous improvement in living standards, as reflected in per capita incomes.” White House (May 23, 2024)
- Vision for Continued Vitality
 - “The future ain’t what it used to be.” Yogi Berra
- Community Vitality Vision
 - Goal: In partnership with community stakeholders, market Chandler as the premier community in America for young families and young professionals.
 - Multi-pronged communication strategy detailing:
 - Educational excellence in Chandler
 - Athletic excellence
 - Recreational and cultural amenities
 - Safety
 - Advanced placemaking and community building
- Economic Vitality Vision
 - Goal: Feasibility study on the viability of targeting new industry clusters.
 - South side of airport outside the fence
 - Existing talent pool and industries to support growth and attraction
 - Diversification of existing industries
- Competitive Positioning Vision
 - Goal: Globally position Chandler as a top-of-mind destination for targeted audiences.
 - Target advanced economies
 - Demographically challenged economies
 - Specific industry cluster
 - Long-term commitment to international business development
- 21st Century Development Vision
 - Goal: Encourage and support development projects that will allow us to compete for modern projects.
 - Emphasis on true mixed-use development
 - Encourage verticality where appropriate
 - Continue proactive investment in physical infrastructure (water/sewer)
 - Hotel Study in action – Boutique & Upscale
- Summary

- Local economic trends are positive
- Past infrastructure investments set stage for economic vitality
- Chandler is well-positioned for future economic vitality, however:
 - Realization of demographic shifts
 - Addressing gaps in commercial real estate needs
 - Commitment to high-quality growth
 - Focused on the future
- Questions?

COUNCILMEMBER STEWART asked about the expected number on sales tax.

MR. MIRANDA said the value is expected to be over 18 million dollars for the fiscal year.

COUNCILMEMBER STEWART noted that an indicator of the local economy's performance is restaurants.

COUNCILMEMBER POSTON asked if there is a database of leases and lease renewals.

MR. MIRANDA said the city has access to a real estate database where data is sourced. Another important source of information is relationships with office brokers who represent buildings.

COUNCILMEMBER ORLANDO asked if there will be a visioning process as part of the general plan update.

MR. MIRANDA said yes, the economic vitality portion of the general plan may be its own piece, or a subset.

COUNCILMEMBER ORLANDO restated that what is envisioned on the economic development philosophy for Chandler will have a large impact on the outcome of the general plan.

MR. MIRANDA said that is correct, the economic development portion of the general plan will be more integrated, with a community-based approach.

COUNCILMEMBER ORLANDO asked about partners being engaged in the visioning process.

MR. MIRANDA said input for the general plan will incorporate many stakeholder voices.

COUNCILMEMBER ORLANDO said these actions send a strong positive message to the business community.

COUNCILMEMBER ELLIS asked about the progress of the Airpark Area Plan.

MR. MIRANDA said Chandler is on track to implement the Airpark Area Plan. It focused on innovation, and different users within land use areas. This approach may be included in the General Plan.

COUNCILMEMBER ELLIS thanked staff for their work.

COUNCILMEMBER ENCINAS asked about future visions for Chandler and requested more focus on upcoming goals and opportunities. Chandler has had great success with its planning for progress, and he encouraged continuing this path.

MAYOR HARTKE said it can be challenging to imagine our future residents and workforce, but we are working on long term plans to develop some of these great ideas.

Informational

40. Contracts and Agreements Administratively Approved, Month of July 2024

Unscheduled Public Appearances

None.

Current Events

Mayor's Announcements

MAYOR HARTKE announced Chandler was named one of Fortune's Best Places to Live for Families, and Livability Top 25 Cities in the Southwest. These ratings emphasize the strong work of our city and community partners.

MAYOR HARTKE announced the Comtech Ribbon Cutting on Friday, August 16 at 9:00 a.m. in honor of the global headquarters opening in Chandler.

Council's Announcements

COUNCILMEMBER STEWART emphasized workforce development and highlighted a new initiative – the Chandler Career Center aims to connect Chandler's skilled workforce with local businesses to offer dual benefits to job seekers and employers.

COUNCILMEMBER STEWART recognized Constitution Day on September 17, there will be an event held at 8:30 a.m. in the Chandler City Hall Courtyard.

COUNCILMEMBER ORLANDO announced the opening of the new fourplex softball and baseball diamond on September 7. Councilmember Orlando thanked the Chandler Girls Softball League for their input in driving this project forward.

COUNCILMEMBER ORLANDO said the city is adding pickleball courts to Tumbleweed Recreation Center soon to be opening in 2025.

COUNCILMEMBER POSTON spoke about the Salvation Army Ribbon Cutting event held at FedEx to recognize the donation of an emergency services disaster mobile canteen van. These community-oriented businesses help our residents and our community.

COUNCILMEMBER POSTON thanked the community, Mayor and Council, and City staff for their support.

City Manager's Announcements

JOSHUA WRIGHT, City Manager, congratulated the Chandler Fire Department for achieving accreditation by the Commission on Fire Accreditation International, Chandler has a great Fire Department which contributes to a safer city.

MR. WRIGHT recognized the redesignation of Chandler’s Public Housing Authority and receiving a high score as a high performing housing authority.

MR. WRIGHT commended Deputy City Manager and CFO, Dawn Lang for receiving the Finance Excellence Award from the Government Finance Officers Association of Arizona.

Adjourn

The meeting was adjourned at 7:06 p.m.


ATTEST: *Dana R. Dirong* *Kevin Harthe*
City Clerk Mayor

Approval Date of Minutes: September 9, 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 15th day of August 2024. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 9th day of September, 2024.

Dana R. Dirong 
City Clerk