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CALL TO ORDER

[Time: 00:00:04]

Mayor Lane: Good afternoon. I would like to call to order our April 1st, 2014, Strategic Planning Workshop at a glance. And I will say that the April Fool's is not an item to be discussed in this agenda or any challenges there. So I would like to start with a roll call, please.

ROLL CALL

[Time: 00:00:25]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Virginia Korte.

Vice Mayor Korte: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Bob Littlefield.

Councilman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilmember Phillips: Here.

Carolyn Jagger: Dennis Robbins.

Councilman Robbins: Here.

Carolyn Jagger: City Manager Fritz Behring.

Fritz Behring: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

ITEM 1 -- WELCOME AND OPENING COMMENTS

[Time: 00:01:03]

Mayor Lane: Thank you. I might also add that this is our Strategic Planning Workshop, and we are here to discuss exactly our strategic planning. And I would like to start with a welcome, I suppose, with regard to why we are here and to thank everybody who has been participating to this point in time. This is a very important effort on the part of the city to make sure that we are moving forward in a positive way with real planning and real direction. So our first order of business is going to be to discuss and receive updates on implementation of the new mission statement and the top priorities for the current year, including possible directions to staff.

Now, I think, if I might start with a question, the mission statement itself is not to be presented here today, or any of that in draft form, but we do have the mission statement is simply "simply better service for a world-class community." This will include our priorities that we have already established over the last several months and I should say months ago from our retreat. And, of course, that is just a through f and that's a partner with residents to revitalize the McDowell Road corridor and to develop strategic support of tourism and visitor events, create and adopt a comprehensive economic development strategy. Hopefully it evolves with the marketplace and to develop a transportation strategy that anticipates future need and two, evolves with developing needs in the future. Prepare and adopt fiscally sustaining operating budgets and this is on the city side, in how we main our budgets and infrastructure. And reinvest in a high performance work culture.

That's certainly contained within the efforts of city, not only city staff but also our community in general as to how we work together, to make sure that we have not only a sustainable but a high performing economic engine? Our community that delivers a high quality of life for our residents and businesses. That's the second item on the agenda, as I have it, it's just beyond the welcome and opening comments, but it includes those thoughts about how we are to proceed and move forward.

ITEM 2 – DISCUSS AND RECEIVE UPDATES ON IMPLEMENTATION OF THE NEW MISSION STATEMENT AND THE TOP PRIORITIES FOR THE CURRENT YEAR, INCLUDING POSSIBLE DIRECTION TO STAFF

[Time: 00:01:23]

Mayor Lane: And I believe this item, I will hand this over to Fritz to develop further on item two and to elaborate.

City Manager Fritz Behring: We will have one in-depth presentation on our status on McDowell Road corridor. Outside of that, I will have Brent just quickly summarize where we are at on the other priorities for the year. And then we can answer any questions you might have.

Mayor Lane: If I will might, Mr. City Manager, as far as the, this is a Workshop and I'm not sure if that departs greatly from a Work Study, but nevertheless, in the course of presentations, do we want to have an open element coming through the chair's position as to if there are questions as we go along and any feedback. Is that, okay. Well, very good.

[Time: 00:04:20]

Assistant to the City Manager Brent Stockwell: Mayor Lane, I'm Brent Stockwell and I work in the City Manager's office. And part of my role is to help you implement your priorities and your mission statement. I will talk quickly about that and about the material that we provided in your packet and just frame the discussion today. As the Mayor mentioned, the mission statement you adopted on September 10th was simply better service for a world-class community. There are a number of ways we are in the process of implementing that right now. Using the words of mission statement, the first word "simply," we are working on streamlining the services we provide through process improvement. We have an inner division team working on that. "Better." Formalizing our benchmark services to make sure the benchmarks are better. We have a performance management team. And service, reinstating programs to have high quality service and we have an interdepartmental team defining what the customer service standards are. And then for the world-class community, we recognize that any time we are in a group of people larger than one and you ask people what a world-class community means, everybody has a different definition.

So as a project that we will be presenting to you soon, we have been working with a group of international M.B.A. students at Thunderbird school of international management to develop some proposals for you on what it means to be a world-class community based on, you know, globally, also in the U.S., some different ways that you might measure your progress towards being a world-class community and ongoing metrics can be used for that. So that project is underway and we will get

that forwarded to you when it's complete. So those are pieces of how we are implementing the mission statement.

I want to walk through you the material that was provided in your packet. The first set is the organization's strategic plan that was in the documents when you approved your mission and priorities back on December 10th. A two-page document that has the mission statement, the strategic goals, each of the priorities and the descriptions and then the major objectives for each one of those priorities. So those were the first two pages in the packet. And then the next 12 pages are details that support those priorities. For each one of those objectives there were action items and delivery dates related to those six priorities. That's 12 pages of detail that's in there.

This information was also provided to you, by email on February 25th, and it's also been posted out on the Mayor and Council's website, under your mission and goals page. Following that, we also have included for your reference today all of the objectives from each one of the city's divisions and offices that was included in your budget book. So those were key activities that they planned to achieve over the next 12 to 18 months and so we just summarized them in a few pages. It's a four-page document in case you had any questions about any of those, need more information, wanted to provide feedback on that or if there was something that you expected to see present that wasn't present.

So one more set of information that was in your packet was I resent you to the memo on the citizen survey results. What I call kind of our city report card and was a one huff page snapshot grouped by city division of the different service ratings, both for the current citizen survey, and all the way back including 2003, 2004, 2006, and 2010. So you can see some trends over time. We thought that might be helpful.

And then also this was another set of highlights from the citizen survey that talked about what the vendors' observations were about the city, based on the citizen survey, some areas where Scottsdale was more highly rated than the other benchmark communities, some areas where there was significant improvement from the last time the survey was conducted, and I also included in there the highest ratings in the survey and also the lowest ratings in the survey that so that you can get a sense of some areas where the citizens rated what we were doing very highly, and also some areas where either the participation or the ratings of that was lower.

So that was the material that was provided in your packet. In addition, because it is the number one priority, there's a presentation on the McDowell Road priority that Randy Grant is prepared to walk you through and we would do that first and then we can walk through the rest of the priorities or any other items and have further discussion on that and the staff that are reading each one of those efforts are here to respond to any questions or provide any additional information to you.

Mayor Lane: Thank you, Brent. Fritz, did you have a follow on that? Okay. So then we would start with? Mr. Grant.

[Time: 00:09:31]

Planning, Neighborhood and Transportation Administrator: Thank you, Mayor Lane, members of the Council, Randy Grant with Planning and Development and I can't tell you how nervous I am having Brian Hancock staffing the booth on April Fool's Day.

Mayor Lane: We hear you have a little bit of history on the subject.

Randy Grant: We go way back.

Mayor Lane: We don't want to be subject to the retaliation on you.

Randy Grant: I did want to give you a brief update on the activities associated with the effort to revitalize the McDowell Corridor. As you know in October of last year, we came to you with a work plan, got some feedback from you on what we are going to be doing. Pleased to report that a lot of things are underway, would like to acknowledge that this is a completely multi-departmental effort and a lot of kudos go out to a lot of staff members that are in the audience today.

As you might remember on October 8th, we really ended the presentation with a summary of some steps that we were going to take barring Council direction otherwise. Those include to broaden the perspective of the McDowell Road Corridor to include the neighborhoods that surround it, not just looking at the properties that front on to McDowell Road looking at those that are on Scottsdale Road and McDowell and also going up to oak on the north, Osborn on the north, excuse me. This is the boundary, well, I will get that in a moment.

The second was we were going to evaluate ordinances, process and make recommendations to promote revitalization. We will talk some about what those might be today. We also said we were going to be engaging, Tempe, Phoenix, and the Indian community about common interest, particularly those around Scottsdale Road as Tempe transitions into Scottsdale Road, and we have activity going on in Tempe Town Lake that might provide opportunities for the city of Scottsdale going forward. In addition, Phoenix on the west, the Indian community on the east present opportunities and to some extent challenges that we see can be beneficial for all parties involved.

The fourth item is to provide design and technical resources to neighborhoods. We are in the process of consolidating the city's website to provide more information on remodeling and revitalization of individual homes within neighborhoods. We are also bringing back a program that we had sometime back called every house changes to provide design expertise and recommendations on revitalizing particularly those styles of housing that we in the area most predominantly. We told you that we were going to continue and expand focus group activities, which we are doing. We are going to promote the identity of the corridor, whether it be determined to be technology, innovation, education, or a gateway into the community. We were going to focus on recruiting high value businesses to the area, and we would provide periodic updates to you.

Just to summarize, these are two graphics that show, two images that show both the McDowell Road and the Scottsdale Road Corridors contained within the revitalization area. The blue boundary is the

larger area that we are considering to be the McDowell Road corridor that we would be taking steps to revitalize. Yes?

Mayor Lane: Yes, I'm sorry. Vice Mayor?

[Time: 00:13:23]

Vice Mayor Korte: I miss my button.

Mayor Lane: And I have become dependent on it.

Vice Mayor Korte: Randy, when we were originally talking about this extended boundary, there was some conversation around bringing the residential communities from Indian School south. I noticed that this is Osborn. Can you share with me the process that the staff went through to identify Osborn?

Randy Grant: Yes, Vice Mayor, we did look at both of those opportunities initially. We had proposed Indian School as the north boundary. We had a neighborhood in that area that was interested in coming forward with creating some landmarks and so forth. We haven't had that come through and at the time of the study session, there was interest in having it be south of the downtown and there was some concern about how we would carve out the downtown. We are not proposing any functionally different on the northern boundaries. There would not necessarily be incentives or anything that would benefit the neighbors inside that boundary. We can consider it going up to Indian School. The information that we got from the study session was that Osborn provided a straight line boundary that was perhaps easier for people to understand than going over Indian School and going around the downtown and then going back. We're happy to revisit that, it's a work in progress and we would take any direction that you have to amend that.

Vice Mayor Korte: Randy, the reason I brought it up was after that session, I was approached by several individuals within those specific neighborhoods, that we're trying to really initiate some revitalization that would be north of Osborn and north of Indian School and they would be interested in being part of this. Take that for what it's worth.

Randy Grant: We can review the boundaries, if you like. I mean, just tell us that's what you would like us to do and we will come back with the amended boundary.

Mayor Lane: That's a good point to be made. There has to be some consensus on it. If I might, what, right now, it is going to Osborn?

Randy Grant: Correct.

Mayor Lane: And was that, I thought the last time we spoke about it, we did at least talk about the idea of Earll, because Earll was the southern edge of the downtown area. I'm not sure whether that plays in that or not, but whether we have overlap on the various areas. I think I would be more

inclined to take it to the lower, I realize that's a varying, it's not all Earll, there's some variations in that, but I personally would be more inclined if we were to take the section that's south of the downtown development area.

Randy Grant: You can see the area in red in the center there is the southern-most portion of the downtown.

Mayor Lane: And the purple line that, or at least it looks like a purple line, that is, is that, what is that, is that Osborn or is that.....

[Time: 00:16:45]

Randy Grant: That's Earll. Earll is the southern portion, yes.

Mayor Lane: Okay. So the purple line, farthest south that it drops is Earll, just in that one section, closest to Scottsdale Road?

Randy Grant: That's correct.

Mayor Lane: So if we were to talk about whether or not we took it to Indian School, we would be taking it up to, what, another half mile, a little bit more than half a mile?

Randy Grant: Yes.

Vice Mayor Korte: From what I understand, when we were talking about this would only be the residential component would be included in that northern boundary, not the commercial downtown district as it is.

Mayor Lane: But isn't all of the downtown district area subject to the strategic or the plan for downtown, inclusive of residential and commercial?

Randy Grant: Within the downtown boundary?

Mayor Lane: Yes, I'm saying not to overlap it. That would be my thought on it. I think that seems like a reasonable way to go. If we have a plan for the downtown relates to commercial and residential, why would we necessarily expand the boundaries to overlap it? But that, you know, I would, you know, I'm not trying to usurp, frankly, your position on it, but I would think that reason would say, and I would make the motion to expand the boundaries of the area here from McDowell Road consideration, residential and commercial and otherwise, to at least include everything south of the downtown district.

Randy Grant: So are you suggesting Earll be the northern?

Mayor Lane: Well, in that one section, I mean, if that's where we are talking, if we are only just

talking about the yellow boundaries right now.

Vice Mayor Korte: No.

Mayor Lane: We are talking about the residential communities. I would just say, I would move it obviously to Earll which is the southern-most part of it, but frankly where it goes further north, if it's included in the residential portion of this area, I would say, anything south of that purple line. Now, I think you probably did identify that, but I'm not sure, it looks more consistent across, other than that drop down to Earll.

Randy Grant: Right, is Osborn.

Mayor Lane: So south of Osborn and in that area, south of Earll.

[Time: 00:19:10]

Randy Grant: And we could certainly, even if you wanted to include the areas further north, we would not overlap the downtown, we would carve out the downtown as an exception. If the boundary went north, it wouldn't overlap with anything that's going on downtown. It would be contiguous with the downtown boundary.

Mayor Lane: So it would be excluded from the downtown?

Randy Grant: Yes.

Mayor Lane: So you are talking about redrawing the downtown district?

Randy Grant: No. The downtown district would remain as it is, and we would gerrymander around the downtown district the northern limit of the McDowell Road Corridor study. So this would be no overlap, they would be contiguous boundaries.

Vice Mayor Korte: May I try to bring some clarity to this?

Mayor Lane: Yes, please.

Vice Mayor Korte: So the downtown district goes east to Miller?

Randy Grant: Correct.

Vice Mayor Korte: And it jigs and jags around Miller to Osborn. So what we're doing is extending this blue line boundary, residential only around the downtown district and including those residential areas, neighborhoods, to, north to Indian School. Not including the downtown district.

Mayor Lane: Yeah, I guess I would be, I'm not sure that I'm on board with, personally on board

whether those neighborhoods want to be included in the McDowell Road area. Bob, do you have.....

[Time: 00:20:41]

Councilman Littlefield: I do. I want to make sure exactly what's being proposed here. We are talking about expanding the boundaries of the McDowell Corridor; is that correct?

Randy Grant: Correct.

Councilman Littlefield: So what is the McDowell Corridor legally? Is that like the infill incentive district? Is it a character area? What is legally the McDowell Corridor?

Randy Grant: It would be much closer, although it's not the same as a corridor or a character area. We are not imposing, proposing any type of infill incentive or anything else. It's simply a geographic boundary that contains the areas that we believe most accurately represent the building styles, the age of housing, that type of thing, so that we can implement some programs to allow those people, encourage those people to make some remodeling decisions. It's not a regulatory boundary.

Councilman Littlefield: All right. So there's no legal or regulatory authority attached to the name McDowell Corridor. It's for what, planning purposes?

Randy Grant: Yes, exactly, planning purposes.

Councilman Littlefield: Abstract concept?

Randy Grant: Well, we may come back with a recommendation or a suggestion that we implement and adapt a reuse program within this area, which would provide some relief on some properties within this area that we may not want to extend outside of the area. That would be your choice, but we are not proposing additional height or additional floor or anything else that would be associated with that. This is a planning area.

Councilman Littlefield: Hmm. So what does relief mean?

Randy Grant: Well, it could mean that if a property has been built, doesn't have an adequate supply of parking, that in the process of allowing that property to redevelop, that we accept the amount of parking that's there. I mean, that's just an idea. If it's inadequate for landscaping requirements, maybe we allow that to continue to exist and to put a new business in there, expecting that when the property at some point, redevelops actually, it would meet ordinance, but it allows them to continue to put a building, a business in that building, with the development standards that they were built to.

Councilman Littlefield: Okay. So in this case, relief means some relaxation of development standards?

Randy Grant: It could. It could. We are not proposing that. We would come back to you before

we did anything like that.

Councilman Littlefield: What else could it mean?

Randy Grant: Well, for example, one of the things that we had on a couple of properties so far is the requirement for two new owners that we have dealt with, and been very frustrated about it, that they bought the building and then they realized that they were going to have to provide sprinkler systems in order to meet the ordinance.

Councilman Littlefield: Provide what? I'm sorry.

Randy Grant: Sprinkler systems.

Councilman Littlefield: Okay.

[Time: 00:23:34]

Randy Grant: In both case it required trenching across from Scottsdale Road or Hayden Road to the other side to the hook up to the water line. In some both cases we have been able to work around that, but it may be, and I'm not suggesting it will be, but this may be the kind of thing where we want to look at that requirement and ask whether or not on those businesses that simply want to fill the vacancy, that we would require those types of things to be done at this time.

Councilman Littlefield: Okay.

Mayor Lane: Well, just to continue on a little bit of this, I suppose there have been some people would expressed some interest in the neighborhoods east of the Hayden and south of Indian School who do anticipate not only relaxation but other things to be offered by the city in order to facilitate the redevelopment of an area, even though I think it's been understood that they could do it on their own.

They are anticipating and maybe this is where the requests are coming from, to get assistance from the city in order to facilitate some of the tear down and the rebuild of some of those neighborhoods. So I'm, I guess I'm a little concerned about whether this is a market-related approach or whether this is some additional interference into a neighborhood that may or may not really need this kind of attention. And the other is, it's taken away a little bit from our focus of the McDowell Road corridor as opposed to other areas of town. So I don't know that this extension doesn't broaden the scope of view on this to potentially detract from our attention to McDowell Road. Any other comments? Yes, Councilwoman?

Councilwoman Milhaven: If I go back and look at the October 8th study group session that you started the presentation with, one of the goals was to provide design and tech resources to neighborhoods and in as much as that's one of the goals and the neighborhood between Osborn and Indian School looks a lot like the neighborhood and the housing stock south of Osborn, it seems that if

we are going to do something, they might as well have the opportunity to take advantage of it and I'm not sure the risk of including them. I see lots of benefit and very little risk to include those neighborhoods. And Councilman Korte, I thought I heard you say you were approached by folks wanting to be included. So I was supportive back in October and I support extending the boundary to Indian School.

Mayor Lane: Any other comments from Council? Yes, Guy? I'm sorry, Councilman.

Councilmember Phillips: Thank you, Mayor. Well, I'm in support of that also, but, again, I have to protest the idea of having to vote on a consensus. I'm not sure if this is working or not, but you know, we were all voted by our constituents who put us in office. We have seven people here with seven opinions. And when we vote on a consensus, we vote no against it, whether it's the Mayor, Virginia or whoever, and you are telling staff to ignore that idea. And I don't think that's right. I think staff should hear seven ideas and let them figure out which way to go with that and then we vote on what comes up, not, you know, you are, you know, you are kind of usurping our authority as a City Councilman or woman to have an opinion at this point. So I think in a study session, we shouldn't be voting on a consensus of direction.

Mayor Lane: Thank you, Councilman. Any other thoughts from Councilmembers? Just, Bob?

Councilman Littlefield: Well, shockingly, I find myself in agreement with the Mayor. I think expanding the boundaries is a very bad idea because insofar as there's an issue here on the McDowell Corridor, that's not going to be solved by essentially making this thing, what, ten times bigger, if you took what, from the yellow, go back to the map. You have the yellow boundaries and then if you expand the idea of the McDowell Corridor to the blue boundary, that's a huge increase in the amount of land that's in there. Well, wait a second if McDowell Corridor has a problem, why would we expand the boundaries of this to all of those residential areas which are miles away? And I made the point many times that the McDowell Corridor, insofar as the McDowell Corridor has a problem, it's a problem that the city government created over the last 20 years. And the idea that somehow we are going to improve it by actually expanding the amount of area we are trying to influence, I mean, we can't even get the area in yellow right. Why would we now turn around and expand that to the area the size of the blue? It's foolish.

Mayor Lane: Thank you, Councilman.

[Time: 00:28:47]

Councilman Robbins: We are not talking about moving it from the yellow to the blue boundary?

Randy Grant: No, that's correct.

Councilman Robbins: We are just talking about moving the blue boundary north?

Randy Grant: Correct.

Councilman Robbins: Because currently the yellow boundary is the redevelopment area, and the blue boundary is a McDowell Corridor study area.

Randy Grant: That's correct.

Councilman Robbins: And you are talking about moving the northern boundary up a mile or a half mile?

Randy Grant: Yes.

Councilman Robbins: Well, I think my opinion is frankly to leave it where it is at the moment, and develop our tools and our programs and our ideas in this current area, see what works and what doesn't work and whatever works we can move it to Indian School at a later date. It doesn't need to be done now. So I would leave it where it is currently.

Mayor Lane: Thank you, Councilman. Any other comment on this item? Yes, Councilwoman?

Councilwoman Klapp: I was in the last session opposed to moving it beyond Osborn and I still would not want to move it. Not that I don't think that there's some similarities with the houses that are north of Osborn, but I believe some of the comments made are relevant to my position that I don't want to make this boundary so big. I want to get it close to McDowell Road and I don't see a real need to extend it to Indian School because it doesn't really benefit them in any way that we know of and as Councilman Phillips said if we want to extend the boundaries, we could. I think keeping it closer to McDowell Road in my opinion is a better way to go right now. We can always, at some later date extend it if we want.

But it makes more sense to me to take it just to Osborn and then as you did, you took the line around the downtown area, which I think was appropriate. And keep this a little bit more compact because we have to get our arms around this in some fashion. The bigger we make it, the more difficult we make it, and I think it's better to keep a limit on the northern boundary at this point. We don't even know yet what you might want to offer to any of the homeowners within the Osborn boundary. I don't see the need at this point to extend. I really think that our conversation today is far more important to get into the meat of the conversation and not where the boundary is. I'm just not, I guess I'm not too hung up on the boundary but if you want my opinion, I would rather have it where it is right now and not start negotiating where it's going to be.

Mayor Lane: Thank you, Councilwoman. Is there a motion for any course of action on this other than what.....

Vice Mayor Korte: No. I would ask that we table this discussion, and I will reach out to the neighbors that reached out to me, to provide the rest of the Council their reasoning and purpose for their desire to be included. So I will do, that if we could table the discussion.

Mayor Lane: Well, we will just, as far as this goes at this point in time, there's no change in it, but whatever action we take in the future.

Mayor Lane: Okay. Mr. Grant, if you want to continue then.

[Time: 00:31:59]

Randy Grant: Thank you. This next slide may be a little bit hard to see, but the red dots that are shown within this area indicate building permit activity since October 8th. So you can see that the building permit activity is fairly uniformly spread out, which is a good thing. We are seeing building permit activity and residential, as well as commercial, and pretty widely geographically dispersed.

Mayor Lane: Yes, Councilman Phillips.

Councilmember Phillips: When you talk about building permits are you talking about Arizona Rooms and all kinds of permits?

Randy Grant: Yes, correct.

Councilmember Phillips: Thank you.

Randy Grant: It's a little bit more than in the previous six months, I think this is an indication that the economy is improving and people are more interested in reinvesting, perhaps than they were a year ago. So this is an improvement over the previous six months.

Mayor Lane: Councilman.

Councilman Littlefield: No.

Mayor Lane: I thought we had an auction doing that.

Randy Grant: I also wanted to point out on this slide if we go back to the yellow area, if you just keep in mind the yellow boundary which is the revitalization area, in that area in the last six months, there's been permit valuation of over \$100 million. Now that is primarily two properties. One is SkySong, with the apartments, also with the new parking structure for the new phase and the second project is Mark Taylor, but it is interesting to note that in an area of recovery, in a time of recovery, that is a substantial amount of building permit valuation that's taken place in a relatively short period of time. And I think that's an indication that the area is beginning to take revitalization seriously.

Mayor Lane: Councilman Phillips?

Randy Grant: \$103 million, yes.

Councilmember Phillips: And along Randy's lines, I would like to just point out that this is a really

good opportunity, because especially with the residential construction and I will point out one area, when I said earlier before the Arizona Rooms, is because when people enclose their back patio and want to make this room and then they find out that it's hot and they want to run air conditioning into it. Now, instead of just running a deck in there, you have to go get a permit and you have to put a new roof on and you have to have a 2-foot air space and all of this kind of stuff that maybe we can alleviate with the new plan so people don't have to spend \$30,000 to run a duct into the Arizona Room. So this could be a huge benefit to the residents and I think in the long run, it's going to be really good for the surrounding areas.

Mayor Lane: Thank you, Councilman. Randy?

[Time: 00:35:06]

Randy Grant: Thank you. This next graphic, I had to actually call Code Enforcement to make sure it was true, because it doesn't seem quite possible, but all of the blue, the light blue dots in this area are code cases that have been opened and closed since October 8th. So almost 1600 cases have been initiated in this area since October 8th of last year. Two interesting things, the first is simply the magnitude of the activity. And the second, and perhaps, I think most importantly is 87% of these were initiated proactively. 87% of these cases were initiated by the Code inspector as opposed to waiting to get a complaint from a neighbor. So, again, illustrative, I think of a real commitment to get ahead of issues in an older neighborhood where you see more and more code issues to get them out and resolve them quickly before the neighbors begin to call on each other, is a huge success. And this is almost a staggering number of cases.

Mayor Lane: I thought proactively was they turned themselves in. Vice Mayor?

Vice Mayor Korte: So did I. Give me an idea of the types of complaints or the codes that were violated if you've got just kind of a broad brush.

Randy Grant: It's the entire range. It's mainly the things that can be taken care of quickly, the grass and weeds, peeling paint, things that the owners can jump on quickly, rather than something that's going to require reroofing, for example, takes more times to get the cases opened and closes. But it might be included in some of these. I suspect that most of these are the more simple things that are of the leading indicator of lack of the maintenance, grass and weeds, abandon vehicles, tires flat, that type of thing.

Mayor Lane: Thank you, Vice Mayor. Councilman Robbins.

Councilman Robbins: Are some of those, how many of those have to deal with the alleys? We had some pictures of like sofas left in the alleys or, do you know?

Randy Grant: Some of them do. Quite honestly, we are not as aggressive to getting people out of the alleys. We try to get the solid waste crew to pick things up in the alley. It's a little bit harder to get people to get behind their place and take care of a couch that someone dumped behind their

property. We are more sensitive to trying to correct the problem than to get them to accept it and usually we will take some ownership of those alley situations. If it's an alley condition that expands for the whole block, then oftentimes we will try to get, you know, a block party out there and the neighborhood resource people will try to get someone to take responsibility in the alley. Usually we deal with it ourselves.

Councilman Robbins: Thank you.

Mayor Lane: Thank you, Councilman. Randy?

[Time: 00:38:22]

Randy Grant: One of the things we talked briefly about last time and you asked us to come back with some information on the berms on either side of the bridge on McDowell. And the bottom graphic on the left shows you in the yellow the bridges, the bridge and the berms on the north side. On the south side of the bridge, the area is open and opens on to the south portion of the wash. On the north side, those two yellow areas are privately owned and over time, they have been, there's been a lot of fill brought in. It's not the kind of fill that can be compacted and built on. It's mainly rock and what it's done is create an obstruction for view from McDowell on to one of the most scenic areas that we got in the community and highly active area of the Indian Bend Wash.

You asked us what it would take to acquire those two properties and to correct them. And it's a little short of \$1 million to acquire both of them and to do the, to acquire both of them and to take the fill out and re-landscape them. In looking at impacts, I also just wanted to point out that there is the potential for someone to own those properties to come in and want to develop on it, and that would be a huge challenge for the city. They are small parcels. Parking would be extraordinarily difficult. Circulation would be difficult. And so I think there are some challenges from not doing anything as well as the challenge of figuring out how to acquire the properties and do something. So I just wanted to put that all on the table for you. And any direction that you give us, whether now or in the future would be helpful.

Mayor Lane: Vice Mayor?

Vice Mayor Korte: Thank you, Mayor. Is this bridge scheduled to be widened and improved?

Randy Grant: Yes, it is.

Vice Mayor Korte: Okay. So how would these berms, if we acquired them, how would that impact that project?

Randy Grant: It would not impact it. If we were to appoint in the development of that project, that we couldn't include the berms in the construction activity, but also the berms are not going to be affected by that construction activity. So essentially the bridge will be widened and it's going to be reconstructed but it's not going to extend beyond the confines of the bridge itself.

[Time: 00:40:45]

Vice Mayor Korte: So say we pursued acquisition, would you suggest that the level and landscape is close to \$1 million? Does that include physical access egress and ingress into the wash, better access? From street level on that side of the bridge?

Randy Grant: Not on this side of the bridge. There is ramp access on the south side of the bridge. On the north side, it would be removing the excess fill, shoring up the walls that are flood walls that meter the water down as it goes underneath the bridge, landscaping and providing some amenities, which it included shaded stop area for bicycles and that type of thing, but it is really a beautiful scene to the north. You just can't see it because of the berms.

Vice Mayor Korte: Thanks.

Mayor Lane: Thank you, Vice Mayor. Councilman Klapp.

Councilwoman Klapp: From my perspective, driving down McDowell Road, I believe that those two berms should be acquired. I think you said is the case, there's a nice park there that not obvious to anyone driving down McDowell Road. So if the berms could be leveled and the park could be extended and it could become more public open space, I think that benefits the experience of McDowell Road and we don't have any great, we don't have many great experiences going down McDowell Road but we do have a park. So anything that can be done to enhance that park experience for the, for all that are traveling down McDowell, those neighbors in the area, I think would be beneficial. So I think, in my mind this would be a high priority to do something about that particular spot of McDowell Road.

Mayor Lane: Thank you, Councilman. Councilman Phillips?

Councilmember Phillips: Thank you, Mayor and Councilwoman Klapp, that's a good point, especially. We always say we are going to do something for McDowell and we never do. This could be one thing that we actually did. Who are we acquiring it property from?

Randy Grant: Actually right now it's in an estate. The property owner that held it for many years passed away and it's in probate.

Councilmember Phillips: Both sides?

Randy Grant: Yes.

Councilmember Phillips: Would it be an option to go to the family and say we don't need to purchase the property if you let us beautify it?

Randy Grant: That would certainly be an option.

Councilmember Phillips: Because I'm sure that's most of this cost. Thank you.

Mayor Lane: Thank you, Councilman. Councilman Littlefield.

Councilman Littlefield: So, what's the property in between these two?

Randy Grant: Well, the property in between the two berms is the wash.

Councilman Littlefield: So how did these two end up in private ownership?

Randy Grant: As best I can determine, when the wash limitations were defined, these were two parcels that were left over and they were remnant parcels and for some reason, we liquidated them and they have set vacant in this condition for.....

Councilman Littlefield: So the city sold these to somebody.

Randy Grant: I'm sorry?

Councilman Littlefield: You said liquidated.

Randy Grant: The city owned them at some point.

Councilman Littlefield: We sold them to somebody who then put the berms on them?

Randy Grant: Correct.

Councilman Littlefield: What were they planning to do with it?

Randy Grant: No idea. As far as I know there have never been development proposals come forward for them, but somebody was paying on them every year to keep them in that condition.

Councilman Littlefield: So somebody bought these two parcels and built the berms and never did anything else?

Randy Grant: Right.

Councilman Littlefield: Okay.

Mayor Lane: Thank you, Councilman. Councilwoman Milhaven.

[Time: 00:44:38]

Councilwoman Milhaven: Where do we find \$1 million? Great idea. Where do we find \$1 million.

Would this be General Fund expense?

Mayor Lane: That's the \$64,000 question. Mr. Behring?

City Manager Fritz Behring: It certainly could be, but we are looking at options right now. We have directed staff to begin discussions with the judge who is overseeing the estate and to see what options we have to find a possibly lower cost solution for the problem of acquiring the property.

Councilwoman Milhaven: How much of the 970 figure is the acquisition? If what you describe is property that's, no practical use, which would suggest it's got no real value.

Randy Grant: We had the value of the properties themselves at about \$550,000, \$600,000, so it's the majority of the price is acquired.

Councilwoman Milhaven: That seems really high for property that you say is not viable for commercial development.

Randy Grant: Right, we were looking at a square foot cost of comparable properties in the area. This has some significant limitations. It may come in less. We just didn't want to, we didn't want to, you know, underestimate what it might be.

Councilwoman Milhaven: If, having done some commercial real estate lending in the past, I would think it would be considerably less given the limitations of the property. For my two cents, you know, let's try to get a real value if we want to get the property, we don't have to go all in right now, but if it's in probate, this might be a unique opportunity. So maybe break out what we think the acquisition costs would be and then come back and see if it makes sense to take at least the first step. That would be my two cents. So, I mean, I make a motion to direct staff with that. Direct staff to break out, to determine what they think is a realistic purchase price for the property and bring it back to Council to consider the acquisition as a first step. So we are not in whole hog for 970, because I have a feeling the value will come back significantly less than that.

Mayor Lane: I will second that.

Councilwoman Milhaven: Thank you.

Mayor Lane: Councilman Robbins?

Councilman Robbins: Thank you, Mayor. Yeah, I agree with moving forward. I think maybe we should look at some other options and maybe do it over a three-year time period. Maybe we acquire one year level, the second year and landscape it the third year. And then also maybe even look at a trade if we have something we could trade, another piece of property or another out parcel that we have that, you know, we might be able to trade. And do it over multiple years so, that you know, it's not a single budget hit one year. So thanks.

Mayor Lane: Vice Mayor? Oh, I'm sorry.

Councilman Littlefield: Well, I'm not interested in acquiring these at all. Why would we, you know, we are talking about closing libraries and then we are going to spend money on a couple of berms. I don't think so! I wouldn't spend any money for this. You know, make sure that code enforcement or whoever owns it forces them to keep it clean and let them figure out something for it. The last thing we should do is be buying two essentially uses pieces of property. I mean we have already got too much, right? You are trying to sell stuff off. So I would be totally against even considering buying this.

Mayor Lane: Vice Mayor? I was just going to speak to the second, even though I know these are just consensus kind of votes, as far as direction is concerned. I think I'm interested at least to find out, Randy, you started out by talking about the fact that this essentially has some major drawbacks just from the compactability of soil. So if it has to be dredged out and recompacted you are talking about big dollars there and that certainly would take away from the cost. And then you added to it the parking situation. Many of the things that Councilwoman Milhaven was talking about. I don't know that we are talking about anything close to this, and given the estate situation, who knows what they may be willing to do for the city and otherwise, what the condition is. I don't think anybody is suggesting that we buy it. I think we should take a closer look at it.

Randy Grant: We are continuing to look at this and contact the probate judge and those types of things. So with that direction, we will continue down that path and, of course, bring back anything that we have for a decision.

Mayor Lane: I'm sorry. We have that motion on the table. All those in favor please vote aye. Those opposed.

Councilman Littlefield: Nay.

Mayor Lane: So noted. Thank you.

[Time: 00:49:28]

Randy Grant: Coordination efforts, we've had two meetings with the City of Tempe and now we have meetings set up with the Salt River and Maricopa Pima Indian community. And we are also scheduling meetings with the City of Phoenix. I know that a couple have occurred with the City of Phoenix regarding Papago Park and so forth. We are interested in finding out as quickly as we can so we may be able to jump in and provide some solutions to whatever housing or retail, those type of items that exist. It may be beneficial for what is occurring in the neighbors' cities. This helps us understand the feasibility based on what's continuing to evolve around us. Promoting reinvestment, this is part of the technical advice that we may be able to give to particularly residential property owners.

Neighborhood improvement program, there currently is under consideration some grant funding to

neighborhoods that are proposing to do some improvements. They will be evaluated and brought you to next month. We have the Every House Changes which is a study by A.S.U. to determine, based on this particular type of housing stock, what things are realistic in order to make the buildings more contemporary and more usable for young people that might move in, looking for a different floor plan than what was popular when they were built. So we are going back through and recreating that ideas book for architectural remodeling that we could offer and provide a service that development services counselor to allow people to save, perhaps, in some exploratory architectural fees that we may be able to help them out with in terms of just understanding what is feasible for that particular style of home. Continuing to.....

Mayor Lane: Excuse me one second.

Councilman Robbins: Thank you, Mayor. On that note, a couple of ideas. Do we have any demonstration houses or projects that people would be willing to put forth or show off what they have done in the neighborhoods and some of the pictures that Sonnie had shown about different homes in the area and the kind of potential that they have. You know, they have those neighborhood walks where people go from house to house to house. We should coordinate something like that and show what is possible and promote that. That's a great idea and actually, there are some homes that were redone in the neighborhood fairly recently that are really, really well done. Kind of showcase properties.

Vice Mayor Korte: Just a point of information on that.

Mayor Lane: Thank you, Councilman. Vice Mayor.

Vice Mayor Korte: Councilman Robbins, I know, the Scottsdale Gateway Alliance is actually putting together a home tour concept, I think for this fall. I'm not sure of the timing but it's somewhere around there. So yes, it's there and I think the private sector is taking care of it.

Mayor Lane: Thank you, Vice Mayor.

Randy Grant: We are continuing to consolidate and expand the city's web resources for technical advice. Also, Economic Development is looking at CDBG commercial facade improvement program. Many of these things will be coming back with the economic development strategic plan that will be presented to you at a future date. Future discussions that we wanted to have, whether now or just plant the seed for additional discussion, A.S.U. has expressed an interest in revitalizing the banners that currently exist along McDowell Road for SkySong.

[Time: 00:53:12]

You may remember that there was a Motor Mile banner program sometime back that created a consolidated theme of the Motor Mile along McDowell. With A.S.U.'s interest in looking at updating their banners we're researching banner programs from around the country to see what might be best suited for this area and whether it is reinforcing the innovation technology, education, component of

McDowell Corridor or announcing events that may be in the area, whatever that may be, simply having that type of activity we have seen in the downtown, for an example, having those types of things on the street adds some interest and vitality and creates some color and movement that you don't have otherwise. So we may have some partnerships that we could explore with A.S.U. or with the adjacent businesses to implement that, and we will be coming back if we choose to go that direction, if you direct us to go that direction, we would be coming back a solid program, once we got the research underway.

Mayor Lane: Councilman Littlefield.

Councilman Littlefield: What exactly is the SkySong banner program? Are you talking about the giant diaper or are you talking about something else?

Randy Grant: No. No. The banner program was on the street lights. They had, and this was similar to what was on Goldwater Boulevard for a while. It was on Drinkwater Boulevard for a while. On the street poles, there are rectangular banners, whether or not they are promoting the property owner interest, whether they are promoting events, they would be changed out periodically and they would provide some color and movement and some directional value to the uses that are in the area. They want to update their sign program and this is one of the components of that.

Councilman Littlefield: What does update mean? More? Bigger?

Randy Grant: No, I think as it stands right now, we are holding back a little bit on what they may be able to do, because those signs were done at a time when a street banner program was well in place. The ordinance has changed since then. So we're looking at do we want to bring forward an ordinance amendment to encourage this type of activity in which case SkySong might benefit from, that but the additional property owners along the corridor would as well.

Mayor Lane: Thank you, Councilman. You know, we had the banner wars before, with some of the our events. I think it becomes an issue of who we do this for and who we don't. It's a preferential treatment. So even though we put together the Motor Mile issue, which was slated to, you know, pay out \$3 million in advertising benefits for the Motor Mile, it was canceled after about a year or maybe even two of that program.

But I'm concerned about it because as we travel around to various industrial parks, you see banners everywhere and I guess just for one, I wonder about the benefit of it, whether it changes the character of our city a little bit and whether it really has the benefit of invigorating the area or frankly putting some color on the street that we may or may not be seen as a positive add. I don't think it necessarily brings business to SkySong and I think the sophisticated nature of SkySong, I'm not sure, and, again, it goes to the quality the banners and everything else, but we tried to use them as opening elements, not necessarily on an ongoing basis. I'm a bit concerned about it and it also opens the door on something that the city has probably held, well, has held pretty sacrosanct for a while and that's the long-term banners in our right-of-way. Yes, Vice Mayor?

[Time: 00:57:39]

Vice Mayor Korte: Well, having directly been involved with the Motor Mile banners, I was privy to the success of those banners and bringing a focus and a brand to Motor Mile and identifying it as a place to shop and do business. I understand the Mayor's concern, though I do believe that it is worthy of looking into and seeing where we can create some policies and procedures that would prevent the proliferation of banners throughout the entire city, but also give an area that has long been neglected a shot in the arm.

Mayor Lane: Any other comments?

Councilmember Phillips: Thank you, Mayor. I have heard the Mayor's comments and Virginia has some good comments also. Maybe we can explore that option maybe in a time frame sort of way and then I would also like to recommend that we have a public outreach so that things can't be put up that you are going to have a detrimental effect later on.

Mayor Lane: Councilman, I know you don't agree necessarily with this, but do you want to make that a motion?

Councilmember Phillips: No, we are just giving direction. Thank you.

Mayor Lane: Well, without a motion, we are whatever path you are on. I guess I would make a motion that we not proceed with this idea because I think this probably is, certainly is a bit of a major adjustment with regard to our policies in the past. As to the success of them, I think that it's proven really, frankly, in our last rather inexpensive, not facilitated the survival of an area that was intended to survive. So I would simply make the motion that I don't think this is a path we want to pursue.

Councilman Littlefield: Second.

Mayor Lane: Would you like to speak toward it at all, Bob?

Councilman Littlefield: No.

Mayor Lane: I'm getting very formal about this. But anyway, Councilman Robbins, yes?

Councilman Robbins: So you are talking about future discussions. We are not really making any decisions right now, but, A, the SkySong wants to update their current program and they have been given current banners under their development agreement. We are not going to take that away from a current property owner. They are just updating and we want to be involved in that update.

Randy Grant: Correct. Yes.

Councilman Robbins: Okay. So I would say that we want to know what's going on in the update and if we can improve that, whatever that means, whether it means bigger or more, or better

messaging or whatever the thought may be. Certainly I would like to be a part of that and see that come back.

Mayor Lane: I would just say that in my motion, I'm not suggesting that something that's already been assigned that we would reverse but if we are talking about expanding upon it, I would be shying away from that. And I had understood that we had actually extended the application of the banners for them. Is that something that's in perpetuity, the 200 years of lease?

Randy Grant: For SkySong?

Mayor Lane: Yes.

Randy Grant: There was some discussion of what was put up and what the ordinance allowed and whether it was part of the development agreement with A.S.U. and a number of things. I think we determined that the banners are allowed. They are grandfathered in and it could be maintained as a part of the previous approval. The question that we had was do we want to use that as a springboard to perhaps look at some other opportunities along the corridor? And they would probably be going out and maintaining and replacing those banners on their own if we choose not to.

Mayor Lane: I think the ones that they have currently had that are grandfathered in. Then entitled to those banners for the entire term of the lease, 198 years. As long as they were not abandoned. Yes, Councilwoman Milhaven.

Councilwoman Milhaven: I share your concern about competing events and who gets to have a banner and the aesthetics of banner. It seems to me that the banners help to create a sense of place and vibrancy and there's stuff happening that people will want to come down and see and so while I share your concerns, I'm certainly open to getting staff's recommendation on what a potential expansion might be and what benefits we might see. So while I share your concern, I'm not going to support the motion.

Mayor Lane: Okay. I appreciate that. Councilman Littlefield?

Councilman Littlefield: One man's vibrancy is another man's unsightly clutter. So.

Mayor Lane: There's a motion to not pursue the banner program that currently exists. Although in favor please indicate by aye. Opposed. Okay. There is the answer.

[Time: 01:03:15]

Randy Grant: One of the things we mentioned previously was the potential for some type of adaptive reuse program. In other communities, the adaptive reuse has been implemented in way that allows it to be used under the current code, consistent with what they were approved to be. So if the building code changed, if the ordinances changed, they would be allowed to put a business back in there without having to bring the building fully up to compliance with all current codes. It is used

successfully in areas to get businesses back in buildings, quite honestly, one of the balancing acts of adaptive reuse is you are prolonging the life of a use of the building when you may want to actually see some of the older buildings taken down and new buildings. Adaptive reuse benefit is you get new businesses in old buildings. You can perpetuate the existence of older buildings which may not have historical character. They may simply be old buildings.

Mayor Lane: Thank you. Councilman Phillips.

Councilmember Phillips: Would the adaptive reuse, would it be where the city goes and says, that the building qualifies for it. Usually the ordinance specifies the types of things that would be subject to the adaptive reuse. So if it's short on landscaping, if it's short on parking, you know, those types of things are spelled out. The things that can't be predicted are exactly what type of building code issues might be at play. And on those, it would be more of a case by case basis. If it is a fire safety issue or something like that, access, emergency access issue, that type of thing, then that's a much higher priority issue than the landscaping requirement.

Mayor Lane: Thank you, Councilman.

Randy Grant: So we would.....

Mayor Lane: I'm sorry, Councilman.

Councilman Robbins: So then do we currently have an ordinance that allows that kind of, I mean, where do you draw the line? Because you are talking about different priorities. How are we implementing that and enforcing that and are you looking to change that? Where are you going with this exactly?

Randy Grant: We would like to come back to you with some recommendations. Right now if somebody comes in to remodel, substantively remodel a building and put a new use in, they would be required to meet all cold requirements which means if they don't have adequate landscaping, they would have to create landscaping. If they don't have adequate parking, then they may need to redo their site plan to come up with it. In some instances, the people that found out about this found out about it after they had purchased the building. So it created a bit of a challenge for them and a great deal of frustration for them. So part of what we are looking at is as a community we want to accommodate some of those types of things in order to get businesses back into some buildings, understanding that they may not meet the aesthetic standards that we currently have for a new development.

Councilman Robbins: Is this primarily 100% commercial or are you residential as well?

[Time: 01:06:49]

Randy Grant: It could be residential. Usually the type of things that adaptive reuse would promote are more commercially oriented. They are the aesthetic things. They are the parking and the

landscaping and so it's usually more commercial.

Councilman Robbins: I mean I would say absolutely if we want to redevelop an area, revitalize it, we would have to look at incorporating these kinds of things in that area to make it work and promote that type of use. So I would be in favor of seeing something.

Mayor Lane: Thank you, Councilman. Randy, as far as this is concerned, it sounds like this is something that we already, we have more or less suggested that we open ourselves up to as far as that's concerned. What we don't have here are the particulars of what additional license might be given in adaptive reuse. I think it's a, I think everyone here that has expressed an opinion on it in the majority has indicated it's a positive way to go. It will come down to how much of an adjustment to our system that it will entail but at the same time, you know, a lot of communities have found this to be an exceptionally positive way to build character in the area and frankly to accommodate some kinds of uses that we really want to move through. In fact, our City Manager, the adaptive reuse of the courthouse was a shining example of that kind of thing. Okay. But in any case, so I don't know whether a motion is necessary, unless there's any other opposing positions on that.

Randy Grant: What we are really looking with on these is to give you a status update. If you want a change in direction, we are continuing to move forward on them and we will be bringing them back. If you have any heartburn, then you can direct us otherwise. The last item is the redevelopment area, and I know that the Economic Development Subcommittee has explored in a couple of, explored in a couple of different sessions what this might mean and it will come back to the full Council for a discussion prior to the expiration of the redevelopment area. I would like to give you an indication that we still have it on our radar and subject to what the Council directs us at a future date, we will take those into account.

Mayor Lane: If I might add to that just briefly and not to set anything in motion one way or the other. Certainly we've had some expansive conversations about that and there's a little bit of homework that the Economic Development Subcommittee has put before you to make sure we have a comparative analysis before it comes before the full body.

Randy Grant: Yes, correct. Thank you.

Mayor Lane: Okay. Yes, Councilman Phillips?

[Time: 01:09:38]

Councilmember Phillips: Yes, and just as a caveat to the banners, back when you are talking about, there was a comment about, you said earlier that they have the grandfathered right to put up the banners. We want to make sure that they are not in a legal position where, you know, so I don't know what the, you know, your resolution said about where they can go and where they can't go. As long as we make sure where they are supposed to be.

Randy Grant: We will look at that as well. We had made an initial assessment of that, but we will

confirm that before we take any action.

Mayor Lane: Thank you, Councilman.

Randy Grant: Some transportation improvements that are underway. The first thing that I wanted to do was I happened to be out on Scottsdale, walking Scottsdale Road over the weekend. And there is a little coffee shop on the east side of Scottsdale Road south of Thomas called Delite Kitchen and Coffee, and it is one of the things that I think we are trying to encourage in the area, using an existing building, going back in with a really neat use. But I got to looking at the streetscape as I was walking along and it's a little hard to see in this, but the two sections, the two photos on the right-hand side, the top one was an aerial from 2010. It looks fairly typical. That was prior to the streetscape improvements that were done on Scottsdale Road. The bottom aerial shows at 2013. And the significant differences are there are bike lanes now on both sides of the street, north and southbound. The sidewalk has been moved back away from the street and landscape tree wells have been placed between the sidewalk and the street. It seems like a little thing, but the difference is substantial.

Just the number of people that were walking along that, I think is greater because they feel more protected than they would walking along, when the only thing that's separating you and 40-mile-per-hour traffic is a vertical curb. So it's much more protected. It's a much more interesting and it's an example of the improvements that are being done in the area that you might not just not driving along. Improvements underway include the bike and the sidewalk improvements on Thomas Road. This was underway and it was put on hiatus because of the Spring Training. It includes bike paths and sidewalk improvements from 73rd street to the Indian Bend Wash. If you go out there now, you can see some drainage improvements that are underway.

A transit facility on both sides of Scottsdale Road south of the McDowell or underway and as a part of those improvements, landscaping along the north side of McDowell from Scottsdale Road to Miller is going to pretty much complete the streetscape improvements for the entire area. We have to go back and do some spot improvements for the areas where the landscaping has not been well maintained by the property owners, but it's looking very good.

[Time: 01:12:57]

Pending, you mentioned the widening of the McDowell Road bridge, and the streetscape on the north side of McDowell will finish off that section. Upcoming, there's improvements to the crosscut canal at east of 64th Street and McDowell. Bike connections along McDowell Road and the bike share program that we are looking at that Tempe and Phoenix have brought up and we're looking to make sure that they are moving forward before we bring anything back to you, but it's an interesting prospect to encourage biking and bike share in the area.

Mayor Lane: Randy, if I might, one question I had as far as the pending, you've got the streetscape north side from Scottsdale to Miller, that's a particularly challenging area because of the shallowness of that commercial property and I'm not sure what impact it's going to have but there were two questions. One was, when is that scheduled to happen? And the other is, how much interest have

you seen in improvements on, in some of those facilities, some of those private amenities on that side of the street? I have heard anecdotally that there was, there's been some significant interest in development of those properties in view of the new market that's going to be developing for them with.....

Randy Grant: That's what we heard as well, Your Honor. The improvements are going to be within the existing right-of-way because of the configuration of the corner there was only a very small piece that was going to have to be taken for right-of-way improvements to conclude the right-hand lane northbound on Scottsdale Road, but the landscape improvements within the right-of-way. So we won't have to shorten any of those properties, take any property away. We have heard as well that there is ongoing interest, and particularly since the economy is improving, one of the difficulties throughout this entire area is a lot of the properties are held fee simple and they are paid off. So to some extent it's a continuing cash flow for them to maintain the existing buildings. We probably won't see that changing until the property values get to the point where somebody is willing to come in and maybe assemble a couple in order to have a property that's large enough to accommodate their parking and landscaping requirements and all of that. But we are continuing to hear about people that are interested in investing in the area, substantially investing in the area.

Mayor Lane: And one of the things I heard and, again, it may be a little bit of an aside from what you just described and that is existing restaurants in the area, particularly, are looking to, and the property owners are looking to adjust to what they see as a potentially new market, in much the same way as a multimillion dollars investment in Fry's and some of what they have done in that shopping center just down the way on the east side of, well, on the north side of McDowell, east of Miller. So I just, I think it's very interesting because with you just demonstrated what the streetscape did in this particular area or at least what it's developing to do and I think this could be a perfect add, if it doesn't diminish the viability of that commercial property.

Randy Grant: And for many of the commercial properties and the restaurant properties, it's all about rooftops. We are seeing with the expansion of residential, there may be those who feel that there was not enough density in the area to make it successful.

Mayor Lane: Thank you, Councilwoman Milhaven.

[Time: 01:16:33]

Councilwoman Milhaven: Randy can you tell us more about the transit route improvements.

Randy Grant: I'm sorry?

Councilwoman Milhaven: The transit route improvements, more about that, the third bullet?

Randy Grant: Yes, most of those are improving the connections, the scheduling and frequency to match up with the adjacent communities. We talked about this initially as part of the Transportation Plan that you talked about in a separate session. Those are adjusting the frequencies in order to

accommodate the frequencies of adjacent communities. So it's not a, it's not necessarily a new route. It's adjusting the frequency and scheduling the existing route.

Councilwoman Milhaven: Would that include a better connection to the Tempe light rail station?

Randy Grant: I'm not, yes.

Paul is saying yes.

Councilwoman Milhaven: I would like us to see what are our priorities, to this corridor in particular, but downtown in addition and see how quickly can we improve that and I think Mr. Basha did an outstanding job sharing with us sort of the more infrequent your bus service, the worse it is. And the less reliable, the fewer people will use it. And so you are talking about increasing frequency but making sure that connection to the Tempe Transit Center, I think that would be key. I think that would be a top priority. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Phillips.

Councilmember Phillips: Thank you, Mayor and I believe that rapid transit will go from the light rail down McDowell Road, that's why we are having the transit facilities and SkySong on both sides of McDowell Road. So I don't know when it's going to happen but that's in the works for sure. I was just wondering in the cutouts for the buses is included because we still have a lot of areas where the buses impede traffic when they stop to pick up.

Randy Grant: Yes, and we are, where we are anticipating that there's going to be a future development, that's a part of the requirement for that future development, but I don't know what we have got planned for additional turnouts along the routes that currently exist. Nothing specific right now.

Councilmember Phillips: Maybe something we could look into.

Mayor Lane: Thank you, Councilman. Vice Mayor?

[Time: 01:18:56]

Vice Mayor Korte: Thank you, Mayor. There was some talk around a new route from SkySong into downtown during the week to facilitate the several thousand workers in SkySong. Is that moving forward? Is that going anywhere?

Randy Grant: I have to turn to our Traffic.

Vice Mayor Korte: Yes? October. Thank you.

Mayor Lane: I was just going to ask whether or there has been a connection between our trolley

system and Orbitz and the old route 86 that was discontinued in Tempe, that we had here and we continue on our own, whether or not they were going to reinstitute. That we are talking about traffic into the light rail system and in Tempe, there's obviously route 72, but the trolley system also services that or can and, I mean with the connection with Orbitz if they can schedule those things together. And the other is 86, if it was in play for that and I'm not sure about that.

Councilman Robbins: One more observation. In your aerial, you have the 2010 on the top and the 2013 on the bottom.

Randy Grant: Correct.

Councilman Robbins: Well, it looks like there's a lot more customers/traffic on the top aerial than the bottom aerial. You are not saying that, we didn't scare away customers or traffic did it?

Randy Grant: I'm not sure there's any connection. I'm not sure the time of day or day of week. It's purely anecdotal. Landscaping, the Community Services group has gone out and done some supplemental landscaping in the medians and along the right-of-way along McDowell already. There's a little bit included in the upcoming budget. In addition, we are looking at some enhancement to code enforcement to bring the properties that are commercial properties that had landscaping that's currently, they let kind of die out, bring them back and whether that's a partnership to have someone like S.G.A. participate in improving the landscaping along there, we are open to options for that, but we recognize that in some places along here, where landscaping currently is supposed to exist is pretty meager and we are looking at various ways to supplement that.

Mayor Lane: Mr. Grant, in those particular cases, when we are adding the vegetation to those areas, I assume they are fully serviced with water supplies and that.

Randy Grant: Yes.

Mayor Lane: But we do have the added requirement for maintenance on those things. In the past, we did a great deal of transition from neighborhoods and right-of-way maintenance by owners of property on to the city. How much is this going to add to our overall burden as it relates, I'm not saying anything positively or negatively, I'm wonder what the ongoing impact is on this.

[Time: 01:22:12]

Randy Grant: On some of these, Mayor, it's landscaping that has not existed. For example, around the entry monument on the east side, on the east end of McDowell and there are some examples here of additional planting areas. There are a couple of businesses that I can think of where the city invested fairly substantially in landscaping along the frontage of those properties and for whatever reason that landscaping no longer exists. In those instances we would be willing to go back to the landowners and say what's going on. They would have an obligation to bring those back. We would be looking at doing that through an enforcement program and maintaining it through an enforcement program, as opposed to a capital project where we would do it all at the same time.

Mayor Lane: Even as we talk about McDowell Road on the south side principally, right now, that's all, that has all become part of the prescription on their obligation. Now I'm thinking about Mark Taylor, as well as certainly with SkySong, but I think they have already demonstrated through the years that they have done a fairly good job with that. But those kinds of developments, certainly within their scope, we have not assumed the responsible for that landscaping, even in the right-of-way on their frontage?

Randy Grant: That's correct. Absolutely. Some projects that are in process, Las Aguas is now in development review. Mark Kia moved from Scottsdale Road over to McDowell. And SkySong apartments are pretty much completed. SkySong building three is under construction. Mark Taylor is being framed. 77 on the Park is a project that is south of McDowell on the east side of the wash. Again, reuse of a property and looking at putting in 23 new residential units. And the Paddock Pool site, which is Diamante has been to Council and going to the Development Review Board in April. So we are seeing a lot of activity throughout the area, and, again, addition of some rooftops and revitalizations, some properties tends to perpetuate that movement. And hopefully enough is getting started that it will move on down the street.

Mayor Lane: Yes, Vice Mayor.

Vice Mayor Korte: Who is Scottsdale R.V. Number two, Scottsdale R.V.

Randy Grant: Scottsdale R.V. is on the south side. They expanded out to the street. I'm not sure who the principals are, but it's on the south side, across from Las Aguas.

Vice Mayor Korte: Is it motorized R.V.s or is it camper/trailers? Give me an idea of what type of business it is.

Randy Grant: Yes, I believe, Kim is it....

Senior Planner Kim Chafin: Right behind the Honda dealership and they are taking on, they are expanding into the now vacant Enterprise Rent-a-Car site between the Beamer and the Honda. So they are doing an expansion.

Vice Mayor Korte: The little A frame, yes. Okay.

Mayor Lane: Thank you, Vice Mayor.

[Time: 01:25:53]

Randy Grant: The last slide is to continue to sustain the progress we are seeing, a lot of activity and we are trying to capitalize on that and create some momentum with. Continue to outreach and coordination and looking to fine win/win solutions to revitalization challenges such as the adaptive reuse. Kim Chafin, the Senior Planner, Project Planning and Development is the lead on this, and for

the next several months and for the past several her primary role is to do the coordination and to be bringing back to you in the future what we're seeing happen and what we are able to do to help stimulate the revitalization. So with that, any future direction or other direction we would appreciate your time.

Mayor Lane: Very good. Thank you, Mr. Grant, unless there's any other questions of Mr. Grant.

Councilmember Phillips: I don't have a question. I want to say great job. I think we are going in the right direction and I think things are looking up for McDowell Corridor. I would like to see the redevelopment district designation taken away but other than, that I think we are on the right track.

Mayor Lane: Yes, Councilman Robbins.

Councilman Robbins: I know in past we talked about theming the area or promoting certain types of businesses that we wanted, say, education based or high tech or medical or anything like that, and not that I want to turn away anything, but is that, is it happening on its own or is it something that the Council needs to take a lead in and say this is where we want to go and types of businesses we want or is it just more organically happening? What's your sense?

Randy Grant: I think it's organically happening. I think the economic strategic plan is going to weigh in on these things. Ultimately, it's the feasibility that's determined by an individual business. A lot of people say we would love to have a Portillo's here and we would all love to have a Portillo's here. Ultimately they make a decision of whether there's a Portillo's here. They have to see the rooftops and the income levels and the types of things to make those decisions. So we are targeting businesses that we think are beneficial to the area. But a lot of it is decision making on the part of individual property owners and potential businesses.

Mayor Lane: Thank you, Councilman. Councilman Littlefield.

Councilman Littlefield: What exactly does finding win/win solutions to revitalization challenges mean?

Randy Grant: An example of that is what we discussed with looking at adaptive reuse. We may need to make some concessions or some compromises in order to get uses back in these buildings. In some instances, the properties are so small that they don't meet code now, just the property size doesn't meet code. Particularly along Scottsdale Road. So some of this is looking at how actively we want to encourage those properties to redevelop. One approach would be that they would simply sit vacant until someone assembles that property and the property next door and create a property that's large enough to do something with. That's certainly a strategy that we could engage in. The option is to try to find a way to create a win/win for the property owner to lease the property and for the city would want to see an active business in there paying sales tax. And in some instances, as we will be coming back to you, that may take a compromise on the part of development standards if we choose to go that route.

Mayor Lane: Thank you, Councilman. Any other comments for Mr. Grant? Otherwise, I think we have provided the guidance necessary. But thank you, again, very much, Mr. Grant.

[Time: 01:30:12]

Fritz Behring: Obviously the presentation that Randy gave highlights the complexity of a lot of our priorities and changing the focus to the next item on the agenda we have a comprehensive list of Council priorities in my opinion. I think there's a tendency when Councilmembers and groups get together at the end of the day, they have to change the list of priorities. I don't really believe in that. I think you have a good, solid list of priorities in the short term that makes sense, but there may be other issues that are more important to you now than were from a year ago and that's what I would like to hear from the Council.

If there's anything that we are not doing today that we need to focus our time and attention on and perhaps adding another priority or two to the list. You can walk away from this meeting with absolutely no changes to the priorities. It really comes down to what you as a Council want us to spend our time on and I promise you, I'm not going to have five more presentations like that. We would be here until midnight. So, but these do take a lot of time and these are important issues and I have always been a firm believer that if you are going to have real priorities, you better have few priorities, because you will never get them done and by having a shorter list of priorities, I think we are more apt to be successful.

Mayor Lane: I appreciate that comment, Mr. Behring. I think you have it right on, first of all. I think the first item takes a bit more attention, possibly more input than some of the others might. And I think that's one of the reasons why we put it in the lead. It has been in the past, somewhat of a priority because it's been a long standing area that we have tried to focus even in the last five years without a particular plan for it on an organic level trying to get things developing in that area and I think there's been a measure of success there and, of course, with SkySong there providing sort of a hub for that. I think the input was excellent here, as far as that particular area is concerned and even the acknowledgment that there's actually been some progress in the area and maybe there's some fine tuning of things we would like to do to enhance that.

To the idea of whether we reprioritize these, I suppose we will leave that to maybe a final vote on this, but as we go through these individual items, I'm thinking that may be something between B and F that we may either want to add, delete or modify its positioning, if this is a list of, and I'm presuming that it is, of the priorities to the did, the priority basis we established during our session together. So with that, I don't know if we want to move on to the next area and then let's go ahead and take that one and we'll take it from there. Unless other Councilmembers have some other thoughts on proceeding. Well, we essentially sat down to go through on item two, A through F. We just completed item A.

[Time: 01:33:30]

And with a little bit of cautionary remarks from our City Manager and frankly as we look at this, how extensive will each of the others be. I think I was just indicating and I believe it's true that for most of

us here, the McDowell Road corridor is in the right position as far as priorities are concerned unless there's some comment to the rear on that, I think that it is one of those areas we would like to continue to focus on as a priority. And as we look at the rest of them, we can gauge them as a Council, as to whether or not they stay in the position that they are in, they stay on the list at all or whether we ultimately add something new. I think that's what the guidance from Mr. Behring was telling us. I'm sorry. Does that answer the question or, Vice Mayor?

Vice Mayor Korte: Thank you, Mayor. So I'm just trying to think how this conversation can move forward. Are we looking at a blending number, the remaining B through F of number two, blending it with number three?

Mayor Lane: Well, I suppose we could do that. I don't know that it's something we could discuss if that would consolidate it to the City Manager's position. I don't want to preempt what you were trying to indicate to us, but the simpler, the more straightforward and maybe the more limited number of priorities makes it a more actionable item and frankly, a more, greater prospect of getting it accomplished. So blending them might be something we also would look at.

Fritz Behring: The six items that you have as priorities are legitimate, sound, rational priorities and I think it will continue to take my staff another 12 months to 24 months to see all of these through to completion and then even at that point, some of these will be recurring priorities. Really, I think my question to you is: Do you have anything else that you want us to spend time on as a new priority that may be added to this list, or may bump something else off the list. If it's something that the Council's view has changed that one of these items is not a high priority but something is more important. I would warn against adding six more items to the list. That's my caveat.

Mayor Lane: One of the things and if I were just to continue on a little bit of this discussion from this seat, as I look at C and to create and adapt a comprehensive economic development strategy, I think we are in that process. I mean, so it's a priority, but it, I don't want to say it's completed but we are committed to it, and it's essentially a long ways along and there may be other items as we talk about strategic support of tourism and visitors events. Another thing we have been actioning on quite a bit too and maybe that's what Brent is going to tell us, but I will open it up to this point, we could be dropping some things off in a certain sense because we are already in process of them or otherwise.

Fritz Behring: You know, I conceivably think six months from now, we will be able to say we completed our economic development strategy. And we will be implementing. We are not to that point yet. We are in the process. We are in the process on several of these but I think they are important enough that we want to keep them on the priority list.

Mayor Lane: Yes, absolutely. Yes, Vice Mayor?

[Time: 01:37:12]

Brent Stockwell: Mayor Lane, members of Council, there's probably something I neglected to say in my opening remarks and that was that might be helpful to you at this point, and that was question just

wanted to put all of these priorities down so you knew you could talk about them. It was not necessarily intended to go them item by item and I probably should have mentioned too that we are using other work studies along the way to talk about each one of these. For example, on the tourism and transportation item, you had a comprehensive work study on February 11th. The economic development strategy will be coming forward on April 29th. And, of course, over April, pretty much every other meeting all the way since January, you talked about the fiscally sustaining and capital budget, but you will go into detail on that on April 29th as well. So I should have mentioned that from the outset, that the overall structure here is just to give you the opportunity to talk about what you want to talk about in terms of those priorities, as the City Manager has said and then also to remind you, we are scheduling these for action and work study along the way as well.

Mayor Lane: Thank you, Brent and Vice Mayor.

Vice Mayor Korte: What I want to bring up could fit in under E, and preparing and adoptive fiscally sustainable operating and capital budget. I'm thinking that regarding the Preserve. So if we can kind of switch our thinking here. That we have a remaining bonding capacity, around \$60 million, depending who looks at that, and perhaps it's time for us to talk about the Preserve and the recommended study boundary and, say hey, is it time for us to celebrate the completion of the purchase of those lands for the Preserve? And use the remaining two, perhaps create a reserve or an endowment that would help us, shall we say, in the whole sustainable operations of the Preserve to maintain the Preserve and improve the amenities within the Preserve with those remaining dollars?

You know, we continue to talk about the pressure on the General Fund and this Preserve being one of the most important things that we have done as a community. I think we need to look at how we are going to maintain this Preserve in the long run, and maintain it as a treasure, because, you know, the Preserve doesn't have any revenue courses, like a T.P.C. or WestWorld, and so long term, how are we going to maintain and operate this Preserve, this treasure of ours? So perhaps we talk about the bonding capacity, how that compares with the existing land values of the non-conservation designated parcels that are still within the boundary. And in the meantime, I think as we are going through that process that perhaps we place a moratorium on any additional parcels, any additional lands purchased in the Preserve until we can kind of figure out what all of this looks like.

[Time: 01:40:49]

Mayor Lane: Vice Mayor, I think that that's a very timely and probably appropriate conversation for us to have. And I think you are rightfully sort of indicated it does come under item E and that is to adopt a fiscally sustainable and operating and capital budgets. To your point and I share your feelings on this, and as to whether or not obviously it is not a revenue producer in its former or conceived and ultimate form in any case, so it is going to be an outflow rather than any kind of offsetting income on that property from tax basis or otherwise. So it's got no source of revenue. But to your point, even to the idea of further development of thought on that, considering whether or not there are remaining funds that could be put into an escrow that would help to offset those costs. We had the good fortune of having a volunteer organization with the M.S.C., the McDowell Sonoran Conservancy to offset our own obligations in just the day-to-date maintenance of it. I think it's

certainly a valid item for us to discuss under that category. I don't think it's necessarily an added item. I don't think you were suggesting it was either.

Vice Mayor Korte: No. No.

Mayor Lane: I think it's something to add into the list of things we are considering.

Vice Mayor Korte: Could I continue a little bit on that thought? That as you bring up the McDowell Sonoran Conservancy, I wonder how long a city can rely on a completely 100% volunteer organization to maintain the incredible treasure we have in the Preserve. How long can we count on that and should we? You know, with the additional acreage that we have purchased up in the northern sector, Brown Ranch, there are hundreds of miles of trails that are going to be built that are going to be, that will need maintaining and can an all-volunteer organization do that without some subsidies? Something along the lines. So I think it should be part of E, and also if we just place a moratorium on purchasing any more land, I think it would give us some time to really evaluate where we are on this.

Mayor Lane: Do we have a stopping point as far as land is concerned in that there's no further A.P.I. land and there's.....

Vice Mayor Korte: There's no further A.P.I. land.

Mayor Lane: And there's only the singular auction that will be conducted this year. I think we're already committed to that. The moratorium, that might be something we would be considering. Is there a moratorium and the direction we would take? I don't know the conversation with regard to the particulars of the Preserve takes place here and right now, but it must be, it needs to be something that's added to that category of things that we will consider and discuss and I think that's, if there was a motion to add that, I would certainly second that motion. Yes, certainly, Councilwoman.

[Time: 01:44:10]

Councilwoman Milhaven: So how is it that we are committed to an additional purchase? I know we are walking down the road to consider an additional purchase, but what, I don't understand, I never understood that we were committed.

Mayor Lane: You know, I may have that wrong but I thought we had the last, what is it, 1,000 acres or something. That's not in the works at all? I thought we filed an application, but there's no further Growing Smarter funds. There's no application for that, it's just a matter of whether we participate in the, but we might have committed not a specific dollar amount as to.....

Fritz Behring: Staff has been looking at, that but it's going to be.....

Mayor Lane: But the auctions would be in October or something like that.

Fritz Behring: Expensive piece of property.

Mayor Lane: But there are no, and maybe Kroy, maybe you could educate us all in the world, there are no applications of Growing Smarter funds that we have applied for, they are all outside of the A.P.I., are they not this.

Executive Assistant Strategic Projects, Kroy Ekblaw: Let me just step back and walk through a couple of things. Last year the Preserve Commission made a recommendation for two more parcels and we brought that to the Council.

Mayor Lane: Right.

Kroy Ekblaw: Late summer/fall. What we called parcel 1, which is at Pima and Dynamite, and 290 acres and parcel 1a, coming out around 115 acres adjacent to the Rawhide Wash. Parcel 1a has the potential to qualify for the Growing Smarter dollars of which there are very few left under I think it's under \$700,000 or roughly around \$700,000 available. And whether we will be able to meet the timing for that is a question, because we have been working with the State Land Department on the process for pursuing those two parcels and that's something that I would expect to be able to be back to you in a very short time, with an overview of the expectations the State Land Department for the lands that were not designated as suitable for conservation and the general plan work that was done 11, 12 years ago and expectations for zoning on that in order to proceed. So that's a discussion that we will be able to bring to you, I believe very soon.

From the standpoint we can also bring you to an overview of the status of dollars we just recently updated the Preserve Commission on that, and we can bring that back in a broader context, both of where dollars are likely headed for potential land or available for land, as well as dollars for such things as trails and trail heads, the Pima/Dynamite is a parcel that has long been targeted as another trailhead site, a major trailhead site in that area and we have dollars for upgrading some of the trailheads that have not been fully developed. So we have identified kind of long range projections on that. And we put that against the projections of the sales tax and the bonding capacity. So that's a presentation that we can very quickly bring back to you in some type of Work Study format.

Mayor Lane: Just a quick question on the availability of Growing Smarter grant funds, is that \$700,000 in total or what's available to the City of Scottsdale.

[Time: 01:47:28]

Kroy Ekblaw: In total, at most \$350,000 and if there's multiple applicants in the county, it could be less.

Mayor Lane: And you are talking about a total of what was being considered 400 acres?

Kroy Ekblaw: Parcel 1a would be the only one that might qualify.

Mayor Lane: Okay, but what we are looking at.....

Kroy Ekblaw: We are looking at about 400 acres, that's correct.

Mayor Lane: Yes, Councilwoman.

Councilwoman Milhaven: Are we committed to purchasing those additional parcels.

Kroy Ekblaw: We are never committed until the Council gives us direction.

Councilwoman Milhaven: That's what I thought.

Kroy Ekblaw: Are we spending dollars for some of the due diligence and applications? We do have the direction to proceed on that, but until such time as we get to that, we are never committed to the actual purchase until we get to the auction.

Councilwoman Milhaven: Because I think Councilman Korte makes an important point. We will own this Preserve in perpetuity and the thought of building a reserve or an endowment that would help to maintain the Preserves and the trails or any other additional improvements, I think it makes sense for us to stop and consider that so that the Preserve tax can sustain the Preserve in perpetuity without a drain on the General Fund. I'm certainly in favor on holding up on doing anything more until we can consider what are the future revenues and what are the future needs and what will sustain the Preserve in perpetuity? So I'm certainly supportive. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Littlefield.

Councilman Littlefield: I think I need a little more detail on exactly what it is that the Vice Mayor is proposing. Are you proposing that we not buy any, that we not buy any more land, and use that money for something else? Is that what we are talking about?

Vice Mayor Korte: I am proposing that we put a moratorium on land purchases and better assess what our remaining bond capacity is and better identify what the cost of maintenance and operations of this Preserve is in the future, and what it's going to cost the city so that we don't put any more undue stress on our General Fund that perhaps this could be a funding mechanism for only the Preserve and its amenities in maintaining the amenities and trails and trailheads, only Preserve-related items.

Councilman Littlefield: Well, there's a big difference between the money we collect and the bonding capacity. Scottsdale has lots and lots of unused bonding capacity. That was an issue that we talked about in the last bond election and we have lots of bond capacity. It's just that the voters said they didn't want us to tap into it. So.....

Vice Mayor Korte: Excuse me, just let me clarify that I'm talking about the current preserve tax.

Councilman Littlefield: Yes.

Vice Mayor Korte: That's all I'm talking about. That's already been approved by the voters.

Councilman Littlefield: And you are talking about diverting some of that to maintenance from acquisition?

Vice Mayor Korte: I'm talking about a conversation around the long-term sustainability of this Preserve and what we should be looking at as a Council to better provide for the needs of that Preserve and the, and maintaining that Preserve for our residents and tourists.

Councilman Littlefield: Well, I would have to see a lot more specifics before I would buy into that because here we had six elections on the Preserve when the voters have said very specifically what they wanted done, and where they wanted it done and so before I would even think about tinkering with, that I think we have to look really, really carefully at some of that. So I would have to see a lot more specifics before I would buy in on that.

Mayor Lane: Thank you, Vice Mayor. Thank you, Councilman and frankly, I think that's what the motion is about, to investigate the exact status of where we are at with regard to purchases, as well as the sustainability of it. I think there will be a fair amount of investigation. That's the idea.

Let's take a look at where we are at. About the only thing that sounds a bit more stern or specific towards the idea and that's having some kind of hiatus or having some type of hold on any additional purchases at this point in time. We are not doing anything at this point in time, anyway. Even if it's only \$350,000, we haven't applied for any of those funds, either and I know there's some time of constraint or some time indication on that, and further, there will be a stopping point under the current availability of funds but let's find out what it is in any case and, of course, which direction the Council would want to go within the prescribes the ordinances and the bond issues themselves. So, you know, I think we've got that motion and second on the table. So, yes, Councilman Robbins.

[Time: 01:52:41]

Councilman Robbins: I guess the only thing I would worry about is that Kroy talked about we're spending due diligence time and effort, energy, money, on some new acquisitions and your motion talked about a moratorium and so, and we have already given specific legal direction to do that and this is just advisory. Those don't line up. So I couldn't support that because it's, different from what we have already given direction to do.

Mayor Lane: I see an anxious City Attorney waving his hands since I no longer have a screen that says he's saying something. Mr. Washburn?

Bruce Washburn: Thank you, Mayor. Following up on Councilman Robbins' point, the Council previously voted to give direction for the staff to proceed with respect to these acquisitions, isn't that correct, Kroy? They authorized the application process.

Kroy Ekblaw: The application and the due diligence process.

Bruce Washburn: Right. And so at this meeting, you can't undo that because that was a legal action and you can't, so you could agendaize and you could request staff to bring back, bring it back for your consideration at a meeting where it is properly agendaized. I should also point out that the Preserve tax, my memory is the Preserve tax is for acquisition of land and building of improvements, it's not operations and maintenance. I don't think we can use that.

Mayor Lane: Yes, there are some improvements and other issues that can be addressed in the current code, in the current language within the bond issues as well, but that may be something to be explored. Maybe what we ought to be thinking about is less specificity about this issue, and just say we need to add this to item E as an item that we want to consider further action on. Is that suitable to you, adding it to our capital and operating conversation? Under E in this? Well, Mr. Washburn, I just want to make sure is that, is that okay? We are not necessarily reversing anything. We are just saying, it's a point of some further discussion.

Bruce Washburn: No, I think that's exactly what you can do here is give direction to staff to say we want to consider this, you know, the possibility of taking some legal actions at a later time and bring it back.

Mayor Lane: Under our priority E as it is right now. I'm sorry, Vice Mayor.

Vice Mayor Korte: I'm sorry, Councilman Phillips. Could I suggest that we place on a future agenda a conversation around moratorium on the purchase of additional lands?

Mayor Lane: I don't know is that, I will ask Mr. Washburn is that a suitable thing to talk about a future agenda item?

Bruce Washburn: You can at this time ask that it be brought back by staff for future consideration.

Mayor Lane: In addition to the idea we would like to add this conversation to our overall strategic planning process under item E. So we have one motion to add it on to the discussion in our priority list, and that's been made and seconded. Councilman Littlefield.

[Time: 01:55:58]

Councilman Littlefield: I'm opposed to that. This is exactly contrary to what the voters said they wanted. They said, here's the boundary. And here's the money. Buy it. I think that suggesting that there's a, we have a moratorium on that, especially since we don't control the timing of when the state land becomes available, that's up to them. The idea that we would say we are not going to buy anymore, that's not what the voters said. I would be completely opposed to this, unless you put it up for a public vote.

Mayor Lane: Thank you, Councilman. The idea of a moratorium has been removed because it

would be specifically in the face of the direction that we have already given. We have removed that from the original motion. We certainly agree with you on both legal grounds and maybe now also on practical grounds as far as that goes. That item has been removed from that original motion. Councilman Phillips?

Councilmember Phillips: Yeah, I had some other questions that are going to go back to our original discussion, but I don't know. You have a motion and a second on the table. So I will let you go ahead with that. But one thing you have to think about is that, like Mr. Ekblaw says, we could lose the Smart Growth funds because there are only \$700,000 left, if we wait too long they'll be gone. Even though the Preserve doesn't give us a ton of direct money back, it gives us indirectly because it's a tourist thing. You may want to look at whether the city has maintenance issue with that, it may have to come out of tourism dollars because tourism is a big part of it. But I do have other things to bring up, but I will let the vote go through first.

Mayor Lane: The City Clerk indicated that there was confusion on the original motion. If it was as I stated it to mean, that we list it as a priority under E, a discussion of, it I presume that's within our ability to do here. The idea of a moratorium or including that language is not. It runs counter to with directions that we have previously given. That's not an actionable item here. If with you wanted to revise your motion to just indicate to add it to the discussion in our priority list.

Vice Mayor Korte: To clarify the motion on the table, I request discussion around Preserve, around the Preserve and acquisitions of the Preserve to be added to item E in the fiscally sustainable operating and capital budgets.

Mayor Lane: And if I might say, Vice Mayor, if you would like, I think we could probably do it in the same vote, if you would like to suggest....

Vice Mayor Korte: As a future agenda item to discuss possible moratorium on additional land acquisitions. As a future agenda item.

[Time: 01:58:59]

Mayor Lane: I will second that and any further conversation on questions about that particular motion? Okay. All those in favor of that motion as it's been made and seconded, please indicate by aye and those opposed with a nay. Aye, nay or opposed.

Councilman Littlefield: Nay.

Mayor Lane: So noted. Please but that on there in that regard as direction. Are there any other items that we want to consider, reconsider the priority listing as it is right now, or any added items? Yes, Councilman Phillips?

Councilmember Phillips: Yes, as the direction to staff, I would like to look at the option of removing the redevelopment designation, the pros and cons of that. Also if there's a way to include tourism in

the McDowell Corridor. Because tourism is pretty much related to the rest of Scottsdale. That is kind of excluded from it and we can have a way to bring tourism to that area. And also, I would like to see if we can, the transportation section, to explore more bus turnouts and redirect funds as opposed to planning in the airport.

Mayor Lane: I'm sorry, what was the last item?

Councilmember Phillips: The turnouts for the buses, that's from Mr. Basha's earlier comment, that's not part of our plan for transportation. I think it should be. I think it's pretty important, and we, you know, as far as a way to get funds to do that, I'm proposing maybe instead of doing the wayfinding in the Airpark, whatever staff figures as a better way to do it, to move that more to the forefront and maybe some other transportation items.

Mayor Lane: Councilman Phillips, I know you don't like this process, but would you want to put that in the form of a motion so we could either agree or disagree with that?

Councilmember Phillips: You can disagree if you want to, but I'm not making a motion.

Mayor Lane: Okay. This body operates as a unit and frankly, anything we advance to the staff is.....

Councilman Littlefield: When did that happen?

Councilmember Phillips: Yeah, we have to have individual opinions.

Councilman Littlefield: I didn't get that memo.

Mayor Lane: It's called a democracy, Bob. Maybe the use of the word "unit" it does eliminate some folks.

Councilmember Phillips: When they are asking for a Council vote, I will be glad to vote on, it but they are just asking for direction from Councilmembers. I'm giving my opinion to staff and that's all I'm doing.

Mayor Lane: With regard to what he's just indicated, all those in favor please indicate by aye. Yes, strictly guidance issues he wants me to talk about. Okay. All of those in favor of talking about it. All those opposed. Okay. We have a vote and we operated on it as a unit. Vice Mayor, please.

[Time: 02:02:39]

Vice Mayor Korte: Okay. I have another, I don't even know what to call this. And I would have no idea where to put it in our A through F priorities. But I have been thinking, and that's a dangerous thing, since the failure of the bond questions in November, I know many of us have had many conversations in our community and amongst ourselves, Mr. Littlefield. What is next? What do we do next? We know that we cannot continue to fund capital projects, the need for capital projects out

of our General Fund. What do we do next? We have to commit to our community on an annual basis, but we don't have the monies to do that. At some point, I believe that the Council, we have got to look at another bond question, for voter action at some point. I don't know when that is. And because of our conversations in the community, we know that one of the concerning elements in our community is trust. How can the voters begin to trust an initiative or a referendum to the voters to spend their money? How can they trust us?

So how, so as I said, I don't know where to put this, and I'm thinking out loud and I'm thinking kind of at a different level, so how can we as public leaders begin to rebuild and establish that trust necessary for us to move forward as a, in a community and maintain the quality of life in our community? So how can we, what do we need to do to rebuild this trust? And so I kind of put that out and I put that out to staff to maybe have some conversations, maybe bring back something. I don't know, City Manager, I know I'm putting you on the edge there, but just looking down the road, in the future, what we are going to need to do so that the populous, the citizens trust us as a governing body.

Mayor Lane: You know, I think that's an interesting conversation. I'm not sure that it's, it may be part of the discussion right here, right now, but nevertheless, I think it's incumbent upon us to operate with integrity, of course, and frankly with consistency sometimes and our actions and applications of the laws. And operate within those laws, but I think transparency, consistency, and holding accountability to our own actions as well as those of staff or otherwise is the secret to that. I don't think there's a magic formula that staff is going to come back with and say this is what you need to do. I think it's something that we have to invest in ourselves to do. And I don't mean to close off the conversation with that, but I do think it's one of those broader scoped items that is really incumbent upon each of us to work our hardest and our best to meet the needs of this community on all levels. We may have differences of opinion, but that doesn't necessarily put somebody's upon necessarily as a misrepresentation or a deceitful act. It's just a difference of opinion and how we approach these things. And again, maybe that's a little bit philosophically, but I think it is somewhat of a philosophical conversation that we need to put into action. I can only imagine but, yes, Councilman Littlefield.

Councilman Littlefield: If that were a motion, I would heartily second it. I would love to have that discussion and I have numerous thoughts I would be happy to share. But we're not having it now, I assume. Well, I've got a couple of hours free. But, yeah, I'm more than happy to have that discussion.

Mayor Lane: I'm sure you would have all the answers for everyone. And who would have to go. Yes, Councilwoman Milhaven.

[Time: 02:06:52]

Councilwoman Milhaven: If Councilman Korte asked a question, what can we do to be more open, transparent and gain the trust of our community. I think that's a conversation worth having right now and if not, when? Do we move forward? I have some thoughts, Councilman and I would like to hear your points of view. Is it not something we don't want to do now?

Mayor Lane: Well, I mean, I'm interested in how we frame this. Is it a Work Study where we theorize and then dictate as to what our actions would be or what our actions might not be. It's one of the lead off items in this conversation was the bond. How are we going to pay for any of what we are talking about here? And we have, you know, frankly committed to working within the means as best as we possibly can until we can frame up that question at some point in time where we feel we have obtained that trust. So I mean, I guess some of these thoughts that we might be willing to share right now are just, they may just become argumentative between different positions but I'm open to that. I'm talking about different positions as to what, which way the city is going other, you know, how we communicate that and how we hold ourselves accountable to that.

Councilwoman Milhaven: I would like to follow up. I think what I learned was we gave citizens more information about what we were going to fund with the bond than we give them in any previous bond election and what I learned was that they want more. We need to make the information easier to find. And so I would give direction to staff to say, how do we make our website more user friendly? We post everything online. So it's there. But it's not easy to find. It's not easy to use and so challenge the communication staff, how do we make our website more user friendly, and make information easier to find, present things in a better way, so that, because there is, we have a well-educated, well informed citizenry, who wants the information and we're not making it easy for them to get it. I think that's an opportunity for us.

Mayor Lane: I think that, I believe that's true too, yes, Bob?

Councilman Littlefield: Well, I think this isn't a website problem. And frankly, it also is not a staff problem. The bond issue really, maybe the staff could have done a few things differently but that's not really the issue. It's like Pogo, we have met the enemy and it's us. It's here. The idea that if the website had been easier to use, the bonds would have passed, seriously? No! You know, people understood what was on the bonds. And they didn't like it. And so the answer is, it's not about the staff, and we can't, you know, it's about us and about what we as a group, as a unit to use your term put on the bonds. It's not about the staff and if you are going to have that discussion, fine, but let's discuss what's really happening here. Okay?

Councilwoman Milhaven: If I may.

Mayor Lane: Yes, Councilman Milhaven.

[Time: 02:10:14]

Councilwoman Milhaven: I was saying what I learned in the bond. I'm not saying the bond went down because of it. I talked to folks and they said no, because they didn't have enough information. I'm not reflecting on the bond but the lesson I learned which is we need to make information more available, more easily accessible to our citizens. I'm not talking about the bond. I'm talking about open communication and making government accessible.

Mayor Lane: And if we talk about the bond, it's not as simple to say that this body has worked in some dastardly way, as far as it's concerned. You are talking about an economic question. You are talking about a fiscal question of the extent of the bond. You are talking about the economic times. You are talking about a campaign that certainly professed that we were misrepresenting the facts and, frankly, that it was either excessive or we shouldn't be bonding at all, we should be paying for long-term assets through a General Fund application or operating funds.

There's a variety of things that added to this component, some of which we could address as this body as a whole, some that we won't be able to address. The best that we can possibly do is put together, if we were talking about the bond, but we are really talking about our relationship with the community on the overall, is a, an open and transparent and frankly honest portrayal of things that we possibly can. When there are people that are going to necessarily challenge our integrity, on the basis of whatever, given the economic times, given the financial commitment that we were being asked to make, it adds up to a bad situation. But it is one we are dealing with. Now I would like to suggest that we, if we want to take this conversation forward, the likelihood is that it should be a separate item that we should discuss in a meeting because it centers an awful lot around the bond. And what the city is going to be able to do with regard to this, or anything else, the infrastructure that the city has to maintain as an ongoing basis. Yes, Vice Mayor.

[Time: 02:12:28]

Vice Mayor Korte: Thank you, Mayor. While I presented it as centering around the bond, I think it's a bigger issue. I think it's a much bigger issue and we have seen a shift in the trust in governing bodies, certainly from the federal level down to the state and now it's touching the local level. And perhaps if we are going to fit it in, this discussion around trust and transparency and better communication, better understanding, better outreach, maybe we put it in under F as in reinvesting in high performance organization and work culture broadening that as, you know, a community work culture. If we were going to put it in there somewhere, but while the bond is, the bond issue is a good tangible example of the trust issue, I think it's broader than that.

Mayor Lane: And well, for one, I would agree with you that it would probably fit in under conversation in that category, because the overall idea is communication and performance and, frankly, efficiency of how we operate and how we respond to the will of the people. And so I think that's, it very much is within that category and conversation. So we can expand upon that, but that will be really just as Councilman Littlefield said, it will be something that this isn't something for the staff really to necessarily, they will contribute to, because the extend of observation that we have comes from the staff and that's, you know, within an issue in the past, but nevertheless, I don't believe it's an issue now, it's how we deal with it and how we work with that on every level. So I think that there is a part to be played by staff but on the other hand, it's how we communicated to the constituents. Unless there's any further comment on that. Councilwoman?

Councilwoman Milhaven: I would like to see us continue this conversation. I don't think it's F. That's how it works as a performance metrics and compensation and so I see this as maybe a staff pass, but I don't see that this goes under F. I would be willing to continue this conversation at a later

time.

Mayor Lane: Okay. So I presume really what we are talking about here is to continue this conversation. Okay. Okay. Mr. Behring, I'm not sure whether we have worked our way through in somewhat of an overall cast on the items A through F. And I'm not all together sure that we haven't hit upon some of the items that are in item 3. But I would ask you if you will, we have in the items that, what we should stop doing. I don't know that we haven't at least considered in the basis of our priority of items we have accepted what's here. What you should start doing, I think we have added a couple of things that we continue the conversation on. Is there anything the city is currently doing that we should work to improve? I think in the course of at least this list of priorities, I think we have indicated something on those orders too. So unless there's any further conversation by any of the Councilmembers or Mr. Behring, if you have any

Fritz Behring: I feel very good about the conversation and I think this is a good continuing step in the process of becoming a better community and a better governmental operation and I think we need to do more of this kind of discussion from the heart and so we can better understand the issues out there and everybody's perspective.

Mayor Lane: Well, yes. Councilwoman Klapp?

[Time: 02:16:43]

Councilwoman Klapp: I think when you look at the list of priorities that we developed from the Strategic Planning Session we began with, that we hit upon the important elements of what this Council should be directing you and the staff to do. This is a work plan for the most part over the course of the next two years. It's not something that will remain static as these are accomplished, as you said, things will drop off. But my feeling in reading through the specifics that you are doing right now to accomplish these specific strategies, I think they make a lot of sense and I would congratulate you on the progress that you have made because when we began this process, we had not been involved in this before, not since I have been on the Council.

So when you consider that we have actually agreed upon six things that we believe can be done by this Council over the course of the next few years and we look at what you as your group of people have put together in order to accomplish that, I think that you are heading in the right direction. Yes, there are some things we can do to tweak this and odd to, it but for the most, add to, it but for the most part, I believe that we have come upon some great ideas on how you can accomplish these various goals and I feel very encouraged by it all. So I thank you for that.

Mayor Lane: Thank you, Councilwoman. I think that's a feeling not to take her language away, but I think that applies to all of us. I certainly would agree. So thank you very much, for that. And just in closing, I suppose I think this was productive and I think it was a good way to get through these items and we may have tried to go through each of the items A through F with the same amount of detail as we had with the McDowell Road corridor, about you nevertheless, I think we did cover the base and well. And frankly, some acknowledgments just as was indicated too, that some of these

things are certainly in process and there's progress made towards them and the area is responding and frankly, we don't want to screw it up, so to speak but we want to continue on a good solid road for it. I want to, again, thank you very much and the staff who participated as well and thank you, Council.

ADJOURNMENT

[Time: 02:18:58]

Mayor Lane: And with that, I will accept a motion to adjourn. Moved and seconded. All in favor of adjournment. We are adjourned. Thank you very much.