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CALL TO ORDER

[Time: 00:00:07]

Mayor Lane: Good afternoon, everyone and welcome to the Kiva and thank you for being here and attending and being involved in your city government. By the size of the crowd, it's always an indication that we are either doing something really, really well or something bad. I appreciate you being here to voice your opinion. That's what it's about. So thank you so very much.

Let me just call to order our January 11th, 2016, council meeting. It is approximately 5:10 and we'll start with a roll call, please.

ROLL CALL

[Time: 00:00:35]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor David Smith.

Vice Mayor Smith: Present.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you very much. Just some orders -- items of business. We do have cards if you would like to speak on any of the items on the agenda or for public comment. They are the white cards that the city clerk is holding up over her head to my immediate right and if you would like to give us some written comments on any of the written agenda items, that yellow card is for that use. I think we have gotten some attention to that element already.

So we do have Scottsdale police officers Jason Glenn and Tom Cleary who are, I think, both here with us tonight. Yes, one straight in front of me and right over here to my left. Thank you, gentlemen, for being here and they are here, of course, if you have any need for their assistance. We also have for any medical emergencies, please see the Scottsdale fire representatives for assistance and I believe he or she is -- right straight back in the corner. So if you have a need for any assistance in that area, they will probably be to you before you are to them. The areas behind the council dais are reserves for the council and staff. We have restrooms to my immediate left under that exit sign for your convenience.

PLEDGE OF ALLEGIANCE

[Time: 00:02:05]

Mayor Lane: And we will start the evening with the Pledge of Allegiance from Pack 682, the Webelos. And then with cub master, Mike Slominski and Mike Coppo. Thank you, gentlemen. Please rise if you would. Any time you are ready, please go ahead.

Pack 682, Webelos Den: I pledge allegiance to the flag of the United States of America, and to the republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, gentlemen. If you want to turn that mic around and each of you can introduce yourself and let us know what you go to school and what your favorite subject is.

Alex Coppo: My name is Alex Copo. I go to Archway Classical Academy and my favorite subject is history.

Aiden Truminello: Hello, my name is Aiden Truminello, and I go to Archway Classical Academy and my favorite subject is history.

Carter Ross: Hello, my name is Carter Ross. I go to Archway Scottsdale and my favorite subject is P.E.

Matthew Slominski: Hi, my name is Matthew Slominski and my favorite subject is history. I go to Archway Scottsdale.

Mayor Lane: Very good. Thank you, gentlemen. Thank you very much.

INVOCATION

[Time: 00:03:30]

Mayor Lane: This evening our invocation will be given by our former councilman Dennis Robbins. Very nice to see you, Dennis. And in this capacity, very nice to have you here.

Dennis Robbins: Thank you, Mayor. It's an honor and privilege to be here. Thank you for your service to our community. Let us pray. Lord God, in 1863, Abraham Lincoln prayed, we have been the recipients of the choicest bounties of heaven. We have been Preserved these many years in peace and prosperity. We have grown in numbers, wealth and power, as no other nation has ever known. Loving and gracious God, you are indeed the giver of all good gifts and we truly thank you for all of your blessings. These words of Lincoln are so true for us today in Scottsdale. We have been the recipients of so many blessings. We live our lives in the midst of peace and prosperity and we ask our continued blessings upon this city. We ask that you bless the government, as we seek your wisdom, guidance, courage and strength. Be with our leaders in their deliberations and help them to be wise in the decisions they make in all of those who place their trust and confidence in their leadership. Give them insight to lead with integrity, that their decisions may reflect what is right and good. Keep all of us from short-sightedness and pettiness. Help all of us to make decisions for the good of all and guard us from blind self-interest. Grant us the humility to speak your word in all we do and say. All glory be to you now and loving God, and now in Christ and the Holy Spirit. Amen.

MAYOR'S REPORT

[Time: 00:05:31]

Mayor Lane: Thank you very much, Dennis. You know, I want to recognize that we do have a couple of folks here who have got a lot of history with the city and, of course, with the state district here, the state legislative district and I would just like to acknowledge that Carolyn Allen, the former state senator, Carolyn Allen is here with us.

And Dick, I know you didn't expect this, but nonetheless, our former manager, Dick Bowers is also here.

Unfortunately, our next item to report is not quite as friendly as it is positive this past weekend, we actually -- well, actually, it's been a little bit longer than that, last couple of weeks we lost a very dear friend and employee here in the city of Scottsdale for the past, oh, 15 or 16 years now, named Derek Earle, our city engineer. He was much beloved. A very positive guy. He went through a tremendous time with a battle of cancer and unfortunately, he lost that battle. I would only ask that you think about he and his family, and his wife Cheryl and for their future. Thank you very much for that.

Well, tonight we celebrate, on the other hand, Scottsdale's McDowell Sonoran Preserve in two ways. First January 21st marks the 25th anniversary of the McDowell Sonoran Conservancy. Established in 1991. Worked in partnership with the city of Scottsdale to advocate for acquisition, sustainability and protection of over 30,000 acres of beautiful desert and mountains. Therefore I do proclaim that an official function January 21st, 2016, as McDowell Sonoran Conservancy day. Congratulations to all who contributed.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:08:00]

Mayor Lane: And with the crowd being as is, I'm not sure if I saw him earlier, but nevertheless, please let me welcome the current Conservancy president Jack McEnroe, right there, to say a few words. Jack, please.

McDowell Sonoran Conservancy President John McEnroe: Thank you, mayor. City manager, city council. Before the McDowell Sonoran Conservancy was formed, there was no Preserve. There were no trails and there were no trailheads. There was only a dream. This is America and dreams can come true. It's hard work, diligence, foresight, and that's what we have accomplished the past 25 years. We owe everything that we have done to the community, to the stewards in particular who have been our core of volunteers and all of our non-steward volunteers and all of our supporters.

We are people preserving nature. As beautiful as that land is, it's just land. If it wasn't for the volunteers, greeting people, showing them the way back, welcoming them on the trail, teaching them about the Preserve, the Preserve really would be nothing but it's people that make a difference. The people in this room make a big difference.

We now have 11 programs. We have over 600 active stewards. We have trained over 1,000 people who are now well versed in conservation and the environment and how to better their own community. Where are we going from here, because we see the 25th anniversary merely as a milestone. Our next 25 years will build on everything that we have accomplished to date.

We currently are greeting 600,000 -- having 600,000 visitors a year to the Preserve. We hope there will be many more to come. We greet over 28,000 of these visitors as they approach our trailheads and talk to our pathfinders. That's probably more than any of our resorts or perhaps even all of our resorts get to do during a period of time. So we feel like even though people don't realize it, we do everything we can to support the economy of Scottsdale to give back and to acknowledge the importance of everybody in the community and making our city wonderful for people to come and for -- particularly for those of us who are fortunate enough to live here.

We think at this point we are becoming a destination community, not just for the resorts which are truly wonderful, but also people who are interested in the environment, interested in conservation and interested in how towns and communities can have a better life. We think we play a huge role in that and we want to work with the tourism industry, city government as we have and they have been our partner step by step through everything that we do. We want to do a lot more in the future. Of the impact that we are having is not just local. Our impact is now being felt regionally, nationally, and thanks to our many Canadian visitors who volunteer as stewards, internationally. We greet many people from other countries out there in the Preserve, and it's truly a remarkable experience for both us and for them.

In closing, I would just like to say thank you. Thank you to the city, the city staff, particularly the Preserve staff, and all that have helped us and all of my friends, the staff of McDowell Sonoran Conservancy and our steward and non-steward volunteers and supporters. Thank you.

[Time: 00:12:02]

Mayor Lane: Thank you, Jack. Jack if you could stand by for just a moment. Let me add to that, that the relationship and the contract between the MSC and the city of Scottsdale has been a phenomenal benefit to all of our citizens here in Scottsdale and it's certainly for that great asset to not only be Preserved but also worked by people who are out there voluntarily, really promoting it, and presenting it the way they do. So we want to thank you very, very much for 25 years of growth and engagement on that. But before I let you go from there and I will come down in a moment, but I would also like to have Kroy Ekblaw, the Preserve Director to come and explain the prestigious national reward we won.

[Time: 00:12:45]

Preserve Director Kroy Ekblaw: Mayor and members of the council and audience, I'm pleased to be here as Preserve director this evening. I will actually turn it over to Chris Brown, who is a fellow with the American Society of Landscape Architects and they presented an award to the Conservancy and the city of Scottsdale this November. And I'm going to pass this on to Chris to announce that and the mayor, you can come down and we'll present to you and Jack.

Mayor Lane: Very good. Thank you, Kroy.

American Society of Landscape Architects Fellow Chris Brown: Yes, thank you, Kroy. Mr. Mayor, members of the council, I am honored to be even a part of the process of awarding this award to you tonight. I would like to read off the award. I think it sums up what this award is about. A prestigious national award and everybody should be very, very roundly congratulated.

The Landscape Architecture Medal of Excellence is presented to the city of Scottsdale preservation division and the McDowell Sonoran Conservancy in recognition of their ongoing stewardship of the McDowell Sonoran Preserve which is widely recognized as a model to the creation and management of our nation's critical urban Preserve. The work is a testament to the dedication and commitment to preserving this irreplaceable natural treasure for the enjoyment of future generations as well as the importance of continuing research and education that will ensure the permanence of this invaluable public asset. Congratulations.

Mayor Lane: Thank you, gentlemen. That was very nice of you, and certainly a great recognition, a great product that we have here in Scottsdale, both in people and in land.

PUBLIC COMMENT

[Time: 00:15:28]

Mayor Lane: So our next order of business is some public comment and public comment is reserved for citizen comments for non-agendized items where there's no action taken by the council on any of

these items. Speakers are limited to three minutes each with a maximum of five speakers and there will be another opportunity for public comment at the end of our session. So we do have at this point in time -- we do have five cards at this point in time and it should be three minutes each. We will start with, I believe, it's Sally Krieg. Yes, please.

Sally Krieg: My name is Sally Krieg. I live at 12888 Appaloosa Place in Scottsdale. I'm here tonight representing neighbors in the neighborhood of the Basis Charter School proposed at 128th and Shea. They committed plans to build a 7,000 square foot school for up to 1300 students on Shea at 128th. Residents in this immediate neighborhood were aware of these plans in September -- plans in September.

The residents are concerned about the following traffic hazards. Number one, increased accident potential due to the 1,000 plus parent, student, teacher cars turning on and off Shea with limited deceleration lanes and stacking lanes on Shea. Number two, dangerous -- long lines filled with impatient drivers that causes Shea to narrow to a full lane in each direction. Number three, emergency vehicles may be impeded by -- may be impeded getting in and out of our neighborhood in the area around the schools twice daily for several hours. Number four, new young high school drivers navigating dangerous streets and roadways constitute a great safety risk. Number five, forced u turns along Shea by parents trying to exit again to get west on Shea at multiple traffic lights in the intersections of 124th, 130th, 134th and 136th streets. Number six, approximately 180 on-site parking spaces for 1300 students and teachers with no overflow parking except the narrow residential streets that already exist with no sidewalks. Number seven, children put at risk in the neighborhood who are waiting for the public school buses that already utilize 124th to 130th and 128th. Number eight, use of 124th and 130th to drop off children near the school, who will then have to walk on lateral streets which are narrow with no sidewalks, and as well as though students who are attempting to cross Shea on foot creating safety risks. We would like to thank you for your time and consideration of these matters and we think that you can all agree that one life lost to inadequate planning in a huge traffic congested area would be too many. Thank you for your time.

[Time: 00:19:23]

Mayor Lane: Thank you, Ms. Krieg. Next is Marty Flick. I'm sorry, we don't have applause here, but thank you. No booing. No applause. But do we appreciate your sentiment. We only do it for Girl Scouts and Boy Scouts.

Garry Eastwood: Good evening, Mr. Mayor, members of the council, my name is Garry Eastwood. I'm stepping in for Marty at this moment. My wife and I are residents of Los Diamantes, it's a 63-home community at the end of 134th street. I'm the past president of the H.O.A. and I had an opportunity to speak to a number of our residents and there's tremendous concern about the safety ultimately the congestion that will occur as a result of this school. 128th serves as our primary access out to Shea Boulevard. We have no other way out of our community, except via 128th Street. We are very confident that at this point in time, given the narrow nature of 128th, it's only about one and a half lanes wide. If there are any cars that will be parked on 128th, which we think is going to happen as a result of this school, emergency vehicles are going to have a tremendously difficult time accessing

the community. The other thing that we are very concerned about is that a number of our residents have young children who wait for their bus along 128th. And as was just mentioned, there are no sidewalks on 128th Street and as a result, the children now are going to have to be probably standing in the street waiting for their bus to pick them up.

Now, our feeling is that there's a safety issue that could result in very serious problems with respect to some of our children. We already mentioned the issue regarding Shea Boulevard, with approximately -- approximately 1,000 to 1300 students, many of them are high school students now who will be driving. Many of them, perhaps the first time, with newly minted driver's licenses. I think we are all familiar with some of the challenges of young people with their first driver's licenses, making a left turn off of 128th Street out on to Shea Boulevard could be very treacherous. We find that even for some of us more experienced drivers that's a challenge for us. All in all, we are very concerned about this plan. We see serious issues regarding safety, that could affect all of the neighborhood, especially those in Los Diamantes.

Mayor Lane: Thank you very much. Sir, I wonder if you could give me your name again. I'm sorry. Next would be Judith Robertson. Please. I'm sorry, Ms. Robertson, you gave your time to Sally? Okay. We don't donate any time in this time crunch but you do not care to speak? Next would be Bob Birch. Okay. Next would be -- Gary, you have a card in here yourself. So we covered that. Okay.

That completes our public comment. At this point in time, there will be time at the end of the meeting for additional public comments if necessary, and I do believe we have one already.

MINUTES

[Time: 00:23:12]

Mayor Lane: The next order of business is the minutes and I would request a motion to approve, unless there are any comments or questions, adds or deletes, motion to approve the special meeting minutes of December 1, 2015 and December 2nd, 2015, general plan amendment meetings of December 1, 2015, regular meeting minutes of November 17th, 2015 and December 2nd, 2015, work study session minutes of November 17th, 2015, joint council meeting minutes of December 15, 2015 and executive session minutes of December 2nd, 2015.

Councilman Phillips: So moved.

Mayor Lane: Moved and --

Councilwoman Littlefield: Second.

Mayor Lane: No further comment requested on that, then we are ready to vote. All those in favor please indicate with an aye. Those opposed with a nay. Unanimous on our minutes approval. Thank you very much.

CONSENT AGENDA

[Time: 00:24:10]

Mayor Lane: Now move on to the consent agenda items 1 through 31. Item 20 was removed at the request of staff. So if you are here for item 20, which was the item of engineering services contract on on-call intelligent transportation systems. There's no reason to stay around. But we'll move on with the rest of our consent items.

So we have consent agenda items 1 through 31, absent 20. We have no comments on that. There do not appear to be any comments by any member of the council here. So I would accept a motion to accept our agenda items 1 through 31, absent 20.

Councilwoman Littlefield: So moved.

Councilmember Korte: Second.

Mayor Lane: The motion has been moved and seconded. No further comments. All those in favor please indicate by aye. And opposed nay. Register your vote. It's unanimous acceptance of the consent items 1 through 31.

ITEM 32 – ROCKBAR OUTDOOR DINING LICENSE AGREEMENT AMENDMENT

[Time: 00:25:18]

Mayor Lane: Moving on to our regular agenda items, 32 through 35, and starting with 32, the Rockbar outdoor dining license agreement amendment. Request to adopt resolution 10255, authorizing agreement 2004-010-COS-A1 with J.E. Southwest Group Real Estate LLC. We have Mr. Worth himself right here to give us a presentation on this item. So Mr. Worth?

Public Works Director Dan Worth: Good evening, mayor and council. This is an item that we discussed with you last August. At that point in time, you give us some specific direction to go and make an amendment to an existing outdoor dining license, and also gave us some additional direction regarding the administration of that license and I'm here to ask you to review and consider approving the amendment and also to explain to you what we have done on the other items that we discussed back in August, just to orient you. This is the location. The area outlined in blue is a bar, Rockbar on craftsman court, the area in regular, the smaller rectangle is a 440 square foot portion of the adjacent alley that we license to the operator of the Rockbar. Actually we licensed to the owner and the operator uses it to -- a space in conjunction with his bar operation. These are the items that we talked about in August. There was a lot of discussion, but hopefully I captured all of the concerns under these five particular topics, the condition of the license hear, unauthorized uses on a license area.

There was a concern that we were operating a dining license and the establishment that held the licenses and operating the facility, the dining establishment, it no longer had a kitchen. It did not prepare food on site. The fourth item, there was a lot of discussion about things that closed down the entire alley and then the final item was the observation that the license had not been properly extended. The first two items are contract administration.

We have reviewed those and I will show you a picture, but we feel that the current emphasis that we put on administering that contract, and observing their operation that the condition of the license area is acceptable, and consistent with other licenses that we have for dining establishments in the downtown. We have also put increased emphasis on only using the authorized uses for that license area. It's not authorized for storage. It's not authorized for food preparation. The operator has not violated those terms to our knowledge since the discussion in August. The third bullet is the subject of the amendment. The fourth bullet, most of those activities that were identified in August, that closed down the whole alley were subject to special event permits and that's under a separate review. So I won't add anything to that discussion tonight.

And then the final item, we now have the appropriate documentation that the city has executed with the operator to formally accept the extension of the dining license. As I mentioned, the first couple of bullets we have gone back and inspected the area. We may get a regular item of work to go back and expect it. The condition, although it's -- it's not going to make comments to the aesthetics. It's not in bad condition and we feel that it's fully compliant with the contract. It's just another outdoor dining, like you can see in this picture and every time we have gone back to look at, it the items I heard about in August, they were using it for food storage, they were storing vending carts there, we have not seen any of that activity. So we feel that they are now in compliance.

The amendment that we are asking to you consider, it's very simple. It's -- it modifies the existing license to require them to have a kitchen. The property had a kitchen removed sometime in the past. The operator has put the kitchen back in.

Shortly after our meeting in August, they applied for and received permits and contracted with us, and have done work over the last few months. I understand that they had their final inspection and received the certificate of occupancy from the city on January 6th. So they now have a fully functioning, acceptable kitchen per the amended license agreement that now requires them and maintain that and also requires them to provide food service at the licensed area and this provision is consistent with other outdoor licenses, that require food services as long as they are open to one hour before closing, they are given the opportunity to close down a kitchen before they close down the service.

And then just some other requirements that are not part of the amendment, but these are things that, again, are consistent with other licenses, that we require in this location. They can't prepare food in an unlicensed area. They are allowed to bring food in from other locations. That's not a change. We already addressed the storage and the special event permit to address the activity outside the licensed area.

So with that, I will answer any questions.

Mayor Lane: Thank you, Mr. Worth. I appreciate the presentation on this. We do have one request to speak on this item and we'll go ahead and go with that. We may have questions afterwards. Thank you. Ms. Sonnie Kirtley.

[Time: 00:31:34]

Sonnie Kirtley: Good evening Mayor Lane and councilmembers. My name is Sonnie Kirtley, I'm the chairman of the C.O.G.S., the Coalition Of Greater Scottsdale. We have been very involved with Rockbar for the past year, representing the merchants on craftsman court. Rockbar has a history. They have been the subleasee of not complying with city requirements as was mentioned. They went four years with absolutely no kitchen and yet you had a dining area. It was not a dining area. It was a drinking and partying area.

We are pleased that they have a kitchen. I have gone and inspected the kitchen. It's not a full service kitchen. It's a microwave and sink, and it has a roaster thing for pizzas or sandwiches and so we have a couple of questions. It has been approved for final inspection, as stated on Wednesday, and our question is: What is a full kitchen? What are appetizers as opposed to entrees? What does the city do about these outdoor patios? What percent of food is supposed to be service from the kitchen?

If you look at your Section 4.1 on the new amended lease, permitted uses it states licensee may elect to serve at the licensed area food prepared with other locations outside of the licensed area. Their website states that you may purchase food at other restaurants and bring it on and eat it at Rockbar. So we are kind of wondering, what is the limitation if the kitchen is truly a service kitchen. Is the kitchen going to come outside? Of course the area restaurants, so what is the city's intent for that outdoor dining area? What is our intent? What is it that we want to have happen on the public property? We wish Rockbar business success. We hope that they will comply with the plan and the final form of the amended lease. It would be a pleasure.

[Time: 00:34:15]

Mayor Lane: Thank you, Ms. Kirtley. That's the only request to speak on that subject. So I will ask the applicant representative to come up and present.

Applicant Representative Court Rich: Good evening mayor, members of the council. Court Rich on behalf of the J.E. Southwest Group. I think what the message to you is, that Mr. Edie heard you and he heard you loud and clear. He went out and he built -- he had his tenant build a kitchen to comply with the ordinance and, I'm sorry, with the agreement and work with your staff to renegotiate the agreement.

A couple of points that are important to recall, I think we got into this mess because there was some notice issues where people were noticing the tenant and not the owner. As soon as the owner found out, we were here and presented on behalf of the owner at the last council meeting. We asked that the tenant complied. He's done that. There's a kitchen there. The old agreement did not even require a kitchen. This one does and I think it's very clear now.

I appreciate Ms. Kirtley's, I think, support there at the end that as long as the agreement is in place and enforced we expect you to enforce it, city and council, that we are looking forward to good things and a harmonious relationship with Rockbar going forward. So I'm happy to answer any questions that you have, but I think this is just implementing what the council decided back in August.

[Time: 00:35:47]

Mayor Lane: Very good.

Applicant Representative Court Rich: And one other thing. I can show you if you would like to see, they have a menu. They have a kitchen there. They've got two convection ovens. They are selling pizzas, wings, sandwiches and so there's no doubt that there is a kitchen in play.

Mayor Lane: Very good. Thank you very much. Do you have any questions of the applicant? Well, thank you. Good job. So with that, seeing that there are no further questions on, that I would ask for a -- oh, all right. Actually, Vice Mayor, he's just ahead of you. This is a very sensitive instrument. Vice Mayor.

Vice Mayor Smith: Beat you by a hair, hmm? Question to Dan worth, would you read the language that's going to be in the new signing agreement regarding what the kitchen shall be?

Public Works Director Dan Worth: Yes, mayor. I don't have that agreement in front of me right now. What I can tell you is that the language is consistent with what we --[Inaudible] -- to the council in the last several years. It doesn't specify any greater level than our other agreements.

Vice Mayor Smith: Does anybody have a copy of the staff report that they can give to Mr. Worth?

Public Works Director Dan Worth: Mayor, Vice Mayor, the pertinent paragraph is Section 4.1.1 of the license agreement, business shall have in operation on site at the parcel, a full service kitchen, preparing and cooking, not just heating and warming, entrees ordered by individual customers.

Vice Mayor Smith: I reason I wanted to have that language read into the record, I think there's an expectation that we have on these agreements that the outdoor dining experience is going to be something that, I don't know, enhances the visitation experience to the city or the -- or certainly visitation experience to the particular location. And I'm not going to get into defining what a full-service kitchen with cooking capabilities, whatever the words were that you used there, but in my judgment, I think putting in a couple of microwaves or convection ovens or whatever and saying, now we've got a kitchen is testing the patience of the council.

The reason we're having this discussion at all is because for many years, they ignored the contract language and pulled out the kitchen and had no cooking capabilities. The understanding was that they were going to put a kitchen in and maybe somebody up here has a better definition of what a kitchen is than I do, but, I mean, it doesn't qualify as the kitchen I have in my home or probably the kitchen that anyone in this room has in their home. So I don't know why we would say that -- to promote outdoor dining and the experience of outdoor dining in Scottsdale, you know, that could be satisfied with a couple of convection ovens and an order of hot wings.

In my judgment, it is -- it is still an agreement that I would not be in favor of extending. I would not be in favor of adopting this resolution number 10255.

In fact, I will make a motion that we reject it.

Councilwoman Littlefield: Second.

[Time: 00:39:52]

Mayor Lane: The motion has been made to reject. And seconded by Councilwoman Littlefield. Would you like to speak to it?

Councilwoman Littlefield: Mr. Worth, on our agenda item for this -- for the Rockbar, you have a final note saying the final building inspection approval is pending. And I also received an email from a citizen who said she had just spoke with a Chris Jahn, J-A-H-N. He inspected it and there was only electrical and a sink. That's not a kitchen either. Could you comment on this? Has all the kitchen stuff gone in in the last couple of days? Mr. Worth?

Public Works Director Dan Worth: Councilwoman Littlefield, the -- I haven't gone and looked at it myself. My staff, the contracting administrator had informed me at the time that we drafted this report to have it published for the meeting tonight that there was one remaining inspection, and I can't remember whether it was a fire inspection -- they are often the last ones but there was a series of inspections that happened. It passed all the previous inspections with one remaining and the word I got today from my contract administrator was that that inspection had happened on January 6th. They passed and their certificate of occupancy for the kitchen was granted by the city.

Councilwoman Littlefield: The reason I asked is according to this, there's no fully equipped kitchen. I kind of agree with Councilman Smith. A microwave oven and a sink does not make a kitchen, especially when you are talking about a restaurant that's cooking for multiple people over a long period of time every evening. I think that I would like to not pass this tonight, and possibly continue it. But I don't think this is ready yet to come before council.

Applicant Representative Court Rich: Mayor. May I have an opportunity to speak to that? I put up a picture for whatever it's worth. The kitchen clearly is in place and has been. I believe they finalized construction on December 2nd but I would like to talk really quickly about where we are at

here. We came to a hearing in August and the city proposed to take away this patio license agreement, which would have been the first time the city has ever done that to anyone. I showed you pictures at that time of vacant buildings, buildings that weren't even utilizing their patio license agreements that were still in place and the license was still current.

The owner, because of what you all said and because of the way that that was framed in that, they should go negotiate this agreement with the staff, went ahead and invested to build the kitchen. He built the kitchen because you all told them to go build the kitchen and we are back here today, hopefully, to just solidify that and I understand that there's a motion on the table that would really have caused the owner to go through this exercise and waste a bunch of money and time. I think it would be a very unfortunate result.

And so I think -- I started my initial comments, look, we heard you. Mr. Edie is here today. He had a tenant in place. He told him what to do and he's done it. If staff wants to enforce that agreement and if your legal department says they know exactly what a kitchen is and there's one thing missing there, they will have the right to enforce that on him. I believe that that is a kitchen. They have a full menu. They serve -- they have pizzas, subs, wings, a host of appetizers and so I don't think that the city of Scottsdale wants to get into telling restaurants what they need to serve and I hope that that's not where we are going. But they have in good faith done everything that you asked of them last time and so I'm hopeful that the council can follow through with what they asked Mr. Edie to do and approve this agreement.

[Time: 00:44:02]

Mayor Lane: Thank you. Thank you, Councilwoman. Councilman Phillips?

Councilman Phillips: Let me find the right button. Thank you mayor, and thank you for being here this evening under the circumstances. I have two questions for the city and that is, again, what constitutes a kitchen. And does the city even have any kind of requirements of what constitutes a kitchen or how far you go with it? Is a microwave a kitchen? Or do you have to have a fryer and a grill and a convection oven and an exhaust hood and triple sinks? What constitutes a kitchen?

And this could be an oversight on the part of council last time when we asked for this, but I don't think council thought when they said full service that we had to specifically say what we wanted in the kitchen. Probably assumed, maybe wrongly, of what a kitchen constitutes. So what does it constitute?

Public Works Director Dan Worth: Mayor, Councilman Phillips, I would say that the definition that we have been using for I don't know how many dining licenses we have, probably 30 in total. Every time we have done one, the definition of what we use is what I read to you. It doesn't specify certain types of equipment. It tells you what to do, prepare and cook, and not just heat and warm items ordered by individual customers.

Councilman Phillips: That's not the politic's fault that we don't specify what constitutes a kitchen.

You know? I -- from Court Rich's picture, I saw a stainless steel fridge and a roller oven for a pizza, a little microwave up in the corner, which really isn't going to do that much. The stainless steel counter tops and is that enough to cook what they want to cook on their menu? I guess if it is, that is fine. You have nothing frying or cooking in grill that you would constitute needing a hood for. Or if you don't have a food, you don't need to make it here. The Department of Health would require a triple sink and I didn't see that in there. I don't know how you got past that because I think no matter what, you need that triple sink, as long as you have dishes. Now maybe you just -- maybe they just have paper plates. Do they just have paper plates? No silverware? Nothing to wash?

Applicant Representative Court Rich: Mayor, Councilman Phillips, I walk up here but I honestly don't know the answer to that question. They certainly have to have the proper licenses is what I can tell you. I represent the owner and not the operator. So -- and I'm being told by Mr. Edie, there's a separate room that has a triple sink in it. They have to go through the correct process with the State.

Councilman Phillips: Okay. So he's got his Department of Health?

Applicant Representative Court Rich: Correct. That's my understanding.

[Time: 00:47:25]

Councilman Phillips: And another question I have, probably for the city is the railing that you showed, that's the 440 square foot lease?

Public Works Director Dan Worth: Councilman Phillips that's correct, that's generally -- within the outline. 440.

Councilman Phillips: And what I saw, it looked like that's what was in the door. So someone inside could go outside in that spot, but the idea going forward is that nobody is supposed to jump over that railing or hang around the outside of that railing. They want to go outside, they need to be within that area. And that what code enforcement is looking for.

Public Works Director Dan Worth: There is a means to separate the people who are just passing by to the people who are out consuming alcohol. They have to have a means segregating people who are in the license area to ensure that are they remain in the operating area.

Applicant Representative Court Rich: Mayor, Councilman Phillips to that point, if I could. You recall there were several photos of things going on in the whole alley. Those were as Mr. Worth said because of special event use permits that were issued to them. They were not illegally operated or anything like that. My understanding is that the city has stopped issuing them and so that those don't happen anymore.

Councilman Phillips: So what I'm seeing here is I just don't see that it's the fault of the applicant that we didn't specify what goes in a kitchen. And it looks like he spent, I'm guessing upwards of \$6,000 to \$10,000 to make it look like a kitchen, not counting the -- the washing area. And not counting the

permits and the inspections and all of that other stuff. So, again, like I said, probably not a proper comment but I feel like the applicant did his due diligence. It might not be what he wanted to do but he did what was required to do. So hopefully maybe in the future our -- we can come up with an agenda where we can specify what constitutes a kitchen and what doesn't. Obviously this wouldn't be enough for a restaurant. You know, there's no way a restaurant could cook and handle all of that stuff and waitresses and busboys and all of that. I think this is a bar because bars have small kitchens. It's not a popular decision, but I think they did their due diligence.

[Time: 00:50:03]

Mayor Lane: Thank you, Councilman. You know, I think this is a little bit of an incident that I find a little troubling because of the fact that we did have a meeting in August and we did explain exactly what the violation and what the separation from the then existing agreement was. Understanding that there's a -- some concerns about the tenant at one point in time and how it was operated, I don't think that applies to this matter. I think there's been a very sincere effort to meet not only the terms within the existing lease but the amended one as far as that's concerned.

As far as how we define a kitchen. I have owned small restaurants and sandwich shops and we didn't have some of the things that they have right there. So I'm afraid somebody might have just taken our license because we didn't have a kitchen they thought was appropriate. So I'm not sure about that definition but I think the health department probably had some say on what was prepared on the premises. So I'm -- I certainly would support this. We haven't gotten to that.

Councilwoman Korte.

Councilmember Korte: I call for the question.

Mayor Lane: A second.

Councilwoman Milhaven: Second.

Mayor Lane: All right. The question has been called and we are getting ready to vote. The motion was to deny it. The motion is deny. All those in favor of denial, please signify by aye and those opposed with a nay. Nay.

That motion failed 5-2 with Councilwoman Littlefield and Vice Mayor Smith both on the yes side of that denial.

[Time: 00:51:58]

Councilmember Korte: Mayor. I would like to make a motion to adopt resolution 10255, authorizing the contract amendment 2004-010-COS-A1, with J.E. Southwest Group Real Estate LLC.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. Would the second like to speak to it?

Councilwoman Klapp: I agree with the comments that were made by Councilman Phillips that the politic has done what we asked. So I believe that it's incumbent upon us to pass this particular license, but the comment I wanted to make is just I once worked for an appliance manufacturer and they were the inventor the microwave oven. And so I know people are saying that all you do is heat in a microwave and I just want to make a comment. You can actually prepare a full meal in a microwave. So it can be done. I don't know if anybody has ever done it, but I know how to do it.

Mayor Lane: Thank you, Councilwoman. You will probably get a number of calls. All right. So we have a motion to accept the item and resolution number 10255. All those in favor indicate by aye and those opposed with a nay. Aye. The motion passes 5-2 with Councilmember Littlefield and Vice Mayor Smith denying. Thank you very much for the presentation and for your input.

ITEM 33 – DESERT DISCOVERY CENTER

[Time: 00:53:59]

Mayor Lane: Moving on to the next item, item 33 is the Desert Discovery Center consulting services agreement, authorizing resolution 10261 to authorize an agreement 2015-234-COS, the Desert Discovery Center Scottsdale for management services and fiscal year 2015/2016 general fund capital contingency budget appropriation transfer in the amount of 1.696 million, to a newly created capital improvement project titled Desert Discovery Center business plan and feasibility analysis to be funded by tourism development funds. Three, initiation of an amendment to the existing municipal use master site plan for a Desert Discovery Center on 30 plus acres of city-owned land located north of the existing gateway to the Preserve trailhead on Thompson Peak Parkway.

So we have Mr. Worth here for presentation on this. Thank you very much. Nice to see you again.

Public Works Director Dan Worth: Glad to be back again, Mayor. As the Mayor stated, this action is to consider several actions regarding a proposed Desert Discovery Center this is actually in response to council direction that you provided to us in September to proceed with negotiations with Desert Discovery Center Scottsdale, who we are proposing to contract with, as the manager and operate over of the future D.D.C. I also want to point out that there are several other key staff members here, including Kroy Ekblaw, the Preserve director, Gary Myer our project manager for this project to provide any kind of answers or historical perspective that I may not have. We also have got Christine Kovach and her team to address the E.P.S. and any questions as you may have.

We are asking for three specific things, one is to create a capital project and to provide funding for the bed tax funds for that capital project. And the capital project as titled on the side, the Desert Discovery Center and feasibility analysis. We are a long way from building it. We will continue on with further development of the project and development of how it will work.

The second item is authorizing a contract and you see the amount there with the D.E.C.S., asked to provide a set of services to develop those businesses and feasibility analysis and the third item is initiate an existing municipal use master site plan.

Again, the approval of the municipal use master site plan and the existing municipal use master site plan of the trailhead in 2007. Recent activities, you are involved in most of these. I will just go through this quickly, but in March of last year, we had a work study to talk about the efforts on the Desert Discovery Center. At that time, you gave direction to issue RFQ for the operator/manager. We did so in May. We received a single response from DDCS in July. In September, we came back to you and updated you on the response that we received and what it contained. You gave us direction at that time to negotiate a contract. We have been in negotiations with DDCS over scope and cost. At the same time, we have taken the proposed action to a couple of keyboards and commissions and in particular, the Tourism Development Commission and the McDowell Sonoran Preserve Commission. Their recommendations will be addressed specifically in one of the future slides.

And now we are here tonight to consider awarding the contract established in the budget and initiating the site plan process. You have seen this slide before in the September meeting. I will go over it quickly, but the request for qualifications identified the potential scope that the city saw for the development and the feasibility and the business plan for proposed facility, evaluated what the city was looking for in terms of evaluating the responses. The second bullet on the bottom, what it did not include it – it did not include professional architectural services, which will be needed as you move forward with this next step for the DDC, that will be a subject of the future solicitation selection and the future contract award that will brought you to necessity appropriate time.

The other key point I want to make is that the request for qualifications envisions four different steps and a process developed the feasibility in the business plan. Those steps were identified, the scope was identify but it gave us the flexibility to award one or more contracts. We could do a contract for the staff. In this case, we actually combined the first step of many of the items and the second step and I will show you that in a second but it did give us flexibility to contract for later steps of the work in the contract. These are the steps I referred to.

What we are proposing, the contract that we negotiated with DDCS is will do essentially everything that's laid out in step one, as well as a very large portion of the step two process incentives that we have to develop with the project details are going to be, in order to ensure that that compliments the business plan and vice versa. We need to develop those together in order to ensure that we have a project that will work.

The response that we received in July from the Desert Discovery Center Scottsdale. We did evaluate it. We did make a determination and we mentioned this to you in December. We did make a determination that they met the requirements of the RFQ and we recommended that we go through and contract this organization. These are the specifics of the scope of work. I already summarized we are looking to develop a visitor experience for the DDC and the exhibits and the programming that are going to create that experience that we are looking to provide, identify and form partnerships.

As an example, they already reached out and gotten some commitments from A.S.U. to partner as far as research and education components for a DDC.

I mentioned to you architectural design. This is not an architectural design contract. That will be a different contract but the intent is to move through step one and into step two but the DDCS under their scope of services will work with us to help identify the appropriate architects and then obviously work very closely with the architect and develop as far as the concept of the facility to be supportive of this plan and the feasibility analysis.

We are asking you to establish a project budget of just under \$1.7 million and if you look at the table, the bottom line, we are also asking you to consider awarding a contract which is the first line on the table, the contract is the amount of money that we're proposing to spend in a contract with DDCS to deliver the scope of work that I just showed you. The other three lines underneath that contract amount are other costs that the city bears, not part of the contract. Some other costs that the city bears to develop the project through the first two steps, and includes the amount for the architectural services amount, and it includes the city's project management administrative expenses and the contingency amount.

There are a couple of additional notes that I want to make about the project budget. To date the DDCS and I have to update this number, they have informed me that they have raised about \$250,000 in cash about \$100,000 of in-kind contributions contributed to professional services to get to the point where we are now, the contract itself delivers about \$990,000 worth of scope. We are paying \$776,000 because they are proposing to raise an additional \$260,000 items. They can raise significant sums of cash and they have committed to offset the city's cost in delivering step one scope of services. By the way, that refers to the potential partnership with A.S.U. that they identified in their response to our RFP.

The possible funding sources for the \$1.7 million, we identified at the beginning that we are recommending that we use \$1.7 million in bed tax carryover funds. The options, you asked us to tell you what all the options are. These are all the options that are readily available at this point in time, the general fund. Obviously, it's subject to a lot of competing needs and a very short supply of funding, Preserve sales tax.

We took this to the McDowell Sonoran Preserve Commission. They provided their opinion that -- or their recommendation to not use Preserve sales tax at this time. And the TDC, I think it was a unanimous recommendation to provide \$1.7 million to fund the total project amount, including the contract award for DDCS. And, of course we could use the combination of above but the action we have in front of you now is the third bullet there, to fund the \$1.7 million amount with existing bed tax carryover funding.

And with that, I would be happy to answer any questions.

[Time: 01:05:23]

Mayor Lane: Thank you, Mr. Worth. I think we have a number of requests to speak on this, and we will move to that before we have questions specifically from the council. Because of the volume of cards I'm going to reduce the normal time from three minutes to two minutes and, of course, if there's donated time, I will add accordingly on the number of cards donated. In order to make sure that we get everybody in a reasonable amount of time and efficiency.

I will go ahead and start with Christine Kovach and she has two additional cards. So give you up to five minutes, Christine.

Christine Kovach: Is this the Elmo on? Good evening, Mayor Lane and councilmembers, I'm Christine Kovach. I have been involved with the Preserve since 1993, before it was even a Preserve. My commitment includes nine years on the McDowell Sonoran Preserve Commission, six of those as the vice chair. I also chaired the promotion subcommittee and I shared the Preserve -- the design standards. 18 years as a board member. 1994, I was chairman and I was chairman from 2003 to 2005. I'm a master steward and one at Gateway -- I would say that probably my husband would agree that if all the passions that we have, this one has taken my priority, in multiple ways, but pretty much from all definitions, could you say that I'm -- I'm currently the chairman of the Desert Discovery Center Scottsdale Inc.

I'm committed to making the DDC the right project as I was committed to making sure that the project was a reality. I was involved with the Preserve's planning from the beginning. That includes boundary, figuring out how we would fund it. The ordinance that we traded, the Preserve access area report, the design standards and, of course, the vote or the votes, five of them, that went through to the community. And, of course, the DDC concept. It's important to remember that that this is not our concept. This is a concept that's been around for a long time.

I want to show you the public gateway. This is what we currently. Have you can see that the parking lot and the facility that is there is on about 10 acres. That was identified in the access area report, that it could be between 100 to 200 acres of use for that gateway land. That access barrier report was developed in 1995 and approved by this council in 2011. This is the provision that was given by Toll Brothers had we not bought it. It cost the taxpayers \$15 million to buy that land. Toll Brothers paid \$66 million. Part of that argument, one of the biggest arguments is this would lead to heavy use and the Desert Discovery Center.

One of the important ones in 1995 vote, we had lots of argument that the Preserve would be only for the rich and only for their backyards and for their views for them to have access and we assured them that the Preserve was acceptable and available to everyone, and in particular, that they would be able to learn in it. They would be able to enjoy it, either by foot or by horseback or by bikes. But that the education center, a visitor's center, some sort of interpretive center has been the language that has been used from the very, very beginning. The city has issued two RFQs, one in 2012 and then the one we responded to, this last spring. So the DDC has not been a secret. It's not been done quietly. It's not been something that we have been trying to keep nor has the city.

This particular contract, our job in this contract should you decide to move forward is to accomplish

the Preserve's goals to educate the citizens about the Preserve, introduce our beautiful Sonoran desert and teach future generations about this jewel. This includes a lot of public outreach.

Let me tell you what the DDC is not. It's not a commercial operation. It's not a convention center. It's not a college campus. And it is not a monstrosity, which we have all heard. Also it's not a new idea. We had the smaller center concept that's been around for a while, the visitor center and then the city directed that the respondent to the RFP in -- to a different RFP, design a larger destination attraction. So we have these two. We think somewhere in the middle is the appropriate size and scope of the Desert Discovery Center. I have think we need to have a community dialogue. I think the contract is designed to do that, to allow us to move forward and to engage with the community. By approving this community, it's not saying that the DDC is a done deal at all. Nor is it done at this location. This is the time in which we get out in the community and we start to engage and look.

We responded to an RFP that identified the gateway but it's possibility that when the product comes back that the community will say that's not the right place for it, but we have to have this opportunity over the next 18 months to get into had a community and hear from them and let them help us build an appropriate place. You the city council and the community will have the final say to make sure that we have designed the right product at the right location. Thank you.

[Time: 01:11:55]

Mayor Lane: Thank you, Ms. Kovach. Next is Ren Hirose. Following Ren will be Carolyn Allen.

Ren Hirose: Good evening, mayor and city council. I'm Ren Hirose, I'm the vice chairman of the Scottsdale chairperson, and I'm in full support of the Desert Discovery Center at the McDowell Sonoran gateway trailhead.

Mayor Lane: Pardon me one second, Ren. He has three additional cards. We will give him five minutes. Up to five minutes. I'm sorry, Ren.

Ren Hirose: I would like to share with you the value of the DDC to the tourism industry. I have been fortunate to travel around the country and around the world and I like to do a take on tourism. There are many other visitors that seek the same thing and there's nowhere in the world for traction to provide the comprehensive desert experience. And this is what the DDC can do. Tourists right now, they are also very health conscience and going on a hike, on the DDC that's a great trail there. We need a DDC to attract new visitors and to bring the ones that have visited us to give them something to extend the take and come back. All of them are interested to learn what's new and next. And, you know, we have great things, great stars of our spas and golf courses and the downtown area. They want to know what's new. The Desert Discovery Center would help to develop new visitors.

The DDC needs to be located at the gateway trailhead. It's the only location that allows the visitors and the residents to immediately experience the Sonoran desert. There's no other location in Scottsdale that can accomplish this dramatic impact. The DDC is a game changer. And game

changer is a critical word, for our residents and our visitors. It has an opportunity to showcase, to learn, for all of us to learn and experience the McDowell Sonoran Preserve. We see all the tourism industry within full support of this. Last month at the tourism development commission, we unanimously voted to recommend \$1.7 million from our hotel bed tax revenue towards the DDC and feasibility analysis. We hope that you will approve this funding.

At this time, if I could speak on behalf of some statements made from John Holdsworth who is the chair of the tourism advisory task force, a board member and executive committee on the Scottsdale TDC, he was the chair of the tourism development commission and briefly here John's statement is the Desert Discovery Center has been in the making for almost 30 years and you need to bring this vision to life and create a one of a kind destination. Sustainability using the Preserve as a living laboratory for education and expanded value as a community asset for the benefits of residents and visitors alike. Scottsdale is ready to share with the global audience the sensitivity to the rich and fragile Sonoran desert environment and preserving and maintaining the nation's largest urban Preserve. The management contract with the Desert Discovery Center Scottsdale Inc., will allow this project to finally move closer to fruition. The time is now, and we'll risk losing this project forever. As you know, our businesses are primarily focused in the travel and tourism arena and there's no doubt that we are seeing more and more need for the experiential and travel. The DDC will put Scottsdale firmly back for those who have visited and creating new opportunities for those who shared a totally unique opportunity. Although I never tire of hearing about the possibility of creating a DDC, I'm tired of talking about it. Let's finally do something about it. I'm asking for your support to make our tourism industry to continue to flourish and providing a great asset to our residents. As always, thanks for your consideration, John Holdsworth.

And Congressman Jack Miller, the chair of the Scottsdale TDC, and with the Scottsdale Princess. \$4 billion in economic impact and every one in eight jobs in the community. As we seek to continue our -- their competition in the travel industry, there's marketing budgets and growing destinations Scottsdale needs to ensure that we increase our share in the business travel. A 2015 report states that there's an ongoing shift in luxury travel and focus on expensive product and environments towards unique destination experiences.

In addition, the residents consulting the U.S. travelers survey found that dining and sightseeing continue to be the number one and number two of preferred activities however, rising to third place over the last five years, all age groups expressed their desire to learn new things. Based upon this research, the T.D.C. has -- the Desert Discovery Center, transportation and downtown activation. The Desert Discovery Center is a 30-year vision for Scottsdale and it's time that we need to move forward. We believe in a DDC. And through this vision we have an opportunity to create an even more desirable destination to sustain our leadership. Thank you very much for your leadership of which we will all be very proud of, Jack Miller, chairman of the board of the Scottsdale CVB.

[Time: 01:18:21]

Mayor Lane: Thank you. Next is Carolyn Allen. You have one card. If you could keep it in the two-minute range, I would appreciate it. We don't start the clock until you are there.

Carolyn Allen: Good evening mayor and city council. As many of you know and remember, I carried the Desert Discovery Center to the legislature. I'm here --[Inaudible]. I served 16 years in the state legislature. I was also heavily involved in the creation of the Arizona Preserve initiative by then Governor Symington. The Arizona Preserve initiative had 30,000 acres without the effort of the governor and even senator John McCain called me and offered his help and asked if there was anything we can do to get this. It was passed with the enthusiastic support of the tourism industry, which was mentioned tonight. The DDC is now their number one priority. As the Desert Discovery Center was always envisioned as the gateway to the Preserve. I was pleased when the council approved the zoning for the DDC in 2007. Please do your part, because I did mine, and support the next steps in advancing the concepts to the DDC. And as has been mentioned, this is for a concept. You are not supporting the building yet but we hope you will when that time comes. It's been my pleasure to help on this because it means a great deal to so many of us and I know all of you, it means a great deal to you. Thank you.

[Time: 01:20:27]

Mayor Lane: Thank you, Ms. Allen. Next is Debbie Shields. She will be followed by Howard Myers.

Debbie Shields: My name is Debbie Shields. I'm a long-time resident here in Scottsdale. I'm also the chair of the real estate group. Our board of directors voted to take a position of support for the Desert Discovery Center. A Realtor and Scottsdale resident, we know that when our community is in harmony, the housing market is maintained and the aesthetics are preserved and the government revenue for public amenities and services is increased. Together, these drive our quality of life, one of the most important aspects people consider when they are choose where to live. One of the main attractions of Scottsdale is our beautiful scenery. We should have taken steps to make sure that the beautiful McDowell Mountains were preserved. They have made a changed investment in this community amenity and our members love to tell the story of this preservation to their clients as they consider making Scottsdale their home. However, just having a designated natural environment is not enough. The area needs to be connected to and met through the community. It needs to reflect the brand of Scottsdale by providing an experienced destination such as Scottsdale for education, appreciation, and for our natural environment and it's an extraordinary opportunity that Scottsdale has before it to create an experience unlike any other in the nation. So on behalf of S.A.R.S., we urge to vote yes, to approve item 33, and resolution 10261 for the Desert Discovery Center. Thank you.

[Time: 01:22:39]

Mayor Lane: Thank you, Ms. Shields. Next is Howard Myers, followed by Mr. Michael King.

Howard Myers: Thank you, Howard Myers. There's a public ground swell building against them, mainly because they don't know what it is and -- the Preserve is such a huge amenity. The fact of the matter is you wouldn't have a Preserve. The citizens are the ones who push for the creation of it and

they vote for the boundaries and want to expand it. The citizens are the ones that voted to tax themselves to buy it, and the citizens have created the Preserve rules with the help of the city and they supported the Preserve all along. It's their Preserve. The Preserve belongs to all citizens of Scottsdale, not to me, not to you or anybody else or any special interest group. The citizens have a right to know what go in their Preserve and the citizens should have a say what goes in their Preserves. Recommended actions are that if it doesn't go to the Preserve Ordinance. Who knows what it is now. Other than buying land and building trailheads the public should have to vote on. The DDC is not an improvement thereto that supports the path of recreation that we envision. They should conduct real citizen outreach to determine what should be acceptable to the public before conceptual design before designs and before you increase the footprint of it by three times. Approve only enough money to develop the concept phase so we really know what it is. The big question mark has been holding everybody up. You have to know what it is and the public should be involved and not ignored in this process.

I heard a promise from Christine to do that and I hope it's really happening because you really need to do it early on and not late when everybody doesn't know what it is because the longer they don't know what it is, the longer they will get frustrated and upset. Done right, either with the Preserve ordinance, the DDC could be a huge asset to the city but keeping the public in the dark and running it into their Preserve will only make them hate it and that's not a formula for success. Thank you.

[Time: 01:25:16]

Mayor Lane: Thank you, Mr. Myers. Mr. Michael King, followed by Davis Scholefield. That was Mr. King? Okay.

David Scholefield: Good evening Mayor Lane and council. David Scholefield, resident of Scottsdale. I work at the Fairmont Scottsdale Princess and I serve on the tourism and development commission. I'm here tonight to lend my support for the efforts behind the DDC. Each of you in your campaign speeches over time has referenced tourism as a critical component for the future success of our city. Now is the time to show that. You have before you today an opportunity to take the next step forward in the creation of an even better Scottsdale, but Scottsdale that could become one of the preeminent tourist destinations for years to come. Why is the DDC important to tourism? Tourism by the way has 58 hotels in Scottsdale, a couple more on the way. Tourism has 2.2 million rooms for sale on an annual basis. That's a lot of rooms for sale. Just to give you more simple math, the more rooms we sell, the more staff we employ. After 12 to 14 rooms we hire a maid. Every 50 guests, we hire a desk clerk. There's an awful lot of increase in employment. Tourism represents 1 in 8 jobs in the city of Scottsdale and tourism is expected to generate almost \$7 million in bed tax next year. People look at tourism as the significant event, the Barrett Jackson, and Arabian horse show and spring training. While all are fabulous, they are done by end of March. Then you ask what about the college football championship game, the Super Bowl and the NCAA final four? Again, they are all in the first quarter, and as reported in today's Arizona republic, after the final four next year, we have no major events on the metropolitan books across all the cities. Tourism is an ongoing, 12 month a year business. In an article released by Ed Watkins, which is a hospitality newsletter. He says to attract guests during slow occupancy, it's provide a wide variety of unique experiences that go beyond

a profile. Today's leisure guests have broader views of what they seek from a resort. The Turtle Bay Resort opened on the island of Hawaii is saying, guests are seeking an experience, not simply sunshine. And I think these comments could be very easily applicable to Scottsdale. We don't want to be just sunshine. We can't afford to be just sunshine. This perspective is supported by the city's annual consumer study. The visitor consumer analysis which has identified over 60% of the destinations are over 60 years of age. Unless the millennials get more affluent and they start take up golf and spaing. Tourism development commission --

Mayor Lane: Mr. Scholefield, if you could wrap it up, please.

David Scholefield: The Preserve needs to become an inclusive Scottsdale experience. The DDC is an opportunity to address that, and an environment ecofriendly fashion that will profile the destination globally. If we do not start to move forward, like the DDC, we are likely headed towards the perfect storm, the minimal future growth in our city and dependency on others for our success, not something that's used in business practices. Thank you very much.

[Time: 01:29:05]

Mayor Lane: Thank you, Mr. Scholefield. Mr. Bob Littlefield is next, followed by Joan Fudala.

Bob Littlefield: Former councilman Bob Littlefield. After 12 and a half years up there myself, I thought I had seen it all. But this is really something new. You guys have taken a project which was a bad idea and you have made it even worse. The number one problem is money. The last time we saw a cost estimate to build this thing, it was 70 to \$100 million to build, plus \$3 million a year operating budget. Now it's even bigger it's gone from 17 acres to 30 acres. One can only expect that those cost estimates are low. Well, who will pay for that? There's only one place that money will come from and that's the pockets of the Scottsdale taxpayers. There's \$30 million maybe left in the bed tax. Where is that other \$100 million going to come from? Despite the fact that we hear about partners and people who are going to help out, no one has come up with even a commitment, much less a check. So I don't believe for a minute that it's responsible to ask the taxpayers of Scottsdale to come up with the tens of millions maybe even \$100 million it's going to cost to build this and then the money it's going to cost to run it.

The second thing that is defensive about this you are putting a commercial operation in the Preserve. I remember a couple of years ago when we bought a piece of Preserve land that had an existing Jeep tour operation on it. Even though those guys could have claimed to be grandfathered, we didn't let them stay. We gave them just enough time to find somewhere else to go. The idea that you guys can unilaterally on your own override the expressed rule of the voters which clearly said no commercial in the Preserve is offensive.

And the third thing -- a new outrage that's come up is that without building a Desert Discovery Center, visitors can't enjoy the Preserve? Really? Go down there any morning to the gateway and you will see not only Scottsdale residents down there, but you will see plenty of people from other states and other countries. The idea that there's any need to build something like this in order to get people or

tourists to come here and see the Preserve is really ridiculous and unsupported. Thank you.

[Time: 01:31:50]

Mayor Lane: Thank you, Mr. Littlefield. Next is Joan Fudala, to be followed by Mark Hiegel.

Joan Fudala: Mayor Lane, councilmembers and fellow, I'm Joan Fudala. I live in Scottsdale. I have deep ties to the McDowell Sonoran Preserve. I have been honored to serve on the McDowell Sonoran Preserve Commission and I have most recently written a book called the People's Preserve, which several people have alluded to. It's the people's Preserve. So with this as a background, I state that I am definitely a huge supporter of the Desert Discovery Center concept. In my role as a community historian, I have researched and analyzed many of Scottsdale accomplishments and when they were all in their early stages, they were all considered to be big hairy, audacious ideas. How lucky we have been as a city to have residents and city officials who come up with really innovative ideas that have turned into Scottsdale's signature assets, like the Indian bend wash, like the Scottsdale Museum of the West and, of course, the McDowell Sonoran Preserve in. My humble opinion, the Desert Discovery Center, as an interpretive center will share the many aspects of the Preserve story in an authentic, authoritative and very interesting and fascinating way while continuing to Preserve the nearly \$1 billion investment that both residents and visitors alike have made in creating the Preserve. I think this, the Desert Discovery Center is Scottsdale's next, big, hairy, audacious idea. I know firsthand as a participant in the Preserve effort for many years, that such a center has been a constant idea and a constant goal and one that educate residents, students and visitors about our Sonoran desert and our unique environment. As the city has long planned the Desert Discovery Center and its location, the site was specifically located to be in a less sensitive and more accessible area with a really good setback in harmony with the adjacent residential areas and yet, be close enough to the Preserve to compliment and educate and interpret. If you will pardon my triteness, I believe the Desert Discovery Center is so Scottsdale. Residents and visitors have repeatedly demonstrated their overwhelming support for preserving and accessing Scottsdale McDowell Sonoran environment. Let's give the current residents and visitors as well as future generations this very special place that will celebrate a core value of Scottsdale and further define what really Scottsdale is all about. Thank you.

[Time: 01:35:07]

Mayor Lane: Thank you, Ms. Fudala. Mark Hiegel, followed by Randy Schilling.

Mark Hiegel: Good evening mayor and councilmembers. Two minutes, that will be a personal best for me to get down in that amount of time because you usually can't do that. Here we go. I will stay on script, my name is Mark Hiegel. I'm with the Scottsdale Chamber of Commerce and I'm a member of the Scottsdale Child for Life. I'm here to reiterate the chamber's support as well as my own personal support for the Desert Discovery Center. This center will provide exhibits, programs and activities that shall immerse residents, school children, visitors and our mountain and desert environment and it will become a focal point worldwide for education, research, dialogue about the ways in which humans interact with arid environments such as ours. As the lifetime char, I was

delighted to DDCS has earned their thumbs up and grants in advance to the project. It's good to see not only the business community but the community groups like this in support of the project that can only ensure excellence for Scottsdale.

How will the Desert Discovery Center benefit business? In many ways, the most obvious is tourism which you already talked about. You likely heard of ecotourism. The DDC will be a model, built green on a modest footprint sharing with the world for how Scottsdale is a model for living harmony with the desert environment. Additionally, studies have shown that the venues like this are an economic engine, those who seek cultural attractions want to stay longer and spend more money than other types of tourists. I don't have to spell out what that means for business in this community. The time is right for the Desert Discovery Center for so many reasons. I can't wait to see what unfolds over the next 18 months and how this unparalleled amenity will further put the stamp of excellence on Scottsdale now and in the future and I would like to share my part of those 30,000 acres. Thank you.

[Time: 01:37:18]

Mayor Lane: Thank you, Mr. Hiegel. Next is Randy Schilling, followed by John McEnroe who has some donated time.

Randy Schilling: I'm Randy Schilling, a long-time resident of Scottsdale and professional fund-raiser. During that time I have built nonprofit facility, the Scottsdale Museum of Contemporary Art, the Audubon Center and I worked on building the Ballet Arizona facility. I'm also a teacher at A.S.U. and I teach fund-raising. Just over two years ago, Sam Campana contacted me and asked if I would help her build the Desert Discovery Center. I told Sam that I long been interested in the Desert Discovery Center and that I would be pleased to help her. Sam and I worked together at Audubon for over ten years and so I know when Sam gets involved with a project, you know, her passion, she only stays on great -- takes on great projects. I'm also a project at Pinnacle Peak Park. I'm a steward over there. And the first thing I did when I got involved with the Desert Discovery Center is I mentioned to the board that we needed to do a feasibility study and so over six month period of time, we put together a list of people we thought that were interested in the environment, good contributor, as well as city leaders and we were able to find a strong group of people who we went out and interviewed and to ask them of their interest in the project.

And after interviewing over 50 people, I have determined that this group can raise probably over \$10 million in the community for this project. And that's without knowing what the exhibits are going to be, and the location and once we get more detailed information, I think we'll be able to raise more money. On top of that, we also feel that as we raise money for the project, we'll get more and more people interested, so we can get people to be members. We can get corporate sponsorship. We can get foundations to gift to the project, and we can continue to build a cadre of people interested in the Desert Discovery Center. That group will also help us then to cut down the expenses that we might need to pay for the operation of the Desert Discovery Center. It's our group's position that, you know, if we can raise one-third in fund-raising of the operating budget, that we'll be able to not come to the city for a subsidy to run the Desert Discovery Center. Anyway, I just

thought you should know that we have capability among our group to raise money, to help reduce the cost that the city has to put into the project. Thank you.

[Time: 01:40:03]

Mayor Lane: Thank you Mr. Schilling. Next is John McEnroe. I think he has some donated time. Three additional cards. So up to five minutes.

John McEnroe: Good evening Mayor Lane, city council, I'm John McEnroe. I live at 7705 East Vista Bonita Drive here in Scottsdale. I'm a master steward and I'm chairman of the McDowell Sonoran Conservancy. In 2015, the board of directors approved the resolution on the Desert Discovery Center. The resolution sets forth of McDowell Sonoran Conservancy position with regard to the Desert Discovery Center. We presented that resolution to the city council on March 24th, 2015.

After becoming aware that statements about the McDowell Sonoran Conservancy's position on the Desert Discovery Center were either being misstated or misunderstood, the MSC board of directors asked me to come and do several things. First, they want me to restate our position which has really not changed. The McDowell Sonoran Conservancy believes that the city of Scottsdale, its business and residents and visitors could benefit from a Desert Discovery Center located in or near the Scottsdale or the McDowell Sonoran Preserve. MSC recognizes that a center consistent with the purpose of the Preserve may be in line with the mission of MSC: MSC believes that the Desert Discovery Center should respect the integrity of the Preserve. It should have a limited environmental impact. It should provide an important amenity to the tourism and the hospitality industry and it should reflect the community's financial resources, both the fund of the construction of the center and to finance the ongoing operations of such a center. MSC looks forward to engaging with all interested parties, particularly the city of Scottsdale to consider a center that encourages lifelong learning and an appreciation of the Preserve's value for this and future generations. Most importantly, MSC is fully committed to its core mission, to fulfilling its responsibilities under its agreement with the city of Scottsdale, to its education and research activities in the Preserve.

Second, the board wishes me to reemphasize our position that the McDowell Sonoran Conservancy looks forward to engaging with all interested parties, the city of Scottsdale, educational institutions, the tourism community, community support groups, consider a center that encourages lifelong learning and an appreciation of the Preserve's value. The third McDowell Sonoran Conservancy board supports the McDowell Sonoran Conservancy board position that an anesthesia premature to recommend use of the Preserve funds to the development of the Desert Discovery Center. Finally the board asked me to restate that only the executive director or the chairman of the board of directors Mike Nolan and John McEnroe respectively are allowed to speak for the McDowell Sonoran Conservancy.

As the McDowell Sonoran Conservancy begins to celebrate its anniversary, the residents and the volunteers and the supporters of the McDowell Sonoran Conservancy with a wonderful opportunity to protect and care for Scottsdale's McDowell's Sonoran Preserve. The Preserve is Scottsdale's crown jewel. It is Scottsdale's billion dollars asset and it is the people's Preserve. Thank you.

[Time: 01:44:34]

Mayor Lane: Thank you, Mr. McEnroe. Next is Rebecca Grossman followed by Don Hadder.

Rebecca Grossman: Good evening mayor and councilmembers, I'm Rebecca Grossman and I'm a resident of Scottsdale and C.E.O. of the Scottsdale association of Realtors. On occasion we take the position on an issue and I do not personally agree with, but as my job requires, I am still responsible for furthering their initiatives. Fortunately, this is one initiative that I personally have a passion for. I'm the daughter of Donald Altimus, the chief naturalist for the Cleveland Metro Park for 35 years. I grew up taking nature walks and thinking that everyone was a birder and everyone owned a pair of binoculars. I continue my love for nature and my husband and I spend our Sundays cleaning aviaries, and we drive into the wilderness to rehabilitate an owl. Spending a lot of time at the interpretive center made me realize that it's not enough to simply have beautiful parks and trails. But you also need something that will draw people in and that will educate those who visit on the ecology of the area and how its preservation benefits our society. I see the Desert Discovery Center is a gateway to better understanding. I agree all that has been said about the DDC adding to the amenities and having positive economic benefits and to go the quality of life, et cetera, but for me, it's a lot simpler than that. I want people to know about the desert so that they can pass on the story on why we should respect it and protect it for all the generations that follow. And I ask that you vote yes. Thank you.

[Time: 01:46:41]

Mayor Lane: Thank you. Next is Don Hadder. Followed by Brenda Hall.

Don Hadder: Mayor and councilmembers, I'm Don Hadder. I'm a resident of the Scottsdale for 57 years and for 38 years with a staff of the city of Scottsdale and planning. As it turns out, I will be speaking about the municipal use permit and I was the staff coordinator on that case as it came through the hearing process and was approved in September of 2007. The municipal use permit was twofold. One was to establish the gateway access area and enable the construction of a gateway access area. The second part of that as reflected in both the title of the narrative and the site plan was to provide the earliest possible public notice of the intent to place the Desert Discovery Center in this same area. So that was the twofold aspect of this. The staff report was geared towards that, for that particular committal and there are a series of stipulations that were geared to that. Going forward, the essential thing is the need for initiating a municipal use permit change would be if there are any changes to the site plan and our narrative that are substantive from what was approved in 2007, and those that need to come back through the public hearing process to the approval to proceed ahead with the project. That concludes my comments. I'm pleased to answer any questions if you have any.

Mayor Lane: Thank you, Mr. Hadder. No, we don't have Q&A on this item.

Don Hadder: Okay.

[Time: 01:48:17]

Mayor Lane: Thank you very much. I know in your official capacity, you were there a lot of time for questions.

Don Hadder: Just a few hundred, yes.

Mayor Lane: Thank you, Mr. Hadder. Next will be Brenda Hall.

Brenda Hall: Mayor Lane and city council, my name is Brenda Hall. I reside at 7751 East Adobe Drive in Scottsdale. I'm a 17-year resident and 17-year full-time Realtor. I believe that we need to follow through on what people have voted to have done. Many people like myself thought we were already moving this direction. Imagine my surprise when I learned that we are still spinning our wheels on something that had been voted upon. Granted, the trails for hiking are wonderful, but what a win it would be for the residents and the visitors to actually learn about the desert. Early on in my real estate career, I remember when McDowell Mountain Ranch was being developed, I remember going to a sales office -- a builder's sales office. About a third of the size of this first floor, and they had a little discovery center. I moved here from Ohio. It was very cool. I even took visitors there. It was a sales office. They just wanted to see about the desert. It was great! We need another one. Knowledge is important and it's a great purpose for enjoying the Preserve and the desert. It will be good for those behind us. Let's get this done now, in my lifetime. I'm older than I look. We need to move forward and get this study completed. I'm not ready to say what is here is going to be decided upon but let's put this dead horse to bed.

[Time: 01:50:26]

Mayor Lane: Thank you, Ms. Hall. Douglas Reed, followed by Nancy Voorhees.

Doug Reed: Good evening, mayor. I'm Doug Reed and this is my wife, Patricia Shaler. We live in Scottsdale near Happy Valley and Pima. First, I would like to say that we are not opposed to the Desert Discovery Center. We are, however, opposed to the location on Preserve land and we are adamantly opposed to Scottsdale taxpayer funding for either construction or for continuing operation, either from the general fund or from Preserve funds. Those being funds that we taxpayers pay. And we are concerned about the credibility of the Scottsdale city council. Six months ago -- just six months ago, the council loudly proclaimed that there were a number of critical projects and you agonized over whittling this number down. Projects that were essential to the livability and the character of Scottsdale, and that these projects could only be funded -- only be funded by passing a bond issue because the city did not have enough money to pay for them. Desert Discovery Center was not on this list. The citizens did approve some of these projects, leaving several of them unfunded. Today, you are preparing to vote on the spending almost \$2 million on the DDC. Granted, the money is to come from the bed tax, not from the general fund. I get that. We get that. But tax dollars are tax dollars and bed tax dollars today could very well lead to general fund dollars tomorrow and on into the future. A little bit earlier we saw a slide labeled sources ever

funding. I believe the sources of funding had general fund and Preserve sales tax listed on it. Based on your recent priorities, would it not be more consistent to finish the unfunded critical bond projects before embarking on a new 70 or 80 or \$100 million project? Ladies and gentlemen, I believe the credibility is at stake here and I hope that you do not disappoint us. Thank you.

[Time: 01:53:24]

Mayor Lane: Thank you, Mr. Reed. Next would be Nancy Voorhees, followed by Andrea Keck.

Nancy Voorhees: Good evening councilmembers and mayor. I'm just a regular old regular citizen. I'm a tax paying citizen. I'm not in an official, professional capacity to give a point of view. And, in fact, my comments are more in the way of questions but they do represent a lot of, lot of people out, there citizens of Scottsdale. And so I would like to offer a few questions. I know that you can't answer them now. We would love to have the benefit of your thinking on the answer of these questions. Maybe short responses in the "Arizona republic" would be appropriate. I don't know what the forum is, but we would like to hear your thinking.

I have three basic questions. The first one is, why is the council seeking to amend the master site plan to accommodate the Desert Discovery Center rather than proposing a zoning change or some other vehicle to accommodate this project? I.E., are there requirements different for approving each type of change? We are wondering about this.

Secondly, for the record, in some manner, could you please disclose for the public one, if there are any councilmembers who have a relationship with DDCS Inc. and if there are, what the nature of that relationship is. And again then a point of view as to whether it would be appropriate if this did exist for any such members to recuse themselves from voting on items associated with this project?

Finally, many us would be very interested to hear your thinking on how the council justified a project of this magnitude, a 30-acre development, a tourist attraction, acknowledged as such as being consistent with the concept of a Preserve. Somebody pointed out earlier that anyone is welcome to come and walk the Preserve and enjoy the educational facilities. Why is it necessary to build a structure of this magnitude? It seems inconsistent with protecting and preserving nature. Thank you.

[Time: 01:56:09]

Mayor Lane: Thank you, Ms. Voorhees. Next would be Andrea Keck, followed by Bill Heckman.

Andrea Keck: Good evening. I would like to start by thanking the three members of the council who responded to my email inquiry about this agenda item. Mayor Lane, Mrs. Little, and Mr. Phillips and express my disappointment in the four who did not show me that courtesy. Regarding this proposed Desert Discovery Center, I have two overriding questions. I find it actually particularly appropriate item on a day where you have just honored the McDowell Sonoran Preserve in your own words a place that's sustainable for protection and preserving nature. Therefore, how would it be

legal to build what has grown from originally a 16,000 square foot building to now potentially a very immodest 30-acre development with a 72,000 square foot facility on this land designated as a Preserve, voted on and paid for as such by Scottsdale residents.

Secondly, would not a 70 plus million dollars project require a vote of Scottsdale citizens? Are these not spending amounts that require a vote? I posit that many citizens might think there are better ways to spend as much as \$70 million of their city's funds. They should at least be asked.

Thirdly, most of what I have heard here tonight has been about the importance of this project to tourists, to visitors. I respectfully remind you that your first obligation is to citizens who live here. Note that I am strongly opposed to a project that this physical size and this financial scope being built in what is supposed to be a pristine, natural desert environment intended to be kept free from such large-scale development. Thank you.

[Time: 01:58:53]

Mayor Lane: Thank you. Bill Heckman, followed then by Mark Stanton.

Bill Heckman: Good afternoon, Mayor Lane. Actually evening now, members of council, I'm Bill Heckman I live at 8129 East Aster Drive for the last 25 years. I'm a business owner and former executive in time during that entire time. I have also spent a good deal of my life volunteering for different things here in Scottsdale, including six years on parks and rec, where we fought many wars for the McDowell mountain ranch aquatic park and the C.A.P. soccer fields and the Pinnacle Peak trail and many others. We fought to find the money to pay for the bridge, and many other projects that have come to fruition. Those are some of my victories. My loss, I also chaired the bond proposal two years ago, which went down in defeat, largely based on misinformation, and that's what I'm here to urge the mayor and council to consider.

This is not the time to determine the specifics of the Desert Discovery Center. This is the time to talk about the study that will bring it to the public, and create the meetings and have the discovers needed in order to really sort out what this project consists of. Who knows what it will be, but what I do know is the amount of misinformation out there right now and some of which you heard tonight is completely unreasonable and should be really taken in context. One context you can look at is the people that have been in support of this project for the last 20 to 30 years, myself included.

The honor I had last year was being a history maker here in Scottsdale. There are 50 of them. I would say virtually all of them are in support of. This these are the people that are the backbone of this town that have given themselves as volunteers and will continue to do so and stand tall for all the great ideas that have made us a very special community. I strongly urge you to consider some of the things being said, comparing this to the Pentagon. For heaven's sake, the Pentagon is over 100 acres, over 100. It's 6.6 million square feet. This is at most 72,000, depending on the study. The comparison to Disneyland has no basis in reality to what this project is intended to do or be. This is to be --

Mayor Lane: Mr. Heckman, your time has expired. If you could wrap it up, please.

Bill Heckman: I will wrap it up real quick. We have created so many jewels in this town, Taliesin West, the Cattle Track Compound, all of which exists in harmony and luxury neighborhoods. Desert Discovery Center will be the next jewel in our crown. Thank you very much.

[Time: 02:02:19]

Mayor Lane: Thank you Mr. Heckman. Next is Mark Stanton, followed by Sonnie Kirtley.

Mark Stanton: Thank you Mayor Lane, members of council. I appreciate you having me speak here this evening. I'm a Paradise Valley resident and neighbors just to the west here. I currently serve on the Paradise Valley Town Council and formerly the deputy director at the Arizona Office of Tourism, the former president Pro Tem of the Scottsdale Charros and serve on the foundation for the Scottsdale Charros and here I'm personally here to ask you to support the resolution. This brings such potential not only to the city, but to the region and the state. It brings a new dynamic to what the education could be for the Sonoran desert. It brings a whole new array of opportunity for the city of Scottsdale and the Scottsdale convention and visitors bureau who are really the innovative leaders for the state, and arguably the country for tourism. And I think most importantly, this gives the city and the region a chance to showcase as we have heard several times tonight the crown jewel which is the Sonoran desert. I encourage you tonight to look at the potential looking forward and as a long-time supporter of Scottsdale and as the economic development for Scottsdale, I think this is the type of project that we can be proud of to look forward and we won't know until we look at that potential and I encourage you to take this resolution seriously and act favorably. Thank you.

[Time: 02:03:55]

Mayor Lane: Thank you, Mr. Stanton. Next is Sonnie Kirtley, followed by Dan Gruber.

Sonnie Kirtley: Good evening again, Mayor Lane and councilmembers. I am still the chairman of C.O.G.S., unless something happened while I was sitting here growing older. The 48 years that I lived in Scottsdale, I have seen a lot of changes too. I have seen Hayden Road finished north of Camelback. We are looking at the DDC now and the COGS respectfully requests that this council be cautious, be deliberate, be transparent.

Our COGS news readers have been giving us considerable feedback knowing that this was in an executive session today and the council would be discussing item number 33. I have three things to share with you. Our southern homeowners that are near the Preserve are growing increasingly concerned about the changes in size and intensity of use and location proposed for the DDC. Our southern readers are getting increasingly concerned over the dollars out of the pocket and where the spending will come from. They are also concerned that the group has not been able to raise much more than \$332,000 at this point and hoping the Preserve money is on the Preserve only. Citywide, we are getting support for the Preserve. That's a big investment. There's serious, serious loss of your base of support for these other reasons. So C.O.G.S. highly recommends that this council

commit to the public that you will do a public vote on the final project. Thank you.

[Time: 02:06:05]

Mayor Lane: Thank you, Ms. Kirtley. Next is Dan Gruber, followed by Dick Bowers.

Dan Gruber: Mayor, members of the council, I'm Dan Gruber. I'm a member of the DDC board, a retired principal at the Deloitte & Touche LLP where I led the corporate turnaround process. Since leaving more than ten years ago I have been a steward with the McDowell Sonoran Conservancy. I have spent thousands of hours doing research in and education about the Preserve. I helped found the McDowell Sonoran Field Institute. I'm the coauthor of several papers about the Preserve and I have taught classes about the natural history of the Preserve to hundreds of people. The goal of DDCCS is to develop an institution that will educate people to Preserve and thrive in through transformative experiences based on global, scientific study.

The actions before you this evening will start the final planning process. Nothing will be built unless and until you decide to proceed after seeing the specific proposal from us in the future. And I am assured that that proposal differ substantially from the one that was developed more than six years ago. The DDC will give all of our residents and visitors, not just those who can hike, access to the Preserve. It will be an important regional, national and potentially even global research and education resource in its own right and its work will further enhance the prestige and importance of the Preserve as an asset for the community, while also helping to protect and sustain it. We at DDCCS look forward to continuing to engage with the community and with all potential partners in this final planning effort. Thank you.

[Time: 02:08:29]

Mayor Lane: Thank you, Mr. Gruber. Next is Dick Bowers, followed by Melinda who has one additional card.

Dick Bowers: Mayor, members of the council, it's a privilege to be here. These walls hold thousands of stories for me. It's a pleasure to be here. I stand here on behalf of my eight grandchildren and their eight grandchildren and their eight grandchildren and so on. I was hired by Scottsdale in July of 1978. I came from New York with the proviso that our family would move only if I could work in Scottsdale, and profoundly engaged leadership was the norm and the desert was magical! I was privileged to serve as city manager from early 1991 to end of 2000. I was absolutely thrilled to be part of many hallmark accomplishments enabled by the imagination, courage and vision of the city council and brought to life by the most remarkable staff of fully dedicated and talented professionals that a city manager could ever imagine.

I will embrace the large vision. None of the hallmarks at that time were greater or had more international and intergenerational implications than the McDowell Sonoran Preserve. From the genesis, the vision for this project included a Desert Discovery Center that would share with the world the unique wonder of the McDowell Mountains and the Sonoran desert. It's been more than two

decades since the creation of the Preserve and tonight, we are purchased on the edge of this singular opportunity to form yet another monumental hallmark. The Desert Discovery Center is poised to become reality and complete the circle of commitment that started with the public vote over 20 years ago. Scottsdale -- A.S.U.'s involvement with the DDC will also put Scottsdale on the spotlight when it comes to issues of -- regarding sustainability, show -- excuse me, showcasing -- I have so many things that I cost out when the time got shortened. I'm in trouble here. A.S.U.'s involvement will put Scottsdale in the spotlight, certainly when it comes to issues regarding sustainability, showcasing how we learn to live and thrive in the urban desert environment.

Mayor and members of the council, I'm proud to serve on the DDC board and along with other community leaders who have been part of Scottsdale's preservation of this magnificent desert that we have here. My involvement in this remarkable project is encouraged only by my sense of satisfaction, my pride, and my appreciation of my grandchildren. I urge you to take advantage of this critically important opportunity as the next great Hallmark for Scottsdale locally, nationally and internationally and personally I can't wait to take my grandkids there or have them take me there to learn more about the environment and those who will work tirelessly to preserve it. Thank you very much.

[Time: 02:11:57]

Mayor Lane: Thank you Mr. Bowers. Next is Melinda Gulick.

Melinda Gulick: Thank you.

Mayor Lane: We'll go with the full three minutes.

Melinda Gulick: Okay. Good evening mayor and council, my name is Melinda Gulick and for more than ten years I have been involved in the creation and the development of the Desert Discovery Center. I have served on every committee, both public and private since 2004. I'm a former member of the Preserve commission, the past chair of the Conservancy and in 2012, I was recognized statewide for my advocacy and conservation work on behalf of the McDowell Sonoran Preserve as first ever Arizona conservation hero. I'm the volunteer vice chair for the DDCS.

Tonight, we're delighted at the opportunity to take the next step with the Desert Discovery Center. There does, however, seem to be a little confusion about who we are and what tonight means. The DDCS is a volunteer group dedicated to the creation of the DDC. We came together with our own time and money to advance and assess public support for the project. We have nothing personally to gain from the DDC, other than the enormous contribution it will make to the Preserve and our quality of life. A yes vote tonight designated the DDCS is the city's partner in the development of the DDC, and it ticks off a comprehensive public involvement campaign about the project, public involvement program about the project, excuse me. A no vote tonight shuts down public involvement in the DDC. A yes vote tonight honors the bridge preservationists made to the tourism community 20 years ago when they lent their credibility to the public vote for the Preserve. We told them then that we would create a Preserve that's accessible to all tourists and accretive to our tourism industry and develop an

interpretive center, excuse me.

The CVB and the tourism industry has designated the DDC as one of their top priorities. You have heard from them tonight and a yes vote tonight joins with the CVB, the chamber, the Charros, the Realtors and hundreds of individual advocates and donors in creating a world-class interpretive center about the Sonoran desert. One that can't happen anywhere else in the world, only in Scottsdale can we do this. A no vote tells the tourism street and the hundreds of advocates for the DDC that Scottsdale is not a place for co-creation where the community can come together to develop a DDC to be proud of. A no vote means we will miss an opportunity to make the Preserve accessible to everyone year round. A yes vote tonight begins the process for the city and DDCS to formulate partnerships finalize programming and exhibits create a sustainable business plan and understand the true costs to build the DDC and it gives the city and the DDC about 18 months to come back to the council with the products that can be celebrated by our community and approved by the council. A yes vote tonight says Scottsdale is still a place of vision. It's still a place where citizens can bring forth a big idea to create a center that celebrates our commitment to the environment, one that is worthy of our billion dollars investment in the Preserve. Say yes to public involvement in the DDC. Say yes to the next step. Thank you very much.

[Time: 02:16:07]

Mayor Lane: Thank you. That concludes the testimony on item 33 -- public testimony. So we will move from that testimony, with all things considered, that have been spoken to us about it, and consider what action we were to take tonight. I would just as a caveat before I make any of my comments, really, I would like to simply say that this is an exercise. This is a process that we go through. This is not always a black and white issue.

There are things that we are responsible for here on this council for the citizens and their resources from all sources and how they get applied and how and what they lead to. Obviously commitments, it establishes some new facility, it has other additional costs that have to be considered. How that gets funded or who will be responsible for it. So there are a lot of things within the various elements, even within the resolution that we want to go through in a calculated and sincere way to make sure that we have something that's appropriate. If it's to move forward, that it's appropriate in the responsibilities and the considerations for both the taxpayers and the resources and the risk that they may be accepting and those who are proponents of it.

One final thing I would like to say on that is simply that the tourism development funds are the -- are the taxpayers' resources. They are not the industry's. The industry is very important to us. But the tourism development funds or the bed tax funds as we refer to them, they are the taxpayers' resources in every shape of the word. Those are things that we have an opportunity responsibility to make sure that we utilize it and apply it appropriately.

All of that being said, I would open it up for some conversations or some questions of either the staff or -- of the staff or from just to raise a question or issue within element of the item in front of us. Buttons are being pushed. Okay. Now, I just -- I hope you are doing that willingly Councilman

Phillips, you weren't forced into that. In any case, Councilman Phillips.

[Time: 02:18:24]

Councilman Phillips: Thank you, mayor. I'm sure there are a lot of comments. Nobody wanted to be the first. Everybody wants to be the last. So this comment is basically to say, are we voting for one and then two or three or are we voting for all three at the same time?

Mayor Lane: It is one item. We can take it -- I'm sorry. I mean, if I can respond to that. Certainly, it's one resolution that incorporated those three items but we can make comments or questions to each one item.

City Attorney Bruce Washburn: That's right. And the council can make changes to the resolution.

[Time: 02:19:09]

Mayor Lane: Okay, Vice Mayor Smith?

Vice Mayor Smith: Thank you, Mayor. First I have a question, but then I have some comments. First the question is to Dan or to Kroy. Could you explain in greater detail what this item 3, the third part of the resolution tonight, what will that actually involve in terms of what does initiate this process mean, and what will be the public outreach for whatever you are contemplating?

Strategic Projects/Preserve Director Kroy Ekblaw: Yes, Mayor and Vice Mayor, and council. The request for the amendment to the municipal use, as was mentioned in the presentation and by some of the speakers, this -- the gateway site itself, the trailhead is located, did receive an approval in 2007 for a site plan that included the gateway trailhead, the parking lot, in that location and that was stage one of that development. It also included, essentially a phase two, the discovery concept at that time. That's one thing that's the history of the discussion of the DDC, the Desert Discovery Center has evolved over time. But in 2007, roughly a 22,000 square foot visitors center-type concept did have a -- a room for a little bit of retail and a cafe and had a small amphitheater for educational purposes and that was part of that municipal use site plan approval.

The -- coming from the direction from the council, as Dan explained in the presentation back in March and September, looking for further analysis of what the Desert Discovery Center could be, and looking at it at the concept of the gateway, the idea to initiate the municipal use amendment, at this time, was intended to take this analysis, that is proposed by the contract and include with the municipal use site plan process which will include public requirement for public involvement, we would do that even if we didn't have the municipal use. It would be additional requirements for that and at the point in time for 18 months or thereabouts when this all comes back, you have before you the concept and the costs of the capital costs and the operational costs and how to continue to proceed, you would also have the proposal before you to act on an amendment to plan. It only initiates the case. It does not say that you will build it. It does not say what the amendment exactly is, other than that would be part of this process that would develop that concept and bring it forward or bring it back to you at

the time that all of those other elements are there. That would be what the issue would allow.

[Time: 02:22:35]

Vice Mayor Smith: Thank you, Kroy. I think that's helpful to understand what that part of the process is. We did not discuss that back in September, when we first discussed this contract.

Well, I'm going to state, first of all, affirmatively, that I'm an enthusiastic supporter of the Desert Discovery Center concept. People have used the words educate. They have used the words inspire, all of which is true, synergized with the Sonoran desert, unique to Scottsdale, perhaps unique to the world. I think these are all -- several of the reasons that I support this Desert Discovery Center project.

It also, as has been pointed out by several people, it does provide tourism magnet. It is an important underpinning for the future of our tourism industry, which by the way, in spite of what somebody questioned in terms of that and the importance of supporting tourism, we all, as citizens benefit from the tourism projects that are developed with tourism bed tax dollars. We certainly are enjoying and have enjoyed for almost a year now the last -- what were the words? The Museum of the West and this would be an even grander scale.

But we do have -- it's important to remind ourselves what so many of the speakers have reminded us of. That is as enthusiastic as we may be about a Desert Discovery Center, that's not what we are approving tonight. That's not what we are being asked for here tonight. We are only being asked to approve a feasibility analysis, create community dialogue, and see if we can do what we talked about doing last September and that is, bring into definition what this project is so that the various characterizations of it in its undeveloped state can be put to rest.

I think we do, certainly speaking for myself, I want to respect the citizens goals for the Preserve, and I, obviously, want to respect the city's ability to pay for this project, whatever it might be. And those are matters of great concern in both cases and those are the things that I hope we will wrestle to the ground in the next 18 months. I did vote in September to advance the definition of this project and I'm still there. I still want to advance the definition of this project the project we are looking at or the action item tonight has several hundred thousand dollars for architectural renders and I have been convinced, I guess is the right word or persuaded that to fully define this project, to understand what we are talking about, you do have to take it to the next step with architectural renderings. It also includes provision for land use consideration that was added. That's what Kroy just discussed, the outreach on the municipal use of this acreage, and I think that's an appropriate activity to undertake over the next 18 months as well so that we know not only what are we talking about conceptually, what's it going to look like architecturally, and is this the -- is in the appropriate place to put it?

I am also persuaded by the fact that this entire study, 1.7 million, whatever the number is, is going to be paid for with bed tax money. This is obviously money that has come into the city, the payer is right. It's taxpayer money, but it's uniquely taxpayer money in the sense that it is paid by the tourists who come to the town, to our town, and the people who pass that money along to us, who collect it

for us and who pass it along. The tourism industry have voted unanimously at the tourism development commission and individually they have spoken enthusiastically for this project, but I think it's an entirely appropriate use of that money and it's certainly not invading Preserve monies and it's certainly not invading general fund monies. So reiterate, I favor defining the project so that in 18 months we can decide what the next step is.

[Time: 02:27:50]

Vice Mayor Smith: I do have some items that we would like to ask the staff to consider or maybe it's the DDCS to consider in the contract that we are looking at tonight. One of them, and those of you in the public may not have the contribute in front of you, but in item number 207 of the scope of work, the discussion is to identify and evaluate the legal and regulatory site issues that's this municipal site plan exercise. And it talks affirmatively as though we are indeed going to locate the project at the gateway and I think probably all of us think that is where it's going. That's where we have always talked about it going. That's where the council previous to ours discussed it going. But I think it was Christine Kovach in her opening remarks tonight did make the comment, you know, the location doesn't turn out to be there, it's possibly not at the gateway after studying this for 18 months, then we will talk about where else. So I would like for item 207 to at least represent the fact that there could be alternatives to this, not that we are suggesting alternatives, not that the council has any insight on alternatives, but if I'm going to spend all of this money in 18 months and studying it, I want to be sure that I'm considering the alternatives if there is something that comes to the study group in the meantime, that makes a lot more sense.

The second thing that I would like to see and it goes to section number 210 and number 211 in the scope of work, and, again for the benefit of the public, Section 210 is the architectural programming that will go on, Section 211 is the business plan update that will be done. What you get back in 18 months, I would like to have, I will call it, a staged program, a presentation that says, this is the totality of the concept. But if you only have \$10 million, here's what we would do first. If you have 20, here's what we would do second. Basically, the wording I would like to see is that somehow in both cases, architecturally and in terms of the business plan, that we consider and address implementation of a staged development of the DDC. A staged development by the architect and by the DDCS and then include such states development in the capital and the operating business plan.

I say that because it's -- it is not common, necessarily, in the business world or even in governmental activities to just go 100% of what the project is you have in mind. We haven't done that here in the city. We didn't do that in WestWorld. We did not even do that in the Museum of the West. There may be expansions of that that occur in the future. So we may, as a council at the time we look in 18 months we may decide this is a great idea, let's start. Let's do phase one and so I want to come out of that study some staging possibilities.

[Time: 02:31:49]

Vice Mayor Smith: The next thing that struck me in the contract was in Section 213, and that's broadly speaking, it's called funding alternatives. I want to see a specific recommendation of what I

think several of the supporters of the project alluded to, and that is that there will be in this study 18 months from now, there will be included whatever significant public support has been identified in this 18 months. Talk has been made how we may be able to raise a third of the operating budget or 10 million or whatever. I know these are hypothetical, on the other hand, the language says that the DDCS will assist the city staff in investigating funding sources that may involve nontraditional methods. That's certainly true but I also want them to identify in more specificity where they think the private funding sources are at that point in time because this is going to be a public/private partnership in whatever extent it can be. This cannot be simply your city government doing this alone. And I don't think the sponsor his intend that. Let's see if we can have some definition for that.

And finally, there's several places in the document here where I would like to see inserting the words "in collaboration with the MSC." We celebrated tonight, as everyone noted, 25 years of history with the McDowell Sonoran Conservancy. And Jack McEnroe expressed his support and the support of the MSC. I want to see them as a partner in this exercise of investigation, evaluation, and determination over the next 18 months.

So there are places in here, in Section 303, I think it's talking about a pilot education program and the thought was that the DDCS would get together with ASU and come up with some programming. I encourage them to include MSC in that exercise because these are the individuals, all 600 of them, that really understand the educational opportunities and the interest of the public and they are a tremendous resource for us to include in this exercise. And it's not just the MSC, but also I saw reference to the fact that at some point reports would be made back to the tourism development commission and that's appropriate, because the tourism development commission is ponying up the -- if you will, the \$1.7 million for this study but there needs to be and interaction with the McDowell Sonoran Conservancy commission, our own commission that is the oversight for this group, talk to them about what some of the objectives are and what you are findings are.

So I know it's a lot of words and it's maybe more -- whether anybody on the DDCS is prepared to respond to any of these recommendations, but I'm an enthusiastic supporter of bringing definition to this project, without question I am, but I think we can make a couple of tweaks to this contract that, and at the risk of doing it on the fly, I think I will defer to general counsel to tell us whether that's too much for us to do tonight. Those are my thoughts Mayor.

[Time: 02:36:05]

Mayor Lane: Let me just follow on. The decision that we are making tonight, that we are committed to, it's not building a building, but it is a contract and there is a commitment to a new design. The history of this project has really been ever increasingly growing and one of the reasons that I can -- well, actually inquire to 2007, when we were viewing this we were thinking about whether we would just have it more of a portal type of Gateway, versus any kind of structure or any kind of building at all. Of course, there were folks at that point in time who have evolved, I think since, who just wanted to fence off the Preserve and leave it be, not for anybody to access it at all. So we have come a long way. That doesn't mean that anything is possible or frankly that we have to consider ourselves in a whole new plain here.

But I think one of the things and certainly the Vice Mayor mentioned as well and I think it's an important thing to consider and this is -- and there's been some back and forth and there are certainly differences of opinion, outside of this room and frankly, in the conversation that has proceeded us to this point. One of the MSC. As was just pointed out, a 25-year anniversary. We have a great, fantastic award for international and national award for our Preserve and that is an important thing to remember. That's what it's all about. But the MSC has been a dedicated partner with the city for so many years that it's -- it's been unbelievable what they have actually contributed to maintaining and the working of that Preserve. 47 square miles right now and I think without their help, we would have a significant additional burden on the taxpayers in trying to maintain it. I know we would. And so there isn't anything I want to have happen here that would create any type of animosity, any type of conflict, any type of competition between two groups for donors for contributions, for volunteers or any of them. We have to somehow or other, this city is responsible to make sure that works together. So I absolutely would like to have a provision. I don't know how steadfast the provision like that could be in the law, but this would be my suggestion, is that that association is clear cut and works together, no matter with what and certainly with regard to this particular contract, but in the longer haul.

And it's always been about money. Even the much smaller version, the reason it didn't go was because there was no way to fund it and frankly, even at that point in time, and maybe even right now, it's not believed, given our experience on the general bond initiative, probably it's more so now, is that it would not pass. So public funding of this through a general bond initiative is probably out of the question. Now we have been blessed with an initiative that we did six or seven years ago that gave us some availability of tourism funds for tourism infrastructure, bed tax funds for tourism infrastructure. That's what we are working with here. There are also the Preserve tax monies hasn't that's something else that we need to be concerned.

With Mr. Worth put up a slide, number 10, I'm not sure if we can pull it back up again, that left me a little perplexed, particularly in view of my conversations early on with the DDCS. And the partners and frankly the advocates but on that slide 10, again, I will call out for it if it's possible, if there's somebody that can muster that up, but that simply indicated the sources of funding, which is in Section 213 of the contract -- oh, man, that's changed pay little bit.

Public Works Director Dan Worth: That's the best I could do on short notice.

Mayor Lane: Let's see if we can at least enlarge it a little bit. Yeah. One thing at the top of the list is the general fund. And I absolutely have been a believer from the beginning and have expressed it so, that the general fund is not a source to be worked with in this regard. This is a valuable project. It's a valuable piece of land and there's obviously a lot of people that are energized and businesses and everyone in this. I think for us to take the risk of taking money from the general fund and sacrificing something else, no matter whatever else we will be sacrificing something else, and even as we look at the stock market now, and we consider what's going on in the world, but we are always a little built conservative about where we are going to find our next piece of bread. But in any case, the general fund at the top of the list was something that bothered me more than just a little bit.

The -- oh, there we go! That's a lot more readable, I think. But in any case, and the tourism fund. And, you know, I would say that I do not consider, as I said before, those are funds that we are responsible for. People will hold us accountable for and that's what was in the initiative that was on the ballot and that's what the voters voted for us to do, about tourism funds being used for tourism infrastructure. Obviously a combination of all the above is an easy one and it's a multitourism past year.

I think one of the things that has been discussed and frankly, Mr. Schilling mentioned it as well. I absolutely think that within this contract that there needs to be not only -- and it would be relegated to Section 308 which is a fund-raising commitment. I'm interested in commitment, just like my commitment with my relationship. But I mean, \$10 million minimum capitalization contribution, I think, would be -- is a reasonable place to start. And I think that's something that puts into the contract a goal. Our track record around here is once we tell anybody that the city is going to pay for it, the donors dry up. I mean, there's not a whole lot of motivation if they are not needed. And so I'm concerned about having a minimum capitalization on the project.

And the other thing that was discussed and this is another issue of risk and use of general funds is the operation of this. Now, I heard the estimate. I heard various estimates except we don't really know what size structure and facility this would be, of anywhere from 3 to \$6 million to support this thing, particularly in the beginning years and that's depending upon how successful it is in the latter years. And if everybody thinks that, you know, it's going to do and be what they believe it to be, then the commitment to the operational costs is something that we worked out in other contracts that we have worked with, the tourism when we have invested tourism infrastructure or tourism dollars and infrastructure as with the Scottsdale Museum of the West. So a commitment on operational thoughts in 308 or somewhere within that contract, I think is an imperative.

You could throw it in other funding alternatives and I fully endorse what the Vice Mayor has indicated and that is to say, certainly the continued look for private funding, other private funding, not just, I forget how it's worded but -- oh, for other sources, the DDC may involve nontraditional methods. I'm not exactly sure that what means they will be doing. But somehow nonetheless, they are nontraditional. Within that Section 213, certainly some type of private funding initiative within that section as well.

303 sort of talks about the educational programs and I think that sections 303, pilot educational programs and I think whether that's involving some additional funding or otherwise, the DDC, I think stands in place to be able to take that on, on a very positive way. It doesn't mean that there are not some adds to, it but there's no need to duplicate some of the things that they are doing right now and, in fact, to tell you the truth, I would hate to see us even potentially usurp some of the great programs they are putting together right now, with some initiative in this area.

On 207, the identification even evaluate legal and regulatory site issue. I have just a small problem with this one in the sense that I think this is what we, as a city, should be doing. We are in a political process. We are responsible to the taxpayers and to our citizens, when we make amendments or

when we make adjustments to anything, there's a process that we employ that's generally considered to be very transparent, it's by law. And I think it's imperative that whatever we feel we need to make that this city takes that on and takes it on in a straightforward manner. I think that's our obligation. So if there's some costs associated with that within this contract, I would say that that would be something that ought to come off that contract as I indicated with the educational program too.

[Time: 02:45:56]

Mayor Lane: Let me just make sure I have myself covered a little bit here. A lot of talk about the citizens wing and having an opportunity. Well, we run into on a continuing basis is -- and I think it was mentioned by a couple of speakers but this happens to us all the time, that something gets -- I like -- we talked about momentum and being in business, it is. There's a lot to do about momentum, but you got something going, you want to keep it going. When it becomes a steamroller, then you have to be careful too, what are you missing? What is rolling in under the drum that you are missing all together or crushing? So I'm -- I'm careful and I think it's interesting and important that we take a hard book. I think the DDCS knows already but they are looking at what will work for their program as they are going to -- I think they know how big it needs to be and what the elements have to be and whether the size or the elements within are comparable, even with some fluid interpretation of our preservation of Preserve ordinance, I should say, I think we should be able to establish that.

The other is we don't want to put the camel's nose under the fence kind of scenario where we have something that does happen, like this, where we view an interpretive version. Ordinance. We won't do this again. We don't know. We've come a long way in the nearly 11 years that I have been here.

On this particular subject, I mean, it's evolved, as I said from people who wanted to put a fence around it and just have it serve as a backdrop to trails, 150 plus miles of trails and trailheads. I think we have 20 or 27 trailheads. Kroy, how many trailheads do we have?

Strategic Projects/Preserve Director Kroy Ekblaw: 11.

Mayor Lane: 11. I certainly don't want to exaggerate it. The size of this has come up and as it's become bigger, it makes it harder to work its way into some type of sustainability and I'm not sure where that is in horizon and that's why I'm hoping and I would like to have and I would certainly offer that we make some amendments to the fun raising commitment and the operational costs in the contracts before we go to authorize them. And I think that pays homage to a lot of citizens who are concerned about their general fund and what is the expense here.

The tourism dollars, that does rest with us ultimately, but even there, there's a criteria. It's not just the TDC that decides. Nobody will ask TDC members when something becomes a monumental waste. But nobody will go to the tourism development commission. They will be coming right here and that's exactly right here. That's exactly where it does need to come.

I actually did point to you two. No. So I would -- I would certainly suggest that we make those kind

of changes that I think would certainly put everybody with some skin in the game as to how this moves forward, and how big it is and how viable it is, if they have the same type of enthusiasm, then it should be good. It should work out fine.

I think those are the important components. I think we as a council find our place in a place of comfort for all of our citizens and frankly something that will work and is qualified for the tourism dollars. And I think we may be getting there but I think we -- that contract is probably the principal component, as far as I'm concerned. I would like to be and I have -- as I often said conceptually, I'm on board with this concept. I like the idea but I don't want to, you know, run everybody down out of the way. I think we have a solid working item. So as far as the money is concerned, the 1.699, I'm not marginalizing that at all. That's a lot of money. We need to be serious about that.

I would love to have a change ordinance and go through the process for that to make sure that we are clear about what we need to do there and go through a regular process for an ordinance change. There's a bit of vetting. As I was explaining to a group I was talking about today, certainly advocates of the group were talking about it there's an awful lot of inconvenient things that happen here in government, one of them is communicating and making sure that we have people in the know, that we are not snowing them, we are not slipping something by, or even perceived to be.

So we take every step that we possibly can to make sure that we are on board with it. So with that -- so that's my thoughts it will may get formed in a different way. Councilwoman Klapp.

[Time: 02:51:55]

Councilwoman Klapp: Well, I'm a supporter of moving forward with the items that are in the resolution. I'm not exactly sure how to address all issues that have been brought up, and I don't want to talk at length as they have, but in general, I would agree with many of the comments that were made about things that need to be considered in the contract. I'm just not sure how much those changes could be done tonight. You have comments that were made by Vice Mayor and mayor, in this agreement, how much of that can be done tonight. So I would like to ask that question.

City Attorney Bruce Washburn: If there were a few simple word changes or something like that, then you could do that from the dais and we could make changes in the contract, and then it would be up to DDCS if they wanted to accept those changes. I think if we tried to incorporate most of the things that were suggested, we would probably have to continue this matter, work through the word changes, work with the DDCS people to do the word changes and then bring it back. We can do that fairly quickly. We have a meeting, you know, tomorrow night, and if we could work with the goodwill, they would probably come up with language and bring it back. I'm very reluctant to try to do anything very complex from the floor without getting input from the DDCS.

Councilwoman Klapp: And so am I. I believe there's some good comments have been made about things that could be added.

I understand that we've got to get a business plan that shows how this project will pencil out and how big the project needs to be for it to be sustainable, from what I have heard in the past, if it's too small, it won't pay for itself. It just won't attract enough people, but perhaps as was commented by a couple of people, it wouldn't have to be as large as the project that we looked at in the past. And so it could fall somewhere in the middle. That's what this plan is going to tell us as I understand it. And if there should be some -- some ability within the business plan to face the project, I think that makes some sense because we don't know where all the money is coming from.

I believe it would be good to give some financial commitment made by the group as to how much -- we mentioned \$10 million. I'm not sure if that's what the group would want to commit to. There could be a commitment that says the organization will raise x number of dollars which will help this determining also the size as well as what the funding mechanisms will be coming -- you know when they come back with a plan.

I tried to keep track of all the comments that were made because there were many made about this. And I agree also with the idea of making sure that we don't disregard the MSC and that they are included in the planning. They are certainly experts. They have done so much field study that they have developed, I guess what they call an institute and that should be incorporated into any kind of educational program that's going to be developed at the DDC.

I personally do not see based on my participating in the last number of years a need to change the ordinance. It seems to me that we have the right to build a city facility within our own land. Yes, it was paid for by taxpayer dollars but every one of the people in this room are taxpayers and they are all -- they are all invested in this, including those of us on the council. So, you know, I would remind the council, and it was mentioned by one of the speakers that a few years ago, the council agreed that we could put commercial Jeep tours temporarily into the Preserve, and I didn't agree with that. But I do believe this particular use is a good use in the Preserve because it's city property, run by the city. It will be overseen by the city, and there will be a private manager, just like we do with other city facilities. That seems to me to be a reason not to look for a change in the ordinance because we ought to be able to do this on our own city land.

In essence, my feeling is that this is a -- this is a -- this is a large, large, project whose time has come. We have a number of participants who want to participate in the Preserve, not just for hiking. There are those people who can't hike but they might be able to go to a facility and learn more about the Preserve.

You know, we read throughout the season about people who visit Scottsdale and they go out hiking and they know nothing about what they have gotten themselves into, who have to be taken out of the Preserve by our firefighters because they are essentially ignorant about what -- you know, what they have tried to accomplish by hiking into the Preserve. So I believe there's a great need for some education of all the tourists that come in, that might come to the Preserve for them to understand just what the Sonoran desert is, what is the habitat, what are the dangers. There's a great deal of information that needs to be given to tourists and to our own residents for them to understand better, to appreciate better the great Preserve that we have and you do that with something like the DDC.

That's what it's for. I don't think we can do that with a small little building that is at the gateway now. I think you need something that is of a sufficient size to provide the experience that the tourists and residents alike would like to have on the Preserve and that's why I support to continue moving forward with this.

My only concern is how to incorporate some of the comments that have been made. I would certainly like to move forward.

[Time: 02:58:53]

Mayor Lane: Thank you, Councilwoman. Councilman Phillips?

Councilman Phillips: Thank you, mayor. I do have a question for the DDCS, whoever is representing them. We have heard a lot of comments and I believe you said that to do this, so that we will have the public outreach. So I would like to know if the majority of the community, didn't like the DDC, and doesn't like the size and the scope and where you are putting it. Does that mean you will come back to us and say it's not feasible? It's not going to work?

Christine Kovach: So the purpose of holding open houses, public meetings be public input is to do as any project or any proposal that they would do, whether it's closing down Scottsdale road and making it more pedestrian friendly, right, or building the Museum of the West. So we would go through the same thing. We would have access to the city staff and all of their tools to use that -- to use those public tools. So, yes, if we came back -- we did this whole public process and started to -- and all of a sudden it turned out that this is not a viable option, that this is not something that they thought in this project, it does not go well, it does not fit into this Preserve, yeah. We're perfectly aware that it is very possible. I mean, we are clearly, you know, got that small vision and you've got that really large vision. So somewhere in there we think we have a middle ground.

I think that's up to the community. I think we need to give them the opportunity to learn about the project, not the hearsay, not all the, you know, hundred million dollars which is a number that has never come out. There are these huge numbers. Absolutely.

Councilman Phillips: Thank you for that.

Christine Kovach: We are happy to do that.

[Time: 03:01:01]

Councilman Phillips: That would be a first, but I appreciate your candor. Thank you. I would like to ask our city attorney, this question has been going on for a long time and so -- and so let's just clear this up right now, that -- would you say that it is not the city's position that the city can build whatever it wants regardless of public endorsement on the Preserve?

City Attorney Bruce Washburn: The city council has the authority to make improvements in the

Preserve and so, yes, I think the council has the authority to determine what needs to be put there. Whether it can build whatever it wants, I don't know. I'm pretty sure you couldn't build a nuclear waste dump. I'm sure the federal government would have something to say about that. Whether they can build something in the Preserve. Yes, you build trailheads it all the time.

Councilman Phillips: Thank you. It's been a longstanding question and the public said you can't build anything without a public vote. So you just heard, yes, we can. All we need is four votes on the council. We can build a DDC or three DDCS or five DDCS or whatever we want to do because we don't consider it your property. We consider it our property.

You know, those will advocate that the DDC will enhance the Sonoran desert Preserve. I believe that's like saying you can enhance what God has created. I can say the Preserve is already there and making money off of it will not enhance it. I don't see Yellowstone discovery center, a giant Sequoia discovery center. We have over 600,000 visitors visit the Preserve this year. Tourism is already here. You make it sound like if this is not built, tourism will not come. As you know -- all right. Excuse me. You make it sound as if this is not -- that they won't come.

I contend that the Preserve is its own golden goose given to us by the residents because they paid for it. And that future tourists will appreciate that we left it in a pristine condition and didn't try to explain it. I can't go into minds of those who voted for the Preserve back when they did. And I believe they expected a government private enterprise to be built on it and what they thought was their Preserve. It was paid for with their tax money and under the premise that this land would remain pristine and void of manmade structure. We made it clear that the Preserve although paid for by the residents is really under the authority of the government and in the government wants to build on it, all it takes is four votes of the council. The public has no say. Today is a very sad day and a very revealing day for the public trust. You know I cannot in good conscious vote for this. Because by voting for this, I'm furthering this along. And if I have any way to stop or defund this, I will.

You know, the mayor brought up a good point, although it wasn't to this point. We have over 400 volunteers who run the Preserve, and they might just feel betrayed and quit. And if that happens, who will take care of it? Will you hire funds of inexperienced employees to maintain 30,000 acres? How are we going to afford that? So to me, this is a travesty, and I don't agree with it and I will not go along with it.

[Time: 03:05:03]

Mayor Lane: Thank you, Councilman. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, mayor. I believe that Councilwoman Klapp is correct. If we do not need any kind of amendment to the ordinance, in order to build this, we can build pretty much whatever we want at every trailhead and along the entire border of the Preserve. So I think that is a problem. I think we are opening a huge can of worms, when you consider that, and you consider what would happen with the citizens when they ever decided that that's not what they want.

This proposal is to fund a study whose goal is to find a way to take 30 acres of Preserve lands at or near the gateway and develop it into a Desert Discovery Center. With long rows of ramadas, a gift shop, a restaurant which includes alcohol and nighttime activities and programs. To fund this study, they take almost \$1.7 million in sales tax dollars from the tourism development fund, thus denying any other use for those tax dollars within Scottsdale. The purpose is to find a way if they need to, to amended lease the municipal master site plan to allow for these activities.

At last count, the current DDC plan contains approximately 70,000 square feet of permanent construction. The minimum estimated cost is 70 to \$75 million. And we all know how the minimum costs go up. Most of this would, I believe, would be funded by the taxpayers. One way or the other. The parking lot would have to be expanded. The roads to and from the gateway would receive a great deal of additional traffic and air pollution. There would be night light and noise that would interfere with the natural night migration of the animals, those same animals in the Preserve that we have pledged to protect. Another effect of putting the DDC at the gateway will be to lower the quality of life as the people and the residents who live nearby.

So all of the reasons that I stated above and I don't believe the council has adequately considered these factors. The DDC committee is promoting -- that is promoting the Desert Discovery Center has many proponents, as we see here and I acknowledge that most of them are very influential powers that be here in Scottsdale. They believe the DDC would be a very unique resource to attract the tourists no Scottsdale and I don't know one way or another whether this is true or not. I'm not a tourist. However, that's not the purpose of the Preserve. It's only sole purpose is to preserve.

I have also heard from a number of citizens within our community that they were told by various people who promote this project that they believe that the DDC and its accompanying expense structure would not be supported by a vote of the citizens, who have to shoulder much of the cost. Therefore the committee is trying to find all ways possible not to have to go through a vote of the citizenry and that's why we are here tonight, trying to pass a contract under which they can find a way to amend the municipal use master plan to allow for the uses they desire within the DDC, if placed within this Preserve. This is the purpose.

Personally, I believe the concept for the DDC violates the basic contract, which the city made with the voters, when we asked their permission multiple times to raise their tax money to buy the Preserve land. These proposed amendments to the basic contract which we made with the voter should also go back to the voter before any major changes are made or -- are made and I believe that's only fair. It's their money. We have promised as a city and the Preserve rules clearly state not to allow commercial endeavors such as a gift shop or the sale of food or drink within the boundaries to disallow the drinking of alcohol or any plastic or breakable containers within the Preserve and to not have any lights or noise at night because it will bother the very same animals that we are trying to protect. This we promise to do to keep this land in its natural condition into perpetuity. Evidently perpetuity is a very short time in Scottsdale.

We have is to preserve park's boundary and we would break the promises with our citizens. I see it

unethical at best and immoral at its worst. I will not approve such an agreement to fund a contract that proceeds such a goal. The citizens do not want this. I believe in a representative of offices where we represent the citizens of this city. This the council majority votes to approve a study, has to find a way to amend the rules in order to allow the DDC to be built within the Preserve, contrary to the wishes of our citizens, it is highly likely, in fact, I would say pretty close to a certainty that our citizens will sue us. We will be sued by our own residents, win or lose, that's not a good thing! The very people were supposed to represent, that's not good.

The previous councils promised to Preserve the land for us, the children and the animals and plants that live within it. This is a step to change that, to permanently destroy some of the natural land within the Preserve boundary and to deny a vote of our residents to say no. I want it understood that we are voting for the Preserve by my vote tonight. And as promised, for our residents who have supported it and paid for it. Now, odd as this may sound, it doesn't mean that we will necessarily be against the DDC, but I am against the DDC if it's not approved by the citizens of Scottsdale.

[Time: 03:12:31]

Mayor Lane: I'm sorry. No applause. We don't applaud and we don't boo. Thank you. Thank you, Councilwoman. Councilwoman Korte.

Councilmember Korte: I'm inspired by long-time passion for our Preserve. It started a long, long time ago with our honorable Carolyn Allen and many others that had the vision to understand the value of open space to a community. I'm one of those.

Some you may not know, but I chaired the original task force that created the whole concept of the Preserve and came back to the council back in 2003 to suggest a taxing mechanism, and to move forward and I sat at that table with some many this room and I have been involved with it ever since. I have been a steward and a long-time supporter and a past board member. I'm a biologist by heart. And so understand a little bit about the biology.

And so several things were concerned, such things as impact to traffic. Actually, if homes were going to be built open this land, that traffic would have greater impact than this DDC. And we question, well, how big? How much? How are we going to pay for it? The location has been an issue -- well, not an issue. It actually has been codified by several councils, having to abrogate ways since 2002. This is nothing new.

This concept or this fear of why have I heard not about it, this has been talked about -- well, three Preserves because there were concepts of the DDC that existed before we even had a Preserve. Thank you, Florence Nelson, rest her soul. So what is going to happen here? And why is it rammed into the gateway? And this is an assault on the Preserve.

How I calculate it, whatever this Preserve is going to be, it could be anything from 16 acres to maybe 30 acres but that's less than 1% of Preserve land that we set aside. I have a hard time understanding that ecologically. I think one of -- some of the confusion around this DDC is that this has been on the

table or in the books for so many years and it's taken many different variations. So you know, it started out as like a 20,000 square foot open air information center, and then it went to a Disneyland concept with gigantic walk-through snakes to better understand the morphology and supersized ant hills so you could climb through and understand how that microsystem in the desert could support ants. Then it went to about a 30 or 35-acre concept with the big price tag, and that was several pavilions. A beautiful concept.

And then what happens was this. And when we have a great recession that we experienced, really, it began in 2007, but we'll say 2008, you don't move forward from these big, hairy, shackles. Here we are today. We have an opportunity to answer these questions, finally -- finally better detailed for a plan and to move forward. So define how big it can be or not be or how small it can be and how much and how -- how are we going to pay for this? And -- and what is it -- what is the economic impact to our community? And what is the impact to our citizens?

A couple of things and I will finish. The perception that we can build anything in our Preserve is simply wrong. And let me go back to some language in our ordinance. In our ordinance, it describes the type of facilities contemplates in the Preserve. It specifically says it's not traditional facilities such as public park or playground, ball fields, tennis courts, swing sets, climbing apparatus, designed for active recreation, but rather it's facilities or improvements that the city determines are necessary or appropriate to support passive recreational activities.

The DDC has been a concept since before the Preserve and even before the ordinance was written, well, when the ordinance was written in 2000 and Christine Kovach was there, and many others, including me, we clearly had the intention that the Preserve and the gateway would include the DDC's as a facility for passive recreation, education usage, tourism. And that was clearly the intention back in 2000.

I don't support rewriting the ordinance. I believe this is a big vision for Scottsdale. I think it's important for our quality of life. The statement that we make as a community to our community, to celebrate our Sonoran desert, I think is critical and I fully support it and have supported it for a long time.

[Time: 03:19:32]

Mayor Lane: Thank you Councilwoman. Councilwoman Milhaven.

Councilwoman Milhaven: Thank you, Mayor. I want to start by going back to a comment somebody made, who pointed out that it was the people's Preserve. I want to point out that everybody in this room is people. And everybody at this dais are people. And so to suggest that people are other than the folks are in this room is a bit of a fallacy. We are all people and we are all considering a big, hairy, audacious act.

I would suggest that if the idea was without controversy, we were not thinking big enough, because every big, hairy audacious idea has controversy. And especially where there's emotion. We all love

our Preserve. We would not have this emotion on both sides of this question if it were not for the fact that we all love and cherish our Preserve and we are trying to find the best way to celebrate it.

The people who -- let's see. The decision today is go or no go. So we continue this conversation and put more detail on it, or do we pack up our tent and go home and say we don't want the DDC? That's the question on the table today.

Some of the questions and concerns that people have about size and scope and operating and general fund, whether or not the general fund those are all things that are very concerning to all of us but we won't be able to answer those questions without taking the next step. And so I share the concern and the cautious that is urged by those who have reservations. We share that. We will only be able to answer those questions by approving the item tonight and I just want to be clear.

Today we are considering approving \$1.7 million, period, of bed tax money. Bed tax money is paid by hotel guests and may only be used for tourism-related purposes. And let me repeat it. It can only be used for tourism-related purposes. Yes, we have many capital needs in this community. We may not be -- we are not legally allowed to use this money for anything other than tourism-related purposes. I'm not an expert in tourism, but our tourism experts our tourism development commission has said please use our tourism money to bring this idea forward. Interesting thing is TDC, the tourism development commission has gotten upset with this council by spending money that they advised us not to spend and now they don't want us to spend this money.

The other thing that I have learned over the years is that what is good for the tourist is good for the residents and I actually think we should say it the other way around. What is good for the resident is good for the tourist that we can go and enjoy and learn our desert and be interpretive. I love Rebecca's discussion about visiting when her father was there. Somebody suggested to me when I was in Las Vegas I should go visit the springs which is an interpretive center that celebrates the use of the water in the desert and I did and thought, oh, we could do so much better than this in Scottsdale. People would have been there nod their heads and say yes.

And so for me, while we are using tourism dollars, this is really about the resident and what is good for the resident will, in fact, be good for the tourists. So for those who suggest it would require a vote of the people, it's too soon to ask folks what would we ask them? It's too big an idea. We need to put more detail around it. So exactly how big is it going to be? And exactly what is it going to do? And I know fund-raising feasibility can't be done until you move forward. I would not preclude a vote of the people at some point but it's too soon to have that conversation. We need to take this next step and put more detail around it.

And then finally, the people who have spoken today have been my role models and my heroes. I started getting active in this community in 1993 and many of the people who have been involved in this effort are my role models and my heroes. They inspire me. I would not be here today. I would never have pursued the ambition of this dais if not for the inspiration they have shown me, their interest and enthusiasm and even times when I got to be a little bit petty, they would pull me back. The people in this group would ask me to be more measured and more collaborative. And so

when we look at this process, it's about a community collaborative. I can't imagine people with more integrity or more ethics to lead this effort than the folks that are heading this organization. So I enthusiastically embrace this and I will do anything I can to bring this project forward.

[Time: 03/24/42]

Councilwoman Milhaven: So that end, to get more practical, Vice Mayor Smith and the Mayor raised some concerns they had about changing the contract. Some of the issues, the concerns that they raised, I can see from their comments how this would impact the contract. Some of the concerns, if I think that we have several go/no go points in this process, some of them seem to be go/no go process for the next decision point. So what I would like to do. I would rather come to a conclusion tonight and not bring this back but even if that's the majority's desire to bring it back, I think we need to give direction to staff and come to an agreement on the changes.

So let me maybe start from the beginning but let me give an example. For example, mayor, you suggested that you thought it would be important that there would be a minimal capitalization of \$10 million and \$3 to \$6 million in support. That feels to me more like a -- I wouldn't be willing to go the next step unless this works, and delivered that commitment. So what I would like to do is understand how the concerns impact this contract, and maybe just start from the beginning and work through the issues. Well, that was just an example, is that really a way -- I don't know how you would modify this contract for that. So I know you and the Vice Mayor met and maybe we will start with that one and work down the list.

Mayor Lane: If I could tell you a little bit of the idea of what I was thinking, about there's a provision in 308 that talks about fund-raising opportunities of commitment. I'm just asking if that commitment is put in there. If nothing happens, there's no commitment.

Councilwoman Milhaven: Specifically what would you like to see in there?

Mayor Lane: I would like to have it specifically the fund-raising commitment would be \$10 million for capital fund and also then the operating fund commitment -- the operating cost commitment.

Councilwoman Milhaven: So this contract would require them to raise \$10 million?

Mayor Lane: If it gets built, that's part of the funding.

Councilwoman Milhaven: That's the next decision point what you are saying when you come back in 18 months, if you have not raised \$10 million or 3 to \$6 million, you don't want to go to the next step?

Mayor Lane: It's just the commitments at this point -- just the commitment with the --

Councilwoman Milhaven: I'm not clear.

Mayor Lane: Okay, well, that's what my intent is. So however that can get translated into language,

it would be a big -- I would like to see this move forward. I would like to see it work, but I really am very, very interested in a couple of things and one of them seems to be insurmountable and whether or not we can get the public's input.

Councilwoman Milhaven: Isn't that the process, to get public input.

[Time: 03:27:42]

Mayor Lane: I'm talking about have the folks actually make a decision or at least be vetted on a change and a clarity in our ordinance. Now, I know we can do anything we want and that really gets down to just something that Glendale found themselves in the mix of and that's administrative versus legal. There are all kinds of legal things we can do but we literally would be out of our minds to do it, because we are thinking about how we govern here. That's my concern about getting a voice from the people. That's another issue.

But if we are to just take one at a time. I don't mean to jump around too much. I think if we have a provision in here, that their contract -- when we are talking about fund-raising commitments, they are talking about various other things and I'm saying in the overall -- there's another section, I think it's 217 or something, but never -- that talks about where the funding is going to come from. You can put it in either place, which ever place you want to. But there needs to be some determination outside of this, okay, possible funding sources.

Councilwoman Milhaven: This is for the current scope of work.

Mayor Lane: I understand, but this is possible funding sources, the Section 213 is fund-raising -- well, that's -- I'm sorry, 308 is fund-raising commitments, 213 is -- yeah. That's down at the bottom there, funding alternatives. Would like to see a commitment on the part of the DDCS to make a commitment to that's what they are shooting for too. You know, none of it has to be collected. If nothing happens all I'm looking for right now is to say there's that commitment there. I think that's something they can do. I think it's something I have always understood it to be. And if it's not necessarily the perfect fit in this particular context, it's no matter to me. I think it's important for moving forward.

Councilwoman Milhaven: Agreed. But I don't -- so what sentence would satisfy you?

Mayor Lane: We're talking about 308. 308 goes --

Councilwoman Milhaven: 315 or 308?

Mayor Lane: Partners and advocates to play a significant part, the only place where they mention -- until the project's location, programming uses experience architectural plans are not available respective donors limited fund raising can occur. Understand that statement, but given the progress with the development of it and the site, then a commitment that as we have been more or less assured by Schilling that that could be a commitment that they could make and move us forward.

What I'm really concerned about is the general fund. I think that's the least we can do, particularly if we are not talking with the public about it.

Councilwoman Milhaven: I'm not understanding.

[Time: 03:30:57]

Mayor Lane: Well, okay. Maybe then I ought to speak directly toward it. Is there a provision we can put in this contract specifically that says that the DDCS can make a commitment for capital and operational funding? And if we don't want to do it tonight, that's fine and make the conversation is -- as you said before, maybe we need to be able to sit and talk about that and make sure we've got some workable elements. I'm not one to want to make sure that we try to do it tonight. I mean, this is going to be a long night no matter whatever else, and we could be creating a problem, about you nevertheless, I'm asking you, Mr. Washburn, if there is a provision we can put in this contract, tonight or otherwise.

City Attorney Bruce Washburn: I want to make sure I understand what you mean by commitment because when I think about contracts, I usually think about, you know, two parties and each one has obligations and if they don't meet the obligation, then something -- they are in breach of the contract and something happens.

Mayor Lane: Well, it doesn't matter how it's worded but what we have in Section 3008, it says fund-raising commitment. Is that mistitled? It sounds like a commitment section. So I just -- I think that there's got to be room to be putting something in there, along the lines that I'm talking about.

City Attorney Bruce Washburn: I guess the answer would be that, yes, I'm sure we could fashion some language that would reflect that they are making -- that they will -- they will seek a commitment. Is the commitment supposed to be on the part of the people who will bring the money or the commitment of the DDCS that they are --

Mayor Lane: Their fund-raising efforts which is another section of that. They talk about the fund-raising efforts and sources of funds, the funding alternatives and from imaginative, you know, other areas of -- how do they describe it? They basically nontraditional method. No matter how it's said, it's as if the commitment says here, we would at least have an understanding that general fund would not be at the top of the list.

City Attorney Bruce Washburn: Okay. Short answer is yes, I'm sure we can come up with some language that would request a commitment requirement and, again, this is the kind of thing that it's complicated enough that we probably have to sift down and work through with it with the -- to sit down and work through it with the DDCS people and see what type of commitment they are willing to make. And then it comes back to council.

Mayor Lane: So I think if -- if we were then -- I think and I hope that we would be able to garner a

better contract and a better vote here if we were able to accommodate some of those things. And even as far as relinquishing, at least from my perspective, some of the concerns about -- since it's been determined we can do whatever the heck we want, you know, that an outreach to the community is about the best they could expect. So we'll just leave it at that. The amendment of the municipal use, the master site plan, I'm not sure what that entails whether there's a public outreach on that at all or not, that's a function of the city government. I presume you do it.

City Attorney Bruce Washburn: Yes, usually the amendment would go through the public process but it is ultimately the council that makes the change.

[Time: 03:34:33]

Mayor Lane: As long as we know generally what needs to be changed and whatever is going to work for the DDCCS all right is pretty well established. They have some idea. I realize that the study will further that but I think we can at least get out and look at that and have an outreach as to how we might make the change in order to accommodate whatever size consideration is going to be considered. So that's one.

I think as far as the ordinance is concerned, I think we might just be taking our chance on that, but we would consider that something that is within the realm of the interpretation of the language. So what I would like to see and I think this is somewhat of a minimal aspect, the commitment on the fund-raising side for capital and operations. So I will thank myself and move on to the Vice Mayor. Yes, you are on, Vice Mayor.

[Time: 03:35:34]

Vice Mayor Smith: Thank you. I guess I pushed the button a few minutes ago. I wanted to clarify some things not in the contract, but just some comments that were made and it's for the listening public more than anything else. Number one, there's been a lot of people that have made the comment tonight that the Preserve was paid for by the residents, it belongs to the citizens. Let's be mindful that this is paid for by a sales tax and there's a significant portion of this sales tax that's paid for by tourists. We can argue all night what the number is. This is the people's Preserve in the broadest sense. It's been paid for by citizens and it's been paid for by noncitizens who happen to live and shop here and paid for by tourists. So this is an asset that belongs to a great number of people and I think it's dangerous to use short hand in saying that this was paid for by the residents. It's a much broader support for this than just residents.

A second statement that was made that I would like to clarify at least from my point of view and that was the statement that the sole purpose of the Preserve to Preserve. That's simply not true. If it were true, we would have bought the land and put a chain linked fence around it. The purpose of the Preserve has always been to provide a forum for education, for inspiration, for understanding our living relationship with the desert and we have done that through trails. We have done it through Gateways and now the proposal before us is to do it in an even broader sense with the Desert Discovery Center. It is simply not true that the sole purpose of the Preserve is to Preserve.

And number three, we have had a lot of discussion about having public outreach on this municipal use master site plan. I have no idea where this is going to go and its end result but it is a process of public outreach. That's why I had Kroy explain what the process is, and to suggest that our consideration of that tonight is, as has been stated unethical, immoral, I take offense at those words.

I don't think there's anything that we are doing tonight that is unethical or immoral. We are -- we have authority as a council, for sure, but we exercised that authority judiciously and in the interest of the citizens and certainly speaking for myself, that's exactly what I intend to do and I think this municipal use plan, the master site plan process is one which is trying to be an outreach for the public. I wanted to make those comments because I think it's important that we not get caught up in rhetoric here.

What we're trying to do is spend some money, admittedly, some money that's been generated by the tourists to our city, to see whether this is a legitimate and affordable tourist attraction for our city and I have supported it in the past. I supported it now. I think it is a -- it is something that is entirely unique and appropriate to our city.

I would love to see some of the changes that I suggested incorporated, whether that means we hammer them out in the next eight days and bring them back to council. Somehow, you know, after spending 30 years on this spending another eight days to make sure we get the contract right may not be too much time. But that's -- that's certainly what I would like to see. I would like to see us move forward on this. Thank you very much.

[Time: 03:39:50]

Mayor Lane: Thank you, Vice Mayor. Councilmember Korte.

Councilmember Korte: Thank you, Mayor. I would like to speak to your desire to put in some type of value and funding commitment. I want to go back to what this plan is. This is a plan to get to a plan. It is so premature to require the respondent to this RFQ to commit to 10 million or 3 million or \$2.50 because we don't know what that is going to be. If we want to strengthen the language in 308 saying that the DDCS understands the necessity for matching funds, then that's great. If we want to strengthen it, but I really want to bring -- I want to make the decision tonight. I want to bring closure to this so that we can move forward. And to insert a value is just premature.

[Time: 03:41:08]

Mayor Lane: Thank you, Councilmember. Councilwoman Milhaven.

Councilwoman Milhaven: Thank you, Mayor. Whether we -- my hope would be to do it tonight, but it's most important to get it right. So even if we are going to take more time, we have heard from individuals' thoughts on changing it. We need to agree as a body whether or not we want to incorporate those changes and even though this has already been a really long night as a point of

process, I don't know how we move forward unless we are collective, even if these are going to be incorporated later and brought back. I guess how do we proceed if we don't discuss each one?

Councilwoman Klapp: Take separate votes.

Councilwoman Milhaven: To direct staff to renegotiate the contract or revisit the contract? Some the comments were made, I agree with, and some I don't.

Mayor Lane: Well, we would have to get them lined out if we actually have somebody keeping the tally on these -- on these issues, but we have had the staging issue, certainly. We've got the commitment of -- a fund-raising commitment and the operational commitment that I talked about. The only other thing that I've talked about -- well, actually, there were a couple of things, but some may go by the wayside. Yeah. The N.I.C. and I don't know if that that's a difficult item to incorporate as an overall program and the process of moving forward. But if we wanted to just -- if we wanted to just vote on the items that I have talked about, I would be happy to sort of reiterate them and we can take a vote.

So my first item, and probably the most significant one is one we were just talking about and that is whether or not -- I don't care if it's under 213 or 308, actually, one refers to the other at the end of it, but whether it comes in under fund-raising alternatives or whether it comes in under fund-raising commitments but just -- and I don't think this is a possible deal of saying wait and -- well, I guess this is the only way we can move forward, or seemingly move forward and that is to say under the circumstances of the development of this project, it would be this commitment -- we could make it a percentage. We could make it a dollar amount of whatever the project, is but the operations are what they are. So that may be something that's a matter of some association. I used \$10 million dollar figure but I don't know what type of project for this. It could pay for all of it or a small fraction. So I'm not -- I'm not trying to get that. So some percentage or matching funds that would be committed as a commitment in fund-raising. The other is the operating budget. If I were to put those together and I don't know exactly how to handle that as a motion or otherwise, but certainly I'm in agreement with it.

Yes? Yes, go ahead. I'm sorry. The city attorney has asked to speak.

[Time: 03:44:41]

City Attorney Bruce Washburn: Thank you, Mayor. If you can tell us tonight what you want in this agreement, and the DDCS people are willing, I'm going to guess they are, then you tell us what you want to change it to, table it while you do the dispensary and the other matters that are on the agenda, we will go back in the back and see if we can come up with language yet tonight. Maybe we won't be able to, but if we can -- and I've got one of my deputies who will come out and cover my seat while I'm back there talking to these people and if we can, we will go ahead and do this tonight, rather than come back for another hour and a half of public testimony on this and whatever else is involved in going through public process. That would be a bad thing, I'm just saying. But the more specific you can be about what you want in it -- what you want in there, the more likely that we will be able to

get this done tonight.

Mayor Lane: Well, I can just stay with the \$10 million and decide whether that's a percentage or otherwise but we are talking about the operating costs. Right now all we are doing -- so I will try to -- I will leave it at the \$10 million and the operating costs and right now what we are here to determine as to whether or not it's something we take in the back and see if there's something to work out.

Yes, I do have some folks who have asked to speak. You are next after Councilman Phillips.

[Time: 03:46:18]

Councilman Phillips: Thank you, mayor, may have I suggest if that's the route you want to go, make it a percentage of the project, instead of \$10 million since you don't know how much the project is. Make it 10% of the project or 20% of the project.

And so I will make a motion that we continue this discussion to the next council meeting and the city staff work with the DDCS in incorporating these -- what would you call it, you know, the stipulations from the mayor and also the Vice Mayor.

Mayor Lane: Well, amendments to the contract, but, yeah. Okay. So that's the motion, to continue it. It does fail for a second and here's the issue with that, even if we were to continue it, we probably ought to determine what it is that we want them to do. So yes?

[Time: 03:47:15]

Councilwoman Milhaven: All right. So I will take a stab. I make a motion that we modify the contract Section 213 to add the sentence that says working toward the goal of \$10 million to support capital and \$6 million to support operating. So work towards a goal of.

City Attorney Bruce Washburn: I'm sorry, what was the second amount for operating?

Councilwoman Milhaven: \$3 million to support operating.

Mayor Lane: Why don't you put a minimum on that.

Councilwoman Milhaven: So working towards a goal of minimum of \$10 million for capital and \$3 million for operating. Does that accomplish -- it was -- all right. So what -- your comment was \$3 million and --

Mayor Lane: Cover operating expenses.

Councilwoman Milhaven: So what would -- how much do you want?

Mayor Lane: That they cover operating expenses.

Councilwoman Milhaven: And their fund-raising would include governing the first year's operating expense?

Mayor Lane: They would cover operating expenses --

Councilwoman Milhaven: That's not reasonable!

Mayor Lane: Okay. Then --

Councilwoman Milhaven: I mean, you are going to do fund-raising. They are not going to be able to say I have commitments that are going to cover 20 years of operating expenses.

Mayor Lane: They have time to cover their endowments.

Councilwoman Milhaven: What if we were to say a minimum of \$10 million to cover capital and -- how about this. Working towards a goal of \$10 million -- a minimum of \$10 million to cover capital, and a plan adequately cover operating expenses? They have to come back with a plan to cover operating expenses. Some of it could be revenue, and some of it could be contributions and some of it could be endowments.

Mayor Lane: That would work.

Councilwoman Milhaven: Is that a second?

Councilwoman Klapp: Second.

Mayor Lane: Okay. So we have got that language, did you catch that language? I'm sorry, are you -- yes, you are on the screen. We didn't bold you here.

City Attorney Bruce Washburn: Yes, I did catch the language, but while you all were talking I had a brief conversation with the DDCS people and they said, what if it's like a \$30 million project and they would prefer a percentage, as it was recommended before, like 10%, and a plan for covering operating expenses. Yes, they would be agreeable to that.

Mayor Lane: Okay.

Councilwoman Milhaven: Okay.

Mayor Lane: And then operating expenses.

City Attorney Bruce Washburn: Yeah, we can do that.

Mayor Lane: I'm seeing we have a second. We have a motion. All in agreement?

>> Vice Mayor Smith: If I may add a comment, I think the -- eventually we may get around to one suggestion that I have that this outfit in 18 months be a multi-stakes program.

This would be consistent with that, more so than a flat dollar amount because if they are doing a small portion of it, then it's 10% of the small portion, if they are doing the whole thing, 10% of the whole thing.

Mayor Lane: Well, it would be at each stage, as far as I'm concerned.

Vice Mayor Smith: I agree.

Mayor Lane: Councilwoman Littlefield, you were on the screen. Was that an accident?

Councilwoman Littlefield: No. Thank you. I need -- I have written down some of your other ideas and suggestions so that if we are going to do them all.

Mayor Lane: Well, let's make sure --

Councilwoman Littlefield: Yes, I put that on before we started the voting.

Mayor Lane: All right. If we are ready then, all in favor of that particular language, changing it in the -- at least what is being offered by the attorney. All in favor. We will just do a voice vote. [Chorus of ayes] Anybody opposed? Okay. I'm sorry, now did you want to mention Vice Mayor or do you want me to follow through on my list.

Vice Mayor Smith: Why don't you go ahead with your list first.

[Time: 03:52:36]

Mayor Lane: And I think -- I don't know if this requires -- well, it may or may not require -- but I'm concerned about the MSC, and that connection. I don't know exactly what the language might be there, but I think that it should be a fairly easy thing to accomplish. Yes. Councilwoman.

Councilwoman Littlefield: I think you asked that the MSC be a dedicated partner.

Mayor Lane: Yes so their agreement -- we can't commit MSC to, it but we can commit them to work with them.

Councilwoman Littlefield: Yes.

Mayor Lane: Does anybody have any difficulty with that?

Councilwoman Milhaven: In collaboration as what?

Vice Mayor Smith: I would rather say collaboration rather than dedicated partner.

City Attorney Bruce Washburn: Let me make sure I understand the motion, it would be something to the effect that they have add something to Section 303 that they would seek the collaboration of the McDowell Sonoran Conservancy.

Mayor Lane: Yes, it's probably 303. The pilot education program we were talking about. Yes.

Vice Mayor Smith: There's several places. It's 303. It's 201, 202. I think they have it in 210, but the language in 210, it includes them as a collaborative partner.

City Attorney Bruce Washburn: I'm sorry. You wanted something added to each one of those sections or is it just in 303?

Mayor Lane: I think it's fine as long as we are talking about a commitment to the collaboration with the MSC.

City Attorney Bruce Washburn: It should be fine just in 303. What other sections were you thinking it was relevant?

Vice Mayor Smith: The others I made a note of was 201, there's a discussion of what they are going to do on the mission statement, the vision and the objectives and they'll work with the DDCS, ASU, tourism representatives and other identified stakeholders, it's just when you have other identified stakeholders, I think I would add the MSC as a named party.

Mayor Lane: I would agree.

Councilwoman Milhaven: Agreed.

Mayor Lane: Okay. Everybody in agreement? Okay. Yeah. That was the only other one that I have got noted here specifically.

[Time: 03:55:10]

Mayor Lane: Councilwoman Littlefield, you might have -- you have your notes, but nevertheless, that was with regard to the provision that calls out in 207 -- has already assembled a team for the municipal use and master site -- the municipal use master site plan, specifying the placing of DDC in the gateway entrance. This is in conjunction of item 33 with the Desert Discovery Center consulting. There's the municipal -- the master site plan for the Desert Discovery Center on 30 plus acres. Let me ask the clarification from staff on that particular item, I know is an early question by the Vice Mayor, but is that for us to do or is that part of 207? Who actually facilitates that? And is this any outreach that we do?

Strategic Projects/Preserve Director Kroy Ekblaw: Mayor and members of the council, the initial, if it were to occur tonight would be taken care of and then the process itself would be one that we would work through, through our staff, with the support of the DDCS and the information that's coming out of this process, as we go through that public hearing process. So yes, the city staff would be in the lead of that, but the DDCS would be supporting that, as well as all the Preserve commissions, the tourism development commission and other involvement.

Mayor Lane: Okay. Yes. Okay. That sounds good as far as I'm concerned. I think I'm fine with that, as far as how that proceeds. Well, I was going to say, yes, almost exactly that, but I'm concerned that the DDC has approved the municipal use master site and placement. Why are we saying that in the contract? Isn't that really for us to decide in any case? I'm talking about now as far as the Preserve ordinance is concerned.

Strategic Projects/Preserve Director Kroy Ekblaw: As I recall, they were reviewing the municipal use plan amendment.

Mayor Lane: It doesn't even sound like a term within a contract. It sounds more like a statement. They reviewed the Preserve ordinance, the master site plan -- the master site plan. I don't know if there's anything else. I would just say get rid of it.

Public Works Director Dan Worth: Mayor?

Mayor Lane: Yes.

Public Works Director Dan Worth: Actual work, basically pays for the meeting. They have already done the work that you have described to provide some legal analysis. Any type of response they might have, they anticipated a meeting to update, predesign and finalize that, we thought part of the meeting tonight -- it's a very small item, \$2,300 total in the fee proposal, we can eliminate that.

Mayor Lane: I would say -- I would say eliminate the provision in this contract. Right? Are you in agreement? Okay. Strike 207. And that's the only other one that I got that -- for consideration. I would still like some additional outreach to the public beyond this municipal use master site plan, but nevertheless, I'm okay with that. There are other items. Yes? Vice Mayor?

[Time: 03:59:32]

Vice Mayor Smith: Mayor, the one and we may have to vote on this as a group, my suggestion is in Section 210 and 211. 210 dealing with the architectural programming and 211 dealing with the business plan update, that in both cases we add language that would say that we want to see a multi-staged program brought back to us, something other than just one grand plan, one up or down kind of vote. The language that I suggested and scribbled out here was that in both of these sections we make a statement that the DDCS will consider and address implementation of staged development of DDCS.

Mayor Lane: What section?

Vice Mayor Smith: 210 and 211. And whether -- and I don't care whether this is put one place versus the other or in both places, but again, the language would say that the DDCS will consider and address implementation of staged development of the DDC by the architect and DDCS and include such staged development in the capital and operating business plan. So it's really just saying both the architect and the DDCS group will look at this as the possibilities for staged development, development staged implementation. If somebody wants to put this on the Elmo, they can.

Mayor Lane: I think the critical word there for me is "consider." I have to think we would want to give them the latitude that if this work was in their business plan and frankly even in the financing, that it could move forward to the full project if they felt it would work. I wouldn't want to put an obstacle way in the business plan in it wasn't necessary, because it's staged multi-sections. It might be more of a burden bringing it forward than complete. It could be.

Vice Mayor Smith: It might well be but I think that's a determination that we as a council would make, if they come back with a suggestion that, yeah, we can do this. This is a small scale, 20,000 square foot operation, but it's off -- you know, it's operationally unfeasible. It's whatever that we'll decide.

Mayor Lane: Well, you used the word "consider." So I'm find -- personally I'm fine with that.

Vice Mayor Smith: Does anybody want to hear that language again?

City Attorney Bruce Washburn: I do.

Councilwoman Littlefield: I think -- I think that it adds flexibility both to us and to the DDCS.

Mayor Lane: Okay. You got it? We have consensus on that one, Mr. Washburn. Not for me. Vice Mayor Smith, you are still on the scope here.

Vice Mayor Smith: I think we exhausted my list. So --

Mayor Lane: All right. All right then Councilwoman Milhaven, you were on the button. All right. So we will shelve this for a moment.

[Time: 0:03:06]

City Attorney Bruce Washburn: I recommend --

Mayor Lane: If you can and if not, we will have to continue it.

City Attorney Bruce Washburn: Let me double check and make sure I got everything, because I have

Section 213 working toward a goal of a minimum of 10% capital and the plan to adequately cover the operating expenses. Sections 201 and 303 seek collaboration on the McDowell Sonoran Conservancy. We are going to strike 207, and the language I just got from the Vice Mayor. My recommendation is that you vote to table this item and then continue with the other items, and we will adjourn to the back and I will have somebody else cover my chair.

Mayor Lane: Okay. Can I get a motion to table this.

Councilwoman Klapp: Move we table this.

Councilmember Korte: Second.

Mayor Lane: All in favor of tabling this until later in the meeting. Aye. It's unanimous. Okay. A great opportunity, we have 45 minutes, before we have to vote to whether we continue. And incidentally for those who are leaving, thank you for your participation in this. It's been a great process. Thank you.

ITEM 34 – THE SCOTTSDALE DISPENSARY CONDITIONAL USE PERMIT (9-UP-2015)

[Time: 04:04:55]

Mayor Lane: Okay. We've got our next item is -- and if you could, in -- for those folks who are leaving, if you could do so quietly, we very much appreciate it. We have additional business to attend to. Thank you.

All right. We can go ahead and start. We can start. We are moving on to item 34, which is the Scottsdale dispensary conditional use permit, 9-up-2015, to find that conditional use permit has been met, I think it's resolution 10289 approving a conditional use permit for a medical marijuana use dispensary in a 3,770 square foot facility with industrial park I-1 zoning. So with that, we have Mr. Bryan Cluff.

Senior Planner Bryan Cluff: Thank you, mayor and members of the council my name is Bryan Cluff. I'm a senior planning with the city planning department. As you mentioned this is case 9-up-2015. It's a request by the applicant for approval of a conditional use permit for a medical marijuana dispensary.

The site is located along 78th Way and the airpark area, just north of Braintree Drive as highlighted on the graphic. Here's a closer look at the site. The proposed location is within a suite of the second level of the existing building highlighted on this map. The subject site is zoned industrial park, I-1 district. And all the surrounding properties are also zoned I-1. Here's a look at the existing site plan showing the layout of the current conditions, and highlighted in this area here and identifies the suite location within the building. And here is the proposed floor plan of the facility.

And the application is subject to the conditional use permit criteria, as outlined in your staff report,

and the planning commission did hear the case in their August 28th meeting and recommended approval with a vote of 6-1. And that concludes staff's presentation. I would be happy to answer any questions you may have or we can turn it over to the applicant.

[Time: 04:07:45]

Mayor Lane: Very good. We do have some requests to speak on this. Does the applicant want to take an opportunity to speak itself, it can do so at this time.

Applicant Mike Colburn: Good evening mayor, good evening, councilmembers. My name is Mike Colburn. I just wanted to say a couple of things. We have been working diligently with the city of Scottsdale, real estate agents, landowners, Scottsdale police department, to ensure that we found the correct location to move our dispensary into the park as you see the address. We have made sure that we meet all requirements for the conditional use permit, including zoning, including reaching out to our neighbors, including the planning commission and being here.

Our proposed location is -- we'll have no cultivation activities taking place. We have an external facility in which we do all of our cultivation and manufacturing of all of our products.

I just wanted to reiterate that we have been working very closely with the city of Scottsdale to make sure that we meet all requirements to move forward with this and it's my understanding that this conditional use permit should be on the consent agenda but that the councilmembers just had a few questions that they wanted answered.

So I'm here to answer any and all questions that the councilmembers have.

Mayor Lane: Okay. Are you represented by anyone else or do you have -- you are the owner, yourself?

Applicant Mike Colburn: Yes.

Mayor Lane: Okay. Rather than a client's representative. Okay. Well, let me just say this. We will have some public testimony and if we have some further questions.

Applicant Mike Colburn: Sure. And I'm here to answer any and all questions.

[Time: 04:10:12]

Mayor Lane: Okay. Okay. We have a couple of questions to speak. I am start with Court Rich.

Court Rich: Good evening, mayor, councilmembers. I'm thinking at this point we won't get done in time for the national championship football game. I'm up here but I don't represent the applicant on this case. I represent the applicant on the next case and the reason I'm here is because I have done this enough to know that what you do open this case may impact the next case. So let me get right

to it.

Your code in Scottsdale is clear. Medical marijuana dispensaries are allowed in the I-1 district. There's not a lot of the city on the I-1 district. There are setback requirements meaning that this the dispensaries cannot be right next to each other unless it's distributed geographically. I understand that there's some public comment and I think there's -- by the last person who got in the door by the medical marijuana dispensary. Talking to them, most of them didn't even know that that was the case. I think that's a testament to the fact that these can exist and operate without being offensive of any kind. Your code is clear. You said where they can locate.

I won't speak to this applicant because I don't know, but my client clearly meets the use permit requirements that are set forth. My hope is that you will take the step of approving these tonight or at least approving my client's, when you make the same determination as you look at the one before you right now. I wanted to point out, one went through over the summer and it went through on the consent agenda. There was no discussion, all seven of you voted for it and I guess I would just -- I don't want to anticipate bad things but I would -- before you would change your mind and vote the other way on something like this, I would ask you to figure out and probably your lawyer needs to think about that as well, how you could justify doing two different things to similar applications if they meet the requirements of the code.

If, however, you are concerned that there's some sort of ground swell of medical marijuana dispensaries coming into the city, first I will remind you, there are no other applications, to my knowledge, before the city right now for the medical marijuana dispensaries. There are the two approved and the two on the agenda tonight.

If you want to take measures to modify your zoning ordinance going forward to make it easier or more difficult or put in different spacing requirements or whatever you want to do, I certainly encourage you to go about that and look at that, but I would strongly caution you on the idea of somehow delaying at least my client and the one that's before you right now in an effort to change the code to then somehow outlaw it. I think that's illegal but I think it's also -- it's just bad business.

It's -- these applicants -- I will wrap up my comments, mayor. These applicants have compliance, there are landlords that have invested in buildings and can get a premium for this use. And so I'm hopeful that we can clear this up tonight. I'm happy to answer any questions now or when I come up later.

[Time: 04:13:41]

Mayor Lane: It's not a question and answer at this point in time since you are not representing them, but thank you Mr. Rich. Next is Bill Robert, and he has donated cards. You can handle it in five minutes.

Bill Robert: Thank you, mayor and council. My name is Bill Robert. I have lived in Scottsdale for about 35 years. I currently live at 30600 North Pima Road, which is right across from the Preserve

but I'm not going to talk about that tonight.

Mayor Lane: Good idea.

Bill Robert: Anyway, I wanted to just speak on behalf of the current applicant because I'm the property owner for the next applicant. I have owned that building since '02. I bought the building and opened a bank there. My career in Scottsdale has been a banker. I run numerous banks here. I started a bank from scratch called choice bank, which operated out of this building on Hayden road. And the important thing I wanted to make to you tonight is uses of buildings are changing. Banks do not need a location like mine. They are now downsizing, going on the Internet, what have you. My building, though, is perfect and meets all the qualifications that court will tell you about in a few minutes, but they asked me if I would talk about the problems if you change the rules.

If you decide to continue and then change the ordinance to something that maybe we can't meet, that will be a significant monetary loss to my family. Our building is transitioning to a new use. And it's an ideal use and it's a legal and approved use. And I'm asking you please do not change the rules on us in the middle of the game. Thank you very much.

Mayor Lane: Thank you, Mr. Roberts. That concludes the public testimony on item 34. We have before us, it's been presented by staff, and they are now in a position, if you have any questions of the staff, or the applicant, please raise them. Councilwoman Korte.

[Time: 04:17:06]

Councilmember Korte: Just a question of staff and Mr. Curtis. When the medical marijuana was passed, I remember for Scottsdale, we were restricted to two dispensaries. And so help if understand was there a change in the law that we didn't understand. Help me understand that now we are looking at two additional, which would be a total of four.

Current Planning Director Tim Curtis: Certainly, Mayor and Councilmember Korte. In 2012, when all of this began, the Arizona Department of Health services did base locations based off of what they called community health analysis, and there are actually seven CHAs in Scottsdale but most of Scottsdale is covered by two, and at that time, they were the -- the state was limiting the licenses, one per CHA and for the most part, the city of Scottsdale had two. And so the -- the state does -- did allow after three years of operation for the dispensaries to relocate and that's what we are seeing here, and the relocation provisions are no longer based on the CHAs. That was just the initial setup of where they would be dispersed around the state, but after three years of successful operation, the license holder can relocate and that's based off of the number of -- I believe it's based off the number of likely -- of cardholders, patient cardholders. So the state is allowing these licenses to be to be located in different spots around the state, again, after three years of successful operation.

Now, the city currently has two dispensaries in operation, and they also have -- the city also has one manufacturing facility really just infusion where they infuse the product. So we currently have three medical marijuana uses in Scottsdale. And then you have two more dispensaries being proposed.

Again, it's based off the relocation provision that the state allows after being successfully in business in three years.

[Time: 04:20:01]

Councilmember Korte: So where are the operators located?

Senior Planner Bryan Cluff: Mayor Lane and Councilmember Korte, we could have the applicant address that question.

Councilmember Korte: Sorry to make you do that.

Applicant Mike Colburn: No problem. I'm getting used to it. Our dispensary is moving from Mayer, in Prescott Valley. We have been operating there for three years. We followed all the rules. We have a location in Mayer, Arizona, where there are 109 patients and we allocated. Scottsdale has one of the highest populations of medical marijuana users. They have 4,000 that live here. Not to mention those who travel and work here. There's a desperate need for these patients to be able to have access to medical marijuana at one or two facilities, two currently right now.

Councilmember Korte: Thank you.

[Time: 04:21:36]

Mayor Lane: Thank you. I'm sorry. Councilwoman Klapp.

Councilwoman Klapp: Mayor, I would like to make a motion. I find that the conditional use permit has been met, for 9-up-2015, for medical marijuana use, locate at 14980 north 78th way, suites 204 and 207.

Mayor Lane: A motion has been made. Fails for a second. So we have an item before us, and --

Councilwoman Littlefield: I have a couple of questions I would like to ask of staff, whoever is appropriate to answer. Of the two marijuana dispensaries that we currently have in Scottsdale, have we ever had any complaints regarding them?

Current Planning Director Tim Curtis: Mayor Lane and Councilwoman Littlefield, no we have not.

Councilwoman Littlefield: And I also have a question, what happens -- and this is because I'm just ignorant on all of this kind of stuff. What happens if we approve this CUP tonight and then at a later date the Arizona Department of Health services pulls their license?

Current Planning Director Tim Curtis: Mayor Lane and Councilwoman Littlefield, the conditional use permit will run with the land. It will just be absent a license holder.

Councilwoman Littlefield: The licenses continue.

Current Planning Director Tim Curtis: The license is a state license. The conditional use permit would run with the land. So another license holder may find that location very attractive.

Councilwoman Littlefield: Okay. And finally, and I think this is a question for our legal person here. Could you tell us what our options are here, if the C.U.P. has been met, what can we do?

Deputy City Attorney Sherry Scott: Yes, Mayor Lane, councilwoman Littlefield, I would like to point out also in response to your earlier question that stipulation number five, which is part of the resolution, if you were to pass this C.U.P. tonight provides that the conditional use permit is valid for five years, unless it is first amended for renewal. So by the proposed conditional use permit, with the added staff stipulation, this permit would only -- the conditional use permit, if approved would only last for five years and the applicant would then have to reapply for a new conditional use permit.

One option that the council has is to change that from five years to one year. That's one option that you have tonight. Another option if you would like to study this or find out a little bit more about the state processed and how many more licenses you might expect is to continue this item for further study. So -- and, of course, you can always deny the conditional use permit if it does not need or meet the conditional use criteria. Those are the options I can I think of right now.

Councilwoman Littlefield: Thank you.

[Time: 04:26:50]

Mayor Lane: Vice Mayor.

Vice Mayor Smith: Thank you, Mayor. I would like to actually make a motion that we reject resolution number 10289.

Mayor Lane: It fails for a second. Actually, the consequences are essentially the same. We are already in that position without approval. I don't know where we put this in reference to an ordinance.

You brought up something Scott, we could -- the conditional use permit for five years we could stipulate and change that to one year, right, about this action?

Deputy City Attorney Sherry Scott: Certainly Mayor. Could you approve the resolution with the amendment to stipulation number five, changing five years to one year.

Mayor Lane: And I think one of the reasons of concern is for the conditional use permit normally going with the land, it's essentially establishing a conditional use permit. Councilman Phillips?

[Time: 04:27:07]

Councilman Phillips: Thank you, Mayor. And the city attorney -- you tell us, I believe it's regulated by the state, and they can do that based on the character and the actions of the politic, we really have no say it that?

Deputy City Attorney Sherry Scott: Correct, Mayor and Councilman Phillips. The state licensing process, you can think of it similar to liquor licenses, in part. The owners of these establishments have the regulatory right, the license from the state to sell medical marijuana. They look at backgrounds and things of that nature before providing these folks with a medical marijuana license, but the city council's job is -- tonight is to look at whether or not the land use of a medical marijuana dispensary is appropriate under this C.U.P. criteria set forth in the zoning ordinance. And so your job tonight is a decision on land use and not a decision about whether or not this organization, this individual and applicant were properly given a license to sell or dispense medical marijuana.

Councilman Phillips: That's a very good point. So then the -- I'm sure our land use criteria doesn't mention it, because it's fairly new. Or actually, do you have anything in mind as far as criteria that even remotely resembles this type of a use.

Deputy City Attorney Sherry Scott: The zoning ordinance was amended when the voters passed this use, medical marijuana dispensary uses to tell the public where the medical marijuana dispensaries would be allowed to locate in the city of Scottsdale and that ordinance was approved by the city council.

Councilman Phillips: Which is this I-1?

Deputy City Attorney Sherry Scott: Which is I-1 with a conditional use permit after it meets the very specific conditional use permit criteria for this use. So staff did study the use. We had public outreach and it went through the public hearing process through planning commission and the city council. Now, I understand the council may want to revisit that, but that's the ordinance that we currently have with the criteria for medical marijuana.

Councilman Phillips: I'm not sure of the thought process of the rest of the council. I don't want to not approve this or continue this on the idea that we are going to come back and change it and then say we are not going to do it, I don't think that's right at all. I think he came here with what we have now and we have to decide on what we have now. I think the mayor's suggestion was very good.

So I guess I can try again and make a motion to approve the Scottsdale dispensaries at 9-up-2015 with a minimum of a one-year C.U.P.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. Would you like to speak on it?

Councilwoman Klapp: No. I just don't believe we can start changing the rules here for these cases.

We have a zoning ordinance that covers this and if you meet the conditional use criteria, then you should be granted the license and I'm willing to compromise, though, with one year because we can't seem to get anything else going here. So let's do one year and see if we can get the votes for that, because we don't have any good reason to not approve this permit as was mentioned, if you are concerned about something that was outside the conditional use permit criteria, that's not our job.

Mayor Lane: Thank you, Councilwoman. Councilwoman Korte.

[Time: 04:31:29]

Councilmember Korte: Thank you, Mayor. I agree with Councilwoman Klapp. The individual has come in good faith, and met the criteria, however, I would like to advance a review of the ordinance other communities have built into their ordinance, spacing -- okay. Well, so that's -- okay. Thank you. Thank you. So I will be supporting the motion.

Mayor Lane: Thank you, Councilwoman. Councilwoman Littlefield.

Councilwoman Littlefield: I have a mayor and council item later.

Mayor Lane: The only thing I would say is that certainly there are certain restrictions and requirements we have and applicant meets the criteria, but I think the -- being aware that a conditional use permit under normal circumstances goes with the land in perpetuity. The deciding factor for me as far as one year under any circumstances.

So no other questions or requests to speak. I think we are ready to vote. All those in favor, please indicate by aye. Those opposed with a nay. The motion passes 6-1 with Vice Mayor Smith opposing. Okay. Thank you very much for the input from staff and from the applicant.

ITEM 35 – DISPENSARY RELOCATION CONDITIONAL USE PERMIT (10-UP-2015)

[Time: 04:33:18]

Mayor Lane: We'll move on to item 35, there is a dispensary relocation conditional use permit 10-up-2015 and it's a request to find the conditional use permit criteria has been met and adopt, resolution 10290, approving a conditional use permit for a medical marijuana use dispensary in the 6800 square foot facility in the industrial I-1 zoning. Bryan is back at the podium for the staff presentation.

Senior Planner Bryan Cluff: Good evening again, Mayor Lane and members of the council. This is 10-up-2015 and this presentation will mirror my previous presentation. So I will try to make it brief.

The site is located at the northeast intersection of Hayden Road and 83rd Place. Here's a closer look at the existing building. This is the existing bank building that was previously mentioned during public comment. This site is zoned I-1 industrial park. The surrounding properties north, east and

west are also around I-1 and you can see some c-3 commercial across Hayden Road.

This is the site plan of the existing facility and the proposed floor plan. And as with the other applications, they are subject to the conditional use permit criteria and the planning commission recommended approval at their November 18th hearing with a vote of 6-1. In this case, it does also have the five-year time stipulation on it as the other one did. And that concludes staff's presentation. Thank you.

[Time: 04:35:19]

Mayor Lane: Very good. Thank you. Okay. So we've got some requests to speak on this item. So -- oh, I'm sorry.

Applicant Representative Court Rich: Thank you, Mayor, Councilmembers, for the record Court Rich from the Rose Law Group on behalf of the applicant and I won't do this presentation. I think I have a picture where you are. I'm here to confirm that the applicant is okay with the revised stipulation to one year.

Mayor Lane: Okay. We do have some requests to speak, of course, on this and we'll start with Stephanie Tallon. Bill Roberts. Is he here? Katherine Winegress. Okay. That's what happened when we drag it on. Jessica Frosier. Brett Macon. Okay. Councilmember Korte.

[Time: 04:37:23]

Councilmember Korte: Thank you, Mayor. I move to adopt resolution number 10290, approving the conditional use permit for medical marijuana use at the 15190 North Hayden Road site with the change in stipulation from five years to one.

Councilwoman Littlefield: Second.

Mayor Lane: The motion has been made and seconded. Would the second like to comment? Okay. Councilman Phillips would you like to speak on this?

Councilman Phillips: Thank you, Mayor. I did have one question, and -- wow! I don't know if you want me to be the spoiler here if you want to know what the game is. It's Alabama 38 and Clemson 27. In fourth and there's 7 minutes --

Mayor Lane: You are not supposed to be looking at those things up here, councilman.

Councilman Phillips: I don't know how I saw that, but it just came up.

Mayor Lane: It might be influencing your decisions.

Councilman Phillips: Does this go to DRB, since this is a bank? Doesn't he have to redesign it?

Senior Planner Bryan Cluff: The applicant can confirm, but I don't believe there are any exterior modifications proposed to the building. If all work was interior, then it would not require development --

Councilman Phillips: Thank you.

[Time: 04:38:54]

Mayor Lane: Councilman Smith.

Vice Mayor Smith: Another question to staff or maybe general counsel. What happens at the end of one year? Does the applicant in a case have to come back and sort of reapply all over again for this?

Deputy City Attorney Sherry Scott: Yes, Mayor and Vice Mayor Smith. The applicant would typically start the reapplication process well in advance of the year so that they could come back through planning commission and get back to city council before their use permit expired.

Vice Mayor Smith: And I have heard some discussion that possibly we might look at the -- at all of those rules and regulations that we have for all of this in the next few months. What happens if the rules have changed a year from now? Would the C.U.P. request at that time be bound by the then current rules?

Deputy City Attorney Sherry Scott: Yes, Mayor and Vice Mayor Smith, without knowing exactly what those rule changes would be, typically, I would think that the applicant would need to meet the current C.U.P. criteria for their use.

Vice Mayor Smith: It looks like Court is itching to say something. So I guess we will give him the chance.

Applicant Representative Court Rich: Mayor, councilmembers, and it is directed to counsel, there is a difference of opinion on that, but we could work with the writing of the stipulation such that it would at least give this applicant the opportunity to apply and have the rules that are in place today apply to them, in essence a grandfathering. You still have the discretion to approve or deny that. But certainly we are approving a business here. We are approving a business that's in conformance with the rules today. So I would ask that we be cognizant of that and not say that be in business for one year and be out of business at the end of that. If they don't cause trouble, what you are saying is even if you like them and they demonstrated that they are fully in compliance that they may no longer operate in that location. I would just like an opportunity to modify the language to not have that happen.

Deputy City Attorney Sherry Scott: Mayor, if I could address that and Vice Mayor, there is not currently an ordinance in place and so if you decided to initiate or the planning commission decided to

initiate a test amendment for this use, certainly that text amendment could include some language about grandfathered uses, that it doesn't apply to other uses to provide, this, that or the other. So really the time to answer the question that Mr. Rich just addressed would be during that text amendment. I'm sure he would also want me to say that you certainly could amend the stipulation use permit number five to include some language like the one -- like the language that he has suggested, and that is certainly something you could think about doing, but a stipulation and conflict within the ordinance is always a very awkward thing. So I will leave that to you but you could certainly change the amendment to stipulation number five if you so choose.

Applicant Representative Court Rich: Mayor, councilmembers, it's late. It's been a long day and I was just reacting on fly. I do appreciate that clarification. I have to think that Preserves issue for discussion when and if the council does make a move to modify its ordinance. So apologize for jumping up. I didn't get to give my presentation so I had to say more.

Vice Mayor Smith: You can sit down now, Court. Thank you, mayor.

Mayor Lane: Okay. I think we are at a point there are no further comments on this item. So we have a motion and a second on the table. All in favor, please indicate by aye. Those opposed with a nay. The motion passes 6-1 with Vice Mayor Smith declining. Thank you. Thanks for all the input. Do I understand that they are ready to come back on the tabled item?

Deputy City Attorney Sherry Scott: Mayor? I think they are getting close to ready, but not ready precisely at this moment. Might I suggest that in you would like at your pleasure, you could move on to the council item on your agenda.

**ITEM NO. 36 – CITIZEN PETITIONS
ITEM NO. 37 – MAYOR AND COUNCIL ITEMS**

[Time: 04:44:24]

Mayor Lane: We are going to do that, exactly that if they are not ready. Thank you, though. All right. So there is no request on 36 here. We don't have any citizen petitions. So we have that clear.

Item 37 is initiate city council review of the development review board's November 19th, 2015, decision regarding 50-DR-2015, Verizon PHO Stonegate. The request of Councilman Phillips whether to initiate a formal city council review of the development review board's November 19th, 2015 decision, which approved a new type 3 wireless communication facility, with two new 30-foot tall artificial Saguaro cacti with associated equipment located in and the screened by the 7-foot tall masonry block wall of the existing Scottsdale ranch community maintenance yard near the northeast corner of the intersection located at East Mountain View Road. I will ask the city clerk -- all right, I will ask -- she's busy. Okay. Okay.

So then I will open it up first to Councilman Phillips if you want to -- we are not here to debate the

issue but for the reasons that have been brought forward for us to vote.

Councilman Phillips: Thanks Mayor. The main idea is that this double cell towers were, you know -- it's a contract with Verizon and -- where is it? Scottsdale Ranch, but it's outside of Scottsdale Ranch's property and, in fact, backs up to private property, and so the gentleman would like us to review the DRB on this.

So I would like to make a motion that we initiate a city council review of the DRB, November 19, 2015, regarding the 50-DR-2015.

Mayor Lane: Okay. Yes? Vice Mayor?

Vice Mayor Smith: Just a question.

Mayor Lane: Is it just a question?

Vice Mayor Smith: It's just a question. Will this DRB decision normally come sequentially next to council for review and discussion or would we never see it?

Mayor Lane: We would never see it unless it was appealed to us. A motion has been made and the question has been answered. Councilwoman?

Councilwoman Littlefield: I just wanted to say, I was chair of the DRB when this came before us, for discussion and vote. I was not aware that it had not gone before planning. There were people there who discussed both the pros and cons of it, but there were not anywhere near the number of people that have signed the petition. I'm okay with bringing this back if that's what this council would like to do.

I would second it. And I'm okay with doing so, and unilaterally that the citizens should be heard. Thank you.

Mayor Lane: Very good. Thank you very much. So there's a motion and a second. Any further comment? All those in favor, please indicate by aye. Those opposed with a nay. The motion fails 4-3. Councilwoman Littlefield yes, Vice Mayor Smith and Councilman Phillips. So that covers that item. Yes, there's nothing on the screen.

[Time: 04:48:26]

Councilwoman Littlefield: I would like to make a motion to direct staff -- I move --

Mayor Lane: A mayor and council item.

Councilwoman Littlefield: I would like to have staff agendize, to modify our zoning ordinance to increase the separation required by medical marijuana dispensaries and other possible locations on

the locations of these dispensaries. I would like to do this as quickly as feasible and further move that until the study of our ordinance is completed we place on all future medical marijuana dispensaries cases on hold.

Mayor Lane: Second that. Yes, I think that's worthy of some discussion in itself. So we will make that direction. Councilwoman Milhaven.

Councilwoman Milhaven: I wanted to make a friendly amendment because the changes you suggested were very specific could we maybe open it up or other considerations of change.

Mayor Lane: I'm okay with that too.

Councilwoman Littlefield: Yes.

Councilwoman Milhaven: She agreed. She was specific about distance and I suggested we open it up to -- or any other changes.

Mayor Lane: All right. Mr. Washburn.

City Attorney Bruce Washburn: You didn't have a moratorium on applications tonight because you are not agendized to do that. That's a legal action that would have to be agendized. You can't do that tonight.

Mayor Lane: Okay. All right. So --

Councilwoman Littlefield: I am moving to agendize it.

City Attorney Bruce Washburn: Okay. I misunderstood.

Councilwoman Littlefield: I'm moving to agendize this discussion.

City Attorney Bruce Washburn: I thought the motion included establishing a moratorium until the -- yes. You can certainly agendize. You can certainly move to agenda discussing --

Councilwoman Littlefield: But just not the moratorium.

City Attorney Bruce Washburn: You can't institute the moratorium tonight. Just trying to agendize it to put it on a future agenda.

Councilwoman Littlefield: Okay. Thank you.

Mayor Lane: All right. That item is then completed. Was there any other board or council item? Yes? Yes? I'm sorry. There is a motion and a second and we now ready to vote. Would those in favor please indicate -- oops! I already decided. All right, we are now ready to vote. It's

unanimous. 7-0. All right.

CONTINUED ITEM 33 – DESERT DISCOVERY CENTER CONSULTING SERVICES AGREEMENT

[Time: 04:51:16]

Mayor Lane: So before we move to boards and commissions. Maybe back to the item that we previous tabled.

City Attorney Bruce Washburn: I recommend that you move to take the item off the table and return it to the agenda.

Councilmember Korte: So moved.

Councilwoman Klapp: Second.

Mayor Lane: Thank you. A second to move the item off the table and back to the agenda. So we are ready then to vote. All those in favor please indicate by aye. Those opposed. It's unanimous. We are back on the agenda with the item.

City Attorney Bruce Washburn: All right. After consultation with the DDCS we have reached agreement and essentially language that implement all the recommendations that were made. It's like technical problems, a, existing staff, b, I have the -- I have a proposed motion on my screen but I can't print it. So -- let me just run through here real quickly what we did, and then if you want, I can read the proposed motion.

Mayor Lane: Is it fair for us to refer to the scope of work?

City Attorney Bruce Washburn: Yes, everything is in the scope of work. The first thing is right --

Mayor Lane: We have completing charter officers here.

City Clerk Carolyn Jagger: If the esteemed City Attorney will email it to me, I will go and print it. You can still run through the points and I can get a copy on the dais.

City Attorney Bruce Washburn: The esteemed city attorney is working with this new tablet for the first time. If I figure out how to email, I would have done that to myself. I'm scared to death of erasing it. I did take a picture of it with my phone.

Mayor Lane: All right. If you want to, we will go the old-fashioned kind of way and you can relay it to us, the changes that were made.

City Attorney Bruce Washburn: Let me just run through these real quick and then I will read the motion.

Mayor Lane: It's easy to say that 207 is no longer there.

City Attorney Bruce Washburn: That's point one. Strike 207. And then we will add a sentence to Section 211 and all of these are in the scope of work. 211, which states that the DDCS will consider and address the implementation of stage development of the DDC shall include such stage development in the capital and the operating business plan, and then add the section -- the --

Vice Mayor Smith: Excuse me, can I interject a question. Will that also lead to staged architectural renderings as well?

City Attorney Bruce Washburn: For the architectural -- just a second. For the architectural, we are adding a provision in Section 210 to say that -- to consider and address the implementation of the staged plan. The DDCS can't direct the architect to do anything but I think council has made it pretty clear what they want in the contract.

Vice Mayor Smith: Thank you.

City Attorney Bruce Washburn: And then put in provision for working with the McDowell Sonoran Conservancy and have them in Section 303 and the list of group within which will be done in Section 201. And then in Section 308 of the scope of work, add a sentence about committing goal of raising 10% of the capital and developing working towards the goal of 10% of the capital costs and developing a plan that is covered in the operating costs. We put that in Section 308. That's where the fund-raising is actually addressed, rather than in the other section. So that's -- I just wanted to run through that outline. I think that addressed everything that we got from the council, and --

Mayor Lane: The only question I have on it, if you could give me the reading on -- as far as the commitment to our 10% of the capital fund.

City Attorney Bruce Washburn: I was going to go through and read the whole motion. I will read that in Section 308, the DDCS is committed to work, towards the goal of raising 10% of the capital costs for the DDC and to developing a plan to adequately cover the annual operating costs.

Mayor Lane: Okay. Now commitment to work toward a goal is that the same as a commitment to providing that funding?

City Attorney Bruce Washburn: It's working towards a goal of providing that funding. No, it's not -- it's not a commitment that they will actually come up with those -- with those commitments because the idea of being -- when we talked about it, they can't guarantee what people are going to give them, and the -- I think the -- Councilwoman Milhaven said then when we come back in 18 months or whenever it's done, if they have not adequately addressed --

Mayor Lane: Okay. Yeah.

City Attorney Bruce Washburn: Fulfilled that commitment, then the council would have to decide how to move forward.

Vice Mayor Smith: I have one other question on that.

Mayor Lane: Certainly Vice Mayor.

Vice Mayor Smith: When you say they are going to strive to raise -- whatever the words were, 10% of the DDC, is the DDC a defined term? I mean we talked about we may see several implementation stages. I thought we said they were going to do 10% of whatever stage we end up wed to.

City Attorney Bruce Washburn: Well, the DDC is used throughout the agreement, to indicate the whole project that's at issue here and I think it's used pretty liberally. Yes, and -- okay. Wait. I can't hear you. Yeah. So at the very beginning of the contract, states that it is the desire of the city to consider development of a facility to be known as the Desert Discovery Center. So it's whatever facility gets developed pursuant to this contract. So my understanding that would be -- and they can correct me if they have a different understanding of what the council authorizes of stage one of whatever is brought back to them, maybe 10% of stage 1, to authorize stage 1 and stage 2 and so they would be working towards commitments, 10% of everything brought back to you.

Vice Mayor Smith: That's fine.

[Time: 04:59:14]

Mayor Lane: Councilwoman Korte.

Councilmember Korte: I move to adopt resolution 10261, authorizing the mayor to sign contract 2015-234-COS with Desert Discovery Center Scottsdale Inc. and authorizing a 2015-2016 general fund capital contingency budget appropriation transfer in the amount of 1,696,900 in to a newly created capital improvement project titled Desert Discovery Center business plan and feasibility analysis to be funded by tourism development funds. And initiating an amendment to the existing municipal use master site plan for a Desert Discovery Center on 30 acres of city-owned land located north of the existing gateway to the Preserve trailhead on Thompson peak parkway. Also a motion to include aforementioned by city attorney regarding the points -- those prior points.

City Attorney Bruce Washburn: And if I may be permitted just to clarify the motion and just to make sure the exact language is there with the minutes and in the record. There was changes are all to the scope of work section, strike Section 207 to the scope of work. Add the following section of 211 in the scope of work in the first paragraph after the send of the fourth. DDCS will consider the implementation of the staged development of the DDC and shall include such staged development in the capital and the operating business plan and add to the end of Section 303. DDCS will speak collaboratively with the McDowell Sonoran Conservancy. And add them to the Section 201 and consider and address the implementation of a multistage plan and Section 308 of the scope of work at the end of the second sentence of the third paragraph, the DDC is committed towards working

towards the goal of raising 10% of the capital cost of the DDC and to developing the plan to adequately cover annual operating costs.

Councilmember Korte: Just what he said.

Councilwoman Milhaven: Second.

Mayor Lane: The motion has been made then and seconded. Would the second like to speak at all toward it?

Councilwoman Milhaven: Let's go.

Mayor Lane: Councilwoman Littlefield, you are still on the screen. Would you like to speak toward it?

[Time: 05:01:57]

Councilwoman Littlefield: I would like to make an alternative motion, please. I move we adopt resolution 10261, but that we lower the amount to \$996,000 by deleting the \$700,000 requested to pay for the architectural services to provide additional preliminary plans and the plans. Any plans which are deemed necessary for processing a municipal use master site plan shall not be part of the \$996,000. Additionally no applications for revisions to the municipal use master site plan shall be processed until a conceptual plan and its economic feasibility is reviewed by council and approved by public vote. And that also includes those changes and stipulations as just described by the city attorney.

Councilman Phillips: Second.

Mayor Lane: Would you like to speak toward it? I have a question and that is the allocation of these funds to transfer these funds, there's no way associated with the actual payment of these funds or the contracting for these funds -- the use of these funds.

City Attorney Bruce Washburn: By these funds are you talking about the \$700,000?

Mayor Lane: Yes.

City Attorney Bruce Washburn: That's correct. Those funds would not be expended until a contract is brought back to council.

Mayor Lane: Okay. The motion has been made and seconded. Any further comments? All right. I think we are ready to vote on that alternative motion. All those in favor please indicate by aye. Those opposed with a no. Motion fails 5-2, with Littlefield and Phillips in the affirmative.

All right. So we have the original motion on the table. Are you ready to vote on the original

motion. All those in favor, please indicate by aye and those opposed with a nay. Aye. The motion passes 6-1 where Councilman Littlefield voting no. All right. I think that covers that topic. I think we are in pretty good stead. Let's see if there's anything you think we might have missed or want to go back over. All right.

ITEM 38 – BOARDS, COMMISSIONS, AND TASK FORCE NOMINATIONS

[Time: 05:04:20]

Mayor Lane: So -- and that completes our regular agenda items and of course we already moved on through and we are now ready to start our boards and commissions but I will allow a couple of minutes it is a little after 10:00. So we actually have to take a vote as to whether we want to continue.

Councilwoman Milhaven: I move we continue with these appointments.

Mayor Lane: Okay. All right. We will stay in action since Kelli spent all of this time waiting for this moment. We couldn't hardly walk off and say we will do it tomorrow night. Okay. We've got the -- okay. The boards and commissions and for the boards and commissions, I will turn it over to the Vice Mayor.

Vice Mayor Smith: Thank you, mayor, we will try to make this as fast as we can. This evening, the City Council will be nominating Scottsdale residents interested in serving on six citizen advisory boards and commissions. The six with vacancies are the Citizen's Bond Oversight Committee, Environmental Quality Advisory Board, Human Services Commission, Industrial Development Authority, Tourism Advisory Task Force, and the Tourism Development Commission.

Just as a note the Building Advisory Board of Appeals has two vacancies but we had no interested applicants at this time, so we won't go through the nomination process for that board. But heads up to anybody out there would want to apply. There's easy work here. Those nominated will be interviewed at the City Council meeting on Tuesday January 26th, and appointments will follow each set of interviews.

So starting first with the Citizen's Bond Oversight Committee. There are seven openings, since this is a newly established commission, established October 6th of last year by this council I will. It consists of seven members who receive reports on the City's progress in implementing the Bond Program, review any proposed project changes to the program and provide such comments to the City Council with respect to the bond program. No special qualifications. As I said, there are seven vacancies. We have ten applicants. You can see their names up there. They are: John Barwell, Dana Close, Wayne Ecton, Samuel Edmondson, Judy Frost, Bill Heckman, Charles Kaufman, Alex McLaren, Brion Neeley, and Douglas Reed.

I will entertain nominations for the Citizens Bond Oversight Committee. You can vote seven applicants and I will turn to you Councilman Phillips.

Councilman Phillips: Douglas Reed.

Vice Mayor Smith: One nomination? Councilwoman Littlefield. You can nominate up to seven.

Councilwoman Littlefield: Up to seven. John Barwell, Sam Edmonson, Judy Frost, Charles Kaufman, Alex McLaren, Brion Neeley, Douglas Reed.

Vice Mayor Smith: I think that was eight.

Councilwoman Littlefield: Seven.

Vice Mayor Smith: Okay. You are right. That's fine. Councilwoman Milhaven.

Councilwoman Milhaven: All right. Let's see, Dana Close, Wayne Ecton, Bill Heckman.

Vice Mayor Smith: I think at that point all ten are nominated and will be considered when we do the interviews.

The next board we will consider is the Environmental Quality Advisory Board and here we have only one opening. The Environmental Quality Advisory Board provides guidance on the prioritization of future environmental activities and recommends environmental policies to the City Council. As specified in the Scottsdale City Code, the membership of the Board shall reflect both scientific and non-scientific interest. As long as both scientific and non-scientific interests are represented, the code does not dictate a precise number of members with those backgrounds. One applicant, Ted Geisler, declined his December 3rd, 2015 appointment due to conflicting commitments. So we have one vacancy and one applicant. You can see his name there Arnold Siegel. I will now entertain nominations for the Environmental Quality Advisory Board. I will start with Councilwoman Littlefield.

Councilwoman Littlefield: Arnold Siegel.

Vice Mayor Smith: Okay, all the individuals who applied have been nominated.

[Time: 05:10:01]

Vice Mayor Smith: The Human Services Commission likewise has one opening. The Human Services Commission provides advisory recommendations to staff and the City Council on human services priorities and programs. There are no special qualifications. One member of this commission, Raoul Zubia's term expires January 26th. He is not eligible for reappointment. So that creates one vacancy. We have three applicants. Michael Cavanaugh, Edmund Portnoy, Denny Brown. I will entertain nominations for Human Services Commission. We will start with you Councilwoman Milhaven.

Councilwoman Milhaven: Denny Brown.

Councilwoman Klapp: No further nominations.

Mayor Lane: Edmund Portnoy.

Councilmember Korte: No further.

Vice Mayor Smith: No further.

Councilman Phillips: Cavanaugh.

Vice Mayor Smith: All three applicants have been nominated and will be considered when we do interviews.

The Industrial Development Authority is the next consideration. There's one opening. The Industrial Development Authority's primary purpose is to issue tax-exempt bonds for certain types of private development for the purpose of attracting new economic activity to the community. There are no formal requirements for IDA member's areas of technical expertise, but given the nature of the work the IDA conducts, it is suggested that members be comfortable working with detailed financial pro forma, feasibility studies, and the financial projections. Historically, most members have been bankers, accountants, financial advisors, CFO's, attorney's, etc. At any rate, one member of the industrial development authority, Marc Grayson resigned December 9 of last year creating the vacancy. We have two applicants. You can see their names there: Andrew Armstrong, Shannon Scutari. So starting with Councilwoman Klapp.

Councilwoman Klapp: Shannon Scutari.

Mayor Lane: Andrew Armstrong.

Vice Mayor Smith: And that closes the nominations. All applicants having been nominated.

[Time: 05:12:32]

Vice Mayor Smith: The next group is the Tourism Advisory Task Force. There are three openings here. The Tourism Advisory Task Force consists of up to 11 members who serve in an advisory capacity to City Council in regard to the Tourism Development and Marketing Strategic Plan. The Advisory Task Force is tasked to be custodians of the plan, vision and strategies, ensure the plan is progressing, and periodically communicate with strategic leaders and to City Council. The special qualifications are professional and or experience in at least one of the following areas: Tourism Industry, Business Development, Arts and Culture, and environmentally or civically engaged. We had three openings created by the resignation of Cory Baker on October 13th of last year and Matthew Wright August 1st and then Shannon Scutari withdrew her application. She was previously on the list of applicants.

The applications are -- okay. I got seven. Shannon Scutari's name was not on the list and that's appropriate. There are seven. They are: Ace Bailey, Scott Eubanks, Allan Henderson, Mallard Owen, Carmela Lizzo, French Thompson, Sandra Schenkat. So I will now entertain nominations for the vacancy on the Tourism Advisory Task Force. And in this case, each councilmember can nominate up to three.

Mayor Lane: I nominate Ace Bailey, Allan Henderson, and Carmela Lizzo.

Councilmember Korte: I would nominate Mallard Owen.

Vice Mayor Smith: Who? Just one.

Vice Mayor Smith: I will nominate Scott Eubanks, French Thompson and Sandra Schenkat, and I think that's everybody has been nominated. So all will be brought back for interviews.

The Tourism Development Commission has one opening. The Tourism Development Commission advises the City Council on matters concerning the expenditure of revenues from the Transaction Privilege Tax on transient lodging, otherwise known as the bed tax, designated for tourism development. As specified in the Scottsdale City Code, the seven members of the Tourism Development Commission shall consist of representatives of the tourism industry in Scottsdale, including a minimum of four hoteliers, one member of the convention and visitors bureau, and then the balance, the other two, from other elements in the tourism industry. Robert McCreary's term expires January 20 this year and he represents a hotelier position. He is eligible for reappointment and submitted an application for consideration. So we have one vacancy for a hotelier position. We have six applicants. The applicants are listed. They are: Trey Brennen, Mitchell Davis, Dee Ellsworth, Julie Kercher, Tatum Luoma, Robert McCreary.

So starting with Councilman Korte, I will now entertain nominations for the Tourism Development Commission.

Councilmember Korte: Thank you, Robert McCreary.

Vice Mayor Smith: None other for myself.

Councilman Phillips: Trey Brennen.

Councilwoman Littlefield: Trey Brennen.

Councilwoman Milhaven: No additional.

Councilwoman Klapp: No further nominations.

Mayor Lane: No further nominations.

Vice Mayor Smith: That concludes it. We have two nominees, Trey Brennen and Robert McCreary. Those two will be brought back.

This concludes our nomination process this evening. City council will contact those nominated and provide them additional information about the interview process and I would like to take this opportunity on behalf of council to sincerely thank everyone who applied to serve on the citizen advisory board or commission, even if you were not nominated, your application will remain on file for one year for consideration at a future date if there are future openings. Mr. Mayor, I turn the meeting back to you.

ADJOURNMENT

[Time: 05:17:33]

Mayor Lane: Very good. Thank you, Vice Mayor. Nice job. I think that finishes our business for this meeting. Motion to adjourn. It's been moved and seconded. All in favor of adjournment, please indicate by aye. We are adjourned. Thank you, everyone, for attending and for your input.