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CALL TO ORDER

[Time: 00:00:02]

Mayor Lane: Good afternoon, everyone, I would like to call to order the June 7th, 2016, city council meeting. We will start with a roll call, please.

ROLL CALL

[Time: 00:00:08]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

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. We have a couple of 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. Those are white cards that the city clerk is holding up over her head to my right and if you would like to give her some written comments, there's the yellow card she's holding up over her head and we will read them during the course of the proceedings this morning.

We have Scottsdale police officer Jason Glenn and George King who are here to assist us, and they are straight here in front of me, if have need for their assistance. The area behind the council dais are for staff and council dais only. There are restrooms under that exit sign for your convenience.

You know, I would like to say, I think you may have already picked up on in the roll call. This is first meeting for the new vice Mayor, which is Vice Mayor Littlefield has taken the position in the next eight months. Welcome to the new Vice Mayor. Thank you very much for being here, certainly in a new capacity.

Vice Mayor Littlefield: Thank you, Mayor.

PLEDGE OF ALLEGIANCE

[Time: 00:01:45]

Mayor Lane: This evening, we have got the pleasure of Cub Scout troop 918 with the cub master Joe Nesbitt who will join us in the pledge. If you are able, please stand for the Pledge of Allegiance and these young men will lead it.

Cub Scout Troop 918: 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 can, just please turn that microphone around and face the crowd, and introduce yourself individually. And tell us where you go to school, what your favorite subject is, and any other tidbit.

James Nesbitt: My name is James Nesbitt. My school is Great Hearts and my favorite subject is science. And thank you.

T.J.: My name is T. J., and my school is Willow Creek Elementary School, and my favorite subject in school is math.

Nate Polaro: Hi, my name is Nate Polaro, I go to Boulder Creek Elementary. And my favorite subject is Social studies.

Nicholas: Hi, my name is Nicholas. I go to Boulder Creek Elementary School. My favorite subject is science.

Rich Salerno: Hello. My name is Rick Salerno and my school is Boulder Creek. My favorite subject is lunch.

INVOCATION

[Time: 00:04:12]

Mayor Lane: Thank you very much, gentlemen. I don't know whether or not, the Rabbi has made it or not. The invocation will be presented by Rabbi Ariel Shoshan and chaplain for the Scottsdale police department. Rabbi, nice to see you.

Rabbi Ariel Shoshan: Almighty got instill within the Mayor and the members of the city council, the courage needed to lead this great city. Grant them understanding of the potential this day holds as they work together for resident and visitor here throughout the valley of the sun. Open their hearts to respond meaningfully for those who hunger for justice, hunger for equality and hunger for opportunity. Open the hearts and the minds of city's residents to judge the work of our city officials favorably. As we prepare for and prosper during the year's hottest season. Give the leaders the strength and the security of this great city and the fire department, the police department and the first responders who are called to help us as they risk their own. We give thanks for our lives, which are entrusted into your hand, for your miracles which are with us every day and for your wonders and favors at all times, morning, evening and midday. We thankful to make our city, the world's most beautiful or home. Let us pray together this body will create a world worthy of your presence and blessing, amen.

Mayor Lane: Amen. Thank you, Rabbi. In addition to the invocation, I would ask the audience here to remember with a moment of silence officer David Glasser of Phoenix, who was killed in the line of duty, just a week or so ago now. And as well, a hero for a great portion of those of us who were around at the time and nonetheless, for his career, Muhammad Ali who passed away right here in Scottsdale. If we could take a few moments. Thank you.

MAYOR'S REPORT

[Time: 00:07:07]

Mayor Lane: As part of the Mayor's report this evening, we've got a May 23rd, the Scottsdale City Auditor's office received a distinguished award for the Scottsdale Road improvement phase one audit report. The Knighton award program is a competitive program designed to recognize the best audit reports of auditors and their members. Scottsdale City Auditor's Office distinguished itself with a thorough examination of a road construction revealing overpayments and highlighting strategic process improvement.

We would like to congratulate our City Auditor, Sharron Walker and her team and Elaine Clough for this wonderful award. We will have a moment here that's in acceptance to the award earlier on but I will say that -- I don't know is Sharron Walker here? Do you want to come forward with that?

Before I take a moment just to recognize this event, I would like to say our auditor's department, this is one recognition for a department that does a phenomenal job, I would say second to none. One of the best auditing and frankly city auditors, I think in the country and I don't even think that's an overstatement. She does a wonderful job. This is one indication of how she and her department have saved the city thousands, if not hundreds of thousands and maybe even more than that over the course of time. And not only in the immediate times of results but also on the kinds of things that improvement in the processes have led to great efficiency and better management on our assets on behalf of the taxpayers.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:09:48]

Mayor Lane: Our next item is a presentation of the Spirit of Scottsdale Awards and do we have Michael Gonzalez and Joe Meli here from the Neighborhood Advisory Commission? If you could come forward.

Neighborhood Advisory Commissioner Joe Meli: Good evening, Mayor. Vice Mayor Littlefield, Joe Meli, chair of the Neighborhood Advisory Commission. I am here with Michael Gonzalez and Commissioner Lichtsinn. We are here today, excited to give these awards and I will ask Commissioner Gonzalez to read off the criteria.

Neighborhood Advisory Commissioner Michael Gonzalez: Thank you. The Spirit of Scottsdale Awards is an award for excellence for buildings and homes within our community. This award is the result of nominations by neighbors of the different buildings and homes in our community. The commission is looking at a number of criteria for the awards. The boundaries are McDowell corridor which are basically 64th, Pima, McKellips and Osborn roads. The criteria for the judges are plants, texture, color, neighborhood context, marked improvements in that area and overall appearance. The commission nominates winners to the city council. The city council then approves those winners and tonight we get to award the winners in each of three categories. So Joe?

Mayor, would you like to come down?

Neighborhood Advisory Commissioner Joe Meli: Yes, Mr. Mayor, would you like to, please? So, we have three categories. The first is commercial. The second is single family or townhome and the third is multifamily condo apartments. And the first award goes to Faith Brewing, do we have people from Faith Brewing tonight. Located at 1312 North Scottsdale Road. Oh, here we go. And I would say that when we were making these determinations, there was a great deal of support from the community for Faith Brewing. It was wonderful to see the community support a local business and they have just done a wonderful job.

Our second award for a single family, that went to Tom and Barb Ennis who were not able to make it tonight. But we will make sure that that award is presented to them.

And then the final award was for multifamily condo or apartments. It went to the community of Scottsdale Garden, 1211 North Miller Road. Are the folks here to receive their award tonight?

Thank you, Mayor Lane. Thank you Vice Mayor Littlefield, members of the council. We look forward to the 2016 spirit of Scottsdale awards and we are sure we will receive many entries this year and once again thank you to commissioners Gonzalez and Lichtsinn. Thank you very much.

Mayor Lane: Thank you, Joe and thank you, Michael, for the efforts in that and to all the awardees, congratulations.

PUBLIC COMMENT

[Time: 00:14:21]

Mayor Lane: Next order of business is the public comment. The public comment is reserved for citizen comments on non-agendized items of which there will be no official action taken on these items. We allow for three minutes for each of the requests to speak or maximum of five at this time we have just four. And there will be another opportunity at the end of the meeting if there's a call for it. We will start with Eric Williams.

Eric Williams: Hi. If I had known I was looking at all of you and not just City Council, I would have thought twice about this. I will make this quick. I'm here urging and petitioning the city council to pass an ordinance banning the use of cell phones while driving, all handheld devices. I think we all know that driving while distracted is very dangerous. Well, driving while texting is the most dangerous storm of distracted driving. It's dangerous because it inhibits you manually. It inhibits you physically, and cognitively. There's evidence out there to demonstrate how dangerous this is.

Just to cite a couple of examples, the national security safety council, excuse me, published that cell phone usage is now estimated to be involved in 26% of all motor vehicle crashes. 26%! The Virginia tech transportation institute recently conducted a study that AAA cited to in which they said that crash risk is increased by 23 times by texting while driving. Now, there are currently 46 states that already have laws banning texting while driving. Including U.S. Virgin Islands, Guam and Puerto Rico. Arizona is not one of them. There are states that do not have laws prohibiting texting while driving but that have ordinances amongst various jurisdictions that still prohibit texting while driving. For example, Texas, they don't have a state law but they have 60 different jurisdictions in which there's some form of law that prohibits the use of cell phones while driving.

So all I'm doing is urging that you consider some form of banning on cell phone usage while driving. I don't think it's enough for it to be texting alone because if it's texting alone, you get pulled over, you are just going to say, I was calling somebody. I was just picking up the phone to call someone. I think it should be a ban on all forms of communication, using a wireless handheld device. Thank you. Appreciate your time.

[Time: 00:17:27]

Mayor Lane: Thank you, Mr. Williams. Next is Ann Morton. And it looks like Debra Adams is going to be joining her.

Ann Morton: I'm Ann Morton and I'm here to tell you about the project that we had the pleasure to work on, called peacemakers. The students at Zuni Hills Elementary School came together to create a giant woven rug using their own painted portraits as peacemakers. This was done in conjunction with the after gap war rug exhibition that was occurring at SMOCA concurrently in the spring of 2015. It all started with the instruction to create a portrait of yourself as a peacemaker. With this initial

suggestion and the amazing guidance and support of Debra Adams they embodied the very issues that concerned them as future global citizens. With extraordinary freedom and ingenuity, the students communicated their ideas and you can change the slide through their own likeness. Their portraits were -- they became the thing that -- of concern as if infused in their body, mind, and spirit.

You can change the slide. So what is equally extraordinary is the visions, educational program through SMOCA that provided -- and that provides a professional venue, the young at art gallery to display this meaningful work from the Zuni Hills students for the adults and children to experience. This is the only venue of its kind. The young at art is a unique and valuable asset, not only to the students' whose work has been displayed there but to visitors of all ages to experience and enjoy. Being there on opening night to witness the sheer excitement of the students and their parents, seeing their work professionally dismayed was such a joy and you can change the slide.

I want to thank the city of Scottsdale and SMOCA for providing it stellar venue for the community. It's great for the family and for the general public that have the opportunity to see the work made by students participating in the programming through SMOCA. And Debbie?

Debra Adams: Good evening, City Council. My name is Deborah Adams, and I'm a teaching artist. I work in the Peoria unified school district. I want to thank the Scottsdale city council and the Scottsdale cultural council for creating such exemplary programs which support the outreach of the arts to all citizens. My relationship with SMOCA has been nurtured for more than ten years as I worked as a liaison between the students and their understanding of what it means to be an artist, a patron, and advocate. I have really been changed as an artist, through my experience of working on peacemakers with Lara Hale and Ann Morton and my Zuni Hills students. You can change the slide.

Mayor Lane: Ms. Adams you are out of time. You will need to wrap it up quickly.

Debra Adams: Okay. There is no other gallery like this in the valley and that's really what I want to sum with and it's been through that relationship of more than 10 years that I'm trying to bridge the gap between the east and the west. I want to thank everyone for the opportunities presented for me to grow and to collaborate and for my students. Thank you.

[Time: 00:21:36]

Mayor Lane: Very nice. Thank you Ann and Debra both. Thank you. Next is Paul Hughes.

Paul Hughes: Mayor Lane, my name is Paul Hughes. I live in ZIP code 85255, and the reason I'm here today is to ask the council to agendaize an item for the next city council meeting. It would be a discussion and a vote to update and improve existing code regarding dogs at large in the city of Scottsdale. What I would like to do as part of that discussion is to include new technologies such as wireless technologies for controlling animals in the city and in doing so, providing for a reasonable accommodation for people who are eligible under the Americans with Disabilities Act to control their animals in the city of Scottsdale and in compliance with the law, which is a provision that does not exist to this day. I'm here to ask for the city to agendaize that as a discussion in the next city council

meeting.

[Time: 00:22:55]

Mayor Lane: Thank you, Mr. Hughes. Next is Mark Stuart.

Mark Stuart: Can you guys see that? No? Am I on the wrong thing? Perfect! Hi, I'm Mark Stuart. I have been living in Scottsdale for about 14 years. I'm in the 85258 ZIP code and I'm a community activist and organizer. So I have come here today to give you a taste of a city charter amendment that I would like to get you to put on the ballot in November. And it's called transparency in city council spending. I know many of us wonder what the heck is going on up here sometimes. What is motivating the decisions to spend money?

I have a simple and yet very powerful solution. Any person or entity that has any activity before the council, will have to fill out a simple form. Who donates to the city council the last two election cycles? That includes donating through PACs or through individuals. How much have you donated? That's total dollar amount for each possible avenue. Do you have any outside business relationships? This is all inclusive. You have to describe the relationships, what are the terms of the relationships. So for example, if you hire someone in the city council to be a consultant to a firm of yours, you have to disclose it. You have to say how much and how long the relationship has been going on. This essentially will shift the burden to the people who are seeking action before the council to explain to the public what they are giving the council and why they are expecting to get certain actions that they get from the council.

So I tried a little experiment this week and I sent the questionnaire out to everybody on the council and I only got two responses. Mr. Smith told me -- and this is regarding Swaback Partners and the Desert Discovery Center. Mr. Smith told he had received some donations but he didn't know how much, and Ms. Littlefield had said that she didn't think she had received any but because there were many employees in the firm, she couldn't be sure. But this will resolve that. And so if Swaback, for example, is donating money to political action committees or any other activity that is designed to influence the city council, they will have to disclose it. And any action that's passed -- that doesn't include these will automatically be void. So I just want to give a taste of that. I know that most of you favor transparency in city council decision making and this is a concrete step to move our city in the right direction. Thank you for your time.

Mayor Lane: Thank you, Mr. Stewart. That concludes our public comment period.

MINUTES

[Time: 00:26:47]

Mayor Lane: Our next order of -- item of business is the approval of minutes. I would ask for a motion to approve barring any other adds or deletes but motion for the special meeting minutes of May 3rd, 2016, the 4 p.m. special meeting minutes of May 10th, 2016, the 4:30 special meeting minutes

of May 10th, 2016, the regular meeting minutes of May 3rd, 2016, the regular meeting minutes of May 17, 2016, the work study meeting minutes of May 10th, 2016 and the executive session minutes of May 10th, 2016, unless there are any comments, adds, deletes or questions, I would ask for a motion for approval of those.

Councilmember Korte: So moved.

Councilman Phillips: Second.

Mayor Lane: The motion has been made and seconded. Seeing no further comment, I think we are ready to vote. All those in favor, indicate with an aye and those opposed with a nay. Register your vote.

Councilwoman Milhaven: Aye.

Mayor Lane: It's unanimous. So with councilwoman Milhaven's aye via the telephone. Thank you. That completes that item.

CONSENT AGENDA – ITEMS 1 THROUGH 22A

[Time: 00:28:04]

Mayor Lane: We will move on to -- consent items 1 through 22a. I have no request to speak on the consent items and I would ask if we have anything other than by Councilwoman Korte, let's make a comment on item 14.

Councilmember Korte: Thank you. Actually items 13 and 14, regarding the Paiute Neighborhood Center. Excuse me, the number 14, the Paiute neighborhood center boys and girls. I wanted to give a shout out to our community services staff, Bill Murphy and the Boys and Girls Club of Greater Scottsdale. They have a new C.E.O., Lisa Hurst who is really doing some great outreach and what a great example of a private/public partnership that brings real resources and mentors to those neighborhood and children in need. So thank you, staff and thank you to Boys and Girls Club for coming together and really making something worthwhile happen.

Mayor Lane: Thank you, councilwoman and same sentiment from all of us, boys and girls, club as they have been designated as a club at that location and to all the staff members that have worked with that property.

So with that being said, and I see that there's no further comments being requested on consent items 1 through 20 -- I'm sorry, 1 through 22a, and I think we are then ready to vote. I'm sorry, I need a motion.

Councilwoman Klapp: I make a motion to approve consent items 1 through 22a.

Councilmember Korte: Second.

Mayor Lane: The motion has been made and seconded. No further comments indicated. We are ready to vote. All those in favor, aye, those opposed with a nay.

Councilwoman Milhaven: Aye.

Mayor Lane: It's unanimous with a voice vote from Councilwoman Milhaven. Thank you very much for on all of those items. If you happen to be here for the consent items, you are welcome to stay with us otherwise, please leave quietly.

ITEM 23 – PUBLIC HEARING O THE PROPOSED FISCAL YEAR 2016/17 PROPERTY TAX LEVY

[Time: 00:30:29]

Mayor Lane: Moving on to the regular order of business, the regular agenda items, starting with 23, and it's the public hearing on the proposed fiscal year 2016/17 property tax levy. We have Lee Guillory, our finance director to do a presentation on this item.

Finance Director Lee Guillory: Mayor Lane and members of the council, state statutes requires that prior to any tax levy, that a hearing be held at least 14 days prior to the actual levy, and also prior to the city's final budget adoption. So tonight's action is the property tax public hearing to be followed on June 21st with the actual adoption of the ordinance to levy the property taxes. Okay.

So the numbers on the screen are similar to the numbers you saw earlier in the budget development process regarding the property tax levy. The county did make one correction to the city's assessed valuation to include some additional growth on the tax roll. This results in a slightly higher primary property tax levy and a slightly higher primary tax rate than what was shown on the presentation a month or so ago. So looking at the fiscal year '16/17 primary property tax levy, it includes \$26.4 million to go towards the general fund and approximately \$1 million to go towards the risk fund for a total of about \$27.4 million, resulting in a primary property tax rate of .5071 per \$100 of assessed valuation.

Regarding the secondary property tax levy, it would be the debt service that that money would be used to pay for, the fiscal year '16/17 amount is 34.1 million of which we are going to use about a half million in reserves. So the actual levy will be the \$33.6 million, resulting in a rate of .6219 cents per \$100 of assessed valuation. The final line shows the total tax rate would be a decrease from \$1.15 down to 1.129 cents per \$100 of assessed valuation. So with that, I'm open for questions or discussion.

Mayor Lane: Thank you, Lee. We do not have any requests to speak on this item from the public. And so unless there are any comments from councilmembers? I think we have exercised the public hearing aspect on this, and I -- that's nature of the item.

Finance Director Lee Guillory: Yes. There is an action to be taken in that you would need to have a motion to levy the proposed '16/17 property tax to be assessed by ordinance on June 21, 2016.

Mayor Lane: We have the action proposed and I will ask for a motion for that action item.

Councilmember Korte: Mayor, I move to approve a motion to levy the proposed property taxes, taxes to be assessed by ordinance on June 21st, 2016.

Vice Mayor Littlefield: Second.

Mayor Lane: The motion has been made and seconded. Seeing there's no further comments, then we are then ready to vote. All those in favor please indicate by aye and those opposed with a nay.

Councilwoman Milhaven: Aye.

Mayor Lane: It's unanimous then with a voice vote from Councilwoman Milhaven. Thank you very much, Lee.

ITEM 24 – PUBLIC HEARING ON PROPOSED FISCAL YEAR 2016/17 MUNICIPAL STREETLIGHT IMPROVEMENT DISTRICT EXPENSES AND PROPERTY TAX LEVY (BY DISTRICT)

[Time: 00:34:35]

Mayor Lane: Now I'm presuming that you are standing in place for a reason on item 24, we have a public hearing on the proposed fiscal municipal street light improvement district and property tax levy by district.

Finance Director Lee Guillory: Right, Mayor Lane and councilmembers. So this is a similar action. This one involves just various districts throughout the city, boundaries that involve street lights. There are approximately 350 street light districts. So this levy is to cover the electricity costs and maintenance of these street light poles. So each district we look at the actual expenses incurred in the prior year and levy for that dollar amount less any reserve that the district might hold. So in total, all 355 districts the levy would be the 601,736 on the amount on the screen. That would result in approximately \$27,000 for all 325 districts. Its a very minimal reserve being held and it's being drawn down for districts where possible.

This would also require an action tonight but the formal adoption of the ordinance would be on June 21st.

Mayor Lane: All right. Thank you Lee. We have no questions from the audience on this item either, unless there are any comments from the councilmembers here, I would ask for a motion to approve this item.

Councilmember Korte: Mayor. I move to consider adoption of -- I move to adopt the proposed

fiscal year 2016/17 street light property tax levies during council's June 21st, 2016 meeting. By ordinance.

Vice Mayor Littlefield: Second.

Mayor Lane: The motion has been made and seconded. Seeing there's no further questions on this item. I think we are ready to vote. All those in favor please indicate with an aye. Those opposed with a nay.

Councilwoman Milhaven: Aye.

Mayor Lane: The motion carries unanimously with a voice vote from Councilwoman Milhaven.

ITEM 25 – FINAL PUBLIC HEARING ON THE FISCAL YEAR 2016/17 BUDGET

[Time: 00:36:56]

Mayor Lane: All right. Moving on to item 25, it's the final public hearing on the fiscal year 2016/17 budget and we have Judy Doyle here, our budget director for this item.

Budget Director Judy Doyle: Good evening, Mayor, Vice Mayor and members of the council. Tonight is the final public hearing on the '16/17 budget. On May 17th, you adopted a tentative budget which set the city's maximum expenditure limit. Tonight, per state law, you may reduce or reallocate those budget expenditures, however, you may not increase the expenditures that were adopted in the tentative budget. Tonight's presentation will be brief. We will just highlight some of the key items that were included in the '16/17 budget.

As you know, our acting city manager did bring forward a budget that was balanced. It did incorporate your priorities and policy direction that was given during our various budget discussions. It does not include the 2% allowance for the property tax. It does include a citywide pay program for merit increases averaging 3% for employees. It includes similar to the police officers a 5% step program for the firefighters, fire engineers, and fire captains also based on performance. It does focus on our downtown and it does include an additional transfer to our C.I.P. which is the equivalent to the 1.1% of tax that we collect on food for home consumption and that will be phased in over three years.

The final budget does include adjustments that you gave us direction on during the tentative budget discussion. It includes an additional 3.6 full-time equivalent positions in the police department. It also excludes the commercial recycling proposed rate and fee changes. We did reduce the revenues in the solid waste fund by approximately \$300,000, however, I will note that the expenditures were then also -- excuse me, the expenditures were not reduced by a like amount. The expenditures did remain the same in the adopted budget which included approximately an additional \$500,000 for budget packages related to increased workload demands in the residential program. It includes an additional two FTE to address those workload increases that have been building over the years and the

intent is to create efficiencies and we will not have to rely on overtime, which we have been doing over the years to be able to adequately address those workload demands.

I will also note of the 500,000 in expenditures in the solid waste fund, approximately \$300,000 of that is a one-time purchase for a side loader truck. I will mention that the existing residential rates and fees do cover the impact of the new packages, however, because of the commercial recycling rate and fee change was excluded, we will continue to under collect for the commercial program which means that the residential program will continue to subsidize the commercial program.

I will mention there is sufficient unreserved fund balance in the solid waste fund to cover the increase in '16/17, however with no approved rate increase, it's not sustainability and we will need to look for alternatives in the '17/18 budget which could include to subsidize the commercial program with the residential revenue, which will then accelerate the need for a residential rate increase. We could find efficiencies to reduce costs in our commercial services. We could get out of the business for those commercial services that lose the most money or some combination of those.

Additional adjustments included in the final budget, I had mentioned during our May 17th discussion that we had received updated revenue estimates from the league. We did incorporate those into the final budget with an additional 1.7 million in the general fund and additional \$500,000 in our transportation fund. We also as part of the final budget reduced the tourism and events operating budget by approximately \$100,000 just to correct the amount that was calculated for the annual 3% increase that's applied to the management agreement.

So just to wrap up the budget review schedule, there is no action that is needed on this particular item per state statute at the end of the regular meeting, you will reconvene into a special meeting to formally adopt the '16/17 budget. And then on June 21st, we will have a public hearing and final adoption of the tax levies that Lee Guillory just shared with you. And that concludes my presentation. I'm happy to answer any questions that you may have.

[Time: 00:43:08]

Mayor Lane: Thank you, Ms. Doyle. We may have some questions but we do have one request to speak on this. So if you would stand by. And that is Mr. Howard Myers. Mr. Myers? And incidentally, I might just ask Ms. Jagger this does indicate item 25 for Howard, and that's what was intended? Okay. We were just about ready to sound the horn, Howard.

Howard Myers: Thank you very much for your patience. Howard Myers, 6631 East Horned Owl Trail in Scottsdale. My concern is we have matched expenses and income, the problem I have with it is that there's a lot of things that aren't in any expenses and the major thing is maintenance on all of the city assets. Any business that would be run couldn't be run this way. They couldn't let all of that go down the line and then go back and ask their stockholders for more money. They would have to put in their budget what you need to maintain the facilities when they get to the end of life, you've got to replace them. You've got to repair them along the way. All of that has to be done and that has to be in the budget and if it's not, then you've got to go back and look at the budget because

there's something really wrong. We can't keep going back to the taxpayers and saying, you have to take out a loan so we can maintain our streets or maintain our buildings. That's not the way any business would be run and hopefully that's not the way the city will be run either, thank you.

[Time: 00:45:25]

Mayor Lane: Thank you, Mr. Myers. Now, that completes the public comment on this item. Do we have any requests of any other questions from councilmembers?

Hearing none -- I have one. And that goes specifically to what was just mentioned because I think it's relevant for folks to know, I too would be floored if we don't have maintenance of our assets and I believe we absolutely do, but I would like to have Judy -- hopefully from you, to confirm that.

Budget Director Judy Doyle: Mayor and members the council, yes, we do have included in our budget for facility maintenance, et cetera, and I know our public works director Dan worth who oversees our facilities and maintenance group is here, and I'm sure he could answer endless questions as it relates to the amount of work that we do do within that facilities group to maintain our assets.

Mayor Lane: I understand. And I expected that answer but I think it was born to make the statement in that regard. But in any case, Councilman Smith.

[Time: 00:46:31]

Councilman Smith: Thank you, Mr. Mayor. And I certainly know as the staff does, having sat in that seat, we do have maintenance in the budget. I think the point that was made and it is sometimes made by me and others that this budget, although it is balanced, meaning we are spending all the money that comes in and nothing more, nothing less, it is not a sustainable budget and it really goes to the capital side of the equation. We are not replacing the capital assets of the city at the rate with which we are wearing them out or using them up.

And we have had this discussion before. We will have it again and again and again because it's your city that's wearing out on our watch. And at some point in time, we're going to have to -- we're going to have to pay the piper here and start replacing some of the assets but we made the point in the past, that if you look at the financial reports of the city, the net assets, meaning assets de -- depreciable assets after accounting to depreciation declined three years ago, the first time in the history of the city. Two years ago, they declined again and this budget, if it's passed will usher in a third year of decline in the value of your city assets, and you observed this as you drive around town. You will see it. You will see it more and more all the time.

So it -- it is a balanced budget but it is unsustainable and I think that's the point that was trying to be made before. Thank you, Mayor.

Mayor Lane: Thank you, Councilman. Just to add to that a little bit, frankly, the observation that we do have maintenance of our assets a lot of those maintenance or I should say operational

maintenance of our assets do extend the life of our assets as well. And sometimes they don't get added to the asset base but they have become an expense item that adds to the life. That isn't to say that I don't agree that there is a concern, as we move forward with the failure of some of our voted upon general obligation bonds that do rebuild and build our assets our infrastructure. It's something that has been difficult for our constituents here -- our taxpayers and our voters to see their way to pass and that does lend itself to at least the prospect of a continuing deterioration of our infrastructure. So it's always a cautionary area.

I agree in part that there is one mitigating factor that as we do maintain our assets and a lot of times that does add to the physical life of the asset, maybe not on a capital life basis, of 20 or 30 years but certainly 5 to 15 years sometimes. So I'm glad even at the very least we clarified comments made by Mr. Myers with regard to operational expenses to maintain our assets.

So that is the item on 25. I know we will vote upon this separately later. So that completes item 25.

ITEM 26 – ONE SCOTTSDALE REZONING (20-ZN-2002#3)

[Time: 00:49:50]

Mayor Lane: And we'll move on to item 26, which is the one Scottsdale rezoning 20-ZN-2002 #3 and we have Keith Niederer here, I believe. Yes.

Senior Planner Keith Niederer: Thank you, Mayor, members of the city council. Let me wait for my PowerPoint to load here. Okay.

Members of the council, Keith Niederer, this is case 20-ZN-2002 #3, the one Scottsdale zoning amendment. The property -- the subject, 76 acres which is outlined in yellow on the screen is located on the east side of Scottsdale Road, between the Pima freeway on the south and Thompson Peak Parkway on the north. To the north of the site is the Discount Tire corporate offices. To the east is a recently completed multifamily development. There's 710 units. To the south, you have the Henkel building and to the south of the freeway is undeveloped lands zoned c-4. To the west, you also have undeveloped property within the city of Phoenix that's owned by the Arizona State land department.

The 2001 general plan land use map designates the property as mixed use neighborhoods with a regional use overlay. The property is also located within the greater airpark character area plan, and it designates the property as airpark mixed use residential. The plan further designated the site as type c and regional core which represents medium to higher scale development with the regional core having the greatest intensity. The zoning on the property is planned regional center, planned community district, and it's had that zoning since 2002, when originally approved.

Just the history of the site, in 200, 2the city council approved the rezoning from r135 to planned community district on 120 acres. The site is currently entitled for 1100 residential units, 1.8 million square feet of commercial office space, and 400 hotel rooms. The allowable building heights range

from 36 feet and 60 feet and as I mentioned previously, there's 710 residential units built and all those are north of Legacy Boulevard. And also the only other office building to be built within One Scottsdale is the Dial Henkel building which is located right at the northeast corner of Loop 101 and Scottsdale Road.

As I mentioned the current entitlement is for 1100 residential units. The applicant is looking to increase that by 1,366, which would bring the total number of units to 2,466. There is also planned to be an increase in commercial and retail office as you see on the screen, and the requirement or the allowance for 400 hotel rooms remains the same.

This is the proposed land use plan. Again, the boundary of this application is shown by the red line on the screen. Stipulations that are included with this application require 20% of the area in planning unit 2, which was between Legacy Boulevard and the loop 101 could be provided as open space. There is also a requirement to provide a 30-foot wide open space area along the east side of planning unit 2 that will contain a 6-foot wide north-south trail. There's also requirements for two connections to the undeveloped state land property to the south, whether that be pedestrian or vehicular connections. There's also a requirement for any buildings greater than 60 feet of height within planning unit 2, which is, again, south of legacy boulevard, that the developer construct 100,000 square feet of class a office space, or a 100 room hotel, or 60,000 square feet of office retail space with a minimum 250 residential units within the mixed use pedestrian core, which is in the center of planning unit two identified by this dashed line.

The next exhibit is the building height exhibit, the graphic that's on the left side of your screen is what's currently in title today, and that is -- you have 36 feet in the area of c, and the area of b, you have 45 feet, and the remainder of the site is allowed up to 60 feet with the exception of this letter b along Scottsdale Road which is also 45 feet. The request is basically to leave the areas north of Legacy as is, however, to the south of legacy, they are looking for a building height increase from 60 feet up to 90 feet for a portion of that area. The area at the far northeast corner of planning unit two will remain at 36 feet. The property is located within the A.C. one, airport influence area and this application was heard by the airport advisory commission back in February of this year, and the commission did recommend approval with the recommendation that there only be commercial uses above the 60-foot level.

And this is an exhibit showing the subject site and relation to the noise contour lines of the Scottsdale airport. That concludes staff's presentation. The applicant is here to give their presentation and answer any questions you may have. Thank you.

Mayor Lane: Thank you, Keith. In the applicant would like to come forward.

[Time: 00:57:02]

Applicant Representative Karen Taylor: Thank you Mayor, Vice Mayor, my name is Karen Taylor and I'm here tonight representing DMB Associates and as staff indicated this site was originally zoned back in 2002. So here we are 14 years later, still talking about the site.

I have a full presentation to go through but staff has -- as they do, has been very thorough in their presentation. So I will quickly run through a couple of things and be happy to answer any questions you might have. As you know, the property is owned by a partnership DMB and Mace Ridge. It's approximately 120 acres. There's approximately 76 acres on the site left undeveloped. The site is bounded on the north by Thompson Peak Parkway and the south by the Loop 101 and Scottsdale Road on the west.

Importantly we spent the better part of the last eight months with extensive community outreach to all of our neighbors from the state land department, to Dial, to Discount Tire, and most importantly our neighbors to the east at Grayhawk, the villages at Grayhawk, and the Grayhawk homeowners association. And I want to supplement what staff talked about relative to the General Plan and the Greater Airpark Character Area Plan.

As I mentioned, this has been a long, drawn out process starting in 2002 and a lot has happened in those intervening years, both from the market perspective, and the great recession in the midst of all of those years and the number of actions that the city has taken to update their general plan and to focus a distinct vision on this portion of the city. This plan, when it was originally envisioned was envisioned to be a destination oriented retail location. And in the intervening years a lot has happened in the retail environment, specifically Scottsdale 101, the Promenade, the continued growth and success of Kierland, the Scottsdale Quarter, City North early on, and what we have discovered is the market reality is this submarket can no longer handle yet another destination-oriented retail user. And so our focus now is really in keeping with the updates to the general plan, and that is to have more of a focus on employment and residential on this site.

Therefore, the request before you for the additional density on the commercial side and on the residential side is in keeping with the updates to your general plan. The greatest area of intensity in the greater airpark character area plan is shown specifically at the one Scottsdale site. The other two zoning ordinance changes that the city undertook in the intervening years was an update to the PRC zoning district specifically, and why I want to point that out is when we got our approval in 2002, the ordinance had a maximum height of 16 feet. In the intervening years, specifically in 2014, the city updated the development standards and the PRC zoning to 90 feet.

So the request is to conform our zoning from 14 years ago to the existing development standards of today's PRC. In the intervening years the city also adopted the PCP zoning for areas in the city designated for -- as growth areas, of course this is within one of those as well. And interestingly, when we went back and we looked at the entirety of the loop 101 corridor in the city of Scottsdale, going from the southernmost end of the city, all the way up to the boundary at Scottsdale Road and 101, the land is zoned in -- only the undeveloped land is owned in a couple of the entities, the Indian community to the south and then as you go north, the land for all intents and purposes is developed and then we arrive at state land and the last remaining private property of any significance along this entire corridor is the one Scottsdale property, which really validates the work that the community and the city council did in updating its general plan.

With that, I would be happy to answer questions or I can continue on in my presentation and talk further about the justifications for our request, our community outreach, or any other issues you would like me to touch upon.

Mayor Lane: Thank you, Karen and we have a couple of requests to speak on this. If you would like to, we can come back and you can respond to them if you need to and we'll also have questions.

Applicant Representative Karen Taylor: Thank you.

[Time: 01:01:58]

Mayor Lane: Thank you. Request to speak on this item 26, we'll start with Michael Levenbaum.

Michael Levenbaum: I'm here to talk in support of this project. I live in the 85245 ZIP code. I live right around the corner and I pass by this location at least twice a week -- I mean twice a day. So it's a very undeveloped area, out of place. I think the development that they are proposing is very good for the area and the neighborhood, and I think it would also be good and helpful for jobs in the area for the local community and everything, and I'm totally in support of this.

Mayor Lane: Thank you, Mr. Levenbaum. Next would be Howard Myers.

[Time: 01:03:04]

Howard Myers: Thank you, Howard Myers I still live at 6631 East Horned Owl Trail. My problem with this is that the traffic in that area. I do drive through that area. It's already a nightmare and that's without any development whatsoever on the west side of the road yet. The requested height was previously denied for good reasons. It was way too high for this area. It completely blocks the views. Let's face it most of us drive down that road because we love the views and we will now be driving in a canyon, 90 feet high, you won't see anything. It breaks up that open feeling people seek all over Scottsdale, particularly north of Frank Lloyd Wright/Bell.

The residential density is totally unacceptable. The area already, as I said is a traffic nightmare. There's too many traffic lights close together thanks to the Henkel building. The issue is not cars per day but the peak and if you drive through there anywhere around rush hour, either one of them, you get a sense for just what it is now. It can't handle the addition a traffic, even from what you have previously entitled this developer to. So entitling them to even more makes less sense and actually no sense. And that's with the apartments there too. I mean, there's so much residential in that area. It just won't be able to handle it.

Grayhawk is not opposed. Yeah, well, most of those people live east of this and they can still see the mountains. The rest of us won't. They haven't thought also about what it's going to do to the traffic, not just on Scottsdale Road but on Hayden as you fill that in with so much residential density, it's just not going to be able to handle it. Those intersections with the 101 are a nightmare all over town but they will increase the density and you have apartments to the south, as well as to the north

and the east. I would hope that you would consider the total impact on the city and its residents before granting any additional entitlements and that's what this is. It's a granting of an additional entitlement, thank you.

[Time: 01:05:02]

Mayor Lane: Thank you, Mr. Myers. Next Gerald Zipp.

Gerald Zipp: Good evening, Mr. Mayor, Vice Mayor, and councilmen. I'm in total support of this development at Scottsdale One. My wife and I moved here 20 years ago. I have been coming here since 1968 and I have seen the beautification of Scottsdale Road. I don't know if anyone in this room remembers Scottsdale Road back in 1968, but I do. Now it's a pleasure to drive along Scottsdale Road. It's just beautiful. And building this development is just going to make it more beautiful.

I understand the traffic problems, but they can be alleviated by certain ways. To have the city like Scottsdale, it's like California's Beverly Hills almost and if we want to continue in that route, we must keep building, to keep the integrity of Scottsdale Road. So my wife and I both support this program very heavily. Thank you.

[Time: 01:06:24]

Mayor Lane: Thank you, Mr. Zipp. Next is former councilman Bob Littlefield.

Bob Littlefield: Bob Littlefield East Sheena Drive. When I was first elected, they were busily urbanizing south Scottsdale and did a heck of a job too! And now you are bringing all the dysfunction you brought to south Scottsdale and downtown Scottsdale to north Scottsdale. That's not really much of an improvement, except that at least you are not discriminating against south Scottsdale anymore. You are doing everybody in, all up and down the city.

This is ridiculous! The idea that somehow just because Phoenix is growing up to 90 feet that you should -- anybody's mother ever say, you know, if your friends were all jumping off a cliff, would you jump off a cliff too? And the answer, of course, was no. And this is exactly the same thing, right here. You haven't planned for the traffic. You are going to create congestion. You are going to cut down on views. And by the way, the justification that somehow this is a good idea because of the PRC, well, that's exactly why that shouldn't have been approved in the first place is because as I said at the time, that is now being used as just an occasion to take all of this dysfunction and put it anywhere in the city because you blanket rezoned, essentially, large portions of the city by doing that.

This is a bad idea. The only people who are going to profit from this are the people at DMB. The residents will pay the price. You will pay the price of increased traffic. You will pay the price in lost views, and just a general sense of urbanization. So this is a bad idea and you shouldn't do it.

[Time: 01:08:34]

Mayor Lane: Thank you, Mr. Littlefield. That completes the public testimony. If the applicant wants to address any of those issues, you have left some time for yourself, on top of anything that we might allow for in any case and then we will go to some questions from the council.

Applicant Representative Karen Taylor: Mayor and Vice Mayor, just to address a couple of the issues that were raised. From a traffic perspective, because of the change in the orientation of the project from retail to primarily commercial, the overall traffic numbers decrease by approximately 10%. There is some increase in the a.m. and the p.m. peaks but we have agreed to a traffic stipulation after working with the staff. We did a traffic analysis. The staff has reviewed that and we agreed to a stipulation that would require us to come back with further studies and eliminate our ability to proceed forward with the c of o, unless and until certain improvements have been made. I think in working with your staff, we have addressed any potential issues in that regard.

And just as a point of clarification, I think Mr. Littlefield referenced a 90-foot height limit open the west side of the road, in fact, it's actually approved by the city of Phoenix conceptually as 190 feet. But, again, I want to point out that, you know, over these intervening years, there was a lot of thought put into the planning in this area, starting in 2008, when the city embarked on an extensive community outreach program to update the general plan, there were over 1,000 residents involved in that plan, the planning exercise, culminating in 2010, with the adoption of the greater airpark area plan that shows the land use density and intensity is specifically at this location on the 101 and Scottsdale Road.

With that, I would be happy to answer any other questions that the council may have.

Mayor Lane: Thank you. Again, with Councilwoman Klapp.

Councilwoman Klapp: Well, I do think this is a good project. I don't think it's dysfunctional. I do think that of all the sites in Scottsdale where you have a freeway running through the city and you have an interception with the major road in Scottsdale, that this is an appropriate project for this corner. We have a well respected developer that's doing the project. It's quality development. It's not going to be an original center it's employment and residential center. So there's all good reasons why this piece of property and this particular project works for the city and will definitely contribute significantly to the economic outcomes in the city.

And I have had the opportunity to talk to the developer and to the developer representatives over the course of several lengthy meetings and there were a couple of things that have been voiced to me by others that I have talked to them about, and one of them would be -- it's mentioned by, I believe Mr. Meyers, the canyon effect down Scottsdale Road, there is a concern about that, because we do have 90-foot buildings. So we discussed some possible changes that could be made as well as we had also talked about the number of residential units as well as whether or not those units would be -- whether they would be for sale or for rent because a lot of times people want to know, are they going to be for rent? Are they going to be for sale and many times a developer doesn't know because they have got to -- they've got to plan the project, start building, market -- the market changes, and so there's -- there's an unknown quantity to -- to a residential development.

And there's also other concerns that would relate to some people are concerned about the fact that when you are looking at the materials that are provided at a hearing such as this, you don't know exactly what the design will be and we don't know exactly what it's going to look like. So, you know, how do you stipulate for that so you can make sure that people know that this is going to be the highest standards and the highest quality.

So I was very pleased that -- in my conversations with the representatives and the developer in general, that they have been very responsive to conversations about that, and so because of that, we were able to come to an agreement to actually make some changes in some stipulations to add to this particular project that would, number one, remove some of the 90-foot buildings that are immediately along Scottsdale Road, just basically have a corridor along Scottsdale Road that does not have 90-foot buildings and keep those buildings more to the center of the site which is the best way to develop a property, where you have your highest -- your highest buildings in the center and then you step down to lower buildings. So we were successful in talking about that and I have some -- I have an actual stipulation that I will share with you in a minute.

We also talked about how many residential versus -- rental versus for sale properties would be in the site, and came to an agreement on a percentage of rental versus actual condo. And some other stipulations that we hammered out that I would like to share with the rest of the council because I think what we came up with in those discussions was a way to make what I think is a really, really great project even better because it will relieve some concerns that have been voiced by some people and try to make this into a better project.

So what I would like to do is to pass out to the council three stipulations that address the things I just mentioned, as well as a new exhibit which shows where the 90 foot area along Scottsdale Road will be moved back. I don't know if somebody wants to put one of these up on the screen.

Applicant Representative Karen Taylor: The height exhibit?

Councilwoman Klapp: Yeah, do you have that? No, the stipulations. Let's look at the stipulations. The three stipulations.

Applicant Representative Karen Taylor: I do not have them specifically culled out.

Councilwoman Klapp: Could I give them to the clerk or someone to take them up to the -- okay. Thank you.

So there's three items here that as I said, we will just kind of tweak this a little bit to make it, I believe, a little better project. You know, the first one is to reduce the requested density from 1366 to 900 units, 20% of the requested density shall be offered for sale and a condo plat will be required for all residential units. This means that they are all going to be built to the standard of a condo rather than to the standard of just an apartment so that they could potentially be sold and all requested remaining residential units shall only be allowed within planet unit two, south of legacy drive. At one time in our council packet there was an additional 40 units that were to be above legacy drive and they agreed

they didn't really need to have those units and so all the additional units would go south of legacy drive.

Secondly, all buildings adjacent to legacy drive should not exceed 50 feet, as shown by the height limitation, on allowable building heights.

And third design quality. This stipulates what kind of quality this will project be and the applicant has included in their packet the images that show what this quality means, and just surface, garden level type residential developments will not be allowed. Any additional residential development will be of a quality massive design that's consistent with the representative images, exhibit, title, residential, architectural character supplement, which shall be included within the updated one Scottsdale master plan, master environmental design concept plan for city staff and development review board review.

And then if you put the exhibit up, this would maybe better explain what I'm talking about that it now shows a corridor on either side of b in the center of the project that is now designated to be 60 feet, rather than 90 feet.

So what I would like to do is offer this as a three stipulations if you would like to have them -- have a motion just on these stipulations, I can do that Mayor or we can incorporate it into the entire vote. It's up to you how you are going to do that.

[Time: 01:17:41]

Mayor Lane: I think you are going to offer this up, it would be a motion.

Councilwoman Klapp: Okay. They were I would like to move that the council include into the -- into the development agreement and stipulations the following three proposed stipulations which I have just read, and the -- also the exhibit for allowable building heights.

Councilman Smith: Second.

Mayor Lane: The motion has been made and seconded. With the stipulations as have just been --

Councilwoman Klapp: The ones I just read.

Mayor Lane: Okay. Would the second like to speak toward it?

Councilman Smith: Yes, Mayor, thank you. This project, many people in the city have watched trying to come out of the ground for -- as has been mentioned -- a dozen years and through no fault of the developer, more the economy and the change of demographics of shopping and whatever, we are confronting a new situation on how it can be developed. We are fortunate in this project in my judgment, to have a continued partnership by two of the premier developers in our city, DMB and Masstricht. They will not come into town and develop and then going to leave. They have invested themselves and their employees in this city and they are known for premier quality of product. What

they are asking for here is offensive to some people, in terms of density and height and whatever.

I think I would agree with somebody that has made the comment that there's probably no more -- no more appropriate place in our city to locate greater intensity land on the interstate 101. It's not the same situation, in my mind, as locating density in the heart of downtown Scottsdale or some of the other places that citizens have halted this kind of development.

Like Councilwoman Klapp, I too have had discussions with the developers. I have found them responsive to my concerns and what I think are the concerns of some others in the city. It is certainly important to me and I'm sure to many of you, that we not create what one speaker called the canyon effect. And that's why the concession to have nothing taller than 60 feet along Scottsdale Road and this parcel and then some cases the traditional 45 feet maximum height, is very, very important. If you are going to condone the greater intensity that was anticipated by the airport overlay that was passed in 2014 -- or 2010, if you are going to live by that as being the standard for development, then what better way to do it than have your -- as Councilwoman Klapp said, your shorter buildings if you will on Scottsdale Road leading back to the more intense development inside the property development.

I think the density has been addressed, again, in conversations and in concessions. There will be density there, but there's two mitigating factors, I guess. Number one was mentioned before, and that is the concession on density from going from a request of 1,366 additional residential units, to now 900 residential units.

And perhaps an even more important concession is the focus that these be residential units for sale, condominiums. It is important that as we build residential units, at least in my mind, it's important that the people who come to live with us in our city feel invested in our city, invested financially, and invested emotionally. And it is my sense you get that kind of investment more when the people have actually put down some money on their living quarters rather than merely paying rent from month to month, or year to year.

So the commitment that 20% of the units will be offered for sale and I think it's my understanding their intent by making these condo platted units, their intent will be that these move to units for sale in the future. That's a significant feature that we should applaud in this development.

So I think I seconded the motion. I appreciate the concessions that the partners in this undertaking have made. I know that if they are allowed to go forward, it will be a quality development. That's what we have seen from them as partners in the past. And I can only say to the people that may be concerned about the density, yes, it will be dense. And hopefully it will be tastefully dense and in an appropriate place in our city and in a place where somebody pointed out, we already made the decision that this is going to be the most intense area of the airport overlay.

And finally, I think the -- while the previous plan of a destination shopping center may have been attractive to many and may have been a great revenue generator for the city, this project, as it's now anticipated is certainly consistent with the mixed use neighborhood notion of what we have tried to

develop, and is in sharp contrast to what many come to us with from time to time, saying I have a great mixed use development. I've got a great big apartment and I have a coffee shop on the first floor. This is going to be truly a development that attempts to have the mix of residential and commercial and retail throughout the site. So it's for all of those reasons that I second the motion and urge its passage.

[Time: 01:24:23]

Mayor Lane: Thank you, Councilman. Mr. Washburn, did you have some requests from us?

City Attorney Bruce Washburn: Yes, Mayor thank you. First, I wanted to -- first, I wanted to clarify or make sure I understand what the motion is. Is the motion to adopt the ordinance and adopt the ordinance 4256 and adopt resolution 20408 and resolution 20409 but with the stipulations added in?

Councilwoman Klapp: As the Mayor requested, he wanted us to vote just on adding these stipulations to the other list of, I think, 13 or 14 stipulations, that are already in the council packet. We are not yet voting on the entire project. We are voting on just these stipulations unless you advise otherwise.

City Attorney Bruce Washburn: No, that's fine. It wasn't clear to me, because -- anyway, fine. Now I understand. Thank you.

Councilwoman Klapp: Okay.

City Attorney Bruce Washburn: Of the second point I wanted to make was that usually when you are trying to change an agreement that's lengthy and complex as this one is, it's hard to do it, you know, on float I as we discussed in the past so I would like to have planning have a chance to kind of weigh in and make sure that they are comfortable that they understand exactly what needs to be done. Because if you pass this, they have to come up with the resolutions and the stips tomorrow morning.

Planning and Development Services Director Randy Grant: Mayor Lane, members of council, Randy Grant, planning and development services. I appreciate the thought that's gone into these amended stipulations.

The one that we have the most difficulty enforcing, quite honestly is a stipulation on ownership versus rental product. We can certainly -- and this has been a public commitment on behalf of the applicant to follow through on that. It would be difficult without a development agreement to ensure that they are committed to that through a zoning stipulation because we just don't have the ability through zoning to require ownership product versus multifamily. So that's the only caveat that I would -- that I would give you is other than the commitment, I think it's difficult for us to put into a zoning stipulation and ownership product.

Mayor Lane: Yes, Councilwoman Klapp.

Councilwoman Klapp: I guess I would like the applicant to speak on that, because we discussed that, and they had a mechanism that they suggested that would -- that could occur that would help make sure that the 20% requirement is met.

Applicant Representative Karen Taylor: Mayor, Councilwoman Klapp, legally, it's hard to enforce via a zoning stipulation that we offer -- or that we have 20% of these residential units owned individually; however, from a zoning perspective, and I look to the city attorney to correct me if I'm wrong, it would be legally enforceable to require us to have the condo plat on all residential units. It's something that it's an engineering exercise, and part of, you know -- part of a process that the city could easily enforce. But we have and we're on record as saying we would be willing to offer the 20% for sale. In fact, we'll likely offer more than that.

Our goal here is to, as we do in every community that we do business, is to try and reach the top of the market, whatever that market is, and we're always looking for the top, and we believe here that the market is ripe for high-end, quality, condos. And that will be our -- that will certainly be our intention and we are happy to put that on the record and happy to do the condo plat on all residential units in the project.

[Time: 01:28:38]

Mayor Lane: Okay. That motion is on the table. We have some further comments on this. Councilman Phillips.

Councilman Phillips: Thank you, Mayor. Excuse me. My first question is somebody said earlier about the airport advisory commission recommended only office above the 60-foot level. Did you agree to that?

Applicant Representative Karen Taylor: The airport commission unanimously made a recommendation to support our project. They did have concerns about adding residential over the 60 feet, and I think it's important to point out the context, the meeting before our meeting they had 100 residents from the Grayhawk neighborhood show up because of noise complaints in 2014, the F.A.A. in their unbridled opinion and discretion changed flight patterns which is impacting everybody throughout the valley and notably Scottsdale and Scottsdale residents. And so there's a lot of sensitivity up this to noise and went fully understand that.

We worked out a stipulation that would require us to adhere to the A.C.2 noise attenuation standards. The A.C.2 noise attenuation standards are required closer to the airport. We are 2.25 miles northwest of the airport where noise is much less a factor but, again, if we are going to try to hit the higher end of the market, which we want to do, the building standards in our buildings would likely meet those heightened noise attenuation standards and so we wanted to address their specific concern. We met with the building official, the airport director will be able to approve the building. Noise attenuation standards to make sure that we are meeting those requirements. And so we -- like I said, we are attempting to really address the issue that they had on the table and that was noise, given all of the machinations with the F.A.A. and the lawsuit, and we want to make sure that we have a

product that can with stand the noise.

Councilman Phillips: So what you are saying you will build apartments to 90 feet but you will try to be sensitive to the noise issues?

Applicant Representative Karen Taylor: Absolutely.

Councilman Phillips: Well, you know in the past, we had the text amendments with the PRCs and the PCPs districts and I voted against them. It's a blanket system amendment that allows them to go to 90 feet also. We already gave it to them. It's an entitlement so that damage is already done.

Saying that, you know, I was fairly well going to go ahead and approve this project, but I got a little taken back by this suddenly here we have a councilmember who made some agreement with the applicant at the last minute here and it sounds like the city attorney and the planning department is not thrilled with it either. I think maybe if this agreement was agreeable to the applicant, the applicant should have been the one to present this and/or maybe move this to another date until you incorporated it into your plan and then brought it to us. So I'm not real thrilled with the way we are going about this. It almost feels like well now we are not ready to do it.

We have other things going on here that the city hasn't gone through to agree with, and to write the stipulations, I don't think that a councilmember can write the stipulations. So I'm not going to agree with this part of it. I like the idea of it, but I don't like the process. So I won't be agreeing with it.

[Time: 01:32:29]

Mayor Lane: Thank you, Councilman. Mr. Washburn.

City Attorney Bruce Washburn: Mayor, thank you. Yes, first, kind of response to what the Councilman Phillips said, let me be clear, I don't have a position one way or the other on whether this is a good idea or a bad idea what to do about the project. I'm all about the process.

That having been said -- and this is why I find it problematical to do things like this from the floor. I'm not -- I'm trying to think through what it would mean to have a stip to a condo plat. Does that mean that things have to be in private ownership? Does that mean that they would have to come in every time for every condo unit to make sure that it's sitting within the 20%? How does that get enforced? I mean, usually I would think if you are trying to create a requirement of private ownership, best way to do it would be through some sort of deed restriction, which would then run in favor of whoever it is that would be benefited from it. I mean if the council votes to approve this, with these -- the stipulations in place, then obviously we will do the best we can to try and come up with the document that implements all of this, but I'm -- I guess I'm -- I'm just concerned that -- of whether or not we will be able to give true effect to the council's intention without having had a chance to really think through how this is going to work.

One possibility would be if the council wants to vote to have these provisions included in the

agreement, and give us direction to come back with an agreement that does that, then we could do that presumably reach agreement with the applicant on -- on how that would be affected and bring it back even on -- we could do it on consent at a later time. We would just make sure that we -- by a later time, I mean before the break, just to make sure that we had time to actually think through all of the implications of exactly how we go about this.

Mayor Lane: Thank you, Mr. Washburn. Councilwoman Korte. I have a request from staff. I'm sorry.

Planning and Development Services Director Randy Grant: I'm sorry, Mayor Lane. Just to echo Mr. Washburn. There are some of these changes relative to the density that affect the development plan. So we would want to have the language of the stipulations reflect the specific changes and the pages to that development plan so that it clarifies it. I think we would -- we would benefit greatly and prevent future misunderstandings if we can do this right the first time, and bring it back to you hopefully on a consent agenda.

[Time: 01:35:27]

Mayor Lane: Thank you Mr. Grant. Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. Karen, is the applicant in agreement of these stipulations?

Applicant Representative Karen Taylor: We are. You know, we would prefer the full requested amount of density that was originally in our application, but in working with, you know, staff, neighbors, everybody in the totality of the circumstances, we as we typically do, want to find a way to build a great project. And so when issues were raised about density, we responded. We have responded by reducing density significantly, and believe as councilman Smith said, at the end of the day this will result in a better project. So the short answer to your question is yes, we do. We do concur with the proposed stipulations.

Councilmember Korte: Thank you, Karen. I'm kind of siding with Councilman Phillips in that if this was an agreement, perhaps it could have been cleaner and presented as such and we wouldn't be going back for a rewrite and consent and all of that.

But having said that, I am -- I am in support of this project. And I think some of the public comments referred to the rural nature of this area. Well, you know, it hasn't been a rural area -- well, since Thunderbird built the airpark there. This is part of our Scottsdale greater airpark where every day 45 to 50,000 employees come in and work every day five, six days a week. The Phoenix side of Scottsdale is retail and apartments all the way from bell south to Thunderbird, which is approximately where the Phoenix side of Scottsdale is. And then the freeway, as councilmember Smith said, when the freeway came in there, it now -- this whole area is ripe for a center of commerce. And it -- our greater airpark is our second center of commerce, actually our first.

It's greatest density of employees we have? Scottsdale. Our downtown is approximately 43,000 employees every day, five days a week, 43,000 employees come into downtown. And our third area of commerce is coming back to life is our McDowell corridor. That used to be many thousands of employees, primarily in the automobile industry, and that is being created as our third center of commerce. They are natural centers for density and heights. So thank you for that, and thank you for seeing that.

And last thing I would like to say is if we think 90 feet is a lot, wait until we see 190 feet directly on the opposite side of Scottsdale Road and we have nothing to say about it. Thank you.

[Time: 01:39:02]

Mayor Lane: Thank you, Councilwoman. Vice Mayor Littlefield.

Vice Mayor Littlefield: Thank you, Mayor and excuse me for the mic interruption to you. I did not mean to do that. I apologize.

This project is a massive upzoning. It allows 90 feet open the property and it adds at the moment 1,366 additional residential units, possibly only 900 if the amendment goes through. And it also adds over 1 million additional square footage of nonresidential building usage on a 76-acre piece of property. And as for Phoenix, let me say, I have no control over what Phoenix does. None of us do here. So that's not really my concern. My concern is Scottsdale and what this will do with Scottsdale.

And if you would take just a moment and think about this. This is precedent setting. If we do it here, we will do it everywhere, up and down the street, across the street, and it will change the entire area of this part of our town. It will be crammed, this entire area with much, much, much more and much higher developed space.

Other than this precedent setting aspect of it, I have several other concerns as well. First of all, is the increase in traffic from primarily Legacy to the 101. Adding all of these additional residential units whether it's 1366 or 900, plus 1 million square feet of office, common sense tells us that the traffic will skyrocket, unless you are going to restrict the sale and the rent of these residential units to people who work in the expanded commercial space so they don't have to travel. I don't think that's going to happen. People are going to try and go in and out of this development just like others who will be using the roads to get back and forth through rush hour traffic.

I do have a question, though, if we make this change, we are not demanding that the developer widen Scottsdale Road to accommodate this traffic which will occur from increased usage, until after 1,287 resident units are granted occupancy or until after 1,793,358 square feet of commercial retail and office space is permitted. If we change this number of -- of residential units to 900, how would that affect this accommodation for the road and the building of the road? That's something I would ask for Mr. Grant.

Let me continue on as you think about that. We not only have all of these people trying to get in and out of this space, on top of all the folks that are currently using Scottsdale Road. They are not going to go away, and we'll have massive construction and construction traffic going on at the same time because we don't have to widen Scottsdale Road until these units are permitted and people are living in them. In the meantime, the road becomes more and more congested. Frankly, at this point in time, eight lanes may not be enough for Scottsdale Road. This will be costly for Scottsdale, not only in terms of the money to go back and build out Scottsdale Road later but in terms of a diminished ability to use Scottsdale Road itself. I believe this will lead to a greater use and stress of alternate ways of getting to and from such as Hayden, Miller, and probably even Pima to find alternate roads and paths to get to and from north Scottsdale.

I'm also concerned that the developers did not go along with the aviation advisory commission recommendation, and that there will only be commercial buildings between 60 and 90 feet. Two miles away is not very far when you are talking about the airways. Airplanes go fast even when they are taking off and landing and 2 miles does not take very long to go.

And so I would suggest that this is also a safety issue. Say safety issue to the lives of people who live in those units. And if we have -- have you agreed to accept liability should an accident occur with those units and with the living conditions of people living between 60 and 90 feet? Or is the city going to take that additional liability on itself?

This entire plan is great for the developer and it's not so good for Scottsdale on many fronts. I haven't even talked about the need for additional personnel for fire, police, code enforcement, waste management or any other city service to adequately cover that area. Or the additional costs that are involved in that.

I do agree with you that the concept should not just be retail location any longer. Times have changed and so have the needs. But this is too much, too high, and too out of character with north Scottsdale. It diminishes the cache of north Scottsdale which is lots of open space, unobstructed views of stunning natural landscape, low density and a unique western character. It adds costs and possible liabilities to Scottsdale, and as it stands now, I cannot support it and I wish I could. Thank you.

[Time: 01:45:18]

Mayor Lane: Thank you, Vice Mayor. I'm sorry. I am sorry. I will ask again we don't clap. We don't applaud. We don't boo. This is not what we are here for. I appreciate the sentiments but that's not what lends itself to really an orderly meeting. So I would appreciate if you would refrain.

Let me just say this that I'm the lone survivor of the last time this was reviewed and considered for implementation at this level and is some suggestions even higher. It was some nine years ago. There was not an official vote taken at that time but we took a lot of testimony and a lot of conversation on it. The request at that time was for 120 feet coming off of 60 feet, actually 60 feet was an increase off of, I think, 48 feet at a point in time. So we have seen a March up the little,

literally up the hill, but also up the level of height and density in this area.

The commentary that we heard then really went an awful lot more to how do we distinguish even along the 101 of what Scottsdale is versus what Phoenix is. And it actually came about the same time as Phoenix implemented -- and I don't know what it means by conceptualized 190 feet, whether or not there's an entitlement of 190 feet on the west side of Scottsdale Road or if it's just conceptualized that way. Pardon me, Karen for taking exception to the use of that word. I'm not sure if that's a legal term or otherwise, but it left me a little bit in a void.

But in any case, my concern is truly that we are trying to react to Phoenix. You know, we have neighbors on the east that have an entitlement or as they might put it very differently. They don't talk about in the terms of the entitlements but there's a height of 150 feet available on east side of Pima road and to this point in time, they have at least considered their neighbors to the immediate west and those one-story homes that are there, and haven't blocked out the morning sun for them. But nevertheless, that's one of the considerations when you are dealing with border differences and zoning on the border.

I am -- this is a difficult one for me because I will say there are two things that have been considered and reconsidered and that's the kind of height we are talking about here at 90 feet. And I guess there was something else that was mentioned and I don't believe it's necessarily an entitlement for 90 feet right now. And Mr. Grant, I would ask you that, even given with the designation that we have right now, there's still a decision to be made. There has no takings if, in fact, they don't get 90 feet. There's not an entitlement to 90 feet.

Planning and Development Services Director Randy Grant: Mayor, that's correct.

Mayor Lane: Okay. Thank you. So I'm concerned about the height, the look and the feel of Scottsdale in this area. We have certainly lesser height in some of the areas to the south of it in a more -- what we might consider the more industrialized side of things. I realize that the effort to increase -- or to make some modifications with some additional stipulations is an effort to try to maybe be -- maybe be a little less offensive when we talk about Scottsdale Road as we do have the west side of the street to determine. But I'm also concerned about the extent of the increase, and my earlier conversations with the applicant, I guess I was very surprised that there was an add of some almost 1400 additional units on this site, residential units whether they be condos or whether they be apartments. So there may be some place -- some place where this would make better sense as far as I'm concerned, but even with the stipulations right now, I have real difficulty with supporting this, even with the stipulations.

Councilwoman Klapp.

[Time: 01:49:51]

Councilwoman Klapp: I just wanted to ease Councilman Phillips' mind that I didn't write those stipulations. I talked to the developer and they were written by the developer, not by me. And it

was partly because we had meetings in the past where councilmember will say, well, I want a, c, d and e written into the stipulations and then there has to be this back and forth about what should the language be and we have to talk to the attorney and -- and sometimes they have to go to a backroom and so I just said, these are the things that I think should be considered as amendments to the -- to the project and they offered up -- willingly offered up these three proposed stipulations. I didn't write them.

So that's how it happened. It didn't -- it didn't mean it to look like I was trying to take over, but, you know this happens in these meetings that we have these conversations and then we try to wordsmith up here and we never do a very good job of it. That's why I thought the best approach would be to ask them to write something up and present and I presented it, because I was the one who asked for it. They didn't come to me and say, we want to make these changes. I had to ask for it and then they considered it and said, yes, we can make those changes to the stipulations. So hopefully that will explain a little bit about what the process was.

Mayor Lane: Thank you, Councilwoman. I will take a point some of privilege and just -- I went down this road but I didn't fully explain what happened nine years ago. There was an unofficial vote, I suppose and they knew there was not the votes to go for the 90 feet in some of the things that were requested some many years ago, nine years ago. I was on that side of it. There were only two, I suppose, even unofficially that were in favor of it. And so it was withdrawn.

It was not ever -- it was not ever proceeded with and, of course, then we had the great recession and therefore -- oh. Yeah. Okay. But in any case, it was taken off the -- any kind of further consideration and, of course, with the recession it was withdrawn for nearly the full nine years. But in any case, so I did want to state that as well.

Councilwoman Milhaven, I realize you are out there. We are going on the second round on some of the comments that I'm looking at right now. If you would like to make some comments, please do.

[Time: 01:52:27]

Councilwoman Milhaven: No. Many of you have asked the questions that I would have asked. But I do -- I am sensitive to staff's concern about taking the time to get the language correct and so I'm supportive of the motion. I'm wonder if we can modify that to address staff's concern and bring back the worked out wording at a future time.

Mayor Lane: Understood, and frankly, I personally concur, even though I'm not in favor of the stipulations, think taking the time to put this through a process where we are not trying to make it on the fly as we sometimes do. So thank you for those comments, Councilwoman Milhaven.

Councilwoman Milhaven: Thank you.

Mayor Lane: Councilman Smith.

Councilman Smith: Thank you, Mayor. We want to address a couple of comments that were made. One thing, comments were made that we are setting a precedent. Almost anything we do up here sets a precedent and so we should be sensitive to that. I think what some of the concessions are here are in, fact, going to set a good precedent, meaning that we have -- if we have set this resident, if these stipulations are adhered to, we will have said we are not going to have 90-foot buildings along Scottsdale Road. That's, I think, an important concession to the view corridor, the concrete corridor effect or whatever.

Comments were made about the increase in traffic. I'm not sure what that is all about because we were actually told that this would be less traffic than if it were, in fact, an intense retail establishment. There will be more traffic than a vacant lot, I will grant you that. But I'm not sure it will be more traffic than what was approved and anticipated a dozen years ago.

I know we talked about the aviation commission and their concerns. And I was concerned when I read that in the staff report too. It didn't make much sense to me that you could only go 60 feet on residential, but 90 feet on commercial. It obviously doesn't strike me as a safety thing. It's no less dangerous and no less likely that you are going to hit a 90 story -- or hit a 90-foot residential building than a commercial building. So I think the applicant's representation that the concern was because of sound and furthermore the applicant's willingness to -- to build these units these residential units as though they were in the inner corridor of sound attenuation requirements is a meaningful response to that concern that the aviation commission had. I guess I'm frustrated a little bit.

There should be a way that we could be accepting and embracing of concessions when they are offered by an applicant. I mean we have a proposal here and the answer seems to be, well, we can't accommodate any concessions that they have offered.

I guess maybe I will look in part to the city staff for this, but I guess Mayor I would like to make an alternate motion and that is to accept ordinance 4256, resolution number 10408 and resolution 10409, all subject to the stipulations that were previously displayed and leave it to staff to figure it out and bring it back to us on consent. Thank you.

Councilmember Korte: Second.

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

Councilmember Korte: I would like to call the question.

Mayor Lane: We have one remaining request to speak. I will go ahead and honor that with Councilwoman Littlefield. Or Vice Mayor, pardon me.

[Time: 01:56:29]

Vice Mayor Littlefield: Thank you, Mayor. Mr. Grant, do you have an answer to my question regarding the agreement with the developer about widening Scottsdale Road when they hit a certain

point of condo residential or apartment or commercial square footage or units? How would this amendment change that stipulation?

Transportation Director Paul Basha: Mayor Lane, Vice Mayor Littlefield, my name is Paul Basha, I'm the transportation director here in Scottsdale. The east side of Scottsdale Road has already been widened sufficient to accommodate three northbound lanes. The portion of the street that is not yet been widened is on the west side of Scottsdale Road, and that's governed by the city of Phoenix. The stipulation has been written so that we can reassess any additional improvements to the site, any additional development on the property, relative to when the city of Phoenix widened the west side of Scottsdale Road. And that is the reason for the stipulation as you have written -- as it's been written. I hope I have answered your question.

Vice Mayor Littlefield: Well, it's put down according to what I read by the number of units of residential units that have been rented or bought or permitted, and so how does that affect -- if we do these stipulations where they no longer have 1366 additional, they have 900, that makes total number of units smaller. Does that affect this limitation?

Transportation Director Paul Basha: Thank you Vice Mayor Littlefield. We would suggest that that number be 75% of the approved residential units, rather than the 1,287 residential units in the stipulation as written.

Vice Mayor Littlefield: So that would be a change to that stipulation?

Transportation Director: That is correct.

Applicant Representative Karen Taylor: That change would be acceptable to us, as the traffic count will go down.

Mayor Lane: All right. The question has been called. The alternative motion is on the table and has been seconded, and for the record, if you don't mind if I could ask you Mr. Smith -- councilman Smith, if you would recount it.

Councilman Smith: It's to adopt ordinance 4256, resolution 10408, and resolution 10409 all of which are shown in the agenda for the evening, and to incorporate the proposed stipulations that have been discussed and shown tonight on the screen, as well as the stipulation that was just agreed to on the traffic count that it will be -- as regarding the lane widening, but leaving all of that for staff to incorporate in a revised agreement, bring back to us on a consent agenda as soon as possible.

Mayor Lane: Okay. That was seconded. Seeing to further comment on the topic, I think we then are ready to vote. All those in favor, please indicate by aye and register your vote and nay if you oppose.

Councilwoman Milhaven: Aye.

Mayor Lane: The motion passes 4-3 with the voice affirmative from Councilwoman Milhaven.

Vice Mayor Littlefield: Thank you.

Planning and Development Services Director Randy Grant: Mayor Lane?

Mayor Lane: Yes.

Planning and Development Services Director Randy Grant: If I could just for clarification, if -- if I understand correctly, we are going to bring this back and I would suggest a date of June 21st, we can get the stipulations revised and get that back to you if that's a date for the consent agenda item for this, we won't have to readvertise.

Mayor Lane: All right. That's not within the motion but that's certainly, I think something we can arrange. Okay. Very good. Thank you. That completes it. Thank you very much, Karen.

ITEM 27 – SCOTTSDALE EXECUTIVE VILLAS NON-MAJOR GENERAL PLAN AMENDMENT AND REZONING (1-GP-2016 AND 1-ZN-2016)

[Time: 02:01:39]

Mayor Lane: Next item on the agenda is item 27, and that is the Scottsdale executive villas non-major general plan amendment, and rezoning, 1-GP-2016, and 1-ZN-2016, and we have Brad Carr at the podium already.

Senior Planner Brad Carr: As you mentioned this is item 27 on your agenda. This is a request this evening for a non-major general plan amendment and a rezoning on the subject property, Scottsdale Executive Villas. As you can see here on this aerial, the site is highlighted in yellow. It's approximately 2.5-acre site. It's going to be rezoned -- requests this evening for rezoning to c1 district along with the non-major general plan amendment from office to commercial.

The site is generally located about 650 feet east of the intersection of Thomas Road and 64th Street, on the north side of Thomas Road. To the west, a portion of the existing shopping center -- or existing office complexes is located to the west. To the east, like additional office complex building and to the north, some existing townhomes within the Golden Keys residential complex. As you can see to the south, the city of Phoenix water supply campus.

As I mentioned, this existing office designation on the site for general plan would go to proposed commercial designation with approval this evening. The existing SR zoning on the site encompasses the entire whole of the office complex site. The applicant is requesting a portion of that to go to the c-1 designation to accommodate some additional uses on the site, primarily a restaurant for that site. The applicant's site plan as you can see, how -- the area that's not shaded, it's the area that's down here without the shading. This portion of the building of the complex would be the restaurant location with additional ability for other c-1 uses in this building as well. So the c-1 rezoning would

encompass these two buildings on the existing site.

Just real briefly, again, commercial space on office 2.5 acres net for the site, the current building on the site are allowed height of 18 feet. The c-1 does allow a building height up to 36 feet however, the applicant is not proposing the change of the existing building height with their renovations. Office -- I'm sorry, parking and open space are both sufficient for the application site and the planning commission after hearing some testimony in favor and opposition to the proposed requests did recommend approval 7-0 on their meeting of April 20th. That concludes staff presentation. I'm happy to answer any questions and the applicant is also here to present.

Mayor Lane: All right. If the applicant would like to move forward to present.

[Time: 02:04:31]

Applicant Representative Ben Graff: Thank you, Mr. Carr. Mayor Lane, members of council, I'm Ben Graff with Whitney Morris, in Phoenix, Arizona. I'm here representing Ever West Development. I have two representatives here from Ever West if there's any testimony needed or questions answered.

This is a great case. Now I know every zoning attorney that stands up here and says this is a great case, might be suspect, but this has been a fun one to work on because what we are dealing with is a site that's not been changed, updated or improved since the 1980s. While it was certainly at its prime it no longer meets the office needs or the office market for the creative class. Whereas many would look at this site and say this is an excellent opportunity for apartments or larger retail or for development or increasing height or intensity, our client ever west development has taken a look at this site, taken a look at this existing conditions which are outdated, which really have kind of the older stucco look, and really don't meet kind of the intense or attractive nature of that creative class and they decided, you know what we will do? We will keep the office use. We are going to improve the site, and we will bring new vibrant tenants on to the site.

So the nice thing is that we ended up being part of a very surgical zoning case, as I put it. The first time we met with staff, we talked about rezoning the entire site from SR to C-1, to neighborhood commercial.

Because what we really needed at its core was the ability to put some amenities on this site, the ability to have a coffee shop to have a small breakfast nook to have some type of a yoga studio or Pilates studio from the residents or the tenants, but in this case we worked with a staff and we decided we would retract from asking for the entire site to be commercial and we would only ask for this 3-acre portion to be changed from SR to C-1. So we have been very focused and careful as far as the intensity. We are not increasing any height or intensity, we are not increasing any need for parking and one of the lower floors will be filled in and we are losing 3,000 square feet of office area and decreasing the need for parking on the site.

There's a closer look at that. The building to your right will be likely the site for a breakfast nook, somewhere to get your coffee or burrito. We found that in the current market for these types of

tenants, they simply don't want an office and a space where they can't work, play, eat, and socialize on site, and they also want areas where you can have a lot of interaction between the creative office users and maybe figure out ways to collaborate in your business.

Here's another look. Again, the two existing buildings. The one to your left, that site most likely would be some type of a Pilates studio or yoga studio, again something that would add value to the site, but this is only the zoning case. Just to let you know to the side we are also doing a conceptual land use map amendment for office, and then in addition to that, we are doing a full renovation of the site. This isn't just to throw in a coffee shop and we already looked at the zoning map or really to look into just throwing in the uses that are needed, we are in the middle and have already started the demo on a complete revitalization of that site. So that allows us to bring in the uses and fill in the spaces.

Right now we have many month to month tenants and we are looking to increase them to five-year, quality long-term tenants as well. And so this is a concept of what we would like to change it into. A lot more open space and windows. This is what a -- a good example of what it looks like today and you can see now that we are going to have all types of new architectural elements, all incorporated in, all allowed by right, but the difference is that with our amenities we have tenants literally saying, do you have that coffee shop use yet? If not, we are not coming and that's really how simple it is in the market today.

I like this exhibit because, again, this will create a lot of communal areas. Areas where someone creating some type of a program on their computer might be able to work with a new company could use that program. People who could collaborate, learn and grow.

So the other reason I told you this is a great absolutely fantastic case, is really because of the neighborhood outreach we have had. To the north of our site is the Golden Keys H.O.A. This is an age restricted group. And then we came back before the planning commission and gave them an update. You will hear from members of that H.O.A. tonight, including the president of the H.O.A., but we have never kept them in the dark and in fact, during one of these most recent meetings they told us that they were the first owner representation from this group to ever have come and met with the golden keys association and talk to them about what they were trying to do from the site. They are happy that the intensity is not increasing and there will be a use on site that they can walk to and increase coffee and enjoy a breakfast burrito. This is a simple zoning case that doesn't bring intensity to Scottsdale. I will end it there.

I will appreciate all of staff's time on this. This has been a creative process and I will be happy to answer any questions.

Mayor Lane: We will take some public testimony on this.

Applicant Representative Ben Graff: Sure.

[Time: 02:10:58]

Mayor Lane: I'm sure there will be questions for you later. We will start with Shelley Leer.

[off microphone comments]

Mayor Lane: I have your card as well. Okay. Well, go ahead and give that to the clerk and she will give that to us. All right, Shawn, if you can then, you have four minutes. With the donated time.

Shawn Bridges: Okay and if I want to put something up, I lay it here?

Mayor Lane: It going to be on the overhead, yes.

Shawn Bridges: Okay. Hi, my name is -- whoa! My I don't need this microphone. Hi, my name is Shawn Bridges. I live at 6214 East Catalina in the Golden Key. I have a stipulation that's been signed by 45 homeowners that live in the golden keys, and I will read that now. We are supportive of the Scottsdale Thomas Owners LLC and appreciate what Mr. Kramer is doing to enhance the property. We are grateful for all of his hard work and the many investor dollars being spent on the renovation. We wish the company great success.

However, that being said, the wall, what separates this project and the golden keys subdivision, is an 18-foot alley. Is that up or down?

Mayor Lane: The other way.

Shawn Bridges: This is the Golden Keys property and we are asking that the wall be increased in height to 8 feet. The wall currently is several different heights, down to 4 feet at different places. And there really isn't much of a buffer between the Golden Keys and the commercial property. I realize that the piece that they are carving out does not touch there but it will increase traffic, noise, smells, so on and so forth and we have asked that the wall height be taken to -- here's an example of the different heights of the wall. It's all different heights. It goes from 4-foot to 6-foot, that it be even at 8 feet, which in some places it wouldn't than way. And that vegetation be planted up against the wall to try to buffer the noise. And there's a better example of -- here's a better example of the different heights. And this is the view from the commercial property into the homes of the people that live along Catalina.

So we are requesting that they raise this wall to 18 feet, and that they plant -- they have already got a ton of blue bells in there. Oh, there's the trash can. These plants. That they plant these along there and let them grow to 12 to 14 feet so that there's a buffer of vegetation as well and that they fix the garbage cans, raise them in height and enclose them because as you can see that's the golden keys right there. So people living along Catalina are going to have this in their backyard. And I would like to say that the real estate vultures have already appeared this last week. Many homeowners along Catalina that back up to the project are getting the famous letters, we'll buy your home for cash. These homes, in particular right here. Thank you.

[Time: 02:15:15]

Mayor Lane: Thank you, Ms. Bridges. Next is Carl Thompson.

Carl Thompson: My name is Carl Thompson. I'm -- first of all, I'm an employee at Honor Health. I'm a P.A. in gastrointestinal and I guess I should acknowledge the council and the Mayor. I'm not used to this kind of stuff. So forgive me. I do P.A. in gastroenterology. So if you need a colonoscopy, we are the ones to come to.

I have been a resident of Scottsdale and lived in the golden keys for seven years. I live on east Avalon Drive. I have been on the board of directors of the golden keys for the last five or so years appointed and then elected twice. I have served as the president of the board of directors for the last three or so years, voted in three times. We just had a recent election as a matter of fact, and I will come back to that in a second. I will have to hold this closer. Age.

I want to first of all say that I support this project. This project is perfect for our community. Having as your neighbor a low-rise, low intensity professional office park is the perfect neighbor for you. It's a beautiful place if you have ever been there. The pictures didn't do it justice. If you walk through that park you will be amazed at how comfortable it is and if I had a business, I would want to work there. That being said, that park's success is tied to our success. If it's unsuccessful, it will have bad neighbors and it will promote delinquency. We share an alley and we have to make sure that we keep the vagrants out of it. There was a whole issue about raising the wall at the end of the alley so people couldn't hop over the fence and come down the alley. Hop over the fence from the canal. The prior owners won't work with us on that but these owners is expressed an interest in working with us. I have think that's a great thing in their favor.

Again, I'm very supportive of this. We have had multiple meetings with the owners. They have made themselves very available to us, a good working relationship with the community. While I speak here as an individual, there are many members of the community who wanted to come out and speak on behalf of supporting of this project but they didn't -- they asked me to do it in their stead. So I have two former board members sitting up this who asked that they not speak and that I speak for them. I didn't ask for their time. So I'm seeing that I'm running out of time.

I want to put this context of the election -- election into this mix. We had an election for the board just a few months ago. This issue of putting up the wall, building the trees, putting water things on the property, all of that was part of the election. One of the candidates ran on that as a platform and that candidate lost. I won. I was supporting this project. I think any encumbrances that you put on this project that jeopardize it are not in our interest, or our community. Our community wants it to be successful. Please do not screw this up! Thank you.

Mayor Lane: Thank you, Mr. Thompson. All right that completes public comment on that. I don't know in the applicant wants to respond to either one of those.

[Time: 02:19:16]

Applicant Representative Ben Graff: Mayor, members of the council, I would like to finish my noting some I would be remiss to not state, which is one of the members of -- or the principals of ever west Kurt Kramer who is here in the white shirt in the front, he lives in this neighborhood just north of here. He's personally invested in what happens here, what happens in the neighborhood and the company ever west itself is relocating its offices to this office park. So they are intertwined with their own success and wouldn't do anything to hurt this property. They will also be there if any neighbors have any issues or concerns.

I think you heard that the majority of the membership of the H.O.A. to our knowledge is not in favor of adding any additional stipulations so we would ask that you keep the stipulations as is. We are in complete agreement with the stipulations as proposed by staff in your staff report today. And we will plan on normal increases and improvements to the vegetation as we go through the D.R. process. So with that, we are exciting to hopefully obtain your approval tonight, and move forward with finishing the demolition and renovations and getting those uses in here that will bring us high quality tenants and I would be happy to answer any questions.

Mayor Lane: Thank you very much. That completes the public comment and we will start with some of the council questions and if you would like to stand by. Vice Mayor Littlefield. See, now you forgot.

[off microphone comment]

Vice Mayor Littlefield: Thank you very much. I met with the people who are proposing this project and talked with them at some length, and I was thrilled to hear what they were doing. And what they are proposing for this part of town. I think it's excellent. It couldn't be better. We need this type of revitalization in this area. I think it will be good for the residents in the area and I think it will be excellent for them and for their businesses. And so I fully support this. Thank you.

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

>> Councilmember Korte: This is a great project. I hope it's phase one and I move to adopt resolution number 10438 and adopt ordinance number 4255.

Mayor Lane: Second. Second. Three. I'm taking it.

And the reason is I do want to speak toward this. I am very, very familiar with the property and that I had a close association with building it when it was first built in the '80s. In any case, I'm -- and it's a proud project but I know the that time elapses and it's a bit tired and frankly snot exact -- not exactly what it was when we first got it all put together. And I also think that this is not only a very, very good add for this area of Thomas Road.

You know, we had some great development in revitalization of Thomas Road and some of the retail outlets and between here, 64th street essentially and Scottsdale Road, this is a nice seed to continue to

enhance that section of Thomas, which is that fill-in area as we revitalize and redevelop some of these areas. And this, I think, is not only a great plan, but also a great asset for this entire community. So I'm very pleased with it and I'm glad to have seconded it. And there's probably a number of other things to say about it, but I will leave it at that, there's no reason to oversell it. But in any case -- but we do have at least one other question or comment from Councilman Smith.

Councilman Smith: Thank you, Mayor. It's not a question. It's add to the echo of voices here and commend this project. It really is the kind of revitalization that I hope others will take note of and do in the city. I will excuse the applicant for the multiple advertisements for breakfast burritos. But we will try as the other speaker said, we will try you are best not to screw it up. It's a great project and thank you.

Mayor Lane: Thank you, Councilman. With, that we have no further comment and no further questions here from the council. We do have a motion and a second on the table. I think we are then ready to vote. All those in favor please indicate by aye. Those opposed with a nay.

Councilwoman Milhaven: Aye.

Mayor Lane: It's unanimous then with a voice aye from Councilwoman Milhaven. So thank you very much.

Applicant Representative Ben Graff: Thank you very much.

ITEM 28 – DESERT DISCOVERY CENTER ARCHITECTURAL SERVICES CONTRACT

[Time: 02:23:57]

Mayor Lane: Moving along to the main event. Item 28. It's the Desert Discovery Center architectural services contract. We have Mr. Dan Worth of public works director at the podium to expound on this.

Public Works Director Dan Worth: Good evening Mayor and council and I'm proud to expound on the main event tonight. This is the action. We are going to be asking to you consider awarding an architectural services contract to Swaback Partners in \$521,000 to do architectural programming and schematic design services for the Desert Discovery Center.

First a little bit of background when we first -- or when we last discussed the Desert Discovery Center, in January, you approved three things, one was the creation of a C.I.P. project, the capital project. You see the title this, create a business plan and feasibility study. It was not a project that funds the construction, not a project that funds the design, merely a business plan and a feasibility study and I will come back to that. When you approved that, you approved a budget for the project, \$1.7 million and that budget included \$700,000 for what we told you then was going to be necessary, a future award of an architectural services contract. That's the contract that we're asking to you consider this evening.

The second bullet, the second thing that you did in January was you awarded a contract with a corporate entity called the Desert Discovery Center Scottsdale. They are our consultant. They are working with us to develop a business plan and to further the feasibility analysis for the Desert Discovery Center.

Part of what they are doing, part of what we are paying them to do is to work with an architectural consultant to help develop a site and a schematic design for a building that will work with the business plan that they are developing. The two have to be developed in conjunction. They will figure out what the programming, what the objectives, what the needs are for building and the architect will put that into a schematic design that we can then cost and take to other parts of the process.

One of the things that you did in January was you initiated the process to amend an existing municipal use master site plan at the gateway. The existing use was based on a concept that was in place in 2007. There's been other concepts since then. There will be another concept as a result of this effort. But in order to move the process forward, we have to amend that municipal use master site plan to do that again we need to know what the buildings will look like and what the site will look like and we need to have the architect on board to work with the city staff and with DDCS to develop that plan.

This is the big picture. What I just described to you is primarily step one. That's what the decision or the series of decisions that you made in January allows us to do. They will prepare the vision and the preliminary plan. It takes us up to step two. And at the point where we move from step one to step two is the point where we have a concept of what the building is going to look like and we ask you to approve the municipal use master site plan. The project development, completing the design, the construction and the operations, steps three and four on this diagram are well into the future.

If you remember, we gave you a timeline I'm going to show it to you again here, right now. That allocates 18 months starting in January for that step one. It drills into step one. What's not showing on here is what you did in January when you initiated the process with the contract award and the creation of the capital project what we have been doing since then is among other things holding public meetings to solicit input. Some of you have been to some of those meetings.

The second bullet here some what we are going to do when we have the architect on board to work with staff and with the DDCS, to begin programming and developing this schematic design for what the potential facility will look like and you can see as we go from now until next summer, the summer of 2017, more rounds of public meetings to get input and respond to what we develop. We are going to be seeking public comment and input throughout the process, leading up to a little over a year from now, coming back to you with a proposal and a municipal use master site plan proposal and at that point in time, we will be making a decision as to whether this project is going to move on to the next step.

And just briefly, the process that we went through to select Swaback and Associates as the architectural firm that we are recommending you award the contract to, we are governed by Arizona

revised statutes Title 34, it's a qualification-based selection process. We issued a request for qualifications in February. We received a pretty healthy response, a lot of good architectural firms had a review panel that looked at the criteria we announced in the RFQ. The review panel had city staff and representatives of the DDCS, who will be working closely with the architectural firm. The result was the recommendation to hire Swaback and Associates.

Here's the proposed action and I would be happy to answer any questions.

Mayor Lane: Well thank you very much Mr. Worth and we will go to public comment. We will give you some time to consider some of the response maybe on the other end. We have nearly 50 requests to speak. And -- well, it's not an unusual situation. I mean, unfortunately, it's not an unusual situation but it does require that we reconsider how much time to each one. In order to really get everyone to be heard, at the very least be heard, and to move through the evening without exhausting everyone when we finally come to a point of making a decision on this item, and I know that there's an awful lot that's being asked to be talked about that may not be directly relative to what we are talking about tonight. So we may be doing this process again.

But with 50 cards, I think everybody can probably do the math, three times 50 is 150 minutes and that's clearly more than three hours -- no, I'm sorry, two and a half hours. Two and a half hours. Clearly more than two hours. But in any case, maybe not so clearly to me. But anyway, bottom line is in order to, like I say, really get as much as we possibly, can I with hope that everybody can respect. We will reduce it down to two minutes and if you can get what you need to say in, particularly if it's full endorsement of the person that preceded you or otherwise that you can point to, please do so. It will be beneficial for all of us and working through the importance of both sides of this issue.

So I'm going to go ahead and start now. We will do it with the two minutes. And still a good bit of time, I might say. So let's see if we can't get through this with a reasonable communication. Your thoughts and at the same time, effectively and efficiently.

Start with Jerry Similack.

[Time: 02:32:13]

Jerry Similack: Thank you, Mr. Mayor. Madam, vice payer, councilpersons, my name is Jerry Similack. I live on north 109th Street in Scottsdale. I reviewed ordinance number 3321, the ordinance that was passed by this council 16 years and 15 days ago, which provided for the creation of the Preserve. The original ordinance established the Preserve for the purpose of the -- the purpose of the Preserve to establish in perpetuity a Preserve in the desert and mountains to maintain scenic views, a habitat for wildlife and desert plants, to protect resources and sites and to provide passive outdoor recreational opportunities. The ordinance also required that the Preserve be left in as pristine a state as possible in perpetuity and natural desert refuge to continue the quoting from the ordinance, tourism in that Preserve is to be supported only to the extent of providing public outdoor educational opportunities, outdoor opportunities not indoor facilities, for educational opportunities. The most far reaching reeding and misconstrued reading of the ordinance would permit construction

of the Desert Discovery Center on the Preserve land, therefore the proposal constitutes a total misappropriation of taxpayer funds. The purpose of the Preserve is to preserve the desert. I suggest that the architect that is awarded the contract, if that is approved by the council, be instructed or I would respectfully suggest that the architect be instructed to consider other sites as well as the gateway area. Thank you.

[Time: 02:34:40]

Mayor Lane: Thank you, Mr. Similack. Next is Glenn Smith, with some donated time from Kimberly Kinds, I believe it is, Noel Kinds, and Tommy Burnap. With the total of four cards, why don't we -- Glen, if you can use five minutes, but if you can keep it below.

Glenn Smith: Okay. I couldn't see that. I didn't know there was one here. Mayor and councilmembers. Thank you -- Mayor and councilmembers, thank you for your service. I have the pleasure of dialoguing with several of you after I emailed the council. And I was hoping to get some kind of an answer to my basic underlying questioning how does bulldozing 30 acres improve the desert landscape. I have no idea how that works, but that was my question. I have gotten several replies to my email, but nothing looked like an answer to that basic question.

I have studied it and thought about it, and I concluded that there's a -- what the famous writer 1984 called "group think," they think about this and they think about it and pretty soon they decide that demolition and destruction are synonyms for preservation. I don't understand that either. And then they try to underscore this by doing what I called an application of new math. Wherein less is more. And that's what we seem to be. Take 30 acres out and somehow the Preserve is improved, which is total senseless to me. I'm glad to see that the architects had some competition in that. I hoped that there would be more of that. We could get some design competition for the center itself.

I don't think -- no one I know has talked about why we don't want to have a center. The question that comes up over and over is why does it have to take 30 acres? Why do we have to bulldoze the delicate irreplaceable foliage and the habitat for the animals that are surely in there, and take it away from the Preserve that the speaker just commented was -- we were supposed to protect the Preserve from commercial development. Well, the sketches that we see in the paper of this Desert Discovery Center look a lot like commercial development. And parking certainly looks commercial. And why do we want to invite these tourists out there so that they are closer to tramping down more of the desert. That's all I have. Thank you very much.

[Time: 02:38:11]

Mayor Lane: Thank you, Mr. Smith. Next is Ren Hirose.

Ren Hirose: Good evening, I'm Ren Hirose. There's been too many speculations and false statements about the Desert Discovery Center. It's about time that we hire an architect so that we can figure out what the design is going to be and so we can make real, true decisions and valid questions to come up to answer the questions that we have. I enjoy hiking and the other week I did

go out hiking but I took a different perspective. I took the perspective of the DDC. I drove around the community and hiked up the mountain and what I saw and I think if you did the same thing, we are seeing thousands and thousands of homes, townhouses, condominiums, driving around, you see fast food, you know, just everything, retail, commercial. When I at where the gateway building is located at, there's only certain parts of trail that you actually could see the building and so that made me think. No, from the site plans, you know, how does this really affect? And that's an important part to consider. To have an architecture firm to take that into account is important so we can answer all of these questions.

Looking at tourism and we speak about that but just as a reminder, it is our number one economic engine. It generates \$4 billion in revenue, 28 -- \$38 million in tax revenues, 27,000 jobs and one out of eight jobs that we have here and that's the important part. If tourism, we wanted to sustain but if for some reason it goes down, who will pay for this additional tax revenues that we lost? It's going to be cutting services. The tourism is important but also DDC is for our residents here, for all of us adults and children to enjoy. And something to think about, there will be a rich arm of the DDC is what I hear and maybe through the research, we will be able to develop and plan better communities in our desert, in our community, that's going to be much more sustainable and in harmony. Thank you very much.

[Time: 02:40:29]

Mayor Lane: Thank you, Ren. Next is Larry Schneider. Schneider. He will be followed by Mark Singer, if you could be ready, mark, to move into place.

Larry Schneider: Thanks for giving me a few moments to speak. My name is Larry Schneider and I live in the McDowell Mountain Ranch, in the gateway area. McDowell Mountain Ranch was begun about 20 years ago. As you know, I was one of the early residents. At the time when I moved in there, most of that land was undeveloped. As time has gone on, now there are 4,000 homes and D.C. Ranch has another 2,000 and as you also know, they are very affluent people who live there. Some of our big sports people live in D.C. ranch, and so on. The point I'm trying to make is that we have all moved into that area so that we can appreciate that gorgeous beauty that is available there, and we appreciate the fact that our roads are not gridlocked at this point. And a lot of us are fearing that the roads will become a big problem.

Another thing that you mentioned Mr. Smith, you said that very often what we do here is start a precedent and once you allow that first building to be built, our other concern might be well, if we could build that building, maybe we could build a hotel or maybe we could build some other building and, you know, once somebody gets their foot in the door, very often that door stays open. And that would be a second concern.

Also the point I wanted to make is here in America, we spend a great deal of money on education, more so than in any place in the world. We spend about \$15,000 per year per student, and year after year, we find that we don't get the same results as other people get for very much less. If you type in the word Sonoran desert videos into Google, for instance, you will find that there are incredible videos

out there that teach you so much about the Sonoran desert, things that were done by PBS and other --

Mayor Lane: Mr. Schneider your time has expired.

Larry Schneider: Okay. Thank you. Thank you.

[Time: 02:42:59]

Mayor Lane: Next Mr. Singer. Thank you.

Mark Singer: Mayor Lane, Vice Mayor Littlefield, and city council, lend me your ears. I come to bury this project, not to praise it. I and my wife are homeowners and we own property and we have owned property in Silver Leaf. We own property currently in Travase which is a mile and half maximum from the project that you want to do and we own property in D.C. Ranch and one of our homes is backed up to Pinnacle Peak Parkway. The one thing we do not want to see is more traffic on that road. The real thing that concerns me about this project, more than anything, is you got people in Silver Leaf with 10, 20, \$30 million homes that have a vested interest in this area, and if you start putting tourism up there, it's defeats the reason that you bought a home in the first place.

Now, let's get realistic. From tonight I have heard a lot of talking about people and deals y'all have been making with developers. You guys are making lousy deals. You are making lousy deals. And then when you try to explain your deals, the only people I see up on the council that make any sense are the ones that are interested in the it citizens of Scottsdale and they have, like, Ms. Littlefield, and Mr. Phillips for sure, and you Mayor Lane, you guys make good arguments for stopping the projects that we're trying to keep away. So my suggestion to you all is start showing the interest of the citizens in Scottsdale and, please, this is a stupid project in that location. I recommend you put it in El Mirage. Thank you.

[Time: 02:44:38]

Mayor Lane: Thank you, Mr. Singer. Mr. Barney Gonzales, followed by Ansa Treanor.

Barney Gonzales: Thank you, council. My name is Barney Gonzales. I live at 6349 North Cattle Track Road Scottsdale. I have been a resident of Scottsdale for over 50 years. I have worked for an architectural group here in town for approximately 25 of those years and the balance of those years I have been a Realtor in this area. I wanted to say that I recommend -- commend the city council for using a local architect. The local architects here are the best that we have in the country. And by using Vernon Swaback associates it shows an integrity of our architectural heritage. You are in one of the billings that my father designed and we really admire a lot of things from the local architects and so we applaud your decision to utilize somebody of quality who has worked with the city and actually done a great job in planning. Thank you.

[Time: 02:45:54]

Mayor Lane: Thank you, Mr. Gonzales. Ansa Treanor. Followed by Barry Graham.

Ansa Treanor: Thank you for giving me a chance to speak on behalf of the beautiful animals that live in this Preserve. Actually, I had a javelina pig and the mother and daughter come through our yard. I was there New Year's Day hiking. I loved the views and I loved the views and I sent to it to my families in Silicon Valley and all over the world. I hate see the building to come. The lizards will die. I live about five minutes from the area. I will lie down on the road so they don't do it. That was my vow. So even if it's 116, I will be lying there. So I come from Finland, where we preserve our land. We preserve our forests and our lakes are clean enough no drink water from. I'm from the land of the architects, and also great education. We have the highest quality of education. So copy us. Don't ruin this beautiful land. Thank you.

[Time: 02:47:14]

Mayor Lane: Thank you, Ms. Treanor. Barry Graham, followed by Greg Kruzel.

Barry Graham: Is this on? Mr. Mayor, members of the council, Barry Graham, 7842 Monterosa Street. The city should extensively explore the idea of the DDC which I believe is a no brainer. Exploring it should absolutely include consideration of locating the DDC within the boundaries of the Preserve. Every resident of Scottsdale, not just those who enjoy the outdoors or tourism but every resident stands to benefit from the DDC. The center would sharply increase inclusion into the Sonoran desert. Its appeal would boost the local economy, and it would add to the city's list of must see destinations. The negative comments towards the process in all due respect -- and this has been a process so far, have come from cynicism and fear, and I ask the council to do what is best for our city's future by just fully investigating the DDC. Thank you.

[Time: 02:48:48]

Mayor Lane: Thank you Mr. Graham. Greg Kruzel, followed by Debbie Shields.

Greg Kruzel: Thank you, Mayor Lane, the rest of the city council, and the citizens of the Scottsdale. I'm Greg Kruzel, I'm a Scottsdale resident and also the incoming chair of the McDowell Sonoran Conservancy. After analyzing a number of proposals and speaking with our stake shoulders and current -- and considering current options, the board of directors of the conservancy last month adopted a resolution, with regards to a Desert Discovery Center. The McDowell Sonoran Conservancy believes that the city of Scottsdale, its businesses, its residents and its visitors could benefit from a center located in or near the Preserve. If the city council approves the selection of an architect to construct and operate a center in the Preserve, we believe that a facility should be built and operated in strict accordance with existing rules and regulations. The Conservancy does prefer that the center, if built, should be built outside the Preserve, but the conservancy recognizes that a center consistent with the mission of the Preserve may be in line of the purpose of the Conservancy. The Conservancy believes that a contract to design the center should take into consideration one that we respect the conservancy of the Preserve and be an important amenity for the hospitality and the tourism commission and, three, that it reflects the city and the community's limited financial resources

to not only fund construction but also to finance the ongoing operation Ms. Of the cost of such a center. The conservancy will continue to engage with all interested parties in this process and further the conservancy stands willing to offer its subject matter expertise to the project architect, the Desert Discovery Center, and all matters related to education programs, research, and managing environmental processes. Thank you.

[Time: 02:51:13]

Mayor Lane: Thank you. Debbie shields followed by Diane Veres and Debbie has one additional card. So Debbie, we will go with the three minutes if you need it.

Debbie Shields: Thank you. Good evening, Mayor Lane and Scottsdale city councilmembers. I'm Debbie Shields. I'm a long-time resident of Scottsdale and currently chairman of the board for the Scottsdale Area Association of Realtors. SAAR is a professional organization representing the real estate industry with a membership of over 8,000 members. Of those 8,000 members, 4,900 reside in the city of Scottsdale. We take positions of support on policies, projects and development which promote the best quality of life for our communities. As realtors we know had a when our community is in harmony, the housing market is maintained, which is good for everyone.

As you probably know, our association takes the position of support in allowing the 18 month study period of the discovery center to proceed as approved by the council in January of this year. Our members involved in our government affairs committee and our board of directors looked at the DDC before determining our position. We recognize that not all the members will agree but we advocate based on clear policy positions and what is in the best interest of the homeowners and also the communities that they live in. We look forward to how this project will evolve and weighing in on the next steps once the scopes exhibitory and architecture is more clearly defined.

To this end we ask that the city council approve the Desert Discovery Center architectural services contract, agenda item 28. In order to arrive at having a viable proposal for the DDC to be approved or not approve we understand that contracting an architect for the architectural services is required to move to the next stage of the process. For this reason, we respectfully request the council do not approve any other actions or actions or amendments that would be a setback or a roadblock to the completion of the DDC's contract and timeline at the feasibility analysis. I thank you very much.

[Time: 02:53:53]

Mayor Lane: Thank you, Ms. Shields. Next is Diane Veres. Followed by Diana Yazzie Devine.

Diane Veres: Thank you for your time. My name is Diane Veres. It's 42 Spur Ccircle in Scottsdale. I spend most Sunday mornings in the Preserve. Sunrise. It is the greatest gift that I have been given since I moved to Scottsdale eight years ago. You know, I have learned the love of the desert. I have learned how incredibly fragile the environment is. I have learned the importance of protecting it and I have learned the importance of educating others about it. I'm incredibly blessed because I'm able bodied and willing to go out and explore it. When I think of other members

of our community who don't have that opportunity and how we bring the desert to them on give them access to the desert, the center will do that. When I think about my 91-year-old father who has spent way too much time at the golf course and not enough time on the trails, he won't get a chance to visit the desert unless at a place like the center. As a member of the board of the of directors for the suited cerebral Palsy community for central Arizona, when I think about the children that we serve and their families and the access something like this will give to them, I'm proud that our community would consider such a center because I know that it is through education. It is through giving people access firsthand access that they truly learn the passion of what it is that we are trying to protect and preserve. So I ask that you move forward on this. Thank you.

[Time: 02:55:48]

Mayor Lane: Thank you, Ms. Veres. Again, Diana Yazzie Devine. Followed by Lynn Lagarde.

Diana Yazzie Devine: Mayor and council, thank you very much. My name is Diana Yazzie Devine, I live at 126 West Mountain View Drive in Mesa, Arizona. I'm actually Diane's hiking partner. I too spend my Sunday mornings probably much longer than Diane because my family moved to the valley in 1955. And I have made this valley my home. And I'm an avid hiker and I am out in the Preserve probably 50 times in a year for the past 15 years. I recently have begun volunteering my time with DDC because I believe in the Desert Discovery Center so much. I work for an organization called Native American connections for the last 37 years, and the native community, the indigenous people that live here and the children that we all learn to Preserve the desert to learn about the desert to want to Preserve it, is really a main function and purpose that the Preserve will provide going forward. I have worked with Swaback on a project in the Navajo nation, in terms of a design that meets the environmental and cultural needs of that community. So I highly urge you to move forward with a contract with the architect. It is part of DDC's contract and their scope of work. If it's not approved tonight, I think it will highly affect the timeline, the scope of work and the DDC's contract to really produce the product that the council has assigned them to do, the timeline they have put them on and so I'm really urging you to vote and approve the architectural contract. Thank you very much.

[Time: 02:57:59]

Mayor Lane: Thank you very much, Ms. Devine. Lynn Lagarde, followed by Darlene Petersen.

Lynne Lagarde: Mayor Lane, members of the council, Lynn Lagarde, 6190 North 28th Place. I'm addressing you as a private citizen who has worked open the Preserve since the early '90s. I'm asking you to authorize the architectural services contract for the design of the Preserve, the DDC. That's all that's before you tonight. And it's the next step in the process that you started and funded in January. Citizens of Scottsdale have talked about a Desert Discovery Center to tell about the story of Preserve and the Sonoran desert for over 30 years. The city has engaged in many studies, substantial public input. You have taken a lot of the -- the councils have taken a lot of separate actions to support it in furtherance of the Preserve. And the city's latest site analysis in 2013, again recommended the gateway as the appropriate location for the Preserve. This policy of the council, this direction has been clear. It was the basis for buying the toll brothers land for the gateway in the

Preserve. It was the basis for the municipal use master site plan that included the DDC at the gateway, that was approved on the consent agenda in 2007, with no opposition to the DDC and the Preserve. So your action in approving this contract with would be consistent with that policy. I'm convinced and confident that Swaback -- the Swaback team will bring the kind of Desert Discovery Center and listen about the compatibility with the Preserve and bring you back a project that both you and the community will be satisfied addresses those concerns.

[Time: 03:00:05]

Mayor Lane: Thank you, Ms. Lagarde. Darlene Petersen. Followed by Mark Hiegel.

Darlene Petersen: Darlene Petersen. My address is on record. I have lived here 58 years, I think. I don't think you understand what 30 acres is. If you go down on McDowell now where the new addition is going to be, between 64th Street and the canal, and McDowell to the houses, that's 27 acres. There are many, many, many builds on that. The gentlemen that said we shouldn't be blading to teach people what to do about the animals and the Preserve. My daughter lives on almost 3 acres. That is big enough or even too big what your discovery center building should be. You do not have to tear up anything for a big auditorium or whatever the outside thing is called. It's ridiculous.

Now, Vern Swaback is wonderful. I voted for him when you had voting for Los Arcos and we didn't get Vern. Look at what we got down there. Don't ruin the desert. It needs to go to the votes of citizens. All right. I think that's it.

[Time: 03:02:04]

Mayor Lane: Thank you, Ms. Petersen. We love Darlene and she deserves it, but please, let's not do that. Mr. Hiegel. Followed by Joan Fudela.

Mark Hiegel: I'm Mark Hiegel, the president and C.E.O. of the Scottsdale Area Chamber of Commerce and I represent 1100 businesses here in Scottsdale. Utilizing an independent research company, Mindsweep, we recently surveyed our Scottsdale area chamber of commerce business community as part of the strategic planning process. We asked the business community to share their thoughts and ideas on what our priorities should be for the next five years. We covered areas, including education, transportation, and city leadership. One topic was the Desert Discovery Center and what we learned was that there was extremely high statistical support that the DDC would have a significant and positive impact on the Scottsdale economy. A majority of the respondents believed that the project would benefit their business, either directly or indirectly. However, they did believe that the amount of clear and unbiased information about the DDC was very low for both the business community and the citizens and much more information needed to be shared.

It is imperative that the process continues so that the community can get an opportunity to truly learn about what the DDC will be. With that mandate, during the upcoming months, the chamber will help share factual information about the project with the citizens of Scottsdale so that we can all make

informed and thoughtful decisions together. For that to happen, the architect needs to be hired so that the project can be defined and designed and then the community will be able to make an informed decision. Thank you.

[Time: 03:04:03]

Mayor Lane: Thank you, Mr. Hiegel. John Fudela, followed by Jeff Schwartz.

Joan Fudela: I'm Joan Fudela and I live in the Grayhawk area of Scottsdale which is about a five minute drive to the gateway to the Preserve and the future home of the DDC. I'm here as a resident and long-time volunteer who has been involved with the McDowell Sonoran Preserve effort as city roles and also in the money non-profits including now the Desert Discovery Center of Scottsdale board of directors. I'm here speaking as a private resident and also speaking as an ardent supporter of the whole conservancy, the next big hairy audacious idea. I'm thrilled with the recommendation of Swaback Partners as the architectural firm to design a working concept for the DDC.

I humbly request that you consider approving this contract today. Swaback Partners, as was said earlier is not only Scottsdale based, and is also Scottsdale experienced and Scottsdale centric and it has its very roots in -- as apprentices of Frank Lloyd Wright who not only it was one of our proudest citizens, gave us wonderful structures and invested the term organic architecture and also I consider him also the father of great big hairy audacious ideas that added to Scottsdale and our country. The other thing about Swaback, they were part of visioning process and they know how to listen to citizens. They know how to take our ideas and make wonderful sense out of them, and give us a great plan for Scottsdale. So I urge approval of their contract tonight. Thank you.

[Time: 03:06:16]

Mayor Lane: Thank you, Ms. Fudela. Jeff Schwartz followed by Tom Deiderich.

Jeff Schwartz: All the pro DDC arguments --

Mayor Lane: I'm sorry, could you introduce yourself.

Jeff Schwartz: Jeff Schwartz. Like on the card. All the pro DDC arguments you have and will hear tonight do not address one fundamental question, a very fundamental question. Why does the DDC have to be built within the Preserve? Nearly all of the objectives discussed tourism, education, research, et cetera, can be accomplished with the facility outside the Preserve. A group of people are proposing to build a large number of buildings excuse me in the Preserve to teach people about and do research about encouraging preservation, respecting the desert and sustaining the Preserve but this is all after they will have destroyed about 30 acres of desert. In all the talking points of the DDCS I have not heard one good reason why this facility has to be in the Preserve.

Let's be clear, though. Many residents are not necessarily opposed to the idea of the DDC but our main objection to this tonight is do not build it in the Preserve. Require the architect to only consider

sites outside of the Preserve. We are extremely frustrated that our voices opposing the location of the DDC in the Preserve are ignored. Nearly 350 people attended the two public meetings and the overwhelming majority were opposed to building the DDC in the Preserve. We have flooded the city councilmembers with written comments to the same effect. Yet this project marches on. Despite lip service about public input our voices are being completely ignored. We here tonight to see if you are listening or if you are continuing to ignore us. I must point out the gentlemen's PowerPoint there, where he said this public input is being put in. I believe the folks here. The proponents the Preserve got more than enough of an earful about the objections to this being in the Preserve.

Mayor Lane: Mr. Schwartz your time has expired.

Jeff Schwartz: Thank you.

[Time: 03:08:51]

Mayor Lane: Thank you. Thomas Deiderich has one additional card from Donna Deiderich, and so we will leave it at three minutes and followed by Copper Phillips.

Thomas Deiderich: Mayor Lane and members of the Scottsdale city council, my name is Tom Deiderich, I want to thank you for the opportunity to share my views about the proposed Desert Discovery Center. Let me start out by saying I'm supportive of a Desert Discovery Center. What I'm adamantly opposed to is that center being located within the Preserve. To this end, what I'm here to ask you as the city council to do is direct and authorize the architect to design a facility to be located outside the Preserve. Alternatively, if as a city council you have also -- you have already decreed that it will be built within the Preserve, I would request that the architectural contract be amended to require the facility design be in full compliance with the existing Preserve ordinance which stipulates prohibited and unprohibited use of land, including but not restricted to a prohibition on food service operations, retail operations, nighttime operations. Thank you.

[Time: 03:10:38]

Mayor Lane: Thank you Mr. Deiderich. Next is copper Phillips, followed by Kurt Brueckner.

Copper Phillips: Good evening Mayor Lane and city councilmembers. Let me state that I too am not opposed to the DDC. This has been on the board since 1999, and I'm not in opposition to it, but '99, we were talking about just under 16,000 square feet and 4.3 million. We have now multiplied that by five by way the square footage and cost. It's not what I voted for for everyone single Preserve tax. There was no fine print that said we were going to have an attraction facility marring the gateway. I think a very appropriate place for this is outside of the Preserve, and if it's not outside the Preserve, as Mr. Schwartz indicated, on April 20th and 21st, there was an absolute condemnation of the project nearly because it was in the Preserve boundaries. So if you are trying to approve a project that is going to be dead on arrival and not be supported by the people of this city then do not consider putting it anywhere other than the Preserve. If you want this to be a viable, true attraction and research and educational facility, then please, truly heartily consider it outside of the Preserve

boundary. At the very least, carve a corner of the Preserve out so it's located outside the Preserve.

I went to the American institute of architect's website to see exactly what an architectural programming was. And the definition is it's a thorough and systemic evaluation of the interrelated values, goals and facts and feeds of a client's organization, facility users and surrounding community. Your community has very well stated that the Preserve is not the appropriate place. I adore Vern Swaback and his designs. I think he will come up with an incredibly marvelous design but he needs to be directed and it needs to be considered way outside the Preserve boundaries. Thank you.

[Time: 03:12:44]

Mayor Lane: Thank you Ms. Phillips. Next is Kurt Brueckner, followed by Mark Stuart.

Kurt Brueckner: Mr. Mayor, Vice Mayor, city council. First of all, I would like to thank you as we approach three hours for your patience and time sitting and listening to all of this, but, you know, there's a reason why Scottsdale is the most livable city in America. It's because we take on the tough decisions. If you look back at big projects in this town, Indian bend wash, WestWorld, TPC, those projects were not without controversy. People sitting in your chairs did not back away because the decisions were tough. They moved forward on it, and now we have those projects we can look back and -- with pride. Very similar to the situation we are in today. The citizens of Scottsdale have spent millions of dollars to create the world's -- one of the world's largest urban Preserves. It is a great asset of our city. We have the opportunity to turn asset to a treasure for decades of people to enjoy.

At this point, the issue is do we approve the contract to move forward? Most definitely we need to do that. We can then deal with these other issues that have been brought up as time proceeds, but let's not lose the opportunity to stall this at this time. Look at what your predecessors have done sitting in your same chairs. You have the opportunity to move this forward and I urge you to do so.

[Time: 03:14:20]

Mayor Lane: Thank you Mr. Bruckner. Mark Stuart followed by Howard Myers.

Mark Stuart: Mayor Lane, beloved members of the city council, I'm Mark Stuart and I'm a community organizer. And I have a different perspective on this. It's a Preserve. And that means what it says. So preserve it. If it was up to me, we wouldn't even be able to park cars there but I'm in the minority. We don't need any more buildings. That's not what a Preserve is all about.

More important issue is, is this consistent with the restrictions that the voters have placed on the city council in the city charter? I sent every one ever you an email at the end of last week and I said, look, nobody has clearly identified a public purpose for this expenditure. And if there's no clearly identified public purpose, you can't do it. We pass that city charter amendment in 2010, and I'm already in court enforcing it, and I'm more than happy to get an injunction to force the city to explain how there's a clearly identified public purpose.

But I have another solution for you. The issue of what clearly identified public purpose means is currently before the court of appeals. And if they agree with the public, you can't do this project at all. So if you are Swaback Partners and the court of appeals agrees with the public and you took the \$500,000, you will have to give it back. And if you don't have the cash, we'll go get a judgment against you. So this is quite serious. We can't do make work projects in Scottsdale anymore. That's why we passed the city charter amendment. So I'm asking each of you tonight to continue this and let the court of appeals rule on how we interpret and apply the phrase "clearly identified public purpose" because that will save us all a whole lot of heartache.

And one last request. In your discussion, if you can please have the courage to state on the record I clearly identified a public purpose for this expenditure because. Thank you so much.

[Time: 03:16:55]

Mayor Lane: Thank you, Mr. Stuart. Howard Myers who has four additional cards donated to him, Doug Minor, Judy Wagner, Susan Kaufman. Four minutes Howard.

Howard Myers: Thank you. And I'm still on East Horned Owl Way. I'm nowhere near the Preserve. I think the location is wrong. If you want the DDC to succeed and there are a lot of people that certainly do you have to run the program correctly and that's what this diagram is trying to show. If you run the program correctly, you gather all inputs and figure out what your displays are going to be, and what you need, and what concessions you need and what kind of building footprint you then need and the last thing do you is go down and select the site because based on how it evolves, you might have to pick a different site and that's kind of what we are here about. I mean the original DDC concept used the Preserve a lot as the educational experience and the new one wants to be the experience itself. So it's totally changed.

You really need to determine what is ideally needed to be the attraction, that the tourism industry wants and needs. Determine what it needs to include and how it needs to be managed to be sustainable and that's pretty important thing for the city because you are taking on the liability. This can't happen if it's constrained to the Preserve site because it has too many restrictions what it really needs to be. In the Preserve it needs to be built and owned by the city. It can't be leased or run by an outside entity and low scale and environmental sensitive and appear to confirm to the Preserve rules and on and on. It must be managed in a way that is sensitive to the Preserve, and all of the restrictions and in doing so that limits the type of operations, the operating hours, types of events that could be held. In other words you are kind of constraining what they can do with it so you don't really know what it should be.

In addition it will face significant public option significance. Those are all red flags and normally when you see that many red flags you say I'm going in the wrong direction and you change the direction. If it's designs with these restrictions now we will never know what's really required. The tourism industry won't be happy because they won't be getting what they want. The public definitely won't be happy, I can tell you that right now and it's less likely to succeed for those reasons. You are

programming this project to fail and not succeed if you don't do it in the right way. We have already done it this way before and it's failed before and here we are back trying to do it again with another plan. So we are trying to fit a square peg in a round high school and it is not work -- hole and it is not working. Let the initial concepts be developed and the size and the scope of the buildings be determined without any site restrictions so we really know what it has to be.

This contract says it's this site and they will do site analysis and all sorts of other things and that's really the reason I'm talking to you. If you are going to give the same architectural firm more money than we gave to the 2010 plan which was pretty desired, what are they going to generate this time? Very detailed plans, I guess. So there's no sense spending this money ahead of time before you really know what it is. And I really want you to give this and the DDC a chance to succeed -- to be successful and to do that you really have to run the project correctly, determine what it needs to be first before you determine what it's going to go. And like I said, the whole concept has changed from the original one where the Preserve was the focus. Now the Preserve isn't the focus. It's a destination in itself. That automatically changes how you might even think about it. Even the proponents should look at this and agree that it needs to be done the right way and not force it some place where all the restrictions will give you another plan that isn't going to work. Thank you.

[Time: 03:20:59]

Mayor Lane: Thank you, Mr. Myers. Next is Susie Wheeler, followed by John Stanley.

Susan Wheeler: Good evening Mayor and city council. For the regard my name is Susan Wheeler and I live in the cactus corridor. The great recession, bless the city of Scottsdale because that's why we almost finished the Preserve, because the prices dropped so much. That was a good thing for the city. Not for a Realtor who is working in the business.

I'm here tonight -- Vern Swaback is wonderful and he does a beautiful -- he would do a beautiful job. If it's tied to the Preserve to be in the Preserve, then I don't support in action. If it's not tied to be in the Preserve then I support you hiring him. I think it should go into the -- by WestWorld. You will have a lot more people come into the DDC and find out about the mountains and the Sonoran desert. Most important thing is the citizens voted six times to Preserve this land -- five time to Preserve the land and the mountain and the desert to stop development. This is a development project and so you really have to consider that. It should go back to the citizens to vote for it since they have taken surveys and everybody really wants it. They shouldn't be afraid to put it on the ballot and make sure that the citizens really do want it. Thank you for your time.

[Time: 03:22:42]

Mayor Lane: Thank you, Ms. Wheeler. John Stanley, followed by Wellington Reiter.

John Stanley: My name is John Stanley. I have a couple of comments and two questions. The first comment is that there's been some press about the Preserve and it hasn't been exactly true. One the things it's been in the works for years. Well, that part is true. The other thing is it was not intended

to go in the Preserve in the first place. It was loved at a later date and the two questions I have is are all of you on the council and Mr. Mayor, are you familiar with this ordinance 33.21, and if you are, how did you consider putting into the Preserve land? It very -- it very plainly states, okay, what the Preserve is intended for. And it stays pristine and in perpetuity and it doesn't allow for excavation and it doesn't allow for the removal of rocks or dirt of any kind, any kind of excavation. It doesn't allow for the removal plants dead or otherwise, and I'm not sure how you are going to build this thing, okay, no matter what size it is, okay, without violating those. And those are just some of the rules that are in there. The rest of them, you know, in terms of food and beverage and what not, those are other things to consider. But the basic part is, it says that, you know, we purchased that land to leave it pristine in perpetuity. And I ask you to do that. Thank you.

[Time: 03:24:22]

Mayor Lane: Thank you, Mr. Stanley. Mr. Ritter, Wellington Reiter, followed by Melinda Gulick.

Wellington Reiter: Wellington Reiter, senior advisor to the president of Arizona State University. We have a great relationship between the university and the city because we are both seizing upon common interests. We have done that. It's extraordinary what the citizens of Scottsdale have done to create this Preserve. You are adjacent to a university that sought to create the first school of sustainability in this country. The convergence of our school and our interests and what we can bring to the Preserve around education, programming, global reach, et cetera, with the gesture that you have made to create this Preserve, could be extraordinary. This university is fully committed doing what it takes to make sure that this is a great educational venue, to program it, such that it does attract tourists and does spore those who live nearby. And everything else associated with what this place could be.

Secondly, there's another point of convergence and it can be between a building and a site. That is possible. There's a small stream in western Pennsylvania that probably very few people would ever visit and yet over 150,000 people go there every year. We call it Falling Water. The building caused us to have look at the landscape anew.

I'm so glad to hear the American institute of architecture. I'm a fellow of the American institute of architects. It's possible to have building that support great programs which we're prepared to help you achieve work side by side. I would strongly recommend you support the measure. Thank you very much.

[Time: 03:26:18]

Mayor Lane: Thank you, Mr. Reiter. Melinda Gulick. Followed by Bob Littlefield.

Melinda Gulick: Good evening, honorable Mayor and members of the city council. My name is Melinda Gulick, and for over 12 years, I have been an active and committed advocate for the Desert Discovery Center, serving on every committee and task force, both public and private to bring the DDC to life. I'm also a past member of the McDowell Sonoran Preserve Commission and a past chair of

the McDowell Sonoran Conservancy. 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. Recently, I had to leave the DDCS board for personal reasons but I remain an enthusiastic advocate for the project.

I remind you that in January six of you voted to move forward to the next step with the DDC and before you tonight is the contract for architectural services for the DDC. The contract that will inform the design and the ultimate costs of the project. As you know, the citizens of Scottsdale have invested nearly \$1 billion of the McDowell Sonoran Preserve. It's a possible dream. It's our greatest treasure and our international brand. Now it is time for us to bring that brand to life and to make it accessible for all of residents and visitors, not just hikers, bikers and equestrians. Tell the two-thirds of Scottsdale residents that support the DDC that Scottsdale is a place of co-creation, where the community can come together to develop a DDC to be proud of. Tell residents all over our community and of every ability that the Preserve is accessible to everyone. Say yes to answering the questions that remain about the DDC and thank you very much for your stewardship of the Preserve and your support of the Desert Discovery Center.

[Time: 03:28:42]

Mayor Lane: Thank you, Ms. Gulick. Bob Littlefield, followed by Alex McLaren.

Bob Littlefield: Bob Littlefield, 8926 East Sheena Drive. The DDC as it is proposed is a big hairy idea. A big hairy bad idea. And funding it billions of taxpayer dollars makes it even worse and funding it with billions of taxpayers' dollars and putting it in the Preserve puts it worse than that. Others will explain in detail as to why that is.

What I would like to comment on is the total lack of transparency in this process. First of all, the idea that we need to have a Desert Discovery Center in order to have education or tourism is complete nonsense. We already get hundreds of thousands of visitors a year in the Preserve without a desert discovery center. And that includes people with special needs accommodations. We already take care of that. We don't need to spend \$100 million, 30-acre Desert Discovery Center to make that happen. But what I think really tops it off as to why this is -- why this is so -- the lack of transparency. In January and every public meeting I attended afterward, what did I hear? Oh, we can't answer any questions about what it will cost and what it will look like or how big it will be because we just don't know that yet.

So imagine my surprise when I get a call yesterday and I answer the phone and it's a robo push poll trying to get me to love the Desert Discovery Center. And lo and behold it tells me exactly how big it's going to be, and it tells me exactly what it's going to cost and it also says by the way that it's going to be funded by tourism and private dollars, which came as a real surprise to me, since nobody in the private sector has even offered to cut a collect. So that's a huge problem with this. You guys are not being honest with the public, and I guarantee you, they are going to make you pay for that if you try to put this thing in the Preserve.

[Time: 03:31:03]

Mayor Lane: Thank you, Mr. Littlefield. Alex McLaren, followed by John Holmes.

Alex McLaren: Mayor, members of the council, my name is Alex McLaren, 7730 East Osborn Road. I'm here to support the approval of the contract for Swaback and Associates. I think we need to know what the Desert Discovery Center would look like. Someone talked about a big audacious idea. It will be an audacious idea. I think it could be the jewel in the crown for Scottsdale and we need to have an architect to look at to develop the plans. I know that Howard Myers had a number of objections about the various restrictions, but I'm sure that those can be worked out within the Preserve. I think that the gateway center for the location of the discovery center is the best location. Thank you.

[Time: 03:32:08]

Mayor Lane: Thank you, Mr. McLaren. John Holmes. Followed by Kate Conway.

John Holmes: Mr. Mayor, members council, my name is John Holmes and I reside at 8131 East Sheridan Street. I'm here to talk about preserving the Preserve. The original intent by the authors of creating this Preserve -- they wanted something special. They wanted to take the mountains and the surrounding land and Preserve that in perpetuity. That was special to them now and it's special to everybody that uses it.

The main objection to the DDC is not the concept, not the idea of having a DDC. The issue as has been stated many times is to have it in the Preserve. It's already been stated that it violates the Preserve ordinance and many times it seems like council wants to spin things to go around the language of the Preserve ordinance in order to do what they want to do. I hope that's not done this time. Citizens of Scottsdale, I would ask you to contact each member of the council, including the Mayor and tell him that -- tell them, I should say, that you do not want the DDC in the Preserve. There's a location at 94th street and bell road that would be ideal, close proximity to west world and it would be ideal for tourism. And so I think you need to table the approval of the contract this evening and that you need to reconsider as has been suggested to have this feasibility study to incorporate an area outside the Preserve which so far the council has been resistant to approve. Thank you.

[Time: 03:34:31]

Mayor Lane: Thank you, Mr. Holmes. Kate Conway who has some donated time from Rudy Troisi and Susan Jordenson. And Bob Bernanno, Dwayne Dragon.

Kate Conway: That was a mistake, actually. I have -- he was put in as a donated time, but do I have enough still to do four minutes?

Mayor Lane: Yes, go ahead with four minutes.

Kate Conway: Thank you, Mayor Lane. Mayor Lane, Vice Mayor and members of council thank you for your service. I'm Kate Conway. I live in Scottsdale. First let me say, I'm adamantly -- adamantly opposed to the Desert Discovery Center being built within the Preserve. Many others have spoken and probably will continue to speak to this tonight. We are here and we, I mean everyone in green shirts out here, we are here to ask you first and foremost to require the architect, Swaback Partners to design a DDC to be located outside the Preserve.

However, I have another comment to make. One that goes to the heart of the integrity of this process, that we are seeing unfold with this project. We have heard over and over and over again from the DDC, from the project managers and from many city councilmembers that there is no plan yet. That they and I quote don't know what the size, scope, cost, et cetera is. This is what is yet to be determined with the current feasibility study due back in the summer of 2017. End quote. We may even hear this again tonight.

My question is this: If it is true that you don't know what the proposed project is, why did the DDCCS recently conduct a telephone surveyed mentioned by Bob Littlefield asking Scottsdale residents if they would support a, quote, 10-acre, 70 million education, research, and tourism facility at the gateway trail head end quote. That sounds like a pretty specific plan to me. In fact, that's a plan awfully close to the last plan proposed in 2010 by the same architects that are being hired today, the Swaback Partners. It's obvious that you do have a plan. A plan for a large scale, tens of thousands of square feet, multiple buildings and millions of dollars. Yes, it might be 50,000 square feet rather than 72,000 square feet. It might be 65 million, rather than 74 million, but it's going to be something big. It's disingenuous to imply it's not.

You are hiring an architect. Clearly you are giving them some parameters. One doesn't hire an architect to design any facility without saying here's our budget. We would like roughly this many square feet. We want it to look this way and have these features. You are conducting very specific market research. Clearly you have a plan. When public officials and the contractors working for them tell us one thing while they are taking actions that clearly contradict what they are telling us, it destroys the public trust. And it destroys confidence and integrity of these representatives and the contractors. Please, please do not continue to tell us one thing while you are doing another. We can see through that. Tell us the truth and then let's have a respectful dialogue about what this DDC and this proposed project will be. Thank you.

[Time: 03:38:57]

Mayor Lane: Thank you. I ask you please to refrain. Thank you, Ms. Conway. Next is Kathy Dreyer. Followed by Stephanie Brown.

Kathy Dreyer: Thank you very much for allowing me to speak. My name is Kathy Dreyer and I live in Grayhawk. This is the main event because the Sonoran desert, the gateway trail head is just amazing. And it is not a brand. It is not something that we should exploit. Everything is always about money. What can we do? How can we bring in more tourism? When do we stand forth and say you know what, sometimes it's enough to let it be and enjoy. It unlike the man earlier who spoke, I was at the

gateway trail head this morning. I'm there three to four times a week. I too get there early in the morning. I love it and when I was walking around and imagining what it was going to be like, I didn't think about, wow this is going to be great. I thought you know what, we already have too much going on in the gateway trail. There are too many people there! You know, the impact that we have on the animals and on the habitat, it's already so much, and so I was scared to think about what is it going to be like? What could it be like if it was there.

I'm not in support of this resolution and I ask that the Preserve be kept a Preserve. I know I shouldn't go here but I am. When we speak about public trust and I -- you know, it just -- the optics of it don't look good when we are hiring -- or you are proposing to hire Swaback and then they are also your consultants with the DDCS. So you have two people, a donor and advisor on the DDCS and then they are the firm that you are going to hire, the optics done look good at that. Why can't we put this out for a vote? Thank you.

[Time: 03:40:53]

Mayor Lane: Thank you. Stephanie Brown followed by Alice Snyder Peck.

Stephanie Brown: Mayor Lane and council. I intended to donate my time. So obviously I messed up on the card and I apologize for that. But I take the opportunity to say. DDC good idea. Bad process and bad location. That's all. We have the definitions. Everybody has spoken about pristine environment, in perpetuity, no food and beverage, not operated by an outside entity, no nighttime activity and sound amplification, they are new to me that so argues for any place other than the Preserve. It seems so obviously, I'm flummoxed that you would even consider this location. Thank you.

[Time: 03:41:57]

Mayor Lane: Thank you, Ms. Brown. Ella Snyder Peck followed by Laura Peck. All right. Ella Peck and Laura Peck are no longer -- they are not here? Okay. Next would be Rudy Troisi and he has dedicated time from Barbara Friedman, Donna Troisi.

Rudy Troisi: I think we are good. We'll be fine.

Mayor Lane: Okay. Jody Hardwoods and Sid Hardwoods.

Rudy Troisi: Thank you Mr. Mayor and members of the council. My name is Rudy Troisi, I'm a 26-year resident of Scottsdale. I'm president and owner of reliable background screening for the last 22 years. It's a Scottsdale-based business and it's an award-winning Scottsdale-based business. A long-term member of the partner council of the Scottsdale chamber and I know most of you on the council because of that partner council involvement. I'm opposed to the Desert Discovery Center being built within the Preserve. I would like to comment on that we have or will hear tonight that gateway Preserve has been the site for the Desert Discovery Center approved by the city council in 2007. This is a true statement.

However, I would like to provide some details about this decision and more importantly, state that this is a decision that could easily be reversed if so desired. In 2007, city staffers conducted analysis of three potential sites for desert discovery center Pinnacle Peak park, the four seasons and the gateway trail head. A number of variables were used in the rubric to evaluate these sites, including site character, ability to accommodate the proposed facility which at the time was 15,000 square feet, and environmental impact and public access, et cetera, et cetera. Among the reasons the gateway site was recommended were, one, it would not requiring a zoning change and thus could be accommodated with the city councilmembers voting to amend the municipal use site plan without going to the public and we see this tactic to avoid the zoning change by amending the municipal use site plan being initiated by this council this past January and it would generate the highest tourism support. It is important to note there was only one public meeting held during the 2007 study. The item was placed open the consent agenda for the city council meeting. As you can see here tonight, those items are not publicly discussed by either the councilmembers, nor is the public allowed to comment on these items. They are rubber stamped. The point being, there was almost no public input on this decision. Since then, there have been multiple opportunities to review and possibly rescind the decision. This opportunity still exists now.

There is absolutely no reason why the city council could not direct the DDCS to look at sites for the Desert Discovery Center outside the gateway Preserve. Hundreds ever residents have spoken out verbally and in writing opposing the DDC in the Preserve. This is an action that is easily available to this city council. Stop using the crutch. It was determined in 1997, so what. That was almost two decades ago! That was a different council and times have changed. And anything can be changed by this council, by each of you.

We are here tonight and representing hundreds more who are not here tonight to see if you listened to us, there is an election for you. Four of you up for reelection in November. We are watching to see if you will take this action to direct the DDCS to look at sites outside the Preserve, and we will vote accordingly this fall. Do the right thing. Don't allow the DDC to be built within the Preserve.

[Time: 03:46:10]

Mayor Lane: Thank you.

Rudy Troisi: Thank you.

Mayor Lane: Next is George Frederick, followed by Richard Breyer.

George Frederick: Thank you Mayor Lane and members of the council, my name is George Frederick I live at 7807 East Oberlin way in Scottsdale. That's in the middle of the desert foothills overlay. In fact, if you draw an x, I'm on the x. Right where the lines cross.

Last Sunday I was watching Sunday morning CBS and they always end the program with a scene of a pristine area somewhere in the U.S. And this last Sunday, it was Pinnacle Peak and the Sonoran

desert. They could have taken that from my backyard. The desert is beautiful. Last -- about a week ago, I received a telephone call. It was a robo call, I think it's been mentioned before. My point on that is that they extolled the virtues of the desert foothills discovery center or the Desert Discovery Center, and then asked questions do you support, not support or -- or whatever. I think that survey was extremely biased. And it didn't ask for any -- or mention any other alternatives. I support the -- looking at alternate locations. It only makes sense. Thank you.

[Time: 03:47:47]

Mayor Lane: Thank you, Mr. Frederick. Next is Richard Breyer. Followed by Lynne Breyer.

Richard Breyer: Mayor Lane, city councilmembers. I strongly oppose the allocation of \$500,000 for this architectural study in addition to the thousands that have already been for feasibility of this site. It's already been mentioned. I find it galling that three or if you are members of the city council want to proceed as if the Desert Discovery Center is a done deal. Strongly urge that we put it to a referendum and let the citizens of Scottsdale whether this should be done or not, not for members of the city council. This is not the city council's play pen. Thank you.

[Time: 03:48:40]

Mayor Lane: Thank you, Mr. Breyer. I would ask again, please. Thank you Mr. Breyer. Lynne Breyer. Followed by Janell Soyster.

Lynne Breyer: I'm a member of McCormick Ranch. We didn't co-lewd on what we were going to say. I'm opposed to the Desert Discovery Center being built on the backs of the taxpayers, period. This should be a private enterprise not another taxpayer boondoggle. The Preserve was created the definition of preservation is left and maintained in its original pure form and you cannot put a building in something that's already in its pure form and make it phenomenal. The desert reserve is already phenomenal and it doesn't need any construction on 30 acres of land with a huge building and if you don't believe me, go to the garden the gods in Colorado city where they did exactly this, and now it is totally ruined. I went there in the '70s. I went again last year. I didn't recognize the place it's gotten completely out of control with the building and the people climbing on everything. And that's going to happen here again. I just want -- I just want to say that if the council believes this is such a great project, this land belongs to the people, not to the council or the city staff.

Let the people vote and decide if this is what they want. If you believe this is great, they will believe it's great and they will vote it in. They don't vote it in, then let's don't do it. That's my idea. Thank you.

[Time: 03:50:27]

Mayor Lane: Thank you, Ms. Breyer. Next is Janell Soyster.

Janell Soyster: Thank you. Good evening, Mayor and city councilmembers. Thank you for

allowing us to have this time tonight. I couldn't say it any better than Lynne Breyer just said. I think first and foremost, it's not your responsibility to vote on this. It's the citizens of Scottsdale, residents of Scottsdale to have a voice and a vote in this. I have been a resident of Arizona since 1963. I graduated grade school, high school, and college here. And I remember when Scottsdale Road was a dirt road north of Shea Boulevard. So like they have said, they have said that 16 plus years ago this was all voted on to Preserve McDowell Mountain Preserve. I hike there. A lot of us hike there. It's a beautiful Preserve, and I really believe that it's the responsibilities of citizens to vote and like Lynne said if you believe this is a good idea, then let us vote. And then lastly, I would say if you do insist on a four-person majority vote and not allow us to vote, then I would like to respectfully recommend that you refund all the citizens of Scottsdale for all the money that has been already invested for the last 16 plus years, before you invest the money to build the DDC. Thank you.

Mayor Lane: Thank you. I will say that completes the public testimony and I want to thank everyone for giving their thoughts and ideas on this, and frankly, maintaining a positive environment in the exchange of those ideas. Thank you so very much.

In any case, I think there's a lot to be considered. There was an awful lot of testimony given on something outside of the realm of what it is on the agenda for tonight. Certainly we allowed for that, but we oftentimes tried to restrict it to the agendized items. We have that requirement with the public not to be talking about something that's on the agenda. I know it's related and so we went that direction.

I don't know that there's any further thoughts from staff with regard to anything that was said. So if that's the case, then I would open it up to the council for comments on this particular agenda item which is, of course, the architectural services contract that's being considered here tonight. And specifically, I suppose I should say to that end, and that is whether to adopt or not the resolution number 10422. Authorizing that contract, 2016-035-COS with Swaback Partners PLLC.

That's before us and I will start with Councilman Phillips.

[Time: 03:53:37]

Councilman Phillips: Thank you, Mayor. Nobody wanted to push their button. So I figured I would go ahead and get the ball rolling. I want to thank everybody for coming here this evening. It really shows your pride and dedication to Scottsdale that you would come here and sit here for three hours, four hours to give your comments and I really appreciate it and I think the rest of council does too. For that sake, I think I will be -- my comments will be short and sweet.

We got the usual suspects here tonight. We have the public, who does not want the Preserve exploited. And we have influential people who don't care what the public thinks. I'm extremely disappointed in the DDCS decision to not take any public comment unless it's on the Preserve. And there's been no public discussion on what the size, scope or what it would consist of. You are more than willing to have the council give you taxpayer money, but you don't want to hear public opinion.

And, of course, Swaback is picked as the architect. What a shock. I think this project is dead in the water and I have no interest in handing out any more taxpayer money to an unpopular and disingenuous project. Thank you.

Mayor Lane: Thank you, Councilman Phillips. Councilman Smith.

[Time:]

Councilman Smith: Thank you, Mayor and I will certainly echo the appreciation to all of you, both for and against this project, but all of you who came here tonight to share your views, passionately. I need to share what leads my view of history and it may or may not confirm to everyone's view here in the room. Most of the discussion tonight, most of the people who spoke against the project, most of them who spoke against the project spoke in terms of its location and the location at the gateway and many of them said if you are going to build it, build it somewhere else but certainly not here.

We have decided to study the project at the gateway. That was the decision that was made January 11th. I think that's two shades different than actually saying it is going to be at the gateway. If you are going to study the project and try to define what it is, what we're talking about, what it might cost, what it might do, what it might have as its attractions, you almost have to have a site-specific locale for that study. And a locale was designated on January 11th. Whether that's the eventual location for it, I don't think anybody up here is prepared to say at the moment, certainly I'm not prepared to say that.

I would remind people who are digging through the history of when this DDC has been discussed in the past and something was agreed to in 2007, and something else was agreed to later, the most recent determination by the city, is embodied in a study that was done May 1st of 2013 and that was a study of site locations, site location analysis, May 1st, 2013. And if you look at this report and the very beginning of it, it states the reason. It says the phases two and three feasibility study for the proposed Desert Discovery Center have focused on analyzing the feasibility of the DDC at a proposed project site located at the gateway within the McDowell Sonoran Preserve.

The city has now determined it should study other possible sites for the DDC to be prudent in its work. That was the decision about three years ago that we would look at a variety of other sites and they, did in fact, look at a variety of sites. There were seven all together. Some of them don't make any sense today. But no council at that time or since has acted on this study. I think it is prudent to say that we don't know where we are going to locate the DDC or at least I will say that for myself, envelope I know what this concept really is.

When I voted for this proposal as did five colleagues of mine up here, 6-1 vote on January 11th, to proceed with this study, it was site specific. And when the architect was included in that discussion, that decision was made back again on January 11th, that we would have an architectural study. The argument was persuasively made at that time because you couldn't determine what you were talking about, unless you define it. You can't do that unless you have somebody with some architectural competence, looking at the project. And at that time, the \$700,000 was earmarked for an architect

and the words that were provided is that this will provide site and floor plans elevations and character renderings and a project estimate of probable construction costs. It was considered necessary if we really wanted to know what the total scope of this project was. It was considered necessary that we have an architect involved in the undertaking.

And it's a little bit disarming that we find ourselves here tonight talking about not awarding the contract that we said we were going to incorporate in this study on January 11th. Maybe you all are wanting to revisit the decision of January 11th, the vote that was as I said 6-1 at that time, and if you want to revisit that decision, let's be frank and up front about it, but it's not a question of hiring Swaback or -- that just happens to be the firm that won the request for qualification.

And Mr. Worth described the process there. There were not many councilmen involved in that process for sure. That's a process ordained by state law and you issued an RFQ, you get responses and you evaluate the respondents and Swaback probably because they have a keen interest in putting a signature product -- or signature project into the city looks like they bit Kuwait a bit earmark -- they bid quite a bit under what we earmarked. We earmarked \$700,000 and they bid \$500,000.

I'm not sure what folks would have us do. If we roll the clocks back and change the vote of January 11th, or simply say that Swaback cannot have the award that we deduced at that time was an important ingredient in defining what the project is. I think I'm just -- I'm obviously favoring to granting the award to Swaback associates because they were the winning proponent on the RFQ. They went through the process, and submitted a competitive quote.

Whether we locate this project at the gateway, I think, is a decision in my judgment that will be made when we know what the project is, including the architectural implications of that project. I certainly will urge staff to address the question maybe when they give the response to some of this later on, of whether we can have as much of the architectural work be non-site specific. So that if this particular site is not chosen, another site can be equally adaptable for this, but I -- I will tell you another thing that is -- I would like you all to -- would like you all to consider because I'm considering it, and I hope you are as well.

Many of you have talked about the pristine desert that we have all taxed ourselves to accumulate and certainly we should be proud of that billion dollars investment that we have made. But let's not forget that part of what we accumulated this pristine desert for was for the enjoyment of ourselves and others who might come to the valley. And to that end, we have put miles and miles and miles of trails through this pristine desert. We have bulldozed tens of acres of natural Flora and fauna to create parking places. Those of you who hike the desert do not park on the street and walk in. You go into the Preserve and park on the Preserve. And we have created that amenity so that you can enjoy the desert.

Whether we do a Desert Discovery Center in the future, on the Preserve, I think will not be determined on the basis of whether we are destroying a pristine desert in a sense we have already made that decision. We are going to destroy parts of the desert to make it usable and accessible to the public and to tourists. We are going to make that decision on the basis of whether that's the best place to

put this Desert Discovery Center and in my judgment, we are not going to know whether that's the best place until we know what we are talking about.

And we made a decision in January that we were going to have a definition of it. And it was going to be site specific, and we reserve for ourselves the decision for the future to change that site, as we did back in 2013. So this particular step of awarding the architectural contract, I will be very much in favor of. Thank you, Mayor.

[Time: 04:04:47]

Mayor Lane: Thank you. Thank you, Councilman. Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. And thank you, Councilmember Smith. I think you really put it in perspective for me, I guess, and hopefully for some others. I want to thank every one of you for hanging in there. It's five hours later and many of us have been sit longer than that. It reflects your dedication and commitment to this community and, yes, it is a very volatile -- it is a very emotional issue tonight, but I think what -- I'm just -- I'm sorry that perhaps many of you came here thinking that we were going to be deciding on the location and perhaps that was someone misled you.

Our decision is not a location. That has been set in the process and as councilmember Smith said, that's part of the process. It doesn't necessarily need to be the end of the process.

So I tracked the number of people, and I counted about 92 people who spoke and it was about 58-33 opposed versus supported. But many of you talked about the location and talked about 30 acres of destruction of desert and \$75 million of taxpayer money, and 13 buildings and renderings. That simply isn't true. Those have been concepts of past studies but that is not this study. And some of us have been accused of not listening to the citizens and, you know, 33-58 supporting versus opposed. We have been flooded with emails, those against this DDC, against the size, against the location, against, against, and then hundreds of people saying, yes, I support it.

As councilmember Smith said, this project does go back to the '90s. And as we made the decision back in January to move forward with this process, tonight's decision to award a contract, architectural contract is critical to continue that work and until that work is completed and that's another 12 plus months, it's going to be the summer or late summer or early fall of 2017.

I don't think anyone can make an informed decision about the project. And at the completion of that work, in 2017, the council will be able to make a go or no go decision. That's our responsibility. And that responsibility -- also that decision includes location.

I ask that we honor that process, and work within that process to -- to create the best possible outcome for a big hairy audacious dream and goal that this community has been talking about for, what, 25, 30 years. This isn't just new. Someone accused us of lacking transparency. I'm sorry. I don't buy it! We have been talking about this for decades. So until we know what this project is, and until we know what the footprint is and until we know the cost, the business model, the

operational plan, the partnerships, the size, we can't make a decision.

I ask all of us in this room and all of your email threads, because there's a lot out there, to be patient and work within this process and be a part of process so that we can create the best possible outcome that is not only good for the city, but good for our citizens and good for the economy of this city and our tourist industry and our businesses and everyone else that -- and everyone else that creates and makes Scottsdale special.

So with that -- since my computer just turned off. I move to adopt resolution 10422 authorizing architectural services contract 2016-053-COS.

Councilwoman Klapp: Second.

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

[Time: 04:10:50]

Councilwoman Klapp: Just briefly. There's no reason for me to restate what has just been said before. We initiated a process in January. We are following the process. The Swaback Partners have been chosen through an internal process that council was not involved.

We need to make some informed decisions. We can't do that today. So my feeling is we must move forward with the architectural services contract now in order to continue with the process.

Mayor Lane: Thank you Councilwoman. Vice Mayor Littlefield.

Vice Mayor Littlefield: Thank you, Mayor. Well, not to put too fine a point on it, but I guess we have to destroy that desert to save it. That's what this is saying. And that's what people are afraid of. They don't want their Desert Discovery Center to take land away from the Preserve which they have bought.

You know, I attended several open houses that were held by the DDCS and I listened to what people said, what they said, and the only site that is being considered is the gateway. That's it. There are no other sites under consideration. And it's within the boundaries of the Preserve. The DDCS in these open houses even refused to entertain conversations regarding any other location. And the vast majority, as we have heard here tonight, the vast majority of the citizens who are concerned about this are concerned about the destruction of the land within the Preserve at the gateway. The solution is very simple, don't put it there. But that's not under consideration.

Earlier this evening -- or earlier this afternoon, I called staff, talked to Mr. Worth, and asked him the contract of the Swaback Brothers which by the way, I think they are a very excellent architectural firm.

I have no problem there, I asked them, is that open to other locations? Is this contract going to consider any place else but the gateway? No. Absolutely not. That's part of their contract. So,

yeah, we are tying it to the gateway.

And I think because of this, we need -- before we spend money on an architectural study to put this at the gateway, we need to ask for the consent of the citizens to see if they want to remove the voter approved restraints of what can and cannot be done within the boundaries of the Preserve. We promised them when we went to them five times and asked them for money, \$1 billion so far and counting. They are going to be paying for this for the next 15, 20 years. It's not done yet, and we have asked them for money and we gave them these terms. We gave them this guarantee, we would not destroy the land.

I can read you the parts of the ordinance that are under contention. I marked them. The sale of food, beverages, or other merchandise is prohibited, period. Not if it's for profit, or not. It's prohibited. That's it. There's no smoking. Well, I don't know if they are going to want smoking or not, but there isn't any. No person shall possess or consume any liquor, including beer in or from an open container. Now you can get a permit to have a can of open beer for one day, you give your name, your address and phone number and any other pertinent information that the Preserve director wants and that's good for one day for one person. Is that how they are going to run a cafe with liquor? I don't think so. No person shall remove, deface, damage, disturb, excavate any materials from the Preserve, including but not limited to plants, rocks, or any other earth material. No person shall destroy, dig up, mutilate, collect, cut, harvest, or remove any live or dead tree or plant material from the Preserve. That's going to make it extremely difficult to build anything there. No person shall dig or remove or excavate any sand, gravel, rocks, or soil from within the Preserve. These are the terms that terms that people are unhappy about, breaking.

It's not whether or not the DDC would be a good tourist attraction. I think it probably would be. But we cannot break our word to the people from whom we have collected a billion dollars to buy this land without their consent. So I think -- I'm not against issuing a contract for the architectural design if we decide we want to do a DDC. That makes sense. But we need the permission of the people if we are going to put it in the gateway. If we are not going to take ourselves down to the gateway, then we need to amend this contract with the architectural firm and say to -- contract to consider location outside the Preserve boundaries. There are many, and that removes all of the concerns of the Preserve ordinance which this city promised the citizens of Scottsdale when we got their money and when they voted to approve it. We should not change the terms and conditions unilaterally without their consent. If a business tried change a contract term that they had signed and sealed with a business partner, unilaterally and without the consent of the other partner, they would be facing court charges before they could turn around. You don't do that. It's not honorable. It's not ethical. And we owe it to our citizens to do it an open and honorable manner. Ask them.

If you truly believe the citizens want this and they think it's a good deal don't be afraid to ask them. Put it on the ballot and ask for their consent. By not being willing to do that, what you are showing to this council, or at least me is that you don't think they would approve it. Thank you.

[Time: 04:18:14]

Mayor Lane: Thank you, Vice Mayor. Councilwoman Milhaven, would you like to make any comments?

Councilwoman Milhaven: Thank you, Mayor. It's a little bit awkward in this seating and I know it doesn't come across well in the Kiva. I want to say a couple of brief things. I agree with my colleagues who are in support of moving forward with this contract, and I take great exception to colleagues that accuse other colleagues of acting in a dishonorable or unethical way. Thank you, Mayor.

Mayor Lane: Thank you, Councilwoman. You know, it's interesting that it wasn't that many weeks ago we voted 6-1 to okay this contract, which has led to this particular decision. You know, but at that time, before we passed that contract and one of the reasons I suppose that it became 6-1 we put in several provisions to try to sort of refine how this would be executed upon. We, number one, stipulated and I contributed just some if not all of these, and that was to have the MSC be consulted with and be talked to. Now, you heard from the MSC, from their incoming president tonight, as to what their position is, and I think that's something that the DDCS is going to have to end this particular contract. They will have to consider in the process too. It was one of those things and that's the preference and that's also by contract under the current ordinances.

The other one was that no general funds would be used. That if this was going to be funded it will be funded from a couple of different sources but -- and one of the others was as stipulated this would be private funds that would be contributed to this.

And the final one really wasn't an insert. It was something that was in there and it was by design and has that history of it, but the gateway. It wasn't mandated necessarily, but the gateway was the indicated one and has been for decades, literally. First as an educational and demonstrational center but then it became the DDC as we know the DDC now. That's the reason that that contract passed 6-1 because I think that there was a strong consensus at moving forward with some of those stipulations. It was important.

Now, what we have done in the meantime, has Mr. Myers, Howard Myers brought to us, a petition a couple of weeks ago, probably signed by a number ever people in this room, requesting -- number of people in this room requesting that we put in a provision to have a vote if Preserve tax funds were to be used, which is part of the consideration for something like this. Or whether Preserve land was going to be used. Now the majority, inclusive of myself, voted to proceed with that and how we would facilitate some kind of charter amendment to incorporate that in and that is probably the prevailing element we hear in all of these cards, and all -- frankly, the statements as well. That's the one thing that I think is vitally important that the public in a vote, not by an outreach, you know, where there's more or less a selected group of folks that attend those kinds of things and I understand that they are stronger and more vocal folks that may be out there on one side or the other, but a vote is the most appropriate way in our democracy for us to make sure that we have -- that we have that on the track. And this is just -- this is just a part of that process.

Everything we do in this city has a cost. There's no doubt about it, to determine, to develop what

something is going to be, what kind of impact it's going to have. Unless it's private -- you know, unless it's entirely private but this is something that's been on the radar screen for a public project, and so I am for this contract, but I'm only for this contract because I know it will lead to something that we'll be able to look at and see and understand and frankly, wherever it's decided to go, somebody is going to have to decide whether it will be successful, and meaning it's going to be successful off the Preserve or on the Preserve, that's something this is going to have to determine. Because if everybody has a confidence in the public vote, which I hope we all do, then it will be decided from there.

So we hope that the influence of the commentary here tonight and what the public may Preserve or not Preserve is what type of influence on what will be designed and what will be considered and what level of impact it might, have what size or scope it might be, or what kind of functionality it would have with the idea of education and communication being a paramount issue for us. That's been the thinking all along.

You know, I will share a little something. I have lived here almost 45 years. When I first got here you would be aghast at the first several hundred acres that were meant to be purchased and set aside for a shooting range. That sort of went away over the years. I think that probably is not top priority issue anymore but nevertheless, that's how some of this even got going. But in any case, times change.

And that's why we are talking about some of the things we are. What is the sentiment out there? But I believe and I think the majority, the 6-1 vote on this contract believes is that we needed to define it. We needed to get a handle on it in order to vote on it. And if we wanted to put the prescription as to whether or not Preserve tax funding monies would be used and I think that's entirely appropriate or whether it would be on Preserve land go to the vote. That's what shooting is for. That answers an awful lot of people's questions.

If you were watching the slide presentation from staff, I mean we have a number of things going through as far as schematic design, more public meetings, continue the schematic design work, additional public meetings and then master site plan ultimately in the summer of 2017. All fairly well timed with other things that we'll do to make sure that the public's in tune with where it's going and how it's going to be. So I wouldn't take too much away from the idea that a vote today is to continue this process because it's an education for all of us.

So I will be on the side of the motion which has been made and seconded. And I think unless we are okay -- Councilman Smith, if would you like to further comment.

[Time: 04:25:29]

Councilman Smith: Just one other comment, Mayor. I know there's a lot of comments from some of the speakers tonight that the only site we are considering is the gateway and there's been a refusal to even entertain conversations on the other sites and certainly to the extent that comment or criticism is leveled toward the DDCS group of folks that are studying this, I would surge you to think

that -- urge you to think that that's a bit up fair. This group has a specific assignment that we gave them and that was to study a DDC at the gateway. We didn't tell them to study other sites. So if you expect them to solicit opinions on other sites you are probably talking to them either at the wrong -- talking to the wrong group of people or at the wrong time. That's -- their mission is very explicit and I think they are trying to accomplish that mission as best they can. Thank you, Mayor.

Mayor Lane: Thank you, Councilman. With, that we do have the motion and the second on the table and there's no further comments that I can see we have indicated. So I think we are then ready to vote. All of those in favor, please gate with aye and register your vote. Aye.

Councilwoman Milhaven: Aye.

Mayor Lane: The motion passes 5-2, with the voice vote in the affirmative from Councilwoman Milhaven and Vice Mayor Littlefield and Councilman Phillips negative. I thank everybody for all of the input. I very much appreciate it. I know it takes a lot of time and so I appreciate your patience as well.

ITEM 29 – RECEIPT OF CITIZEN PETITIONS

[Time: 04:27:09]

Mayor Lane: So that being completed, we'll move on to our -- we have no further public comment cards. We do have two citizen petitions. And so let me just review.

If you could please, take your conversation outside. I know that might be a little convenient but we do still have business to complete here. Please if you would, speak outside. Thank you. Thank you.

We have the one for prohibit handheld wireless devices while driving and it's signed by Mr. Eric M. Williams and making this a primary enforcement law. Any direction or motion to either take action or to ask the city manager to review and come back to us or to take no action?

Vice Mayor Littlefield: Mayor, I would be supportive of having the city manager review an ordinance that disallowed texting. I don't think I would go any farther than that at this point.

Mayor Lane: Do we have a second for that?

Councilman Smith: I will second that.

Mayor Lane: Okay. Then we have a first and a second. Councilwoman Korte, would you like to speak?

Councilmember Korte: Yes, I do. I'm sorry. I lost my voice. It's hard to believe. I understand where this is coming from and it certainly is a public safety issue but I believe it is a statewide issue.

Mayor Lane: Yeah.

Councilmember Korte: For the city to take this on is a difficult one to enforce, and so I will not be supporting the motion.

Mayor Lane: Thank you, Councilwoman. Councilwoman Klapp.

Councilwoman Klapp: I won't be supporting the motion either and you should point out that that's not what the petition says. So we are actually supposed to be acting on the petition, which is to prohibit handheld wireless devices not texting.

Mayor Lane: That's a very good point and thank you for that observation. So I'm not sure whether that nullifies the motion at hand.

City Attorney Bruce Washburn: Yes thank you, Mayor. And with all due respect, the agenda is very specific. There's only three actions the council can take and so it has to be specifically one of those three actions.

Mayor Lane: Okay. Well, then the motion and the second don't stand because they don't stand on this petition.

City Attorney Bruce Washburn: Right. They are not comprehended by the agenda.

Mayor Lane: Very good.

Vice Mayor Littlefield: Mayor. Then I would remove it because I would not go farther than texting. So I will remove my motion.

Mayor Lane: Thank you. All right.

Councilman Smith: I have nothing to second.

Mayor Lane: Very good.

Councilwoman Klapp: That's a shocker!

Mayor Lane: Yeah. In any case, that petition is not being adhered to -- or is not going to have any action taken on it. The second one is the Golden Keys subdivision, and we all heard the testimony from -- I forget the individual's name, but this is -- and you each have a copy of this but this for the wall height on that development on Thomas road, and we also heard from the president of the H.O.A. and in any case, the petition is in front of us to increase the wall size and also to vegetate and there's a number of other -- oh, to do something with the trash enclosures. So --

City Clerk Carolyn Jagger: Your Honor.

Mayor Lane: Yes.

City Clerk Carolyn Jagger: Excuse me for interrupting. I don't believe that was submitted as a citizen petition and we didn't log it in. I believe they misstamped it and apologize for that. That was regarding item 27, and it's already been acted on by the council.

Mayor Lane: Okay. It is stamped petition. So -- okay. So there's no such petition and ignore everything I just said on that. All right. So that does take care of one petition and one possible petition. All right.

MAYOR AND COUNCIL ITEMS

[Time: 04:32:00]

Mayor Lane: So next item of business is Mayor and council items and I would like to start with a request to agendaize for discussion on an item. We have had many emails over the years letting us know about the neighborhood concerns about sober homes and our current ordinance defines them as adult care facilities and thus there isn't much we can do to monitor the control of their operation. But recently passed and signed house bill 2107 makes it possible to place greater local controls on these establishments.

So I would like to make a motion to direct the city manager to agendaize for future council meeting, an initiation of the process to amend our ordinance include higher standards for structured sober living homes that comply with state and federal laws.

Vice Mayor Littlefield: I will second that.

Mayor Lane: The motion has been made and seconded and I think we even had a vote out of that. In my case, with that, unless there's any other comments, I think we are ready for a vote on that motion. All of those in favor, please indicate by aye. Those opposed with a nay.

Councilwoman Milhaven: Aye.

Mayor Lane: It's unanimous with a voiced aye from Councilwoman Milhaven. And then I think we also have a request and I will turn it over to the councilman Smith, I think he has an item that he also wants to have consideration going forward, if you would, councilman.

Councilman Smith: Thank you, Mayor, and this agenda item arises from the fact that the Arizona State legislature just a few weeks ago passed how bill 2536, exempting the sales of works of fine art in Scottsdale when such sale is made to nonresidents of the state of Arizona for use outside the state of Arizona if the vendor ships or delivers the work of fine art to the destination outside the state. Therefore, my request was to agendaize a discussion and possible direction to staff to initiate the

process of amending our local privilege -- transaction privilege tax in order to have it conform to the recently signed house bill 2536. And that's what the motion is.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. Any further comment?

Councilwoman Klapp: No thank you.

Mayor Lane: Then I think we are ready to vote. All of those in favor please indicate by aye and register your vote.

Councilwoman Milhaven: Aye.

Mayor Lane: The motion carries unanimously with the aye from voice vote from Councilwoman Milhaven. And that concludes the business we have at hand. No, that does not. We have to have that special meeting and I hope Judy has stood by. That's what happens when you do something after the regular meeting but nevertheless, we have a number of things. I'm glad to have you here for it. But we will adjourn our regular meeting. I will ask for a motion to adjourn the regular meeting.

ADJOURN REGULAR MEETING

Councilwoman Klapp: Motion to adjourn.

Councilmember Korte: Second.

Mayor Lane: All in favor of adjourning the regular meeting.

SPECIAL MEETING

[Time: 04:35:21]

ITEM 1 – FINAL ADOPTION OF FISCAL YEAR 2016/17 BUDGET ESTIMATES

Mayor Lane: And we are now in the process of convening a special meeting. And I would like to call to order. I don't know do we need to go through a roll call? That's just fine. The singular item on this special meeting agenda is the final adoption of fiscal year 2016/17 budget estimates. The very same thing Judy presented to us earlier. Do you want to do it again?

Budget Director Judy Doyle: Mayor and members of the council, no. Yes, there is no presentation for this particular item. We are just asking to have you adopt ordinance 4264 setting the final budget estimate for fiscal year 2016/17 operating budget and capital improvement plan as tentatively approved on May 17th.

Mayor Lane: Very good so that would be the motion if anyone would like to go ahead

Councilmember Korte: Mayor

Mayor Lane: I am sorry Councilwoman Korte you wanted to speak?

Councilmember Korte: No, I'll move to adopt ordinance number 4264

Budget Director Judy Doyle: Setting the final budget estimate

Mayor Lane: Alright motion has been made

Councilmember Korte: Setting the final budget estimates for fiscal year 2016/17.

Mayor Lane: That good enough?

Budget Director Judy Doyle: Yes

Mayor Lane: Very good and I think whoever the second was, I think we had a couple; nevertheless I will speak for my own and say that's fine. So we are then ready to vote and there is no further comment. All those in favor please indicate by aye. Those opposed with a nay. Aye.

Councilwoman Milhaven: Aye

Mayor Lane: Okay, it just came up if you could push your button one more time. Just so we can get it properly recorded. I don't know whether you are recording this visual, but Councilman Phillips if you could hit your button again. That would make it unanimous with a voice vote in the affirmative from Councilwoman Milhaven. Thank you very much.

Budget Director Judy Doyle: Thank you.

City Clerk Carolyn Jagger: Mayor, could we please confirm the second on that motion please?

Mayor Lane: I know I made a second so I assumed that.

City Clerk Carolyn Jagger: Thank you sir.

ADJOURN SPECIAL MEETING

[Time: 04:37:37]

Mayor Lane: Alright so we are now in the process of adjourning our special meeting and convening the Community Facility Districts. So first we will need a motion to adjourn that special meeting.

Vice Mayor Littlefield: Mayor, I move we adjourn our special meeting.

Councilwoman Klapp: Second.

Mayor Lane: Alright, second. All those in favor of adjournment please indicate by aye. Aye. We are adjourned.