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CALL TO ORDER

[Time: 00:00:01]

Mayor Lane: Good evening everyone. Nice to have you here with us. Let me call to order our November 14, 2016 City Council Meeting. It is approximately 5 o'clock. And we will begin with a roll call please.

ROLL CALL

[Time: 00:00:14]

City Clerk Carolyn Jagger: Mayor Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Present.

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: Senior Assistant City Attorney Joe Padilla.

Deputy City Attorney Joe Padilla: 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. Just some items of business we need to cover. We do have cards if you would like to speak on any one of the items on the agenda or public comment. Those are the white cards the city clerk is holding over her head right now and I will say we also have cards if you would like to give us some written comments that are the agenda and those are the yellow card she is now holding up over her head here to my right.

We have Scottsdale police officers Tom Cleary and Jason Glenn here right almost directly in front of me if you have any need of their assistance. The areas behind the council dais are reserved for the council and for staff. We do have facilities over there under that exit sign. For your convenience.

PLEDGE OF ALLEGIANCE

[Time: 00:01:26]

Mayor Lane: Today we will have our City's diversity manager who will lead us in the pledge. So Sharon Cini if you would please.

Diversity Manager Sharon Cini: We pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, undivided, and with liberty and justice for all.

INVOCATION

[Time: 00:01:59]

Mayor Lane: For the invocation this evening is Freddie Johnson of the Phoenix Indian Center. Freddie please.

[Speaking native tongue]

Freddie Johnson: The prayer addresses all four directions and what philosophy is in each of those directions with the east direction as our thinking process, our thought process, and then to the south direction, our planning and then to the west direction life. And then to the north direction, that there is hope and the prayer that I said a while ago is that we come from all different backgrounds, different races, that we are all together as one, with one thought, with one plan, and that we are able to move forward with that plan. The higher beings will lead us and we are just followers of their plans and they already have something laid out for us and we just follow along. And that's the way the prayer went. Thank you.

Mayor Lane: Thank you, Mr. Johnson. And let me just also add that I was very saddened to hear of Ivan Gamble's passing recently. A good friend of the community and certainly a tragic occurrence for the Navajo nation, I think overall.

Freddie Johnson: Yes. And I want to thank you for acknowledging this as part of Native American heritage month, just the correct timing to do this. So thank you.

MAYOR'S REPORT

[Time: 00:08:06]

Mayor Lane: Very good. Thank you, Mr. Johnson. Thank you very much.

And as Mr. Johnson just mentioned, we do have the Native American heritage month right now, and so I would like to read the proclamation for this month, and for national Native American heritage

month here in Scottsdale. The proclamation -- let me make sure I'm in the -- we've got, of course, Scottsdale is neighbor to two Native American communities, fort McDowell, Yavapai and Maricopa Indian community and home to a small Pascua Yaqui community, and the city's diversity manager Sharon Cini who is here with us this evening, and presented us with the pledge is a Hopi and Navajo, her heritage and she's also a veteran of the U.S. navy and certainly in line with veterans day too, we want to commend her for her service as well in that regard.

When the city celebrates employees, they are given Katsinas, it's a rare and horrible gift to those outside of the Hopi. The city chambers is called a Kiva, it's a chamber for holding meetings. We have relations with the meeting center and I would like to also just say please join the city in a special event on Tuesday evening, November 22nd at Vista del Comino. You can visit our city web search and search diversity for more information on that.

The proclamation that we have for Native American heritage month here in Scottsdale. Whereas Native American heritage month we celebrate the rich tapestry of indigenous people and honor their sacrifice as that is inextricably woven into our country. And we honor our native people and their ancestral homes and recognize their continued contribution, in strengthening the diversity of our society and our country. And whereas today, Arizona is home to 22 tribes with resource rich lands making up a third of the state and Arizona has become second largest population of American Indians in the United States.

Whereas Native Americans have enriched our heritage and continue to add to all aspects of our society through their generosity of cultural and continued practice, and teaching of economic, environmental and cultural sustainability through indigenous ways of knowledge and whereas our country is blessed by the character and the strength exemplified by the Native Americans who have answered the call of service and our armed forces abroad and at home, we honor our Native American veterans and those who are serving in active duty for their bravery and sacrifice and whereas the city of Scottsdale is committed to engaging in dialogue led by tribal communities around the opportunities and work in which they are currently engaged in the area of self-determination, sovereignty and cultural preservation in order to create an active government to government collaboration.

And now therefore, I Jim lane, Mayor of the city of Scottsdale, do hereby proclaim and encourage all the citizens to join in the observation of Native American heritage month.

So John, if you would come forward.

Mayor Lane: And thank you to all the tribal members who are here to join with us on this proclamation. So thank you.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:13:31]

Mayor Lane: We have a presentation from the Arizona Sci-Tech Festival update, and this is

Dr. Jeremy Babendure. And Jeremy, Dr. Babendure has been here in the city of Scottsdale for some years now and adding a very interesting aspect of science to just about everything we do in sports and otherwise and we very much appreciate Dr. Babendure for being here for the presentation.

Dr. Jeremy Babendure: I appreciate the time to be able to give you more information about the science festival and for you Mayor Lane and council for the allowing us the opportunity to talk about the festival. So what I wanted to do is give you a brief overview of what the Scottsdale festival and put it in context with the importance of what's happening in the city of Scottsdale in terms of the growth. Just to give you a brief overview.

How many of you have gone to a science festival? Know what a science festival have been? Some have been to the events. So often we talk about how do we make science relevant? You know, we are trying to get our kids excited about science and a lot of these pictures may resonate. You have probably seen some of these things, robotics competitions or building different, you know, crafts or, you know, water, water experiments.

But one thing that we try to do and ask with a science festival perspective, how do we make culturally relevant? How is this something that we do? We may think about it as something for kids in the classroom. How do we have it throughout our entire community? We thread everything we do in our community with a science festival.

And so things like sneaky science, and Jim, you have a name for it. I keep forgetting what you call it. Sneaky science. What do you use? You came up with another term.

Mayor Lane: Well, just voluntary learning.

Dr. Jeremy Babendure: Voluntary learning.

Mayor Lane: Yeah.

Dr. Jeremy Babendure: So things like involving the community and going to celebrate science in your backyard. All of these different ways that we might not often associate science is something that we try to do, to make it something that's clear, that is part of our communicate and what our culture is.

The science festival is different than what we think. It's a series of statewide events. There's 1200 events that happen as part of the Arizona Sci-Tech Festival around the community there's 30 of them that happen here in Scottsdale alone. And it's really a way to bring together science, technology, engineering and math called S.T.E.M. and pull together a lot of these great opportunities that we have. It's really sprawling. It's in 53 cities and towns. We have 400,000 people that attend these events statewide making us the third largest celebration of science in the country that is home to our state, and really, the awesome part is that 98% of the visitors report a positive return on investment of coming to these events which really showed that the groups that put on these events really showed a lot of value.

But what a lot of people don't often recognize is that the festival is a great way to build collaboratives amongst your community. And so often you may think about science as something in schools, with classrooms, but really, it ties directly in with economic development, and so, for example, I'm anchored out of Arizona commerce authority and work through the Arizona technology council foundation and direct tie with industry and science to really be the future of what we do. And so it's a way to bring to go industry collaborators with the community, with government and education to really form these opportunities for science and technology.

And so, there's some really strong keys about what's been going on with Arizona sci-tech festival, there's 800 portions that are -- organizations that are part of this. It helps to bring amongst common ground among the collaborators and brings in a lot of different aspects, inclusiveness. Common goals to bring people together. It's not competitive. We can leverage existing opportunities that people have and it can be a catalyst to spur ideas and opportunities that people have through the community.

I will take you through some of the events that leverages some of the branding and opportunities that the people have. To start with, one thing that's really been awesome about the sci-tech festival is it's a collaboration of communities. And so Scottsdale has been the key meeting location for our kickoff conference every six years of our event.

Does anybody recognize this venue in the picture here? This is a SkySong. And so we had our first meeting ever, before everybody even knew the idea of the sci-tech festival, people thought we were crazy pulling this together. We actually were fortunate to have SkySong host us and we had about 120 people there that really became the initial momentum to get the festival off the ground.

And similarly, once we had the first festival, we had about 200 events that happened in the first year. We went back to SkySong and actually held our first conference where we had about 350 people come and share their best practices about what they did, and SkySong was a great venue to host all of these different collaborators that are focused on innovation and science and technology here in Scottsdale.

And so the festival kept growing year to year and the third year we had a challenge, and we basically doubled the growth and we knew we couldn't hold it at SkySong anymore. They were thinking the convention. And someone said, why not do it at the Scottsdale Center for the Arts to utilize a public community space to do it. I can't tell you how amazing it was to have the Scottsdale center for the arts. That's the venue and it's progressed in attendance every year. The first time we did, it we had about 700 attendees.

Basically every year Mayor Lane comes and helps to work with us in terms of doing introductions and welcoming the community. So this year, in 2013, we had astronaut come and speak, Ed Gibson. As well as about 20 different panels and discussions. And each year, it was fun going through these pictures in that we have a lot pictures of places that we utilized in Scottsdale. There's Mayor Lane. We had a 14-year-old entrepreneur come and talk about hack schooling of I guess what I hear from the communication team, it's the second most viewed video that you have in the city, is his talk on hack schooling which is pretty school. So we had a packed audience and crowd.

We had two -- you know, four additional seasons where we had this kickoff conference and it really has been this convening point of bringing all of these important collaborators together to really celebrate and figure out how they will do the next year of the sci-tech festival and really build collaborations and people see Scottsdale as the point for having this happen. This last year, we had the most attendants yet at the kickoff conference. We had over 1200 attendees, I think we caught the library by surprise because we had to use multiple venues. We had SMOCA, and the library, which was totally overrun with all of these different row butts and technology innovations -- robots and the technology innovations and the Scottsdale center for the arts. The venue is really great that we could expand out to use the Valley Ho and all the different venues that we could have 2 to 3,000 people in this complex and be one of the strongest S.T.E.M.-based conferences in the state, possibly the southwest. We used some of the venues so we had one at the Casablanca lounge, which was a fun place to bring our collaborators to go and celebrate, but to step back, you know, festival is about really reaching the public.

And so one of the events that has been happening every single year and, again, Mike Phillips and the team here in Scottsdale have really helped to champion. I remember we had a meeting with Mayor Lane a few years ago to figure out the logistics is the spring training festival. Each year, it's been a great way to celebrate spring training but the part that we love about, with the sneaky science idea, it brings in a concept of the science of baseball with that. Each year we bring in A.S.U., U of A scientists and a lot of other different collaborators to talk about the science of baseball. And each year the attendance has been really strong.

I think it -- we started off with a bang. There's about 20,000 attendees that first year that it happened. And help from the Charros and keeping it going every year and different iterations of how the event has continued to celebrate the idea of baseball, but to integrate that idea of science with it has been amazing. So it's been fun each year looking through that. We have have picks of all of these different organizations.

You can tell I bring my son to these meetings with me. He's doing the sweet spot of the bat experiment in the top left. And you recognize the venue when we parked. But the other thing is it's been great for press. And so each year, you've got a phenomenal communications team that they have been able to get great press for the spring training festival and do press in advance. Just to hear a few shots. I think this is at the Pink Pony one year where there was a kickoff and before we got up really early. That's why we have jackets on being even in March because it was so early when the news came and did coverage of the event.

Another event that Scottsdale has done, which has been really awesome is the science of the city of Scottsdale. So all of these different departments do some elements of science and why not have them showcase what they did. The first two seasons they had venues around the city open so they can see what is happening at the control center for the traffic, along with the pool, who would know that you would have science, the chlorine and all the pumps. And that was a really fun idea to have that go between the different venues. And then everything was consolidated into one venue where it's all in the back here, showcasing the forensics to the waste management group, the trash group talking about the science of what they do. And in addition, for several years the Scottsdale unified

district has held show cases where the students are really showcasing what they do and some of those attendants have gotten 1500 attendees where it has pulled to go the districts and the learning communities together. The Coronado community is the one who is the longest in terms of running those events. It's been a great tune.

We thank the city for the support of having these events here. I think a lot of the growth, we're now the third largest in the country is a lot due to the ability to pull people to go and have those conversations. So thank you very much for the opportunity to have our events here. We are looking forward to the next season here in Scottsdale as well.

[Time: 00:24:27]

Mayor Lane: Thank you very much, doctor. I appreciate it. It's been a pleasure through the years to watch your great work in this area and obviously the timing with S.T.E.M. programs and the emphasis on the engineering science technology, engineering and math has been just -- really just very timely and fit right into it. And to my designation of voluntary learning, since I'm one of those people that I have always felt that it's easier to learn when you really just are volunteering to learn and that's really what I saw in your programs as they exist, even as they start with the science of baseball. It was amazing to see the transformation of thinking on a game to the science behind it. So thank you very much, and congratulations for the success of that program.

We do have, actually -- this was just a presentation. So there's no actual conversation on this. I have a request but I'm afraid it doesn't fit into our agenda that way.

Councilman Smith: Well, we can move on.

Mayor Lane: I was commenting and congratulating him on the presentation.

Councilman Smith: I would add to the congratulations. I think it's a great program and I would congratulate you for the five-year success. We have a great WestWorld facility, the north hall up there, which would be dynamite to hold this event in. They had a book fair that drew thousands of people just a few weeks ago. And I can envision yours doing equally well. But great presentation.

Mayor Lane: Thanks, again, Jeremy.

Dr. Jeremy Babendure: I can leave these. I don't know if you want more information about last year's festival.

Mayor Lane: Very good. That would be over here with the clerk.

PUBLIC COMMENT

Mayor Lane: As far as I can tell, we have no public comment cards. So the time that's reserved for public comment will be -- I will -- there will be time for public comment at the end if, in fact, it's

requested, about you nevertheless, there's none at this point in time. I will leave that go.

ADDED ITEMS

[Time: 00:26:49]

Mayor Lane: And we will move on to our next ordered of business which is added items, supporting materials for number 7 will be added to the agenda less than -- well, less than 10 days prior to the meeting and will require a separate vote to remain on the agenda.

I would like to request to accept the agenda as presented or to continue the added items to the November 28th, 2016, council meeting.

Councilman Phillips: Mayor. Move to accept.

Councilwoman Klapp: Move to accept. Second.

Mayor Lane: The motion has been made and seconded. I think we will go ahead and vote on that. All those in favor, register your vote. Aye. It's unanimous to move forward.

MINUTES

[Time: 00:27:38]

Mayor Lane: The next order of business is to approve the special meeting minutes of October 10th, 2016, our regular meeting minutes of October 10th, 2016 and the executive session minutes of October 10th, 2016. These minutes were supplied to the councilmembers ahead of time, but if we have any requests for changes or adjustments or amendments to it, speak up now. Otherwise I will accept a request.

Councilmember Korte: I move to accept the minutes as presented.

Mayor Lane: A motion has been made and Councilwoman Korte and seconded by Vice Mayor Littlefield. So we are now ready vote on the minutes. All those in favor please indicate with aye. Aye. It's unanimous, the acceptance of minutes as has been indicated.

CONSENT AGENDA

[Time: 00:28:25]

Mayor Lane: Next order of business, the consent items 1 through 25. And I have no cards of question on this, unless I have questions from the council. I would entertain a motion to accept the consent items 1 through 25.

Councilmember Korte: Mayor, I move to accept consent items 1 through 25.

Councilman Phillips: Second.

Mayor Lane: The motion has been made by Councilwoman Korte and seconded by Councilman Phillips to accept the consent items 1 through 25. And then we are ready to vote. It looks like we have a good bit of it done. It's unanimous acceptance on that as well. Thank you very much.

If you are here for the consent items, you can stay with us as long as you like or if you choose to leave, I would only ask that you leave quietly.

ITEM 26 – SCOTTSDALE ENTRADA REZONING (5-ZN-2016)

Time: 00:29:23]

Mayor Lane: Next order of business is regular agenda items 26 through 30. And we start with 26, Scottsdale Entrada rezoning. And we have Mr. Carr at the podium to give the staff report on that.

Senior Planner Brad Carr: Yes, thank you and good evening Mr. Mayor and members of the council. This item 26, Scottsdale Entrada is a proposed -- what the applicant requests is a rezoning on this site, case number 5-ZN-2016. The site as you can see on the screen is located at the northeast corner of McDowell Road and 64th Street. It's a large underutilized site. Former collection of automobile dealerships and mostly vacant at this time. To the south is a large area for botanical gardens and Papago Park and to the west, the complex for baseball. And north and east are single family homes within the r-1-7, and some apartments are recently constructed. A little closer to the site, you can see those five dealerships that were there, I think they are currently being used for some minor uses at this time, but mostly vacant as I mentioned.

The site as our general plan, the city of Scottsdale general plan is mixed use neighborhood. And the site is currently zoned c-4, with the a small portion of that O.S. zoning to the north being rezoned to the requested planned unit development, PUD district. Again, the applicant's request before you this evening is to rezone approximately 23 acres of that C-4 zoning and .06 of the open space zoning to that PUD zoning.

The request includes approval of their development plans with the minimum development standards. The proposed district map amendment and the development plan would allow for a maximum of 750 units, maximum of 250 hotel units, and maximum of 50,000 square foot of special space. With the minimum of 250,000 square feet of office space. So a large mixed use development overall on the site.

This shown here is the site plan, the base site plan for the project. The applicant is proposing and requesting to have four additional site plans approved with the applicant. So there would be collection of site plans that would be -- they could choose from, as they move forward on this large development of this site. That would allow some flexibility in the future for the site.

Again, the open -- the total requirement for open space and the total amount of square footage for residential and square footage for special uses would all be capped. So none of that would change. The site plan configure could alter based on how the site plan develops over time.

The proposed pedestrian and vehicle circulation. It utilizes existing intersections and existing site entrances off of McDowell and 64th street. Likely signalized intersection at McDowell might be warranted in the future. Again, parking for site will be centralized and parking structures and underground parking structures and open space as noted here is greater than the requirement, the requirement being 3.55 -- I'm sorry, 3.55 acres total provided 10% of the site is required as minimum. So a little over 2.5 acres.

In addition, there's an existing open space to the north and east of the site. That is not included in the required or provided, but that amount equals almost 6 acres in total. So collectively, the site was providing a little over 9 acres of open space. The conceptual landscape has lush green land. It's to be enhanced and remain largely as is with a path that runs through this being enhanced with lighting.

As you can see here, step backs for the project, this is critical. As we noted earlier, to the east and the north of the site is single family residential homes. These are the setbacks from these homes as you can tell, on this cross section, the buildings are set back, minimum of 24 feet from that redevelopment line. And with that 151 feet of open space, that's currently there and 12-foot alley, you know, nearly 200 feet provided before you get to the residential district boundary. Similarly, along the eastern side, with the conclusion of that canal, open space that's currently in place, you have a large setback that equals almost, again, over 200 feet on that side.

As we mentioned before, the applicant is requesting some amended development standards as part of their proposal. Just to briefly go through that, the applicant can describe these in greater detail but the applicant is proposing a collection of six development standards and in addition to some development standards that they are requesting is part of the stipulations to their project. The first is the gross acreage, the maximum gross acreage for the PUD is 25 acres. The total site for this project is 27.25 and so the applicant is requesting the city council for that amendment. The maximum intensity is capped at .8 F.A.R. for commercial uses. And the applicant is requesting that they increase to a maximum of 1.0 provided there are adequate shared parking facilities provided.

We show a requirement for maximum extension to building height for elevated bulkheads and shading. The current requirement is 10-foot maximum and they are requesting to go an additional 6 feet higher. That's limited to elevator bulkhead and shading on the site.

The next two are similar in that they are setback requirements as they -- as these buildings for the site front on to the two major streets of McDowell and 64th street due to the large -- the larger than normal right-of-way width of McDowell Road and 64th Street. The applicant would have to have a difficult meeting the requirement for building setback because according to the code, the buildings would have to be in our plan. It would help the overall development meet the development standards and finally, the building envelope requirement, there's currently not a building envelope

requirement when the project does not abut a single family or residential zoning district. The applicant is requesting to add that requirement on the north and the east side, again, to help protect those -- those residential districts to the north and the east of the project.

Again, just real quickly you can see the stats for this project on the screen here. I want to note the requirement for open space at 2.72 acres, and the total space provided is 3.55 but overall, almost 9 acres of open space provided in and around the site. Hotel units will be capped at 250 units and dwelling units will be capped at 750. Which equals 232 development units per acre.

The planning commission and the development review has supported approval. And staff has received in opposition and in support. The applicant is here.

Mayor Lane: We will go ahead and hear from the applicant. I may come back for questions for you and/or the applicant.

[Time: 00:37:41]

Applicant Representative Ed Bull: Thank you, Mayor and members of Council, Ed Bull, 702 E. Osborn. I'm happy to be here on behalf of Sun Chase. Our site, as you know from the report and the presentation is certainly unusual, if not unique in that the application that's before you really covers only the yellow area. It's called redevelopment area. The green remains. In fact, it gets enhanced. The site as you know is that a gateway to Scottsdale's McDowell Road corridor, it is an opportunity, we believe, through your PUD zoning district to use this site once assembled as an opportunity to help revitalize the city's corridor.

It's tough to read, I know, but there's a large team of architects and engineers and planners and folks who have been visiting with neighbors and others, which make up the team that have been working on this. We invite you to ask questions of any of us on the team.

We are pleased with the recommendations for approval. We are satisfied with the 30 stipulations. We do request your council approval in accordance with those stipulations.

Mayor and council, many of the things that I was going to touch on in these slides were already covered by staff. So I will skip through some of them, but this one, I think is very important in that this site today, although it's been assembled by Sun Chase over the past few years, it's 8 gerrymandered parcels. Each color is a different parcel and as staff pointed out at page 12 of the report, it's the assemblage of these parcels is strongly encouraged by both your general plan and the southern Scottsdale area plan. As you know this site is zoned c-4 and as staff pointed out in the report, c-4 is the city's zoning district which provides for the heaviest type of commercial activity within the city of Scottsdale.

We are requesting PUD. PUD, as you know involves a number of uses and development standards and design guidelines and stipulations and other information. It is a mixed use zoning district, which Don matter, at least tells me is something that was envisioned to be used in the McDowell Road

corridor. One of those stipulations is number 28, and that is that we provide an entry way feature at the northeast corner of Scottsdale -- or of 64th and McDowell. This entry way feature has been formally presented to staff. It has to go through the staff review and the D.R.B. approval, but clearly we welcome the opportunity to welcome people to Scottsdale to welcome people to Scottsdale's McDowell Road corridor.

As a part of the PUD and the development plan, and the stipulations, as we're looking at this particular exhibit, this is a base interest that I will use for a variety of things but this area to the north and the east which Brad talked about, is not being rezoned. It's an area that is going to have enhanced landscaping in it, but as Brad touched on and it's difficult to read on this slide, but the access is limited to a maximum of three points along McDowell, one along 64th. We have substantial setbacks along McDowell and along 64th, and although they are not required, 24-foot building setbacks along the north and the east perimeters.

In addition to that, with the open space that exists and enhanced, it will be upwards of 200 feet from the closest building to the closest home to the north and a little more than that even from the closest building to the closest home to the east. As we continue on through. This board, with trees on it was at several neighborhood meetings so neighbors could see and the property was staked. Where the darker colors here are the additional trees to be added. Some were added already. Three lights were added. More lights are to be added. If your council is inclined to approve the PUD, it's Sun Chase's desire to complete these landscape enhancements within six months weather permitting.

Not only do we have the internal setbacks and perimeter kinds of things going on, but there's a whole host of other requirements in the PUD and the development standards and in the stipulations that deal with uses and open space as staff mentioned. The combined internal and external open space is about 9 acres which is approximately 30% of the overall site although the PUD applications on the 23 acres. We have stipulations that spell out specifically building separations and massing and so on. We did that in part because of the neighborhood meeting, we were asked to make sure that we had a stipulation package. It's very clear as we go forward with D.R.B. on particular buildings as far as how far apart they needed to be. And how they would be articulated and so on. We worked hand and glove with staff with additional stipulations to achieve it.

That background leads up to this master sensitive design concept plan, which is stipulation 30. It's difficult to read, but there's I believe ten items there that need to be presented to your D.R. staff and D.R.B. and approved by D.R.B. having to do with open space and overall hand scape concepts and streetscapes and architectural character and so on, all of which need to be presented to staff, your D.R.B. and approved by your D.R.B. before any building can go into the D.R.B. process. It has been started by Nelson partners. It's not finished. I could wave a copy around if you wanted but they are underway, hoping that the PUD is approved here this evening. Internally, we will have internal spine road. It will be private drive, tree lined, maintained by the property owners association.

As staff mentioned, all of this leads up to four illustrative examples of how the site plan could be laid out and how it could be landscaped and how an internal courtyard could be landscaped and provided for the benefit of the people not only working and living or shopping within Scottsdale and Entrada but

neighbors as well because we are providing pedestrian connections to the north and the east.

From the outset, neighborhood outreach was something that was very important to Sun Chase and their team. We had six neighborhood meetings. Our mailing list expanded from 174, to over 490 over the course of the past 16 months. In addition to that, there were emails. There was a website, phone calls, and a great deal of door-to-door outreach and interaction.

The city plans and reviews and approvals established this city framework, this regulatory framework that we need to comply within, as you know, we conform with the general plan. We conform with the area plan.

We appreciate the unanimous recommendations for approval from both your D.R.B. and planning commission who worked through the amended development standards and otherwise and if your council is inclined to approve, we know that we have additional things that need to be satisfied through the development standards and the stipulations as we go on through D.R.B. In addition to the city framework and the requirements, there are also, of course on a mixed use master plan like this, which will be multi-phase, the private restrictions through CC & Rs, the proper owner association and the internal design review and the assembled investment like this, it only makes good sense that it's high quality, high quality through its design and development and maintained.

Staff provided a wonderful summary at page 12. It was a in a paragraph, and I broke it into different pieces and talking about the assemblage and how the standards provide for meaningful redevelopment and also how the enhanced open space and other things provide for a wonderful transition to other neighboring properties. Our neighborhood input was, we believe, tremendous in that we had an opportunity to meet with, I would say hundreds of neighbors, wonderful people. We have some concerns. We also have a great deal of support. I believe upwards of 70 signatures were provided today.

As I mentioned, we request your approval. We are very pleased with the recommendations that we receive from your D.R.B., your commission, and your staff. We request approval subject to the 30 stipulations and we thank you very much.

Mayor Lane: Right on the money Mr. Bull. Astounding. We don't normally allow for clapping on any order, but I will tell you when you meet the clock, I tell you, that's a good thing. But --

Ed Bull: Beginner's luck, but thank you, Mayor.

Mayor Lane: Thank you, very much Mr. Bull. We will hear from some folks would requested to speak on this subject. I will go ahead and hear that testimony. We may have you back for two reasons, certainly to answer some questions of the council if they are needed but also to respond to it if it's needed to respond.

[Time: 00:48:28]

Mayor Lane: You will be given some time to respond and we'll start with Kim Bolt.

Kim Bolt: Hello, I'm new. I'm here on behalf of Scottsdale Gateway Alliance, just to show my approval of this development. I'm a Scottsdale native, born and raised. I have been here all of my life. I know Scottsdale, especially Old Town like the back of my hand. I have seen developments come and go in this area. I love the beautiful location, of course, our Papago Buttes and the gateway from Phoenix to Scottsdale is right there. I think anything is better than an empty lot that it has been for a long time. I think it's welcoming new residents and visitors to Scottsdale and I think it will provide a beautiful place for people to live. Just as a regular citizen of Scottsdale, I hope you approve it. I support it and I like it. Thank you.

[Time: 00:49:34]

Mayor Lane: Thank you, Ms. Bolt. Next is Brandon Nee.

Brandon Nee: For the record, my name is Brandon Nee, I'm a homeowner at the northwest adjacent to the property development. I worked for three different Arizona governors so I have seen my share of hearings and I wanted to make sure that, you know, what you typically see is you hear and no matter how small a minority they are, you usually only hear from the opposition. I think it would be irresponsible for the council to not hear from the those who are supportive of this. I don't know if there's still an opposition to this project. I would be pretty surprised. I think the developer has done an amazing job of engaging the community. They have taken all of our feedback and you can see that feedback incorporated into this project. But I wanted to make sure that you know that their voice doesn't aren't me as an adjacent property owner. I don't feel that it represents a majority of my neighbors and I would be really surprised if that opposition represented the vast -- the vast majority of people in south Scottsdale who would much rather see a responsible redevelopment of this property as opposed to a bunch of closed dealerships.

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

Mayor Lane: This is just for testimony, but thank you very much, Mr. Nee.

Brandon Nee: Thanks.

[Time: 00:51:16]

Mayor Lane: Next is Russell Moore.

Russell Moore: Hello and thank you for the opportunity to speak. I'm speaking on behalf of approval of the Entrada project. I did business there when those were dealerships, both buying cars and getting cars fixed. It's been an eye sore for a long time in the community. It's great to see something like this happening in this way. A couple of things, I think it's a terrific location for active residents. We have got parks and zoos and everything as we have talked about. The canal pathway and the connectivity and the proximity to a number of amenities. It will help Scottsdale eventually,

south Scottsdale and Scottsdale in general revitalize so that it ultimately can improve our schools which is really important in the redevelopment of neighborhoods. A number of people that were born and raised in this area returned to live with their families. And a project like this will help to perpetuate that because it will improve our schools. A couple of things, there's a bicycle overlay study currently going on or just getting started for the entirety of McDowell Road. I think from 64th Street, to Pima. And there might be an opportunity within that study to consider some traffic calming which I know is kind of outside of the scope of the Entrada. But I think it's really important because the accidents at 64th and McDowell when they do happen are pretty horrific. This project may help with the accidents by getting more cars in there so people don't drive so fast.

I would suggest some connectivity between this project and the neighborhood to the east, maybe with a bridge over the canal so that those residents have a short cut to get to some of the retail amenities that they are doing when they finally get implemented. And then there's the intersection there where we have the ball fields to the west, the access into Highview and then very close to that will be the -- well, it's an existing access now, on to 64th street from this property. And I realize that it might take some effort, but this ought to be some contemplation about whether those intersections can be amalgamated into a single point. As we get distracted by things we are not supposed to intake and devices that we use when we shouldn't, giving people fewer things to contemplate as they traverse through our cities is a way to make them safer. So I think that's -- those are the items that I wanted to convey this evening again. We support the project. I have been in the area since 1987. It's a terrific place to live and this will give more people an opportunity to live in the area. Thank you.

[Time: 00:54:32]

Mayor Lane: Thank you, Mr. Moore. Next will be Rosemary Ghirardi.

Rosemary Ghirardi: Hi, Mr. Mayor and Councilmembers. Rosemary Ghirardi, I live on Palm Lane, which is the first street that abuts this project. I have been to all of the meetings that Sun Chase has had. And they have really engaged with us, listened to us, and I'm convinced that rather than keep it an empty lot doing nothing for us, or for Scottsdale, that this project should be approved. We need it. And I am the block watch captain for Palm Lane but I'm not representing the block. I'm representing only myself. But I don't know so many neighbors that object to it. And if so, they should have said so by now. I heartily approve that we get this project underway. I think it's going to be beautiful. And I think it's going to be classy and I believe that Sun Chase will follow up with us and continue to engage us in making this a really, really good project for Scottsdale and our neighborhood. Thank you.

[Time: 00:56:21]

Mayor Lane: Thank you, Ms. Ghirardi. Next is Cylee Gutting, I believe it is.

Cylee Gutting: My name is Cylee Gutting. I'm a member of the Scottsdale Gateway Alliance. I'm thrilled to say congratulations to those who won reelection. It was a hard fought campaign but the best men and women prevailed. We represent a broad coalition of over 2,500 residents and local

business owners in the area. The Scottsdale Gateway Alliance board of directors have met on several occasions with members of the community regarding this project. After careful study, the Scottsdale Gateway Alliance is fully support of this plan and believe it serves the best interest of the local community. You should have received several emails from our membership, expressing their individual testimonies of support. There are several members of our organization that are here today to speak. As you may have notices. The Scottsdale Gateway Alliance feels it creates a legitimate opportunity to create development in an area that deserves it. The Scottsdale Entrada project will have a live, work and play experience for all residents and families. Scottsdale Entrada is an opportunity to transform the daily experience for local residents of the southern Scottsdale community and we strongly encourage your support of this plan. Thank you.

[Time: 00:58:08]

Mayor Lane: Thank you, Mr. Gutting. Next is Sandy Wasserman.

Sandy Wasserman: Good evening, Mr. Mayor and city Councilmembers. First time in front of you. I'm a resident of Scottsdale for 18 years all in south Scottsdale and I have no plans to leave south Scottsdale and this is a project that I am very in support of, as it is a first impression for many who come to the Papago Buttes and see Scottsdale for the first time. It can only benefit our community, and I look forward to spending my income in Scottsdale not having to leave the city and keeping it local. Thank you.

[Time: 00:58:56]

Mayor Lane: Thank you, Mr. Wasserman. Next is Judy Scalise.

Judy Scalise: Good evening, Mr. Mayor, members of the Council, my name is Judy Scalise. Have been a resident of Scottsdale for at last 16 years. We live in Papago Buttes. There was economic activity on that corner. For the last 15 years that parcel has sat vacant and has been a blight to the area. We believe that the revitalization of the McDowell Road corridor continues and remains a high priority for the council and we think that this project is one of those high value projects that will only enhance the economic value and being catalysts for job creation for this part of Scottsdale. As my husband and I have are residents and we urge you -- we support this project and we urge you to support -- to vote for the ordinance and the rezoning of the application. Thank you.

[Time: 01:00:10]

Mayor Lane: Thank you, Ms. Scalise. Kyle Powers.

Kyle Powers: Good evening, Mr. Mayor and Councilmembers. Thank you for hearing me. I am in support of this project. I am a local resident of 22 years. And a small business owner. I do keep my money here in town, and I have been to many of these meetings about this project, and I am completely impressed at the level that they took, the due diligence that they took to show us what they were going to do. It's absolutely amazing. I'm third generation contractor and I have actually

never seen a developer go to this level. So impressed, absolutely impressed. And fully back this and I hope that you do too. Thank you.

[Time: 01:01:10]

Mayor Lane: Thank you Mr. Powers. Tim Lasher.

Tim Lasher: Good evening, Mr. Mayor and Councilmembers. I'm here on behalf of the Scottsdale Gateway Alliance. I'm a resident of the south Scottsdale for 17 years, residing in heritage east at 60th Street and Oak. I'm a very active member in terms of the unconscious trying to spend my tax dollars in the city of Scottsdale. I always think about that. I'm active on my bike, on my feet, not just my car. I drive or I take my bike through that corridor of landscaping and to the north of the project there because I prefer not to go down McDowell Road. I'm very much in favor of this project. I think it's well conceived. I love the concept of the mixed use development to add more residents to south Scottsdale. The economic engine that it can be. And most importantly, I think that is such an important intersection. It is the gateway to our community. I'm looking at these plans and having followed this project, I have think it does a great service to be a signature project for our gateway. And I strongly support this project and hope that you do too. Thank you.

[Time: 01:02:42]

Mayor Lane: Thank you, Mr. Lasher. Next and final is Karen Davis.

Karen Davis: Hello, it's my first time here as well. I'm also a member of the Scottsdale Gateway Alliance. I'm here to express my support of this project. I have been a homeowner in the area for just over 7 years. North of McDowell off of 68th Street. So one of the things that I'm particularly excited about in regard to this project is the public use and the walkability factor. That's definitely something that we're lacking in this part of the community. We're close to so many things but not very many are accessible via bicycle and via foot. So I really look forward to the blight and some of those buildings going away along McDowell and putting it back to good use and improving the area. I'm here to ask that you allow it to continue. Thanks.

Mayor Lane: Thank you, Ms. Davis. That concludes the public testimony. And on the basis of that, I would -- I'm sorry. One second. I do have -- no. That said, that does conclude the testimony on this item. And on that basis, I don't know that there's any particular reason for a response from the applicant, if I were to make that judgment.

But we may have some questions from the council. So if both staff and the presenter, Mr. Bull would stand by to answer those questions. Actually, I start with Councilmember Korte.

[Time: 01:04:23]

Councilmember Korte: Thank you Mayor, well, I'm in 100% support of this having been a long-time investor in the southern part of our city, and particularly McDowell Road and witnessing the rise and

the fall ever McDowell Road this is a welcomed site. It is -- it's a classic redevelopment infill project and as we know, that that is a very difficult thing to accomplish within the confines of return on investment. Very appropriate gateway project to be the gateway project or the gateway for McDowell Road. I think that that 64th and McDowell iconic structure welcoming point is -- is a great idea. It speaks 100% to the revitalization of McDowell Road corridor and speaks to the council as number one priority as being revitalization of the corridor.

So I will be -- in fact, I will make a motion to -- I move to accept the Scottsdale Entrada zoning case 5-ZN-2016.

Councilwoman Klapp: Second.

Councilmember Korte: And adopt ordinance -- excuse me, Suzanne. And adopt ordinance number 4282 and resolution number 10574.

Councilwoman Klapp: And I second that also.

Mayor Lane: Very good and would the second like to speak towards that.

[Time: 01:06:16]

Councilwoman Klapp: Yes, I think that it's pretty obvious that the people that live in the area are thrilled about this project. So it is a great addition to McDowell Road. It is our top priority on the council to see redevelopment along McDowell Road. We have heard over the last few years that this might be coming and everybody has been very excited about it and I have been to -- I went to a public meeting on this. I went to the planning commission on this and I met with people about this project and it was amazing to me see the amount of discussion that took place between the developer and the neighbors at the public meeting.

I understand that they were some objections before that public meeting that I attended, which was one of the last ones that they had and they had taken the time to address every single potential problem, issue, concern, that came up with the neighbors and it was a great meeting to see that the developer of this project could work that closely with the neighborhood, and that the neighborhood really wanted it. There were just a few things that they wanted to see slightly differently that the developer was more than happy to accept.

And as you can see the amount of open space, the setbacks, the design, the incorporation of the surrounding area and to the project so that the people will feel free to walk through. There's so many things about this project that to me is a good one. Very exciting for McDowell Road and I'm very, very happy to second it, because I think it's a great addition for this end of McDowell Road and we'll just spur other types of development that's going to take place along McDowell Road over the next few years.

Mayor Lane: Thank you Councilwoman Klapp. Councilman Smith.

[Time: 01:08:12]

Councilman Smith: Thank you, Mayor. I echo a lot of the comments and thanks and appreciation to all the people involved in this project. I think this was a real sensitivity to the neighbors and responsiveness and it's evidenced in the fact that as I think was mentioned, there are some 30 stipulations to this project that will define how it matures and develops.

Obviously, at this stage we don't have a definite rendition. We saw three or four ideas of how it might develop. But I would point out to anyone listening, to look at this project as being a true definition of a mixed use project. And probably a true response to what the council meant many years ago when they incorporated the planned unit development, this PUD district and the idea of incorporating a mixture of uses.

But the fact that they are contemplating and planning and stipulating to residential units, of course, but also a hotel, a 250,000 square feet of office and 50,000 square feet of commercial, these are significant commitments and I know we haven't seen it all materialize and these are the -- these are simply the maximums on these.

But there is a genuine interest to turn this into what was envisioned by the council as being a mixed use development and there is also, I think when the developer has sought concessions from the city, and they asked for. Some I think the citizens have received something significant in return. They have received significant setbacks. You heard the numbers some 200 feet from people to the north as well as the people to the east. And the citizens are also getting, I think, the benefit of a significant intension of creating an internal space that will be available not just for the residents here, and not just for the visitors to the hotel, but really for the neighborhood and for the citizens already here in the town.

And so again, my congratulations to the developer and to the representatives for their sensitivity. It shows, obviously, when you get this many people from the neighborhood coming to recommend passage of the project. And so I will be supporting the project as well.

Mayor Lane: Thank you, Councilman. Vice Mayor Littlefield?

[Time: 01:10:54]

Vice Mayor Littlefield: Thank you, Mayor. There is an awful lot about this project that I like a great deal. I have been to most of the open houses and I have talked to the developer and to his representative. There's a great deal that is tremendous.

I have a few questions, if I could ask. We have an -- we have height of 48 feet and 16-foot extensions to a total of 61 feet. Could someone please talk to me about the extensions, what that will do to the buildings that those extensions are on and how that is going to affect the visibility for the neighbors that border this property? I have had a number of people call me over the last couple of days that

are not happy with this and that are concerned about these kind of issues. That's one item.

The other item is the traffic flow on 64th Street. That street is already heavily trafficked and there's a tremendous amount of backload on it now. I'm not so much concerned about McDowell because that has the capability of handling additional traffic flow. But 64th street is much tighter. We are going to have 750 units of residential, 250 units of hotel. That's 1,000 possible units. That's 1500 to possibly 2,000 cars a day going on those streets. Some of those are going to be going on 64th street and I would like to know what we are going to be doing to ease that traffic congestion so that people can still manage to get in and out of their homes on Highview and their homes within this commercial development without having to wait for 20 minutes or 30 minutes to get through.

Thank you. And I would like answers to that, if I could.

Senior Planner Brad Carr: Certainly Mr. Mayor and Vice Mayor. I will answer the height questions for you and the traffic concerns. With regards to the height. The building height is limited as you noted to 48 feet. The exceptions for building height as we have noted in the development plan are only to those things for the elevator bulkheads. So the elevators can reach the rooftop deck and the shading devices on that rooftop deck. So anything that's above that 48 feet would be limited just to those two items, or, you know, collection of those items on the deck above that 48 feet. With regard to visibility, I'm not sure -- maybe the applicant can speak to that. I think they have done some height analysis and visibility analysis with regard to that. Maybe they can speak a little further if you would like them to do so.

[Time: 01:13:57]

Vice Mayor Littlefield: I also had another question. A number of people talked to me a couple of days ago and I forgot to mention this, I apologize but they were saying that there was going to be a restaurant, an open air restaurant on the top of one of these buildings. And they were concerned about live music up there, noise, lights, things like that. And I was wondering is there any plans for that kind of thing at this location?

Senior Planner Brad Carr: Certainly, Ms. Vice Mayor, I will have the applicant speak to that question.

Applicant Representative Ed Bull: Thank you, Mayor, Vice Mayor. We too heard a rumor about having a rooftop restaurant. That's something that Sun Chase has never proposed and is not proposing. We heard that rumor a few months ago and then we heard it again a week or so ago, and each time we have responded by saying we have never proposed a rooftop restaurant. There's also -- because in conjunction with that, you asked about noise and lights. There wouldn't be noise and lights at a rooftop restaurant because there won't be a rooftop restaurant. But in addition to that there's several stipulations among the 30 that deal with lights and also deal with noise in the context of decibel levels at the nearest residential property line. So at least from my perspective, no rooftop restaurant, lights and noise are already handled by city code and additional stipulations to boot.

I don't know if you want me to just step back on the other questions that you asked about the 16 feet. It sounded like Brad wanted me to touch a little bit on that. I want to emphasize and I can pull up some slides here if you want. I don't -- I don't know if this is our presentation or if this is the city's presentation. So if we can switch back to our presentation, if I need to, I could show you a slide that -- slides that show a number of things.

To begin with, rooftop facilities such as the little seating area and mechanical equipment and so on to begin with, by city code cannot cover more than 30% of the rooftop and has to be screened and so on. The reason for the 16 feet arose out of the fact that we learned a few years ago candidly, that if you are going to have a spot on the roof, it has to be A.D.A. compliant. And you can't have an A.D.A. compliant elevator in the 10 feet. So we requested to through other means, the 16 feet which is the minimum height that will make for an A.D.A. compliant elevator and then if you are going to be on the roof, it's good to have some shade as well.

In addition to that, we have an added stipulation, which, again, I can pull up if you wanted to. But it's a stipulation that provides that any rooftop facility would not be set back -- again, the buildings get set back from the north and the east PUD lines and they get set back 24 feet from here to the building face or from over here to the building face, minimum of 24 feet. We have some slides that show that for anything on the roof, those things have to be set back, not 24 feet, but a minimum of 60 feet, which again you get into some line of sight sorts of things and so on. Unless there's something else on the rooftop facilities, I hope that answers your questions in that regard.

It sounds like maybe somebody from the city is going to talk about traffic or I can talk about it for a minute as well, which ever you want to do. Phil is here. Why don't I stand in the corner for a minute.

[Time: 01:18:26]

Traffic Engineer and Operations Manager Phil Kercher: Mayor Lane, Vice Mayor Littlefield, to answer your specific question, there's currently 17,000 daily vehicles, daily traffic on 64th Street. This project would be adding approximately 2500. It's a four-lane facility, the capacity, the number that we use is 35,000. Even with the additional traffic, it's still well under capacity. It's a similar situation on McDowell. It's a six-lane roadway. It has 30,000 vehicles on it daily, currently and they are adding 4,000. So both of streets are well under capacity. I'm familiar with the neighborhood to the north, the concerns about additional traffic, but both roads currently do have plenty of extra capacity.

Vice Mayor Littlefield: Are they going to do anything to ease the entrance and the exits of 64th for the traffic trying to get on the street?

Traffic Engineer and Operations Manager Phil Kercher: Mayor Lane, Vice Mayor Littlefield. They are not making any changes to the site access points. We did ask them on 64th Street to pull the raised median south so that there's a refuge area to make it easier to make the left out on to 64th street. They are also going to be building what is a pork chop medium on the McDowell entrance also to help with the left in and out. And in the traffic signals are warranted within five

years then they would be required to install a traffic signal at the main restaurant on McDowell.

Vice Mayor Littlefield: Thank you. I'm not so much concerned with McDowell as I am with 64th Street. That's where the neighborhood goes in and out and as one of the gentlemen said earlier, this have been some -- there have been some outrageously bad accidents on that corner and that street. I don't want to do things that will cause that problem to get worse.

Traffic Engineer and Operations Manager Phil Kercher: Thank you. Neither do we. Most of the concerns we heard from the neighborhood were at 64th and Thomas and we're kind of restricted with what we can do there because of the existing geometry and the canal. So it's something that we'll be looking to improve, though with time.

Vice Mayor Littlefield: Thank you.

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

[Time: 01:20:59]

Councilman Phillips: Thank you, Mayor. This is for Mr. Applicant. Do you have a moment? You don't have to give out names but I was wondering if you have any tenants that are waiting in the wings for this approval.

Applicant Representative Ed Bull: I would say no. Sun Chase decided to tell people to sit patiently to see if we can get the property rezoned and then let's talk.

Councilman Phillips: And the reason I ask that question is I was wondering how long this would take if it was approved to get underway, to get under construction. I guess another question along with that, would you be the one leveling the pad or would each developer that comes in do their own section? Or would you level it as a whole and when would that begin?

Applicant Representative Ed Bull: With respect to a timeline, and, again, I could pull up a slide that talks about it, but let me do it off the top of my head in the interest of time. Again, the first thing is continue working on the stipulation 30 subject, and so on that we were talking about that helps to establish streetscapes and architectural theming and on. At that same time, install the perimeter landscaping and enhancements that we are talking about, if the council was inclined to approve the PUD, I think as I mentioned, before Sun Chase hopes to have the additional landscaping installed in low-level lighting within the next six months. We anticipate that it will take -- and Todd, correct me if I'm wrong, that it will take most of 2017 to work through the infrastructure master plans and to work on this master plan that Nelson partners and others are working on that has to be approved by the D.R.B. before any buildings can come in.

With respect to demolition of buildings, it has been Sun Chase's hope to be able to preserve some buildings in place and remove other buildings. There's additional engineering related complications that are becoming more and more in focus as we are trying to figure out how we can work around

existing water lines and sewer lines that exist on the gerrymandered property today. It would be Sun Chase's preference to be able to do a partial demolition, a partial construction, a partial demolition, a partial construction, but until we get deeper into the master plans we just don't know if it will be a complete demolition or a partial demolition as the project proceeds.

Councilman Phillips: Just for the residents' sake, it's easily a year and a half before anything gets going.

Applicant Representative Ed Bull: A year and a half before --

Councilman Phillips: Before anything concrete gets going?

Applicant Representative Ed Bull: Other than the enhanced perimeter landscaping which we want to get into the ground so it matures before the 23 acres is disturbed, yes it will be a while before there's physical changes on the site.

Councilman Phillips: Okay. Because that always happens when something gets approved. You said you were going to build this and five years later, something is built. It takes time to get things going and even then you have other people coming in and they have to figure out how their pad is going to be and all that kind of stuff. So thank you for that.

Applicant Representative Ed Bull: Right.

[Time: 01:24:51]

Councilman Phillips: I just wanted to make some points that right now this is zoned c-4 which basically allows anything and if it stays c-4, something can come along and buy it. They can legally put an industrial complex. They can have 500 or 1,000 employees a day coming in and out of there. We have the same building height with c-4 except for the extra 6 feet for the A.D.A. If for no other reason, it's better to rezone it to PUD and get away from the c-4. Whether this project or another, I would go for it just for that.

I believe in the future, working with the city, I think we will be able to make this accommodate for everybody. I think it will be a boon for the south Scottsdale. And, of course, we will be working and I hope that our staff will be responsible stewards as far as the road and the transportation goes to mitigate any problems there. I will be voting for this also. Thank you.

[Time: 01:26:01]

Mayor Lane: Thank you, Councilman. We have no other questions of council and there's testimony that's been taken. I want to thank everyone who has testified on behalf of the project and frankly all the information that we have received from all sources.

But I want to say really number one this is really -- this is what revitalization and redevelopment is

about and it's existing why the PUD which is a mixed use was set up in this manner and frankly created this type of quality work. But, first, let me just say that Sun Chase, I want to commend and congratulate Sun Chase on a fantastic job, I think, of working with the community and bringing forward a very good project. And as we think about this coming and I know it was just mentioned, moving this from c-4, to this, in some circumstances that would be considered a significant down zone. But given the revitalization, this council embraces this is a perfect rezoning and it does accept the fact that we are no longer a corridor of c-4 type of zoning designation.

The other is frankly, when you have a live and work environment that's presented here and to a degree, certainly access to other amenities without really having to get engaged with traffic, this is another offsetting component as far as its impact on the community, as far as traffic is concerned, as well. So the whole idea of having a live and work and frankly to some degree recreate here on this property is very, very positive implication in and of itself.

So on top of commending Sun Chase I would like to commend the neighbors and Gateway Alliance for recognizing what revitalization and redevelopment, and I know you do but nevertheless, it's good to see when we have that kind of recognition for what's important for us in this effort. Revitalization and redevelopment of McDowell Road corridor has been going on for a long time. There's a lot of people waiting for it, and, of course, it is underway. This is another clear indication of exactly what we are hoping to have to revitalize the entire economy, but also that entire corridor and put it to very good and positive use for our citizens and for folks who would live and work in this kind of environment.

So certainly I will also be supporting the measure but I do very much appreciate everyone working and understanding and working together really to get a great product, I think on to this corner which has sat vacant for quite a long time. So thank you for all of that effort and thank you also to the council for their questions on it as well.

So with that, I think we are ready for -- well, we have the motion in place. And I think we are ready for a vote. All those in favor please indicate by a aye. It's unanimous. Thank you very much, everyone.

**ITEM 27 – DISTRICT AT THE QUARTER NON-MAJOR GENERAL PLAN AMENDMENT AND REZONING
(3-GP-2016 AND 8-ZN-2016)**

[Time: 01:29:29]

Mayor Lane: Okay our next item is number 27, district at the quarter nonmajor general plan amendment and rezoning 3-GP-2016 and 8-ZN-2016. We have Bryan Cluff, a senior planner to present on behalf of the city.

Senior Planner Bryan Cluff: Good evening Mayor Lane and councilmembers, my name is Bryan Cluff with the city's current planning department and this is 3-GP-2016 and 8-ZN-2016, a request for a minor plan engineering and math and a rezoning request. It's located at the northeast corner of 73th street

and greenway-Hayden loop as highlighted yellow on this map and a closer look at the site, it is currently occupied by international cruise excursions call center which would be demolished as part of this proposal.

The specific request is a nonmajor general plan amendment to change the general plan land use designation from employment with the regional use overlay to -- in mixed use neighborhoods to mixed use neighborhoods with regional use overlay and a change to the greater airpark from airpark mixed use and employment to mixed use residential. And then industrial parky-1 to planned unit development district.

Here's the current general plan designation of employment with the regional use district. And the proposed land use of mixed use neighborhoods with the regional use district. And here's the site located within the context of the greater airpark character area plan. As you can see it's partially airpark mixed use and employment, and then the proposed designation for airpark mixed use residential. The airpark development -- the greater airpark plan also defined development types which you can see here. This is within the majority of type c but also contains some regional core development intensity in these areas and they are identified as the highest to higher intensity and development type. And the existing zoning district of industrial park I-1 and it's I-1 surrounding with additional PUD across to the west and some planned regional center at Scottsdale corridor to the southwest and the proposed planned unit development designation.

This is the proposed development site plan. This is a four-story development and you can see the site. The site is broken into two masses. It's bisected with the driveway, which would contain the main entrance from greenway-Hayden loop that loops through to 73rd Street. There's also a vehicular access point down near the intersection here, which would be to serve the nonresidential uses that are shown in pink at the corner here. And the nonresidential uses will also include a restaurant use, along with small amount of office and a fitness center and clubhouse. And the units that you see along the frontage that are brown have the option to be live/work units.

Some case facts for the development, it is 8.84 net acres, the building height allowed is 48 feet. The building height proposed is 48 feet. And the same building height exception for rooftop appurtenances which was discussed earlier of 8 feet applies and remains at 10 feet. It's 1.30 acres and provided 1.06 acres. It will contain approximately 622 residential units with seven of those having the option for live/work. And then this is the breakout for the nonresidential square footage for restaurant, clubhouse and fitness center and the proposed density is approximately 26 dwelling units per acre.

The greater airpark character plan also identifies 73rd Street and Greenway-Hayden loop as a landmark intersection and the applicant is proposing to provide an enhanced open space and proposed pedestrian area in that area which will include some shade structures and benches. And as part of the development plan, there are amended development standards only applicable to the required average building setback. The minimum building setback is identified in red on this graphic here and they are in compliance with the minimum setback. They are requesting the average setback which is detailed on the table here, which for the most part is increasing the average setback which will allow

for additional landscaping along the tree frontages. And here's a rendering of what the proposed development could look like from a view on 73rd Street. And then from corner of 73rd and Greenway-Hayden.

And this case did go before the airport advisory commission who recommended approval with a vote of 7-0. And also the development review board for recommendations approval for 5-0 and then the planning commission on October 19th, also recommended approval with a vote of 7-0. And that concludes staff's presentation. I would be happy to answer any questions or the applicant is available.

Mayor Lane: So we can have the applicant come forward if you like.

[Time: 01:36:03]

Applicant Representative Paul Gilbert: Thank you Mayor and members of the Council, Paul Gilbert, 701 44th Street. I'm always intrigued if the applicant comes forward if he would like. Does the applicant ever not come forward?

Mayor Lane: Yeah.

Applicant Representative Paul Gilbert: Well, I like to come forward and I'm glad to be here. I think Bryan has done more than full and adequate job of presenting this case. We will just kind of hit a couple of the highlights and go into a few details that I think are worthy of your consideration as we reason together on this project this evening.

We are proposing a nonmajor general plan amendment and changing the zoning from industrial park to PUD. The project, as you well know is located at 73rd Street and Greenway-Hayden. We are proposing a luxury apartments. Now I am very keenly aware that everybody comes and claims to be having luxury apartments. None of us up here says these are subpar apartments. But if you be patient with me, we will come back and show you a little later that we believe that you will agree were vindicated when we tell you these truly are luxury apartments. For the nonresidential, we have 22,000 plus square feet of clubhouse office fitness center and an option for live and work.

Now, so it's a little presumptuous of me, but I submit that everything you need to know to approve this case is on the sheet right here. Now you may say, Mayor, well, then why don't you shut up when you are through with this sheet, but I can't resist a couple of more elucidation. First of all, we are in the posture of staff support. The staff does a very thorough and complete job of going through and talking about the various facets of this application. They point out that we are in conformance with the general plan, with our amendment, that we are importantly in conformance with the airport character area plan, that the PUD, we meet the findings required to support the PUD, the development plans four items that you have to meet to can come in and ask for your approval and staff confirms we have met those as well. So we have staff support and we comply with room to spare, I submit in every single planning category.

It doesn't stop there. We have the aircraft advisory commission, 7-0. The development review board, 5-0. Planning commission approval, 7-0. And I always have a little trepidation but to my knowledge, there is no neighborhood opposition. And so the contrary, we would like if you would submit at this time, we have also been very busy in the neighborhood and we are submitting the signatures of over 200 of our neighbors in support of this application. So we stand before you with staff approval, with the approval of every single recommending body charged with the responsibility of advising you on this case and we have no opposition and 200 people who have signed in support.

Now, the staff has gone through the plethora of plans that attached to application. I'm only going to pick one of them, and that is -- and I think the most important one and that is the greater airpark character area plan. That's a mouthful, but when we first met with your staff on this case, they gave me a very significant idea and they said, Mr. Gilbert, as you go through with this application, we think you ought to spend a considerable amount of your time reviewing our greater airpark character area plan. That proved, I think to be very, very stellar advice.

We are going to just quickly go through nine elements of that plan and I'm going to do it very quickly. The nine elements are listed here, that shows how we conform to that plan quickly. Number one, the F.A.A. has signed a determination of no hazard for air navigation. Two, the site is outside the 55 D.N.L. line which allows for residential use. Three, these apartments are apartments and not owner occupied. I needn't tell you this is a very major concern to your aircraft advisory commission. We spent a considerable amount of time focusing on this fact. And it was also a factor, an important one in their unanimous recommendation of approval. The site, as Mr. Cluff pointed out to you is in what is known as type c and that allows higher scale. And then on top of site c, we also are in the area where the plan says you are to put your most intense activity. So we qualify on both fronts right in conformance, exactly with aircraft plan.

Number five, we are located along two signature corridors. I won't spend any time on that. I will on number six. Six says the site is designated in your plan as a landmark designation. With all due respect to the current owners and by the way, I should have introduced them, Marcia and John Rowley are here and my clients, my other clients, the Kaplan family are here. They are ready to go. Councilman Phillips asked if there were any users on the last project. We got a user. We are ready to go. So again, with all due respect, because the Rowleys didn't build this building but it doesn't have a landmark designation. It's supposed to. Only if you approve this project will you have a landmark designation as required by your character plan at this intersection. We are providing as the slide shows benches, shadings, special paving, and further the live, work, play concept that's permeated throughout the airport plan.

Inning number 7, this is actually my favorite. We're actually in the housing area of your greater airpark plan. It shows housing up there -- Dennis is pointing this out to you. It's kind of hard to see the word "housing" there. But this is where the housing is supposed to go and guess what, we are there. We fit then within the housing designation of your plan.

Eight, we are also located along pedestrian and bicycle corridors. They are not being used under the current use of the property now. With our residential development, those bicycle corridors and the

pedestrian corridors will see a lot of use. And then number nine, it must say 10 or 15 times in your greater airpark plan you need to promote, live, work and play. There's work but there's not an opportunity for people to live there. And that's what we bring and why we are so in complete conformance with the airpark plan. If you look at the middle paragraph there on the slide, you will notice that we have underlined the word "apartments" which are specifically designated as proper at this location.

This next one is a little harder to explain. I'm going to try to do it very briefly. But in December of 2013, the city council completed a land use assumptions report. It's quoted in great detail in your staff report. We're in what is called the central sub area, and it is an area where the majority of it is projected to be urban residential. Development 576 acres or 35%. That just hasn't happened. And our request will help achieve that goal. There is roughly 38 acres when there eventually is supposed to be 576 acres for urban residential. We are way behind what was projected in that land use assumptions chart and we helped make up the difference and it is another important reason why this application is worthy of your approval.

Now, I said earlier everybody claims they are a quality project. We are. And as vindication of that, I would like to go through very quickly some of the elements of our project that confirm we are truly a quality project. We provide off-site full service restaurant with room service. We have an on-site fitness center, incidentally open to the public. We have valet parking. Our pent house units have rooftop decks. We are going to have a professional indoor golf simulator in our clubhouse. Pretty unique. I'm a little chagrined I don't see a lot of smiles on your faces. This is a big deal!

Then we are also going to have 11-foot ceilings on the selected ground floor units. How many apartments do you have in the city of Scottsdale that have 11-foot ceilings? I submit that the list is very de minimis. We will have live/work plans. And we have no square floor plan. Some of you have expressed concern about the 700 square foot. We will not have any of the studio units. All units are full size and you will have a separate bedroom unit.

And then there will be -- I have to say this with a little bit of care there. Will be a free daily breakfast for all members of the city council. And also for many residents of our project. We will have valet trash service. We have got a teaching kitchen with regular classes provided by the management and get this, a bike repair room located in the garage. We are next to bicycle corridors. Now, we are encouraging the use of those corridors which currently isn't happening.

Now, let's go to the unit features. I will go through these much more quickly, Mr. Mayor. I'm sorry. I think I'm wearing my welcome out up here.

Mayor Lane: You absolutely have, Paul and I mean, maybe I have just become sort of bedazzled by your presentation, but, no, I would ask that you wrap it up.

Applicant Representative Paul Gilbert: I am going to do that. Here's the list of our penthouse unit features, again confirming that we are quality and then here are our unit features on the next page, for our standard units. Also showing the quality that we are talking about. Here is quality, again,

confirmed. These are actual units these are ours. And then again, the amenities are also vindicating the quality, the high quality is shown on here.

So let me come to the conclusion. Always a good sign. We comport with every single plan that affects this property and although we focused only on the greater airpark character plan, we could have done that with the general plan and all the plans that circumscribe this project. It's all in the staff report. Every single recommending body is recommending approval. We have 200 signatures in support and lastly, one of the things we are providing is a pet spa. Now, I have been accused of going to no ends to get a case approved, but this is an example of one of the pet spas located at one of our other units.

Mayor Lane: With that, Paul, you are out of time.

Applicant Representative Paul Gilbert: Thank you very much.

Mayor Lane: Thank you very much. Marcia Rowley, would you like to speak toward it. You have a card. I notice you have an indication –

[Off microphone comment]

Mayor Lane: Okay. Well, then maybe we will call upon you. With that, then, I look to see if we have -- we don't have any other cards on this subject. If we have any requests from the council to speak? We'll start then with Councilman Smith.

[Time: 01:51:39]

Councilman Smith: Thank you, Mayor. I think first of all, questions for the applicant or if you are willing to return to the microphone. That, of course, is an invitation.

Applicant Representative Paul Gilbert: Gratefully accepted.

Councilman Smith: I noticed through some of the materials, this is not a terribly important question. Some referred to 644 units on this site and some of the initial notifications to the neighborhood, whatever, and now you are saying 622. Was it revised down?

Applicant Representative Paul Gilbert: It was. We revised down and reduced the units 622 is the correct figure.

Councilman Smith: Okay. And using that number, somewhere in here I found also a number for the residential square footage in total of 559,484 square feet. If I divide that by 622, I come up with 689 square feet per unit. I don't know whether that number -- I don't know how that conforms to what you had on the screen as average unit size. I don't know whether that number includes hallways, elevators.

Applicant Representative Paul Gilbert: It does. The number -- you have just taken the gross figure. So that includes those units. We actually go up to -- our average is closer to 923, I would say, per square foot for our units.

Councilman Smith: Maybe staff or somebody can figure out why the math doesn't work out. It doesn't equal what we find on page 4 of the -- the application as far as the dwelling units, space, residential. You said what you go up to and I know you have no studio apartments but what is the range of size? What are some of the smaller units in this complex in square footage?

Applicant Representative Paul Gilbert: Let me check with the architect. Dennis? The smallest unit. The very smallest unit is 700 square feet but it goes up to --

Councilman Smith: You had a slide that went up to 1700.

Applicant Representative Paul Gilbert: Correct.

Councilman Smith: On page 4, you had -- again, where it had the statistics but you refer to these two, the nonresidential space, 22,025 square feet.

Applicant Representative Paul Gilbert: Correct.

Councilman Smith: If I did my math right, that looks like 3.5 to 4% of the total project. I'm asking the question because only elsewhere you have said there's 7% of the project square footage was in nonresidential and if you or staff recall making that statement, maybe you can tell me which one is correct.

Applicant Representative Paul Gilbert: I don't think I made it, but I'm going to get correction on that from our architect.

[off microphone comment]

Councilman Smith: Did you answer him? If you did, nobody heard your answer.

Applicant Representative Paul Gilbert: Our architect is here and he's working on it. Perhaps we can come back to that, Mayor and councilman Smith.

Councilman Smith: The last question is on the setbacks and I gather you need an exception on the setbacks from 40 feet to 38 feet. Did I get those numbers right on Greenway-Hayden loop?

Applicant Representative Paul Gilbert: No, no it's not on both streets.

Councilman Smith: It's only on Greenway-Hayden.

Applicant Representative Paul Gilbert: And because both streets are concerned. We needed to

modify that. We are asking to increase the setback, not decrease it.

Councilman Smith: You had said to increase the setbacks.

Applicant Representative Paul Gilbert: Correct. Your ordinance encourages buildings to be built right up close to the edge of the street. And in this case, that keeps us from putting in the amount of landscaping in front of building we would like and also makes it hard for us to work with because both greenway Hayden curves and does a dial boulevard and we needed to increase the setback for more landscaping than to accommodate the curve of the road.

Councilman Smith: So when I see on the table on page 12, it says average setback required on greenway-Hayden Road, 40 feet proposed is 38 feet.

Senior Planner Bryan Cluff: Mayor Lane, Councilman Smith, if I might clarify that. There are two conditions along Greenway-Hayden loop. One condition where you have nonresidential floor area adjacent to the street and the other condition is if there's residential floor area adjacent to the street. So in the condition nearer to the corner where the nonresidential uses are located, that setback requirement would have been 32 feet. So they are increasing the setback from 32 to 38, but in the condition where you have residential on the first floor, the average setback would be 40. So in that condition, it's back reduced from 40 to 38 for a total of 38 feet around the whole perimeter.

Councilman Smith: Okay. I was focusing on the greenway-Hayden loop area and residential on the first floor, and going from 40 to 38.

Applicant Representative Paul Gilbert: Correct.

[Time: 01:58:06]

Councilman Smith: While I have staff's undivided attention, let me ask the other question to you. In the -- in the write-up that we are looking at, it's talking about the achievement measured against the four requirements of the general plan for what makes major general plan amendment and I think this is on page 5 of the staff report and the second criteria that's looked at in terms of whether something is a major general plan amendment is the area of change criteria. And it says for this location of the city, a change in land use that is 10 or more gross acres in size could be considered as a major general plan amendment. Where does the could be come from? I thought the general plan just said if it's 10 acres or more, it is a major general plan amendment.

Planner Adam Yaron: Mayor Lane, Councilman Smith, the criteria in the general plan does state there's a 10-acre threshold, however, there's land use criteria within the land use element that speaks to the character of land uses, it's defined in terms of that discussion on page 5 that speaks to the instance of a defined character area plan, what consideration should be made and the determination of a -- of a major general plan amendment. And so in this instance, based on what was outlined in your staff report and we have a slide available, Brian, if you would, of the staff's presentation, slide 25 basically speaks to the amount of right-of-way that's frontaged to the property, and the considerations

that were made in defining this as a nonmajor amendment.

Planning and Development Services Director Randy Grant: Councilman Smith, if I may as well, Mayor Lane, councilman Smith, we had a healthy discussion about that 10-acre threshold and quite honestly, it was my decision that because such a significant amount of the adjacent property was in the right-of-way which characterizes -- if only one street frontage in this exact same parcel had one street frontage it's well within the 10 acres. Because the unusually large right-of-ways on two sides of the property, I -- I felt that the spirit of the general plan criteria was being met and if it were to be applied differently, I believe it would treat this property differently than other properties that didn't have so much street frontage and were not burdened with that.

Councilman Smith: Well, I have to say it's a little -- I mean, when I'm looking at the general plan and it says a change in land use designation that includes anything 10 acres or more, I didn't -- I'm not sure it gives us -- I'm not sure it gives us, much less staff the authority to say that I'm going to cut them some slack here. Let me ask you before -- and I know it may come back to that, but the -- the third criteria of whether something is a major general plan amendment is whether it is in compliance with the guidelines and the standards of an approved character area plan. And reading through what you have provided us here, I thought it was saying that the existing character area plan specifically prohibits residential in the -- in this area. Is that true?

Page 2, it says the general area character plan states that land use designations include an array of office, commercial, warehousing and light industrial land uses and states that residential is not an appropriate use within these areas. And I don't know who I'm asking that question to but presumably somebody on staff.

Applicant Representative Paul Gilbert: I will be glad to answer it.

Councilman Smith: Well, let them sweat it out.

Applicant Representative Paul Gilbert: All right.

Planner Adam Yaron: Mayor Lane and Councilman Smith, it's just a description of the land use employment designation this terms of what it's defined as today. In terms of what the applicant is proposing. They are proposing a change in the character area plan to airpark mixed use residential and so that's --

Councilman Smith: Well, I know once they change it, they will be in compliance with it. As a matter of fact, if you change anything, I suppose you can change it and become compliant. Is that a requirement that currently exists on this property?

Planner Adam Yaron: Councilman Smith, I'm not sure I understand the question. In terms of the idea of it being a requirement.

Councilman Smith: The -- the general plan passed by the voters and the citizens of the city said there

were four criteria to determine whether something was a major general plan amendment. Number two says it can't be more than 10 acres and we have decided this is close enough for horseshoes. Number three says that it cannot be a change in land use that is not in compliance with the character area plan, and I'm merely asking, is it in compliance with the character area plan as it now sits or do we have to amend the character area plan to get in compliance.

Planner Adam Yaron: Councilman Smith this particular proposal would require an amendment for the character area plan and I might also notably mention this is not different than other particular cases that have been brought forward in a similar manner as was the case with live north which is just adjacent to this property. If you go further east into employment areas within the greater airport character area, be a live/work project had a process in that regard, the general plan guides consideration to acknowledging character plans as proposals are brought forward and so in the instance where there isn't conformance with the character plan, staff will evaluate that and guide an application through the amendment process. And that's what you have before you tonight.

Councilman Smith: Well, I tell you, I'm –

[Time: 02:05:50]

Applicant Representative Paul Gilbert: Are you going to allow me at least a crack at that one?

Councilman Smith: I will give you a shot at it. Put a minute up on the timer.

Applicant Representative Paul Gilbert: Thank you.

Mayor Lane: You can answer questions.

Applicant Representative Paul Gilbert: Mr. Mayor, and Councilman Smith, one of the things that we showed you was the housing element. Did you find that? Brian? Can we put our presentation back up? Sorry. Thank you.

You will see the slide in a moment, but on greater airport plan, it shows in an area that's appropriate for housing. It says, "retail and housing." And we're within that retail housing area. We'll hopefully get it up here very quickly there. It is.

Councilman Smith: I think it's the slide preceding that, Paul, if you want to -- [Off microphone comment] I think you will have to go to the microphone if you want anyone else to hear you.

Applicant Representative Paul Gilbert: My apologies. I know better. Excuse me. You will see the word housing right above shopping and then you will see that arc coming down. So our project is located in the housing area of the greater area airport plan. And by the way, we had this very point which was discussed in detail at the airport advisory commission and they agreed with our conclusion.

[Time: 02:08:04]

Councilman Smith: Thank you for that. I'm not sure that they are necessarily looking at the same criteria that we are, but perhaps they are. I'm looking simply at the general plan that says it has to be in conformity with the character area designations and I'm merely reading what was given to me here that the character area -- the character area definitions in at least two places in the write-up said that housing was not appropriate.

Planning and Development Services Director Randy Grant: Mayor Lane, Councilman Smith, if I may interject, the document -- and sorry for the confusion. The document is correct if -- if the designation is being requested is not in conformance with the character area plan, then the character area plan must be amended and that's what's being requested. We determined that it was a nonmajor amendment. So it can go in parallel with the zoning request, but, yes, they are amending the character area to allow the residential mixed use.

Councilman Smith: Well, I have to say to the staff, I guess I'm confused with why we are even looking at this as a nonmajor general plan amendment. There are four criteria. Five if you count the verbiage that appears in the old 2001 plan on page 65 or wherever it is, 61. But there are four criteria, one of which says it can't be more than 10 acres and it is. And another one that says it has to comply with the character area plan and I'm -- I think I'm hearing you say it only does if you change the character area plan.

And then on page 61, the old general plan of 2001 goes further to say and you quoted it in here that -- that if it has a physical intensity of use massing and height, whatever, if it's a significant change in the established land use character, then it will be -- that should be considered in determining whether or not a proposal is a major amendment. I just don't know why -- maybe I beat up on the whole thing. I would propose to staff or make a motion that the thing ought to be deferred and make a general plan amendment. Thank you, Mayor.

[Time: 02:10:42]

Mayor Lane: Thank you, Councilman. If I may just inject one item, just for my own clarification. If I understood you, Mr. Grant, as to what -- what we are accomplishing here, one of the items is to change the general character area plan in this process. Is that not true?

Planning and Development Services Director Randy Grant: That's correct.

Mayor Lane: Okay. So part of what we are talking about here, we are discussing whether or not that is to occur. And the other question is whether or not your capacity, I'm assuming as planning administrator to make that call with regard to right-of-way. Is that correct?

Planning and Development Services Director Randy Grant: Correct.

Mayor Lane: Okay. Thank you. Councilwoman Milhaven.

[Time: 02:11:26]

Councilwoman Milhaven: I want to clarify the 10 acres. So as I understand the entire parcel is greater than 10 acres, but when you account for the right-of-way, which regular people might call the street, and discount that, that the usable acreage is less than 10 acres; is that correct?

Planning and Development Services Director Randy Grant: Mayor Lane, Councilwoman Milhaven, the parcel acre its size is just under 9 acres. You take the parcel size plus half of the right-of-way and so it's right-of-way that is triggering the 10-acre threshold and not the property size.

Councilwoman Milhaven: It sounds to me that I think you made the right decision.

I will make a motion to approve, the resolution 10612, approving nonmajor general plan amendment, and adopt ordinance 4285 and adoption resolution 10613, declaring the document entitled district at the quarter development plan be a public record.

Councilmember Korte: Second.

Mayor Lane: The motion has been made and seconded by Councilwoman Korte. Would you like to speak toward it?

Councilmember Korte: I reserve the right.

Mayor Lane: Okay. Very good. The motion is on the table. We do have a request to speak on it and Vice Mayor Littlefield.

[Time: 02:12:54]

Vice Mayor Littlefield: Thank you. I find along with Councilman Smith, it's a little bit odd that we can just change the criteria at our will to do a project that the people want to do or -- and not stand with the general plan definitions. I find that difficult to believe.

However, I do also have some problems that haven't been addressed yet, and I want to make sure that with this motion, we include the two stips that we discussed, Mr. Gilbert, regarding that this is rentals only and that this is not condo use which I understand was something very important with the commission, and also that -- that there will be extra insulation, window covering, thickness of windows, however it is to defer to mitigate the airplane noise, the airport noise from these apartments. So that as much as we can mitigates the interference of the airport here.

Applicant Representative Paul Gilbert: Mr. Mayor, may I comment? Mr. Mayor and Vice Mayor Littlefield. You and I did discuss that. We have made that representation throughout the hearing process. I just got -- couldn't cover everything yet tonight. But we are in agreement for the installation. We prepared and submitted to the city our disclosure statement that talks about that

and we also agreed that these would be apartments. My client doesn't build condominiums. He only builds apartments. So both stipulations are agreeable to us.

Vice Mayor Littlefield: Thank you.

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

[Time: 02:14:49]

Councilman Phillips: Thank you, Mayor. Well, there's no questions these are comments.

Applicant Representative Paul Gilbert: Do you want me to sit down then?

Councilman Phillips: It's up to you.

Applicant Representative Paul Gilbert: I'll stand if that's all right.

Councilman Phillips: I went to a home builders meeting, it's probably a month and a half ago now, and the guest speaker was a representative of the multifamily housing market and he did tell us that, you know, Phoenix could add another 485,000 units and it wouldn't hurt him. Some gentlemen asked him a question. He said, well, don't you think there's some oversaturation of apartment buildings? And this gentlemen said, no, 485,000, and he said I believe if there's any over saturation, it would be Scottsdale, and particularly downtown. This is not the first apartment building up there.

When you say it conforms to the greater airpark area character plan, we have already conformed to it. We already build. If you build 622 units, you will easily add, you know, another 1200 vehicles to that area and if anybody has been at the Scottsdale quarter you can't tell me that 1200 cars will exacerbate problems and then you have Phoenix on the other side building the optima apartments and there will be another 1500 apartments there. So this area is already over saturated with apartments. I can't imagine anybody even wanting to put more apartments there.

But I did want to bring up another point. And that is this petition in support. These 200 signatures. This is kind of funny because I have five children. One of my daughters works in a restaurant up on Bell Road, at Frank Lloyd Wright and Scottsdale Road and some lady came in there with this petition, and was asking the employees to sign it. She said I wouldn't sign it because I don't know anything about it. Other people did sign it, waitresses and busboys. This is bogus. These people, they live in Phoenix. They live in Mesa. They don't know what they were signing. Almost every one of these addresses is a business or a restaurant. So this is meaningless.

So with the oversaturation of apartments. ten years when someone says what person allowed all of these apartments to be bill here it, wasn't me -- built here, it wasn't me.

Mayor Lane: Thank you, Councilman. Councilman Smith.

[Time: 02:17:53]

Councilman Smith: So we will talk about it. I will just go on record as saying I do respect the voters and they said anything over 10 gross acres would be a major plan amendment. And we're apparently deciding in our infinite wisdom tonight to overrule them, but I want to talk something about the project too because it's -- if anybody was watching tonight, they heard us discuss a previous project and now this one. Both of them were PUD kind of projects planned unit development projects. The one earlier had a substantial mixture of uses. That's what was intended. Mixed use development.

This one offers 22,000 and 3.8% of the total square footage is going to be mixed use by their definition. Of course it includes a clubhouse, which I think will probably be for the benefit of the residents, a restaurant largely for the benefit of the restaurants and office probably to rent the apartments and a fitness center. I don't consider this mixed use. I consider it a large, dense, apartment complex. It has 62 units per acre. Some of them as small as whatever they said. 700 feet. 700 square feet.

What we are supposed to be doing with projects is enhancing Scottsdale's cache, enhancing Scottsdale's character. And if you don't -- if you introduce the demographics that are dramatically lower than the demographics of the city, when we are talking about probable household income or probable square footage of housing unit or probable value of housing unit, it's not going to add to the cache of the city. It will detract from it. And if you do it time and time again, Scottsdale is not just -- just not going to be quite as special as it was and it's also going to be more expensive to administer.

In this city, we spend \$1,000 a year per citizen on average for all the city services, the police, the fire, libraries, parks and everything that we do. And if you introduce several hundred people time and again into the equation, that either because of income or spending patterns or property value on their homes, somehow don't add to that -- add up to \$1,000, then the rest of the residents are going to have to subsidize that new demographic.

Our responsibility here in my judgment as councilmembers is to argue on behalf of the citizens and get you the best deal. And if somebody wants a waiver on zoning and they want a waiver on changing character area limitations and they want to convert an airpark industrial site to residential, what are the citizens getting? We are not getting any mix another use value that gets to anything. The mixed use value already is up there in Scottsdale quarter and others. What we are getting is a densely developed housing compound, 62 units per acre.

Projects like this are just not what makes Scottsdale great. And that's why I'm not going to be supporting the project.

Mayor Lane: Thank you, Councilman. There doesn't appear to be any further requests to speak on it. Well, Councilwoman Korte.

[Time: 02:21:55]

Councilmember Korte: A couple of questions, Randy. On this question of major, versus nonmajor general plan amendment. We talk about 10 acres being the line. And you refer to less than 10 acres of parcel, plus the right-of-way, right?

Planning and Development Services Director Randy Grant: Correct.

Councilmember Korte: Can you give me other examples where we have used that same philosophy perspective on determining a major general plan or not?

Planning and Development Services Director Randy Grant: Mayor Lane, Councilwoman Korte --

Councilmember Korte: With your years of experience, Randy.

Planning and Development Services Director Randy Grant: I can't think of anything that was so close to that threshold that it -- you know, that it triggered one way or the other. The general plan is usually characterized by conformance with clerk criteria and so the acreage threshold is a little bit unique in terms of determining whether or not something is major or minor. In this instance, this really is a unique parcel that because of right-of-way on the two sides. You can see curved right-of-way makes it even greater amount of right-of-way attached to it. The parcel itself is less than 9 acres and with we weighed all of the general plan criteria together, it led us to determination that this was a nonmajor amendment.

Councilmember Korte: Thank you. Mr. Gilbert, do you happen to know what the occupancy rate of the newly built apartments within this area? Do you know what that is?

Applicant Representative Paul Gilbert: I do not, Mayor and Councilmember Korte. I do not. I can tell you that the new crescent apartments have been phenomenally successful and that they are very close to full capacity. I believe the live which is across the street from us, is also in the 90s on its capacity. So I think this vindicates that there is a market for this and the fact that a developer is willing to spend this kind of money and go forward means that the market is there. And we wouldn't have gone to all of this trouble unless we had that confidence.

Councilmember Korte: Thank you. I will go back to Randy for a second in defining a PUD. So we have seen two examples tonight of a PUD. So one was hotel, office, residential, a real -- probably more of a balanced uses, right? This is more residential but it does have restaurant and some other services, dog spa, things like that.

Planning and Development Services Director Randy Grant: Correct.

Councilmember Korte: Is the spa open to nonresident dogs? I'm not sure. Just checking. So what constitutes that PUD definition?

Planning and Development Services Director Randy Grant: Councilwoman Korte, Mayor Lane, we have seen a number of projects that have come in with PUD and had almost no floor area dedicated

for nonresidential uses. We met with the applicant several times on this early on and said, we have got to see something that shows us that it's a legitimate mixed use project. And based on the location, there was clearly commercial that is right across the street, and in the quarter. So we were pushing for something such as restaurants and a gym facility open to the outside. We don't have in the ordinance a specific number of when it triggers to be a mixed use but it's kind of looking at the specifics of circumstance and saying in this area and based on watt area will support, this is achieving the philosophy of mixed use.

Councilmember Korte: Thank you. And that's what I was thinking that to compare this project to the Entrada is probably not quite fair. McDowell corridor needs some commercial and services, whereas Scottsdale corridor certainly and then across the street with Kierland Mall, certainly fulfills the need with retail space, whereas the McDowell Road needs some retail space. It's certainly better than what is there, a call center is stretched to call it enhancing the character of Scottsdale and to see that call center go away and having high end multifamily project go in that provides concierge services and clubhouse, I guess I need to dust off my clubs and maybe use the -- the golf, whatever you call it. And I'm sure my dogs will enjoy the pet spa but I think this is a project that is -- it steps up to what our cache, our Scottsdale cache is.

And, you know, that oversaturation -- the question of apartment over saturation, that is the question, and I do not pretend to be a land use expert. I never will be. I do believe if an investor and a developer is willing to invest millions of dollars into a project, that they understand what this market is. And you have to rely on that. So thank you.

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

[Time: 02:28:27]

Vice Mayor Littlefield: Thank you, Mayor. I'm very much getting the impression here that this project is kind of like a square peg that's being forced into a round hole. -- it says it's not a major general plan amendment, but it is, as far as land use is concerned. It says it's a PUD, mixed use project but it's really residential with the services that the residents who would live in it would possibly be using. So it's being forced to fit. They looked for something that would make it fit, but it really doesn't fit.

I think this needs to go back. I don't think that it is appropriate for others than council to make a decision on whether or not a general major plan amendment should be passed or not. That's our decision to make up here and I think that that has been bypassed, if you will, and basically purposefully so that it doesn't happen.

I'm just not comfortable with the way this has been done and how it's trying to fit into something and into an area that's not necessarily appropriate for what it is. And it's been trying to push it to be that way. So I will not be supporting this. I think a little bit more work needs to be done on this. Thank you.

Mayor Lane: Thank you Vice Mayor. Councilwoman Milhaven.

[Time: 02:30:04]

Councilwoman Milhaven: Thank you, Mayor. Since we are getting philosophical, I will take my turn. In terms of I think what councilman Smith is talking about is the age old argument about whether or not development pays for itself, I think is one of the comments he was making. And from my point of view, if I look at the apartments in the area, I'm -- I'm looking for apartments as I'm listening to people speak, and the crescent, which has very few vacancies is asking \$1,300 a month for 600 square foot apartment. Much too rich for my blood. And so what that says to me is that the folks would be moving into these apartments are not lowering the socioeconomic average of our community. They are raising it. So that -- I don't see that concern.

And what we have seen is all of the apartments so far that are being built are rented as fast as we can buy, as fast as we can build them or as fast as you all can build them and the rents are increasing all the time. Also the people in these apartments are paying sales tax on their units and the property taxes that we charge on these improved properties is greater than what's already there. So both of those would help to offset any additional costs incurred that folks are going to pay their way. And folks with the higher incomes that are willing to spend so much are probably spending quite a bit of their money on many other sales tax purchases. I think that helps to cover the cost.

In terms of infrastructure, what I have learned sitting here in terms of traffic and such, that residential puts a lesser burden on our streets than commercial would and so changing this to residential actually reduces the burden on our community to provide services. And then lastly, I would have to disagree that it is not up to us to decide whether or not this is a major or minor general plan amendment, that the rules are clear, and that we have staff and attorneys who make sure that we follow the rules that our citizens approved and voted on.

So with that philosophical discussion, I would like to call the question.

Mayor Lane: Okay. The motion to call the question.

Deputy City Attorney Joe Padilla: Mayor? Mayor? Before you do, that since the discussion has gone in a circle, could we have more of a clarification on the current motion that's pending because I'm not sure -- pending because I'm not sure if it was amended or an attempt to amend that motion.

Mayor Lane: The motion maker.

Councilwoman Milhaven: The motion was exactly as recommended by staff in the council report.

Deputy City Attorney Joe Padilla: Thank you.

Mayor Lane: I'm going to at least ask for one final thing before we call the question, and that is I

don't believe Councilwoman Klapp has spoken on this subject and I would like to speak on this subject.
So –

[Time: 02:32:57]

Councilwoman Klapp: I will be very brief and many of the things that I was thinking were addressed by Councilwoman Milhaven and when she was listing all the reasons why apartments can be good for Scottsdale, I think -- I don't buy into the fact that we are nearing saturation. No one I have talked to in that industry, nothing I have read has told me that we are saturated with apartments in Scottsdale and there's a great deal of demand. That's why they can command such great rents and so that's one issue.

But secondly, I would like to point out that in the airpark area, there are a number of businesses and a number of employers. It's a large employment center and a large business center and if you talk to the small business people in the airpark, they are ecstatic about people living in the airpark. So this is something we've got to remember, is that we have got downtown area that's getting a lot of multifamily housing and the airpark area is extremely important for our business community that has invested into the airpark. The airpark is really a business area. Large employment center and we also have -- because there are a lot of businesses in the area, we have a lot of people driving to work that have to get to the airpark. It helps solve some of those problems for people who might work in the airpark, to actually live nearby and not have to drive a distance on the freeways.

So it solves a lot of problems. It allows people to move further into town. They may not want to live downtown because it's perceived as being more active than some people might like. And so the airpark area is another multifamily housing area in the city.

I think it just adds to the attractiveness of Scottsdale for a number of people, not everyone wants to live in apartments but I think we have these old school perceptions of what apartments are. I think some people believe that apartments are people -- apartment dwellers are maybe second-class citizens because they don't own property and I beg to differ. I believe that people who live in apartments have every bit of right to live in the kind of community that they want to live in. If they don't want to own, that's up to them.

It's a free market and a free market determines how many apartments are in a market. And so the far we are being told that market is hot. I think this is a great area for it, and it's already been proven by some of the other housing development taking place in the area.

I don't see this as being out of character for this apartment of airpark close to -- close to two great shopping areas and lots and lots of businesses in the airpark. So my suspicion would be particularly when you say all the amenities that you will have, there will be a great deal of demand for apartments at this time.

[Time: 02:36:01]

Mayor Lane: Thank you, Councilwoman. You know, some of what has already been said, I may repeat but I think it is worth repeating the fact that we do have legal staff and it makes interpretation sometimes with regard to the application of the various criteria that are set out in our general plan and in our general airport character area plan as well. I think that one of the items is what we are voting on right now. The other is by definition. I think we are talking about planning administrator's decision on that and I think there's some logic to that. So I'm not in disagreement with regard to just the general premise of what we are voting on and how we are working forward. Others which are maybe a little less obvious, as a PUD, there's some stipulations for a mixed use and that's determined to meet at the minimum, but nevertheless the criteria for that indication.

And the other is just a general knowledge of what we are having in the area. We do have a great deal of commercial application in the area, with the q. And other shopping centers in close proximity. That plays, I think, well into it.

Now, as well as whether these are quality tenants or whether they meet the socioeconomic criteria that we may want to set here to maintain a cache, I'm not sure that the airpark is the area that we are talking about as far as any kind of denigration of cache for Scottsdale. I think it has in recent years inclusive of this type of application, enhanced its portion of the cache for Scottsdale in a big way, with something that's located, of course in Phoenix with Kierland but also with the q, the quarter, and this kind of application of -- of the use of the land. So we also are talking about a very practical matter when we talk about PUD and that's how did it work into the overall concept of how we manage, live, work and thrive, as we have done in other core commercial areas and it does play well when you think about 83% of the workforce and the airpark is either the second or the third largest employment center in the state. 83% of the workforce comes into town, commutes into town. If we can facilitate just some mitigation of that, we're doing -- we are moving in the right direction as it relates to the airpark and the ability to grow and be efficiently operated.

So I will be supporting it as well and with that, I will leave it at call to the question but I think we are --

Councilwoman Klapp: Second.

Mayor Lane: All right. So --

Councilwoman Milhaven: Are we calling for the question.

Mayor Lane: We allowed for the nonspeakers to speak. The question has been called and seconded. We will leave it at that. I want to thank the staff for what their input has been and the presenters as far as that is concerned. And frankly, the questions of the council as we deliberated on this subject. So thank you very much.

So the motion has been made. And it's clear to the city attorney that it is straightforward one. There were no exceptions or any denigration or any changes to that. All those in favor, please indicate by aye and register your vote. The motion passes 4-3, with Vice Mayor Littlefield dissenting and Councilman Smith and Phillips dissenting. So thank you very much.

ITEM 28 – VACATION RENTALS OR SHORT-TERM RENTALS TEXT AMENDMENT (3-TA-2016)

[Time: 02:40:21]

Mayor Lane: Moving on to item 28 which is the vacation rentals or the short-term rental text amendment, 3-TA-2016 and we have Mr. Bloemberg at the podium no present.

Senior Planner Greg Bloemberg: Thank you, Mayor Lane, members of City Council, Greg Bloemberg, the senior planner to give you some information on the vacation rentals, short-term rentals text amendment. Just a little background as to how we got here. Earlier this year the state of Arizona adopted senate bill 1350, which essentially prevents cities from prohibiting short-term rentals in residential zoning districts. That goes into effect at the beginning of the -- on 1/1/17 so at the end of this year.

So Scottsdale currently classifies short-term rentals as travel accommodations, which are only allowed in zoning districts that allow hotels, motels or resorts. So as such, they are prohibited in single family neighborhoods currently. This amendment will align a zoning ordinance with state law. According to an independent firm that monitored short-term rentals there are upwards of 2,900 properties available for short-term stays which are stays of less than 30 days in Scottsdale. It's likely most are registered incorrectly or not licensed to operate. Building and fire codes are being reviewed in conjunction with this effort but that's done under a separate veteran view. That's not part of this amendment.

Community outreach, staff conducted some extensive community outreach on this. We sent out heads up postcards to the interested parties list for text amendments. We posted the eight page ad in the Arizona republic. We also sent out an email to over 500 homeowners associations, posted the text amendment, the gist of the text amendment on a P & Z link as well as the city Facebook and Twitter pages. We had four community open houses. This was low turnout at the first two. This was a few folks in attendance but it was a relatively low turnout in terms of folks attending.

At those open houses there were several items that were brought up. I will go through those very quickly. One was the collection of bed taxes and sales taxes related to short-term rentals and the area is the code enforcement when it comes to enforcing these uses. A registration and licensing. The effect of the amendment on H.O.A. rules and regulations. The ability of H.O.A.s to adopt new regulations in response to state law, and the possibility of renting guest houses separate from the main dwelling for the purpose of short-term rental and, of course, parking.

Real quickly under SB-1350, the cities cannot do the following, which I have kind of iterated already. We cannot restrict short-term rentals from operating in dwellings with residential zoning, including single family neighborhoods and related to that, since we cannot restrict them in those neighborhoods we cannot apply any separation requirements to those uses. In single family zoning, for example, for adult care homes we are able to apply separation requirements, but that's a specified use. We cannot treat this use any different than a single family residence. And so we cannot require the

separation.

What we can do under S.B.1350, of course is restrict certain accessory uses for being included as part of a short-term rental such as restaurants, retail, conference facilities, so on and forth and turn it into a regulation, hotel or resort. We can continue to enforce existing parking regulations that we apply to all single family dwellings including such as the amount of a front yard that can be used for parking. We can of course enforce regulations related to public health, safety and welfare, which I mentioned is part of building code unit. It does require to have an emergency contact for all short-term rentals. I will get into that a little bit further here shortly.

In summary, if this amendment is passed, the short-term rentals will be allowed by right in all residential zoning districts. Code enforcement would be limited to general nuisances. I.E. property maintenances and other issues that are similar to enforcement efforts for single family residences. There's potential for greater revenues for bed taxes if short-term rentals are properly licensed and this will not affect the ability of the H.O.A.s to have private contract rules and regulations and will -- it's entirely their risk if they decide to do that.

A few further steps for consideration, as of January 1st of 2017, the state will take over administration of transaction privileged tax and will collect all bed taxes. I think right now, the city of Scottsdale actually collects those bed taxes. They would be transferred over to the state. In order to ensure accuracy of tax collections, the city may choose to maintain a list of short-term rentals in Scottsdale. It's certainly an efficient manner of gathering a list, to contract with a vendor to monitor and update short-term rentals and we had a presentation from a vendor who described how they would go about doing that. The cost of that type of a service is approximately \$50,000 annually. Of course we would have to confirm that. But there is a potential bed sales tax revenue collection that could exceed \$1 million annually. Staff anticipates, including in the upcoming budget funds necessary to obtain an updated database of active short-term rentals and document the locations of short-term rentals and maintain emergency contact information with property owners and management companies.

This amendment has been to two different commissions. It went to the neighborhood advisory commission on October 26th as an informational item and on that same evening, it went to the planning commission and the planning commission recommended approval with unanimous vote of 6-0. That concludes staff's presentation. There's several staff here to answer specific questions and I will turn it over to you if you have any questions for us.

[Time: 02:47:43]

Mayor Lane: Thank you very much for that. We have one request to speak on that, and that's James Heffernan.

Jim Heffernan: Mayor Lane and councilmembers, my name is Jim Heffernan and my family and I resided in Scottsdale for 35 years. We are just a few blocks north of Scottsdale Fashion Square. First of all, I understand that the city has no choice in making the state imposed changes regarding

short-term rentals. Nevertheless, I have come to speak as a resident who has been negatively impacted by such activities and to ask you to continue regulating short-term rentals under the public health and safety exception in the state law in order to protect our neighborhoods. We live in an r-1-18 residentially zoned neighborhood. The issue sim my stated is that the property adjacent to mine is operated as a commercial enterprise. No one resides at this property. This is no residents per se. It is a five bedroom house that the owner advertises as suitable for events, best pool in Scottsdale and the best event house in Scottsdale. And ironically, it is advertised as being on a quiet, dead end street.

This house is frequently rented, usually for one or two nights by large groups of amazingly irresponsible transients who disturb our neighborhood with exceptive levels of late night noise. Given such advertising, and the rental rate of \$1,200 per night, these transients apparently feel that they have the right to do as they please. We have even found broken glass shards in our swimming pool, the result of beer bottled willfully tossed over the wall. On one recent night, an extremely noisy ruckus mob descended upon the event house after midnight. The noise was such that I called the police and shortly thereafter, I heard a woman screaming such that I feared she was being attacked. The experience left me so shaken that I barely got any sleep that night. No hotel would abide such behavior.

So make no mistake about it, this is a highly profitable, purely commercial enterprise being operated in a residential neighborhood, much to the detriment of the nearby legitimate residents. This is a battle that our neighborhood faces with increasing frequency and this problem will no doubt spread to other neighborhoods as well. Thank you for your time and I hope to be able to count on your support in developing legal ways for the city to monitor short-term rentals and impose reasonable restrictions in order to eliminate such abuses which pose a profound threat to the quality of life in Scottsdale. Thank you.

Mayor Lane: Thank you, Mr. Heffernan. That's the extent of testimony we have on this. We will start with questions or comments from Councilman Phillips.

[Time: 02:50:47]

Councilman Phillips: Thank you, Mayor. I brought this up in the past and I will say it again, that a call upon the light of cities to put pressure back on the Arizona State legislature to repeal this law. I understand how powerful the air BNB lobbyists are but it's a bad law. It's bad for municipalities. It's bad for neighbors and nothing good is going to come from this. Nevertheless it's the law and the state will withhold funds if they don't follow their laws, and that's another overreach. Than as it may.

What we can do now is what staff has come up with so I move that we adopt ordinance number 4288, and resolution 10650.

Mayor Lane: Councilwoman Milhaven.

Councilwoman Milhaven: I will go ahead and second that and I also would like to ask staff to follow

up with Mr. Heffernan to see -- we have some of resources to help protect neighbors and neighborhoods to see what we can do to support those neighbors, what he describes is very sad, indeed. If you would meet with him and outline ways that we can support his neighborhood and report back to council, that would be appreciated. Thank you.

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

[Time: 02:52:09]

Vice Mayor Littlefield: I will concur with what Councilwoman Milhaven just said. I received a letter from a resident saying from 19 months, there's hundreds of strangers in and out of this house. Sometimes up to 15 people walking up and down the streets drinking alcohol. It's not just a nuisance, but it's dangerous for our neighborhoods. I think the city needs to see what we can do to mitigate these dangers to our residents.

I also had a question. One of the things I was reading as I went through this item was that these do not supersede the H.O.A. rules; is that correct? So the H.O.A. rules still have the authority to rule on this within their own borders.

Senior Planner Greg Bloemberg: Mayor Lane and Councilwoman Littlefield, that is correct. We don't enforce homeowners association regulations. And they can -- if they choose, to take the risk, they can actually put in new regulations if they are so inclined. This we have to weigh it against the state law.

Vice Mayor Littlefield: And what about new H.O.A.s that would be formed.

Senior Planner Greg Bloemberg: The same applies, Councilwoman Littlefield.

Vice Mayor Littlefield: I think that this is something that we definitely need to look at, as a city for our residents. We need to find activities that -- or ways that we can mitigate this danger to our citizens, it's going to get nothing but worse. I was appalled when I found out that there were 2900 of these within the border of Scottsdale. That's an amazing thing.

Another thing that we need to do, if they are legal here and they -- they exist here, we need to find a way to track them, locate them, and make sure that they are paying proper taxes. If they are charging taxes to their renters, then they need to turn around and pay those taxes back again.

But I would prefer all around that the dangerous way -- the dangers to this kind of thing outweigh any kind of monetary reimbursement to the city and we need to take care of that. Thank you.

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

Councilmember Korte: Thank you, Mayor. Under the public health and safety, are we taking advantage of all that we can on that?

Deputy City Attorney Joe Padilla: Mayor, members of the Council, there's a Section 7.203 in which the new language that's incorporated in this attempts to take advantage as much as possible of the public safety exception in that it's regulating traffic, pollution, noise, property maintenance, nuisance abatement and also prohibits commercial uses and industrial manufacturing, nonresidential purposes, operating retail businesses on and on. And so there's an attempt to exercise the public safety police powers in here. But it doesn't prohibit the operation of short-term rental and residential when you are subject to some public safety requirements.

Councilmember Korte: So given our neighbor here, with this extreme example, of why this is wrong, how many times is he going to have to call the police to get something to happen?

Deputy City Attorney Joe Padilla: Mayor, members of the city Council this is what's in our ordinance with respect to the zoning code. There are other codes in state laws such as disorderly conduct, and disturbing the peace and other items that are also available to the law enforcement to the -- to try to take care of issues like that and one call could be efficient if the matter is serious enough if it's a loud noise and they give a warning for disorderly conduct and it's not heeded and they have to return. They could have to cite the people. It's a circumstance driven situation as to how many times they would have to call and what ruckus is when the police arrive.

Councilmember Korte: What -- when is it going to fall back to the property owner? So the property owner is booking this every week, or every other week. You have to call the police for the public nuisance or the bottles or the class or whatever. And the individuals there are criminally charged for something but does that fall back to the property owner and when does it go back to the property owner?

Deputy City Attorney Joe Padilla: Mayor, members of the Council, not necessarily. You could have a property owner who is unaware of what is going on and in that case the law enforcement may cite the individuals who are creating the ruckus or the noise. For example if you go to a large party and you find out who is responsible for that party and ask the person to turn the stereo down. They come back and it's back up. They may have identified an individual who they can then cite for the noise ordinance or disturbing the peace.

So it doesn't necessarily mean that the property owner themselves may be liable or held liable. It's circumstance driven. In the property owner is there and in charge, he may very well be the one cited.

Councilmember Korte: So given an absent property owner, could we build something into this ordinance where the property owner is cited after so many -- you know, violations?

Deputy City Attorney Joe Padilla: Let me see if I understand your question. Are you asking whether something can be put in the zoning ordinance that allows the code enforcement folks to simply cite the property owner if this becomes a problem?

Councilmember Korte: Yes.

Deputy City Attorney Joe Padilla: I think we have taken a look at that and discussed issues like that with the police and legal advisor and I don't see that in here. I could certainly continue to discuss that with him and if we come up to a different conclusion, this could maybe come back for an amendment later on as we work through those issues but this is relatively kind of new and it's not real clear exactly how we can word this in the zoning ordinance to take care of all problems with absent or absentee property owners who don't have a knowledge of what's going on.

Councilmember Korte: No, but they have control of what's going on.

Deputy City Attorney Joe Padilla: In -- with respect to whether --

Councilmember Korte: In their business.

Deputy City Attorney Joe Padilla: Yes, yes.

Councilmember Korte: So it's their choice. I can't speak for the rest of the council, but perhaps I will be asking our clerk to mason a future agenda to talk more about this and see how we can make the property owners kind of more aware of what's going on. I feel this is an egregious overreach of local rule by our state and the league of cities was unable to affect this -- shall I say, a land mine that was passed. I know it was greatly supported by our governor, unfortunately.

But I'm also going to be asking our clerk to ask for an agenda on how we can be more proactive to get this thing changed at the state level. Thank you.

[Time: 03:00:41]

Mayor Lane: Thank you Councilwoman. Mr. Nichols did you have a request? I'm sorry, Mr. Grant.

Planning and Development Services Director Randy Grant: Mayor Lane, just a couple of points of clarification.

First of all, if anything the state law is -- is saying to the cities you can't distinguish between single family property owners -- single family properties that are being owner occupied, renter occupied or used as vacation rentals. That doesn't mean that we can't enforce the same nuisance complaints against people that are using them as vacation rentals as we do against someone that is renting a property, or leasing a property or owner occupant. So we still have some methods to deal with nuisance.

The second thing is that what we are also proposing is that we get a list of these 2900 property owners and we can do mailings to them as the city to express our expectations for conduct and that type of thing. One of the difficulties we have had in the past is it's so hard to get a conviction on a short-term property rentals historically because we had to prove that they were rented. We had to

have something from the people that said we rented them for this night and this is how much we charged. And the judge has not been very typically accommodating of hearsay in those type of circumstances having a list of these 2900 property owners will give us some leverage as a city to discuss with the property owners who they are listed from about what the city's expectations for conduct are.

[Time: 03:02:15]

Mayor Lane: Thank you, Mr. Grant. If I would move on to that. I had a couple of questions myself. What you are describing, of course is that -- it's just the normal course things. We according to this law and there are some 2500 to 3,000 properties that we know of, that are already operating in this environment prior to any change in the law. This is sort of making them subject to potential bed tax and the other taxes that may apply in the use of these taxes and the reason I even bring that up is that this is an egregious kind of situation, the gentlemen just mentioned earlier and I think we are all sympathetic to that but it is just exactly that, egregious.

My question would be this, and when you are collecting -- we are collecting bed tax, does this not put them into a little different category as now a logic -- you know, under a lodging category because you mentioned nuisance and I'm thinking about the disturbing the peace situation where not necessarily the owner of the property but the person who is responsible to manage the property was subject to six months in jail and a hefty fine for a nuisance complaint. I'm sure you probably remember the situation. I'm wondering whether or not in these notifications to owners that we have -- if we do have legally and I suppose that's the other thing we need to find out, it would seem to me that they would fall under the similar category, and with this kind of disruption in the community, by virtue now of what effectively is a commercial operation and collecting bed tax, that there is some additional standard now at least from the standpoint of who is responsible.

I'm not trying to change the law because I know that we are right now, we are pressed with the idea that we -- in order to really manage it at all, we have to -- you know, facilitate what the state has put upon us. That's what we are ruling on right now. And we don't do it before the beginning of the year, there's added complications to our process, even in control of the issue. So there's -- I don't think there's any way of getting around what we are doing but I, like the others, feel very strongly that there must be or there should be some avenues for a greater level of accountability what we are talking about a difficulty of a short time stay person would doesn't have even a year's lease on something, facilitating some egregious problem, maybe over occupying and certainly nuisance or disturbing the police, rather, and certainly disturbing the police, and frankly what we have to do. I wonder if we can look into that aspect as well.

And when these places are advertised as event centers or more or less the perfect event house, I don't know whether they are not by definition something different than renting a home. Again being I will leave that to someone in legal and yourselves.

Planning and Development Services Director Randy Grant: Mayor Lane, that's absolutely correct. In fact, one of the provisions in the state law is that you can't operate it as a commercial business.

You can't have a convention center there, for example. So I think there are some tools that we have to make sure that the really egregious abuse doesn't occur. But we're just now not going to be able to distinguish between someone that rents for two days and someone that rents for 32 days or two years.

Mayor Lane: Well, one of the -- pardon me for adding on to this. One of the situations we had when we were talking about nuisance issue and that citing of a general manager on a property, a manager on a property, frankly, went to the idea that there really is little or no accountability to somebody who brings in a band or they do -- they are operating on a property, but, you know, they are gone tomorrow. And so it's -- there should be something further that we should be able to do. Even if we have to leg at least some consideration for that type of thing, if we need to go forward and say, hey, because of this short-term thing, the accountability factor is diminished a tremendous amount as far as enforcement of our nuisance and disturbing the peace laws. Thank you.

Councilman Smith.

[Time: 03:06:55]

Councilman Smith: Thank you, Mayor. And to the staff, I will obviously echo the frustration that everyone feels up here about our inability to solve the problem.

Let me ask you a question, in connection with getting compliant with the state law and having these properties become taxable and so on. Will we be issuing licenses to property owners? To operate as short-term rentals. Will they have to have a license from the city? Tick, tick, tick, tick, tick.

Planning and Development Services Director Randy Grant: Mayor Lane, Councilman Smith, they won't be licensed per se, there is a privileged sales tax as I understand it that they have been required to get to be legal. Most places have been categorized or have not done so based on the 2900 that we know of now. So they would be required to provide us a contact and also would be subject to whatever sales tax -- the privileged sales tax requirements are. I'm not concerned about the sales tax collection as much as whether we will be empowered under the state law to Heinz such operators.

City Treasurer Jeff Nichols: Mr. Mayor, Councilman Smith, we can't license them to be a business. We can get them to have a T.P.C. license.

Councilman Smith: As you are looking for alternatives, I would like for you to look at the possibilities that we may be able to require somebody to have a license in order to operate -- I mean, it's not prohibiting them from operating the facility as a -- as a part-time rental or short-term rental but nevertheless, they have to have a license to do so. And if we could require such a license, then we could also make it a stipulation that if you have three violations reported to the police department, your license is revoked.

I would like you to explore that as we're looking for ways to control this and somehow get the penalty back to the owner rather than whoever last weekend's occupant might have been. If you eliminate

operating the facility as such, maybe that's a leverage that we could use.

City Treasurer Jeff Nichols: Mr. Mayor, Councilman Smith, the one issue that we are going to have is even with the TPT licensing is the state takes over that function on January 1st of 2017. So you are talking outside of that.

Councilman Smith: They are taking over the collection of the tax.

City Treasurer Jeff Nichols: And the licensing.

Councilman Smith: And the licensing? Well, just see if we can do a license, you know, apart from that, to operate a short-term rental.

City Treasurer Jeff Nichols: We'll look into that.

Councilman Smith: Thank you, Mayor.

Mayor Lane: Thank you, Councilman. So that completes any of the questions that we have at this point in time. So do we have a motion? Oh, that's right. Guy made the motion.

So the motion is on the table then and finished with our conversation on it. So all those in favor, please indicate by aye and register your vote. It's unanimous, in acceptance but hopefully everyone understands that it is with major qualifiers as to how we move forward with this. So thank you very much for your input Mr. Heffernan.

ITEM 29 – THUNDERBIRD FIELD II VETERAN'S MEMORIAL DONATION AND MAINTENANCE AGREEMENT

[Time: 03:10:58]

Mayor Lane: Okay that does complete item 28, the vacation rentals and we move on to item 29 which is the Thunderbird field II veterans' memorial donation and maintenance agreement.

Mr. Mascaro is here to -- our aviation director to speak on the subject. It looks like he's being followed by his security.

Aviation Director Gary Mascaro: If this is security, I'm in trouble then. Good evening, Mayor, members of Council, I just actually, I'm going kick it off and introduce you to a representative of the Thunderbird II veterans memorial nonprofit, and then he's going to provide you a brief presentation. I will wrap it up with some contractual considerations for you. This is Mr. Steve Ziomek.

Thunderbird Field II Representative Steve Ziomek: Mr. Mayor, councilmembers, thanks for the opportunity. The Thunderbird Field II Veterans Memorial a lot of you know about it. A lot of you have heard many things about it. We will rehash and tell you some things that you have already heard, some things that you haven't heard yet, but the Thunderbird field II veterans memorial Inc. is a

nonprofit. A 501(c)(3) nonprofit that was formed over two years ago to commemorate the rich history of the Scottsdale airport and to honor all veterans.

As it shows, Thunderbird field II was established in 1942. It was actually one of three Thunderbird fields in the valley Thunderbird I was out in Glendale and Peoria. Where the Thunderbird school of management is. And Falcon Field is Thunderbird III. The interesting thing about those three fields is that Thunderbird I trained primarily the Chinese and other allies. Falcon field only trained the British. The Thunderbird field two were the Scottsdale airport is the only one of the three that trained just U.S. pilots. So it's kind of interesting.

You see here, it was peaked at 615 cadets. They flew a lot of landings. This is what they knew. The Stearman PT-17 biplane. A lot of them still flying today. The picture down below, unfortunately is not Thunderbird II but that's Thunderbird I. Here's the size of the airplane. It's much bigger than a Cessna, the 182 or even the 206 that I fly for the civil air patrol.

This project as I mentioned started two years ago. We first started the project looking at the intersection of Thunderbird and Scottsdale Road, behind the one with the eagle statue. In fact, at that time, two years ago we walked the property line with Pat Mathieson, the big proponent, and it Austin dual. That's where the project was going to go.

Because of the F.A.A. requirements and the city infrastructure requirements it couldn't happen. We were at that point, we were in the runway-free area which the F.A.A. said you can't build anything there. And it became an issue for the school buses and the educational component because they couldn't park by the one with the eagle sculpture or the memorial. They would have to park in the southeast corner in the free parking. And then it would become a big issue walking across Thunderbird field for all the students and grade kids. So then the project basically died. After a while, when we found out the airport director and the airport was working on a new project to basically raise the business center, the terminal, the restaurant, and build a new component, a new business center, a couple hangars, a new restaurant, this became a perfect place to resurrect the Thunderbird field memorial.

Again to commemorate the rich history of the airport. In talking to the airport director and the architects and the designers this is basically what we have come up with. You see the building on the left-hand side is the two 30,000 square foot hangars that are preleased. The building in the center is the new business center, restaurant, the airport offices and so on. This next one shows a little bit better picture, and you can see on this side, where the airplane, the Stearman biplane, that's the Thunderbird memorial wing of the airport business center. It's approximately 6500 square feet and goes up almost three stories and it provides an exceptional place to memorialize the history of the field, to create a veterans center and to provide a place, a good educational requirement for all of our school kids where there's plenty of parking for buses and automobiles and so on.

There's a closer picture of it. As you can see, it's open on the north side. It's closed on the three sides which totally protects it from the elements. Because as you are aware, I'm sure, it is a fabric airplane. So it's subject to the weather. One of the things that we are going to do is protect it.

There's extra coatings on it. It's actually facing north as I mentioned even though it's hanging it could fly. So there will be extra reinforced cabling to protect it and keep it nonfliable.

Mayor Lane: So it doesn't get away from it us.

Thunderbird Field II Representative Steve Ziomek: Here's another picture from inside, inside the business center, looking down at the open area at the airplane. So it will be hung in such a manner that you will be able to see inside and gain the whole experience of what it was like to fly in one of those airplanes.

We have contracted or in the process of talking to several entities to help us with project. Flyboys aero works is out of Gillespie field, San Diego, and they have restored a number of airplanes that are on the U.S. S. Midway and the San Diego air and space museum and in New Orleans. We have talked to them and in your packets have you seen the quote that they gave us of \$120,000, to restore a nonfliable airplane to AAA museum quality.

As we sit on our board, we are not sure whether we need a AAA quality piece for our veterans memorial. In fact, we have done a number of surveys and everybody we have spoke to said, well, if you can get an airplane, rather than one that looks like it came off the assembly line, we would rather see one that you can say this one flew. This one is flyable and have it look like a flyable airplane.

Then Bruce Weber is on our committee, the cochair of our committee. He's in the audience too. He hooked us up with these people. It's a conglomerate of schools. They are to go and they teach in aviation some way, shape or form down at Gateway. They teach basically aircraft building, aircraft restoring, painting, the whole nine yards. Well, they want to -- in fact, we had a meeting with EVIT, the east valley institute of technology, and subsequent meetings with the rest of the entities we have met with Embry-Riddle and Chandler-Gilbert community college. They want to expand and they want to do our project. They want us -- they said anything you guys want, we'll make it part of curriculum and at our entity, and have it be part of our project.

So now we've got a line on a couple of flyable airplanes for much less than the \$120,000 that the full restorers in San Diego -- you know, we can get the airplane for 70 or \$69,000 and bring it here and have EVIT and Chandler-Gilbert and Embry-Riddle all work on the plane as part of their classroom studies, paint it if it needs it. When it comes time to hang it, drain the engine and preserve it and make sure that we don't get fluids on this -- the new monument memorial. And so this is where our board is leaning to now.

Working on this entity because we all express a desire. They are part of the Maricopa County school system. They are expressing a desire. They want to attract more Scottsdale students, especially at EVIT and this is a perfect place for them to get involved in the city of Scottsdale and attract more students for the Mesa gateway.

And this is our website. It talks about us, our board of directors and our people. It talks about the history of the field, and it goes into great depth. On our website, we have supporters and sponsors.

All of these people are avid supporters. You can see Mark Hiegel, and Barry Goldwater, Jr., the former United States Representative and John Hyde, the commander of the American legion post and Austin Deuel, and Pat Mathiesen and so there's a lot of people behind the project.

But let's not forget about the other important piece. Our project is not only to honor and commemorate the history of the Scottsdale airport and serve as a true veterans memorial for the city of Scottsdale. Scottsdale is one of the only major cities in the state to not have a true, true veterans memorial. We have the chaplain out back. We have some stuff at McCormick Stillman Park. I was there on Friday for the veterans day ceremony which was nice but this would serve as a great place to provide a true veterans memorial and the United States seal and the M. I.A. plaque and that's where we are today.

Gary will discuss a little bit about the funding because our goal, because we are down to less than \$100,000 which is what we need to acquire the airplane and bring it here and give it to the east valley institute and all of those schools. We are actually looking at raising \$200,000 so that we can do it right and have money for maintenance down the road, and have a contingency fund as well. We have got pledge now almost \$40,000. The other challenge we are having everybody else we talked to, yes, we love it. When you get approval from city council then come back and talk to us. So that's where we are now.

Director Mascaro.

[Time: 03:23:25]

Aviation Director Gary Mascaro: I will touch on some key contractual. The donor who we call Thunderbird Memorial Inc. will pay for all the repairs for the aircraft for the installation. The city would pay for all costs with the design, permitting and construction of that wing that he described and the installation of the aircraft recommended to using general fund dollars. The cost associated with the restoration of the aircraft was about \$120,000 as Mr. Ziomek just said but there may be options to have that reduced as far as the donor cost is concerned. We have flexibility within the contract as I recall that as long as they have enough money to show that they can purchase an aircraft, we would continue with the process.

And then there's two milestones that we put in there specifically for the city's benefit, obviously we are moving very swiftly on the design of our terminal area, redevelopment that you supported and our goal is to start construction by April of this year -- of next year. So we wanted to make sure that if we are going to continue to design this wing, that the donor would have the sufficient dollars in order to get the aircraft so we can actually build that wing. So on or perfect December 1st -- before December 1st, the donor will have to have written commitments of donations or cash in hand or escrow of about \$50,000 and then the donor must have the entire cost of the aircraft whatever that cost may be, as you know in the contract, there was a quote for \$120,000 all in for the aircraft. But they would have to have the entire cost of the department -- either on department with the aircraft restoration or if an aircraft account by April 1. Otherwise this contract becomes null and void and the city will not build that wing. Or you won't have the airplane either, that's correct.

The donor shall also be responsible for the cost of the maintenance and upkeep of the aircraft in accordance with the administrative regulations and based on the estimates of about \$3,000 annually which they are going to show proof to the city that they have that on an annual basis per the contract. And the city shall pay for all the costs associated with the landscaping services and utilities that surround the aircraft as you can imagine and that can be funded by the aviation fund because that's an overall cost of the whole campus that benefits the Scottsdale airport.

So tonight's action is a recommendation of the contract award between the city of Scottsdale and Thunderbird II Veterans Inc. With that, we would be happy to bring any questions. I will bring Mr. Ziomek up there. And I will sit down at the table if you have any questions.

Mayor Lane: Thank you, I will have some questions. A question or a comment from Councilman Phillips.

[Time: 03:25:26]

Councilman Phillips: Thank you, Mayor, well, this is one of the fun exciting, happy, great wonderful things that we are doing here in Scottsdale and I can't wait for this. I think it's really cool and you didn't mention either that would be more museum inside too, correct?

Thunderbird Field II Representative Steve Ziomek: There will be a lot of wall space in the lobby of the new business center. We won't have, correct me if I'm wrong, but there will be a lot of wall space if we put pictures and artifacts and take some from Jones down at the red schoolhouse and get it out of her place and put it up in the airpark. Besides you saw in the three walls are going to be about 80 feet each. The aircraft only covers 37 feet at its widest. So our intent is to have museum quality work and kiosks on the three walls facing the aircraft.

Councilman Phillips: Okay. Well, I can't wait. I move to adopt resolution number 10607.

Vice Mayor Littlefield: Second.

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

Vice Mayor Littlefield: No, I think this would be a wonderful thing for our airport, for Scottsdale. It shows the history of our airport, why it starts and what we did, and I think it could be a wonderful thing. Thank you.

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

[Time: 03:27:57]

Councilmember Korte: This is a question really for Steve and staff. When we talk about funding, the costs for the design permitting, construction landscaping, I estimated it to be about 412,500. Is

that -- where is that money -- is that a new C.I.P. project coming out of the next C.I.P. budget?

Aviation Director Gary Mascaro: Mayor, Councilwoman Korte, no, it's part of the existing C.I.P. budget for the terminal area redevelopment that's already on the books. So it will be incorporated to there.

Councilmember Korte: Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Smith.

[Time: 03:28:46]

Councilman Smith: Thank you, Mayor. Let me pick up on that, just a moment S. that federal funding dollars. I don't know whether I'm asking you or the city treasurer, which ever.

Aviation Director Gary Mascaro: Mayor, Councilman Smith, no that's not federal dollars at all. It's aviation fund dollars and then potential bond dollars and I don't know if the city treasurer wants to speak to that because with the bonds I'm not as familiar.

City Treasurer Jeff Nichols: It's the MPC bond funded project using the funds to pay the debt service.

Councilman Smith: Well, I think this is a great project, and I'm enthusiastic about any project to commemorate the history of the airpark or the airport in the airpark, and particularly in recognizing the veterans that serve there. It's also a great example of a partnership where there is both private and public money. I wish we had more of those.

My problem with this, and I do have a problem, is I don't know where we have \$412,500. And I don't know that we have -- I don't know that this is the highest priority capital project that we have in the city. You know, we lose some credibility with -- with our citizens from time to time when we ask them to support bond issues and ask them to support -- you know, tax themselves to make capital improvements. And we told them that, quite honestly because we don't have the money in the general fund to do the capital improvements that are required in the city. And I don't care whether we are talking about libraries, streets, parks, whatever it may be. And then to suddenly, enthusiastically say let's build \$422,000 to build a three-sided building and hang an airplane from it. I think the citizens will understandably say if you have that kind of money, stop asking me for bond issues.

We should, in my opinion, any time we have a capital request, no matter how much we are endeared to the request and how much we all want in our hearts to do it, it should be put on a list with everything else that we have to do in the city and if it's number one by all means spend whatever scarce dollars we have. But if it's not inbound one, we've got to wait. As much as I would like to support this project, I'm just not going to be able to do so tonight. I just don't -- I can't do that with a straight face and talk about how we have an unsustainable program here in the city of not being able to reinvest in the capital assets.

So I appreciate the presentation and I appreciate the enthusiasm. I appreciate the idea and I would appreciate it even more if we had some money. Thank you, Mayor.

City Treasurer Jeff Nichols: Mr. Mayor.

Mayor Lane: Mr. Nichols is it this time you --

City Treasurer Jeff Nichols: Yes. I can appreciate your comments and having worked with you, I know we have a process, a capital improvement budget process and that we do have teams, both construction team and a technology team that lines up for issues like this every year. To make sure that the highest and the best uses come out. I think what we are missing is a policy or a procedure that sometimes things happen and they are not in alignment with that process.

And you get a chance to do something to design this wing along with a process that did go through that, a project that did go through that process. And it was approved by the MPC board. They were enthusiastic about this project and we had the ability to dove tail them together. Yes, I realize it's a big ask and I realize it's outside of the process and I appreciate your comments.

Mayor Lane: Thank you, Mr. Nichols. Councilwoman Milhaven.

[Time: 03:33:23]

Councilwoman Milhaven: I share enthusiasm for the project and I share concern about the funding. But I heard you say something that I want to make sure that I'm clear about, that this -- the \$412,500 that we have all been references in the staff report it says funding for the cost of designing, permitting, construction, landscaping and installation of the aircraft estimated at \$412,500 will be requested in the full year 2016/17 as a C.I.P. general fund contingency fund but I heard you say that you will pay for it with MPC and airport funds. Airport funds can only be used at the airport. I think that's a great idea and I'm all forever it if the airport is going to pay for it.

I have concerns, however if the C.I.P. is going to pay for it. How is it being paid for?

City Treasurer Jeff Nichols: The project -- the design of the project is going to be paid for out of the current funding that was approved for the design of the business center. A separate C.I.P. request, because the construction contract will line up a separate C.I.P. request is going to be coming forward in the process and whether that funding comes from general fund, personally, I think there's also a possibility that this could use tourism fund dollars. I mean, the type of people we have flying into our airports during the waste management Phoenix open or the NCAA men's final tournament, those are the types of visitors to our city that stay in nice resorts and pay bed taxes. So it's a possibility.

We were trying to line up the design -- just the design portion of the project with what's going on at the business activity center out there. And so to get that in the mix and then come forward with another C.I.P. request and Brian, if I'm -- if I'm misspeaking and you understand it differently, please

assist.

Acting City Manager Brian Biesemeyer: Mayor, Councilwoman Milhaven. We discussed several different items. I believe it's just as the treasurer described it, thank you.

Councilwoman Milhaven: Okay. So general fund dollars or airport dollars?

City Treasurer Jeff Nichols: Mr. Mayor, Councilwoman Milhaven, it cannot be airport dollars. Not for the project itself. It's got to be either general fund or maybe tourism development funds. If it's tourism development funds, then we need to go back to the tourism development commission and request that.

[Time: 03:36:26]

Councilwoman Milhaven: Okay. And then let me ask. You said you were looking at raising \$200,000 and I see some of it is for the aircraft and some of it is for operating expenses. Can you say more about what you hope the \$200,000 will go for?

Thunderbird II Field Representative Steve Ziomek: It will be for the aircraft. The aircraft we figure will be \$69,000 plus to get it here, maybe another \$10,000. So let's figure \$80,000 for the airplane and then we will be working with EVIT and one of our board members is the senior architect the at Scottsdale community college and he's hooking us up with their department -- the extra funding is for the memorial itself inside the enclosure. So the kiosks.

Councilwoman Milhaven: That's on top of our 412.

Acting City Manager Brian Biesemeyer: Yes that's on us. Everything inside the building, the nonprofit will be providing.

Councilwoman Milhaven: Okay. And then what about the potential of using public art money?

Acting City Manager Brian Biesemeyer: Mayor, Councilwoman Milhaven, we looked into that. There are will be some art funds, but that's not able to cover the 412. There are some art funds and I will defer to Gary for that.

Aviation Director Gary Mascaro: Mayor, Councilwoman Milhaven, unfortunately, the art folks said that we can't utilize those dollars specific to purchase the airport. But what they are doing is they are going to actually support us by using their funds to support around the area that wing, as we call it, with terrazzo flooring and some glass with artistic rendering. They are working through their process right now to acquire an artist to work within that area to help compliment the aircraft, basically.

Councilwoman Milhaven: So what about public art? How much money could -- I mean, there's -- we have art in public places, not all of that gets spent. Some of it will go -- right, so art in public places. Some it of should be from the project itself but then there's other monies that there's

a pool of money from the other projects that we haven't spent all of the money. That's my understanding.

City Treasurer Jeff Nichols: Mr. Mayor, Councilwoman Milhaven, I remember the C. I.P. project. I don't have the fund balance with me on that.

[Time: 03:39:03]

Councilwoman Milhaven: I guess I share -- I'm not comfortable committing \$412,000 of general fund monies tonight, which is essentially what we are doing. I want to do what we need to do to move the project forward because I know how important it is to donors to have a first commitment from the city and I want to do what I can to support moving this forward but I do think that we need to think some more about how we fund this and, you know, as we are thinking -- I'm thinking something like matching funds might help you, that the city would be willing to match whatever funds are raised privately to help pay for it. Maybe some portion of bed tax, if the community thinks that's important and then looking at other public art resources, what might be available to us in addition to the 1% that would come automatically with the airport project. Because I don't know -- I'm not up to date on all the public art funds, but there were some funds that we don't want to invite people to the water park. And what type of public monies may be available to support this.

I don't know what to do tonight. I want to support you. I don't know what we can do tonight, but I want to spend more time thinking about where the money comes from.

[Time: 03:40:25]

Mayor Lane: I'm along the same lines. I'm very, very enthusiastic about this project and I worked with Mr. Ziomek, to find the location there on the corner of Thunderbird and Scottsdale Road at the end of the runway, to where we are talking about now and trying to bring together the various potential funding sources inclusive of Scottsdale arts and also bed tax. Now I understand that are Scottsdale arts is committed to something into adorn, rather the area around the aircraft, but nothing specifically to the -- to the structure or otherwise. So -- and to the extent of what that aims to, versus what is available, that's all something that I think really needs to be vetted.

I too share the same dilemma that Councilwoman Milhaven shares and I want to find a way to make sure that we are able to move forward on this. But at the same time, I'm very concerned about general funds or funds coming from our general funds for this C.I.P. on this on contingency or otherwise. This goes to the original objection of the concerns for weighing the need -- the great needs that we have with limits funds and so it's of great concern there.

There are two things that I am not quite clear on. One of them is why is this not something and frankly, I think I read it correctly when someone indicated that this would be paid for from an MPC bond and they would be paid for on the aviation bond. That makes sense. Many could that Mr. Mascaro that you have laid a great plan in front of us early on, as far as how you are going make that debt service recoverable through that asset's use and we are certainly counting on that and I'm

sure you are as well. That's an important aspect of this when we are talking about \$412,000, if there's not some way to insert that into that program, what is the overall cost of the project?

Aviation Director Gary Mascaro: Mayor, members of the Council, the estimated budget for the project is about \$26.2 million total, obviously that's a budgetary number that we are working on. To speak specifically of why the aviation fund -- oh, I'm sorry.

Mayor Lane: I just wanted that number first. I want to hear your answer but \$26 million. What is the amount of public art funds that are required by virtue of our own policy on this for that \$26 million or whatever number is generated from that contract?

Aviation Director Gary Mascaro: Mayor, members of the council, it's 1% of the construction costs and the dollar amount is about \$183,000.

Mayor Lane: Okay, and that's what the total amount from the project is. We don't have any idea what they are spending on -- maybe they will spend the full amount to adorn this wing if you will?

Aviation Director Gary Mascaro: Mayor, members the council from my discussions with the public art folks they said that they will be spending the entire amount to help accommodate as much as they possibly can.

Mayor Lane: And what if there was an architectural feature on this building. Put the plane aside, frankly every airport you go to, you can see a plane hanging from the ceiling and there's some accommodation of those type of things. How is it that that cannot be incorporated into the building costs of that building?

Aviation Director Gary Mascaro: Mayor, members of council, the reason why we can't incorporate the wing per se is it's not specific to the correct benefit of the Scottsdale airport, the way the federal government sees it.

Mayor Lane: So an architectural feature would be disallowed for what? F.A.A. funding or federal funding?

Aviation Director Gary Mascaro: F.A.A. Grant assurance. We sign on the dotted line when we collect grants we say that all the revenues from rates and charges remain for the direct benefit of the airport and the users.

Mayor Lane: And to what extent have we -- of the \$26 million and I'm just working in rough numbers, I understand that here, what percent of that is being covered by grants, federal grants or otherwise federal aviation dollars?

Aviation Director Gary Mascaro: Mayor, nothing is being covered by federal dollars but what happens is when you sign a grant for grant assurance requirements and it says any revenue that you collect to the aviation fund has to remain. So that we are quote/unquote on the hook to do that

otherwise we would be able to share dollars anywhere we want. Are.

Mayor Lane: So this federal Grant money comes with a string of control that we produce for the city of Scottsdale.

Aviation Director Gary Mascaro: Yes.

[Time: 03:45:34]

Mayor Lane: I guess I understand that but I'm not crazy about that idea. It would be MPC bonds and it would be paid for from the aviation. I guess there is some kind of miscommunication, when we were talking about that wing versus the rest the building. I mean, I think we all fully understood that the building is subject to an MPC bond and now with some stipulations from the feds. Okay.

Then the other side of it is if we were to try to make sure that we have some accommodation here tonight, in order to facilitate this moving forward, we are well within our authority to assign tourism development dollars to this project, if we so choose. And I'm -- I'm -- I don't know what the extent of funds that are available and that carry forward funds but I'm sure it's still in excess of 412,000.

City Treasurer Jeff Nichols: Mr. Mayor, yes, I would say 20 times that in the range ever 9 to \$10 million. I haven't seen the latest monthly proforma but it's -- it's significant carryover funds.

Mayor Lane: In that case, and I know the line forms out through the fountain area as far as people asking and looking for those but as you and I have talked about and certainly to the conversation we were talking about you were mentioning earlier, this is truly one. Major doorways to our community from a very substantial amount of tourism and tourists. It doesn't mean that it goes directly to enticing people to land at Scottsdale airport, but it is part of the Scottsdale cache to use councilman Smith's comment from earlier on. And this, I think, goes to not only our history and our culture but also to a cache and a look and feel of something other than a utility type of billing which I know -- building which I know it's not but it does add an extra element to it.

So I think what my concern is right now, I had understood that the money was going to be fronted by the airport of the aviation area and that it would come back and that at some later date, we would end up with the 412 sitting on our table here. But by making and moving forward with the request here on item 28, we are committing ourselves to that 412,000. Is that not right?

Otherwise you see --

Acting City Manager Brian Biesemeyer: That is correct. You are committing yourself to that.

Mayor Lane: So it's more than just an idea of -- I just lost my page on that thing, but nevertheless, the exact wording was something to the effect that we are committing to accept the donation from the foundation and frankly, we are doing more than that. We are actually committing to 412,000 of funding that we right now would be coming out of general fund.

So I'm not sure how everyone else might feel, but in order to move forward, I'm ready to offer an alternative motion that we take that 412,000 out of the bed tax dollars.

Vice Mayor Littlefield: I'll second it.

Mayor Lane: Would you like to speak to it?

Vice Mayor Littlefield: I think that's a good alternative idea. Sometimes you have to take an opportunity that comes your way, even though you weren't expecting it and weren't planning nor it and weren't budgeting it and if we don't do that, then we lose something that we possibly could never get back again. I think this is something we should do. I think it adds to Scottsdale and to our reputation and to our history. And I think that's important. Yes. I will support that motion.

Mayor Lane: Thank you, Vice Mayor. I know we are on a new topic of the amended motion, but Councilwoman Klapp, did you want to speak towards either one, I suppose? I'm sorry, city attorney, please.

[Time: 03:50:00]

Deputy City Attorney Joe Padilla: Mayor, members of the council, I want to make sure the item on your agenda is to adopt resolution 10607 to enter into this agreement, but you have indicated you have a substitute motion, are you trying to add or amendment the motion that you enter into the agreement but. Funding will be from a different source?

Mayor Lane: Yes, I mean -- that -- you are absolutely correct because what's in front of us doesn't really speak to that even though as we just indicated, it commits us to that, one way or the other, so in taking that direction, I think we have to acknowledge the fact, we would like to accept the donation from the foundation of the aircraft and its cost but that our commitment is on the funding side. I don't know if that's a legitimate thing to do right now or whether we need to come back to do that.

Deputy City Attorney Joe Padilla: Well, you are going to be approving a resolution that authorizes and corrects the Mayor to execute this agreement that's been attached, and so it sounds like you want to enter into this agreement but you want the funding source to be specified right now.

Mayor Lane: What I'm working with, obviously is that we are making a commitment for \$412,000 with this -- with this motion that's front of us. We are making a motion for that, because that's where the funding is set to be and according to our council report. Right now it's coming out of general funds. I'm trying to clarify that element. It has nothing to do with that contract, unless that contract specifically commits us, which I presume it probably does.

Deputy City Attorney Joe Padilla: I don't believe the contract has a commitment on the source of the funds in it. It just talks about the amounts.

Mayor Lane: I'm sorry, Gary, you are nodding that it does.

Aviation Director Gary Mascaro: No, Mayor, members of Council, it commits that the funding will be there, but does not specify the source of funding within the contract.

Mayor Lane: I see. Okay. Well, then maybe my motion is not legitimate as it relates no this contract request, but we do have a bit of an issue moving forward.

Deputy City Attorney Joe Padilla: Correct. And so if you want to approve this resolution, you would be entering into this agreement and per your direction, city staff could identify the source of those funds as your trying to set out that direction, that they can just simply follow that. So the agreement if you want to approve this resolution with the direction that the city staff fund that from the -- from the tourism dollars.

Mayor Lane: So we could amend this agreement just to stipulate where -- where the funding would come from?

Deputy City Attorney Joe Padilla: Right you wouldn't necessarily be amending the agreement, you could actually give that direction to city staff. If we were to amend the agreement, we would have to bring it back and write it up and put that language in the agreement.

Mayor Lane: So it can still be part of the motion. If I would say, as an alternative, I would like to accept that contract but subject to -- or at least with direction to city staff to fund it from bed tax dollars?

Deputy City Attorney Joe Padilla: You could.

Mayor Lane: Okay. Well, so be it that my motion indicates that and the seconder approves that.

Vice Mayor Littlefield: I approve that.

Mayor Lane: Okay. I'm sorry, Councilwoman but we needed to get that clear.

[Time: 03:53:36]

Councilwoman Klapp: I don't want to muddy the waters.

Councilwoman Milhaven: Oh, go ahead!

Councilwoman Klapp: I think there's merit in what the Mayor is saying about going forward and look at tourism dollars, but I don't agree with the analysis -- that's my perception, that the plane is not public art. I don't understand why the floor and the walls are public art and not the plane. If you look at the building and you look at the design to be, the art is the plane. And so to have a -- someone making a decision that you can't buy the plane and you can't present the plane as public

art, in my estimation is wrong, to say that you can put a floor in and walls in and call those public art, I mean, I think this is like -- I don't want to use the word -- it's backwards.

And so my thought is that if we are going to be looking at where the funding is coming from and the building has over \$100,000 available for public art, then I think we have to look at a combination of things. We can take some money from the T.D.C., but I fully believe and maybe the legal department can tell me differently, that the plane is the art, not the floors and the walls. And so I would like for that to be discussed further and to determine whether or not that the purchase of the plane and the restoration of the plane or whatever it is could actually be part of the public art program because it looks like art to me, more so than a decorative floor and walls.

Mayor Lane: If I might, maybe a friendly amendment would be to look at bed tax dollars and public art funds.

Councilwoman Klapp: Okay. That's my point is that --

Mayor Lane: Is that okay? A friendly amendment to it.

Councilwoman Klapp: That's my point. I'm okay with looking at tourism dollars but rethink this whole idea of the plane not being public art and determine whether or not it could be because the floor and the walls ought to be part of the construction, I think. You know, it's building. It's -- these are building materials which are not public art. The only thing that is possibly public art in this whole presentation is the plane hanging from the ceiling, as far as I'm concerned. It's backwards. You are looking at it backwards.

City Treasurer Jeff Nichols: Mr. Mayor and Councilwoman Klapp, having been part of that process, is that the public art, just like our budget process, the public art goes through a process too. So when they realize they are getting funding from a project, they sit down and try to decide how that funding should be spent. I think this just came up after they had already been thinking about the things that they wanted to do at that administration building. And so they wanted to continue the process that they had started.

Councilwoman Klapp: Part of the reason I say, that we just did a horse that's public art that's outside of WestWorld and this plane is the same. We put a horse outside of the WestWorld and you put a plane outside of the airport. How could you -- if you can argue for the horse, you can argue for the plane.

City Treasurer Jeff Nichols: I think I could argue both all day long.

Thunderbird Field II Representative Steve Ziomek: Mr. Mayor, may I say something here? I appreciate what you are saying Councilwoman. The -- our donors will not donate to build the building. The donors will donate to buy the airplane. So if we -- if the donors buy the airplane, then the public art can't really buy the airplane. Does that make sense?

Councilwoman Klapp: Well, there's other costs besides the plane, though, that are going to be borne by the city.

Thunderbird Field II Representative Steve Ziomek: Yes, the whole memorial part and the history and --

Councilwoman Klapp: Well, I mean -- I think you said there's -- there's other costs that are related to the plane, besides the floors and the walls that would potentially be a cooperative effort we could say between public art and your donors so that we could end up getting the plane and restore the plane and maintain the plane, et cetera and it seems to me that this could be some public art dollars applied to that. I understand your restrictions as far as what the donors are saying but I'm not saying that the plane is a part of the building either. It's a separate entity entirely, which could be funded in many ways.

Thunderbird Field II Representative Steve Ziomek: Right. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Korte.

[Time: 03:58:30]

Councilmember Korte: Thank you, Mayor. Well, what a great idea. This is -- this is one of these big ideas that kind of fall into our laps. It's what's Scottsdale is all about.

But I tell you, I'm really frustrated. I don't think that we have -- we are getting all the information here. For us to be expected to adopt this resolution, between the Thunderbird field, veterans memorial, and not to actually have a source of \$412,500 to find, I don't think that that is fair to us. I don't think it's fair to our citizens. We cannot make a fiscally responsible decision without defining the source of these funds. And I just think it's half thought through.

You know, we have been, you know, try to clamor for all the information. Is it MPC bonds? General fund, C.I.P., oh, gosh, maybe we could use public art, oh, oh, yeah, bed tax. Everyone goes into bed tax and those bed tax dollars, yes we have a nice little reserve fund there but we also have an industry and a process that we need to honor using bed tax dollars. And dishonor that process is dishonor our tourism development commission and all the people that put so much effort into the use of bed tax dollars. So I'm really frustrated.

Because, again, we are -- we are just not getting the information we have need to make a fiscally responsible decision. So I will not be supporting a use for bed tax dollars. I will not be supporting any of this until we really clarify that the full scope of this project.

Mayor Lane: Thank you, Councilwoman. Councilman Smith.

[Time: 04:00:44]

Councilman Smith: Ditto. We are out of lockstep with understanding. Somebody made the comment that this is an opportunity of a lifetime or words to that effect. We have been talking about this project forever and ever, and ever, it seems, and I can't see making a decision tonight, particularly one that contemplates using tourism dollars. We haven't gone through the process of understanding -- having a presentation on this tourism impact, where it's tourism related. I mean, the voters gave us this money and authorized the collection of this tax, for tourism-related projects. And we're going to just -- I'm not going to, but, I mean, the suggestion is we just sit here and bypass the process, bypass the tourism development commission, the seven commissioners we have appointed to review and give us their opinion on these kinds of things.

I'm not even sure we are agendized to have this kind of a discussion, but in any case, I don't -- I don't agree that we have the authority right here tonight to spend tourism development dollars, it violates the entire process we have set up for the expenditures of those monies and it violates contract we have with the citizen voters. The best thing I can say if we can go back either to the tourism development commission and present the project to them, get their opinion, have them make a recommendation to us, I mean, I'm not sure -- it's true, we are not bound to go with the recommendation but we have to at least give them the opportunity to make a recommendation and I'm still -- if we don't do it that way, to somehow invade the general fund and spend general fund dollars and convince somebody that this is more important than safety improvements on Chaparral Road, which the voters turned down or restrooms at parks or police headquarters or whatever, we have a multitude of projects that we said were the highest projects in the city and now we are talking about a project that I don't know how much it's going to be.

400 some thousand for the building and another couple hundred thousand dollars for public art to decorate things around. I mean, this -- this is not what you do when you are out of capital money and we are out of capital money. So I won't be supporting the alternate motion either.

Mayor Lane: Thank you, Councilman. Councilwoman Milhaven.

[Time: 04:03:36]

Councilwoman Milhaven: I think I will make an alternate question. I have a question. In the staff report, it says that the donor needs to let the contractor know by April 1st of 2017. So that's sort of a hard and fast dead line. But you also said you need to -- is there also sort of a design -- initiate design deadline? What the urgency?

Aviation Director Gary Mascaro: Mayor, Councilwoman Milhaven, we are in design right now and quite frankly, we started the schematic design for that alternative wing component of the building and so we are continuously proceeding. It would be considered and alternate but April 1st is the hard and fast deadline where we would probably need to know because we will be bringing that contract award for construction at that point and we need to make sure if we are continuing that process or not.

Councilwoman Milhaven: I was planning to make a motion to continue this item to ask staff to bring back this item with a full program plan of all of the elements and all of the costs, right? Because we

are going 412, but then we hear there's another 183 on top of that and that's really -- I don't know the number keeps getting bigger.

And so to bring back a full program plan after all the costs and all of the sources that you have got commitments for or expectations or fund-raising expectations hasn't so all the program costs and then revenue, from sources to fund it, which might include donations, bed tax dollars and public art monies. And to explore whether or not there's any more public art monies in the 183,000 because just as we have a process with pending bed tax dollars we have a process with spending public art dollars both are recommended to us by citizen groups but at the end of the day, as councilman Smith says, we can choose to accept or not accept the recommendations. If there's other public art monies that we think could be applied to this, we think it would be good to know that too. We think if at the end of the day, it could be a combination of all of those things.

If I were to make that motion and it were approved, does it create any issues for staff?

Aviation Director Gary Mascaro: Mayor, Councilwoman Milhaven. From staff perspective, no. April 1st has to be our deadline because we have commitments in place for our tenants that are waiting eagerly to get in the hangars and start writing the airport checks. I would defer to Mr. Ziomek. He's the one that has to collect the donations per take for the aircraft?

Thunderbird Field II Representative Steve Ziomek: I think big issue we might have to -- well, this contract shows for us showing so much pledged by, I think December 1st. We would have to push that back after the next council meeting but the key for us is going to be this year because of the tax write-off associated with all of our donors.

Councilwoman Milhaven: Well, then the sooner the staff can come back to us the sooner we can make a decision, I would say. If we want the TDC to opine or the public art board to owe pipe on it -- opine on it. I don't know that we can --

Mayor Lane: We don't have any meetings scheduled after the 1st of December.

Acting City Manager Brian Biesemeyer: You are correct. I don't think there's time enough for us to do that. And have the TDC and the arts advised by that time. And that's kind of what brought us here was -- the need to try to get this before you, on recognizing the fact that there are processes to go for with the arts and the bed tax dollar but we want to bring this before you for the lack of options, you know, my apology for that but we really wanted to bring it to you with the consideration of the timing and the processes. But as Gary said, one, April is when we need to know. So I will leave it with you there.

Councilwoman Milhaven: So your year-end deadline writes to writing the check. It wouldn't relate necessarily to a commitment that might be funded in the next year?

Thunderbird Field II Representative Steve Ziomek: Say that one again.

Councilwoman Milhaven: So I understand what you are saying in terms of fund-raising deadline, the donors would want to make a contribution to get the tax benefit in the current year.

Thunderbird Field II Representative Steve Ziomek: Correct.

Councilwoman Milhaven: If we were to push this into the following year, would that mean people would be unwilling to give in the following year?

Thunderbird Field II Representative Steve Ziomek: Probably not. I think they would probably still -- they will still be a donor.

Councilwoman Milhaven: I think we can work through this. I will make a motion and say that given the great enthusiasm for this project, that we want to make every effort to move this along as quickly as possible and I would like to make a motion and request staff to bring back at the earliest possible meeting, complete project plan, outlining all the itemized costs and to pay for this which might include donations and bed tax monies.

Councilwoman Klapp: Second.

Mayor Lane: Seconded already. Would you like to speak toward it?

Councilwoman Klapp: No, I think it's pretty clear where we are. We are just -- we want to have some better information before we can make a final decision.

Mayor Lane: Do you want to repeat it?

Councilwoman Milhaven: To continue this item and ask staff to bring it back to council with a complete itemized --

Mayor Lane: She said she hadn't heard Suzanne. I'm sorry. Councilwoman Klapp. You know, just to follow on, I certainly will support that motion too and I think it's important to always remember that this body, number one, ultimately, particularly when it comes to tourism infrastructure, was whether it was museum in downtown or whether it's a museum of a piece of art at our airport. I think they are both intrinsically involved with the tourism industry and our look and feel. And so I think it's certainly a valid place to be looking toward. But I think your motion goes to the point of giving us some time and I think that's where we need to go. So motion in favor of that and that is the alternative, alternative motion.

So it will be the first one that we will address and since I see no further requests to speak on it, we are then ready to vote. All those in favor of that motion, please indicate by aye and register your vote. I tell you, Councilwoman Milhaven, you really struck gold on this one. It's unanimous. Very nicely done. And understanding creates some difficulty, but nevertheless, we will be working -- I think you could tell your donors that certainly this council is going to make every effort to make sure that happens.

Thunderbird Field II Representative Steve Ziomek: I think with a certain number of them, we will get the check and give them the receipt and if you don't pass it next month or in January, then we will give them their check back. Thank you very much, council.

ITEM 30 – SCOTTSDALE CIVIC CENTER MALL (453-PA-2016)

[Time: 04:10:59]

Mayor Lane: Thank you very much. That completes item 29 and we move on to item 30, which is the Scottsdale Civic Center Mall and it's 453-pa-2016 and we have Mr. Worth our public works director here for a presentation on this subject. And to that point, it is -- is this an action item?

Public Works Director Dan Worth: Mayor, there's two items embedded in this single presentation. One is for information possible direction and the other is going to require you to take action on initiation of several zoning-related actions.

Mayor Lane: Okay. Proceed then, please Mr. Worth. Thank you.

Public Works Director Dan Worth: Good evening Mayor and Councilmembers. As I just mentioned this is a two-parter. The first part of this action is an update on a presentation -- actually a work study that you had a little over a year ago in October of last year, on implementation of the tourism development and marketing strategic plan. We talked to you at that point in time about some capital projects to implement that plan specifically a couple of locations for a concept that we referred to at the time as Arizona central.

As a result of that, work study and the discussion and the direction you gave us, you basically told us to look more broadly at the whole downtown, and look at some other needs, and think comprehensively and strategically. That's what we have been working on over the past year. We have been working with the Holly Street Studio architects and I will ask Diane Jacobs to come up and give us some direction and at the end of the presentation, there will be an opportunity where we will be asking you for comment and discussion and direction.

The other part of this action is more narrowly focused on one small specific piece of overall downtown puzzle, the Civic Center Mall. In 2014, Scottsdale Arts, the cultural council at the time requested a C.I.P. funding to make some improvements to enhance the performance venues and the event space that they manage on our behalf in the Civic Center Mall. Our staff looked at it and identified several infrastructure movements. You have in the 2015/16C.I.P. approved a \$300,000 project to do a civic center master plan to come up with a plan to address those proposed improvements.

And what we are going to be asking you to do tonight is to take the next step to move forward with that master plan process. We will ask you to initiate three different things. It's the master plan site update and a zoning update and a conditional use permit, believe it or not our premier live entertainment venue does not have a conditional use permit for live entertainment. It's a legal

non-conforming use because it was put in place where we had conditional use permits and it will fix that.

The reason that we marketed together. The consultant we are working with on the Civic Center Mall master plan is also Holly Street Studios. We have engaged them for both of these events because we want to make sure that what we do with the Civic Center Mall is consistent with the bigger picture more inspirational kind of things that we will be presenting to you. We will be moving forward with a short-term master plan update and so we can do the short-term fixes. We want to make sure it's consistent with the long term efforts and with that, unless have you any questions for me, prior to the presentation, I will ask Diane Jacobs to come up here and talk to you about our vision for downtown.

Mayor Lane: All right. Very good.

[Time: 04:15:17]

Architect Diane Jacobs: Good evening Mayor Lane and members of the city council, I feel like I should start this presentation with an offering of milk and cookies or something because you have had a very long night. Instead, I will start with last but not least. Okay. Next.

This has been a very interesting year about almost 13 months ago, I met with you here in the council chamber to talk about civic center. And the civic center is in need some of basic improvements but the conversation blew up to discussion about public space because people love our civic center and the civic center is very busy. It's also seen a lot of really exciting times and moments and not only do we need new space but it needs to have a few things fixed up. So although tonight's item specifically centers around the initiation of a municipal master use site plan, a technicality, I would like to give you an update of what the civic center engendered as I say a little over a year ago.

So as you recall, the date was the 27th of October in this chamber for a work study session. And the conversation was what to do with a few parcels namely the one at the top of the screen, you can see this area here, which is an open space at the canal, and then this area here which is near the Scottsdale Museum of the West, and we talked about those two as alternatives, additional event spaces to help ease some of the pressure off of the civic center. In that conversation, our firm along with our partners in this project, the floor associates and they are here today too, began to look at some of those spaces in the effort to choose one ideal space. But what we realized was that the demand was greater than one additional space beyond the civic center and also the demand was very varied. There were many, many different groups interested in connecting and getting together in city public space.

So this shows kind of what we are calling in essence the emerald necklace of Scottsdale. We begun to look at this space at the canal, as well as the Loloma site and the civic center as three key open areas that could serve the public in a variety of ways. What we were asked to do by yourselves, the council, and Mayor Lane, was to kind of investigate this a little further and engage in a robust public conversation. We asked people what their top priority were for the downtown area. They wanted to create great public spaces that could weave in and out of the many, wonderful private assets that

the city has. As well as preserve assets like the beautiful canal front, things died directly to the Indian Bend Wash and plan for the future.

There's a great deal of growth happening in our city and more and more visitors come every year and build connections between, in and Montgomery not only public venues and private and infuse another layer of vitality in our city. These are a few examples.

We explored how to do this by looking at best practices around the country. So quickly, creating great public spaces which includes robust public art, that's not only permanent but temporary, and by this I mean art by artists who are commissioned, who are invited from around the world, who bring a great deal of interest and enthusiasm not just by people visiting Scottsdale but people who live here. Preserve assets we all know that Scottsdale is a great place to live.

We talked a little bit Scottsdale high and the legacy of the civic center. There's a lot of really beautiful things here that we have to be careful not to put too much pressure on. Building connections. There other areas throughout the downtown that are also vibrant and expanding and they are not just, again, public spaces, and these areas should be connected to one another. And also plan for the future.

The current single family and residential -- the single family residential buildings are shown in blue, and if you look at -- in this kind of light blue tone, if you look at the darker blue tone, you can see that -- that there's a great deal of multifamily residential, utilized about but the most important thing about this slide is not the amount of units and the amount of growth, but more than any other western downtown, we have a great diversity and spaces in downtown.

Our sister cities like Phoenix, sister cities meaning adjacent, Phoenix, Mesa, Glendale, Peoria, all of the other cities that we share this region with, would love to have a downtown that's as diverse as ours. So we have a lot of really great things to protect as people are moving in and this diversity continues. We want to continue to infuse energy and vitality. Everybody knows that festivals at times are sold out or standing room only in downtown Scottsdale. There's a great demand for more. This is a premier arts and culture city, and we need to think about how we are going to accommodate this demand in a way that preserves, again, our assets, respects existing citizens and also takes care to bring funding with that rather than cause additional expense.

So how do we do this? Well, we spent a good part of the year speaking about what it means to build upon existing assets and to consider the seriousness of our legacy as an arts and culture city and exactly what that means to become competitive and continue to bring in tourism dollars and also to build upon new development tunes because there's so much residential moving into this downtown core. How do we enhance this residential and make sure that there's public spaces in and among these new developments?

So there's also -- I mean, some people attribute this to the millennials whoever they are, an increased desire for walkabilities. And by this we mean that there's an increased interest in creating spaces to live and work that involve community. So although there are some very precious and interesting

blocks within the downtown core, we still have a little bit of work to do, to weave those interesting places to one another, and create comfortable, safe, interesting, secure, long-term solutions for how our city fabric can work for pedestrians as well as vehicles.

So what was the big idea? Well, we isolated those site that we shared with you earlier. This site that was up by the entertainment district was something that we talked about but set it aside for now. What we looked at are these four places and then we looked at these four places, such that everything in between and on the edges of these four places would also be connected and also be walkable.

So the first thing we called the canal space Canal Convergence Park and those that are working on public art that supremely successful event of canal convergence, we just stole that name. So it's not official, but there's a great deal of love and sort of participation for that event. So we thought that whatever public space and there's many details about that space in general, but whatever happened at the canal would sort of build on that annual event that's very successful. The next was what we're calling Horseshoe Falls park or Marshall Way Park and then Loloma Park, and these are place holders to help describe the different places and how they can be connected.

So the canal area. We looked at several different factors. We looked at connections to other public sites. We looked at public/private partnerships highlights in red outlines, possibilities for working with private developers, and how the space in between might enhance some of these private developments but more importantly, the fabric of the small businesses that surround them. Marshall way leads directly up on axis into this big open space which could be another event venue taking some of the pressure off the civic center and also tying in with some of the entertainment district activities and the gallery events downtown. We use San Antonio as a case study saying that their river walk was a really good example of how we can continue to build upon the assets of the canal. Let's go back. And we studied how these different moves benefits small businesses and larger endeavors. Oops.

The next part we called Horseshoe Falls. And that is right at what some might call the DMZ, between Indian School and the lower part of the gallery district. And that is a big empty lot that's adjacent to the Horseshoe Falls sculpture which is on the right side of Marshall Way. And we thought that this would be a wonderful stepping stone between the northern part of downtown and the southern gallery district. So the master plan that we created here and we looked at and I will say there's a lot of details that involves parking, streetscape, planting, street lighting, every pleasure of detail to make these things work but this in essence was again an idea with private development opportunities nestled within a few sort of small green spaces that could be substantial pocket parks on the way from one side of downtown to another. Essentially infusing energy and creating a safe bridge from one spot to the next.

Now, what's interesting about this particular park is that there's a developer and I believe they are here tonight, who is looking at developing a private parcel but when you look at the -- the intended idea that they are conceptualizing right now, their concept is very much in keeping with the idea that we had for the pocket park which is to develop the west side of the street and open up the right side to create a place for those people walking through to the south part of the downtown Scottsdale. So

this shows a very good example of how some of these projects benefit and can be supported by public/private partnerships.

Here's an example of Kick Park. It happens to be in Singapore but what is interesting about this precedent, is very few materials, fairly low maintenance but very, very clever design has activated what was once a throw away corner and that could happen easily on Scottsdale on the back of this partnership.

The next park is Loloma Park. You have the Sagebrush Theater and the Scottsdale Museum of the West. This more than the other two because of its size has a tremendous a.m. of significance, especially to the original part of this discussion which was taking a little bit of pressure off of the civic center but more or less creating gateway into downtown Scottsdale. This is almost like a Gammage moment coming into Scottsdale and providing another gracious, large open space not only for activities to take place but also as an open welcome into the city. The private opportunities would potentially fall to the south of the Museum of the West, to the west of this large open green space, and to the south of the Scottsdale artist school.

I know there's a variety of ideas about this but really what we are advocating is not so much the exact arrangement but that some of this space is preserved and we see this as a family oriented park, respecting the neighbors around but also providing a little bit of a respite in a city that will arguably become more dense as the years unfold. This shows kind of the northern part of this scheme where we have ideas about potential traffic signals, how the private -- the potential private development can work closely with the Scottsdale Museum of the West and even within that development, we placed the sagebrush theater. So there's a lot of very clever ways to help make these things happen. If we serve, I guess on a public level as a catalyst.

And this is the southern portion. Again, I can't stress the importance of the big open space that's well cared for and inviting for residents with private development flanking along the edges. Loloma Park this some ways reminded us a lot of the precedent of Clydehorn park in Dallas because this park ties in with performing arts but also family opportunities it has a lot of really excellent dynamic and passive designs that people use who live there, not only people that visit.

These are examples and I will go through them very quickly about how we have dialed into how the streetscape could work and how parking could work. Probably any of the questions that you have about implementation, we have at least thought of. But more importantly what's been really interesting in compiling all of these drawings is we have talked to countless number of people. Some people were a little annoyed at first because they imagined that we would tell them what to do and tree shape the streets. But the idea behind the public space master plan for downtown Scottsdale is really to connect and by connectivity, which is really what we call it, it's the nickname of the project. We do not necessarily mean only these big public green spaces but all the little sort of points of light in between them, essentially creating what we are calling another metaphor, forgive me, the emerald necklace of Scottsdale which came from the 1800s in downtown Boston, essentially linking what's a very urban center.

Another example of streetscape and this is along Main Street. We spent quite a few hours talking with gallery owners and shop owners in and around the civic center and this appears to be a great deal of support for some of these concepts.

And finally, of course, last, last but not least, the civic center. The idea here is to create spaces that are safer to take care of infrastructure issues and to open things up a little bit more to the edges of the city. But through this, we remain committed to working with the private ownership in and around the civic center to make this happen. Again, there's a lot of detail on this plan and we can go over it if you like, but this just kind of shows an example of how it could be vibrant and more relevant and visible to the city. And it's already a really great place. We had some ideas about examples of public art, and precedent is Tonga Park in Santa Monica, California.

The Drinkwater couplet was designed to open up the city center but it had the reverse effect. As you go under, you are not seeing the civic center. How can we take what is already there and open it up a little bit and give space for public art which is really part of our identity, not just static public art but performing arts on the edges and how can we learn from other cities?

This is an example in Boston, postage stamp. Land is a whole different conversation in the older cities. They found a clever way to put parking underground and underground parking is a really difficult subject because, you know, you see more and more dollar signs rather than two, maybe there's four for underground parking but I would argue that it's really, really worth considering because the give back is permanent. And automatically, the people who are surrounding these parks, one, have a place to put their car and we do love our car. And two, they have this unbelievable valuable real estate around a well notify known park in a city that's regal and proud and builds on its own traditions. Again, Clyde Warren, this one we show again, an aerial format because the edges are open.

So part of our idea with civic center step by step is to open the edges so that the city really takes ownership of that park, not only when you are visiting civic center, but when you are coming to and from downtown Scottsdale. And right now this is the area of work. So we are being very sort of surgical about what we touch first and you can see that this is sort of conceptual. We are talking about mostly enhancing the center portion of the civic center and fixing some of the issues of drainage along the -- you know, of the east side and very close to where we are now. This shows a proposal for another civic center building potentially finding another use for the land work where current one civic center. This is quite future and we are exploring the possibility so that some of these paces can be shared with others moving forward.

So here's where the necklace stands from that quick crude hand sketch that we put together in October. We see this emerald neck has or connectivity project as linking not only the big beautiful green spaces that exist, but potentially new green spaces that might be preserved and developed together, as well as existing private projects that are happening no matter what as we speak and other beloved sort of semipublic spaces, like for example, fashion square mall, I dare say the Valley Ho is semipublic because it's kind of a land mark for Scottsdale. And then the healthcare campus, and as well the stadium, the entertainment district and the Galleria.

And the sites we are talking about as a public project are the beginning. This is a demonstration that these big open spaces need support all the existing things that are already happening within the city. There's the diagram. And that's it. Thanks so much. Any questions?

Mayor Lane: Thank you. It's quite comprehensive and I'm presuming that the rather thorough update from what we have seen sometime ago --

Architect Diane Jacobs: You told me, I had a lot of work to do. I remember.

Mayor Lane: I do seem to remember something along that line. But actually, I'm not sure at this point in time.

[Time: 04:36:03]

Mayor Lane: It's strictly an update but whether or not we have something associated with it with regard to initiating the following elements that we have as a, and c here. On the basis of what you have here. Mr. Worth, if you could maybe address that.

Public Works Director Dan Worth: Mayor, I would welcome any discussion or reaction to what you saw or some of the concepts, concepts you wish us to explore further, are we working in the right direction? Are we totally off track? Just in the way of direction and based on your direction, if we are going to proceed with any or all of this, then we've got more work that we need to do in terms of identifying discreet opportunities and developing an implementation plan, developing possible funding strategies for your future consideration, but that would be the direction that we would go off on, if -- if your intent -- if your direction is to continue to pursue any or all of what Diane just presented to you.

Mayor Lane: Well, from what I understand, as far as the initiation of some of the process to put this in motion, on a, b and c, the amendments, the municipal use and the master site plan for the Civic Center Mall, that's something that would have to be initiated to consider the implementation of this type of process?

Public Works Director Dan Worth: That's correct. The one action that I'm going to ask you to potentially vote on is the initiation of three items, the municipal use master site plan update, and a zoning change to downtown/downtown civic center type two downtown overlay. I don't come up with the names. I would probably not have put down town into that name three times myself, but the zoning district that we're proposing rezoning this property to. And then the third action is to initiate the conditional use permit and all three of these actions you are not approving a plan. We have no plan to present to you right now.

You are not approving the zoning. You are not approving the conditional use permit. You are simply acting basically as the owner, to initiate the zoning processes associated with all three of these and then we're going to continue if you choose to do so, we're going to continue with the appropriate process, which includes planning decision and D.R.B. review and we'll develop the plan and bring those

back for final approval at some point in the future. So just the initiation of those three items.

Mayor Lane: To commit the time and effort to put these in motion, but these are elements that are required, in fact, to implement part of what we just saw in the outline here?

Public Works Director Dan Worth: Correct, Mayor. And I would point out that as Diane pointed out, she showed you that diagram, that's the area that's encompassed in this municipal use master site plan but not everything in that diagram will be included in the plan that we bring back to you for approval. The relocation of an office building is definitely a long-term prospect. That's something we may want to consider but it's not in the nature of the short-term improvements to the performance venues and the infrastructure that will be included in the master plan.

Mayor Lane: Dan, sometime ago, we were faced with a consulting agreement. I'm not sure what we ended up doing with that or set in motion the civic center plaza as it relates to the fountains and the reworking of that entire area. Now, we didn't go -- we didn't follow that process. But some of what we are talking about here is necessary, to be initiated in order to accomplish these things.

Public Works Director Dan Worth: Yes, Mayor, that's correct. What we brought to you about a year and a half ago, maybe two years ago, was a request to spend the same money that's now in our C.I.P., to update the municipal map. It was accompanied by the request to allocate future bed tax funding to support a \$10 million project investment and the direction that you gave us at that time, you didn't want to commit funding for project until such time as we had an idea of what the project would be. We have to do the planning first. This is just the planning piece and this is the next step in the process.

Mayor Lane: Action item, just for my purposes are the three items we are talking about, if that's accepted, and we are really directing this right now to this first step, on that emerald necklace.

Public Works Director Dan Worth: Yes, Mayor. That's correct.

Mayor Lane: Okay. Thank you. We do have some questions or comments and I will start with Councilwoman Milhaven.

[Time: 04:41:09]

Councilwoman Milhaven: I'm so excited. Thank you, Ms. Jacobs. I'm excited to hear more detail. And a friend of mine recommended a great book after your last presentation, "walkable city" and what an inspiring book. It talks about preserving open space and how the health of the community, not just the physical health but the economic health relies on our us considering these kind of open spaces. I'm excited, yes, please keep working on it.

It's sort of interesting this is probably millions and millions and millions of dollars of investment and we just spent a long time talking about \$400,000, but I do think that when we look at potential funding sources it will probably involve some type of vote and the more detail we can put on this and the

better picture we can draw for our community around what this will look like and how this will benefit us, we -- they will be well served in making a decision if, in fact, that we need to go for a public vote to pay for some of this.

So I enthusiastically support you continuing walking down this road looking at the whole plan and if we need to get started with something, I will make a motion that we initiate a on amendment, to municipal master site plan for Civic Center Mall. And zoning district map and conditional use permit for live gem for the Scottsdale center for the performing arts.

Councilmember Korte: Second.

Mayor Lane: Motion has been made to approve, a, b and c. And seconded by Councilwoman Korte. Councilwoman Korte would you like to speak to it?

Councilmember Korte: Yes. What a big idea and we have been digesting this for about a year now, and continuing to work on it, refine it. I think this whole walkability and open space and pocket parks is exactly where we need to go in downtown. Maybe it's time to change the name from emerald necklace to perhaps turquoise necklace. You know, I know it's harder to spell, turquoise, but something else other than emerald. Something more Scottsdale, Arizona.

I want to make one cautionary comment. We need to be careful when we talk about funding and we throw out bed tax dollars and I just think that -- I think we need to be more creative. Bed tax dollars are not the panacea and we are starting to use it as one and it just doesn't feel right to me.

So I love it. I think starting with the Civic Center Mall and opening that up is where we need to start. I think we have some other opportunities, you know, around the Loloma and being of course the waterfront, I know that there's some creative minds behind moving forward on the waterfront and different uses and I just think that let's take advantage of today's good economy and move forward with better defining what this necklace is. Thank you.

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

[Time: 04:44:45]

Vice Mayor Littlefield: Thank you, Mayor. Well, I'm not a very imaginative person, I guess and I kind of walk along a dirt road, but as I read this through and studied all that was going on. I had to start laughing because the center for the performing arts doesn't have a C.U.P. for performing arts? That really just strikes me as really odd and I'm -- I'm just kind of asking, can we not just work on that and get that done first and not wait a couple of years while we are going through all of this stuff and get them a C.U.P. so that they can legally perform arts in a compliant manner? Thank you.

Dan?

Public Works Director Dan Worth: Mayor if I could respond to that. It is being -- art is being

performed, live performances are being conducted. It is a legal non-conforming use it. Predates the requirement to have a conditional use permit. Certainly we will process that.

Vice Mayor Littlefield: We can do it in a conforming manner. That's the number one thing to do. I agree with what Councilwoman Milhaven said. I think we need to continue looking at this and I think the Civic Center Mall is a good place to start.

[Time: 04:46:09]

Mayor Lane: Only additional comment that I would like to put into -- into the thinking is something you mentioned a little while ago and that was the various and maybe innovative ways we can go about financing these kinds of things. There's no doubt we are talking about big ticket item and we have certainly our challenges with capital projects to begin with. And so I would say that whatever emphasis that we can put on personal -- or rather public/private partnerships I think is an essential component working with people who will activate the area but at the same time provide the kind of assets that we are looking for in this necklace, whatever we end up calling it. My vote will be for silver. That's an easy one to spell.

But, no, I'm particularly concerned about this particular area right here being only because of infrastructure issue issues that we have right now that we need to be thinking about. How in the long run are we going to make sure that we have structural integrity of the overpass and those elements with the fountains there. So that goes down to just the technical aspects of what goes on here but frankly, a good utilization is it is a popular spot, and it's a great place to start, I think.

Don't see any additional questions or comments. So I thank you. Thank you very much for the presentation. But you don't need to necessarily stand there while we vote.

Architect Diane Jacobs: Oh, if I could make a closing statement, based on what I heard. I appreciate the support, and I agree that this is kind of a vision for downtown Scottsdale, but we have to start somewhere, and given that there's really actually a very interesting set of circumstances that are coming together right now with arts and culture, with this interest in coming together and sort of these kinds of walkable cities and neighborhoods, this interest in living downtown, this interest in shopping and visiting downtowns as kind of a tourist definition. The idea of pocket parks and streetscapes, they are nice words and we love to use them because nobody can argue with something that's pleasant.

This is an economic development issue and a lot of the reasoning behind some of these suggestions comes from what is happening around our nation quite successfully. So we could pluck out one case study after another that shows how this is really a matter of dollars and cents. It's nice to share with the citizens that this is a give back and I think it's the most important thing is this public space but this is not just for fun. I mean it is also for the future of our city and its legacy moving forward.

Mayor Lane: You know, I would want to -- and I certainly appreciate what you are saying there and frankly there's a hugely practical effort and that's why we may not end up being so much on the vision

side of it, even though those are very nice words and you can't hardly argue with the things that are nice. Frankly, even if we are to engage in this overall master plan, that we have it structured as to how we not only fund it but also what's -- what becomes, first, what comes second, and if I were to even just say right now, I think the southern part of downtown, really -- and I'm thinking about the area around the Museum of the West, is probably another area that we should be seriously thinking about how do we -- because things are going to come to us in the meantime, and as long as we have some kind of plan, we can work them into that kind of fixture, whether it's a public/private partnership and how to work it into that scheme. So very much appreciate what you are saying and frankly, the update. So thank you very much. Oh, I didn't know whether you had your hand up there. You are being demonstrative. But in any case, sorry about that Dan.

I think we are ready to vote on in the motion that's been made. All of those in favor, please indicate with aye. And those opposed with a nay. It's unanimous. 7-0. So thank you for that presentation and for those thoughts. Okay.

Our next item is the -- we have no further public comment and no public petitions but we have Mayor and council, which is the boards and commissions and task force nomination. For that purpose, I turn it over to the Vice Mayor.

BOARDS AND COMMISSIONS NOMINATIONS

[Time: 04:51:16]

Vice Mayor Littlefield: Thank you, Mayor.

Mayor Lane: And it's just before 10. So we don't have to vote whether we continue on.

Vice Mayor Littlefield: This evening, the City Council will be nominating Scottsdale residents interested in serving on citizen advisory boards and commissions. The 10 with vacancies are the Board of Adjustment, Building Advisory Board of Appeals, Historic Preservation Commission, Human Services Commission, Judicial Appointment Advisory Board, Library Board, Loss Trust Fund Board, Parks and Recreation Commission, Personnel Board, and the Planning Commission. So let's get started.

BOARD OF ADJUSTMENT

[Time: 04:51:54]

The Board of Adjustment, there is one opening. The Board of Adjustment is a quasi-judicial body that hears variance requests, appeals of the Zoning Administrator's interpretation/decisions, and decides on the administrative decisions or zoning requirements, which create unnecessary hardships in the development of property because of exceptional conditions.

There's one vacancy and there are two applicants. Paul Garry's term expired October 19, 2016. He

is eligible for reappointment and submitted an application for consideration. The two applicants are: Paul Garry, Andy Jochums. I will start and I will nominate Paul Garry. Councilman Phillips.

Councilman Phillips: No further.

Councilman Smith: No further.

Councilmember Korte: No further.

Mayor Lane: No further.

Councilwoman Klapp: No further.

Councilwoman Milhaven: No further.

Vice Mayor Littlefield: Okay. There is one applicant who has been nominated, Paul Garry. Moving on to the next one.

BUILDING ADVISORY BOARD OF APPEALS

[Time: 04:53:03]

Vice Mayor Littlefield: It's the Building Advisory Board of Appeals. The Building Advisory Board of Appeals has the jurisdiction to recommend that minor variances in the electrical, plumbing and mechanical application of the Building Code be granted and that alternative construction methods or materials be allowed. There are no special qualifications.

Mike Bergfeldt's term expired July 7, 2016, and he is not eligible for reappointment. Bill Schweikert's term expired July 9, 2016, and he is not eligible for reappointment. David Valencia's term expired December 8, 2015, and he did not submit an application for reappointment. There are three vacancies and three applicants. The applicants are: Milan Kesic and Marcy Kostewa. We will start with Councilman Phillips.

Councilman Phillips: Milan Kesic, Marcy Kostewa, Barbara Truelick.

Mayor's Management Assistant Kelli Kelli Kuester: Barbara Truelick will not be considered tonight. We received late notice that she would like to withdraw for this round of nominations.

Vice Mayor Littlefield: Thank you. Since all applicants have been nominated, let's close these applications and we will move on to the next board. Or commission.

HISTORIC PRESERVATION COMMISSION

[Time: 04:54:28]

The Historic Preservation Commission, there are two openings. It coordinates local efforts to identify and protect significant historic and archeological resources. The special qualifications, as outlined in the Scottsdale City Code, each member shall have demonstrated special interest, knowledge or experience in at least one of the following: Building construction, history, architectural history, real estate, historic preservation law or other historic preservation related field. And in order to increase funding opportunities from the Heritage Fund and other grants, the State recommends that at least one member from each of the following professions be on this commission: Registered Architect, Real Estate Professional, Archaeologist, and Historian.

Laura Delahanty, historian, resigned August 4, 2016. Alyssa Gerszewski, resigned August 4, 2016. There are two vacancies and two applicants. The applicants are: Blair Schweiger and Paula Scott. We will begin with Councilman Smith.

Councilman Smith: Thank you, Blair Schweiger and Paula Scott.

Vice Mayor Littlefield: Since all applicants have been nominated, I will close the voting and move on to the next board or commission.

HUMAN SERVICES COMMISSION

[Time: 04:55:51]

The Human Services Commission has two openings. The Human Services Commission provides advisory recommendations to staff and the City Council on human services priorities and programs.

Donald Nordlund resigned October 3, 2016. Dustin Thomas' term expires November 19. He is not eligible for reappointment. There are two vacancies and seven applicants. The applicants are: Michael Cavanaugh, Mark Culbertson, Yashira Frederick, Jayne Hubbard, Robert Jones, Greg Pierce, Holly Snopko. We will begin with Councilwoman Korte.

Councilmember Korte: Jayne Hubbard and Robert Jones.

Vice Mayor Littlefield: Mayor Lane.

Mayor Lane: Robert Jones, and Holly Snopko.

Councilwoman Milhaven: No additional.

Vice Mayor Littlefield: I will ask Yashira Frederick and Robert Jones. Councilman Phillips.

Councilman Phillips: No additional.

Vice Mayor Littlefield: Councilman Smith.

Councilman Smith: No additional.

Vice Mayor Littlefield: Okay. We have Michael Cavanaugh, Mark Culbertson, Yashira Frederick, Jayne Hubbard Robert Jones and Holly Snopko have been nominated. We will move on to the next board.

Which is the judicial appointments advisory board. There's one opening but there are no applications on file.

LIBRARY BOARD

[Time: 04:57:51]

Vice Mayor Littlefield: So we continue on to the Library Board. The Library Board advises the City Council on general policy relating to the programs, services and future development of the Scottsdale Public Libraries.

Doug Sydnor's term expires November 19. He is not eligible for reappointment. There is one vacancy and three applicants. The applicants are: Patricia Bauer, Sheila Collins, Shiela Reyman. We begin with Mayor Lane.

Mayor Lane: Nominate Sheila Collins.

Councilwoman Klapp: I nominate Shiela Reyman.

Councilwoman Milhaven: Patricia Bauer.

Vice Mayor Littlefield: All applicants have been nominated. We will close nominations and move on to the next board.

LOSS TRUST FUND BOARD

[Time: 04:58:36]

Vice Mayor Littlefield: The Loss Trust Fund Board has one opening. Required by the State, the Loss Trust Fund Board makes recommendations to the City Council regarding the administration of the loss trust fund. As specified in the Scottsdale City Code, the City Council shall appoint five joint trustees, of whom no more than one shall be a member of the City Council and no more than one trustee may be a City employee.

Matthew Kleifield's term expired September 10. He is eligible for reappointment, however, has not submitted an application for consideration. There is one vacancy and one applicant. The applicant is: Richard O'Connor. We will begin with Councilwoman Klapp.

Councilwoman Klapp: Richard O'Connor.

Vice Mayor Littlefield: All applicants have been nominated. So we'll close that and move on to the next.

PERSONNEL BOARD

[Time: 04:59:32]

Vice Mayor Littlefield: The Personnel Board hears appeals submitted by city employees relating to dismissal, demotion or suspension, and submits its recommendations to the City Manager.

Eddie Smith resigned March 29. There is one vacancy and one applicant. The applicant is: Mark Culbertson. I will now entertain nominations for the Personnel Board.

Councilwoman Milhaven: Mark Culbertson.

Vice Mayor Littlefield: All applicants have been nominated. So we will close nominations and -- Hmm.

Councilwoman Klapp: I thought you said you were done.

Vice Mayor Littlefield: Oh, I'm sorry. All applicants have been nominated and so we will close nominations and move on to the next board, which is the planning commission.

PLANNING COMMISSION

[Time: 05:00:30]

Vice Mayor Littlefield: Did I miss one?

Mayor's Management Assistant Kelli Kuester: I believe we missed Parks and Rec.

Vice Mayor Littlefield: I think I did. Shall we go back to parks and rec.

Mayor's Management Assistant Kelli Kuester: Your choice.

Vice Mayor Littlefield: Let's finish planning and then we'll go back to Parks and Rec. The Planning Commission holds public meetings and makes recommendations to the City Council on all matters relating to planning and zoning issues.

Michael Edwards' term expired October 19. He is not eligible for reappointment. There is one vacancy and three applicants. The applicants are: Bret Krosschell, Jill Moritz and Prescott Smith.

Councilman Phillips, we start with you.

Councilman Phillips: Jill Moritz.

Councilman Smith: Brett Krosschell.

Councilmember Korte: Prescott Smith.

Vice Mayor Littlefield: All applicants have been nominated. So we will close the nominations at this time.

PARKS AND RECREATION COMMISSION

[Time: 05:01:37]

Vice Mayor Littlefield: Let's go back to parks. Sorry about that. The Parks and Recreation Commission has two openings. The Parks and Recreation Commission advise the City Council on the acquisitions of lands and facilities for use as parks or recreation centers.

Michael Bouschler's term expires November 19. He is eligible for reappointment but he did not submit an application. Anne Wurth's term expires November 19. She is not eligible for reappointment. There are two vacancies and one applicant. The applicant is: Scott Rothman, who was appointed to the Building Advisory Board of Appeals on September 13. I will now entertain nominations for the parks and recreation commission. And start with whoever is next.

Councilwoman Milhaven: As a point of order, I thought we had a policy that said folks would serve one at a time.

Mayor's Management Assistant Kelli Kuester: They can serve on one at a time but it's my belief that they are eligible to be nominated for another.

Deputy City Joe Padilla: Mayor, members of council if he's appointed to another board, it is up to him to resign one of them.

Vice Mayor Littlefield: But he can be nominated for this one.

Deputy City Attorney Joe Padilla: He can't serve on two boards at the same time. He can be nominated.

Councilman Smith: Scott Rothman.

Vice Mayor Littlefield: Okay. We will nominate Scott. All nominations -- all applicants have been nominated, so we will close this board also.

This concludes our nomination process for this evening. City staff will contact those who were nominated and provide them with additional information about the interview process. I would like to take this opportunity to sincerely thank all of those who applied on a citizen advisory board or commission. Even if you were not nominated, your applicant will remain on file for one year for consideration at a future date.

I would like to turn the meeting back over to the Mayor. Thank you.

ADJOURNMENT

[Time: 05:04:00]

Mayor Lane: Nice nominations meeting. Thank you very much. So I will receive it back gladly. I have think that completes our business for today. There's no other indication on the thing and so we would entertain a motion to adjourn and second it. We are adjourned. Thank you, everyone.