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#### **CALL TO ORDER**

[Time: 00:00:01]

Mayor Lane: Good evening, everyone. Thanks for being here. I would like to call to order the general meeting and General Plan Amendment meeting. It's 5:05.

#### **ROLL CALL**

[Time: 00:00:18]

Mayor Lane: We'll start with a roll call.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Virginia Korte.

Vice Mayor Korte: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: City Manager Jim Thompson.

City Manager Jim Thompson: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

[Time: 00:00:42]

Mayor Lane: Thank you very much. We have a couple of items of just some business that we need to speak toward, and I will begin with the idea that we have cards, a white card that the city clerk is holding up over here head if you would like to speak on any item that's on the agenda or for Public Comment and then we also have a yellow card if we have any written comments on any of the agenda items.

We do have Scottsdale officers Jason Glenn and Tony Wells, and they are generally straight here in front of me. If you have need for their assistance, they are there for you. And the area behind the dais are for staff and Council access only. There's restrooms at the south side of the Kiva for your convenience.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:30]

Mayor Lane: So with that, I would say we have, I would like to have Councilwoman Klapp lead us in the pledge, since it's her birthday.

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

Mayor Lane: And happy birthday.

**INVOCATION**

[Time: 00:02:01]

Mayor Lane: In place of an invocation this evening, I would like to just take a moment to have us consider, we have been indicated as a Golden Rule City. A proclamation of a month or so ago, we proclaim ourselves a Golden Rule City. We are one of the very few. We are probably one of just two cities in the state that have made that proclamation. And though we won't have a formal invocation, the idea of a Golden Rule is simply for us to treat others as we would like to be treated ourselves. I think it's good for us to reflect on it. If we could take a moment of silence to reflect on that, let's do that. Very good. Thank you so very much.

**MAYOR'S REPORT**

[Time: 00:02:53]

Mayor Lane: A bit of a Mayor's Report, we have the, Scottsdale was named among the top ten digital cities for the fifth consecutive year. The city earned sixth place in the population category for our participation in what worked, what works cities programs database, performance management efforts and several information technology initiatives to standardize hardware. Streamline the processes and improve outcomes. Here tonight, we have Brad Hartig, Chief Information Officer who will accept the award. I want to congratulate Brad and his department and to make this presentation. Brad, if you can come forward.

**PRESENTATIONS/INFORMATION UPDATES**

Mayor Lane: And we have a presentation this evening from Experience Scottsdale. It's an update, and we have Rachel Sacco, our president and C.E.O. of Experience Scottsdale, formerly known as the Convention and Visitors Bureau. But now absolutely known as Experience Scottsdale.

[Time: 00:04:30]

Experience Scottsdale CEO Rachel Sacco: Thank you, Mayor. I will wait until Brian is ready and I see that he is. Well, good evening, Mayor, Vice Mayor, members of Council, I'm Rachel Sacco president and C.E.O. of your Experience Scottsdale. I'm here to give you a brief update on some of the programs that we have enacted on your behalf to make sure that visitors and meeting planners from around the country and the globe are always thinking about Scottsdale.

One of the ways that we like to bring people here, and I think it's one of our favorite tools is when we bring a meeting planner or a tour operator or a travel agent or media journalist here on what we call a Familiarization Program. That is when we actually bring someone, that's when we bring someone that has a qualified piece of business to town and they get to see Scottsdale and our conversion rate for booking is hugely high because once they are here, they always want to book.

So I want to tell you about a few of the FAMs that we have had, we call the Familiarization Program FAMs for short, in just the last month or two. Just in October, we had what we call the Sonoran Familiarization Program. We had 22 meeting planners from around the country and Canada, and they came here and saw 15 of our resorts and hotels and they got to experience a lot of our activities. They were out in the desert. We took them downtown and they also got a chance to meet two of our wonderful City Councilmembers, when we hosted a dinner downtown at the Valley Ho and we had Councilwoman Littlefield and Councilman Phillips who attended as well. You got a chance to meet some of these customers to thank them for their potential business and I will tell you there's no greater testament to a meeting planner or someone coming to the city when they know that tourism is really supported by their City Council and they are welcomed as a business. So I thank you for doing that.

[Time: 00:06:17]

I will tell that you a third of the people that were here for that FAM have never been to Scottsdale before believe it or not. It makes us proud. What we try to commit to our stakeholders is that we will bring business here, that isn't necessarily in the top of your rolodex as one of our stakeholders. We feel really glad when we can bring new business to the city.

Our P.R. team also just last month brought four magazine editors, none of which had been here before from the United Kingdom. And they were here and they told us in advance what they were looking to write about. They said we are interested in the Scottsdale desert, but also your art and culture and architecture. They wanted to do light adventure. We took them hiking and kayaking and they couldn't believe they could be in a downtown as vibrant as this and in just a few moments they could be out in the middle of this desert that made them feel like there was nobody else to be seen. So that was very successful and we are looking forward to seeing those articles from that.

Our tourism team also brought out ten journalists from Germany and a third of them had never been here before either. What they were interested in, in true German fashion was get me outside! I want to climb. I want to be in the desert. But they also like to come downtown and they were very interested in the wine trail and the new ale trail and they came away very charmed with Scottsdale. And then as I mentioned that was a group also that we were happy to really bring downtown because they had an opportunity to really see some things that they never heard about having not been to Scottsdale and to see the dichotomy between the outdoor natural beauty and the built environment as well.

We spend most of our dollars trying to market Scottsdale around the globe and we build wonderful relationships with some of our media partners. If you have never seen the Afar magazine, it's a multimedia brand platform, that really encourages travelers to look local at a destination, in a different way and to explore the culture. Afar magazine really likes us. They have hosted many events for us from New York City and other major cities for our customers, and they came to us this time and they said, we want to do something different for Scottsdale.

[Time: 00:08:38]

We want to do an Afar Instagram takeover. Well, what does that mean? They said, we like Scottsdale so much, we will share our Instagram followers with you. We are going to send someone out to take a photograph of various things that we think are interesting. We will write about it. And we will post this. So we had an ad throughout the year in Afar magazine but in November, they posted all the editorial of the photos that they had taken throughout the community, from downtown up to the preserve, with Public Art, art galleries, all sorts of things that said Scottsdale. And then they shared it on their Instagram and they reach over 1.1 million readers.

So this was a great example of how a test nation who has a relationship with a partner like this case, Afar magazine, goes far and above creating a relationship with that reader. As a result, we gained 1225 new Instagram followers for Scottsdale and we had about 5500 contest entries from people who said I want to learn more about Scottsdale. Afar magazine said you did a really good job on those metrics because we just did a similar promotion with Aruba and you out performed them with contest entries by 17% and we out performed them with people who converted to being our Instagram followers by a whopping 155%. And I love this quote. One of the Afar staff members said, well, it's just because people are really excited about Scottsdale and about those Scottsdale images. And I said, we'll take that. That sounds great to me.

Los Angeles is a really important market and we went in there in a big way this fall. It's the third most important target market for us, just behind Chicago and New York. And what we know from our research is that Los Angeles is one of the markets that comes here in the fall in droves and that's really important because the fall is a need time for us. So we decided we would do an L.A. takeover in a way that we hadn't to that scale for the last few years.

So if you are happening to go around Santa Monica Place shopping center, what you would see is a

whole Scottsdale takeover in that place, and every single facet that we could wrap of that high-end shopping center's area, pillars and floors and doors and elevators and doors were wrapped with Scottsdale and the message, absolutely Scottsdale. Come see what the desert has to offer. And that was from November 6<sup>th</sup> through about December 6<sup>th</sup>. About 650,000 shoppers, they tell us, probably went through that center that time period and saw our message. Here's some more examples of that. Here's another example of what it looks like at the Santa Monica Place.

Also in Los Angeles, we decided that we would continue what we have been doing over the last couple of years which is we are going to put some larger than life billboards if you will, on some very busy streets. So we were on Sunset Boulevard, and on, oh, gosh on Highland and Hollywood Boulevard with three huge billboards. If you ever been on those L.A. streets, you know it's great to have these larger than life billboards because you are often at a dead stop when you are in traffic. We gave them Scottsdale to look at and we are really proud about that. It's estimated that each one of those big wall scapes garners about 2 million advertising impressions a month. So they were there in October and November, and we're hoping it will have its magic work for Scottsdale.

[Time: 00:12:14]

Here's another example of how we work with a major travel magazine. And that's the National Geographic Traveler. What we have done with them is we have been placing ads and doing lots of promotion with them, but this year, we had an unexpected honor. Scottsdale, I don't even know if you know this, was selected as a smart city for the October and November issue of the magazine. So every issue the magazine will designate or identify a city that they call smart city and they do an editorial and they focus on what makes that city both innovative and contemporary.

And so while we had a media buy, they said, no, we don't want to just have an ad, we are going to hire a writer and a photographer and we are going to come to Scottsdale and we will be scouting what we think makes you innovative and also very contemporary and what the passion is. So you can't read this, but I will tell you later, a little bit about what it says but we brainstormed with them and as a result of their really seeing Scottsdale through their eyes, they determined that they were going to anchor their editorial piece around the passion and the innovation that led to the creation of the McDowell Sonoran Preserve. We were so excited because, of course, that's a story that we are so proud to tell about what our citizens and what our leaders have done in our community, and that readership that reached about 9.6 million readers telling that great story about Scottsdale's legacy.

If you were able to read that, what you would see is that they spent most of their time going through the city, but a lot in the downtown. They went to Museum of the West, and Taliesin West and they went to restaurants in downtown and wrote about them, F & B. They looked at the shopping, the charming shopping in downtown. And you could read that if you saw it, and I can send it to you. They were seeing Scottsdale for the legacy that we provide.

We all know it's the holiday campaign. So for the last two months we have been talking holiday. And for the last six years, we have had a holiday campaign because we have research that tells us the type of traveler that would come here and the type of traveler that would come here during the

holidays and we use our research to mesh those up, and to then communicate with them via mail, via online, via advertising, via all sorts because we can tell down to a ZIP code and a household where those people reside. So our message over the last year is come here and spend your holidays here has done two great things.

Number one, the more that people come, the more our holiday product is actually being burgeoning from downtown all the way up through our resorts and we do a great job of promoting Scottsdazzle, from the city's tourism and events department and the second thing that this promotion has done over the last six years is that it has raised the occupancy during this low period of time of November and December by over 12% throughout those years. We know it's working and we will continue to talk about coming here during the holidays.

This is just one example of some guides that we have had on our website, that have been in a downloadable form and they have become so popular, that we have decided to also keep them online, but to also print them. This is an example of the downtown guide. It is a very comprehensive 15 page downtown guide highlighting every single district in the downtown. Because it's so popular, we are printing several hundred thousands of those that can be in our Visitors Center, at Fashion Square, the city can use and the merchants can use them as well and it gives us an opportunity to showcase the downtown.

[Time: 00:16:12]

Speaking of downtown, we have hosted two meetings with some of our downtown merchants and I have been having a meeting with our resort managers that most of them are on our board but some are just really interested in trying to help Experience Scottsdale make sure our visitors get a well-rounded experience that includes everything from the desert to downtown. So we have had two meetings with the resort managers and some downtown merchants and I have to tell you, it's been really great, because what I have seen happen, and here's a couple of examples. There's a gallery now that is now going to be having some of her artists actually go and do, you know, live, you know, painting at one of our local resorts. I know that that's happening and that wasn't happening before we met.

There's another resort manager that just on the art walk and Councilwoman Klapp, you were with us on this artwalk, because some of the resort managers were walking around downtown and having a feel of what it's like to be here as a visitor. And that night one of our resort managers talked to one of the gallery owners and they will have the art displayed their resort.

Lastly, we don't always talk to you about a lot of the recognitions that we get, but when a customer recognizes us, we feel it's worthy to bring it even you to our Council. Recently there's a monthly magazine called, it deals with meetings and incentives and it's called Preview. They honored Scottsdale, Experience Scottsdale for its accomplishments in the convention and the sales and services area. We won the gold award for the best planner support for a southwest destination, in their what they call the 2017 visionary awards. The reason this is important to us is because it was voted on by the customers who read that magazine, and by their advisory board. And they acknowledge that we

were one of what they called their forward thinking destinations in the travel space.

So we are really excited about that and that comes on the heels of being recognized by HelmsBriscoe, by their destination partner of the year. If you don't know HelmsBriscoe, they happen to be a local company, but they are a global force. The largest third party meeting company in the world. They are headquarters here and they have about 1300 associates and about 200 destination partners from across the globe and we were selected as their destination partner of the year. I'm very proud of that, on behalf of our staff.

So with that, I will say thank you, and the next time you see me is coming after our winter campaign debuts, where we are taking over Chicago once again, and the train station there and taking over New York and a bit of promotion for spring training and we will look forward to coming back and showing you those images of how we keep Scottsdale top of mind for visitors and meeting planners all year long. Thank you for your attention and for your support of Experience Scottsdale.

Mayor Lane: Thank you, Ms. Sacco.

#### **PUBLIC COMMENT**

[Time: 00:19:24]

Mayor Lane: The next order of business is the Public Comment. Public Comment is reserved for citizens to comment on non-agendized items, and you are limited to the jurisdiction of the City Council. You are allowed three minutes each with a maximum of five speakers. There's another opportunity at the end of the meeting for Public Comment if it's necessary. We have two requests for Public Comment at this time, and I will start with Marietta Strano.

[Time: 00:19:56]

Marietta Strano: Thank you, Mayor Lane and all of you. My name is Marietta Strano and I'm a south Scottsdale resident. I'm here to talk about the Civic library and the cafe that is about ready to close. It may seem like a minor issue on your long agenda. What I know about the cafe is that the organization that supports autistic adults has put in the cafe at Civic library and they have three main goals. One is, of course, the finances, to build public awareness about special education adults and of course the internship program. I did a little bit of research and I understand why they are leaving, and they are leaving very soon, this week. What I would like to comment on is, what I don't know is if the city is committed to keeping the food service at the library. I know in the past, it's been difficult at Mustang, Arabian and Appaloosa. I feel we have a responsibility, since we are a main library.

Unfortunately, some of the hours that we have to have the cafe open are the same hours that the library is open and so there are some limitations. I'm curious as a resident of south Scottsdale, since I'm a big library fan, if we might look at possibly hiring the people who are losing their jobs or I would be glad to join an ad hoc committee to find another nonprofit organization to come into Civic. It serves the purpose of people relaxing there. It serves the purpose for increased readership. It also



serves the purpose similar to the visitors coming in from all around the world, because I talk to them at the library. And we do have many people from all over who come in to use the Internet, and get books during their know snowbird visit here. So I think that's, that's my passion that I would like to share with you.

Mayor Lane: Thank you very much, Ms. Strano.

Marietta Strano: You're welcome. Thank you.

Mayor Lane: Next would be Kathy Hotchner.

[Time: 00:22:23]

Kathy Hotchner: Good evening Mayor Lane and members of City Council and thank you for this opportunity to speak. My name is Kathy Hotchner, I live on north 4817 N. 74<sup>th</sup> Place. I happily know many of you from my years as Director of the Scottsdale Center for the Performing Arts. And since retirement, I have been serving on the board of the Detour Theater Company. I'm here with Jim Green, another Detour board member many of you know. We want to thank the city for the funding we have received through the Scottsdale arts community grants program. For those of you not familiar with Detour, the company was founded 17 years ago, to give performance opportunity to adults with cognitive and physical disabilities.

The company began with eight actors and now serves 72 adults with Down's Syndrome, autism, blindness, Cerebral Palsy, deafness and other challenges which denies them access to traditional theater experiences. With the help of 26 coaches we perform two main stage productions at the Scottsdale center each year, performing Broadway musicals like "Hair Spray" and "Mary Poppins." Each actor has the opportunity to learn theater skills and perform in a professionally lighted show, and accompanied by a live band. Our actors gain self-esteem, confidence and pride. Detour has an up and coming group now serving beginning actors, offer summer musical workshops and a new touring company that performed Beauty and the Beast in Prescott, Tempe and Tucson.

We want to invite you and your families and all who are watching this meeting to our January production, "Joseph and His Technicolor Dream Coat" at the Scottsdale Center, Friday, January 12<sup>th</sup> at 7:00, and Saturday and Sunday, January 13<sup>th</sup> and 14<sup>th</sup> at 3:00. Our performances are free to the public, though not free to produce. And our attendance has topped 200 people for the last few years. You will experience theater in a whole new way. There's a magic watching this group and you will see how the performing arts can turn 52 special needs individuals into an ensemble of actors. What seems impossible becomes possible.

Again, we want to thank you for your support, and please know that your gift enriches our community. Audiences watching the performances gain an understanding of the challenges that special needs men and women can overcome. The lives of our actors, many who are from Scottsdale are enriched as they have the opportunity to perform on the center's stage. From all of us at Detour, we wish you happy holidays and hope you come and see the theater in January. Thank you.

Mayor Lane: Thank you, Ms. Hotchner. Okay. We'll move on.

**CONSENT AGENDA**

[Time: 00:25:34]

Mayor Lane: That was the last of our Public Comment and I would like to continue on to our Consent Agenda items. Item 2 has been pulled by Councilman Smith for a separate vote. So we will take that separately. But we do have one comment with regard to Item 4 on the Consent Agenda, without Item 2, and that would be Mr. Craig Miller, if you would like to speak towards that.

[Time: 00:26:09]

Craig Miller: Thank you Mayor, members of the Council, I'm Craig Miller, we work with Dominick Steakhouse. This is just an extension of the premises, just to add in an area for storage and down the road, operate a co-op where they can do bulk purchases for multiple locations, restaurants, that they have here in Scottsdale and Phoenix and soon to be another one coming up in Scottsdale. So a simple 900 square foot area. Only accessible by the employees and not accessible to anyone in the public.

Mayor Lane: Mr. Miller, I just recognized that you wanted to speak on Item 2, which we were going to take separately but if you would like to speak towards that at the same time.

Craig Miller: The Rack is a, currently has a series 12 restaurant license. It's a restaurant located at 3636 North Scottsdale Road. For many of us, we remember that establishment as Austin's Steakhouse. After it was Austin's Steakhouse, it became Salty Seniorita which started off with a restaurant license and then eventually got a bar license, series six. Salty Seniorita got a 12 bar license. And they opened up a small pool all in there. And started off with a series 12 restaurant license so he can get up and operating. Make sure he's viable for that area.

Then discovered that we will need to have a series 6 bar license and so it will convert from a restaurant license to a bar license and continue with the food service there, it's just with pool tables and some reduced dining. It's necessary to have the series 6 license. There is going to be pool tables and one pingpong table and there's small games like connect four. The thing that's unique about this location, they have their own parking spaces. I think they have 53 parking spaces for their use. We have applied for pool hall use permit, because they will have more than one pool table and it wasn't necessary before, when they looked at it because there was a bar use permit in that area. But since it's been more than a year since the series 6 has been in there, the city recommends we go through and get another bar use permit, which that process has been started. So we will have the bar use permits pending, the pool hall use permit is pending and the series 6 is pending. And if it all works out, it should go through the state when they get the series 6 license. We should have the pool hall use permit and the bar use permit.

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

Craig Miller: Thank you, sir.

Mayor Lane: As I mentioned before, we are taking Item 2 as a separate one but you did hear Mr. Miller speak towards number two, which we will take separately and number four, which we will include in the overall Consent Agenda. Seeing we have no other further requests to speak on that, I would ask for a motion to approve the consent Items 1 through 26, absent item 2.

Vice Mayor Korte: Mayor, I move to accept Consent Agenda Items 1 through 26, excluding number 2.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made by the Vice Mayor and seconded by Councilwoman Klapp. All those in favor, aye. Those opposed with a nay. It's unanimous on the acceptance of the Consent items as was indicated. And now consistent with the request of Councilman Smith, we look at item number 2 separately. This time, Councilman Smith has just indicated, he just wants a separate vote. I think we know what the issue is at hand, but it is just for the record, it's the Rack liquor license, which Mr. Miller just spoke toward as well. And considering a recommendation for approval of Arizona Department of Liquor License and Control for a Series 6 bar state liquor license for an existing location and owner. That's 3636 North Scottsdale Road. Do I have a motion on that item?

[Time: 00:30:37]

Vice Mayor Korte: Mayor, I move to accept Consent Agenda Item number 2, Rack liquor license, Case Number 90-LL-2017.

Councilwoman Littlefield: Second.

Mayor Lane: Motion has been made by the Vice Mayor and seconded by Councilwoman Littlefield. I think with no further comments indicated, we are now ready to vote. All of those in favor indicate by aye. And those opposed with a nay.

Mayor Lane: It is 6-1 with Councilman Smith opposing. So that completes our Consent Agenda, even with separate vote for item two. And we move on from there. If you are here for those Consent items, feel free to stay if you would like but otherwise, you are free to move.

## **REGULAR AGENDA**

[Time: 00:31:28]

Mayor Lane: And our Regular Agenda item is Item 27, Care Home/Group Homes Text Amendment, 2-TA-2017 and it's adopting Ordinance 4326, and Resolution 10963 and for this occasion, we have Mr. Bloemberg, our Senior Planner here for the staff presentation. Mr. Bloemberg.

[Time: 00:31:59]

Senior Planner Greg Bloemberg: Thank you, Mayor, Councilmembers, Greg Bloemberg Senior Planner here to discuss 2-TA-2017, dealing with care homes and a group homes text amendment. Just a little background to give you some information on how we got here. Currently, there's 109 licensed, I want to stress licensed care homes in Scottsdale. There may be other homes that are not licensed, that are not recognized on our mapping system. There are already care home provisions in place in the ordinance, including a maximum number of residents and separation requirements.

Home care for addiction has become a very popular alternative to clinics or hospitals and in general care homes have evolved over the years when adult care homes were introduced to our ordinance, it was primarily for elderly care, but obviously over the years that's evolved. There has been a spike in sober homes and group homes in residential neighborhoods and there was a citizen petition received some time ago, requesting restrictions and/or regulations on sober homes specifically.

But we're taking the opportunity in response to that to address care homes in general. So that's the focus of this amendment. We did extensive community outreach. And during the course of this process, we sent email notifications to our standard interested parties list for text amendments. There was an eight page advertisement in the Arizona Republic. We established a web page on the city website so people could be informed and keep track of the process and how it was going. We sent notification via the city of social media outlets, Facebook, Twitter and next door and we also sent out email notifications to over 500 emails courtesy of the neighborhood association via our Neighborhood Services division.

And we had a series of open houses and hearings. I will keep that up there for a moment, if you want. You can just take a look at it. I can tell that you we had four open houses total, with over 275 attendees upwards of almost 300 people attending and we had three Planning Commission hearings once we went to the study session just to introduce the Planning Commission to the text amendment. We then went before the Planning Commission as a non-action item and then on October 25<sup>th</sup>, we went as an action item on that text amendment. There's been extensive community outreach on this.

[Time: 00:34:37]

We received dozens of concerns and questions along the way but four of the more prominent are listed here on this slide, public safety, quality of life for neighborhoods was key for a lot of our citizens, licensing, accountability of operators and additional oversight and a distinction of uses. There's a desire for a separate use category for sober homes and a separate use category for elderly care homes, and that came up quite often at the, at the open houses, and, of course, enforcement of H.O.A. regulations, which the city, we have made it clear at the open houses and in the inquiries that we will not get involved in homeowner and H.O.A. disputes.

Some of the comments we received during the open houses. In addition to state licensing, city

should also license care homes. The number of residents should be reduced from 10 to 6 for all care homes. On the other hand, we heard from some folks that ten residents is okay for elderly care homes but not okay for sober homes. Scottsdale should model its ordinance after the Prescott ordinance. We should provide neighborhood notification of proposed sober homes and group homes in residential neighborhoods.

And we received some comments from providers. Care homes provide much needed services and contribute to the local economy. It provides residents an opportunity to live in a residential setting and be close to family and reduce the number of residents from ten to six would price some residents out of available housing. So one of the biggest challenges as we were putting this ordinance together is the federal Fair Housing Act. The federal Fair Housing Act provides protections for persons with disabilities, and it does make it unlawful to deny or discourage housing options for persons with disabilities.

And a disability by definition in the Fair Housing Act is a mental or physical impairment which substantially limits one or more life activities. In 1988, addiction to drugs or alcohol was added as a form of disability so that's now listed in the definition of disability and there's no distinction between disabilities in the federal Fair Housing Act. That's one of the reasons why we are not recommending a separate category for elderly versus sober care homes. We want to respond to citizen concerns regarding care homes in residential neighborhoods and craft an ordinance that complies with federal and state law. That's the biggest challenge.

Integrate care homes in the residential areas, while preventing saturation of single family neighborhoods. Increase accountability of operators, additional oversight, in the form of proof of state licensure, and clarify the definition of family. So to summarize the amendment, the main objective is to provide greater separation and more oversight which seems to be a key theme for the concerns that we received. So we're proposing that the number of residents not be changed right now. Our current ordinance allows up to ten residents. We are going to stick with that number.

[Time: 00:38:15]

We had explored the idea of possibly reducing that to six, but we have ultimately decided that we will stick with a maximum of ten residents plus two residential staff. Now, the two residential staff we're referring to are staff that are actually staying in the home with the residents. It does not restrict what we call transient staff. So if the staff coming in and out of the home, the counselors or the nurses, it doesn't restrict that. It's just the number of staff that would live in the home.

Increased separation requirement which is currently 500 feet, 500-foot radius, or 750 feet on the same street between the facilities to 1200 feet flat out for separation between homes. Additional oversight in this case, proof of licensure from the state for all care homes. An annual safety inspection by the Fire Department. And the, per the federal Fair Housing Act we have to provide a disability accommodation that would allow for flexibility when warranted and development standards or requirements and I will get into that here in just a moment as well.

So our definition of family is going to be changed to this definition, essentially one to six adults and they can be unrelated, with their related dependent children, there's been some question, where did you come up with the number six. The number six essentially came out of state law, which talks about residential facilities for developmentally disabled folks which is a different type of care home, but it's still, this definition would align with that requirement and in that state statute, it says up to six people living in a home cannot be treated any differently than any single family residence. So that's where we landed on the number six, in case that's a question with any of the Council.

Just a few examples of what this amendment achieves. Homes up to six adults. Again, these could be unrelated adults and their related children, where there's no supervision, and no care, are not going to be subject to the care home criteria. That's basically going to be a single family residence and they can go wherever they want. Homes with up to ten adults and residential staff, two residential staff with supervision, or care, are subject to the care home criteria that we have established and is in the ordinance before you. And homes with more than six adults, with no supervision or care, they will be group homes and they have to be located in multi-family districts.

[Time: 00:41:02]

Just some additional information for you. Follow-up questions we received. A couple of these questions came from the Planning Commissioners. Does the state require licensed care homes, operators to live in the home? And the answer to that question is no. 24-hour supervision is required. Are there any penalties at the state level for operating an unlicensed care home? Yes there are. It's a criminal class 3 misdemeanor and there are also fines, civil fines associated with that. And the number of staff is insufficient, based on the, what we are currently putting in our ordinance, a maximum of two currently proposed and again as I mentioned, the proposed ordinance does not limit the transient staff, only the number of staff who could live in the home are the residents.

And the thing is to maintain the single-family neighborhood setting. That's one of the goals we are trying to achieve with this. Schedule-wise this was initiated by the City Council. October 11<sup>th</sup>, a Planning Commission meeting, it was a non-action item. And October 25<sup>th</sup>, the Planning Commission heard as an action item and recommended approval by a vote of 5-1. And here we are tonight. That will conclude my presentation and I will turn it over to Council, if there's anybody who wishes to speak on that and, of course, staff is available for any questions you may have.

Mayor Lane: Very good. Thank you Mr. Bloemberg and we do have some requests to speak on this but we may be calling upon you as you just indicated as well. We'll start, we have just six requests to speak. We'll start with Patty Badenoch.

[Time: 00:43:10]

Patty Badenoch: Patty Badenoch, I'm a resident of Scottsdale. I'm glad to see that this is being addressed. I took some notes from some research I did about, oh, November 17<sup>th</sup> and I would like to read what I found. There's some definitions. Sober manager means a staff member, day-to-day operations 24/7. Operator, company business sets the regulations, rules, it is not the property

owner. The property owner merely leases the homes for the business. Where do these house managers get their training in the city of Scottsdale? No. Is there a program? No. Reason given? No resources or expertise.

Let me get this straight, you establish and promote a bar district, making you an enabler to drug and alcohol abuse which causes increased criminal activity in the state and the surrounding neighborhoods and then you allow sober homes 109 the last count, to invade the privacy and the safety of the homeowners property values with little regard to establishing meaningful oversight.

We are told at the last Planning Commission I attended that other cities have taken stronger responsibilities with this issue, such requirements include but not limited to the following. The sober manager should enroll in a course approved by the city with the recertification on an annual basis. Regulations need language regarding to numbers who can reside, no sex offenders or prison pre-parolees pay apply. That sounds reasonable. And high school diploma and 21 years of age cannot be on formal probation, sober one year, understanding of the disease model of addiction.

Completed training in first aid and CPR. Knowledge of infectious disease control and prevention, knowledge of crisis prevention and intervention, has obtained self-administration. Prescott is an ideal model for which many of these ideas came from. No objections thus far from the federal and the state fair housing laws. So I would recommend that you consider all of this. Thank you very much.

Mayor Lane: Thank you, Ms. Badenoch. Next, is Gaile Perry Dixon.

[Time: 00:45:45]

Gaile Perry Dixon: My name is Gaile Perry Dixon, and my business address is 5449 East Crocus Drive Scottsdale, 85254. Thank you, Mayor Lane, Councilmembers. I'm Gaile Perry Dixon and I'm president of the Arizona Assisted Living Homes Association, and also owner of Dream Catcher Assisted Living Home. We again appreciate the opportunity to be here today, and to comment on the proposed care home/group home text amendment. I want to be clear that assisted living homes have nothing against sober living homes, but we are not they. We have nothing in common, and we should not be pulled along in the wake of emerging sober home dilemma. We would like to avoid any future limitations for our compromised elderly to be able to seek the least restricted, most appropriate, most affordable assisted living environment for the remainder of their lives. The future of assisted living will be defined by us, the Baby Boomers, and what we do here today and what we do around the state. We will set the stage for how we will be living out our final years. If we are so fortunate to be able to afford assisted living.

While we all know that the purpose of this text amendment is to rein in sober living homes, let us remember that an unintentional consequence is to rein in assisted living homes, we are limiting our own care options in the long term. I can see the amount of work that has been put into this text amendment, and we do appreciate the passion and the efforts put forth by everyone affected by this issue, I know how much work Greg Bloemberg has put into, this thank you so much. We would

strongly support a statewide regulation and licensing of all care homes/group homes to promote uniformity across city boundaries. And, again, Mayor Lane, members of the Council, thank you for the times that you have allowed the Arizona Assisted Living Homes Association to address its concern with you and your Planning staff. Thank you.

Mayor Lane: Thank you, Ms. Perry Dixon. Next would be Jim Haxby.

[Time: 00:48:20]

Jim Haxby: Thank you, Mayor, Council. I also urge you to reel these in and take a really good look and separate these things, but talk, I live across from one of these or one is across the street from my property, and it is a public hazard. On any one day, if you go over and look, on the street, their driveway has a groove going on to East Sunnyside, just from the traffic that comes in and out. And any time during the day, there's two or three cars on the street. I've got mobile doctors, mobile nurses, mobile prescription service, mobile, or paramedic transportation, just constantly coming. We've got tow trucks delivering cars, removing cars from the facility, and most of these people, when you put, like, we've got kids that ride their bike up and down Sunnyside. The mobile doctor and the mobile nurse or the civilian prescription guy when he's getting on to his next delivery, he's driving like he's on Shea and not east Sunnyside drive. I really think these things should be more in a multifamily district, rather than a single family residential district. So give that some consideration. I appreciate it. Merry Christmas and Happy New Year.

Mayor Lane: Thank you, Mr. Haxby. Next would be Jeff Taylor. Who also has an additional card from Michelle, I think it's Savic, but in any case, Jeff, I will give you four minutes on this.

[Time: 00:50:13]

Jeff Taylor: Thank you, Mr. Mayor and members of the Council, my name is Jeff Taylor. My address is 2006 West Townley Avenue, Phoenix, 85021 and I'm here representing the AZRHA organization which is the Arizona Recovery Housing Association, and it was formed back in 2008 or '9, I can't remember, because there was no real oversight of the sober living home industry. And so they were recognizing that there's some people that were maybe well intentioned but not real good operators. So they came up with a set of guidelines. I will get to the guidelines in just a moment.

In my experience and why I believe I have earned this place at the podium today is I have lived in a sober living home. 22 years ago I was sentenced to a drug treatment program. I was in Maricopa County jail, and I went through six months of residential treatment. I have no violence in my history, and I went to drug treatment, but then I needed an opportunity to practice my recovery and today I'm chairman of the Salvation Army board here in Phoenix. So that's quite a road to travel. So I'm certainly blessed to be here today.

I want to talk to you about the importance of properly operating a sober living home. I agree with all the neighbors that we need some oversight of the sober living homes because there is no oversight. There's no operational standard. We need standards like criminal background checks. If you rely



on self-disclosures we might have sex offenders in a sober living home, or persons who were an arsonist. Both are problematic when you are trying to ensure an operation. A well-run sober living home has drug testing and drug testing often. I have had a lot of clients lie to me if they've relapsed and actively using in a treatment setting, but I never had a drug test lie to me. It's a great way to ensure that your footprint is a safe environment for the people there and if you are creating a safe environment for the clients that are in the sober living home, then you are creating a safe environment for the community also.

For example, I have some neighbors down the street, I think there are a bunch of college students and I wish they were drug tested and I wish that they had a curfew, and these are usually early curfews, a well-run sober living home, their guideline dictate that you can't have members of the opposite sex spending the night and you can't have loud music. You should operate silently in the neighborhood. That's a well-run sober living home. Unfortunately, since we have the opioid crisis which was just declared by our governor that we have a state of emergency in the state of Arizona, it's killing two of our young people a day and the sober living environment is a needed part of that recovery process. So I have studied this, I have studied many different legislative efforts. We have Noel Campbell here today who is the Representative that sponsored Bill 2107. We worked together very closely on strengthening that, on bringing a set of guidelines.

I want to just caution this panel that if there's a wisp of discrimination, by taking a sober living home and saying you cannot operate in a residential single family residential setting, that is clearly discriminatory and it's been challenged in other communities and it's been upheld and the cities have been sanctioned which opens the door for civil liability. I just want that on the record, that a yes vote today or whenever you are going to vote on this, that you are really in dangerous area with federal Fair Housing Act. Having said that, we want to create a safer community. We want to work with the Council and Mr. Bloomberg to come up with a set of guidelines, and I think that's what this needs is a set of guidelines to operate professionally. Thank you for your time, Mr. Mayor and members of the Council.

Mayor Lane: Thank you, Mr. Taylor. Next would be Noel Campbell. Representative Noel Campbell.

[Time: 00:54:35]

State Representative Noel Campbell: Mr. Mayor, members of the City Council, my name is Noel Campbell, I live at 146 Mount Vernon Avenue in Prescott, Arizona. I'm the State Representative for Legislative District 1 which is all part of Yavapai County and parts of Anthem.

I'm here to first of all tell you that we have had much success with 2107 in Prescott. We went from 170 homes down to, I think 39. We didn't do it by restricting zoning in the city. We did it by mandating high standards of care. House Bill 2107 is a bill that gives counties, authorities, subdivisions permissive authority to register a home, know the contract between the owner of house and the home, and have 24 by 7 care in the home, trained care, and have an exit strategy. And we found that by doing that, the bad actors and there are plenty of them in this industry moved on. And

that's what we wanted.

It was never a zoning issue. I agree with Mr. Taylor that Fair Housing Act will probably not look kindly on any kind of restricted zoning. But be it as it may, I'm happy that you are taking action. I mean, five years ago, there was no one doing this, except the people here in Prescott, and now it's spreading out statewide, it's a huge problem and that's why you are dealing with it. Not only Scottsdale, Phoenix, and I want to tell that you there's help at the Capital, Senator Nancy Barto, Senator Kate Brophy McGee and myself in the house, we are dedicated to working with you in any way we can to solve this problem.

I will personally tell you that my loyalties are to my constituents, my homeowners, my citizens and I had to be converted. Had to be won over to the education process of what a good structured sober living home is and there's a definite need for good, structured sober living homes but there are so many bad ones out there, that I applaud your attempts to try to deal with this problem. And we're going to be at the Legislature. We're making a big push this year to come up with a couple of bills that will make it easier. So I just wanted to let you know from the state perspective, and the house perspective, that we are here to help you. Please use us. That's why I'm down here. I believe in this. If there's anything I can personally do, I'm willing to do that.

Mayor Lane: That completes the Public Comment on this item. And I now go back to any considerations to Council or comments or questions that they may have of the staff with respect to their own thoughts or anything that may have developed from the comments made by the testimony given. I don't have, Councilman Phillips. If you would like to start.

[Time: 00:57:48]

Councilman Phillips: Thank you, Mayor. First, I wanted to thank the public for bringing the petition to us. I think it's an issue we all understand very well, and thank the staff for all the hard work that they have done in trying to come up with some kind of ordinance that we can do without violating some sort of law. I did want to ask the staff, because of a couple of points brought up, about things that we can do, drug testing and also credentials of those that are under the care. Is that something that Scottsdale can consider?

Planning and Development Director Randy Grant: Mayor, members of Council, Councilman Phillips, we don't have the capacity to do drug testing. One of the things that we are looking at with this ordinance is a, an information sheet that would be filled out with information about the owner, the manager, the intake and outtake processes, who to contact in case of an emergency. We didn't reach into the area of actually going in and performing these types of services. It's been our experience from talking to the police department that we haven't had the types of problems that perhaps other people are referring to as possible problems. So we felt it was a little Draconian to even attempt to go in and to try to perform tests ourselves. We're counting on the state and on the management authorities that are involved with running these homes to provide the type of care that is required.

Again, not all of these facilities are sober homes, not all of them are elder care, it's a mixture of all types of disabilities that we believe can be dealt with holistically. So we haven't looked at going in and doing drug testing or that kind of thing but we are looking for information on how that is being done.

Councilman Phillips: And what about the credentials of the people that are taking care of them?

Randy Grant: Again, that's part of information that we would be requiring at the time that the homes are situated. Again, to give us a leg up in terms of enforcement, and also to provide police contacts in the case that there are problems. This, like some other things that we have experienced, is largely something that we respond to. There are some bad actors in any industry, and we would respond to problems that are raised. Again, we have seen very few with the number of homes that we have, care homes in the city at the present time. So we feel confident that it wouldn't tax our resources or capabilities to monitor those, and the incidents have simply not been something that would cause us to feel like we needed to take more rigid action.

[Time: 01:01:04]

Councilman Phillips: Okay. Well thank you for addressing those concerns. I'm going to make a motion to adopt Ordinance Number 4326, and from the last gentlemen, I believe, that maybe Senator Barto or somebody may come up with a little more lenient regulation that the cities will be able to do and we can always address those in the future, but this is a good start, I think, and therefore, I make that motion.

Mayor Lane: I will second that. And I'm sorry, but Councilman, was that Ordinance 4326 as well as the Resolution or did you take just the one?

Councilman Phillips: Well, I got confused from last night's, but if I can do both.

Mayor Lane: Yes, you can.

Councilman Phillips: And Resolution 10963.

Mayor Lane: I would like to second that. And I would also just like to ask a question or speak towards this. Obviously I would have to say thank you to all the staff and Mr. Bloemberg and everyone who has worked on this because I know this has been a difficult one to try to match up our concerns with the restrictions that we have, with regard to federal laws and maybe the limitations even as it relates to the state laws on this subject.

But one of the things that I recall in this process, and this goes back a couple of years ago and I know Representative Campbell mentioned something about what they had done in Prescott to get rid of the bad actors. The contention was made by one of the speakers that there is nobody that is actually providing any guidance or requirements as to the level of care for security on these operations. I'm not sure that that's entirely dependent upon just the operators.

Since these operators do require payment through some mechanism that authorizes reimbursement for their costs, for medical insurance or through the federal programs or otherwise. And I do recall that the city of Prescott did eliminate a number of bad actors simply by calling in the federal government in some instances to review the people they were actually paying for treatment as to whether or not they were complying with maybe some standards on that. Has there been any investigation or any consideration for that as far as any follow-up on some review of standards?

Randy Grant: Mayor Lane, I think the instance that you are looking at is, I'm not sure Prescott asked the federal government to come in. I think the federal government came in and looked at their ordinance and said, there's some problems. And like with many things associated with complying with federal laws, you are not exactly sure when you are not quite far enough or a little bit too far, and sometimes that line isn't delineated until there's an action taken. We feel like that we looked at, we did look at a number of communities, including Prescott and Gilbert and others that have undertaken this. We tried to learn as much as we could from them and we feel like the ordinance that is being presented tonight conforms with federal laws and arguably more so than other laws that may have been enacted elsewhere.

Mayor Lane: And I appreciate that. And I may have not been clear enough in the direction I was going. What I was really talking about is somebody set some kind of guidelines and some kind of standards in order to have reimbursement for medical insurance or federal program insurance for the treatment. Now, I'm thinking specifically in sober living, which I know we have equated together and I do know the complexity of trying to comply with nondiscrimination issues as it relates to the two of those together. But what I understood is that there was fraudulent, in some instances there's fraudulent application for funds for reimbursement for the treatment of folks where they weren't providing the necessary, they were not operating within the operating guidelines that were required for that reimbursement. They technically didn't qualify because they didn't have it staffed. They were not providing the kind of services that either an insurance company or federal program was looking to provide. So I think that's outside the realm, if I may be so clear as to, or so bold as to say, from what you were saying. I do understand what you are talking about, as far as compliance with the federal law but I don't know, I'm talking about the individual institutions that are looking for reimbursement. If I have got ten folks in a home, and I'm supposedly supplying some kind of service or treatment services, I'm being reimbursed by somebody. And generally there's a standard there. I just wonder if we had looked at that.

Randy Grant: Mayor Lane, oh, sorry.

[Time: 01:06:07]

City Attorney Bruce Washburn: If I could, Mayor. I think what you are referring to, and I'm doing this by memory from a conversation I had with the Prescott City Attorney, was the, I believe it was the insurance company that came in and determined that a number of sober homes had been basically making fraudulent insurance claims and it was through the actions of the insurance company that several of them, I don't remember exactly what happened to them. I remember they stopped

operating as a result of all of this, but that's the kind of thing. that's exactly the kind of thing that you are talking about and I think that's the reference.

Mayor Lane: And I'm sorry, I maybe went to the idea that there were some federal programs which there may be some federal programs that are also being potentially misused by, by what you might call insurance fraud and I had understood that there was some elimination of some of the homes because they were operating outside that realm. I was really looking towards the idea of somebody setting some standards on these things, as far as treatment is concerned and control of the environment. But notwithstanding that, that was just a point of clarification. I think this is a step that we need to take, and again, I appreciate all the work that's been done to bring it to this point. And I'm hoping that it holds true and frankly, I'm certain that we stand ready to fine tune it if we find ourselves in a different situation than what we anticipate with this. So Councilwoman Littlefield, I, I had an indication?

[Time: 01:07:44]

Councilwoman Littlefield: Thank you, Mayor. I too would like to thank the staff for all the work you have done. I followed it through the beginning of the head scratching days of what in the world do we do with this one and I think you have worked very hard and diligently in refining some of this that you have gone through. I had some of the same concerns that have been expressed tonight, by the Mayor and by Councilman Phillips.

I also would like very much to thank the speakers who came here, who came here tonight because you verbalized a lot of my concerns and a lot of steps that I don't think we have adequately done yet. So I would like this ordinance to be left open for amendment, as time goes on, and perhaps Arizona law changes. I also would like to keep in touch with Jeff Taylor, from AZRHA and his standards and what he's been doing and how he sees these things as a professional person involved in this, on a professional basis. And also to the state legislature as they work through the laws and make changes.

My main goal here is to make the laws as tight as we can for the protection of the neighborhoods and also for the protection of the residents who live in these sober homes. I read all the emails that came through to us with all the residents regarding the problems and I was appalled at some of them, especially the ones from Palm Beach, Florida where there were actually convictions of fraud and terrible things. Frankly it looked to me that they were trading these people off like pieces of living meat, like slaves for the benefit of their insurance premiums. And I certainly don't want to leave Scottsdale open to anything like that or any place in Arizona.

So I really would like to continue the oversight on this, to see if we can't tighten up our rules and make sure that the oversight for the houses are done one way or another, whatever is legal, but to make sure that not only the residents in the neighborhoods are protected, but the residents in the sober homes are protected also. Thank you.

Mayor Lane: Thank you, Councilwoman. With that, there doesn't seem to be any further

comments. We have a motion and a second on this item. Complete form, we are then ready to vote on it. Please indicate your vote and register it. It's unanimous acceptance of it. So that completes our business this evening. We have no further Public Comment, and no petition, Mayor or Council items and I would ask, and first and foremost thank everyone for the input on the subject and on the subjects. And for being here with us tonight. And thank you, again, to the staff.

**ADJOURNMENT**

[Time: 01:10:48]

Mayor Lane: And with that, I will ask for a motion to adjourn.

Councilwoman Klapp: Move to adjourn.

Vice Mayor Korte: Moved to adjourn.

Mayor Lane: We have moved and seconded. All those in favor, aye. We are adjourned. Thank you.