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CALL TO ORDER

[00:00:00]

Mayor Lane: We will call to order the November 13th, 2017 city council work study session. I will start again with a roll call just to renew it for the record.

Clerk Jagger: Mayor, we can stipulate for the record that everybody is still present, if you would like.

Mayor Lane: That's fine. So even though we are here at the dais rather than on the floor, as we oftentimes are, for our work study sessions, the rules still remain the same. This provides a less formal setting for the mayor and the council to discuss specific topics at length with each other. And the city staff. The work study session provides an opportunity for staff to receive direction from the council and for the public to observe these discussions.

I would want to emphasize that even though there may be occasions that we will make -- we will take a vote, it won't be for action. It will be simply to make sure that we establish a consensus of opinion of anything that we choose to move forward for the staff to do or not. So I just want to emphasize that point because there seems through the years to be some confusion on that. I wanted to emphasize that a little bit more.

So we do allow in work studies a little bit differently than a council meeting, we do allow for a total of 15 minutes to be set aside at the beginning of each work study session for public comment. The comments are limited to the one item on the agenda. Please see that the city clerk, if you have thoughts or suggestions on the work study session, the items you would like the council to consider. So excuse me. If you would like to speak on any of the subjects, it is again, the white cards that is for the 15 minutes at the beginning for public comment. If would you like to give us written comments on the yellow as described, before they are also available at the clerk's desk and we would read those through the proceedings.

Okay. Moving right on to our order of business, our first item is the tourism strategic plan and downtown tourism-related economic feasibility study and the presenters is Karen Churchard and our tourism and events director and John Kaatz of CSL international. Karen, I presume you will direct as necessary.

Tourism and Events Director Karen Churchard: Yes, I will, thank you, Mayor and Councilmembers. I wanted no give you first a quick overview of the tourism and strategic plan, which will then led us to our economic feasibility study.

PUBLIC COMMENT

[00:03:00]

Mayor Lane: Yeah, you know, I tell you what, I have been reminded by my very, very diligent Vice Mayor here to my left that in order to facilitate our conversation, uninterrupted, we'll go to -- we'll go to public comment if I had them. Thank you Ms. Jagger.

All right. And so if you want to stand by for a second, Karen. Pardon the false start there. We start with Patty Badenoch followed by Bob Pejman.

Patty Badenoch: Good evening mayor and council, Patty Badenoch. Why should I care about this document? Because I'm a resident for 44 years who have raised a family and all live here. Scottsdale has many virtues that attract resident, shoppers and visitors who find it accessible, convenient and different however, some of these virtues starting to disappear because it's evident that new development is replacing what used to exist.

So the questions at the forefront of the new draft is how does the character of new projects compromise the downtown quality as it develops and to what degree. The outcome of this draft should reflect a distinct downtown landscape into the proverbial any time U.S.A. Just because you run out of dirt should not lend leeway to go up any more than it gives credence to feed the revenue monster and to blade the preserve and adjust the budget and cut out the favoritism that's merely at the benefit of the few. Live within your means area we are expected to do.

It should be predicated on the downtown districts with the exception of the bar district. That should be dismantled. The negative reputation of criminal activity it has incurred regarding the drugs and

alcohol abuse is a slap in the face to Winfield Scott, our founder and diminished the safety and welfare to our surrounding neighborhoods. I cite the historic Villa Monterrey. Does this may itself to become an enabler exploring of our youth flagrant behavior is a disgrace.

Parking. The parking capacity is finite and that should be your barometer, to curtail more density and not exacerbate it. To penalize the shopkeepers with parking meters is not answer. Will call is getting louder for a need to create new revenue source because of the possible actual decline in tourism is loudest among those of you who have created the problem in the first place. So let's stay unique. You must recognize and act in accordance.

And finally, with the districts, the business improvement district, it reads, in my opinion, like a mini gestapo H. O.A.s. Thank you.

Mayor Lane: Thank you. Next is Bob Pejman.

[Time: 00:06:41]

Bob Pejman: Thank you, Mayor, Council, members, I'm Bob Pejman, I own Pejman Gallery in downtown Scottsdale and the city basically paid \$200,000 for these 127 pages. And what are in these 127 pages? Recommendations to improve Scottsdale.

I have read 'em, and the recommendations, they range from great to so-so to just plain bad. The irony is that the best recommendations don't cost much money if any. For example, on page 31, it's recommended that we follow the lead of three successful cities to change our zoning laws in certain parts of downtown to improve our tenant mix and this move will organically fix a lot of the problems we have in downtown.

In my opinion, the worst recommendation in the report is to bring out-of-state artists, spend \$2 million of our money or our customers' money to finance storefronts and living expenses and essentially finance free loading. The fact that this recommendation was made while we have an established art district, including a \$13 million investment in the Museum of the West, is just mine boggling. Wouldn't it -- wouldn't it have been much wiser to recommend the promotion and the marketing of the existing art district? And the assets that we have there.

But then again we don't ask the consultants to recommend the practical. But putting aside which recommendations will get council support tonight. We still have to worry about how they get funded. So the report recommends a variety of funding options. The two most controversial ones are paid parking and business improvement district which is also the same as B.I.D.

The first option paid parking is usually proposed to solve a parking management problem, but here it's not. It's recommended -- it's recommended for the sole purpose of raising money with absolutely no regard to a disastrous impact on the local merchants. Let's be clear. To put paid parking in downtown, while the rest of Scottsdale has free parking, constitutes a form of discrimination against the downtown businesses. Paid parking, which basically kills the businesses and reduces the city's tax -- the sales tax base, basically amounts to while you are raising money from the meters, it's

negated by the loss of sales tax revenue from the merchants. So why bother?

As far as the creation of the B.I.D., its known. It's a known fact that after the failed B.I.D. attempt in 1997, we don't have the majority, 50 plus percent vote from the property owners. So it's proposed that we basically gerrymander the vote by bringing in the largest property owner, into the voting block. But by doing this, this comes with a cost. It creates a great deal of bad faith with the downtown property owners and the merchants, and is this basically what the city needs right now? Pretty much a downtown version of the DDC fight for the next two years.

I hope the council makes the right decision in how to proceed with the downtown. I have confidence that you will.

Mayor Lane: Thank you, next is Marilyn Atkinson.

[Time: 00:10:35]

Marilyn Atkinson: Marilyn Atkinson, president of the old town -- the Old Town Scottsdale Property Owners and Merchants Association. I'm here tonight to speak on behalf of the Old Town Association.

We are strongly opposed to and will not support a business improvement district for improvements on city-owned property. Retail sales tax are what made this city operate, and a large portion of those tax dollars come from downtown. Why should small businesses and property owners be assessed for city marketing and improvements on city-owned property, which includes infrastructure, street light costs and daily maintenance.

The Scottsdale 2.0 consultant report also included an option for parking fees, revolving loan fund. Isn't that something, revolving loan fund. Restaurant food and beverage tax, along with three types of business improvement districts. The creation of this proposed assessment district, which will tax property owners and the tax will be assessed through -- will be passed through to business owners and create substantial financial hardship on small property and business owners who are already burdened with taxes.

Furthermore, installing paid parking meters in downtown will cause a major flight of our visitors away from downtown and into other shopping malls that offer free parking.

Once a state tax business statute district is selected, the expansion of assessed increased funding can be changed year by year. Depending on the mayor or the council in the office at the time. Because most state statutes are loaded with pitfalls, they could harm small businesses and property owners with an ever increasing year after year tax burden. We are requesting the business improvement district concept be abandoned. Thank you.

Mayor Lane: Thank you, Ms. Atkinson. Next is Richard Haselip.

[Time: 00:13:26]

Richard Hayslip: Thank you mayor and members of the council, I'm Richard Hayslip, I'm a 42 year resident of Scottsdale, not quite as long as the previous speaker but I have been here for a while. I have been appointed to the task force, the Tourism Advisory Task Force, a little over four years ago and this study this downtown 2.0 was an essential part of our agenda from the very beginning. It was downtown was identified as an opportunity to enhance our tourism profile, and so we focused on that. It's as a result of a lot of hard work that was focused on issues that were identified during the strategic planning process.

The one thing -- one of the things I liked about the study was the extent of the research that was done. Mr. Kaatz and his staff, who you will hear from his and his staff, had some 60 end market interviewed with local people. They had four or five working focus groups with gallery associations and other merchant associations in the downtown area, and we had five town hall meetings which were essentially standing room only as I recall there. Was a lot of local input.

Additionally, we -- it's one thing to judge ourselves but we also did research on how we were perceived by others. There was a survey of some 50 travel writers who talked about destinations in their articles, and we wanted to see how Scottsdale was perceived. CSL relied very heavily on work that had been done. We didn't go out and reinvent the wheel. We looked by work done by the city of Scottsdale and others. So that was, I think, an element that lended to the efficiency of the research.

What they found is that there are some weaknesses and there are some strengths. Among the weaknesses were connectivity, connecting, for example, this beautiful facility here in the green space outside, with Main Street and the gallery district and with fashion square and even with the entertainment district. So that kind of connectivity and walkability were important elements that -- that dictated many of the recommendations that we made.

The fun part for the task force was making the recommendations. The hard part was figuring out how the heck we are going to pay for it and how we are going to organize to keep it moving and they have given us some ideas. Heard a reaction to some of those ideas already this evening and there will be others presented.

Organizationally, we're not going to go out and create a huge bureaucracy that is going to be managing downtown. We will rely on existing entities like Scottsdale arts, which I'm also involved in, to implement a number of the recommendations related to public art and enhancing Scottsdale's already great reputation as an art destination.

So I think I'm out of time, but I would be remiss if I didn't -- since the city manager is here -- is acknowledge the support we got from city staff, Karen and her crew, but also I wanted to mention Paul Basha participated with us and Erin Perreault and Danielle Casey was very much involved. None of them asked me to say that, city manager, but I wanted to let you know that they were very helpful.

Mayor Lane: Next and final is French Thompson.

[Time: 00:17:33]

French Thompson: Thank you, Mayor Lane, Vice Mayor Korte. My name is French Thompson, I own a gallery on Main Street in downtown Scottsdale and I would like to say that this was an awful lot of work that was put into that study and when there's an awful lot of smart people in the room, you get a lot of really good ideas. One of the things you have to do, though, is you have to look at all of those good ideas and decide which ones are better and which ones aren't.

So I would rather -- I think there's some really good ideas, the connectivity was a good idea. I like that, bringing more people in that area. I think there were some ideas that weren't all that good.

They are talking about paid parking. I think that's a discrimination against downtown merchants, just as an example, Cherry Creek overbuilt all of their residential around the Cherry Creek Mall. All the residents started parking in the Cherry Creek Mall parking lot. The Cherry Creek Mall has to charge parking fees for their customers to park in this free lot that's now surrounded by residential. So that didn't really work that good to bring in more residential around the Cherry Creek area. It actually backfired on them, and the merchants now in the Cherry Creek Mall, they say their business is down because the people have to pay to park there and all the other malls are free.

I love this downtown. I entrust the future of the city with this city council. You have the power to improve things or have things go awry and I would just like to say that we have an amazing arts district already and so when this recommendation to bring in somebody from out of state and supplement them and their income, the theory is we are going to bring in a really well known artist and that will help our downtown. Well, if that's a really good artist already well known, why do we have to pay them to be there. Why do we have to supplement their income if they are already well known. We have an amazing arts district. With that arts district, if you have the \$2 million, why don't you just promote who you have here already. We have an amazing, world-famous arts district. I would take that same money and try to promote what we have.

You have an amazing city here. You have an amazing downtown. You got galleries that is survived the downturn. I mean, these people are survivors that are here. I think you should try to promote those people that are the survivors and not bring in other businesses and try to make loans to them at a really low rate and say, hey, we are going to give you low rent -- you know, low interest rates and subsidize you while we don't do that for the existing people that are already here.

So I just would like to ask you to try to really help our downtown and take some of those really smart ideas that aren't the best and kind of just push those aside and take the really good ideas and go forward with those. And thank you for your time and your consideration.

Mayor Lane: Thank you, Mr. Thompson. That does complete the public comment at this point in time. So pardon for the false start, but I will ask that Karen Churchard come back forward, which she has dutifully done. Welcome back.

[Time: 00:21:10]

Tourism and Events Director Karen Churchard: Thank you. Mayor and Council, I'm going to give you an overview of our tourism strategic plan and then following that, we'll dive into the feasibility study.

So the tourism strategic plan was adopted by council in 2013. And also with that, the council created the Tourism Advisory Task Force group that actually worked with staff to help implement some of the concepts and components of the plan. There were seven different components and they ranged from implementing an urban downtown experience to developing programs that appeal to multigenerational visitors and develop and enhance transportation programs. And in its last year, I'm going to review some of the key Tourism Advisory Task Force accomplishments and give you their final recommendations.

The largest project of the plan is the tourism-related downtown economic feasibility study, which we will review following this review. Another component was the branding and the marketing of our downtown. That's in the process right now and we will continue to keep you apprised of that.

We have done a lot of enhancements in the downtown area through the tourism task force decor. We recently put up banners through all of our district neighborhoods. We just finally completed our festoon lighting project. We replaced all the old lights and put up new ones and the connectivity that you heard a little bit about. The Tourism Advisory Task Force came up with a concept and they titled it just as a working title, Arizona Central, but concept was that at the Arizona canal banks, there would be a place that you could go and gather all kinds of information and learn about our state of Arizona.

And so that -- with that in mind, and with the Civic Center mall, which I will mention briefly, this whole concept of connectivity came up and how do you connect -- how can you connect better from the canal banks to our beautiful mall? So with that, we started working on putting in capital improvement projects and thank you for adopting the Marshall Way project. That was just completed. The street looks very good.

And we are looking forward to another project that you all approved which is the Main Street enhancement. We will start designing elements this fiscal year and we are looking at construction the following fiscal year.

So this connectivity project, really as I mentioned was the highlighting the Civic Center Mall, and as part of the Tourism Advisory Task Force, they recommended to the development commission and the council, to use the tax funds to pay for the Civic Center municipal use master site plan. That's in progress right now as well.

Another component was special events. The special events ordinance came -- that concept came through the strategic plan and we hired a company Webb to really look at our special events and give us a lot of great data and information that the staff can use to support and actually create events. And one of the concepts was that we should -- we wanted to create some big destination events. And during this process of a few years of conversations we realized that we have that event, the Canal Convergence and, again, thank you to the commission and to the council, primarily for supporting that concept of taking Canal Convergence to the next level. After the four-day completion, this February

and March weekend, excuse me, we will be moving that event to November of 2018 and expanding it to a ten-day event.

Promotions in our downtown area, and events, we heard about Scottsdazzle earlier, but we are just trying to create different online opportunities to promote downtown. Western Week we are bringing back that component and we worked with the San Francisco Giants and the Scottsdale Charros to promote spring training. Temporary art installations are a big part of what we like to see, the task force would like to see and we support that.

Another area that we felt we needed a lot more information on our visitors and so we did a research project with Longwoods International, which the funding in our budget continued to support that very important information for both the city of Scottsdale and Experience Scottsdale.

Activation, seasonal entertainment and activation came out of Tourism Advisory Task Force and we have been doing that for the past four years and continue this fifth year and finally transportation, a big part of the project was looking at biking routes and even bike share and we are really thrilled that we have our first route up, and we have done some artistic-type shaping of our mountain vistas and tomorrow we have an announcement on that.

The last piece that has been in discussion and we are just now coming up with some conceptual ideas and if we are successful we will come back to Scottsdale. And that is Sky Harbor airport to our city of Scottsdale. So you will hear more about that as well.

The final recommendations from the Tourism Advisory Task Force in its four and a half years is to continue all of those programs that I just reviewed including the tune for Sky Harbor connectivity.

[Time: 00:27:04]

With that, I could like to talk about the downtown feasible study. I would like to give Brian a chance to change things up.

Downtown Scottsdale is a major component of that plan and it plays -- the downtown plays a critical role in the city's tourism industry and it's also a leading center of business and commerce in Scottsdale. And so with a lot of ambitious visions from various groups, for downtown scope of work and deliverables for this study was developed through a collaboration of the downtown working group which was part of the task force. The city's economic development, planning, transportation and tourism events departments and Experience Scottsdale.

We went through a competitive bid process that followed to really make sure that we hired a highly qualified firm and tonight that awardee, CSL and city staff are bringing forth a lot of research that will focus -- with the idea of focusing on our economic performance and creating a vibrant downtown. I want to present the overview and welcome John Kaatz, the president of CSL international. He will give a pretty robust little presentation and mayor, I will leave it to you all if you want to ask questions through his presentation or wait until the end, whatever your desire. And on several city staff, people will be sitting right here on staff row to answer questions as well. And following his

presentation, we would like to give you a few staff recommendations. So with that John Kaatz.

Mayor Lane: Excuse me. Thank you, Karen. Thank you, John. As far as the council and the questions are concerned, if they come up and they are pertinent to a specific element, we would like to have a good flow but if it's pertinent.

[Time: 00:29:39]

CSL International Principal John Kaatz: I would entertain that. I have about 200 pages of research to go through in 20 minutes. I can't talk that fast. If you can interrupt me, I think it would help the flow.

Mayor and Councilmembers. Thank you very much. As Karen mentioned -- how do I turn this -- how do I move this? I'm a little higher tech than this. It's the keyboard, for crying out loud.

Karen covered this slide. The point is to recognize that the tourism industry is a massive economic impact generator, not just for Scottsdale or downtown Scottsdale, but for many communities across the country. And spending time thinking about that industry and considering investments to consider to grow that industry makes a lot of sense and particularly in Scottsdale given the importance of tourism industry to the overall economy. So we kind of started there. Dick covered this slide. So I don't have to cover this either. I have two for two, somebody covering for me.

A lot of research went into this process. We met individually with all of you. We talked with stakeholders throughout the community, merchant groups, as Dick mentioned we went outside the community to understand the opinions of people who were outside the market that have direct insight into the tourism industry to get their views. Walking tours, downtown merchant associations, town halls, et cetera, et cetera, et cetera, it's been an amazing process, more so than any other process that I could remember. I know these guys in the audience, we worked together. I appreciate the comments from those in the audience previously as well.

So creating, this platform, this shows us that economic development is a three-legged stool. It's tourism. They spend a lot of money and leave but you can't do it with one leg. You need residents and you need office workers in any vibrant destination to create the 24/7 community that visitors are excited to go visit.

So we started looking at the commercial development and residential development from a variety of perspectives. We know there's a little over 4,000 residents today and with the projects that are already under construction, you are probably going to get to 6100 residents by 2020. We also took a look at the resident population on a per square mile basis and measuring against Tempe and La Jolla and other markets that are kind of similar and looking at these metrics we would say 8200 population would be an appropriate target for 2025. Given that you are at 6800, 8200 is not a stretch. I value the residents because they are supporting the restaurants and the retail and the merchants that the tourists are looking for. They are creating a real destination.

We think looking at the Maricopa County Association of Governments, their statistics of government

shows over 11,000 downtown residents by 2040. Given the trajectory we think could advance that, maybe to the 11,000, but 10,000 by 2030. 10,000, a lot of tells us that you started to create a real destination.

You created the 24/7, leaving, breathing environment that can support the existing retail and restaurants. Right now we are under populated relative to our restaurant retail base. So these types of projects will help to support everybody from the galleries to the unique retail to the restaurants, et cetera. As I say, tourists and residents are drawn to this. There is a Scottsdale mystique. There is a quality level that has to be maintained. We are not in the business of building anybody's housing. This has to be the kind of housing that reflects the brand of the destination. By and large, we have to make sure that we are maintaining A quality standards.

We looked at office recruitment with challenges in downtown Scottsdale. There are not a lot of developable pieces of land. There are a lot of 3,000 and 5,000 square foot buildings or footprints that you could bring in a lot of creative office class tenants and studios and planners, et cetera, and these types of businesses we are seeing in Grand Rapids where they have major corporations outside of downtown, their tech or their marketing department may move to a downtown location. Even though the campus is somewhere else.

Imagine a big Wells Fargo in Chandler opening up a marketing or a tech office in downtown Scottsdale because there's vibrancy and they want to employ the younger workers and having a downtown environment really speaks to that. There's, I think, a number of opportunities to bring in that kind of tenant that again supports the restaurants and the retail and creates the vibrancy that we are looking for.

Beyond that –

[Time: 00:35:04]

Mayor Lane: Excuse me, John, I'm sorry. When we talk about focusing on -- in a specific type of clientele or creative class recruitment, are we talking about building the environment because it through years of trying to do exactly that, I mean, we really have just created what those companies that would bring that kind of environment -- now, I'm focusing on companies. But nevertheless would bring them to an environment that meets their needs.

Is that what we are talking about? We don't all the property and we can't set all the criteria.

CSL International Principal John Kaatz: That's a great point. Some of what you are doing is the bike share contents and the vibrancy of the events, and create a destination where the people want to live and work. The other thing that we see communities do is they will employ a tool kit. Marilyn mentioned the revolving fund or assistance with permitting or those kind of tools that are not necessarily high dollar tools in addition to marketing but there are things that a community often does to try to lure these businesses into downtown. Oftentimes you have to find them and market to them to bring them in.

Mayor Lane: But specifically, you are not talking about subsidizing to bring that type of --

CSL International Principal John Kaatz: Not if you consider a revolving loan fund a subsidy. I don't. It's paid back. Those are low dollar investments that can pay for themselves. You wouldn't say we have \$10 million check to bring to a company. Fortunately, you are Scottsdale concert and there's some cache there. Even with some of the larger footprints, 600,000 square feet of commercial office space could be developed over the long term. It's a 15% to 20% increase. If you had that type of workforce downtown going to the restaurant and the galleries.

Again it creates that synergy and looking at again some of your competitive market that 630 is about right. Imagine if we had two parcels where you could do, say, 200,000 square foot office development. Not a headquarters but a large impactful footprint. There's a variety of locates around downtown. You would end up with 400 square feet of office space alone. So this target in office space at 630,000 square feet makes sense not -- not in and of itself, but because we created that better destination that the visitors are going to respond to.

[Time: 00:37:54]

CSL International Principal John Kaatz: Moving on. Karen mentioned public spaces. There are a number of areas around the community that has been discussed. We talked about Holly Street and connectivity, bike spaces, public art. We endorse that and suggest that you continue to move aggressively through that next Loloma the largest parcel you own downtown. There are opportunities to develop great green space but as you can see in the map, it's a little bit off in the corner. It's not a centrally located green space. There are opportunities to develop commercial space.

We like that in the sense that it creates tax revenue, a tax base that generates hundreds of thousands of dollars that can be used for other projects. So the trick for us is to create the right balance, the commercial development, and developing green space. It might look something like this where you have some element of parking and commercial.

In addition to a fantastic green space spine there that moves from Museum to the West all the way south, helping to activate all the investment that you already made. We put a lot of money at Museum of the West and this helps to activate that area of town. We would like that striking a balance between commercial and green space and plans like this do it. I would strongly suggest we move forward and move forward in this type of development.

Now moving a little bit north up to the canal. The canal is an amazing asset and amazing opportunity. One of the things working with Holly Street and the populous is to say we have to protect that. That's valuable.

What are the guiding principles that we need to respect as we go forth and look at what that future might be? Certainly somebody mentioned protecting the quality. And protecting public space and opportunity gathering areas and pedestrian linkages and something that's an asset for visitors and residents and amenities for bike and other types of transportation. These are the things we are

trying to achieve as we consider private investment.

I will start by what was known as Arizona central Marshall and 5th as you see there. Holly Street has developed, kind of a portal concept where it's heavier commercial development. Another solution might be something populous was kicking around and that's more public space. You opened up the canal and created these great pavilions that I think would be an asset for residents and visitors.

Moving a little bit towards the Scottsdale Road, we have Marshall Way Bridge you can see there and some of the discussion that's taken place in the community involves a type of public market, indoor outdoor space, farmer's market, classes for community, farmer's market. Just a really active exciting space for commercial and residential. You are familiar about UPS and it's not the type of ambience you want to introduce to your visitors. You drive down Scottsdale Road and there are some that don't scream Scottsdale.

This is a populous rendering where they have hotel, and resident and large movie screens in the plaza. If you were to achieve even some element of this development along the canal, our analysis suggests that you are transforming enough to drive fairly material increases in overall visitation to the community. As you say, it's not a public investment. This is private sector investment. We may want to employ a toolkit but relative to the private investment, it's insignificant.

Moving south, public space, Civic Center and stadium, again Holly Street focused on Civic Center Mall and they suggested that we open 2nd Street. I love that. You have the Second Street garage which is in a poor state of condition and should be probably torn down. If that were to happen, could you reconstruction the parking and create liner building. You see the buildings in front of the parking structure and you could develop space over the air rights of the parking garage if we are looking to develop larger commercial space, that could be a potential location and. Pedestrian experience continues all the way to the stadium where perhaps there has more retail, restaurants, team store access into the stadium. So imagine coming from Main Street, you access the Civic Center Mall and you head south and walk by the beautiful Civic Center area and across 2nd and into the stadium. A wonderful linkage of assets that the visitor industry would respond very, very well to.

[[Time: 00:43:11]

I mentioned briefly, Scottsdale Road, I'm not enamored by it some areas. We would like to see balanced between robust traffic. It's a thoroughfare and that will not change, and better pedestrian conditions. So widen the sidewalks. Create shade structures. Perhaps the shade structures can be part of the public art component to do that -- you see here in palm desert, in the palm springs area, you can see El Paseo and the bottom picture, this is not a stark little street. This is a heavy trafficked boulevard. So we can maintain but notice the median in the middle.

That's somethings they have been able to do to create the true boulevard that Scottsdale Road should be, as a visitor industry asset. You can see Los Olas Boulevard in Fort Lauderdale. The same kind of thing. We developed some preliminary investments, but I think that might be an area of public investment that should be considered that could leverage additional private investment along the boulevard. Those are the three areas there, again, the canal, Scottsdale Road and Civic Center Mall

that create this fantastic palate of public spaces that you should invest in.

Moving forward, the art sector approach. The galleries are great that you have to some degree an internationally known brand in the arts. I think even the galleries would agree that -- we'll call it stabilized. It isn't moving up. It is not trending in the direction we like. The galleries are moving out and the customers are harder to come by. We need to fix that.

How do we create the buzz or the product that if we are going to spend more money on marketing that's great but what are we selling? How do we create this product? Let's talk about that a little bit.

One of the things we think would be a good investment, again a public sector park investment, maybe 10 to 12 spaces in the downtown area that would have seating, shade, music, a way finding kiosks maybe a bike share element to it. If you populate the downtown in strategic locations, first, second, Marshall way and other areas you create linkages for the pedestrians to move throughout downtown. They can see the connectivity from the green perspective throughout the entire downtown area. These are not big investments but I think they can be very impactful if you are asking a visitor to walk from fashion square mall down to Main Street, that's a tough walk and way the landscape is today, it's not as inviting as it could be. The small investment in these pockets makes sense.

Here's Main and Marshall, you can see the inset is the current position and our populous team has come up with a couple of pretty little renderings. There's another one, Marshall Road park concept with a small investment. These are not huge expenditures.

Continuing along Main Street. I love that you are spending enhancements on Main Street, and the merchants support. It there's a small rendering there of the shade structure. A public arts component to cross Main Street. I won't hang my hat on this. This is a suggestion to take the 2 or \$3 million investment, and move forward and make Main Street a grand place for a visitor experience.

Monumental art, I love this notion of having that's a significant feature. You can see the big blue bear in Denver -- if you go to their bureau website, that's the thing. That is their icon. You go to Minneapolis' website, the spoon bridge in cherry is the thing. So you have a little bit of it with jack knife and a couple of other things but nothing that's that grand that could have a kinetic. Some pieces actually move depending on time of day to create a different look with the sun. So to have something that's monumental that's kinetic in one or two spots we see as potentially impactful. Also continuing that art theme, the art trail.

Imagine 10 to 20 bases they are curated and they populate a particular passage way. I isolated Marshall Way it doesn't have to be. This can be tied to Canal Convergence and the captures are unveiled and those that don't stay, they are for sale. I think this is a positive. Again, relatively inexpensive.

Developing new and expanded festivals at the outset, we believe a large, single ten-day type festival would be a fantastic idea for Scottsdale. We were kicking around West Best, it would take equine, culinary, all the elements that might define the brand and create an event around that. I have to

think you kind of got there with the Canal Convergence. I think what you are doing there is the big thing. Once that is stable, you might find a book end event. That big event, I think you are doing pretty well with.

You would have a plein-air painting competition, in Maryland, the profits going to marketing the downtown. In Naples they have the Ferrari club event. 30 to 40,000 people come downtown Naples Fifth Avenue Ferrari club to see the cars and spend money in the shops and the restaurants. In Palm Springs they have the health and wellness festival. This is an opportunity to part with honor health and A.S.U., to create a health-oriented festival based in Scottsdale. Again, not the big thing, but if it's in the need period, where we need room nights, sure we will do that and it's not an expensive play. This is more how could we create that project and create the arts brand so that whatever is selling this gets some traction. I hang my hat on none of these. These are suggestions.

One of them in Cherry Creek North is Grapes and Galleries. They partners with hotel, the restaurants and the gallery to create this synergy where, imagine a visitor coming to Scottsdale now has an itinerary on the website that has one of the unique hotels in downtown. Go to art walk on Thursday. I go to the urban wine bar trail that exists and will create throughout downtown. I could take in an event at the performing arts center, the Museum of the West. The next day I could go shopping, galleries, retail. That evening I could take one of the bikes and guess what, some of the most amazing outdoor space in the world is within, what, a mile of downtown Scottsdale. I could access these trails and go to Camelback Mountain, and create a yoga session and then we could create these itineraries. We need to do more that of.

That we have 600,000 people showing up for the Phoenix open, we have Parada del Sol and Arabian horse show. These are folks who have a lot of money. If you are coming, spend money downtown. And bop mentioned that, that's done in markets across the country. I have think if we can create a district that's precious enough where we get the right kind of businesses, that's something that should be looked.

The juried event for emerging artists. I'm tempted to cross that off. I think you would applaud if I did. But concept is not bringing in established artists from around the world. If we had a young set of emerging artists creating a reputation, if you brought them to Scottsdale for a short per of time, if I'm marketing it, I would go out and say, look we have these really cool artists, they are apprenticing with the experts. However you phrase it, it's something I could sell to the visitor community and then more resources. You know, we think we need, you know, 400,000 or 500,000 of marketing for downtown and you don't have that.

Those of you in business, if you have worked for a company that creates a product and you have a great product, and then the C.E.O. goes to the marketing department, I will give you a couple hundred thousand. The C.E.O. should be fired. You into to spend the appropriate amount of money on marketing this destination to folks in the valley to come and spend their money. And then, you know, various arts and music programming we think throughout the destination.

If we did all of these things, and, again, cross two out and add three more, I don't care. But if we worked to create more buzz, more product, I think you can increase visitation and break this cycle that

you are in. We will call it stagnation. It's not tilting up yet. We need to fix that.

[Time: 00:52:53]

CSL International Principal John Kaatz: New hotel and conference center. The largest contiguous is 4,000 square feet. We would like to see that 20, 25,000 square feet. Now we are bringing in events that using, one or two or three hotels. It's larger conference conferences. It is a public/private opportunity. We see mostly private sector but there are cases when the public sector may step in. Let's just imagine developer builds this, but you the city are granted 30 days a year complimentary for community events. There's a compensation for that so we can create some sort of partnership.

I think the market is right for this type of the partnership in the downtown area to bring in the type of events that you are just not getting today. We talked to the convention bureau and other hotels. I think they are all in agreement with that as well.

Downtown management organizational structures kind of in the home stretch here. So as we work with the community and work with the various city departments we know there's tourism and I will forget some, planning and economic transportation and parks and rec and police fire, there's the salt Richer project and the merchant association and there's all kind of entities that impact downtown but there's no one real quarterback to say how do we move downtown forward and certainly not one that's resourced the way it should be.

Mayor?

[Time: 00:54:20]

Mayor Lane: Yes, if I might just dropping back to the previous slide if you don't mind just for a quick second.

CSL International Planner John Kaatz: Not at all.

Mayor Lane: The concern I have about this is -- and I realize you are talking about a P3 on this but nevertheless, it still ends up with a -- a -- the city being involved in competition with existing facilities here in town, across our town, and there's a certain amount of sensitivity to them. How would you -- downtown being in competition with them, but also to make a determination that not just anecdotally, but the marketplace generally plays these things out well, if there was really a market for it that was survivable.

If we look at Phoenix and what they have just gone through with a somewhat of a debacle of a loss on that with their hotel and that arrangement. It just seems how would you sort of justify that the city would now put out an RFP which undoubtedly would involve the city's involvement and thus -- I'm using to word maybe a little out of context but by subsidizing it somehow or other in participation or land or otherwise.

CSL International Principal John Kaatz: Yeah.

Mayor Lane: With our existing -- I'm not -- I'm not convinced but how would you address that.

CSL International Principal John Kaatz: Yeah, that's a great question. So our next step, not the next step but a next step could be an issuance for letters of interest or qualifications and not necessarily a full proposal. What you could suggest is you developer. We the city are interested in having this kind of asset in our community. We have certain tools in our toolkit, permitting, whatever it might be, support of council, you developer, you tell us what you would need from a public stand point if anything to realize the development of a product that we have described to you.

My suspicion is you would get back because of the rate and occupancy in this market, a number of proposals or at least interest from developers that had next to know public involvement. Maybe a little bit but the only little bit it would be I could build a 3,000 room doctor 300 room hotel with 13,000 square feet of space. As a consultant, I would say that's okay for that hotel but if you want that asset to benefit the entire downtown, it needs to be 20, 25,000 square feet and in order to get there, maybe there's some sort of, you know who knows. Some public participation that is minimal, if any, to secure that asset.

I wouldn't suggest we go in there saying we have \$10 million, we will subsidize. This is not that kind of project. Some markets, if you are in Chandler, but given the rate and the occupancy, I don't think you have to do that.

Mayor Lane: And I appreciate that answer and even though it would all sort of come out in the wash once you issue a letter of interest or if someone has an interest because the call back out is when the city has an interest that somehow or other they are going to ante up somehow or another. It's just the way it plays out.

The other is for existing property owners right now that have hotels or otherwise in the works whether this doesn't thwart their development in favor of something that may be on a special note for the city but just my point.

CSL International Principal John Kaatz: That's a good point.

[Time: 00:58:00]

Councilwoman Klapp: The mayor brings up, how much discussion did you have about potential hotels that are coming with any of the research that did you because we have approved some already and there are some, you know, being contemplated and, you know, how much of the work did you look at the -- you know, what is actually happening right now that's not being asked for by the city of Scottsdale where the private a development coming to us?

CSL International Principal John Kaatz: Yeah. Yeah. We are aware of some of the projects that you are in discussion with. None of them would necessarily meet the standards of a motel conference center for the community.

I guess if I were in your shoes, part of my next step would be to establish whether or not the existence of this asset in downtown would be beneficial in terms of bringing in new visitors. Is it something we want in any circumstance?

If the answer is yes, then I think working with the development community that you are already working with to see if this is a possibility and the RFQ would be an appropriate next step. The RFQ process came back and said we want a substantial city investment, you could truncate it and you are done. I think it's just this whole notion of is this an asset that we think can be impactful? We do. And so to try to achieve it as best you can and perhaps you are working with the existing developers to do it.

Councilwoman Klapp: How many square feet of banquet space or conference space is available now. There are several hotels that are nearby, embassy suites is a good example, has conference rooms. How much square footage of conference room space is available now among the hotels in the downtown area.

CSL International Principal John Kaatz: Yeah, well, one of the ways we measure it is the largest contiguous space and the largest contiguous space is 4,000. And we are talking probably 20, 25,000 square feet of this large contiguous space and the contiguous space is critical if you are doing a banquet or poster sessions, you need the large room and it doesn't exist in downtown.

Councilwoman Klapp: Thank you.

[Time: 01:00:08]

CSL International Planner John Kaatz: Again, organizational structure. No quarterback, not enough resources. And what with suggested is a not for profit, Scottsdale Inc., whose responsibility is coordinating marketing maintenance and fund-raising and support for downtown developments, marketing and merchandising assistance building owner tenant relationships and event production and as a component of that, imagine this downtown Scottsdale structure, a component of that could be a revitalization district and the public foundation. You have the city of Scottsdale and the destination stakeholders would populate a board of directors. I understand 20 years ago you had some challenges and I think we can re-invent this notion.

The board of directors would have people like the C.F.O. of Honor Health, the chief marketing officer of a major corporation, and would have members of merchant associations perhaps council representation. Cherry Creek North does this. They have a substantial board of directors with substantial community and stakeholder input to guide downtown Scottsdale Inc. and they would in turn work with the various city departments. I like that solution as opposed to city department. I think this gives the stakeholders more input in how do you this.

The notion of the revitalization district or a bid, as it's been called is incredibly common throughout the country. This is a notion of asking the tenants and the building owners in the area to pitch for marketing improvements, events and festivals and those sorts of things. This is one source of

revenue. This is one concept that could be considered. The challenge of the foundation is I can't budget five years from now for what my foundation will generate but I think it's a useful tool for arts programming or monumental art or land acquisition or whatever it might be that that could plug into.

So again, this downtown Scottsdale Inc. and revitalization district would be designed to build consensus ever downtown stakeholders of clearly defined mission and defined goals and tactics and strategies to achieve these goals and robust stakeholder input in all decisions and annual reporting and accountability. This is a business. This is not kind of a play thing for entities. This is a real business and it has to be run as such. I think if you do it that way, you can create the accountability mechanisms that would benefit the stakeholders.

The other element of the foundation, as I mentioned improve the quality of life in downtown by connecting local donors to the needs of the downtown economy. Allow for contributions from individuals and other foundations and then you can tie that to specific initiatives. So that would be as I put it on the screen. That would be the quarterback for the downtown.

The budget would be about \$3.5 million. Their budget is short. You could raise those funds a variety of ways. The district assessment, then, Cherry Creek North created 3 plus million dollars a year from their assessments. The downtown organization could earn income through events through sponsorships and advertising. Oklahoma City is absolutely famous -- one of the most conservative states and conservative states in the world and it's famous for the local option sales tax where for a period of five or seven years they had a 1% increase and a half percent sales tax increase is \$50 million a year here. So if you did that for five years and blinked off, you would 300 to \$400 million for projected.

Food and beverage tax is one you see used across the country. It could be a downtown tax or a tax on, you know, instruments that avoid fast food.

Parking revenue, again, it's not uncommon across the country, again, we are not falling on the sword on any of this. This is just an option. It could be materialized in a variety of ways. It could be charging a valet operation and selling, and it's moving employees to a certain lot and you pay a little bit for that. Variety of ways to do that. We think it's something to consider and if discarded that's fine as well.

City budget allocation. If you were to reallocate some of your budget, the public works is a \$33 million business or department. If you took 10% of their budget and put it downtown, it's \$3 million. City bond agency. You have a good credit rating. Grand Rapids generated \$7 million a year in the downtown area for downtown investment.

Downtown development and permits, they are not big revenue generators. So you can invest in downtown management, market and destination asset building. This is a good summary of that list and if we crossed one off, it means we have to pick another one.

One thing on the revitalization district, one way I look at that is, you know, parking is a third rail, in many cases. If you go to the business owners, including the mall and say, we won't charge for

parking but you will have to kick into the revitalization district. Well, guess what, the mall is probably contributing over 50% of the total value of that revitalization district. So we're using the mall to create an asset to market the entire downtown.

So there are a lot of ways to skin this cat, but, again, that's your list. You know, if you don't want one, that's great. You pick something else to go fund some of these investments.

[Time: 01:06:18]

Mayor Lane: Mr. Kaatz, just an observation when we talk about the potential funding sources and one of them that we already have in place and it has been subject to quite a bit of discussion through the years and that is right now, the merchants do pay for parking through in lieu parking fees that are established and there's about half a million dollars in that. And there have been studies done for some of the items on the list and there's an accumulation each and every year both from the sale of required parking or I should say the purchase of required parking for those businesses that don't have it on their premises for it.

And the other is the leasing of it. It may be a payment over time, I'm not sure if it's a leasing or some type of payment on it.

In either case, has that been taken into consideration, as any portion of -- or some adaptation of that program since right now, our merchants do pay for it. There's not a meter on sidewalk but they do pay for it one way or the other. And we built parking garages with that money.

CSL International Principal John Kaatz: Yes, my understanding is that's kind of been the model, we will call those payment in lieu and to build and maintain structured parking in other areas. I will admit, I'm not sure what kind of incremental capacity may exist in that program to fund other aspects. You are probably using it for some of the parking structures you built and maintained.

Mayor Lane: Downtown, it's a partnership deal and development agreement, and that's providing for public parking in conjunction with a need for property owner at some stage of it. So I just wanted to throw that out, because obviously it's an issue that we already are in part, you know, having that source of income from parking right now.

CSL International Principal John Kaatz: One thing we all agree on, no meters. We don't want meters. That's not going to work.

[Time: 01:08:38]

Mayor Lane: Yeah. And there is another item that I don't know whether it's developed in the course of this study and conversation, but that is that there is a significant feeling in the overall development community and that's with technology changes with autonomous vehicles and smart vehicles that there will be a lessening effect. I do understand, that it's more or less anecdotally that it's occurring in some cities across the country where they are seeing themselves to some recognizing an improved largest contiguous parking situation.

CSL International Principal John Kaatz: Well, it's interesting, though, there are communities where they are building parking structures with super high ceiling heights, head heights recognizing that that parking structure may be useful for the next five years but then it may be an office structure.

Mayor Lane: We don't want to find ourselves on the bleeding edge of some type of development. Thanks.

CSL International Planner John Kaatz: That's it.

Mayor Lane: I didn't realize it coincided with your last slide, that question. Any questions from the councilmembers given the summation. Councilman Smith.

[Time: 01:10:07]

Councilman Smith: An interesting study. You have been at it for a long time. You probably know the city as well as anyone.

I want to begin by really extending my thanks and congratulations to staff for a lot of things that are happening in the downtown we, I think have some momentum whether it's the Marshall street redo or the Main Street that's coming or some of the special events that are truly destination events and I think are enlivening downtown and creating this missing buzz that you referred to. I think to staff and everyone involved we have some good things going and let's keep up the momentum. With this study, there are a lot of intriguing things to think about.

I want to ask a question that's fundamental to the whole study and it is what did you perceive to be the assignment? Before you answer let me prejudice the answer that I would like to hear by saying that our downtown area is in a sense a living museum, and I don't say that in any old and tired way. It is a collection of interesting places for people to visit. It always has been. Not only to visit but to eat and shop, it's one of the most visited destinations in the city. It may not be why anybody comes here but it's most often what somebody does when they do come here.

And so the problem that I want to see us trying to solve is how to enhance that cache, that living museum, that visitation opportunity. You said somewhere in the report, Scottsdale brand is world class. I agree with that and that's something that we have to protect.

In the opening comments, it said that your assignment and the assignment of the Tourism Advisory Task Force was to focus on tourism and I see in here what you said is one of the concepts was the investment concepts that you have identified are tied to enhancing hospitality and commercial density. And I'm not getting the connection between how we just solved the problems here by putting more people and more office buildings and frankly more traffic congestion into this area. I'm not getting it.

CSL International Principal John Kaatz: Those are good questions. So --

Councilman Smith: That was all one question too.

CSL International Principal John Kaatz: Good questions. So mission broadly described, I think you did it well. Increasing visitation, creating a better sense of place and creating a world-class brand of destination so we are getting more of the people that are coming downtown and spending money.

That's a big question and, you know, in a microcosm, we could say, hey, do another event. It's going to be great! Or put up a statute. Put up a monumental piece of art. Those individual things in a vacuum might be, you know, useful in increasing visitation but when you start looking at downtown Scottsdale, it's 1.3 square miles, it's a big downtown and it's incredibly diverse and we came to the conclusion fairly quickly looking at a variety of metrics and comparing yourself to other resort type destinations and population per square mile and commercial space, et cetera, we could sustain increases in those areas without harming the brand or the destination. I mean, it will evolve a bit but it's not -- we are not harming what is central to it and candidly, if we start going down a road where we are harming it, you may have to back off that but I want the residential and the commercial because they support the real downtown, the restaurants and the retail and the entertainment.

If you go to a destination, you want to see that kind of activity. You want to see, you know, 24/7 -- or at least 20/7 type environment that's active and energetic. I can't give you that by saying turn up the dial on visitors.

There's -- if I don't have a business -- if I go to these guys and say, hey, I will bring you a few more visitors, will that allow you to open up a new business. If I say I will bring in new visitors and have residents that will shop at your stores and go to your restaurants and I have a really cool workforce, that three-legged tool helps to build the destination.

I can sense what you are thinking. 600,000 square feet of space, 10,000 residents you are envisioning a downtown Phoenix where we overwhelm the character of the market and I don't think that the levels we are talking about get you there. I think I would work against harming the character of the destination, but I think there's capacity to do.

[Time: 01:15:43]

Councilman Smith: I obviously do question that and I think it's a premise that we should not just state as a statement of fact without -- without some anecdotal reference to its relevance to our asset, which is the downtown area.

The communities that you cite as comparables and from which you derive a lot of the statistics, Cherry Creek North in Colorado, I don't know of anybody that goes to Cherry Creek to go on vacation. I don't know anybody who goes to downtown Tempe on vacation. I don't know of anybody that goes to Walnut Creek. I don't know whether -- the cities that seem most comparable that you picked and that's Santa Fe, New Mexico, and that's Laguna Beach.

But you made the point that we have a very large and diverse area and I'm not sure one size fits all for this area. No other you looked at except for Pasadena was as large of a geographic footprint. Most

of these we're talking about half a square mile.

CSL International Principal John Kaatz: Or less.

Councilman Smith: Or less than that. And I am concerned if we adopt as a solution quote/unquote, striving to have more population and more commercial density.

I don't -- even in the report, you said, you know, commercial or residential density is necessary for a vibrant neighborhood to support grocery stores, pharmacy, and support facilities. This is not a grocery store or pharmacy area of town. And nor would they come to visit an upscale grocery store.

I would need to understand, I think better, what are we going to the -- you call it the livability, but if we put that many more people into downtown -- I'm not saying it's good or bad. I think we will be seeing people coming in at 5 a.m. and leave at 5 p.m. and then stop at McDonalds. Our community, right or wrong, the people who live here are not ones who fill those jobs.

So if you create more commercial density, you will create more people coming in. In fact, the people that live here don't typically work here. 70% of them leave town every day. So we have this already enormous migration in and out of town. And I don't want to exacerbate that without a very thoughtful understanding of what's this to go do to this unique world-class brand that we have.

I will say again, I think you have a lot of concepts and some of the speakers said this too. A lot of concepts that are ideal for us to consider, whether it's to revitalize the area to create a buzz, pocket parks, revitalizing the downtown program and certainly one we talked about.

Some of the ideas we need to cross off pretty quickly. The downtown parking paying an artist to come paint on Main Street or whatever. We already have a lot of artists that compete on Main Street.

CSL International Principal John Kaatz: That's not the idea.

Councilman Smith: Well, I'm not sure what the idea is, but for \$2 million, I bet you --

CSL International Principal John Kaatz: It's not \$2 million.

Councilman Smith: So I would endorse if we are supposed to be giving staff direction, whatever here, I would endorse those kinds of things which animate the downtown which making it a truly visitor attraction.

I do not -- I honestly do not believe that they are attracted to apartment buildings and commercial buildings. I have never seen it happen and if they create a buzz in downtown, I would rather see a buzz that's created by people being accepted by kind of events that we have talked about, that you are doing some of and that -- I will leave it at that mayor, thank you very much.

Mayor Lane: Thank you, Councilman. Councilwoman Littlefield.

[Time: 01:20:28]

Councilwoman Littlefield: Thank you, Mayor. And thank you for all that you have done and all the work that you guys have all put in. It's impressive.

But I have many of the same concerns that Councilman Smith has. My first thought -- you know, I got this last week. I read it all last week and over the weekend, and this morning, and studied it and read it backwards again.

And I want to ensure that we maintain and keep our very unique downtown for Scottsdale and that we offer an authentic experience that's Scottsdale's, not anybody else's. But all the studies we looked at are all about what everybody else is doing to attract the very same tourists that we want to attract but attract them to them and yet we should do the same thing. That's not unique to Scottsdale. That was my very first concern about all of this.

I would like to consider activities and places and events that put our downtown as a unique Scottsdale place and purpose and that people come here specifically to see and to experience that makes them remember that it was in Scottsdale, not cherry creek or Santa Fe that they saw it or did it or experienced it. I also believe that it's imperative to study our options with a very strong eye on products, first products that we start to do from where we are now, that has the immediate best possibility for paying for themselves.

We are on a tight budget. We don't have a whole bunch of millions of dollars laying around. And so we need to use increases in revenues from what we start and what we can generate to help us pay for the additional maintenance and infrastructure that we want to create later on.

And I think what we could do now is do some really basic things that I have noticed in the downtown that we need, new clean restrooms. Better, more landscaping. Way finding materials. I have a number of experiences I can tell you about things like that.

I don't want to build things and then not have the income and to maintain them. We don't need to let it turn shabby. So some of these projects will require a maintenance budget that we will need to consider when we do our budgeting and also some of the projects will take a longer lead time than other projects. Some will be more expensive, some will be multimillion dollars projects. Some won't be so much.

So I would like to see the whole scenario as a huge multi-year agenda, extending out over 20, 30 years probably in order to get all of these things done but I think my biggest concern right at the moment is I don't want to lose the cache and the reputation of Scottsdale and what we are and what we have in the process of updating and modernizing. I have no objection to doing that, but I don't want to lose the really great, strong back bone of what we are.

[Time: 01:24:01]

Mayor Lane: Thank you, Councilwoman. Karen, if I might just impose a question. You are not -- you said something about coming back and I'm presuming you are going to be going over some of what we have here before us with regard to downtown Scottsdale 2.0, and the recommendations from staff.

Tourism and Events Director Karen Churchard: Correct.

Mayor Lane: And since this is a conversation with staff, I think we might want to do that. Mr. Kaatz thank you very much for the presentation of the study and we didn't want to necessarily debate it with you entirely but we did want to ask some questions about how things were put together.

CSL International Principal John Kaatz: My pleasure.

Mayor Lane: And there may be another question.

CSL International Principal John Kaatz: I won't go anywhere.

Mayor Lane: But in any case, Karen if you want to come back then.

[Time: 01:25:13]

Tourism and Events Director Karen Churchard: Brian will switch out for the final presentation. Which is planning, transportation, economic and tourism events.

So going through this entire event. I will have to go um here so I can click through it. So staff looked at different starting recommendations and this all comes from, again, the community input that you just heard John summarize very extensive project. And, again, that this whole study came out of the Tourism Advisory Task Force, and they did give their final support of the recommendations in the study in terms of the projects. So we have four recommendations and then whatever questions you have for us, in regard.

Our first recommendation is that staffer include in our short-term type projects and related administrative costs, in our operating budget process, and those things might include Canal Convergence for the November 2018 event I described earlier, continue the activation of downtown, the gem we have been doing, way finding and decor. Councilwoman Littlefield brought up a good point about our way finding especially from a pedestrian standpoint is lacking. Increase -- or at least continue temporary art installations along the canal in particular the art trail. We like that concept. And then to actually obtain more business development tools for Danielle and her team in economic development. Those are the types of things we might be putting forward in the operating budget and would recommend that to council.

Our second recommendation --

Mayor Lane: Well, let me just -- in order to facilitate sort of an orderly process on this. I would ask

councilmembers if they have some questions or separation from any of the items considered in recommendation one and we'll try to see if we can get a consensus of opinion as to what direction we might give here. Councilman Smith.

[Time: 01:29:08]

Councilman Smith: What do you mean by last item, business development tools?

Tourism and Events Director Karen Churchard: In the study, CSL outlines I think there's 10 or 12 different types of potential ways that we could help businesses and I will let Danielle chime in because that's her forte.

Economic Development Director Danielle Casey: If you do look at page 91 of the document, it does outline and CSL has given us a number of ideas in ways we can help to support business development and you will see anything from they do mention a revolving loan fund that would not be something that our team or the department or the city would manage but we would look to some of our partners maybe somebody like the industrial development authority to do that. That's fairly typical in some communities.

Essentially what that is, is a funding source where for example, that group would put some funding in that. It would help them fund things like improvements. If you have somebody in a store front that can't afford at the traditional bank lending rate, expand into the store next door, it would help them get a cheaper loan to do those types of things.

Some other ones is putting sympathy dollars behind a buy local campaign promoting shopping locally and doing some marketing behind that and staff on the streets. Vacancy programs, starting to connect landlords and potential tenants in areas where maybe you have a vacant shop and you want to see if there's tenancy.

And this a whole litany of these. We want to vet these out and see what interest there may be. Some of them may seem like great ideas but if nobody is interested in utilizing, it's silly to move forward on them. We want to get out there and estimate those budgets and talk to a few people and put to go a package and a recommendation for you on what those tools would look like.

Councilman Smith: Okay, but I -- the reason I ask -- I wouldn't spend a lot of money on things like this loan program and whatever. I can't see that we would ever be able to do that or want to get into that business and paying someone for facade improvement. There are a lot of things I don't think we can do here but I suppose if we are not spending a lot of money you can look at them and see if something -- some apple falls off the tree.

[Time: 01:29:37]

Mayor Lane: Thank you, Councilman. You know, I would say I have potentially some real problems that have been outline briefly with us and what I know of this business development tool. I do think we have a problem, if the city gets involved with loaning money to businesses. Is that within our

scope, if I might ask the treasurer or the city attorney?

Economic Director Danielle Casey: Mr. Mayor, if I could clarify, I was saying that we would not be doing. That would not be us. That would not be the city. We would look to partners to try to establish a revolving loan fund. Not the city.

City Attorney Bruce Washburn: I agree we would not be doing that.

Mayor Lane: And frankly if we were to be suggesting that we would not be doing that. Yes okay. All right. Well, that's one thing.

I would be very concerned about anything that even smacked of paying people to come to Scottsdale or to, frankly, subsidize a private business. I'm all about what we might do with the environment, and making sure that we're moving downtown together as positively as possible and in the development from a tourist perspective, which does imply some funding that would be available directly from tourism development funds.

Okay. Well, I can't see any further comments on this particular one. With some reservations on the last one, I will leave it at that. I don't know each and every item that's in there.

I -- I'm going to take a gander around, unless I have some objection to anything else on this -- we're talking about recommendation one right now. Yes. I would say I think we have consensus. In fact, I know we have consensus with recommendation one to move forward with it.

[Time: 01:31:30]

Tourism and Events Director Karen Churchard: Thank you. Our recommendation two is to develop a process to prioritize the 2.0 recommendations. Councilwoman Littlefield mentioned that a little bit earlier in her comments and working through a process, maybe similar to the C.I. P. process or a bond process where we do prioritize. We would like to look at that recommendation and get your consensus on that.

Mayor Lane: Karen, just if I might ask, so this would be new staffing and increase in the overall scope of what the city might be doing in the area. Does this constitute some of the things that might be considered for a -- what do we call it? Actually, there is a title on it before and I'm not remembering what it was exactly but nevertheless, either a new foundation and/or a new organization with a different governance to do. Is this to supplant that or this is in conjunction -- in addition to?

Tourism and Events Director Karen Churchard: This recommendation is a little bit different. It came out of some of our discussions with council. The recommendation four is the one that --

Mayor Lane: Very good. I have an old slide.

Tourism and Events Director Karen Churchard: I apologize for that.

Mayor Lane: Well, that's --

Tourism and Events Director Karen Churchard: We changed them up a little bit after we had our discussions with the council. So not drastically but this was a new concept that came out of some of the discussion and councilwoman Littlefield mentioned, you know, looking at what -- all of these different projects and what over time would we prioritize. What might be short term, mid-term, long term priorities and that's what we are recommending that staff go through that process. And come back to council, of course.

Mayor Lane: Okay. Very good. Pretty simple one then. Any other -- Vice Mayor Korte.

[Time: 01:33:24]

Vice Mayor Korte: Turning back to recommendation one. So we have -- you know, one of the first things that our consultant spoke of, and many individuals from the public comments was the walkability and the connectivity. I would like to see if recommendation one to include that whole walkability, connectivity creating a master plan so that that becomes one the priorities to -- you know, in further this downtown plan.

I think it's -- I think it's critical for that walkability. You start walking through downtown along Scottsdale Road and all of a sudden the sidewalk ends and the pavement is broken. There's safety factors. There's issues with conflicts with traffic and sidewalks and it just really needs some work.

So if it's in consensus with the council, I would like to include that in recommendation one.

Mayor Lane: What are you asking to add?

Vice Mayor Korte: To include walkability and connectivity. Connectivity and walkability master plan which is part of -- which is one of the major components of the study.

Mayor Lane: Right, and I -- well, this wouldn't be duplicating the efforts that were made by Holly Street and that, as far as that is concerned.

Tourism and Events Director Karen Churchard: No, would not.

Mayor Lane: We are talking something separate from that master plan or that at least proposed.

Tourism and Events Director Karen Churchard: I believe I hear Vice Mayor suggesting that we look at developing a master plan around the recommendations of Holly Street and CSL, for the walkability in the downtown. There's many different streets, Second Street, Main Street.

Mayor Lane: I see.

Vice Mayor Korte: Thank you. That's exactly what I was trying to say.

Mayor Lane: Thank you. We have a question on that.

[Time: 01:35:31]

Councilwoman Klapp: You all them short-term projects. Canal Convergence is already a project and we are expanding it. Some of these other things are fairly simple project that -- not simple, but smaller projects that could be accomplished in the operating budget. I believe this is meant for next year, correct?

Tourism and Events Director Karen Churchard: Correct.

Councilwoman Klapp: Whereas this walkability study, this connectivity study to me, is much larger than that. I'm not sure if it falls under the umbrella of this recommendation number one. I'm not saying I'm against it I am I'm just not sure that it fits in this particular category.

Tourism and Events Director Karen Churchard: We could include it in that we are continuing our work with Holly Street, in particular, through planning and Brent Stockwell and some others are working on it. It's a work in progress. I think I hear the Vice Mayor hearing she wants us to look at that.

Councilwoman Klapp: This is more of an expansion or a recognition of the Holly Street project and not something new?

Tourism and Events Director Karen Churchard: Correct.

Councilwoman Klapp: Okay. All right.

Mayor Lane: Thank you, Councilwoman. Councilman Smith. Was this a staff request on this item?

Assistant City Manager Brent Stockwell: Mayor, members of the council, if I could speak to that briefly, so I agree that I don't think it falls necessarily under one. It's kind of in the gap between recommendation one and two.

Here's a couple of things to think about. One, your next item, where you are talking about the changes to the downtown plan, it was certainly our intent to include concepts from the connectivity plan, the public space plan within the downtown characteristic plan so that they are embedded in the planning process moving forward.

We also planned on two other things. One is as development proposals come forward in those areas to incorporate the connectivity planned elements in those private development partnerships as we do that and then secondly, to include streetscape proposals like we put forward for Main Street to help accomplish the connections between that.

So we have Main Street and at this point, we would eventually do Marshall north of, you know, Indian

School, do you the Fifth Avenue area and then you also go back and do the old town area and then also come across and do Second Street as future proposals. They are certainly not short term, but it's, you know, a longer term project that you would do kind of one step at a time.

Now all of those things -- certainly, we recognize they are proposals and priority, but it would be good to know where they fit with the other proposals.

Mayor Lane: Thank you, Brent. Councilman Smith.

[Time: 01:38:34]

Councilman Smith: We talked about the downtown being a living museum and interesting to visit as a place unto itself. One of the things that makes it interesting is the vast array of public art in the downtown area. And I became sensitized to this, by a presentation that Brent Stockwell made to a different group. Let's include the public art experience and this whole reason of why to visit this downtown area, whether it's maps or whatever it might be. I leave it to you. Let's incorporate that as well.

Tourism and Events Director Karen Churchard: This is working open the public arts and others.

Mayor Lane: Thank you, Councilman Smith. Just to make something clear. I don't think there was an objection to the idea of incorporating Holly Street as the Vice Mayor had indicated.

There's no objection it that, or is there? In recommendation one, including the consideration on a continuing basis. That's also part of the consensus then as far as recommendation one is concerned.

Councilwoman Littlefield.

Councilwoman Littlefield: I have a -- an odd sense about the business development tools, the very bottom item. Does that include the B. I. D.?

Tourism and Events Director Karen Churchard: No, it does not.

Councilwoman Littlefield: Okay. Then I will old my comments until later. Thank you.

Tourism and Events Director Karen Churchard: Recommendation two is that staff look at prioritizing the short term, mid-term and long-term, some of the projects that came out of the study.

Mayor Lane: I see no request to speak on that, unless there's some objection, we have consensus on the recommendation two.

[Time: 01:40:39]

Tourism and Events Director Karen Churchard: Recommendation 3 is that staff would solicit a private interest -- the private interest and development of a conference center. So just looking right now we

have a lot of interest, significant interest in building hotels in our downtown. So staff is recommending that we do an RFI process to determine if there's private interest, and qualifications and then from there identify any structures. This would not require any commitment or city funds to determine the interest.

Mayor Lane: Okay. Councilwoman Klapp.

Councilwoman Klapp: I'm not interested in doing this. I don't know about the rest of the staff -- the rest of the council, but I would -- I know that we got some information from the consultant about how much conference room space is available. I would really like to know what is available. I don't believe there's only 4,000 square feet available at Embassy Suites in their conference center. That just seems odd to me. So before we do this, I think there needs to be a real assessment of what is the conference room space in the downtown as well as any potential hotels that are coming, what kind of conference space are they going to provide before we go to this process.

I'm not too interested in going out and asking private developer do. We have a space in mind that we would ask them to look at? I mean, if we are going to do a request for their interests? I'm sure they will say, well, where are you talking about? So I think to me, this was premature. I think we can look at what we have currently.

I really believe that we -- you know, obviously I don't want this to end up being the problem where Phoenix is, where they build a conference hotel and to me, this smacks a little bit of this. If it's totally private, that's okay. I'm not too interested in a public/private relationship on a hotel in the downtown area. And I really believe we need to let this evolve more organically than to do this type of thing. This is my personal opinion.

[Time: 01:43:15]

Mayor Lane: Thank you, Councilwoman.

You know, I have got real reservations with this and I expressed it before. And I will say that it's not just the example of what has happened to some other municipalities that have gotten involved with these kind of things with years of losses and them being upside down in the sale of it. It has some serious implications when we start to talking about anecdotally, we think, that this is something that is necessary for downtown. When -- and there's quite a bit of activity with regard to activities in downtown. They are not seeing that as their concern.

We run up against the fact that we would potentially be going into competition with people who are thinking of developing if the market with standing it. Let the risk lie with private development and the taxpayers here even with the p3 on the competitive enterprise. So I'm not interested in this at all.

If there was anything that we would even do, it would be to find out if there is a market for this and then we have several plans that are in process right now. Who wants to convert some space that would otherwise be used for individual rooms for lodgers and convert that it into 25,000 square feet of

convention space. So I'm not -- I'm not in favor of even moving this forward at this point and in conjunction with this. Vice Mayor Korte.

Vice Mayor Korte: Thank you, Mayor. I'm wondering if there's some way to keep this kind of a living recommendation but perhaps changing it a little bit. I do know having been involved in economic development and the growth of downtown for, well, a couple of decades is that a conference center has been talked about for downtown Scottsdale for 20 years. And whether it is lack of market or lack of space or lack of focus, I don't know.

I would like to keep this alive in some way because I think it's a good time to talk about it and put some focus without perhaps an RFI and RFQ, but to better design or do some research, market research to determine not only private interests because I'm not interested in the city participating at all, but private interest and if there's market for that. All I hear from our Experience Scottsdale or convention and visitor bureau is that it is important to diversify our visitor base. Presenting a visitor center, it brings in a different type of visitor to our downtown or to Scottsdale. And that alone, I think is a value to keep this alive in some way.

Tourism and Events Director Karen Churchard: Mayor and Councilmembers, I want to add one point to that, this recommendation having attended all the public outreach and meetings with the merchants associations, this was an item that was talked about quite often by groups like bookstore poison pen in, particular, I remember her talking about that there's no space in downtown for her to hold the type of events and expos and conferences that she could if there were -- if it was available.

And Councilwoman Klapp brings up the point of Embassy Suites. In technicality, it's outside of our downtown plan map, if you will, and you are correct, it -- I don't know off the top of my head the square footage of that, but it's definitely -- I'm guessing it would be 15,000 square feet, but that -- in the actual downtown character area map area, there is 4,000 square feet of space. That's it for -- that's tied to the hotels. I want to make that point of clarification.

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

[Time: 01:47:56]

Councilman Phillips: I wouldn't be recommending this either, although I would love to see a convention center downtown. It's not Scottsdale's model to go out and look for people and build these things if the people would want to build those type of things want to come here, they would. They know the markets across the country and if they think it was a good thing for downtown Scottsdale, they will definitely come to us.

I think Danielle and her department are doing a fantastic job already. They will come to her first. I don't think we need to add more burden on their work to try to go out and lure people here, you know? If they want to build it here, they will come.

Mayor Lane: Thank you, Councilman. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you. I do support a convention center hotel in our downtown or at least looking at the possibility of it. I have heard also some people who said it would, a really nice amenity to have, but I don't believe the need for it is particularly pressing. So it would not be a top priority item for me. Something that we could keep as a possibility for the future, there's a lot of discussion and research that yet would need to be done if we want to go forward with this. Has it been done yet? It's just tossed out there.

So I think the concept is sound, but it would have to be done by the private sector, not by the city. I totally agree with that. I don't want to put the city in competition with private industry. And it should -- you know, we might be working with Danielle. She's the one that hears a lot of what people are looking for 'wanting in the way of business amenities and if it's of business or help to do an RFP to ask if anybody is interested then maybe we could do that just to find out, but it's not a pressing item. I do support of the concept.

And so I would leave it probably a number three of your one, two, three. Thank you.

Mayor Lane: Thank you Councilwoman Littlefield. Councilwoman Milhaven.

[Time: 01:50:22]

Councilwoman Milhaven: I share some of the concerns and reservations from my colleagues. Certainly there are plans to bring more hotel rooms forward but I heard Mr. Kaatz say that a convention center would fill more rooms and it might actually support the additional rooms that are planned. So I think we need to be sensitive to that. But I think it's worth pursuing in that regard.

I also -- you know, I agree we don't want to duplicate what happened with Phoenix in building their convention center and that hotel. I would like for private industry. I see that that is what this is. We think a convention center would be valuable for our downtown. Ordinarily, I would agree let the market prevail, and we want to make it agreeable in pursuing that.

We support WestWorld, to support tourism, and yet is willing to dismiss out of hand, of a convention center bringing people to downtown, even if it doesn't require a subsidy. I'm frankly surprised that we come to two different conclusions on two different projects.

For my two cents I would like to pursue this conversation to see where it takes with us the sensitivity of the number of rooms largest contiguous planned and the sensitivity of minimizing any city commitment to supporting it financially. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Smith.

Councilman Smith: Thank you, Mayor. Well, first of all, I support what I think may have been councilmember Klapp's conversation. We will just draw the boundary and then include the Chaparral suites and then we will have a convention center.

On a more serious note, I'm not interested going out with an RFI or RFQ or RF anything for this,

because in my opinion, we don't know what we are talking about, we have no idea whether anecdotally, people say gosh, it would be nice to have a convention center. I have lived in a number of cities, Pittsburgh, Pennsylvania; Knoxville, Tennessee, whatever that have convention centers that just like the one in Phoenix turn out to be empty most of the time.

And I think even Councilwoman Milhaven beat me in the punch making some comparison to WestWorld. What we failed to do in WestWorld was ever ask ourselves in we build it, is anybody going to come? And before I talk about building anything here, I would like to know if we honestly need this type of thing. Maybe we study this and determine what real need do we have for this in downtown and will it, if built, promote the uniqueness and the novelty and the attraction of downtown as a visitor attraction. That's my recommendation.

[Time: 01:53:59]

Mayor Lane: Thank you, Councilman. Just to continue on this, just a little bit, number one, WestWorld is probably a fairly unique kind of -- I wouldn't even necessarily say it's a convention center. So -- and even with that, we ended one some pushback from our resorts that do have convention-type facilities in that we were investing in something that was in competition with them. Even though they are not in a position to have a horse event or a car show to the extent that we have them currently. Whether or not the rest of it worked out the way it would be intended that was one thing we probably had unique in our favor as far as that is concerned.

You know, if somehow or other there is a sense that this is something that is needed, anecdotally or otherwise, the easiest way to figure that out is to find out whether somebody has an interest in doing it. Because if we send out anything, frankly even a letter of interest or interested in having this done, without really assessing this on our own, the response is going to be naturally -- I was in the business that was related to this. They come back and say, well, if you want that, what are you willing to pay us for this or what type of land are you going to give for us. I'm cautious about getting engaged in this line of thinking at all. In the private sector would express an interest in it.

Right now we do have a -- a new hotel in downtown that has contemplated this as well. Unlike Embassy Suites, they are within the area that we are talking about and some of the surrounding hotels existing and being planned are considering working with them as far as that use is concerned. But that's -- that's a private sector risk. That's a private sector development. Somebody figures it out and I'm good with that.

You know, we are just not in the business and we should not be in the business of competing with our tax base and other businesses that are here. It would be like having a gallery that the city gets involved with or a restaurant. Why do we go in competitions with other businesses by the way of supplementing something like this. I think that's where we are at. We are always talk about this kind of thing and we can research and view and have the conversation open, to discuss it with those planned facilities that are coming forward, but the way recommendation there is, and I think it's consistent with what I have up on the screen, the copy that I have here, I'm not in favor of forwarding it.

And from what I hear, I don't think we have consensus to moving this forward in this present form.

Tourism and Events Director Karen Churchard: Okay. Is that -- am I in great departure? Okay.

Mayor Lane: Then we have consensus on that.

Tourism and Events Director Karen Churchard: And our final.

Mayor Lane: But, yeah, we still do have a couple of comments.

[Time: 01:57:21]

Councilwoman Klapp: I just wanted to reemphasize that I did say that it would be good if some research were done on what meeting conference room-type facilities are available in the downtown area, and I think of Embassy Suites being downtown. It may be on the edge, but it's still downtown in my mind. So -- and it brings a lot of people downtown that stay at the Embassy Suites. They shop downtown when they stay there. So if we could find out more about that, I would like to know.

And I would also find out about other things that are similar. I mean, we just have a new events center built across from the police station. How many people can sit there? How many people can be they accommodate there? That's new and there are other things available in the downtown area that may not be associated with hotels that are meeting rooms.

You know, we have a meeting room right over here at the Civic Center mall that was used for a variety of things that could be called a conference. I think that that should be also considered in the equation.

And just as a side note and I know this has not much to do with tourism, but if you talk about what people want downtown, it's not a convention center. It's a grocery store. It's not necessarily a tourist thing but it's certainly economic development related and that is a grocery and that could be something that we can encourage -- I don't know how we do it. I certainly don't want to send out an RFI or an RFQ on it, but I still believe we need to be talking to anyone in the development community about bringing a grocery in the downtown area.

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

Vice Mayor Korte: We do have a grocery store in downtown. It's Sprouts on Miller road. That's within the boundary.

I think there's a consensus to keep this alive, not in this form, but to research the viability of a conference center, and -- and determine -- or just a, determine if there's any interest out there. So I agree with Councilwoman Klapp, in moving this forward with focus, not with an RFI or an RFQ.

Mayor Lane: Thank you, Vice Mayor. I concur with that. We are talking about this recommendation. There's consensus not to go with this. If we want to further and say -- give some

direction to research and look at this from more of a private market basis, then certainly, I think we have consensus, at least on that as well.

So -- and one final thing too, it's interesting, and Councilwoman Klapp brought it up, just because Embassy Suites is just over the line, they would be the first ones that would be a little concerned about us getting involved in competition with them on some kind of just a furtherance of that, as well as some of the other projects in place that are also trying to meet that need. So study it, but the recommendation, no.

[Time: 02:00:55]

Tourism and Events Director Karen Churchard: Our final recommendation is that staff explore the recommended management structure and then each of the suggested funding mechanisms via research, public education and input. So I think we know that, you know, we have more desires than we have expenses than the revenue, excuse me.

And these new funding sources whatever that mix might be, John -- I think there were eight or nine different funding options and what staff would like to do is explore all of those and find the right mix through public outreach and through research, what are -- what's the right mix of having a funding mechanism to realize some of these projects that are in the study.

Mayor Lane: Karen, just in the opening paragraph there, what exactly do we mean by -- and each suggested funding mechanism via research and here's the question, public education. What are we doing with public education with regard to recommended management structure?

Tourism and Events Director Karen Churchard: So there's -- there's two recommendations, actually, within this. One is the -- what's the management structure? Like, explore that.

And then the second part of that is looking at the funding -- the eight or nine funding recommendations that came out of the study. And doing some public -- you know, talk about what they mean and what they might not mean and find that right mix for our city.

Mayor Lane: Education in the sense of informing people of options and how they might be --

Tourism and Events Director Karen Churchard: Yes.

Mayor Lane: Not trying to convince them or teach them of what needs to happen.

Tourism and Events Director Karen Churchard: Correct, yes.

Mayor Lane: I don't know that we have any difficulty. I do not personally. Any comments -- oh, I'm sorry. We do have Councilman Smith on the board and Councilwoman Littlefield. We will go with Councilman Smith first.

[Time: 02:02:45]

Councilman Smith: Thank you, Mayor. I do have some problem with it, it's spending the time to study some of these, I wouldn't even authorize the undertaking of that exercise. And I'm trying to remember the whole list of eight or nine items. I think we talked about them at the time.

You know, parking meters downtown is a nonstarter, as far as I'm concerned. A reinvestment district where you take a vote and 50% of the people approve, you tax 100% of the people. I'm in no way in favor of a revitalization district or even have staff studying.

Some of the things that were suggested are certainly spot on and that is we didn't spend a lot of time talking about it, but just the overall level of sales tax in the city is -- is lower than any other city in the entire state. The permanent sales tax of 1.3%. Maybe that's something we ought to study but it's not part of the study on how to deal with downtown. It's a bigger issue that the city manager is going to have to parcel out to folks to look at and come back to us.

So I'm not sure what funding mechanisms in this whole thing that I had agreement with but probably not many I remember taxing the restaurants more than anyone else. I'm not sure that that makes sense for attracting tourists.

The management structure, if that's a separate question, then I encourage a management structure, and not the one that we're talking good in here that costs \$2 million a year and has ten ambassadors and whatever. But certainly something that consolidates the variety of people that are focusing on downtown. A considerable point was made in the report about how so many departments have fingers into the downtown area and the areas of responsibility. If there is a way to create a management structure that creates cohesive one voice response to the needs, I would endorse that and endorse thinking about it.

Thank you, Mayor.

Mayor Lane: Thank you, Councilman. Councilwoman Littlefield.

[Time: 02:05:15]

Councilwoman Littlefield: Thank you, Mayor. Well from what we talked about and from what I read, I can tell you I'm totally against placing parking meters in the downtown area, that is a fund-raising measure but it takes into account no -- the harm it would do for our current businesses that are existing there. I would not be supportive of that, as far as I'm concerned don't research it. It also does away with our reputation of being a city with no parking meters you can park for free which is one good things that brings our visitors here because they can shop here for free. I wouldn't want to put something that is so negative in just that one area of Scottsdale concert. That drives people away. They get to use the parking meter, it doesn't bring them here.

I wouldn't support a B.I.D., as it was presented, and I think it was tried twice before. And both times it led to failure and led to decay in our downtown area and it led to a huge Dearth of visitors and it's one of the reasons why we are having the problems we are having today. Let's not repeat those

problems and repeat the problem and the effect of this B.I.D. It makes no sense to me to force people who are struggling to make it and improve their businesses to tax them more and more and more through something like this, that they don't want to begin with.

And to me, it's to include Fashion Square in something like this, in the vote for the 51%, it's an attempt to change the voter mix and create a result that you want to happen rather than what is really true. And they said by adding Fashion Square's voice to the voting mix, there's a better chance for a bid passing. That's a direct quote from this. That's not why we do it. Fashion Square doesn't need a business incentive district. It -- it -- and for one thing it won cost them a dime if we put it in there because they can pass on any of the expenses to their tenants. It's not right to manufacture a vote, and I would be against that in any way shape, or form.

I also don't like -- like Councilman Smith, I don't support the creation of a new off book organization, downtown Scottsdale Inc. to handle the cash and development of the downtown area. I would much prefer both the incomes and the expenditures to stay within the city's budget under the direct supervision of the city manager. Congratulations, Jim. And monitored by our city treasurer.

I don't like city funds, tax receipts or city expenses to be kept off book, and they should stay in the budget and available to everyone to see and to assess. And we have too many off book organizations as it is. So I don't think we need another one. So I would not support that. I have think it could be separate. It could be people who are focused on this particular kind of project on the downtown, but it needs to be in our city budget.

Thank you.

Mayor Lane: Thank you, Councilwoman Milhaven.

[Time: 02:09:08]

Councilwoman Milhaven: We heard a lot tonight about parking meters. There's interesting new technology where the traditional we think you get out of the car and drop some coins in a parking meter, and there's technology that would allow us to maintain free parking in much the same way as we maintain it today, but then we heard about residents and workers taking up what should be retail parking spaces and there's technology that would allow the retail customers free parking but create obstacles for tenants and office workers.

I think Danielle, you are the expert. Could you share a little bit on that?

Economic Development Director Danielle Casey: Mayor, Councilwoman, I don't know if I'm an expert but I will throw out some comments. Thank you for teeing that up.

Can I go on record and say, I hate parking meters. They are ugly. There are so many things that are not appealing to a downtown and I'm with everyone on that. Some of the things that we have looked at with technologies that are interesting -- and when you think about parking revenue and a lot of research we have done along with the transportation staff, parking revenue does not mean charging

for parking. So trying to be very clear about that.

And I think the best example I can throw out when I'm speaking to you and time so sorry I don't remember exactly who was but it was a hair salon from downtown that came to our downtown and the business chamber. She said, I have three three-hour signs because these three-hour signs at three hours they have to rush out and move their car, with foil in their hair. They may not be natural. They are there at a local small business, you know, patronizing the business.

And I said okay, what do you want us to do? Take the signs down and then the office workers might park there, which we had issues with. What if you could pay a dollar to put a validation to go past three hours. What would you think about that? She said love it.

There are different creative ways to find opportunities for people to park because right now we have three-hour limits and two-hour limits that penalizes people if they are there too long. So there are a plethora of opportunities out there to manage parking better and a lot of those are at either at point of sale or different ways to extend.

So that was a little bit long winded but I found it fascinating to learn about it. I think as a staff and I don't want to totally speak for Paul Basha and transportation but I think we would like to talk to merchants about those different tools and technologies. I don't think we are proponents of charging for parking.

Councilwoman Milhaven: For my two cents I don't like parking meters either but I would be curious to explore some solutions to parking. So that's my two cents on that.

In terms of business improvement district, I think we need to be realistic here. Karen gave us a presentation earlier this year that talked about a \$9 million contribution from the city to improve our downtown. And \$3 million came from tourism bed tax dollars and \$6 million came from the general fund and the capital improvement plan. And so what I hear folks are saying, it's an interesting conversation. On the one hand the folks are saying don't change our downtown. It's really special.

But I'm also hearing people say we need help in our downtown and so it's an interesting balance we're trying to strike here. If we need to do more in the downtown, the city doesn't have the financial resources to continue to invest at that level and to increase the investment over time.

I went back, the city does reports around sales tax and use tax generation and in the area that's the old improvement district, the sales tax and the use tax that we collect is \$3 million. So when we talk about the \$9 million, that's not even counting all the rest of the stuff we do, like cleaning streets and police and fire and all of that, that we do throughout our city, the \$9 million is just special and unique to our downtown.

I think folks need to be realistic if you don't want us to consider an improvement district, we are just not going to have enough money to do everything you want us to do in the downtown. So while I get it, nobody wants to pay more taxes. I think we need to explore this a little bit further so folks can make an informed decision about do I want to spend a little more as an improve district, in order to

improve my downtown or do I want to live without these improvements and give folks -- because I think that's what decision is going to be. For me, it's worth exploring a little bit further.

I want to expand a little bit too. I managed a downtown business that was part of the enhanced municipal services district that folks refer to. And it -- the reason it doesn't work was because the downtown -- we couldn't agree as downtown businesses on where to spend our money and so it wasn't that it was a bad idea. It wasn't that it hurt downtown. It was just that it became a political mess of neighbors fighting against neighbors trying to decide how we spent the neighbors.

So in that regard -- I think it's worth revisiting. I think we can learn from what happened from the old thing is not bad, but it wasn't executed well. I have think we need transparency for how that money gets spent but I think it's more than something that city staff can do. Even if folks say I don't want to spend the money on third party, we will be spending the money on staff resources to do that.

So I think it's certainly well worth the time and effort to explore management structure and explore an improvement district so people can make an informed decision about do I want to spend a little more money to improve my downtown and improve where my business is located in order to get these benefits or can I live without these benefits? It's not unlike the fact that many of the neighborhoods paid for their street lights with the special assessment and so I think we need to give folks more information so they can make a better informed decision about whether they want the improvement district or not.

Thank you.

Mayor Lane: Thank you, Vice Mayor Korte.

[Time: 02:15:43]

Vice Mayor Korte: I think the most critical point in this slide is we have more desires and expenses than revenue. And that's a fact. As Councilwoman Milhaven explained that pretty well. We put \$9 million into downtown and we don't have another \$9 million to put into downtown next year. We just don't have it.

We have also talked about the challenges. So some of the challenges that were identified through the research, by our consultant is that downtown is stagnated. One councilmember said, you know, there's momentum happening. Well, it's not showing up in tax revenues and it's not showing up in sales. Downtown is stagnated. And we need to do something about that.

Some of the other challenges our arts and culture brand is challenged. We lost more than 50% of the galleries pretty much bought of the downturn in the economy. We know that the downtown, it's safe walking area and areas to rest and going to coffee shops and then continue on. We don't have that connectivity. We don't have the connectivity and the pocket parks and, really, we don't have a strong transportation system.

So what we do have is more desires than expenses than revenue, and I would hate to throw out these

tools before we even research them. I don't like parking meters either, but maybe there's -- maybe there's some way to create some revenue. I don't like to think about raising our sales taxes to support some type of arts and culture type of initiatives. Even the prepared food and beverage tax, it just doesn't sit well with me.

So what are we going to do as a community? Where are we going to squeeze the blood out of that -- out of that onion. I don't see it, unless we as a community come together and decide that this is what they want to invest in. It's just not the city that's going to invest. We have got to invest together as property owners and merchants.

I do support the management structure concept. The -- I remember well the enhanced districts and one of the weaknesses is that those districts were isolated, and so we had an old town district. We had an arts district. We had this district and Main Street and that. And it's really time to talk about downtown as one unit, as we look at it holistically. And so where those different districts can support each other and be one voice and I think looking at whatever that management structure could be is one of those steps to that. And I think that's important.

So I support this recommendation and because it's really all about evaluating -- it's evaluating funding mechanisms, the research, the public input, better understanding what those different revenue sources are and seeing what we can stomach as a community and talk -- and having a conversation about it. What a concept. So before we throw some of the babies out with the bath water, let's be more open to the conversation and see what comes of it. Thank you.

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

[Time: 02:20:24]

Councilman Phillips: Thank you, Mayor. Since we are kind of doing a wrap up. I will mention some other things that I wasn't able to give my input. It just didn't come up.

As far as this goes, number one, yeah, no parking meters. I don't that will ever fly but Danielle made the better comment, we need better parking management. And I think her and her team have some great ideas.

The B.I.D. district, I don't think that's going to nigh either. I don't like the no Scottsdale. I don't like the management structure. I don't want to create another bureaucracy to tell downtown people what to do with their money.

I do like the idea of a revitalization district, but I think that should be yours and not ours. And I tried to get the downtown businesses to get better funding and you can collect your own money and pay yourself back and you can decide what to do with it, but I don't think that's up to us to do. I think the city done everything that's public, that we can do and after that it's up to the merchants and the property owners. And so I think really, in a way, you know, it's your own destiny. If you don't do anything and your business flounders, it's because you didn't do anything. I would love for all of these businesses to get to go and say we will take control of downtown. It's our businesses and our

future, but I don't think the city should get involved in that. We will do the city structure. You do the private structure.

As far as we talked about earlier, I really like the idea of the pocket parks and the connectivity. I think that's a great idea all around. I think that will work out well.

One thing that really wasn't discussed, but it's been brought up in the past a couple of times and I really like this idea and hopefully we can have more discussion on this and it's what I call the community center. It would have to be the city's investment in either a building or leasing of a room maybe around 2,000 square feet that's like a very clean, nice public restroom area, with public safety also involved in there and maybe some info centers and stuff like that. Little gathering centers where they feel safe there. They have a nice clean restroom. They don't have to go around the corner and wonder if they are safe or not. Little gathering areas where people can do that and that might be part of these little pocket parks. I don't know.

And then as far as the way finding and the connectivity. That's a definite must. The city needs that, and I think the city is working towards that. We have Scottsdale Road and then we have Drinkwater to east and Goldwater to the west and Goldwater is fairly well developed but Drinkwater is not developed at all. It's way underutilized. When you talk about putting in boulevards and bike paths and pocket parks and stuff like that, I think Goldwater is -- I think Drinkwater is perfect for that. And Drinkwater just runs so close to Scottsdale Road that it's not like you are going way out of your way and people will go out of their way for it. People go to Goldwater to avoid Scottsdale Road. It's so underutilized in so many different ways. I think we should look at that road as a way to go to parks or get their bikes or whatever they need it.

You mentioned that Scottsdale is looking at all things that we are doing for downtown, for our holiday season. I think that that's fantastic. I think you are doing a lot more things than I thought we would and hopefully in the future we will do even more.

But aside from all of that, all the other things that we are already doing for downtown, with the lighting and the structures and the signs and all of this stuff, I think you can see that, you know, as a public body, as the city and our staff, we have a very vested interest in our downtown and we are really trying to do everything that we can to make downtown as vibrant as possible and we can only do so much. We will do what we can. We will light it up and beautify it and do the connectivity, the parks, and the art work, and everything we can do to do it and then we sit back and say, okay, you know, your property owners, this is what we gave you, you though work with it.

Do what you can. Work with us. And in that way, let's make that type of a partnership. We can do what we can with public dollars and you help us as much as you can to embrace the public and bring them in however you want to go about doing it.

I don't want to tell you how to run your business but for when our tourists come here and the people come here and even the locals come here and they go downtown, that it's warm and inviting and open and people want to come here. That's all you really need to do. Once you do that, people will come here anyway. They will say, yeah, we love downtown. I feel like I'm at home downtown.

And it kind of happens organically anyway, but let's just keep working towards that goal, working together.

I think we are in the right place. The economy is doing good. You know, I like that saying that you know, high tide rises all boats. So when the economy does good, everybody does good. We can have more money downtown. This is the time we are doing. It let's embrace it and move forward and -- you know, keep Scottsdale, the downtown that it always was and I think it always will be.

And I talked to people that have come from other parts of the country, and I say, well, what do you do when you go to Scottsdale. Well, I heard about old town. I want to go to old town. I think some of you think that old town is one section of it. To tourists old town is the whole thing. I think they are doing good.

The task force did a great job. Staff did a great job. And so I guess in conclusion, let's keep doing what we are doing. I think we are working moving forward.

Mayor Lane: Councilman, if I might, one. Things in circling back on this recommendation for -- do you have an objection within this recommendation and I'm not trying to put you on the spot, but if you are just trying to get a stop on. This I heard a couple of departures but I'm trying to figure out whether or not to direction to staff which is what we are here for on these individual recommendations do you -- is it --

Councilman Phillips: Yes thank you, Mayor. For direction for staff, and recommendation number four, I would agree with that. You heard what I wouldn't go for in the future anyway. Staff has to look forward and we can't say no direction and then there's just nothing. We have to allow you to continue to look for ways to, you know, fund our downtown and move further with that. So keep moving forward.

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

[Time: 02:28:09]

Councilman Smith: Thank you, Mayor. I wanted no comment on a couple of numbers just so they didn't get branded in people's brains here. Because I think they were a bit of a distortion for what we are talking about here, trying to preserve the unique visitor experience of downtown.

When we talk about investing \$9 million in downtown, first of all, an awful lot of that money was catch up money from under investment for many, many unfortunate years. And I also -- some of it as you well know from some of the slides you know was for rebuilding streets, putting in lights so that people could find their way down Marshall way to a \$13 million museum that we built. These are not investments that are discretionary and to some particular business owner's advantage.

I would defend the business owners and the business operators in the downtown area that they have made a substantial investment of their own. Not only in inventory and their business and their payroll, but, in fact in taxes that they pay. Part of them coming back to the city. So this is a

partnership and the 9 million that we spent was catching up on our partnership obligations in my opinion. Can we afford to do \$9 million every year? I have no idea what the right number is. I know we have an affirmative obligation to maintain this visitor attraction.

The fact the other -- the other factoid that was shared with you is that the merchants only pay \$3 million in sales tax. I don't know what possible relevance that to anything. I guess we should only invest into the Phoenix open as the sales tax we get back from the various events. What we are talking about investing in the tourist attraction and tourism is the most important thing in our city. We are not trying to match dollar for dollar, if you pay me, I will pay you back.

A second and unrelated question because I think you are down to number four, and there is nothing further; is that correct?

Tourism and Events Director Karen Churchard: That's correct.

Councilman Smith: I don't know where this fits then. I would like to have staff study the question and perhaps come back to us with a better understanding of what population number are we shooting for downtown, and perhaps even why are we shooting for it. We have heard 6200 at some point in the future, and somebody upped that to 8200 and then out of the blue we said we really need 10,000 because vibrant downtowns require 10,000 to support their grocery stores and whatever.

And in the same vein, I would like to know what commercial, if we don't know what we are going to, we don't know what we have gotten there, or whether we have gone too far. And if you go too far, there's no turning back.

So I would like to know where we are, where we are going, what all the approvals amount to to date, and what some people who have studied this, in ways other than looking at cherry creek, what would be our number.

[Time: 02:31:49]

Mayor Lane: Thank you, Councilman. I will pose the same question. Since what we are here to do, is give some specific direction on these recommendations and I don't know if there's some duplicity as far as the request for the population or the commercial space because I thought that was pretty well stated. I don't know if that's our number or that peace what our consultant thought should be our objective. I will let you figure that out.

On recommendation four, is there an objection with some specific element in this that would keep you from recommending that we continue to explore the recommended management structure?

Councilman Smith: It's within a long night but I actually did answer that in an earlier speech.

Mayor Lane: All right. Good. Nothing more needs to be said. And I presume in the affirmative then?

Councilman Smith: Well, no in the contrary. I was saying that when we talk about some of these funding sources, there has no way I would look at parking or invest the funding.

Mayor Lane: If we want to exclude specific items and they would be -- just so we know for direction to staff. And whether we have consensus on excluding those specific items.

Councilman Smith: I don't think I understand the question.

Mayor Lane: I presume you are okay with the Recommendation 4 with the exception of there is some income or taxing elements that you are not in concert with, and would you want to have them excluded. We would have to thus consider whether or not the full council decides to exclude those items. So if you could, if there is a way of delineating that, it would be helpful in guidance to the council or to the staff.

Councilman Smith: Well, if the question is whether we should study and identify future funding sources, I did answer that in the affirmative. We should. I emphasized the fact that certainly the sales tax -- the overall sales tax may be something we need to look at and even broader sense than just downtown.

I -- it was my vote that we not spend any staff time talking about parking. It was my vote that we not spend any -- spend any staff time talking about revitalization districts. But if they want to look at other revenue sources, I admit it I don't remember all nine of them but all means look at them. There are some that are nonstarters.

Mayor Lane: What is the recommended management structure we are talking about here.

Tourism and Events Director Karen Churchard: It was the downtown Scottsdale Inc.

Mayor Lane: Okay. And that's not the revitalization district.

Tourism and Events Director Karen Churchard: Correct. It could be part of it, but it's not the same.

Mayor Lane: Okay. So --

Councilman Smith: And on that one mayor, I expressed affirmative support for something that consolidated the various activities in downtown.

[Time: 02:35:03]

Mayor Lane: I think that's an important point. Is there consensus not to exclude -- or to exclude the consideration of the revitalization district? I would say --

Councilwoman Klapp: Exclude it?

Mayor Lane: I'm sorry about that. Is there a consensus to exclude or -- well he wanted to exclude

the revitalization district in this consideration and the recommendation for it. All right. How many do I have to exclude the revitalization district? Three and how many to include? Four? Four. So revitalization -- the instructions and the consensus is to remove that, from the recommendation on number four. Okay? Is there anything else that.

I don't think parking meters are into this thing. As far as consideration for -- well -- yeah, so do we want to review all funding mechanisms or do we want to sort of skinny it down and say certain things are not? Who is for including a sales tax increase?

Vice Mayor Korte: Mayor, perhaps the question is who would just like to --

Mayor Lane: Please, go ahead. We obviously need some help here.

Vice Mayor Korte: Yeah. Would is in favor of including all of the tools that have been suggested and perhaps more that come up for conversation? This is just to run a conversation and research and -- and education and determining what they really mean.

Mayor Lane: And that is a good way of putting it and frankly, I think we started with that. It may be premature in whether this recommendation is going forward but in the meantime, we have had all kinds of things that have been requested to exclude. We are trying to figure out whether we have consensus on them. Right now we have a majority of four that indicated they wanted to explore the revitalization district. So that's not part of the direction for recommendation -- or rather recommendation for.

We have consensus on recommendation four? With that one exclusion?

Councilwoman Klapp: With that one exclusion.

Mayor Lane: Is that -- this could be dangerous but go ahead.

Councilwoman Klapp: My only issue with the parking thing is -- has been mentioned many times by one of the speakers even. I'm okay with reviewing a parking management system but not as a funding mechanism and there's a big difference. If you are going to manage the parking downtown so that it's improved, I'm fine with that, with, you know, a variety of ways but if we are going to just have parking that is intended to bring in revenue for downtown, I'm not for that.

I'm not for the funding mechanism. I'm for the parking management. I think Councilman Phillips mentioned it and one of our speakers mentioned, it but I'm than willing to have a look at any ideas for better managing the parking downtown. I don't want to use revenues for downtown because that leads to fee and meters. Those are different.

Mayor Lane: Okay. In fairness to councilwoman Littlefield, I would just want to ask one thing on this, and when we talk about funding and that is the in lieu parking fees that are already being -- so we won't use those either if we do -- if we don't consider that for funding.

Councilwoman Klapp: That's different. That's a whole different thing.

Mayor Lane: That's the merchant paying for parking right now. We don't want to --

Councilwoman Klapp: We'll talk later.

Mayor Lane: Councilwoman Littlefield.

[Time: 02:39:21]

Councilwoman Littlefield: Thank you. Tonight I feel like I have been really negative and I don't want to sound totally negative on this project. I think there's a lot of very good things going on here.

To itemize, I don't want to subsidize artists to come here when we already have great artists. I'm against the parking meters. I'm not against looking and studying possibilities of better management for the parking spaces that we have. That's good. I'm actually open to looking at the funds that we have from that, but it would have to be carefully done that we don't violate anything.

I don't support the B.I.D. idea, and I don't support an independent new off book organization of Scottsdale Inc. We tried that before and it never works very well.

But there's some really neat stuff here! And there's some very good stuff here and things I think we could do that I would like to make sure stays on our consideration list. Okay?

I like the idea of pocket parks. I think those are great. Various gathering spots, with seats and shades and interesting landscaping and art work and water. I also like the idea of putting in the new bike racks there. I think that's a perfect place for it. And I -- I agree that there -- they are an absolutely perfect location for putting in wayfaring materials and how do I get from here to there and I think it's important in all of the downtown areas. I think it's crucial to any success that we may have in our downtown revitalization.

I think we need clean, lighted easy to find public restrooms. They may not entice people to come to our downtown, but they can help us keep them there once they arrive.

I would like to see improved lighting continued throughout. I believe it to be essential. Last Christmas, Bob and I went to the Christmas tree lighting in downtown, and it was great. It was fun. It was beautiful. And we enjoyed it very much.

But afterwards we wandered around toward the downtown areas, and finally we took a trolley around the downtown to see what was happening. It was dark. It was unappealing and it with very few exceptions of people dining in some of the restaurants near the canal, no one was there. There was no movement or flow of people from the tree lighting area. It was not inviting. I was surprised at how dark and uninviting it was.

There was no incentive to stay and no intent to draw people in and the trolley driver talked nonstop to

the four of us that were in the trolley, but he had nothing to say about where we are, where we were going, the areas that we could visit or anything like that. There was one other couple in the trolley with us, visiting from California. And she asked what there was to do in downtown area. As we passed the darkened Museum of the West, I suggested she visit it. She didn't know where it was as we drove by.

Really, absolute critical sign that we need signs. We need wayfinding. We need people to find where they are. I think definitely signage and lighting would help. It was almost a little scary.

Our trolley should be a fountain of information for all of our travelers. There's a very inexpensive way to get the word out for anybody who is riding the trolleys in the downtown area. Not everything has to be millions of dollars. The patter of the driver should include areas that we pass by. This is the gallery district. This is world famous. We have this, this, this, this. This is our new Museum of the West which has all the different things showing right now if you are interested in seeing them. This is the old town. Nothing. It was just like drive by. And I think those are simple, easy and inexpensive things that could really help. There should be brochures, maps, and any other materials that might be useful for riders in order to find their way downtown and the last part I actually already suggested to Rachel and she totally agrees. She was amazed.

But the pocket parks aren't cheap, but if we know where we want to place them, if it's a total overall concept for our entire downtown, which I really like, I think that's vital to making it happen, right? Then we can do one or two pocket parks at a time, see how they work and how can we improve them and what do people want that we haven't yet provided and make each one a little bit better than the last.

Because there's so many parts to this overall project and many of them are very expensive, I think of the three major expenses that we were looking at and there were three big projects overall, I think it making good sense for us to look at the stadium. And the reason for that is right now, the city is currently in talks with the giants to renew our contract and find out what they want us to do and keep them here, what they need in the way of fields and all of that stuff. So I think that the timing is right for this. It's a long-term contract with them. And we have the potential with the renewal in bringing them here and the new terms that we could actually increase our revenues from doing this, substantially and help pay for some of the other things that we need. I think it's logical, upgrades, expansion to the stadium itself and other issues can be worked out. I think it could help expand the use of the stadium to possibly other off season events.

Moving from there to the Civic Center mall, right down the way, it's a natural movement and a natural progression. I think that should be our next big thing. I understand that the water features in the Civic Center mall are all leaking and they have passed their useful life and we need to upgrade them, stop the leakage of the water and make everything look up to snuff again. The timeliness of these two items causes me to believe that this is a good place to start.

If you wanted direction as where to go and what to do, that would be mine. Along with all other improvements of lighting water, rest rooms, a few pocket parks and way finding signs and more technologically enhanced ways, like through apps and stuff like that, to move people, to have people

want to move from one area to another area to another area. That's basically what I wanted to say. I think that it's a lot of really good things and I didn't want to sound all negative. I think by doing the stadium, we could improve our revenues. So we could maybe use some of those enhanced revenues to forward our projects in the Marshall way downtown canal bank area.

Thank you.

Mayor Lane: Thank you, Councilwoman. I don't believe anything that the councilwoman has indicated will change the direction with regard to the previous recommendations and inclusive of the idea of prioritizing. So I think we are still on the same line of agreement with that.

[Time: 02:47:56]

Mayor Lane: So -- hmm. It all disappeared. Yes, Mr. Thompson.

City Manager Jim Thompson: Well, Mr. Mayor and members of Council, I haven't withdrawn my -- oh, I did withdraw my request only because I think we were -- I think staff realizes that recommendation four, we realize there is complexity. When we look at the revenues and the expenditures, we may go beyond the recommendations that were recommendations made. There's a list provided in the study, but there may be more that come up in the discussion with the downtown businesses, those that visit, those that -- all that will engage with us. So I don't want to close the door on anything because I think we are going to really have to get innovative.

We will have to look at that future and how best can we provide and dot things that we can do. There's quite a bit that we can go do. I want to be careful that we don't close too many doors and hamper our ability to being successful in the future.

That said, this recommendation here doesn't have the back bone to it of there's things in the study, but that doesn't mean that everything in the study will work. Those are just ideas. That's what they provided us.

So there are some things in there that might be great for downtown. There's some things in there that might not be great for downtown. I don't agree or disagree with everything in the study either. I made comments publicly do I like meters or not. I don't care for meters. I have reasons for that, but it's something they put in the study, these are options. These what are no other communities do. I won't say we will do any or not do any.

I think when staff really takes a look at, it analyzes it and engages those impacted by our discussions that we bring that back to council and say, next year in the budget, we would like, x, y and z to do, you know, a, b and c, you will get to say yes or no. And by then, I hope we have acceptance, and I think there are some things immediately in the study. There are good things that we can go do. I just would hope we move down that path.

So again, I think all the recommendations somewhat generically gave us the ability to engage in those discussions to move forward with these items in the study, and hopefully we will come back and

further these discussions a little bit further, but I think when we do that will be part of the budget process. And we will have to come forward with plans of how we will fund things and how we will get some stuff done. And we will have to have those discussions openly and honestly with those impacts.

So I appreciate it.

[Time: 02:50:32]

Mayor Lane: Thank you, Mr. Thompson. And I suppose the own thing that was open with respect to Recommendation 4, whether a district would be able to be formed. I don't know that we -- you know, I think there's three here that agree that that may be something that would be considered but right now, I think it's -- it's some -- it would have to be of particular interest really, if, in fact, how somehow it was concluded that that element would come back. From the standpoint of elements and whether it would be put together like that. We did poll on that issue.

Councilwoman Klapp: Regarding the business improvement district, I think Councilman Phillips said it the way I would see it is if they want one, they can form one. But I don't see us forcing it on them. That's the big thing.

Mayor Lane: We can't. We can't force it on them.

Councilwoman Klapp: But I think their feeling right now is that it will be forced upon them. This is something that the business people have to decide that we want. This is not something that we decide. That's where I'm drawing the line on it. I realize it can be another conversation that we can have here, but it's really ultimately going to affect them and they need to make that decision, not us.

Mayor Lane: Well, just the one clarifying point is that we cannot. But I appreciate the sensitivity to it. Councilwoman Milhaven.

Councilwoman Milhaven: I was going to make that point. We can make the decision to put it to the businesses to let them decide. That's what we can do. We have no authority no leverage this. We can't force anything on anybody, not in this regard.

Mayor Lane: Okay. So I think that clarifies it a little bit as far as that is concerned if it were to become a factor, it's still something that is presented to the public on that. So with that, I think we concluded the last item and Karen has taken her seat. So I'm sure that that's completed. And I hope that guidance was as clear as we could possibly make it for you. So all right.

ITEM 2 – DOWNTOWN PLAN REVIEW AND UPDATE

[Time: 02:53:06]

Mayor Lane: Well, the one remaining item is the downtown plan review and update and Erin Perreault is moving to the podium.

Planning, Neighborhood and Transportation Manager Erin Perreault: I promise it's five minutes or less in terms the presentation.

Mayor Lane: Okay, yeah.

Planning, Neighborhood and Transportation Manager Erin Perreault: So mayor and council know, we have had a downtown plan as a community since 1984. The last time we looked at the downtown from a long range planning standpoint was between 2007 and 2009 where we updated a 20 plus-year-old plan from 1984, that took us two years of public involvement. And that plan has been a guiding policy document or long-range vision for downtown since the mid'80s. It consists of six chapters today and you can see what that is, and again, that's that 2009 outdated plan.

With any long-range plan, you get to the point where you need to monitor and assess for relevance and viability, and with all the talk tonight and all the focus on downtown, it's probably a good time for us to do that with our downtown plan. In addition to that, you also assess what's been implemented under your plan and what's happened, how the world has changed around that plan since it was adopted.

So what you can see and I won't go through all of these, I promise you I know you have them in front of you as well. A lot has been implemented under the 2009 downtown plan. That was the anticipated -- by community at the time by the city staff and, of course, city council.

We have a small amount of the outstanding items that we would look at under a downtown man update to see if they are still relevant to carry forward. And then we would look specifically at what is changed in terms of what's happened since the downtown plan and this is just a few of the items to list. The city has been very active in adopting other types of plans that have either a small piece or a large piece of focus on downtown and, of course, we talked about a major initiative that was the last 18 months focused on downtown.

There was also the suggestion that we need a home for our public spaces master plan updating the downtown plan could do that for you, with regard to that vision for downtown in terms of our public spaces and then we have a Civic Center mast plan that would be coming to you for consideration in the new year.

So what we are suggesting from a staff standpoint, we don't take two years to do it but take a few months to have a conversation with the community because we know what we have been doing for the last seven or eight years under the plan. Look at what we will might need to refine under that plan, add in terms of enough ideas, the direction tonight, given by council and then look at a renewed implementation program which could also include that second recommendation that you just made for downtown 2.0 in terms the prioritizing projects over a long range or a long time frame for downtown.

Next steps if we do get your head nod to move forward, we anticipate taking six months for the downtown plan. It would include public outreach as it did last time and we would keep you informed

every step of the way like we did previously and then we would come back through planning commission and to council we anticipate in May.

So the direction we are looking for is just basically your direction whether we should start updating our downtown plan or not this evening.

Mayor Lane: Okay. I just don't want anybody to be misunderstood if somebody nods off that it's a head nod. But in any case, Councilman Smith.

[Time: 02:57:05]

Councilman Smith: Go for it.

Mayor Lane: I think -- yeah. I think any separation from that please voice your objection.

Planning, Neighborhood and Transportation Manager Erin Perreault: Thank you.

Mayor Lane: There you go. Okay. Well, with that, that's our final item of business. Nothing come in in the meantime, of course, it's a work study. So sometimes it's unidentifiable, but nonetheless it is.

I would accept a motion to adjourn.

ADJOURNMENT

Vice Mayor Korte: Move to adjourn.

Councilwoman Klapp: Second.

Mayor Lane: Vice Mayor and Councilwoman Klapp seconding. We are adjourned. Thank you.