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#### **CALL TO ORDER**

[Time: 00:00:07]

Mayor Lane: Good afternoon, everyone. Very nice to have you here. At a near capacity crowd. So welcome all. I would like to call to order our April 10<sup>th</sup>, 2018 City Council meeting.

#### **ROLL CALL**

[Time: 00:00:24]

Mayor Lane: This is a Regular Meeting and I will start with a roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Virginia Korte.

Vice Mayor Korte: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: David Smith.

Councilman Smith: Present.

Carolyn Jagger: City Manager Jim Thompson.

Jim Thompson: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:46]

Mayor Lane: All right. Thank you very much. There are cards if would you like to speak on any of the items on agenda, and for Public Comment. Those are the white cards the city clerk is holding up over her head. And there are yellow yards that she has over her head now for written comments that we will read through the course of the proceedings.

We have Scottsdale police officers, Jason Glenn and Tony wells who are right straight in front of me if you have need for their assistance. The areas behind the Council dais or reserved for Council and staff. There are rest rooms over here to my left under the exit sign there for your convenience.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:25]

Mayor Lane: And we are privileged to have Brownie Troop 1027 with the leader Riley Palmer here with us to lead us in the Pledge of Allegiance. They are just about to put out the fire here down by the campfire. Young ladies, you can rise and lead us in the pledge. Ladies if you can, please stand.

Brownie Troop 1027: I pledge allegiance to the flag of the United States of America, and to the republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, ladies. If you want to turn the microphone so you are facing the crowd. You can all rise again, please. And turn the microphone so you are facing the crowd and each individual, if you could go ahead and introduce yourself, tell us what school you go to and what is your favorite subject?

Brownie Troop 1027: Hi. My name is Jenna Forrest. I go to Cheyenne Traditional School and my favorite subject is reading.

Mayor Lane: Okay. Next.

Brownie Troop 1027: Hello, my name is Elizabeth, and I am 9 years old and I'm in third grade and I go to the school of Cheyenne Traditional School. My favorite subject is P.E. Hi, my name is Alison Hansley, I go to Cheyenne Traditional School. I'm in third grade and my favorite activity is art. Hi, my name is Sophia Singleton, I go to Cheyenne Traditional School. I'm in third grade and I'm 9 years old and my favorite subject is math. Hi. My name is Brighton Palmer. I'm in third grade. I go to Cheyenne Traditional School, and my favorite is art. Hi, my name is Alexei Brownie. I'm in third grade. I go to Cheyenne Traditional School and my favorite activity is soccer. My name is Kelly Burk and I go to Cheyenne Traditional School and I'm 9 years old and my favorite activity is P.E. My name is Blake Evans. I'm in third grade. And my favorite subject is soccer. Hi, my name is Isabel, and I'm 9 years old. I go to school in Cheyenne Traditional School and my favorite subject is math. My name is Mia Washerman. My favorite subject is reading. I'm 9 years old and I go to Cheyenne Traditional School. Hi, my name is Haley Burk and I go to Cheyenne Traditional School. I'm in 5<sup>th</sup> grade and my favorite subject is football.

Mayor Lane: All right. Thank you very much, ladies. Thank you.

**INVOCATION**

[Time: 00:04:50]

Mayor Lane: Well, thank you very much to the Brownie Troop, on a lot more serious note, of course, I would like to have us take a moment of silence and to offer our heartfelt condolences and prayers and thoughts to the family of those involved in last night's plane crash at Scottsdale airport, just off the airport, I should say. May the victims of that terrible tragedy rest in eternal peace and I ask that everyone take just a moment of silence for the lives cut short in that horrific event.

Thank you all for that. With us is Pastor Ryan Heath of Scottsdale Bible Church. Pastor, if you could come forward, please.

[Time: 00:05:34]

Pastor Ryan Heath: Father in heaven, we do lift up the families and friends left of the victims from the air crash. God, I pray for your peace on them. God, I pray for this meeting, that your wisdom would be given to all members that are here. God, that wise and good and beneficial decisions would be made tonight, and God, I also pray for your grace and your peace to be given amongst all the Councilmembers and the people here in attendance, God that they would have civility and patience with one another and different ideas. In your name, we pray, amen.

Mayor Lane: Amen. Thank you very much, Pastor.

#### **MAYOR'S REPORT**

[Time: 00:06:30]

Mayor Lane: We have a proclamation for the Week of the Young Child. And I would like to read that to you. Right now we have a proclamation whereas the First Things First East Maricopa Regional Partnership Council and local partner organizations in conjunction with the National Association for the Education of Young Children are celebrating the Week of the Child, April 16<sup>th</sup> through the 20<sup>th</sup>; and whereas these organizations are working to improve early learning opportunities, including early literacy programs, that can provide a foundation of learning for children in Scottsdale; and whereas all young children and their families in the state of Arizona and Scottsdale deserve access to high quality early childhood education; and whereas public policies and programs that support early learning for all young children are crucial to young children's future; and whereas teachers and others who make a difference in the lives of young children in Scottsdale deserve thanks and recognition.

I therefore, Mayor Jim Lane do hereby proclaim April 16<sup>th</sup> through the 20<sup>th</sup> as the Week of Young Child, Scottsdale and I encourage to make good investments in early childhood in Scottsdale. I would like to ask and invite the First East Maricopa Regional Director, Conrad Lindo and regional Councilmember Marion Vilarte to accept the proclamation and take a photo with me.

#### **PRESENTATIONS/INFORMATION UPDATES**

[Time: 00:08:39]

Mayor Lane: Just a little bit of information on updates, on April 19<sup>th</sup>, my Council colleagues and I are hosting a community breakfast to celebrate Scottsdale Arts and cultural reputation. As part of that celebration, we hosted a contest for area high school students asking them to create a video explaining why the arts, why the arts are important to them and to create, I'm sorry. Phoenix Architecture's president Erik Peterson generously supplied the prize money. I would like to invite Mr. Peterson, if he is here, and unfortunately he was not able to meet for this, here this evening. So I would like to ask Natalie Marsh, if she would maybe come forward and speak to us and show us that video, please, the winning video.

[Time: 00:09:33]

Scottsdale Art Representative Natalie Marsh: Hi, Mayor and Council. Thank you for having me here today. I'm excited to celebrate the accomplishments that Kate Hammond put together to really show how the arts are important to our city of Scottsdale. So I will ask that you cut right to the video and have a look.

(Video shown).

Mayor Lane: If would you like to join us for breakfast on April 19<sup>th</sup>, I'm told there are a few spots left. Please register at [Scottsdaleaz.gov](http://Scottsdaleaz.gov) and search Council breakfast. Our next item is Experience Scottsdale is here for us and our presenter is Rachel Sacco, President and CEO. Oh.

Experience Scottsdale President and CEO Rachel Sacco: Are you ready for me, Mayor? I will stand by.

Mayor Lane: Especially since there's a check being presented.

[Time: 00:13:21]

Rachel Sacco: We always like to recognize that. Not a problem. If \$500 is going somewhere, then... Well, Mayor Lane, Vice Mayor Korte, members of the Council, I'm Rachel Sacco, president and CEO of your Experience Scottsdale and I'm really glad to be following a check for \$500 to the city of Scottsdale because what I will be talking about is money that's coming from tourism to our citizens and all of us in Scottsdale as well. So I'm going to give you just a very brief update today on some of the activities that we have on your behalf. And can you help me up there? It's not moving forward. Thank you.

One of the wonderful things I love to start with is that we have had a wonderful year. When we ended calendar year 2017, it was really positive. We were leading and most of the metrics from our competitors and the pundits are telling us from the Smith travel research that for 2018, it is even better news. As a matter of fact Scottsdale's revenue growth for 2018 is expected to outpace the average growth for the entire U.S. hotel industry, something that we are very proud of. And if you have been in Scottsdale, in downtown in particular, you know that visitors are coming here for sure.

For some reason, there we go. Thank you.

In December, we produced our annual 2018 visitor guide and this guide has received more positive kudos. I'm getting thank you notes. I'm getting people calling me from as far away as Canada thanking them for sending the visitor guide to them. It's flying off the shelves, and also even at the airport in Phoenix. So when you look at our visitor guide, one of the things that you will see, and I will have to have you help me up there, because it's not, thank you so much. Is that this is a little taste of some of the articles that you will receive, or that you will have a chance to read and to really explore Scottsdale with. We have hired some local influencers because the visitors love to hear from locals. Where do you like to go? If you looked at our guide, would you see a sampling of what we have, focusing on downtown, focusing on our western spirit, including our beloved Scottsdale Museum of the West and five lovely surprises on Scottsdale trails focusing on the Preserve.

Let me have you go to the next? Thank you. So local meeting planners and travel professionals and competing destinations have taken the time to reach out and email us to talk about this guide. Here is a quick sample of one of the emails that we have gotten from someone named Mary Richard and basically she tells you that she's a marketing and P.R. person herself. She's seen many guides but none as inviting or as close to ours as she has seen when she received this guide. From the design, the paper, the cover and everything, this is a superb piece that you should be proud of and I say kudos to your team from my team. If we can move forward.

[Time: 00:16:06]

In January we wrapped up our annual holiday campaign and we are thrilled with the results. We took this on several years ago because we knew that that time period between Thanksgiving and New Year's was a need time period. Frankly, we did not have a lot of activity, which impacts everyone from our merchants to everyone in our restaurants, and frankly our hotels as well. So we started a wonderful holiday campaign. We did some research to find out who travels during the holidays, and find that particular person that really fits the Scottsdale profile, if you will.

So we have done our marketing and I'm pleased to tell you that just even last year, our advertising generated 12.4 million advertising impressions and our dedicated website had an increase year over year of 106% and the biggest kicker of all is the numbers. So in the six years that we have been doing this campaign, this last year, we have been averaging an increase in occupancy in November and December of 15.5%, than it was when we started the campaign. We are moving the needle over 15%, meaning there's a lot more activity during this time of year in downtown and all over the Scottsdale area, and frankly, that's great for everybody.

So if you happened to be in New York, you might have seen something familiar, like beautiful photographs of come and see what blooms in the desert. So we did our annual takeover, our month-long out of home product and this year we are in New York City. We were basically in Penn Station and what you would see if you were there are beautiful images like this and would you see the outside of Penn Station, we had two full city blocks of images like this that invited people to come and see what blooms in the desert. Again, we received so much positive feedback about that, and I want

to show you a few more of those. There's another one. Come see what blooms in the desert in New York. I will show the next slide. That is a beautiful staircase going up in Penn Station. Isn't that lovely? There's another and lastly, there's one more.

Not to be out done in New York, we also do the same thing in Chicago. And this year in Chicago, we actually did a takeover of a place called Ogilvie station. It's a place where there's 1.5 million square feet of office space. People come in to work and they see our images and people come there because there's a great food court and the locals come. Our images had a lot of extra umph and we wrapped some trains and tunnels in Chicago and frankly between that and the fact that in New York and Chicago, even if you have made it through your commute back home, chances are, you still saw us on television because we ran our TV commercials in New York and Chicago and our metrics are showing that it's working. Here's a few more images of Chicago. Another image of Chicago. And another image of Chicago.

And as I said, just like the visitor guide, this campaign for some reason has really impacted people, enough that they wanted to write to us. So our goal was we just want to make sure that Scottsdale is in the 3 to 5 considerations of destinations. So when you think about how you plan your vacation, if you have maybe two or three areas that you are thinking about, you are going to call or talk to your partner or spouse about, we want to make sure that Scottsdale is one of those. If we are in the three to five, we can probably have a great chance of booking you here.

[Time: 00:19:36]

And this particular email stood out of all. This is somebody, Jennifer Mattson, a freelance writer, a native New Yorker. She works for the "Boston Globe." She works for "U.S.A. Today" and the Atlantic and I won't read the whole thing but as she says, as a New Yorker who travels through Penn Station on a weekly basis, I have never once stopped to notice an ad, nor have I been as impressed as I was a few weeks ago when I saw the Experience Scottsdale takeover. Everywhere I went there was an overwhelming warm feeling of Scottsdale. And she said, Experience Scottsdale made a noticeable impression on me as I stood there in the dead of February winter in my long coat, my gloves and hat waiting for my train, longing to be somewhere warm. It made me think of Scottsdale. And all I really wanted to do was to come and visit. So I have never noticed or been affected in all of my careers traveling in and out of Penn Station by any ad campaign but I was with this one. It's not likely something that I will soon forget.

So thank you, Jennifer. We hope that you will visit and if I could get your email, I would definitely track you down and send you an invitation. Now we will move on to summer and the biggest need time period of all for all of us in Arizona is, of course, summer and buoyed by the success we had with the holiday campaign, we are starting to go full throttle. This month we will debut a holiday campaign. It's based on our very popular absolutely Scottsdale campaign, which tag line is: The desert is hot! And believe it or not, we are going to tell the truth to people. We live in the desert and, yes, the desert is hot, and the tag line is going to be all about it's that hot! And they are going to learn about things that are wonderful from the hot rates and the wonderful things that you can do here to all the wonderful experiences that definitely can compete for anywhere in the country. Keep

your eyes peeled for the new Scottsdale ad campaign, it's that hot.

And I want to thank you for all the support that each and every one of you give us in doing the work that we do to make sure that tourism is truly an economic driver for the citizens of Scottsdale, and can replenish the coffers we have for capital projects as well as continuing to bring people here from all over the world that then go back and talk fondly about Scottsdale. So thank you for all of your support and letting me have this brief update.

Mayor Lane: Thank you, Ms. Sacco. That completes that item.

**PUBLIC COMMENT**

[Time: 00:22:09]

Mayor Lane: And we are on to the next item of business, which is Public Comment.

Public Comment is for citizens to comment on non-agendized items that are within the Council's jurisdiction. Citizens are limited to three minutes each. There will be another opportunity at the end of the meeting for Public Comment if it's called for. Now, Public Comment, we have three requests and we'll start with Solange Whitehead.

[Time: 00:22:53]

Solange Whitehead: Good evening Mayor and City Council. Thank you for giving me these three minutes to speak. I want to give you an update on the Preserve effort from the citizen side. As you know, the citizens have opposed the proposed Desert Discovery Center and we have been collecting citizen signatures on a petition since January. We are over 17,000. So the reason I'm bringing that up today is because next week, you will talk about the bond, and I want to talk about the power of those 17,000 signatures, 17,000 citizens that signed a petition opposing this project. It's a huge opportunity for all of you. We need a bond passed. We need our infrastructure fixed.

What if we got all of those people on board with passing such a bond? One way to do it is to have this City Council simply stand up and say, this is not the time for Desert Discovery Center. It's not desire of this community. We will not allow dollars go for the Desert Discovery Center. We will focus on money on infrastructure. We will focus on your priorities. I think that would be a big step to passing a bond in 2020. I wanted to share that with you. Thank you.

Mayor Lane: Thank you, Ms. Whitehead. Next is Mike Nealy.

[Time: 00:24:28]

Mike Nealy: Thank you, Mayor, Councilmembers. Well, I'm here mostly just to say thank you. My name is Mike Nealy, I'm the Executive Director of the Fiesta Bowl and have our home down the street here in beautiful Scottsdale. We just finished up our fiscal year, which means going through some



major events as we are well aware of. We are proud to live here and be in Scottsdale and have that as our home. I wanted to say thank you and take the opportunity to say thank you as the Councilmembers and the tourism and the events department, certainly the police department that helps us out with all of our events and Rachel and her group with Experience Scottsdale.

It's the sum of all of those groups, we wouldn't be as successful as we are, and we are pretty unique as an organization in that we put on some great events and the real heart of it being in Scottsdale, being our home, but without those, the uniqueness that we have is that with those events, we are able to give back to the community. You know, the economic impact, of course, that we bring into the community, and then the direct giving that we give back in our grant process, we are very proud to be able to do that and proud to be part of it in Scottsdale. You know, we do have an agreement with the city, of course, and you know, we are proud to not have to pull that agreement out and look at what kind of, you know, how many room nights we are supposed to provide and by the way, we, I think we have exceeded that this year by almost 50%. Again, we have exceeded that number. It's something that we are very proud of and talk about.

In the coming year, we are excited that we have another event that we have in early May and we moved that event into Scottsdale. So that means another 1,000 room nights a year. It's not just room nights but people from conferences from around the country that come here and get exposed to the city. Just as our game has exposed people. In recent years, we had states from Washington, Pennsylvania, the teams that are here from around the country, they get to exposed to our valley in Scottsdale and that's something that we are able to do and very proud of, but also very thankful for you providing our home, our place that we have our museum where people are able to stop by and passer byes are able to see a piece of Scottsdale and we are proud to say that and I want to take a little time tonight and say thank you. Appreciate it.

Mayor Lane: Thank you, Mr. Nealy. Next is Judy Allen.

[Time: 00:27:09]

Judy Allen: Good evening, Mayor and Vice Mayor, Virginia. I look over at you and I see a bunch of friends. It burdens me a great deal because I have to come to you with a problem. I walked miles with you and fought battles with you. I put initiatives forward calling this the most livable city and now I find myself in the cross hairs of the government. And the issue is my private property.

I received, I live at 2244 North 72<sup>nd</sup> Place. I bought a home in old Scottsdale because I love the quality of life to be close to downtown. The old-time charm of the city that I have been involved in for years. And what I find now is that making a repair on my house that is a fee simple deed that has no restrictions whatsoever on my deed. I'm now told I cannot make a repair to my fence without approval of government. And if I don't I have a letter here from the department that says I will be fined starting Monday \$2500 a day! And a six-month jail sentence for changing something on the front of my own home. And if I don't comply, people from the city are going to come in and tear parts of my home down.

So I appeal to you, what is this? Why would you do that to a homeowner who loves this city, who spent most of her life here? Virginia and my father played cards together. Jim, you and I have campaigned together. And now I'm sitting here with tears in my eyes wondering how the city that I love can become abusive. So I would, I would really ask you to reconsider the gendarme tactics of ripping people's property rights away from them. Thank you.

Mayor Lane: Thank you, Ms. Allen. That completes the Public Comment testimony.

## **MINUTES**

[Time: 00:29:56]

Mayor Lane: We will move on to the next order of business which is we have a request to approve the special meeting minutes of March 6<sup>th</sup>, 2018, and March 20<sup>th</sup>, 2018, regular meeting minutes of March 6<sup>th</sup>, 2018 and March 20<sup>th</sup>, 2018 and executive session minutes of March 6<sup>th</sup>, 2018. Unless there's any question or an add or delete to any of those minutes, I would ask for a motion to approve.

Vice Mayor Korte: So moved.

Councilwoman Klapp: Seconded.

Mayor Lane: The motion has been made and seconded. Please register your vote. The vote is unanimous. Thank you for that. We are completed to the minutes.

## **CONSENT AGENDA**

[Time: 00:30:41]

Mayor Lane: Moving on to the Consent items which are 1 through 18. No request to speak on any of those or any changes. So I would ask for a motion to approve.

Vice Mayor Korte: Mayor, I move to approve Consent Agenda items 1 through 18.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. Seeing no further comments or requests, we are ready then to vote. Please indicate by aye. And register your vote. It's unanimous, 7-0 on the Consent item. If you are here for the Consent items you are certainly welcome to stay, otherwise if you could, please leave quietly.

## **REGULAR AGENDA**

### **ITEM 19 – PUBLIC HEARING ON PROPOSED WATER AND WASTEWATER DEVELOPMENT FEES**

[Time: 00:31:47]

Mayor Lane: Moving on to the regular agenda items, first item in our regular agenda is item 17, which is a public hearing on proposed water and wastewater development fees and we have presenter Brian Biesemeyer, our water resource director is making his way to the podium. Welcome, Mr. Biesemeyer.

[Time: 00:32:05]

Water Resources Director Brian Biesemeyer: Thank you, Mayor and Council. I'm here before you tonight for development fees for the public hearing on development fees and some background into that. As you recall, we have been going through the development fee process, which is dictated by state law, and we have been through parts of that process already, but we had a public hearing on the infrastructure improvement plan and the land use assumptions, and Council adopted those in March. And then we are here before you tonight as part of the development fee report, which we're having the public hearing on. And then we'll continue on ultimately request Council adopts some development fees in May and with approval in September.

Development fees are one-time fees charged to offset costs associated with providing necessary public services to new developments. Again this is for growth to pay for growth, and they must result in the beneficiary use to that development, and Scottsdale's adopted only water and wastewater impact fees. There is a buy-in component of that. So as we go forward, a new development has to buy into existing capacity. And that existing capacity has to be available for growth. And then there's also interest on the bonds that benefit that development are also calculated in these calculations. The future expansion components, we have talked about in the past, the major ones on the water treatment side, and we look at a ten-year window.

So what we are currently looking at in a ten-year window. In this ten-year window that we are now looking at, we set the rates four years ago and we moved that window forward for four years. We have a water treatment expansion planned for our central Arizona water treatment facility and that's an estimated cost of \$30 million. And distribution system expansion of \$22.5 million and supply expansion for some wells and the wells are used for peaking capacity in the summer. As you will recall, we are at safe yield, meaning we actually put more water in the ground than we take out, however in the summertime, we do take that out to meet peak demand and in the wintertime, we put more water into the ground but we still use those wells for that peaking capacity. And the wastewater planning, we estimate collection system expansion. We don't need treatment system, but collection system expansion of \$12.5 million.

[Time: 00:34:41]

We base the whole development fees on equivalent demand units and we set those basically equal to a typical detached single-family dwelling unit both on the water and the wastewater side. Our current development fees are this before you, and then the proposed development fees are an increase of about \$1,100 between both water and wastewater. A little bit of history. And for the

residential development fees, you can see in 2012, and then with the new state law, we move to 2014. You can see the decrease and a big part of that decrease is really that window that which we are allowed to put into.

Previously we looked out 30 years and we could plan out 30 years when they shortened that window to ten years that shortened our cost. And in 2012, the economy was not moving as quickly as it is now, and so the actual amount of growth we anticipated was less at that time. In 2014, it was less than it is today. So what we are seeing now is that window move forward. We are seeing some more assets put into that we need for growth, put into that ten-year window and it's just more growth occurring, which is the reason for the increase in cost that you see. And then on the commercial side, we calculated on the commercial side a little differently. In the past, but there's obviously a big decrease from 2012 to 2014, and then we're seeing, again, that slight uptick in the proposed fee. And, again, this is a four-year window, so we are going from 14 to 18. And what is next? We request Council to adopt new fees in May and then in September, the fees would become effective. And that concludes my briefing pending your questions.

Mayor Lane: Well thank you, Mr. Biesemeyer. This is not an action item, it's strictly a hearing for information, and if there are any questions from the Council. Having none, I do have one request to speak on this issue and it's, I believe it's Alex McLaren.

[Time: 00:37:19]

Alex McLaren: Thank you, Mayor, members of Council, 7730 East Osborn Road. As the sewer, water, sewer and development fees are one-time fees as Mr. Biesemeyer explained and they go to fund, they go to fund new growth. As he said, it's governed by state statutes and the city's water and sewer fund operates as an enterprise fund, and these, those funds are one source of funds that the department has used to, to invest in infrastructure.

We also have revenue bonds. There were \$90 million of revenue bonds in the 1989 bond election, also MPC bonds, GO bonds in the, in 1986, the citizens approved \$38 million in GO bonds to purchase the Phoenix water system in the southern area of Scottsdale. When I joined the city, 1985, that was one of my first projects, the acquisition of that water system, the separation of the system and I remember taking a check down to the city of Phoenix for about \$33 million for the purchase of that system.

The city has invested wisely in its water infrastructure over the years, and I think there's a previous general manager of the water resources department, Leonard Duker, who is one of the visionary people in the city who planned for the future. We have the CAP treatment plant, with the reclamation plant attached to that, where we treat effluent to drinking water standards and inject that into the groundwater. We have the water reclamation plant at Chaparral Road, which takes the surface water from the Salt River. Currently Arizona is in a drought. We need to be sure that we continue to plan for the water and sewer in our city and I would strongly urge you to approve these increases. Thank you.

Mayor Lane: Thank you, Mr. McLaren. Since, if there are any questions from the Council, Mr. Biesemeyer. Hold on that. Mr. Washburn, I see you have a note.

[Time: 00:39:58]

City Attorney Bruce Washburn: Yes, Mayor. Thank you. I want the minutes reflect that as stated in the agenda this is the time and place for the public hearing on proposed water and wastewater development fees. And that all public testimony having been taken and no further coming forward, the meeting can now be closed. Thank you.

Mayor Lane: Thank you.

Bruce Washburn: I'm sorry. That the hearing can now be closed.

Mayor Lane: Thank you, sir. It's a matter of record now. Okay. So that does complete our item with that statement of hearing being closed, as was just indicated.

**ITEM 20 – RYAN ASSISTED LIVING COMMUNITY REZONING (17-ZN-2017)**

[Time: 00:40:37]

Mayor Lane: Move on to item 20. And we have Ryan Assisted Living Community Rezoning 17-ZN-2017, and we have Meredith Tessier, the senior planner here to make a presentation.

[Time: 00:40:59]

Senior Planner Meredith Tessier: Good evening, Mayor Lane, Councilmembers, I'm Meredith Tessier with the planning department. The case before you is 17-ZN-2017, Ryan Assisted Community Living Facility. Tonight will be a brief presentation from staff because the applicant has prepared a full PowerPoint presentation, and I believe you do have some Public Comment cards from the speakers here in the crowd. The 5.9-acre parcel is located at the northwest corner of East Pinnacle Peak Parkway and North Alma School Road. Next slide is a close-up aerial of the existing Sassi's restaurant. With the mixed use. It's zoned central business, environmental sensitive land, C-2, ESL which does permit residential living. It does designate this area as commercial. So it does conform with the 2001 General Plan, as you can see in red.

Before you is their site plan. Today the applicant is requesting a zoning district map amendment to amend previous zoning stipulations. The redevelopment of this site is to demolish the existing 32-foot tall existing restaurant for a new 36-foot tall facility, with, we had some proposed outdoor gardens, as well as a new underground parking garage and a new sidewalk along Pinnacle Peak Parkway. Access to the site will remain. Before you is a slide of just some key items of consideration.

First bullet says the zoning district will remain C-2, ESL. The building height will comply with today's

standards of C-2. At the Planning Commission hearing residents did speak with concerns of building height and traffic. The Planning Commission did recommend approval of 6-0 and that essentially concludes staff's presentation. And just please note some additional correspondence that's been on your dais that was provided today from the applicant of letters of support. So at this point the applicant will come up and present.

Mayor Lane: Very good. Please.

[Time: 00:43:33]

Applicant Bill Lally: Good evening, Mayor and Council. For the record, Bill Lally, 2525 East Camelback Road, representing the Ryan Companies tonight on this senior living residential proposal. If I can get it to advance here. There we go. Okay. Meredith did a great job of walking through the fact that this is not a rezoning case. It's not a General Plan amendment case. It's consistent with the area General Plan that was in place since the zoning of this case 2001. The Sassi restaurant has existed there for many, many years. Recently that area as changed.

As we know, in last few years Pinnacle Peak Patio has been redeveloped to the north, Greasewood Flats has been redeveloped. So this area has changed over the last 10 or 20 years and I know a lot of folks in the area who moved there were used to seeing a lot of those restaurants in the area. So when Sassi announced that they are leaving, it gave Ryan Companies an opportunity to look at the site to see can it be redeveloped without going through a major change to the zoning or the General Plan and changing the character of the area. This kind of gives you an idea of how the assisted living facility fits on the property.

It's important to note the request in front of you is a simple site plan amendment. We are changing three stipulations, general conformance to the site plan, some building heights, as was mentioned, but, of course, they are consistent with today's C-2 standards and other site plan amendment changes. There's kind of a cleanup of the entire case. It's important to note that the general layout of the building, the access points on to Pinnacle Peak all kind of remain the same. The building fits within the same exact disturbed area that is disturbed there today. I think it's important because in this area, natural open space, and NAOS, and setbacks, they are all important.

I think what we tried to do in working this site, and working with the city development standards, trying to develop the site is to make sure that we maintained sort of the same disturbance area and didn't put too much on too little. The open space requirement for C-2 was 24%. We are actually at 64% on this project. So it's noteworthy to know, even in the NAOS which typically once dedicated and once it's preserved, you don't touch it. So what we will probably be doing is adding more NAOS, and I think as redevelopment projects come along, a lot of times you see them trying to push the envelope a little bit and put a little bit more on site, and, in fact, in this case, we are adding more NAOS to the site.

Again, landscaping was important. As we looked at the site, there are some mature trees that we will salvage and keep and relocate to the boundary to make sure that the buffer is enhanced. The light

green trees that you see there will be the trees that will stay. All the dark green trees, over 100 of them will be new trees added to the site. Again this gives you kind a close-up of the Pinnacle Peak right-of-way, the buffer between the residential to the rest of us, really adding a lot more landscaping than actually exists there today. And it exists there today, it's actually a fairly nice, mature, lush, desert landscaping.

And to the south of the building, along Alma School Road, and from the streetscape and the neighbors across the street, you will see enhancements. Not only will you see the large, mature trees but you see a lot of new and improved landscaping to make it look like a new site. There is an outdoor, I guess, meeting space or garden to the south of the property that typically was used for weddings. There's an outdoor live entertainment use permit that's approved on the site. That's part of this process, we will remove the outdoor live entertainment use permit. But we are keeping the garden. We want to maintain it as an amenity for the new development.

Again, this walks you through a lot of enhancements. Here's the history, in 2001, Sassi had commercial zoning. Sassi came through with a very specific building. The building height as shown here, 36 feet to the top of the parapet, 30 and 32-foot for the top of the flat roof. And at the time, C-2 allowed you to go up to 36 feet on the top of the roof, but because they had a specific site plan, stipulations were added to reduce that by 4 feet. We are here today because those extra changes and extra reductions were added to the site plan at the time, in the zoning case. This is what we started off with, 100, 120 restaurants. Walking them through a two to three story building that would replace the Sassi.

[Time: 00:46:15]

As you can see, building heights, even those we are asking for a change to go from 32-foot to 36 feet, a 4-foot increase, even though that's what's allowed in C-2, much of the building is well below. Actually 25% of the building. I have a slide a little later. Only 25% of the building actually goes above and meets closely to that 36-foot tall. So only 25% of the building is as tall or will be as tall as what's allowed in any other commercial development in town. This shows you exactly heights, 29 feet, much lower, actually, than what's approved and built in a Sassi restaurant. Again, another view.

This is the view from the desert highlands just west of the property. So much of what we try to do is reach out to the general community, and talk about the overall redevelopment, but then take a lot of time and meet with the individual HOAs and the individual landowners that live directly next to us and who are most impacted. So from the west, looking east at the property, what you will see is the top of the parapet, the design element is really the only thing that pierces the 36-foot tall envelope, by one foot. We are talking about one foot. The rest of it is 25, 26, 29, well below the prior stipulation of 32. That seemed to be the big issue as we went through the process.

People were asking about height. They were asking about more height. We are talking in most cases, 2 feet, 3 feet and in some cases the building actually is a lot lower. This actually shows you a line of where the new height standards will go. So 36 feet is what we are asking for. As you can

see, the majority of the building, and this is west looking east, so in the residential neighborhood, looking east at the building, you will see the majority of the building at 29, 26, 33. When we began the process with the neighbors, the majority of the building was at that 36-foot tall.

As we went through the process and I will explain a little later, what Ryan Companies did was reengineer the site, and dig down deep into the site. They were already going to park and relocate all the parking underground but they decided to spend the extra money to engineer and lower the building. Instead of having close to 100% of the building at the 36 feet, we now have 25% of the building much, much lower. So quite an expensive endeavor, quite a change to what was originally proposed at the very beginning, and I think that's what we heard the most from, from neighbors which is a little too high. What can you do?

This is an exhibit that shows you kind of a site plan looking down at the property. All of the green represents the building, the portions of the building that is below the 32 and the 36. So that's what is stipulated today. 32 feet at the flat roof and the parapet. The only pieces that exceed that are the pieces in red. That's 20, 25% of the building. Most of these are internal to the site. We tried to make sure that when we redesign the building that, we took great care for the portions that are nearest to residential neighborhoods.

Again, this is kind of a close-up. The red blocks are the parapets to go stick up. If you see the numbers, it's kind of hard to tell. You have 2 feet, 5 feet, 6 feet, that's where it sticks up a little bit higher, but, again, these are all set back, many, many feet. 200, 250 feet away from any residential neighborhood or even further. Again, this is the portion of the building that's along the street frontage. You see that almost all of the street frontage is well below and consistent with the stipulations that's there today. So enhance, in essence, we are here today to request a small bump in height for only 25% of the building.

[Time: 00:53:25]

This is where we started off in our neighborhood meeting last year with architectural elevations, similar to what Ryan Companies has done in the past, trying to mirror a little bit of what's happening in the area. We heard loud and clear, try to address landscaping. Try to address building heights and please try to address your architectural elevations. Look around. Look at some of the architecture in the area. Go up to Four Seasons and see if you condition mirror some of the high-quality standards that is always common in the Troon area. So we came back a few months later, after visiting Four Seasons and looking at some other buildings in the area and introduced accent materials like wood and beams and other colors to really give it sort of an architectural field that's common in this area, looks very, very similar to the Four Seasons. I know they hate us using their name but they have amazing architecture and we want to follow some of the suggestions. The DRB application shows a darker, richer version of that. So the DRB application is in for review as well, that reflects what I think most of neighbors are....

Mayor Lane: Mr. Lally, if could you wrap it up. You are over time.



Bill Lally: Absolutely. We have worked with the neighbors in terms of lighting. This is the lighting that shows not only are we removing the surface parking, all of the tall light poles. We are reducing the light pole sizes down. Again, I will go through that. Over 120 folks at the hearings whittled it down to working very, very closely with all the surrounding neighbors, all of the surrounding ho as, changing the architecture and changing the elevation, the height, the landscape, adding more trees and adding more open space. I know there are some folks here who want to talk about the use but this shows you folks that we worked with closely. Again, traffic was another issue. It's a 75% reduction from a restaurant use. So I know there will be some follow-up questions, Mr. Mayor and Council, I would be happy to answer any questions.

Mayor Lane: All right. Thank you, Mr. Lally. We do have some requests to speak on this topic, and I will start with Carl Stein.

[Time: 00:55:56]

Carl Stein: Good evening, Council, my name is Carl Stein. I live in the Troon Village area. My concern really isn't the facility per se, but the location. I attended the Planning Commission meeting on this proposal in February, and the only reaction I heard from the commissioners was the sort of marginalize those who spoke against the project as NIMBYs, not in my backyard, not in my neighborhood. And then the Commission proceeded to approve the project without dissent.

But my concern is that the trend seems to be that the city is slowly allowing the Pinnacle Peak area, the park area to slowly be surrounded with buildings with not much breathing room. The proposed assisted living facility will have a dramatically different footprint with the new structure standing not only where Sassi restaurant is currently, but occupying the major portion of existing parking area as well. And a lot of that was just addressed by the gentleman. It will not have the same footprint as the existing restaurant, Sassi, but it will definitely have the largest physical presence in the surrounding Pinnacle Peak area along Alma School Road.

And I spoke with Kurt Jones an attorney representing Ryan about a month ago and he confirmed this with me, as much, on a phone call. And clearly, it seems that the intent is to build the underground garage so they can maximize the building structure up top. But it does not come without a consequence. And, again, this is the gateway to the Pinnacle Peak park area. So if this facility is built, along the Parkway, you will have this project on the south side, the Pinnacle Peak Parkway along on the north side of this new housing development called Summit right across the street.

And some of the houses on the Summit are barely set back from the street. They are practically in your face, and, again, my concern is the access to the, the main access road to the gateway to the Pinnacle Peak Park and we really don't know. And maybe the Council can speak to this, if there are more Summits proposed in the adjoining property along the Parkway. For me, it's too important an issue when planning for the future issues of surrounding neighborhoods for one of the true park gems in the entire Phoenix metro area and I feel it's really well worth preserving. It's really not a case of not in my backyard but rather it's a case of what do you want your backyard to look like? And in this specific case, that's my concern. And Council has a determination to make, and the judgment of the

best use ever this property, for the future of our Troon neighborhood, and the legacy that is at stake and I thank you for your thoughtful consideration.

Mayor Lane: Thank you, Mr. Stein. Next would be Jim Mann. He has an additional card from Marla Mann. So four minutes.

[Time: 00:59:27]

Jim Mann: I'm Jim Mann, I live on East Happy Valley Road, unit 2029. I'm probably the most affected individual in this entire project. I live in Desert Highlands, directly, maybe 600 yards from this. A couple of things. One this is a hotel. Okay? Right now, we talk about Sassi is a restaurant, okay, but they have no lights, windows, above probably 10 feet that we can see from our backyard. As soon as you allow this to be built, we will be able to see lights at 30 feet. Okay? That's not what I purchased. Okay? It's not good for the neighborhood. It's not what the neighborhood purchased.

Additionally, the way that they have designed to maximize their parking, the parking lot is going to go on a fire access road which is now there. I will have 450 to 500 plus cars a day going through there to use to park, okay? Again, not, not an area. Okay? I think that what everyone has to look at is what's happened in the area? This should have been downzoned years ago as you have allowed this to develop into a more substantial housing area, okay?

The footprint of Sassi is probably 60% smaller than this footprint, when you consider the height of the building at Sassi's is basically slanted roofs and go down. Okay? This is going to be 30 to 36 feet of straight roofline. So the dynamics of the entire area are going to change dramatically. Okay? I just think that we have to be more considerate to what's going on. Okay? And the comment about Pinnacle Peak. Okay.

[Time: 01:01:33]

I already have enough cars on Saturday and Sunday and Christmas break and the overflow at Pinnacle Peak that cannot get into their parking lot, that park all the way down to where Sassi's is. Okay in they start at 7:00 in the morning, and they are there until probably 11:30, 12:00, until the parking lot lightens up. Now you are going to add 500 cars a day, coming right across my backyard? Okay? I'm going to have lights. I'm going to be sitting in my backyard at 9:00 at night, and I'm going to see hotel rooms. I'm going to see people in their rooms in on their third floor or second floor. And I will have people on their balcony that will look down on my patio.

I'm not the only one affected by this. There are seven or eight other houses that are in this same exact boat. You know, Ryan has talked about putting trees and stuff. Trees aren't going to stop someone on the third floor standing at 30 feet from being able to look down into my backyard at 600, at 500 or 600 yards away. Okay? All in all, I just don't think it's the right use for the property. Not to mention the amount of lighting and everything else that will be added along Alma School. Okay? With that many rooms. Scottsdale downsized what happened at Pinnacle Peak patio, okay?

Because they wanted to build 100 units and that got downsized to 50 units. Here's another case where I think the Council has to stop and look at the zoning, okay, because it's the only commercial property around there of this size and height.

I went over to Four Seasons today. Four Seasons is not this height. They certainly have a much smaller footprint buildings. They are much more spread out, okay? This is a massive structure that is going to be put in the middle of a residential community. It does not belong. The Council has to look at what the zoning and the best use for the area. By the way, I don't know if you realize what Pinnacle Peak has over 250,000 visitors a year! Hiking it. Okay? Again, it's a lot of traffic. Okay. It's a lot of people.

Mayor Lane: Thank you, Mr. Mann. I ask that you don't applaud or boo. So I just would appreciate it if we could comply with that. Appreciate the sentiments but, next would be Jay, pardon me Jay, if I have this wrong, Chodock? You have an additional card by Nancy Chodock and that's four minutes then. Up to four minutes.

[Time: 01:04:47]

Jay Chodock: Thank you for the opportunity. I have lived at Desert Highlands since the '90s, and was very active when the, when the zoning was done for Sassi's and the committees at that time asked them to reduce the height for the same reasons that you have heard tonight. And the zoning board made them redraw and the Council went along with that. Now if I was on this Council and heard what I heard so far, either you know a whole lot more or I would be mad, because we are not talking about going 36 feet. We are talking about going 42 feet. So that's what I saw. I'm also a broker. So I'm familiar with the real estate.

And I'm also familiar that you get an option or buy a piece of land and then you come in and you try to get more, more, more. But you somehow you can do it if you really told you have to according to the rules and regulations of that. So it's not only 36 feet, but it's 42 feet. If I'm correct, the parking lot, which wasn't told to you how many cars it's going to hold, it's 17 tandem or 34 total. I presume that will be reserved for the management. I don't know. But I think those are things that the committee should know before you decide on anything.

You have an obligation to protect the values of the homeowners that currently exist. And I think we can all live in harmony. I understand that plans change. And people have a right to build according to the zoning ordinances and you have to have progress and that's a hard job that you people have. But on the other hand, I bet you, they can get it accomplished with the current rules without any exemption. So we're going from 32 feet, to 42 feet. Wow! The Four Seasons didn't request this. And they are there and they are great neighbors. I would just like, before you make any decision, that you really know exactly what's going there, and what it's going to look like so that you know what you, what you are able to decide on. Thank you for the time.

Mayor Lane: Thank you, Mr. Chodock. Next would be Royce Abbott.

[Time: 01:09:16]

Royce Abbott: Thank you, Mayor Lane and Councilmembers for allowing us to speak. I thank you for representing us and our neighborhood, protecting us and preventing things to happen to our real estate.

Mayor Lane: Mr. Abbott, if you could speak closer or raise it up.

Royce Abbott: There you go. How is that?

Mayor Lane: Thank you.

Royce Abbott: Yes. But starting out, I know he talked a lot about the building but there are so many other things that impact the neighborhood besides the billing. There's too much discussion about the size TV and where it's going and what it's going to do. We have trees and the rock on the front, but the bigger problem is privacy is a big issue. As Mark Zuckerberg found out today. And, and this gentleman's privacy is in jeopardy, as well as many other people who live around there. I think this building would never be built in front of such a beautiful mountain in any other city in America. They would never pollute the front of this building, I mean, front of this mountain and this beautiful area with such a building.

It doesn't have to be here. I don't see any reason why it has to be here. I'm an old Hoosier from Indiana, and I ended up in Chicago where I went to Northwestern and my family, some of them went to Arizona State University, and have done pretty well. So I ended up emigrating out here and I found a wonderful place to live and now I'm really concerned about the traffic, which obviously they already said there will be at least 500 new vehicles traveling down the roads, and mainly coming down Happy Valley and Dynamite. Already there are just a massive highway of cars. So this is something that you have to think about.

[Time: 01:11:13]

The environmental issues are a consideration that you have to think about. You know, with more additional use of water, which we are all concerned about water, I don't know how much water they are going to use but it will be millions of gallons every day and the noise level in that area is going to be increased with the traffic. This, again, is a deterioration of the neighborhood that should not be allowed in your neighborhood or in mine. I don't think you would like it.

If we decided to put a building, I was a real estate developer in Chicago and I used to build homes, nice homes and I went by the rules and laws and regulations, but I don't think you would like to have this building next to your home. All of a sudden some developer from Minnesota shows up, oh, I want to put a nice little, I want to put a nice little business over here. I want to replace this building. It's already there. Oh, you know, why don't we just go ahead and build it.

But you have to stop this kind of thing, because it's not fair for the neighborhood that's been there a

long time before the Ryan company showed up. So I do believe that you have to start thinking about the property values declining in that neighborhood, in gentleman's concern and I can understand why. I could go on a lot longer, but I'm out of time. I hope you vote against this. It's totally not fair, seriously. It's not right for you to have passed that issue because that place would be beautiful without it. It's not necessary to pollute the neighborhood and increase the traffic and develop as a result of this. How will you correct it once it's here?

Mayor Lane: I'm sorry. You are out of time, Mr. Abbott.

Royce Abbott: Zuckerberg had two days. All right. Thank you.

Mayor Lane: Next would be Roxanne Roth.

[Time: 01:13:22]

Roxanne Roth: Good evening, Mayor Lane and Councilmembers, my name is Roxanne Roth, my address is 9358 East Dale Lane, Troon North in the Pinnacle Ridge Community. I'm relatively new to the area. So I don't know a lot of the past. I do know when I moved to Scottsdale seven years ago at a different house, I would drive past the Mosaic Restaurant, thinking I should go there to have dinner, but it had been closed for many years. Now I will be able to drive past the Sassi restaurant pretty soon thinking about oh, I should go there for dinner, but it will be closed. I don't want to see another empty building there. And the only thing I do know that something will be developed there. It's inevitable.

I think with this type of facility going in, that there are traffic issues, but once it's built, there will be a much lower traffic issue than if you are building another housing development which as with see going up all around us. It's a much lower use of public services, including the water to have a large facility versus 35, 50, 75, however many homes you want to build on the property. It would be really nice as I see the population in Troon North, older, like me, and maybe even older than that, and there are facilities going like this in every major city and it would be really comforting to have something close to me that either I, my husband, a family member, would have to be put in.

I would really like to have, not having to drive down to another side of Scottsdale, over to Phoenix or across the mountain over to Fountain Hills. I would prefer there's not another housing development going in. I don't want to see more air BNBs go up. I think all of us live in an area like that. They are not here staying in the hotels. They are here renting homes. So if we are going to have something that's going to be owner occupied, maybe it's temporary, maybe it's short lived, but assisted living isn't the worst use of that land. So I'm probably one of the few people for it. I know I'm going to get booed and not applauded, but as a neighbor, a taxpayer and supporting of new my last vote for the City Council of Scottsdale, I believe in some development but I think it has to be controlled and I think this is one of the better uses. The property. I don't want to see another empty building. Thank you.

Mayor Lane: Thank you. And final request to speak, I believe it's Rohl Khaimov.

[Time: 01:16:40]

Rohl Khaimov: Thank you, Council, my name is Ronnie Khaimov. I just live a few blocks away from the project.

Mayor Lane: Sir, if you could make sure that you are speaking into the microphone. We do have an audience on the TV as well. So.....

Rohl Khaimov: I live at 10040 Rowell Way. I have been a resident of Scottsdale for 16 years. While we miss Sassi's very much, I'm here to say, I'm here to testify and support Cadence senior living home. I think this represents a nice alternative for the use of Sassi's restaurant, the senior living agreements, keep responsible hours, and low noise. I believe our low noise and low traffic and have minimal impact open the surrounding community. I also happen to personally believe that the area of Scottsdale is lacking a community of seniors who are aging, but won't remain living in this part of the city. And the, and the Cadence project fills the void. The developers have shown a willingness to work with the surrounding community by changing the design of the building to more approximately match the charter of the area. I know there are a few in attendance tonight, who have, would have anxiety about the new use, but I think in the time Cadence will be a welcome additional to the neighborhood. Thank you.

Mayor Lane: Thank you Mr. Khaimov. That does complete the public testimony. Mr. Lally, if would you like to come to the podium. I generally do allow for a response, to some of the things we have heard, but I think we may have questions beyond that.

[Time: 01:18:50]

Bill Lally: Yes, I will be brief. Just a couple of the comments that were mentioned, Mr. Mann is actually the most affected property owner of the project and I know our team has been out to his site twice, visited with him, just once. Okay. Talked to him a number of times and been out to the site. So we have maintained commitments to Mr. Mann that was we work on the landscaping, we will work with him on placing of the landscaping, where it goes, helping buffer. So Mr. Mann's property, our building is about 300 feet away from our building, at that northeast corner, our building is at about 29 feet.

So the current stipulations on the current case is about 36 feet. The Sassi restaurant is at about 30 feet. Now he also mentioned lights. I think that's an important thing. We had conversations with him and the developer about potentially looking at some automatic timers that turn off lights at certain hours. I tell you, this is not an active restaurant. It is not an active use. It will be a very benign use. A lot of folks will be in bed, quiet, very, very early in the night.

Traffic was mentioned as well of let me reiterate, a 75% decrease in traffic, almost 1500 cars less. Sassi's is closing, it's a quiet restaurant, but if it doesn't get redeveloped and it's still C-2 and a restaurant with live gem and assisted living doesn't go in there, another restaurant could, and use the

outdoor live entertainment permit.

The question is whether the site plan works within the site. And as I mentioned, 24% open space requirement. We are at 64. We are adding 100 more trees, adding more NAOS. The traffic will be reduced, lighting will be reduced. I know this was a comment about going from 32 to feet to 42 feet. I think I had the exhibit that showed only 25% is actually at 36. About 5%. And these are the tower elements, they are the own ones that go above 36 feet and that's about 5%.

So going from 32 to 42 on the entire site just doesn't represent what we are trying to do. We did make a lot of changes and I think gentleman who mentioned that they should go back to the drawing board. We spent six months making changes not just to the architecture or the landscaping or the lighting, but to the building, setting the building 6 feet down into the property. Reducing that parking lot and making that parking lot go away and putting all of that traffic underneath the building, I think it's an improvement. I think it will be the most benign use in the area and I think it will look great. I think it will fit in the site. I think the open space and new landscaping that we're committed to continue to improve, will make this a very, very nice site. I would be happy to answer any questions.

Mayor Lane: Yes. We will start with Councilman Smith.

[Time: 01:22:20]

Councilman Smith: Thank you, Mayor. Talk to me some, several speakers said there will be 400 or 500 more cars per the day. What is the traffic impact? Maybe staff should be addressing this. But I send the question to anyone who would like to answer.

Bill Lally: Thank you, Councilman Smith. Here we go, traffic analysis, this is a slide that we prepared, briefly went through it. But a traffic report was submitted with the application, which is always requirement as you go through the zoning case and I think what the traffic did was analyze a restaurant, which is an allowed use and it actually is the use today. Compared to an assisted living and so what it showed was a 75% decrease in overall traffic. Now there will be some different peaking because at restaurants, Sassi doesn't serve breakfast. Most of their traffic is at night. So ours will be kind of split up through the day, but almost 1500 cars less. That doesn't mean that that exactly represents Sassi's traffic today but a restaurant like sized, would be 1500 cars more a day. Total population, 466 cars to this site on a day. Restaurant would be about 2,000.

Councilman Smith: So is it fair to say the 400 to 500 cars, we are kind of comparing it to the current use of an underutilized restaurant versus this project once developed?

Bill Lally: Mr. Mayor, Mr. Smith, what the traffic report analyzes is a typical restaurant, at that size compared to a typical assisted living. What we have talked to our operator and our operator says that about 35% of our residents bring cars and about 10% of them drive. So we are really probably talking about a 10% of the population. Only 150 beds. We are not talking about 300 or 400 beds. 10% of the population and then employees. So we are really talking about, even though 400 to 500

cars per day, that's the average, Cadence, our operator, believes that that's much, much less. But we can't say that but the traffic manuals say you have to use that category of an assisted living. The same thing as we have to use that restaurant category.

Councilman Smith: Different question. You talked about that this would be parking of 171 spaces can you talk about how many are surface parking versus underground?

Bill Lally: Correct. Let's see, I don't know if I have a slide for that. Today, there are 185 spots in a parking lot, with 14-foot tall light poles. We will remove all of that and the own thing that will exist above is about 20 visitor spots and it will be internal to the side. It's not going to be on the external where these light poles, everything else, 172 spots will be underground. Now we have allowed for tandem parking but this is the most unique assisted living case you have seen in five years. It doesn't have a parking variance request in front of you with it. Every other case have you approved in the last five years has a requested reduction in parking request with it. We are not asking for a parking reduction. We don't think we will need all of that parking but we want to build it just to make sure.

Councilman Smith: A question and I think this is probably for somebody on staff. I don't know who might want to tackle it, but I know that the parking issue for the Pinnacle Peak Park traffic is horrendous. I mean, I live in this area. I have been there when the cars are parked all the way out to Alma School. What is the city's plan for dealing with it since it's not the developer's responsibility, but how do we deal with that. Let's have Paul Basha talk to that.

[Time: 01:26:33]

Transportation Director Paul Basha: Thank you Mayor Lane, Councilman Smith, I'm Paul Basha, transportation director for the citizens of Scottsdale. Yes, Pinnacle Peak Park is far more popular than any of us imagined 20 years ago. And, yes, the vehicles do not have sufficient parking near the park. The, we have a conversation between the parks and the recreation department, trying to find additional parking. We have not been successful in locating, easily locating additional.....

Mayor Lane: Excuse me, Mr. Basha. Mr. Washington.

Bruce Washburn: If this is a discussion of Pinnacle Peak parking, we are not agendized to that. It doesn't directly relate to this zoning request.

Mayor Lane: Very good.

Councilman Smith: Let me ask the City Attorney. I was really motivated by some of the speakers that were talking about there is a parking problem, generally in the area here, and some of it, in fact, I guess is mitigated by people parking in the Sassi parking lot, which will now disappear. So I'm trying to figure out if we are going to compound the property or lessen it.

Bruce Washburn: Fair enough. If that's what the question is, is what effect will the closing of Sassi's and the changing of the parking to the proposed parking situation have on the Pinnacle Peak parking,



then that would be within the, on the agenda. Thank you.

Mayor Lane: Very good. Thank you, Mr. Washburn.

Councilman Smith: So Mr. Basha, if you can narrow your question to that. We don't care what's causing the problem, but if it will get worse, how will you deal with that?

Paul Basha: Mayor Lane and Councilman Smith, I don't know how to respond that. We certainly can't require a private property owner to require parking for another use.

Councilman Smith: Well, fair enough. I think, I should say by way of general comment, I lived in this general area and so I'm well aware of the issue. I was there as many people in the audience were on the famous night of September 12<sup>th</sup>, 2017, a day that will live in infamy. But I will tell you this, I see a considerably different project here than I saw, that any of us saw on September 12. I commented to some of the people involved that one of my biggest problems with the project is that it has a third story and that's another story! But I do commend the developer for, I have no idea what it cost to do this but essentially burying last of the first floor to solve some of the height, visibility problems.

I do have one question, I guess I'm, that I would like you to talk to. You talk about the lighting that existing on the property. Do you have a slide of what the heights are? I have think you said 14-foot lights. It seems to me that the use of the property now being dramatically different than it is with the restaurant, where you are trying to height the place up and get everybody to come in for this property, pretty much everybody is there. So, so do we, how many lights do we need and do they need to be 14 feet? I mean, I mean, I know you don't want them 6 feet and people bumping into them, but we, on the other hand, I think the neighbors would appreciate a concession that says we are not going to light this up like a Christmas tree. Talk to that, if you will.

[Time: 01:30:37]

Bill Lally: Yes, thank you, Mayor and Council.

Councilman Smith: And maybe you can figure out a way to reduce them at the same time.

Bill Lally: We will work on that. This is the parking lot for the existing restaurant is sort of in that northwest corner. Kind of catty corner from Mr. Mann's home. That parking lot, as I mentioned has 185 stalls. It's an asphalt parking lot. I don't know exactly how many poles but they are all at 14 feet. The original stipulations required 14-foot tall parking. So I think a lot of parking lots have much taller. It's kind of a safety thing. If they are taller, you can have fewer poles, better lighting and it's safer in a parking lot.

Now, what we had mentioned is that we are putting the building there. We are taking the parking lot away and we talked to Mr. Mann about making some changes to the height. We want to make sure that it stays safe, that the lights are not on the ground where people who are driving into the site can't maneuver the drive angles but, yes, I think we can work with the neighbors, work with the city on

reducing those poles from 14 feet down to probably like an 8-foot high level. That's what we have been looking at recently. This was a stipulation on the case that requires 14 feet, from back in the day. I have think we would maintain our commitments and conversations with Mr. Mann agreeing to something lower, because I think when you lower the lights and you are 300 feet away from those lights, the impact is much, much less on those homes and I think that's fair. That's a fair compromise and a fair change.

Councilman Smith: That's part of why I asked you how many parking places would be above ground versus underground. So you are basically eliminating the parking lot.

Bill Lally: We almost are, but we have a drive aisle that we need to have lights on as it comes through and for security and safety in and around the building, but if you have a free-standing pole, that's out away from the building, I think we are interested in lowering that pane making sure that it lessens the impact open the surrounding neighbors.

Councilman Smith: Well, I would certainly encourage you and the staff to work to modify the stipulation on the height of the parking poles, we'll call them. And maybe you can even come up with something innovative like ground level lighting that illuminates streets and paths, but not the same kind of thing that you need for a commercial restaurant trying to attract customers and keep them safe in the parking lot. So whether it comes from 14 feet down to 8, or 14 down to 2, or whatever it comes down to, but I think this is an important ingredient in the whole package and I would encourage you to, I think I'm hearing you say, you are going to, you are willing to look at this and change it or whatever, to make it certainly agreeable to Mr. Mann. But all the other folks as well. That's all I have, Mayor. Thank you.

[Time: 01:34:00]

Mayor Lane: Thank you, Councilman. Bill, if I might, one of the things when we were talking about the lighting, it was brought up in the testimony. I, you know, I'm sure that the conversation about the height of the light poles in the parking lot has been discussed. It sounds to me from this conversation, it has been discussed. But the comment was made that the lights would be at 30 feet, more or less on the roofline. Are there plans to have lights at the roofline or just below the roofline shining down?

Bill Lally: Mr. Mayor, no, the answer is no. I will go back and try to find the lighting plan, but so that many of the building lights, at the very, very top of the parapet are about 30 feet. I think what Mr. Mann, is referring to there is a third story that looks like two and a half stories and there is lighting on that patio. And we talked to him about having automatic timers where those get turned off on the patio. We are not talking about roof mounted. We are talking more patio lighting on the residential units.

Mayor Lane: Yes, but still at a higher height than even the 14 feet, I would agree.

Bill Lally: I agree.

Mayor Lane: I think did you address that before. Thank you. We have no further public testimony and any other questions from the Councilmembers? And if not, I would entertain a motion.

Councilwoman Littlefield: I just got it working.

Mayor Lane: I see. Okay. Well, then if you want, Councilwoman Littlefield.

Councilwoman Littlefield: Just had a few comments and possible questions for you. Some of them have already been addressed that I was concerned about on this. First off, for the audience, I would like to make the comment that we don't up here determine what is going to be put on a piece of land in Scottsdale, other than the general coding, and what is allowed under the coding. The owner of the property does that. What we do is make sure that he follows the rules and takes careful concern as to the impact to other residents and to the city as a whole. So we can't tell him we want you to build a restaurant, not a retirement home. That's up to him to decide, not us. I had some questions in general for you. The 40-foot buffer that will be running along Pinnacle Peak Parkway, you are still continuing to do that; is that correct?

Bill Lally: Mr. Mayor, yes, ma'am.

Councilwoman Littlefield: Okay. I also wanted to ask, will this assisted living facility and the traffic and the traffic patterns in any way affect Pinnacle Peak park for the ability of people to get up to it on the road or get down from it?

Bill Lally: Mr. Mayor, Councilwoman Littlefield, I think it will actually improve the situation. As much as there was dialogue about the traffic that exists there today, I think that's more about parking. The two access points that you see in the exhibit today or the exact two access points that exist there today for the restaurant. So we're not adding a new access point and putting traffic in at a different level to change any of the traffic patterns, and, in fact, I think that the basic notion that there's going to be less traffic coming to the site probably helps any sort of congestion. Restaurants and weddings are usually busier on the weekend at this facility or any other future restaurant if the restaurant were to go in there. That's when the weekend traffic on the mountain is as busy. So our traffic is kind of spread throughout the day. I think it will be a much better use in terms of traffic impact.

[Time: 01:38:04]

Councilwoman Littlefield: Okay. Some of the questions that I had here regarding the lighting have been addressed. And, again, the Mayor was bringing up the third-floor windows which I think was the biggest concern for a lot of people. Not the parking lights per se, but the windows across the third floor, and the lights shining out and I was going see if this was a way to see if you could tame that to shutter that at some a certain point in the evening so that they don't reflect all night long, so to speak.

Bill Lally: It's definitely an issue that we are discussing with the neighbors that are most impacted,

Mr. Mann being one of them. The best result is to make sure that the building still looks nice and there's not some weird awnings that roll out and roll back. I think the automatic dimmer technology is probably the easiest and most efficient way to solve sort of any leftover lights that are left on late in the night that are going to glare into someone's room. Again, we are probably 300 feet away from the nearest building but we understand that's a real issue. We make a commitment to work with the neighbors on dimming those lights or have an automatic turnoff.

Councilwoman Littlefield: If you lived in that house, you would appreciate that?

Bill Lally: Absolutely.

Councilwoman Littlefield: I had a number of emails and I'm sure my colleagues did too, regarding the sewer and the smells of sewer that people were having a concern of whether or not the sewer system can take care of this kind of a facility, and the additional needs. Is Brian still here, by any chance, Mr. Biesemeyer? No? I did receive an answer from him in my email, that they had just cleaned out the sewer system, opening it up and closing it back down. So those smells should be going away. If they are not, then you need to contact the city water department and Brian and make sure that he's aware of the problem so we can come out and check it out because that would be a city issue. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Klapp.

[Time: 01:40:23]

Councilwoman Klapp: Now, Mayor, I would like to make a motion but I did want to comment that this is not a change of use on this property, as has been mentioned, that assisted living is allowed on this particular piece of property. And I think it's important to understand that there are needs for these kinds of assisted living facilities all over. City of Scottsdale, and in particular in north Scottsdale. I have been working with a group of people in the city to look at the needs of elderly in the city, and one of the very big problems that we have identified is the lack of these kind of facilities in the north. So that as people get older, if they want to move into something like this, they are going to have to go to some other part of the city.

And so there are a number of people that live in north Scottsdale that really do want to be able to age in their own, in their own neighborhoods. They also want to bring their parents in close by to them, and not have to go to facilities in other parts of the city or even in Phoenix. And we are an aging community. And it's changing on a daily basis that Baby Boomers will be facing this issue in about ten years and personally, I think the average age of people in these facilities are in their 80s. And so I think that this is a good location.

It's already allowed in the zoning code for an assisted living facility to go with this particular location and I, I'm glad that the developer has taken into consideration as much as possible the impact of the neighborhood by moving the parking underground. The parking is going to be, it looked like on that map, it would be on the east side of the building and it's away from the neighbor that's now looking at

the parking lot with lights. So I think the lighting situation, at least from the parking lights will be better for him and my experience with visiting lots of people in nursing homes as well or assisted living facilities, I should say. They tend to go to bed early and they are not standing out on the balcony very much. It's a low, low impact for the neighborhood. I do want to make a motion to approve this, this project and adopt Ordinance Number 4335 approving a zoning district map amendment amending the stipulations and the development standards from previous case 36-ZN-1991 number 3.

Councilwoman Milhaven: Second.

Mayor Lane: Thank you, Councilwoman and seconded by Councilwoman Milhaven. No further comment?

Councilwoman Milhaven: No thanks.

Mayor Lane: Seeing there's no further comment, I would appreciate all the input we have received today and I think we are heading towards, I believe, the right application on this property. I realize it's never an easy thing for this people in the immediate facility. It's not a condition that any property owner necessarily has to live with, particularly with a use that's qualified and it's within reasonable bounds. And I would also like to say that the developer in this case, sounds to me, very much they worked very closely with the neighbors to try to mitigate whatever concerns they had in the area. So I appreciate. I do appreciate the sentiments and the feelings and both sides coming here to talk about it. With that, I think we are then ready to vote. All those in favor, please indicate by aye and register your vote and those opposed with a nay. Aye. It is unanimous, 7-0 in favor of that item 20. So, again thank you very much. And that does complete our Regular Agenda. And I don't believe that we have any further Public Comment cards. I have not seen any delivered or citizen petitions or Mayor and Council items. And with, that we have completed our business.

### **MAYOR AND COUNCIL ITEMS**

Mayor Lane: I'm sorry. I was looking down the aisle rather than at the screen. Councilman Smith.

[Time: 01:44:40]

Councilman Smith: Thank you, Mayor. I do want to propose under Mayor Council items, recognize that in a week or so, we will be talking about the capital program and, and so I want to, tonight, if I could make a motion to direct staff to agendize for that Council special session on April 17, 2018, discussion and possible adoption of an additional ballot question that would seek voter approval for the city to issue and sell up to \$30 million of its bonds to provide up to 50% of the required funds for the Scottsdale stadium renovation project.

Mayor Lane: The motion has been made to agendize the conversation.

Councilman Smith: Agendized for discussion and possible adoption at the April 17<sup>th</sup> meeting.

Mayor Lane: Okay.

Vice Mayor Korte: I'll second that.

Mayor Lane: The motion has been made and seconded. Any further comment? I think we are ready to vote for that agendizing. All those in favor, please indicate by aye. Opposed with a nay. Councilwoman? There you go. Motion fails, 5-2, with Vice Mayor Korte and Councilman Smith approving.

Councilman Smith: If I could, Mayor. Since I'm on a roll here. I would like....

Mayor Lane: So you say.

Councilman Smith: As you know, there were two major projects we deleted from the \$350 million bond package. So secondarily, I would like to make a motion that we direct staff to agendize for that same Council special session on April 17, discussion and possible adoption of an additional ballot question, seeking voter approval to issue and sell up to \$35 million of its bonds to provide up to 50% of the required funds to design and acquire and construction and approve, furnish, whatever, the Desert Discovery Center or we might call it Desert Edge.

Mayor Lane: The motion has been made to agendize that and possible action as an agenda item. Motion fails for lack of a second. So with that, unless there's anything further.

## **ADJOURNMENT**

[Time: 01:47:34]

Councilwoman Klapp: Move to adjourn.

Mayor Lane: The motion has been made to adjourn.

Vice Mayor Korte: I will second that.

Mayor Lane: We are then ready to vote. All of those in favor of adjournment, please indicate with an aye. It is approved. Thank you all very much.