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#### **CALL TO ORDER**

[Time: 00:00:01]

Mayor Lane: I would like to call to order our March 26, 2019 City Council Work Study session.

#### **ROLL CALL**

[Time: -00:00:08]

Mayor Lane: Start with a roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

Carolyn Jagger: Guy Phillips.

Councilmember Phillips: Here.

Carolyn Jagger: Solange Whitehead.

Councilwoman Whitehead: Here.

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: 00:00:33]

Mayor Lane: Thank you. We will go right into a couple of items of, definition of our Work Study. We do not have any reports from any others. The Work Study session provides a less formal setting for the Mayor and Council to discuss specific topics at length with each other and the city staff. Work study sessions provide an opportunity for staff to receive direction from the Council and for public to observe these discussions.

We do have a Public Comment availability, a total of 15 minutes will be set aside at the beginning of each Work Study session for Public Comment. Comments are to be limited to the agenda items. Please see the city clerk if you have any thoughts or suggestions on the Work Study session items you would like the Council to consider. Speaking and written comment cards are on the table to my right here with them being extended over her head. The white card is for speaking and the yellow card is for written comments. So we'll go ahead and start with our first item and order of business. We did do the, we have everything covered.

**ITEM 1 - SCOTTSDALE ARTS MANAGEMENT SERVICES AGREEMENT AND SCOTTSDALE MALL ORDINANCE**

[Time: 00:01:48]

Mayor Lane: Yes, our first order of business is the Scottsdale Arts Management Services Agreement and Scottsdale Mall. Oh, I'm sorry. We don't have any Public Comment and we don't have any cards on it. Thank you very much. So our first order of business then is the Scottsdale Arts Management Services Agreement and the Scottsdale Mall Ordinance and the presenter will be our assistant city manager, Brent Stockwell. Mr. Stockwell thank you very much for being here and welcome.

Assistant City Manager Brent Stockwell: I'm actually here in a supporting role and I'm trying to figure out where Karen is, but I will get started.

Mayor Lane: Karen is not even mentioned on the script here. So I mean..... You are it.

[Time: 00:02:45]

Brent Stockwell: I'm it. All right. So what we want to do is we wanted to spend some time walking you through the Scottsdale Arts management services agreement and then also the Scottsdale Civic Center ordinance. It's the ordinance formerly known as the Scottsdale Mall ordinance, and we just wanted to walk that through with you in a Work Study session so that we can bring, you know, we get any changes made into the draft agreement and the draft ordinance, and then bring that back for your approval at a future meeting date.

So we have been working with Scottsdale Arts, primarily with the president and C.E.O. of Scottsdale Arts, the current one and the prior one, to review the 2008 management services agreement and really try to do what we could to update that agreement, and make sure that that agreement was current and relevant and reflected those things that Council and staff and Scottsdale Arts wanted to have in agreement. So what we have done here today is to quickly highlight the key areas that are changing in the agreement, and then respond to any questions that you have, and then hopefully bring back an agreement that's acceptable both to the City Council and also to Scottsdale Arts. So we have vetted that to them and they have been acceptable to the terms so far. If we get different direction, we will work on the new terms as well.

So the first area we will focus on is the series of statements around their role to actively engage the community and the arts organizations within the community in the arts. And this is always part of their agreement, but there's a number of things that we have done to improve the agreement to make that more clear. And so you will see those highlighted on the screen. They are just summarizing things that are already in the management services agreement, the draft that you were also provided.

So the first statement is the overview statement that was there from before, but we added some specifics to develop an arts and cultural community needs assessment, and make action plan recommendations to the city, to increase partnerships with local arts organizations for use of the city-owned facilities, and when we are talking about the city-owned facilities, we are talking about the Scottsdale Center for the Performing Arts and the Scottsdale Museum of Contemporary Art as well as the Civic Center area that they program in. Also included with that is to increase the amount of the community arts grant program, not just from city funds but from outside funds as well. And then to cooperate in the development and ensure the ongoing operation of a citywide arts and cultural events calendar. So we felt that all of those things together really kind of helped better articulate and support this objective in the agreement, of actively engaging the community and supporting arts in Scottsdale. So that's the first key area.

The other area we built in is Canal Convergence has grown over the time of this agreement since 2008. And while we recognize that that has grown and has, you know, come out of, one of the terms in the existing agreement to provide free events to the community, we also recognized that there may come to be a point in time, even over the next five years where Canal Convergence has served its useful purpose and there's a new direction that the community would like to go in to do destination events. So the way we have written it here is we have gone up a level. Instead of calling it Canal Convergence, call it an arts-related destination event, and included in that, free components to the public but also stating that there might be fee-based programming in there as well. So you might have the, you would have the, using Canal Convergence as an example, you would have the ten-day event that's open to everybody, but there may be a special fee-based program as part of that.

Also as part of that to make sure that it's effective, there's a requirement in there to develop and implement a marketing plan with the city and Experience Scottsdale and to include local, national and international artists and organizations and both visual and performing artists to visitors of Scottsdale and to make sure that Scottsdale Arts is responsible for all elements of the event production and they retain the fees and revenue earned from the event to support the overall mission of Scottsdale Arts to all the things outlined in the key objectives of the agreement. The next key area is.....

[Time: 00:07:28]

Mayor Lane: Excuse me, just one second, Brent. On the destination event and the first item you were talking about, just so it's clear to me, and to maybe the rest of the Council, the free events that may include free-based elements. Are we talking about separate elements within it?

Brent Stockwell: Kind of the event within the event. You have the larger event that's free for everyone, but you might have a.....

Mayor Lane: A special area that has a charge to it?

Brent Stockwell: Mm-hmm. Yeah. And so this is thinking about, like a community-wide event like a south by southwest or something like that, where there are big pieces open to the public but then there might be an artist, you know, special experience with an artist or speaker or, you know, additional programming to learn how to do the types of art that might be fee based.

Mayor Lane: But aren't we doing that right now? I mean this is not necessarily a brand new component?

Brent Stockwell: It's being done to some degree but we wanted to make sure that it was included in the agreement.

Mayor Lane: I see.

Brent Stockwell: Sometimes these things develop over the course of the agreement and they are not really nailed down and included in the agreement and so we figured it made sense to include it in the agreement for moving forward.

[Time: 00:08:44]

Mayor Lane: And as far as some of the components when we talked in the past about our events, permits and that process all together, it's entirely consistent with what we are talking about with some of the restrictions that we had put on commercially-based events. In other words competitive kinds of special activity with some of our downtown operations?

Brent Stockwell: Overall, we have tried to make.....

Mayor Lane: And I'm not necessarily re-endorsing that. I'm wonder whether or not there's some change in that thinking or whether or not this is part of maybe an opening up of maybe greater thought about that.

Brent Stockwell: Yeah so Mayor, let me try to answer that question. In this agreement and the Civic Center agreement, we try to make sure it's with the special events ordinance which happened between 2008 and today, and we integrated that throughout. That includes components about making sure that the events are not competitive with, you know, local businesses, but instead complimentary, if that's answering your question.

Mayor Lane: Yes, I think it is. I don't know that there has not a point of reflection and a consequential effect, but it's not part of this discussion right now. Please continue. Thank you.

Brent Stockwell: The next key pieces arts education. This has become a big event of Scottsdale Arts programming, and it was certainly contemplated by the prior agreement but it wasn't spelled out

before. They are to ensure that arts education and outreach programs are provided to the community. That doesn't mean that they have to provide all of them directly, but that's, they need to kind of do that assessment as part of that community needs assessment and figure out, you know, if this organization is providing this and there's this gap, then they will provide this service. So that's another key piece.

Public Art is a key piece of it. There's management and conservation of 990 portable art and 110 Public Art pieces on behalf of the city and also SMOCA has a collection of 1855 objects. We also, the city also pays Scottsdale Arts to manage the art and public places and the cultural improvements program. Some people, sometimes people call that the art and private development program. And another thing that had developed over time that wasn't included in the prior agreement was the curation of Public Art displays at Civic Center and Appaloosa Library.

I think now is an important time to say that as you look through these things and they are outlined in the recitals and they go into more detail in each one of the sections, these are all things that the city is expecting Scottsdale Arts to do in compensating them to do. If there are certain things in here that you don't wish them to or don't wish to compensate them to do, we need to know that to pull that out of the agreement. I thought now is the good time to mention that. Management of city-owned facilities. We also went through and looked at this section in more detail.

Mayor Lane: Excuse me, just one second. I'm sorry, Brent. But Councilwoman Klapp?

[Time: 00:12:13]

Councilwoman Klapp: I have a quick question. Do we have any kind of Public Art displays at our other public library, or just Civic Center and Appaloosa Library?

Brent Stockwell: I think we built in the flexibility that it could expand to other areas as well, but we wanted to make sure that those, it says this, Scottsdale Arts shall curate displays of city art work and other displays of community interest such as those showcasing the work of local artists at spaces made by, available by the city at Civic Center and Appaloosa. If you want that at potentially other libraries as well, we would need to amend that language.

Mayor Lane: You know, just along that same line, we do have a Public Art in a number of other places. I'm presuming that it comes under the curation of Scottsdale Arts or not.

Brent Stockwell: Yes, it does. But what we are talking about is specifically temporary displays.

Mayor Lane: I see. Yes.

Tourism and Events Director Karen Churchard: My apologies for being late.

Mayor Lane: Apologize to this guy.

Karen Churchard: I apologize.

Brent Stockwell: I had that feeling. That's why I texted her.

Councilwoman Klapp: Brent, I suppose I would say it might be good to have a brief clause to open up the possibility of some Public Art displays in the other libraries. It doesn't mean that we have to, but at least we have indicated that we might do it.

Karen Churchard: We could do that.

Councilwoman Klapp: If we have some art available.

Karen Churchard: Excuse me for interrupting. One the reasons why we added is because it's been informal. Public Art has been traditionally doing this for the past several years and we can make it part of the MSA and add others as well. I want to mention that we were also working with both Public Art and the library on adding a new gallery area within Civic Center Library, because the, technically the area called gallery will become the Heritage Collection space. I will be coming back to Council next month with some recommendations on that as well.

Mayor Lane: Okay. Thank you, Councilwoman Klapp. Council woman Littlefield.

[Time: 00:14:21]

Councilwoman Littlefield: I would concur with Councilwoman Klapp on that. I think it should be for city buildings, basically, and that includes the libraries and including Palomino, which is part of the school system, but we have access to that too.

Brent Stockwell: Of course. We do have Public Art displayed throughout many of the city buildings. This is specifically about curating them and doing special displays, and so we can bring back language that is more inclusive and gives the opportunity to expand to other facilities as well. Thank you. They will likely ask for additional funding to do that or may ask for specialty funding to do that and a source of funds for that is the community arts trust. And there might be others as well.

Karen Churchard: Thanks. So the next area was management of the city-owned facilities. We took a lot of time in this area to really talk about operating at standards that are higher or equal to other facilities in Maricopa County. We also looked at our current agreements with Scottsdale Museum of the West, as well as Experience Scottsdale, the destination marketing agreement to look at what types of things we should be adding to this MSA. And as such, we really took time to define our maintenance responsibilities. We have our exhibits within the MSA that we have drafted that talk about what's the city responsible for maintaining versus what Scottsdale Arts is responsible for. We also outlined specific items within the buildings that we would be responsible as a city to replace and maintain and what they would be required to do as the same.

One of the things that Gerd talked about. If you took the building and turned it upside down,

whatever would fall would really be the responsible of Scottsdale Arts and what is attached is the city. And that's how we came up with the definition of those four pages of exhibits. And also, so those are the primary things. I don't know if you had questions in that regard.

In terms of city funding and one of the recommendations that came out of the audit was for the Scottsdale Arts to become more self-sufficient in terms of getting funding from other areas. So we looked at those types of things to implement and one of the areas that we talked about too is capital improvements. So when I worked with the Scottsdale Arts on putting together projects for the capital improvement program, we are now going to talk about funding sources in addition to what the city might fund, where we might be getting other funding through Scottsdale Arts through capital improvement campaign, for example.

We also are recommending that we add the destination event as part of, part of the, both the MSA and the financial participation agreement. As you, that destination event is the Canal Convergence and I think you will recall that that was made a part of the Tourism Development Commission's recommendation to you was to have this become a destination event, and not that we would move it from our prime time tourism season, and extend the days from 4:00 to 10:00. We have traditionally done that now and that's through a resolution and we are suggesting we make it part of the marketing, the MSA and the financial participation agreement. And one of the goals on the funding side is for in the actual MSA is for Scottsdale Arts to have a goal of 67% of total revenue coming from other sources so that we can, the reliance on the city will become less, about 10% over the terms of the five years if that were, were met. And I just want to point out that that does not include Canal Convergence currently. Right now we haven't put that into the MSA but we are recommending that we do so. The next area is reports and audits that we require.....

Mayor Lane: Yes, I'm sorry. Yes Councilwoman?

[Time: 00:18:51]

Councilwoman Whitehead: Maybe this is the right time. I do have a lot of questions on this. I just wanted to know, I see the 67%. And I mean this with all of our contracts. I would like to see some metrics. When I look at these agreements, there's no metrics other than in this case, there's a goal of 67%. Is there a way to tighten that up to say, that city funding is contingent on x number of dollars, have some kind of, where they are tied together, so that we actually can tell taxpayers that, that you will not pay more than x dollars based on these metrics that are in these contracts. Is that a possibility?

Karen Churchard: One of the things that we are recommending is performance measures and that's generally what we used in the past in other agreements is if those performance measures are met, that we would then recommend the funding based on that.

Councilwoman Whitehead: And I...

Brent Stockwell: If I could. We could include that in and talk to Scottsdale Arts about that. One of



the things we would want to take into consideration, when doing that. One of the ways they raise revenue is through managing the facilities on our behalf. Where Drinkwater Bridge is closed for, you know, a very large portion of the year, that is actually impacting their ability to get revenue in a lot of different ways. We need to make sure that it was flexible enough so that if there were those types of circumstances, or economic circumstances, that you didn't kind of doubly ding them for doing that.

Councilwoman Whitehead: Well, I'm sure. I don't think it will fall down twice. Yeah, I'm sure we can put in a clause that says in the case of some, you know, emergency. But just some kind of a contract that actually requires x dollars in order to get y dollars. And then the other question I have is when I look at the arts, you know, there's the Scottsdale Philharmonic, there's a lot of arts that aren't included and I don't know. I would like to see if it's possible, and expand what we call Scottsdale Arts to some of these other great arts that we have right now in the community.

Brent Stockwell: Councilwoman Whitehead and Mayor Lane and members of the Council. We trying to do that about increasing partnerships and increasing the amount of grant funding for Scottsdale based and Scottsdale focused arts based organizations that challenge with, I think you have a dilemma here that you have Scottsdale Arts which was basically formed, I think in 1987 for the purpose of managing the facilities and then you have all of these other arts organizations that have been independently forms and have their own independent identity and one of the things that we have been doing with Scottsdale Arts over the last year is to host these art summits with all of these organizations and I know as I talked to all the various arts organizations they want to make sure and retain their identity and all of them want to make sure as much funds are available in the community as possible for all of the arts.

I think figuring out a way to do that and there's always a fear that the Scottsdale Arts is the biggest of the organizations that that, and the one that the city has a formal relationship with, that it becomes kind of the overarching one. They are trying to encourage this from happening without controlling those individual organizations and trying to figure out that balance.

[Time: 00:22:44]

Councilwoman Whitehead: That makes sense. I haven't seen any reporting. If there's some kind of reporting that lists all of these different entities with some metrics, like this is how many people went to these events, and this is fund-raising. This is, just to give us some, where the City Council, it's a lot of money we are spending, which is great. That's what makes Scottsdale great, but it would be nice to say, this is all the arts that's happening, that is happening in Scottsdale and this is the impact it's having based on attendance and this is how much it costs.

Brent Stockwell: Yes. So Councilwoman Whitehead, Mayor Lane and members of the Council, what I would suggest, that is also the intent of the requirement that they develop an arts and cultural community needs assessment so we would actually know all of these organizations and kind of what their needs are and then to develop an action plan to support the arts and culture. So I would suggest that while not included in this agreement, certainly the thought of this is consistent with what we are requiring them to do as part of the agreement, if that makes sense.

Councilwoman Whitehead: Thank you.

[Time: 00:23:46]

Mayor Lane: Thank you, Councilwoman. If I might just add on to that over the years there's been a goal orientation as far as a percentage that the city would be contributing and donor contributions. So it's been a goal orientation, even though it's not been established as a disciplined kind of issue. And it's demonstrated in the Scottsdale Arts annual report, as far as what they are able to accomplish in that regard. And as Brent so appropriately pointed out, there's been a number of things and maybe they, we should be stronger on the, you know, the performance measure in that regard, but nevertheless, it's been, there's been a variety of things that in the economy, in the donors and performances and other things, that have kept them from meeting the goal of, I believe, the city ending up being somewhere in the area of 35% of what the total contributions were, as a matter of rule, which is not totally inconsistent with what you are talking about here as a goal. I think in reverse.

Brent Stockwell: We spent time talking with them, Mayor, about what are the best ways to incentivize or encourage them to increase their outside contributions and so we went through a variety of different possibilities and what it came down to was this, it really made a lot of sense to them to get to a point, as a goal, that a third of their revenue comes from the city, a third comes from contributive revenues and a third comes from earned revenues and that that would provide a good balance and would decrease the reliance on city funds. As Karen mentioned, we certainly talked about requiring performance measures that gauge progress, and I know on the next slide that we will get to was kind of a process for doing that.

Where you have a five-year plan at the beginning and you have annual operating plans with details and performance measures to each one of the goals and you get that before you make the decision on the funding for each year. So we have more information from which to make the decision. So that might be another way with the existing language and the existing agreement to get to what you are talking about, Councilwoman Whitehead of here's what they did. Did they meet it or did they not and then make a decision for the funding of the next year. I know you were going a little bit further on kind of automatic performance guarantees. And that's certainly something we could explore as well, but this....

[Time: 00:26:23]

Councilwoman Whitehead: I don't have the right, you know, whatever suggestion, I'm open, but it's just the idea.

Brent Stockwell: But that's certainly the screen that's laying out right now, was really trying to come up with a logical plan. Know where you are going over the five years of agreement. Give us an update of how you are progressing towards that in advance, before you do the funding and then at the end of each year, have that annual report so we can analyze that. And then also have written

quarterly performance reports. As Karen mentioned before, one of the things we looked at as were these other written agreements and one of the things that we thought Experience Scottsdale, those measures were done well and then you get a quarterly report and so having a similar model for that. I hope I completely answered that.

Karen Churchard: Tag teaming here.

Brent Stockwell: We are tag teaming here.

Mayor Lane: I have to say truly, the efforts that have been exerted in recent years with regards to encompassing but not rolling and taking over some of the arts programs that are within the city, which I agree, they, they are not looking to be taken over but we can extend the arts community by collaborative efforts and I think that's, that is very much on its, on the way, and in the process. So thank you for the answers, but, yes, Councilman Phillips.

[Time: 00:27:43]

Councilman Phillips: Thank you, Mayor. So, you know, I talked about this so many times, about having Scottsdale Arts be the umbrella for everything else, and then probably what she was alluding to, but the two main things to me, is the film festival and the Scottsdale Philharmonic and I want to see them mentioned somewhere in this contract, not some vague thing of we will work with them here and there. Every year they come to us, and every year I say why are you coming to us? Because they don't want to help. It shouldn't be that way. They should come to them. Now if Scottsdale Arts needs to come to us in order to do, this we will need this additional funding, that's the Council purview, but I want to see Scottsdale Arts be that umbrella so they come to them instead of coming to the Council every time they have a funding request.

Brent Stockwell: Councilman Phillips, Mayor Lane, members of Council, I think the piece we tried to address that on here is this comment about increasing the amount of grant funding available for Scottsdale-based and Scottsdale-focused arts organizations. I think one of the things that's limiting that is in the past that amount has only been between 60 and 80,000. A few years ago, the Council trying to address this problem allocated a larger amount. The problem is the timing didn't work quite right and it actually created an audit finding that we have been working with them to fix but I think if that's the Council's direction to allocate a larger portion of money to available, to be available for arts organizations, because there's just too many arts organizations competing for too limited funds. Although they have outlined a process and pulled in a lot of people together, some people do a better job of putting together their proposals than others and in trying to be faithful to the process, some people are left with less money than they want. The only real solution is to try to increase this.

Councilman Phillips: But I want to see these two included in this contract where it says partner with or work with or work towards so that these entities go to Scottsdale Arts is, and Scottsdale says, hey, these people are coming to us. We can accommodate them. But not financially. This is something that we need. Then they can come to us over that. It gets us out of the loop of constantly coming to each Councilmember and how can we get them to help us. It shouldn't be

happening.

Brent Stockwell: As long as they can keep coming directly to you and getting the increased funding, people are going to continue to come directly to the Council and get that. So maybe it's a little bit of both, making sure there's more funds available and continuing to direct people through to Scottsdale Arts and to really look at how well they are doing at spreading that money the way that they are, they are intending to do that, and then if they are not doing that on an annual basis when we are looking at that funding agreement, give different direction. That might be another way to do that. But I definitely have gotten this, your point across.

Councilman Phillips: Thank you. Because I'm pretty adamant about it. I get your argument.

[Time: 00:30:49]

Mayor Lane: Thank you, Councilman Phillips. You know, one thing that we need to be careful of, we don't want to micromanage an organization that's meant to manage these affairs for us on our behalf. I certainly strongly involved with the Scottsdale Philharmonic as Guy is, and I'm certain in the past they have come to us for us because there was a criteria of existence of three years before, and they had to establish themselves as a going concern, whether they would end up necessarily qualifying for the grants and that's not an uncommon situation. But as you said, as long as they keep coming to us, we are finding it and they are finding it this too. Nothing necessarily wrong with that.

I don't want to put in the contract that there's certain things they have to do. I think if we want to leave it with them, even though I'm very much involved and certainly very sympathetic to the idea that, of having them under the umbrella of our Scottsdale Arts and working with them and finding that grant money there, I think, is important. I know they will be independent as well. And I don't want to somehow tie the hands in certain circumstances. And so we have got to be careful about that balance.

Councilman Phillips: Well, if I may and I agree with that your point, but the idea behind it is they will come to us a month before they need seating and say we don't have the seating. You came too late. Should be working with Scottsdale Arts a year ago or two years ago or however it is. If they understand that's who they work through, those type of issues would get resolved before they come to us.

Mayor Lane: Yeah, yeah, I would agree with that too. I think it's Councilwoman Littlefield first.

[Time: 00:32:32]

Councilwoman Littlefield: I agree with both of the last two speakers. I felt for a long time, if we are going to have Scottsdale Arts, we ought to have art from Scottsdale in it. So, and sometimes that has not happened. I think that, I don't know if you want to make it a priority or anything like that, but it ought to at least be a part of the program that the, that the arts community here in Scottsdale, and I do support both of the programs that Councilman Phillips mentioned, they should be considered with

a high level of interest through the Scottsdale Arts. Because I don't want just people coming to Scottsdale from other places. I want our arts to be shown and displayed as that's what we are. Thank you.

Mayor Lane: Thank you, Councilwoman Littlefield. And Councilwoman Whitehead.

[Time: 00:33:28]

Councilwoman Whitehead: I agree with the last three people. Brent, when you were talking about getting more money, finding more grants, I'm not interested in expanding the budget. I'm interested in having metrics that better enable us, maybe as a one-time, and I agree. I don't want to micromanager but we have a good opportunity to reset because we have a new director and look at the events. I think the Philharmonic gets maybe \$20,000 a year or something like that. So is that the right amount? Whether it goes through the arts or not, we have an arts budget and I want some metrics to evaluate if we are funding the different sections of this budget correctly. That's what I'm looking for.

Mayor Lane: Thank you, Councilwoman Whitehead. Please go ahead and proceed.

Karen Churchard: That was the main items that we had for the actual MSA. So if there's any other direction, comments that would you like to make?

Mayor Lane: Okay. I'm sorry. Yes, Councilwoman Milhaven.

[Time: 00:34:37]

Vice Mayor Milhaven: Thank you. This agreement is for ten years.

Karen Churchard: Five. We are recommending five years, versus the ten years previous, in the previous 30 years.

Vice Mayor Milhaven: And then you are requiring them to get to 67% by year five.

Karen Churchard: That's the goal.

Vice Mayor Milhaven: Do we have any performance hurdles along the way?

Karen Churchard: We are requiring performance measurements. We have not identified those but we will have them.

Vice Mayor Milhaven: So 67% by year five, are we going to have some steps along the way to say, you are on track to get to 67? Are we going to wait until year five and say, oops, you didn't make it.

Brent Stockwell: If you look at that second bullet point up there, the annual operations plan with

details and performance measures for the five-year planning goals, objectives and strategies. So each year along the way, you should know what their plan is over that year to get there.

Vice Mayor Milhaven: So that should include their path to success?

Brent Stockwell: That was the intent of this so we didn't get to year five and we had all of these things and we weren't doing it. You should have progress along the way before you decide to fund them each step of the way.

Vice Mayor Milhaven: There's two ways to get to 67%. One is for them to increase the revenues and the other is for us to reduce what we are paying. I know in previous contracts, there was, although it was by annual appropriation, there was sort of a statement of intent to say that we would increase funding by 2% a year. But I don't see this in here. So is that now gone?

Brent Stockwell: Yes, Councilwoman Milhaven, Mayor, and Councilmembers. That's correct. There is no fixed amount here that there was in the past, that each year it's evaluated as part of the budget process. And I know it wasn't their intent that the city's amount would decrease to meet that goal, but the earned revenue will increase to meet that goal.

Vice Mayor Milhaven: There's no fix, there's no fixed amount to say what we are starting here, but there's also no statement to say that we, the assumption would be that we would not increase our funding year over year based on the way this is written?

Brent Stockwell: So Councilwoman Milhaven, Mayor Lane, members of the Council, the philosophy here is if we set out here are the objectives, and there's 10 objectives here and they are supposed to let us know what it will cost them to meet those objectives, right and that may vary year to year. The year they do the community needs assessment it may be a bit higher, the other years it may be a little bit lower. So the conversations we had with them is tell us how much it costs for you to meet these objectives in here, and if you want to reduce the amount that goes to, or increase the amount that goes to Scottsdale Arts, you either need to eliminate objectives or you need to add objectives to get there.

But with an understanding that there are different costs. They are an organization that has service costs to their employees and those are going to change over time. And so those are likely going to increase next year, and so they are going to put that together and do that, and we will do it just like we would anything else. It will have to compete with everything else in the budget process. There isn't that language anymore that puts this default in of 3% each year.

[Time: 00:38:06]

Vice Mayor Milhaven: I imagine that it will call for some thorny, contentious conversations in the future. So what you said is we are trying to, right, balance investment in the arts with, at the same time, having them maximize their own revenue which could work at odds, right? So if they are going to do a needs assessment and there's an opportunity to meet a huge need that might require

additional investment and then we are working against, yes, we want to seed an event with the fact that they need to improve the funding. Wonder how we might be able to accomplish both.

Brent Stockwell: Councilwoman Milhaven, members of the Council, Mayor Lane. Some of the things we tried to do in here, were some of the things mentioned here in this section, to, you know, in the 2008 agreement, all of the capital expenditures were all on the side of the city. All the special equipment and fixtures were all on the side of the city. We tried to balance that out and shift those out to try to incentivize them to make the best decision for them. One of the things that they did is they instituted a fee on tickets at the Performing Arts Center to create a fund that they can use to prioritize investments that they get to make to, you know, improve the facility to gain additional revenue and other things. And that's what we were trying to do through all of this, is to try to make it more likely that they are going to help make the best decision for that operation long term and not just completely rely on the city.

Under the current situation, if there's a \$50,000 improvement that would gain them \$700,000 in revenue, the only way for them to accomplish that is to come to the city and ask for that. We provided them a mechanism that they could fund it themselves and do it. There will still be larger investments that they may come to us but we will have look at that and make a decision that way. I can tell you that we were trying to look at it from a new framework to make it easier for them to make the right choice in the business of expanding arts and gaining revenue for use in the arts and to make it less likely that the city was seen as a never ending source or the only source of funds. We have also talked about the possibility of them in cooperation with the city going on and doing a capital campaign for facilities. We changed the language a little bit to make it more likely that they might be interested in doing that, rather than the way it was in the past. So all of these things were nudges that they tried to put in place to make it more likely that these things would happen and less likely that they are always coming to the city for that.

[Time: 00:40:59]

Vice Mayor Milhaven: And thank you. That helps with cleaning up the capital and the maintenance in enough but I was thinking of expanding the arts offerings, if there's another Canal Convergence and if we all agree it's a good idea, investing in that new event or new facility would get in the way of 67%. But I guess we will just consider that as it comes up as an aside from this agreement.

Brent Stockwell: I think you could look at it that way. You can look at the objectives saying, hey, doing that is more important than this. And so we will remove, you know, item number x from the list, in order to free up resources and ability for doing that. And that just wasn't necessarily the way things have been, you know looked at in the past and we were just trying to look at this fresh and perhaps try to find ways to accomplish these types of things.

Vice Mayor Milhaven: All right. And I noticed the needs, I think the needs assessment is a great idea but there's no date on when that should be completed by. Should we put a date in there?

Karen Churchard: As part of the performance measures, we can set.....

Brent Stockwell: The date would be in the annual operation plan but we can certainly include it in here.

Vice Mayor Milhaven: Yeah, no, I looked there, in the agreement it just says do a needs assessment. It would be nice to put a by when, sooner rather than later. Maybe not before the end of the five-year contract. And the event calendar is a really great idea and a way to bring together the community and maybe put some dates down on when that might be done as well. And then I know that they have recently, or they went, they started, the organizations started to develop a strategic plan over the last year and I was wondering if that was completed and if we could get a copy.

Brent Stockwell: Councilwoman Milhaven and Mayor Lane, it has been completed and was included as.....

Vice Mayor Milhaven: I didn't go that far in the package.

Brent Stockwell: It hasn't been included in the package. We'll include it in the package when this comes forward for your approval, because we have received it, and the, the things that are really talking about audience development and some of those other things, those are incorporated in the objectives already. Things that were more internal operations and how they operate, we didn't include those because those are more, they are, you know, their business rather than kind of the city's business. But their annual operation plan, which they would be required to put to go before they get funding, should say how they are making progress towards this strategic plan.

Vice Mayor Milhaven: So this strategic plan is not a public document?

Brent Stockwell: No, it is. It is. What I'm trying to say is rather than incorporating it by reference, we have incorporated it within the document so the same kind of principles that they have in this strategic plan are included in your management services agreement. Except for those that are really strictly only internal but what we'll do is we will make sure that when this item comes back for approval that their strategic plan is an attachment in that Council report so you have that.

Vice Mayor Milhaven: Thank you.

[Time: 00:44:15]

Mayor Lane: Brent, if I might, in a nutshell, well, I'll refrain from asking for it in a nutshell. I understand there's fairly significant changes in how we are approaching the capital expenditures for the facilities or the funding thereof. In the past, the city owned the facilities and the city is responsible for the improvements on the land and that's it, and there's a lease. Obviously it's on a preferred basis but nevertheless, it's a lease payment for that. And the arguments and the discussions always seem to be more about what constituted a capital improvement to the property, and whether it's sound system or whether it's the air conditioning units, those kinds of things and even the interior seating and chairs and all of that, would is to pay for that? As I read some of the



management of city-owned facilities. Operating standards higher than the Maricopa County, other Maricopa County facilities, are we moving away from that responsibility in favor of now participating in the capital portion of the physical structure and the improvements to the land?

Brent Stockwell: Well, Mayor, under the 2008 agreement, the city is entirely responsible for all the capital infrastructure. This actually starts to move it in the direction of a shared responsibility. As Karen mentioned, we really used this concept if you take building and turn it upside down and everything that falls out is their responsibility and what is left is our responsibility. And that gets you into an argument of what is attached and what falls out. But that, those are the types of things that we have put into place, and, again, as when you look at the document.

Mayor Lane: So the maintenance of the facility is left with them?

Brent Stockwell: Yes. They are willing to take on some capital requirements. They know that they have got to come in here and compete with everything else that the city has to do and there are going to be times where it will be a priority and there will be times when it's not a priority. We wanted to give them some responsibility, if there's a time where it's their priority and not the city's priority, that they will have the ability to go to the city and make it happen, knowing we can get x amount of revenue from that. So we tried to build in terms into the agreement so they could do it. Still ultimately, the city is responsible for the building, but we're saying, hey, there might be a time where the Scottsdale Arts would find an outside source for funding improvements to the facility.

[Time: 00:47:13]

Mayor Lane: Yeah, and I understand that. There's a couple of paths you could take in this regard and I don't know whether which one is preferred. I'm not an expert in how they accumulate donor contributions and how effective it is, when you have a city-owned property to be contributing to it. You may not have the same kind of naming rights or other things or labeling of things for potential capital donors that you might have in a free standing product. But on the other hand, is it not easier potentially if you are looking for the 67% issue to maybe increase the cost of a lease payment in this? And increase the cost of the operations?

And I'm not saying that this is the way to go, but I just wonder whether that's ever been presented to Scottsdale Arts as another way to go. They may have complete confidence that they can come up with capital separately and have a donor base over here to take care of any shortfall that they might have in their other revenue streams as far as the operations of the facilities. Sometimes that might seem like it would complicate it because you have donors being asked on one thing and you have donors on the other and you don't really have full control over the facility. It's at least in my experience that once someone determines that the city will pay for the facility, donors don't have the same motivation. And I understand that it could be a different world.

Brent Stockwell: Yes, and Mayor, I know we have contemplated on this. We will take a look at it again to make sure that, and have another conversation with Scottsdale Arts to make sure that we have really gone as far as we can on this. But certainly to say what you were saying a different way, I

mean, implicit in all of these conversations have been why would Scottsdale Arts ever invest in anything relating to the special equipment, the fixtures or the capital when it's entirely the city's responsibility in the agreement to do so? And so what we were trying to do is move in the direction where it becomes more balanced because, it was getting hard for a donor to donate that what they were doing was relieving the obligation of the city. Yet that may have held back arts in Scottsdale by not kind of freeing up where grant funds or other resources, naming rights is also covered into it. So if they ever want to name any of the facilities, they can come back to Council and ask for that.

Mayor Lane: It's not something that they have in there are complete control, as far as the naming rights and some of these other things. We argued about whether or not he they could tag chairs for specific donor, that that wasn't within their purview to do. A capital program where we don't have a little bit of that, even bricks in the sidewalks. It becomes more difficult too. But you are also saying if you are just relieving the city's obligation it doesn't have quite the same motivation. And frankly, a lease payment, a rental payment on it, there may be a place to find that would work in on a continuing basis, not just a capital program once every few years. But it may be on a continuing basis and still leave it.

Brent Stockwell: Mayor, we had some conversations about changing the, completing changing the methodology. Agreement but we didn't spend very much time on it because primarily what we were focusing on is that this is an agreement where the city could provide arts, services on our own. As a matter of fact, that's what the city did before the Scottsdale Arts was formed originally. The cities thought it was better to have a nonprofit to run it than the city to run it. We looked at where were the best parts of museum west agreement, or the best parts of the Scottsdale Arts agreement and all these others we have done over the years. And try to make this one, how can we make this one the best that we can right now. That's been our approach.

Mayor Lane: And I understand that. I'm just suggesting. There might be another path. Particularly, in fact, if there's any difficulty in assembling that capital program under the structure we are talking about here. So just for the record. Yes, Councilwoman Milhaven.

[Time: 00:51:40]

Vice Mayor Milhaven: Sorry, I forgot this question. In the participation agreement it shows that grants management and administration are now in one bucket, where previously grants what listed separately. Since we talked a lot about grants to make sure that part of the money that we give them is passed along to other arts organizations. I would like to see it separate but I was curious as to why you consolidated those.

Brent Stockwell: Councilwoman Milhaven, Mayor Lane, members of the Council, my understanding is that that language is the same as it was in 2008 and the same as in the agreements. My understanding is they haven't ever charged administration under that. They have charged it under the overall management services fee. So we certainly could.....

Vice Mayor Milhaven: So that's the administration.

Brent Stockwell: We can talk only about grant awards and pull out management and administration because they always included.....

Vice Mayor Milhaven: Then I misunderstood. That's for administrating the grants program. I'm looking for a line item that says how much we are giving them to grant to other organizations.

Brent Stockwell: Oh, so the way that the financial participation agreement is written out, is the, you know, it's given out over eight or nine months period of time.

Vice Mayor Milhaven: Mm-hmm.

Brent Stockwell: And then it's all available to them for this, you know to do the overall objectives of the agreement, unless it's earmarked out and there are some areas that are earmarked. The community arts program are earmarked.

[Time: 00:53:06]

Vice Mayor Milhaven: I don't see that. Where is that earmarked? Maybe I'm not reading that right. In Section 5.2.

Karen Churchard: 5.2.1.

Brent Stockwell: 5.2.1, is the community arts program. We haven't called out the management services fee separately. We could certainly amend the financial participation agreement form so it says, here's how much is available overall. Here's how much is available for each one of them. I know we have done that in the Council report....

Vice Mayor Milhaven: Let me come at this in a different way. I was assuming the money we were giving them to give was in 5.2.1 and then I thought you said no. And then you said yes. So let me come at this a different way. It was my understanding that the, that the money we were allocating to be granted was listed separately in the participation agreement to say, this whatever it was, 50 or \$100,000 is for the purposes of being given to others. So it was earmarked separately.

Brent Stockwell: And it still is, that's 5.2.1. So the amount that they are getting for the community arts grant program is allocated there. And it is....

Vice Mayor Milhaven: So what are they getting for being like, everything..... This 5.2.1 is for grants. 5.2.2 is for Public Art, city art and next is for equipment and the next bucket is for art in public places. Where is the part that pays for the museum, and performing arts?

Brent Stockwell: Everything else? It's the total amount less those four items. And so what we could do, what we should do based on the comment that you are making here is to go back and amend that so it's clearly stated what each one of the amounts are. I can tell you every year when it comes

forward, we spell out those.

Vice Mayor Milhaven: So 5.1 is the total and you are saying 5.2 is.....

Karen Churchard: Specified restricted funds.

Vice Mayor Milhaven: Okay.

Karen Churchard: Correct.

Vice Mayor Milhaven: I'm sorry that wasn't clear.

Brent Stockwell: And this is, it looks identical to the current one. We tried to update it a little bit.

Vice Mayor Milhaven: Thank you. Sorry.

Brent Stockwell: I understand what you are saying.

Mayor Lane: Thank you, Vice Mayor. Yes, go ahead, Councilman Phillips.

[Time: 00:55:17]

Councilman Phillips: Thank you, Mayor. I did have another issue to talk about here, actually two. But talking about this and if I could ask Councilwoman Milhaven, it seemed like you were concerned about us not, what we have given every year before, 4.8 million or something, that we are not going to do that anymore and it will be performance based and we will decide what to give them. Is that what you were basically saying?

Vice Mayor Milhaven: Ask me that again.

Councilman Phillips: We are not giving them a fixed amount, it's performance based?

Vice Mayor Milhaven: Well, no, I don't know that it's performance based. What they are saying, they will come to us every year and tell us how much it will cost for them to do what they want to do. Which means that it's going to be a negotiation about what do we want them to do, or not want them to do. And so I don't know that it's a bad thing, but I do think that it sort of makes it a political conversation every year about do we need no increase our payment to them because their health insurance costs increased or is that something that they should be managing themselves. And so is a little bit concerning that we will be looking at their operation every year and deciding how much we think we want to give them when most of our contracts are.....

Councilman Phillips: That was my point.

Vice Mayor Milhaven: We will pay you this every year to fulfill, to deliver this service to us. So

there's some reliability both on their part to say, we need to manage within a budget and because we could make up one year and say, well, wait. You know, we don't think you are making enough progress along the 67%. So we are going to reduce our funding to get you on a trajectory we think you need to be on, which may significantly hamper their ability to fulfill their mission and get themselves to 67% because they are on a different trajectory. It's concerning that, it seems like we will be renegotiating this every year.

Councilman Phillips: This is what I want to get from you is your concern about it. So thank you. I'm concerned about it too. And I don't know if this is the solution, but, you know, maybe we should have a guaranteed base that we give them every year and maybe that 2% performance every year is based on the 67%. Because the idea behind that is basically, like you said, you know, if they didn't need a performance and they said we are not doing their job and now they really won't do their job because there's nothing there and we actually have an obligation as the it I.

People are looking at us, donors are looking at us, country is looking at us, saying, oh, the city of Scottsdale doesn't back the performing arts and we can't afford that, I think. I think if we show that we are behind them, and it's a great organization, I think that will make donors want to donate more because we back them, we agree they are doing a great job. If we have to speculate, well, I don't know. Then donors will go, well, if they don't know.... If you don't have public support behind you, it doesn't look good. So I would, I have to, you know, admit I'm sorry I didn't notice that that was gone. I was always assuming they're still going to get that money every year but anything extra was going to be based on performance, but to have to go through it every year, I don't think it's a good idea either.

[Time: 00:58:48]

Vice Mayor Milhaven: Certainly every year it's up to us whether or not we want to allocate that, but it would be nice to sort of say, our intentions would be unless something unusual happens. So both we have something we can rely on and they have something that they can rely on because we need to respond to every change in their pricing but I don't think we should make that an annual decision.

Councilman Phillips: I was never against giving that amount in the first place and so I'm still not against it, if that's the way we are going to go on that. I have something else to talk about, if you want to continue this, I will come back later.

Mayor Lane: No, please....

Councilman Phillips: No, I will be changing the subject.

Mayor Lane: Changing the subject, not away from this agreement.

Councilman Phillips: If you want to stay on this subject, I can come back later.

Councilwoman Whitehead: So that's the balance. And I come from the private sector. There's no

safety net. If insurance goes up, that's it for you. I understand that we are an arts city, but I also have spent, you know, a lot of time with citizens who feel that we need to do a better job that there are metrics that we hold, we hold those who have contracts with us accountable. So the devil is going to be in the details. We need to have some metrics or maybe it's, if we have a five-year contract, we have to have, I don't want it to be political either.

And so that's staff's job to figure out a way that, yes, the arts and any other contract we review, those parties are held to a higher standard but yet we are flexible enough to, you know, to allow some fluctuation into what they bring in, and what we give, but, you know, maybe we have a base amount, but I just think we, we have to be able to measure and we have to be able to say, well, if it's not working out, then the, then this contract is null and void. That's the way it works in the real world. So I just think that there has to be a balance there.

Councilman Phillips: I think in the real world, we actually give an amount depending on whatever the item happens to be, as far as the city's contract and the city's contribution to art. Now if they want more than that, if they want a 2% increase every year, then they should be able to have a performance matrix to tell us that they deserve that amount every year. So the city has a contribution, not the cities, well, maybe we will have a contribution, you know?

Mayor Lane: Brent, did you have a comment?

[Time: 01:01:27]

Brent Stockwell: I will talk about some of the things we tried to do here. Some of what is being talked about, although I know we haven't got to everything yet. What we did is based on, we had received feedback over time, that having an automatic 3% assumption in the contract was problematic. So the only thing that changed in what is now the Section 5.1 under city funding was we struck the sentence that said the city anticipates that funding increase at the rate of 3% annually. And then that's the only thing that we struck in that. And what we were trying to do is get to a point of if we got that these objectives correct, they are responsible for doing these things and through the annual operation plan, we're measuring how well they are doing at getting those and so those, the, the ability to do that does not rise at a steady rate, you know, some things are higher and some things are lower.

We were trying to treat them in a similar way than we do all the different budget functions of the city, and that is that every year you have the opportunity to come in, well in advance of the Council's consideration of the budget and you go and make the case for what things are in the budget and what, you know what new things you need to do and what extraordinary changes you have. And you make that case and we, the city manager is ultimately responsible to go and compare those among all, compare those among all the other things.

Here's the amount that we can afford this year and here's the amount that we can't afford and I'm not going to recommend. And so we were trying to make it very consistent on that and also this section that just said that they can make supplemental funding request. We added a section that calls it out

more of what it really is, which calls it, I had it just a second ago. It's Section 5.10. Unanticipated extraordinary funding requests.

Scottsdale Arts may seek supplemental management services in the event of unanticipated extraordinary expenses, nothing obligates the city to do that. And what we were trying to do is kind of lessen the likelihood that they were going to come and ask for these additional things and try to manage it within the budget and use the budget process to manage that because that certainly hasn't been the situation with we have even over the last five or six years is, you know, these requests weren't really coming as part of the budget process.

We were trying to nail those things down and get the objectives in the agreement right and figure out what the cost of those objectives are and some of it will be on the city's side and others will be on the other side. With the 3% increase, the 3% increase was not being uniformly applied on the management services fees and all of the dedicated, you know, the dedicated areas and what that meant was the management services fees were actually increasing at a faster than 3% rate and the community arts grant was holding still. We were trying to address that, by saying, okay, instead of you getting 3% and you can allocate whatever you want. We look at how much we have available and do that. We can certainly take a look at this, and go back and talk to them and say, hey, the desire of the Council was that we get some more performance-based incentives in here and let's look at how we might do that so that when we bring back the final version, it has some performance-based incentives for that, rather than just an across the board increase regardless of performance or any other way that we could do it.

Mayor Lane: Okay. Thank you, Brent.

Councilman Phillips: I'm still holding if you want to continue that conversation.

Vice Mayor Milhaven: Let me know when you want to change the subject.

Mayor Lane: And I think Councilwoman Littlefield.

[Time: 01:05:30]

Councilwoman Littlefield: I like what you have done with this contract. I think it makes a lot more fence from as business point of view, than what we did before. I do also, however, want to make sure that any base level funding that we do for the Scottsdale Arts is enough, that they can carry on their work. I know oftentimes they have to have funding for a year or two ahead to bring people in for the performances and to tie their contracts with those performances.

You can't say, well, we will only look at year one, because that would really arm the future of getting x and getting actors and singers and all of these people to come and perform but especially for arts and displays. So we have to be a little bit realistic in the marketplace that these, the marketplace that these people are dealing with. It's not just a one-on-one January through December, but I think a set dollar that we can say, okay this we can plan on. If we meet these goals if we do these aspirations

and they work out well, then we can go higher. But I don't want to tie their hands so tight that they can't do their jobs basically because they don't have enough funding.

Mayor Lane: Thank you, Councilwoman. Councilwoman Klapp.

[Time: 01:07:01]

Councilwoman Klapp: I also agree I like the way this contract is written. With some caution as was stated, we want to make sure that in year one, that we are anticipating, probably they know it will establish a base in year one. From what I have seen of the construction of this contract, by virtue of removing the 3% automatic increase, you have automatically incentivized them to go out and increase their earned revenue other places. So it's forcing that issue, actually. And I think that's a good idea. So removing the automatic 3%, I think, is a wise idea.

You might want to take a look at how you are going to, where you are going to start from your year one amount that will be established for the organization. But the way you have constructed this five-year agreement, I like it a lot better than the last one. I like the way that you have changed the nature of who is responsible for what and removal of the automatic escalation amount is another good thing, and also, because right now, I think they are at a 57% level as far as outside participation. So they are going to 67. I believe that's what I read. So, I mean, theoretically, you basically have to increase the 2% over the next five years and you get to 67. So you can kind of see where if you take away the percentage we are giving them as an automatic increase and forcing them to go out to the other revenue sources, or increase their income. I think that's a smart move. I would say 98% of this contract is a great contract and there are a few things to be pinned down that have been brought up today. Thank you.

Mayor Lane: Thank you, Councilwoman. Vice Mayor did you want to speak again.

Councilman Phillips: Oh, I'm sorry. I called you Councilwoman, Vice Mayor.

[Time: 01:09:15]

Mayor Lane: I would like to say one final thing on this. I think really the idea of how we are trying to move forward together, I would mention the idea on the capital side, it's just sort of an idea but on the operating side, I think even from the city's standpoint, I certainly agree that we need to have a base. We have a contract with Scottsdale Arts. I don't know how we quantify that or if we go on the basis of the previous year, but nonetheless, I think that's critically important. In the past, when we had a downturn, it wasn't a matter of whether we gave 3% but whether we reduced the base and that caused some significant issues and problems. Certainly whether we gave even a 1% or 2% on the increase, in recovery, so they are all things we have to contend with, the reality of it going either way.

I think in order to try to stay on a program where you are looking to have two thirds from internal services, that is entirely consistent with what we tried to do of reducing over time the city's



participation to about a third. But there's still a contract that we are engaged in and it is our property they are managing. Irrespective of how we go on the capital side, I'm not adverse to continuing on that given some of the provisions to allow for it and to be successful. I just think we I am not looking to be engaged to rework the entire program every year and try to analyze, even on a matrix basis on some kind of projections.

I'm looking for what we know will happen and where the innovation or where the added items that are going to not only add to maybe the contract cost for the city, but also for the prospect of them reaching that 67% from internal sources. So I and that's all an internal management thing and I think everybody here at this table is not looking to try it get my more engaged in this subject than we are. Because that generally becomes a problem. It's only because it becomes political and that's the reason that Scottsdale Arts and Cultural Council before them existed and exist now. Now if he with want to change the subject, that's my final word on that. I do agree with that overall contention. So Councilman Phillips, if you want to.

[Time: 01:11:53]

Councilman Phillips: So the one thing I didn't see addressed and I would like to see it, if you didn't already do, it maybe I missed it. I wanted to see in this contract that Scottsdale Arts will keep comprehensive record of all the art that can be readily accessible.

Karen Churchard: Councilman Phillips and Mayor Lane, that's part of the agreement they would require annually, I believe it's December 31<sup>st</sup> that we get a comprehensive list of all the art, as well as its condition and we do, we have been receiving that in the past as well.

Councilman Phillips: So that is in there?

>Karen Churchard: Yes.

Councilman Phillips: And they know where the art is located?

Karen Churchard: Yes.

Councilman Phillips: Excuse me for bringing this up. When we did the airport renovation and took all the art out and put it in the Little Red Schoolhouse and then it got flooded and then they moved it and now it's gone. Nobody knows where it is. If they have a comprehensive list, we should know where it is. If that happened there, where else did it happen? This is why I want to make sure that this thing is taken care of. It will probably take another FTE or two to handle that because there's a lot of art. I understand that. But we don't want to start losing art, especially people who donate art. Hey, I wanted to show my son this art that we donated. Well, we can't find it. We should be able to contact them and find it and bring it out.

Brent Stockwell: Councilman, I understand what you are saying. We have language about that in the Public Arts section, which is section three and then all the other transparency requirements are

related to reports and audits and we really made sure that we were aligning that. And that's one of those issues that you raised was an issue in the audit and we tried to address it in here.

Councilman Phillips: Are we done with everything, are we doing the mall ordinances.

Karen Churchard: Yes, we will move on that. The Scottsdale Mall ordinance, there are some primary recommendations, we are aligning the language to be with the current language that we use in our ordinances, and we're also requiring that the Civic Center use the special events ordinance for decisions on applications, so there's now regulations for facility use permits and the main change that we are recommending, recommending is the name be changed to Scottsdale Civic Center versus Scottsdale Mall. Those are the primary changes that we are recommending to Council.

Brent Stockwell: And Mayor, if I might add to that, just to expand on the requirement, we have added a section in 20-120. That would have been the first time that Council has codified the recommendations that we are using in other public event spaces, like the Waterfront, but they talk about live entertainment, setup and tear down time, and those are actually built into the ordinance so that you are clearly stating that, you know, all these things about when sound can stop, you know, unless there's an exception through a special event permit.

So an extraordinary exception for that and then how soon can you set up and how soon can you tear down this as you know the Civic Center area has over time, you know, has additional residential uses on it and also the hotel use and so that's something to be particularly sensitive of and it's no different than the Waterfront area and then actually as we are developing the agreement from Museum Square, we are incorporating similar language in that as well.

Trying to make sure what language is in the ordinance, so that's a requirement. So that if you violate that, that is something that can be enforce versus what's in the agreement. I wanted to highlight that for you as well. Those are all agreements that Scottsdale Arts has been willing to agree to. The hardest things when you have a contractor that is this, this is the ordinance that says when you can stop and this is how late you can go that that's a little strong to add support to Scottsdale Arts. I wanted to include that as well. I think something of interest to you all, because you get the calls when something goes, is too loud, too long or set up is too early or too late. We have a way forward on that at least.

Mayor Lane: Go ahead Councilman.

[Time: 01:17:07]

Councilman Phillips: So you said in here you didn't want to call it Civic Center Plaza because there is a road in Old Town in Civic Center road. Civic Center sounds old and boring and stuffy. We want the name to be spectacular. I thinks is something that, hey, this is going on Scottsdale Civic Plaza. Hmm. It just doesn't really cut it. When you talk about the Waterfront. That sounds cool. Water, something. So I don't know if we can recommend or if we can hold off on this until we can come up with a better name. Maybe call it Old Town Plaza. Somebody suggested Phillips Plaza but

I don't know if they..... we know how far that will go. I would like to see a more exciting name.

Brent Stockwell: Councilman Phillips, members of the Council, we are open to having something differently. You probably want to strike Scottsdale Mall from that because it's completely confusing. The way we look at the original name for the area and the one that has the plaque right out here says Civic Center. When the deck got built over Civic Center Road, the deck was named Civic Center Plaza. And then when the west entry got extended. That's where the Scottsdale Mall name got added into it. Another way to address this is when all the improvements get underway. You can look at naming rights for that, and that might also be a way to add some excitement to it. Although that might come, bring with it the same types of concerns. And so Civic Center Plaza was the recommendation from the downtown town hall in 2009. We removed the word "plaza" so we don't have the conflict with the other area. But if they are other suggestions, we are open to doing that. We went with the one that was at least the most basic for the purposes of the ordinance.

Councilman Phillips: I agree with that. I understand why you did it, but it's very basic and so hopefully we can come up with a better name. I don't want to put this in the record and we are stuck with it.

[Time: 01:19:41]

Mayor Lane: Sort of the like the Scottsdale Convention Bureau, the Convention and Visitors Bureau, versus something a little bit more up to date. And certainly, I do agree. As soon as we have talked, we have talked about this recently and it just leaves you sort of flat. Even the idea, and I realize the history is there and frankly city hall is here and there are a lot of civic functions that occur in this area. But I'm wondering whether or not, it's not even like it's the Scottsdale Arts Center, or, but, I mean, there may be much better things and much jazzier things than I can think of right now. It's sort of like the flag. I will leave it at that.

Brent Stockwell: So Mayor, we can bring back the ordinance with the Civic Center name and go through a public outreach process to look for another name for it long term. We could certainly do that and then you can make the decision at that point whether any of the names that came up with were better than the name used there or not.

Councilman Phillips: It could be Winfield Scott Plaza or something. There's a lot of things we can come up with.

Mayor Lane: Yeah. Well, then, I think that completes this section. Vice Mayor?

[Time: 01:21:00]

Vice Mayor Milhaven: Yes, the special events ordinance you talked about articulates setup, take down and hours of operation but it included a lot of other things as I recall, but my memory isn't really that good. If I recall, it was about what kinds of events and would needed to approve an event. There were lots of other restrictions in that ordinance and I was wondering if you could refresh our

memory about what else, what other restrictions would be imposed on the Civic Center by articulating the special events ordinance.

Brent Stockwell: So Vice Mayor Milhaven and Mayor Lane and the Council. We incorporated the special events ordinance in here and required the Scottsdale Arts who would be doing the coordination of the civic center, whatever we call it area on our behalf to make sure they follow the same procedures that are outlined in the ordinance. It's just promote consistency across there.

Vice Mayor Milhaven: Is the ordinance applicable to the Civic Center today?

>Brent Stockwell: It is exempted from it and this would bring it back into it. In certain areas. So.....

Vice Mayor Milhaven: I did not read that section, but I do have some concerns. So I will go and study that and share my concerns in an email. Because I do remember that it was, there were restrictions about what kind of things could be done and we specifically exempted the Civic Center because it sort of buffered. So we were trying to be respectful and sensitive to the downtown businesses along the canal bank, when we did the, when we did the special events ordinance, and I'm concerned there may be restrictions that may not be appropriate for the Civic Center. So I will take a look.

Brent Stockwell: Vice Mayor Milhaven, and Mayor, and City Council. We can highlight that again when this comes back for, but there wasn't anything there that seemed to be problematic. So.....

Vice Mayor Milhaven: Thank you. That's good to know.

[Time: 01:23:09]

Mayor Lane: You know, just to tag on to that, I would share the same concern. And I realize you may have looked at it and it didn't seem like there was anything problematic. I just knew that we were, we were attending to a very specific requirement in the area and there may be some among us that maybe think that it went just a little bit too far in what it did and in the sense of cutting down some of the events that were very popular, but nevertheless, be that as it is. I think it's important that we don't create any further restrictions on what has been proven to be very successful in the area. And that's I actually brought up the issue of the fee programming contained within and whether or not it was consistent. And apparently it is.

Karen Churchard: I wanted to mention that the special events ordinance really does give some parameters as to what constitutes a special event, and gives us some things to look at, or historical, cultural arts, these types of things. As Brent pointed out, we really are specifying the setup and the time frames and the take down time frames. That's not currently in the special events ordinance. So this furthers that portion of it, but I don't believe that this would cause, having them look at the special events ordinance would cause any harm to the current way that we use the Civic Center.

Mayor Lane: No, and I appreciate what you are saying there, because think those are important components, particularly when they shut down our parking lot on Thursday. But anyway..... No, I think it is important to have that kind of administrative kind of guidance on the use of it. Any other comments on this? Did we give some reasonable guidance as far as the things that are concerned and maybe look for some greater clarification next time we look at this?

Karen Churchard: Great.

Mayor Lane: All right. Well, thank you very much for that presentation. Excuse me for just a minute.

**ITEM 2 - POTENTIAL GENERAL OBLIGATION BOND 2019 PROGRAM**

[Time: 01:25:40]

Mayor Lane: Moving right along to our second item in the Work Study session today, the Potential General Obligation Bond 2019 Program, and our presenters are Jeff Nichols our is city treasurer and Erin Walsh, our public information officer. Yes? No? Follow-up.

City Treasurer Jeff Nichols: I think I will be giving the first part of the presentation and then I will be turning it over to Mr. Lipinski.

Mayor Lane: Oh, I see.

Jeff Nichols: Instead of Ms. Walsh.

Mayor Lane: Okay. Very good.

[Time: 01:26:14]

Jeff Nichols: So to begin the presentation on the general obligation bond program, I want to talk about some of the financial considerations we give, the bonding capacity considerations and the state statute limitations, we will go through rating agency evaluations and the taxpayer impacts. So most of you know, or as you note, there are bonding improvements that directly impact citizens lives. You have more capacity in that regard, the 20%. The way I like to look at this, the 20% that impacts citizens, the police, the fire, the libraries, the things they may use on a daily basis.

The 6% outside of the sports facilities are for facilities like this building or across the street, one Civic Center, more administrative in nature and the citizens may or may not use those facilities from time to time. Looking at the 6% capacity currently, we have a total of \$14.4 million worth of bonds outstanding. And we have a capacity of 433 million. So we have approximately 97% of our capacity in the 6% category. Some of that is due to the fact that even in the years that we were having high success in getting bond questions passed, the bonds in this category were not passed. These are more difficult because people don't use the facilities that we finance with these type of bond

improvements. When you look at the total 20% capacity, you see there we have G.O. bonds outstanding of \$511 million.

One thing I want to point out to you is a portion of that \$511 million, \$314 million of it is G.O. bonds issued to purchase land within the Preserve. Those bonds are not being repaid with secondary property taxes. So it's not affecting the secondary property tax rate. They are being repaid with the two tranches in the Preserve sales tax. And so we have a legal opinion that because they are general obligation bonds, they do count against our capacity, even though we have another funding source to repay those bonds. So the rating evaluations as you and the audience can see, we have A.A.A. ratings from all three rating agencies.

One thing I would like to point out is there's only 30 municipalities in the United States that have this three ratings from these agencies. Two being in Arizona, us and the city of Chandler. So we are in very good company in that regard. And so ratings really assist us in getting the best value on our bonds with we go to the market to sell them. We pay a lot less in interest costs because we have those ratings. This rating agency evaluations, the things they look at, I would like to look at the top tier, the management practices and the fiscal operations and the reserves. Really what they are talking about here are the financial policies, what staff brings forward to Council for their contribution and what Council adopts every year.

[Time: 01:29:49]

And we have them in the area, although they say financial policies they are operating management, capital management, we have them for debt management, reserve management, and financial reporting. And these policies that you all adopt every year are really talked about every time I met with bond rating agencies, they talk about the fact that we have these and that we follow these. And so definitely adds to our favorable ratings. And when we talk about a deep and diverse economic base, I believe it's just because Scottsdale is a great place to do business and businesses recognize that. And they want to do business in Scottsdale because they are successful when they are doing business in Scottsdale. And, again, some of that is related to the Council's policies and general plan and a whole host of other issues that come before the Council, but obviously, like doing business within the city of Scottsdale.

This slide on the property taxes, what I really wanted to point out and note which is critical, the city's secondary and primary property tax accounts for only 11 cents of every dollar of property tax that someone pays to the county. And of that, the primary goes to the operating funds of the city, the General Fund, to pay for things like police, fire, again, parks and libraries. Things of that nature. The secondary tax rate is actually a tax rate that's approved by voters. I mean, they tax themselves. They agree to the improvements and us issuing bonds to fund those improvements and so they agree to tax themselves. And I think that's pretty telling when you think about it.

When we look at \$350 million G.O. bond issuance, what I really want to note here is there actually would not be an increase in the current taxes that homeowners pay. And not only that, but after a few years, they will go down. You see there in the fourth year of this chart, we are paying off a

considerable portion of our outstanding debt and that will have a positive impact on our rates as far as it being reduced. And at last, the property tax rate comparison, and really what I want to note here, which I think is joust standing, there's only two communities out of the ones that we compare ourselves to, who have lower overall combined tax rates, and both of those communities do not have a primary property tax.

The city of Mesa has utilities that they transfer from those Enterprise funds or those utilities to fund their General Fund operations. The city does not do that, and then you have Gilbert and I think a lot of it is based on the growth within Gilbert that they are experiencing right now. They have a lot of room to continue to grow. What I would like to focus on also is the secondary tax rate, the items in green. So when you look at this, we do have the lowest rate of anyone in the secondary property tax rate. The next lowest rate is a full, the city of Phoenix's 44% higher than our rate. And the very highest one, when you look at Glendale, they are 170% greater than our secondary tax rate. We have a lot of room within this rate to fund the bond program, without impacting our current residents and our businesses. And with that, I would take any questions on this portion of the presentation. And if there are none, I would invite up Mr. Lipinski.

Mayor Lane: Seeing none, thank you very much.

Jeff Nichols: Thank you, Mr. Mayor.

[Time: 01:34:05]

Public Information Officer Erin Walsh: Good evening Mayor Lane, Mr. Lipinski and I are going to tag team this just so there's no confusion. The first thing we would like to do is go over a lot of what the CIP subcommittee did, the Council subcommittee and then we will be prepared to answer any questions on potential questions, groupings and individual projects. So the City Council CIP subcommittee began meeting in January and their initial meeting staff brought them 145 projects totaling \$730 million. Over the last few months they whittled that number down to the proposal you see before you today.

One milestone that we would like to note between that is the, at the end of the February, we did take 67 projects totaling \$436 million out to the community, and asked them what they believed were important, so that is another milestone. The subcommittee further took that number down to the number of projects down to what you see before you today, which is 59 projects for \$349.1 million. How did we get there? They funded a number of those projects through the fiscal year '19-'20 CIP

They further removed a great deal of the transportation and stormwater projects due to other funding sources. Finally, they looked at the public outreach process and they eliminated projects based on the level of support. Anything that fell below 50%, they took out of the program. Their last meeting was on March 18<sup>th</sup> where they unanimously recommended that the Council consider a bond election.

So let's talk about the public outreach and how we can use it as a tool. We had a three-week public

outreach period. It was February 19<sup>th</sup> through March 12<sup>th</sup>, which was three weeks. During that time, we held six open houses and had a total of 211 attendees. But that's not all we did. We have did a great deal of publicity that and drove our online engage. We had a website set up with every single project, descriptions, budget amounts and photos where we had them and the ability for people to give us feedback on each individual project. We asked our residents and businesses, is this a priority? Is it not a priority or they could also answer I'm not sure if this project is a priority. We also had an open area where they could comment and leave whatever feedback they wanted to.

Using that tutorial, we had over 10,900 page views. They clicked on it over 10,000 times. That was over 5,000 individual users. Some people obviously went back to the information, more than once but we can't tie it down to over 5,000 individual entries. All of that is summarized in this book which I believe you all received. We had over 4,000 individual responses to that question. Is this project a priority? Is this project not a priority or I don't know? Furthermore, we had 975 Public Comments where people took the time to individually go in and write a comment on an individual project. And those are all summarized here as well.

While we did have a great deal of public participation, I want to say it's not statistically valid. It's a tool and it was best we could do to turn it around in three weeks with what we had. It was a definite option to use it as a decision-making tool. I wanted to throw that out there as well. We also tried to summarize a great deal of this data in the spreadsheets you were presented. With I can briefly go over it. These are all the project headings at the top. You have the project number, the project grouping and the project title. It also has a public summary outreach so that all the information is on one spreadsheet for you. At this point, the subcommittee asked us to also look at potential groupings for the bond election. We brought forward two options. The first of which is Scottsdale One. This project, this grouping included all the projects where public support was over 50%. And one additional project, which is building multi use support feels in the area of Bell Road to generate revenue and create event parking.

What we have done here is broken down this question by the level of support. So if you look at everything over 50% which is the in the purple at the bottom, which totaled \$349.1 million. If you want to look at where that public support has come in, we see how many received 80%, 70% and 60% and that is the number of people saying this project is a priority. That's what that number is.

Mayor Lane: Councilwoman Korte?

[Time: 01:39:15]

Councilmember Korte: Thank you, Mayor. So this public outreach as you said is not statistically valid, right? So why was it used to sort out projects?

Erin Walsh: After talking to the subcommittee and presenting the information that we had, this was the best tool that we had to move the process forward. It's a tool to be used when considering what to do, but it's not the end all, be all. The subcommittee looked at the data. They knew that it wasn't statistically valid and they thought as a starting point for the conversation, anything that didn't



receive over 50%, support through the outreach process, that was a good starting point for the conversation.

Councilmember Korte: Thank you.

Mayor Lane: May I just add to that, that obviously, we haven't done this in the past, and frankly, this goes beyond what the CIP subcommittee has done individually themselves. And so with the first rung on this ladder in stepping up to this. And yet though it's not scientifically a random sample of any sort that is firmly indicative, it's an indication of things. It's important to provide that outreach to the public and I know we made every effort to make that available. People know and we do know that a number of people attended and frankly daughter their attention and frankly, a lot was communicated. I wouldn't want to minimize what this effort was really intended to do. I think the CIP subcommittees, I think it was a great decision to bring it out there and do just exactly that. I think though it's not scientific, it should hold some validity.

[Time: 01:41:13]

Erin Walsh: These numbers are just the percentage of people would said this is a priority. This is not a priority. We don't know if this should be a priority. What this doesn't capture is the 975 Public Comments. You know that wasn't up to staff to interpret what those meant. We gave those to you verbatim to also be used as a tool so that's not included in this number as well. Again, it's a starting point.

Mayor Lane: Yeah. Yes. Go ahead.

[Time: 01:41:40]

Councilwoman Klapp: 67 projects went out and 59 are on the list. So we didn't eliminate a lot. We just eliminated the ones we felt didn't have enough support to put on the list. So there's still a lot here to be digested and see if the rest of Council agrees with the list that's remaining.

Mayor Lane: Thank you, Councilwoman. Please go ahead.

Erin Walsh: The subcommittee asked that we present the second option and they went as far as to help us name those. Here we have three project groupings as option two. This includes all the projects where this project should be a priority. It was over 50%. It's the same number of projects in the original grouping we just talked about. The projects are divided into three categories, neighborhood enhancements, community safety and well-being and cultural facilities preservation. Again, these are sorted by level of support as the starting point in the conversation.

If you look at the purple line, you can see the number of projects and the dollar total that would be in each question, starting with neighborhood enhancements would have 17 projects for \$137 million, community safety and well-being would have 34 projects at \$173 million, and cultural facilities preservation would have seven projects at 38 merchandise. The other colors are there. So you can

see how the data breaks down and you can use that was a tool in the discussion tonight.

The next slides, we can go through really quickly and use once we get into a more detailed conversation, but it breaks down each of the three groupings and lists each of the projects that would be contained in it, starting with neighborhood enhancements, community safety and well-being, and cultural facilities preservation. The other thing the subcommittee asked us to have on hand for your conversation was some of our history and what is passed and what hasn't. So we can look at some of the more traditional bond titles that the city has used over the years. We will start with bond 2000.

There are nine questions and six passed and three failed. We used library and park improvements, neighborhood flood control and so on. We did the same thing for streets transportation improvement and drainage facilities which did not pass as well. 2013 we had four questions, none of which passed and then the most recent election in 2015 where we had six questions for the community, and two of them passed. And that brings us to our proposed timeline. Tonight, we are really here to kind of dive into the depth of this and determine what projects could be included in the program, and also get a feel for how Council would like to have them grouped. We could come back to you at the April 2<sup>nd</sup> Council meeting, which is a week from tonight, if you give us direction on how to present the groupings and the final dollar amounts. And then potentially, the soonest you would call the election is two weeks later on April 16<sup>th</sup>. I believe the subcommittee moved forward with this timeline because they wanted to get this done when the greatest amount of our residents was here and this was also timing that the clerk, you know, a lot goes into calling an election and if you have specific questions on that, we can get into it. But this would be the most aggressive timeline moving this forward.

Mayor Lane: All right. Thank you.

Erin Walsh: Absolutely.

Mayor Lane: Anything further to impart, David?

Erin Walsh: No, at this time, we can open it up for discussion and questions.

Mayor Lane: Yes, Councilwoman Korte.

[Time: 01:45:37]

Councilmember Korte: Thank you, Mayor. I have several questions. So bear with me. So on project number one on the Civic Center Plaza renovation, what does that include? Does that include big vision as proposed by our Scottsdale Arts president and C.E.O. or is that minimal renovation to get us to the Super Bowl in 2023?

City Engineer Dave Lipinski: Councilwoman Korte, the number you have about you is based on the master plan brought before Council earlier this year.

Councilmember Korte: Okay.

Dave Lipinski: So it does have the larger vision, the reconstruction of the entire mall, and addresses everything within the mall itself.

Councilmember Korte: Okay.

Dave Lipinski: I don't know about the grand vision, but it does have the amphitheater and what was in the master plan.

Councilmember Korte: I'm not sure if it has the grand vision amphitheater but it does have an alcove. I question whether our visions have come together on that particular item in the budget sense, so that's, so I request question that and would like for you to take a look at that. Second, on project number three, the flood control and the Reata Pass, does that include, so that's flood control from Pinnacle Peak all the way down. I know that there were several different renditions of how we were going to accomplish that flood control, which it was a concrete ditch, or it was a buried channel to maintain the pristine nature of that wash, so which one does that, the value of that, which one is that?

[Time: 01:47:50]

Dave Lipinski: Councilwoman Korte, the 47, I believe it's the \$47 million that's in here. That takes into account being kind of the middle road. It's a combination of all the above. A lot of it is grouted rip rap channels and some box cover on the north end where we are constrained by cross section. I believe it was the B. option.

Councilmember Korte: I only ask because there was many citizens concerned about the way we were going to channelize the upper portion of that wash.

Mayor Lane: Ashley, did you want to address that?

[Time: 01:48:30]

Drainage/Flood Control Program Manager Ashley Couch: Sure. Mayor Lane and Councilwoman Korte, the, we are only in preliminary design right now. We are taking it to 30%. So this is, the project is a work in progress. Right now the concept is a, for about seven lots up at the very north end, near Pinnacle Peak Road, we have constrained rights of way there. We have a mountain on the east side and tennis courts and stables and the like on the west side. And so in that area, we are looking at potentially a u-shaped channel with concrete walls on the side because that's not aesthetically appealing as we would ordinarily like. We plan to heavily landscape it on both sides to create a visual buffer, but there's really not enough right-of-way there.

There's just not room to make it as natural as we would like it to look, but as soon as we get past about those first six or seven lots, then it widens out. And the plan is to construct revetments to control against erosion and scour, armoring basically and then cover that with sacrificial soil and revegetate it

so it looks natural, and if you want to see what the proposed channel will look like, you can go to the Legacy Boulevard bridge and look upstream or downstream, there's a path that goes up and down the wash in that location. And that's an area where the master plan community of D.C. Ranch has already constructed a channel that will be substantially similar and what the areas we will improve.

Councilmember Korte: Thank you for that. I would like to move on, but I believe it's important that we shall we say, honor that wash and viewpoints of those residents and so if we can take a look at that and speak more with the residents before we do a final design, it would be great. Thank you.

On project number 9, the fiber optic infrastructure said that it installed to reduce operating costs, but the spreadsheet doesn't include any reduction of operating costs. Which I found to be an anomaly with several of the projects particularly when we get down to WestWorld projects, that when you say reduce operating costs, sometimes you have included the revenue impact and the operating costs impact and sometimes you haven't.

[Time: 01:51:40]

Then I have a question on number 21, which was actually eliminated from this list because of this unscientific poll, the Via Linda Senior Center was cut from the list. I noted that 43% of the individuals polled for it versus 47% no. I would think that Via Linda Senior Center would be a priority of ours, given the nature of our demographics growing in that older, or more mature sector. So I would, whether we put this off to the end, but I think we should consider placing that back into the to-do list of the bonds. And I would request that. And I don't know how we want to, yes, somewhere if I can read this. 4.5, \$4.5 million.

Second, the WestWorld shade structure was eliminated too. That was number 49. \$543,000 with matching funds of another \$500,000. Again, the yes were 18 and the no was 15. A small number and nonscientific number but I would think that that shade structure would increase the revenue potential of WestWorld and, again that impact is not in the chart. So that would be another item I would like for the Council to consider.

Mayor Lane: What is that?

Councilmember Korte: Number 49.

Mayor Lane: And what was the total on that?

Councilmember Korte: \$543,544. And then, of course, I'm going to mention the anomaly to the process of elimination by including number 53 of the sports fields and the parking projects. Of \$47 million. Boy, that's a big number. Moving on to number 55, the number 55, Ashler Hills Park. Let's move on then.

So I know that we talked about eliminating some of the transportation projects because of other funding. We know that the 4.1% is funding a lot of transportation projects. One of projects that

was eliminated. This is a streetscape project from Indian Bend to Chaparral, and it's, it's a lot of money, but this is the gateway to our whole town and we are committed to our downtown and our Old Town and I would like this particular item to be considered in the bond measure because of its proximity to Old Town and being an important north gateway to that. \$14 million is a lot.

And then I questioned a couple of items that could possibly be removed and number 33, the Via Linda Police Station, I would like to have some discussion on the need for that at \$16.6 million. And then there's a new fire station or a replacement of a fire station at 90<sup>th</sup> and Via Linda for almost \$6 million and then I have some discussion on that too.

Mayor Lane: What was the number on the police station?

Councilmember Korte: Number 33 and number 34, the fire. Thank you, Mayor.

Mayor Lane: Thank you. Councilwoman. So a sum total of approximately 32, 38, \$38 million that you are talking about there? If we are not talking, and are you talking about removing the \$47 million for the sports fields and the parking?

Councilmember Korte: No. I just wanted to bring forth the amount. So we are all aware of the cost of that.

Mayor Lane: I'm just doing it in my head, of course, but, yeah, I think it's somewhere in the \$34 million. Somebody can get better than me, but that's just rough number.

Councilmember Korte: And I did not add up the increase.

Mayor Lane: That's what you are suggesting in any case. Two of those, you want some conversation. You are talking about here, because we will be giving some guidance on whether or not we want to do this. Who would want to respond to the, do I have them here sitting at the table or....

Time: [01:57:58]

Dave Lipinski: Mayor Lane, members of Council, we have all the divisions represented here tonight. If there's question in a specific category, we can bring people up as you move, whatever is best for you.

Mayor Lane: Well, I'm sorry on the police station. You know what, I got that wrong. On the police station and the fire station, there's a question was to whether they should be on the list. Yes. So there is a, there is, so forget that 34. So there is a different net as far as that is concerned. Just from the standpoint of looking at what we talk about the Via Linda Senior Center, the \$4.5 million, that is not on the list. Your suggestion, it should be back on the list, in spite of the fact that, and in the survey and frankly whatever review is done by the subcommittee, that it should be added back on?

Councilmember Korte: Yes, sir.

Mayor Lane: Would someone on the subcommittee like to speak to that?

Councilman Phillips: Yes. It looks like you want to include about another \$20 million, and maybe cover that by removing about \$22 million from the Via Linda police and fire station. Those two add up to about \$22 million. So it's almost a wash. So that's what she's looking at here.

Mayor Lane: So the net you are saying is a little bit.....

Councilman Phillips: What I would like to ask from staff and it might be from our treasurer is at what point can this bond go to, before it no longer is a net zero as far as the people's taxes go?

Jeff Nichols: Mr. Mayor, Councilman Phillips, we showed an example where we could have a \$450 million bond program and not impact taxes higher than they are today.

Councilman Phillips: Okay. 450 and we are at 350. So you are saying we could actually have another \$100 million to this and your taxes still won't go up. So that's obviously something to purview for the Council. My personal opinion is I wouldn't mind adding those but I wouldn't want to take out the police and the fire.

Mayor Lane: So you are saying on the Via Linda, and the shade structure at WestWorld, and....

Councilman Phillips: And the streetscape.

Mayor Lane: Oh, the streetscape, yes.

Councilman Phillips: I wouldn't be opposed to adding those, but I would be opposed to removing the other two.

Mayor Lane: Yes, Councilwoman.

[Time: 02:01:10]

Councilwoman Klapp: The specific one of the Via Linda Senior Center, I personally would love to have this on the list. But, and I think that Councilwoman Littlefield can also speak to this. We spent a lot of time at these meetings talking to people about all of these projects, and there was great enthusiasm about adding the adult day care at Granite Reef, which I was thrilled about that we could leave it on the list, but there was not as much enthusiasm in my discussions with people about Via Linda. I know the renovations need to be done, but because we had two Senior Center projects on the list, they picked the one they really wanted.

And so my thought process on this is as much as I would hate to leave this off the list, I would leave it off if I think that we would be jeopardizing the adult day care center. I mean, I'm picking between

two here and so I tried to take a look at what the comments were and this book gives you explicit explanation of the project, as well as all the comments that were made. And so when we had our final meeting, a reluctantly agreed that we should leave the Via Linda Center off. I have to sometimes take personal thoughts out of this and be realistic that it didn't get enough support in the comments and I realize this is not a statistically valid survey, but it's the best we can do. It's what we found after having six meetings and lots of people and lots of conversations with people, about the projects, and so my sense was that I was very happy that we could get enough support for the adult day care center.

So I picked between the two and the left the other one off, as far as the Reata Wash project that was just mentioned. Ashley had a fabulous display, I thought, of the Reata Wash. He didn't bring it today but he had a great one there, and it really showed exactly what every part of that system would look like and tagged the differences with pictures so that you know that up north there was this u-shaped culvert and the way the water would flow would change as you kept working your way down through the wash. And so he spent days, obviously, six different meetings explaining this to everybody who came by and I think once they saw the explanation of the project, it was much better understanding of why this was necessary.

I thought every department did a great job explaining their projects. It was a great cooperative team work event among all the departments to make these presentations. So me, finding out what people say they want and don't want has to be considered. We can disregard it if we want but we have to consider what the comments were and how many people supported the project. And, of course, we have the ability to add more to this list but we have to look at what the total should be and also whether or not some of the projects are suggested to be removed, which got you know, good support from the people who came to the meeting.

So should we remove them, is a question. I think there has to be a way to make some judgment calls on these and the best way to look at, at least 50% were in support of the project, before we put them on the list except the one project, which is the parking. At our discussion at the last meeting, we talked about the fact that we really think the project was mislabeled, that it was called a \$47 million parking project, and people walked through and said, oh, my God, why do we want to spend \$47 million at WestWorld, and that's why the description has been changed. It's a sports field project, with some parking. So really more of something else, and yes there's parking included but there's more sports fields than anything. That's the reason why this project is on the list because we believed there was a misunderstanding as to what the project was.

Mayor Lane: Thank you, Councilwoman. Councilwoman Littlefield.

[Time: 02:06:14]

Councilwoman Littlefield: Thank you, Mayor. I was on the subcommittee also, and I have spent a great deal of time and energy on this. I think it's very important to the city, but I think that if we don't do this right, we are going to have another failure. So I looked at it from that point of view and how can we make it work. And that's one of the reasons why we all agreed those that were the most

liked, from the open houses that they should be have the priority because they are the most likely to get them. I made some sheets here and I will pass them out if you will indulge me, and I have some for you too.

How is that? I came at this looking at the history of our previous bonds. And saying, oops! We got to do better than. I was, first of all, I got to say I was so impressed with staff. They went above and beyond for all of us, for the three of us. They did the presentations, they had everything ready, and they open housed things that they did, the showmanship, and the designs and the boards and the explanations and the people that were there, absolutely astonishing. As fast as that went together and as fast as it went through, and all of the different meetings, even the one that ended up in the snow, I mean, it was really tremendous! And I would like to give a great deal of thanks to the staff for putting this together for us and for holding these open houses. I think it was tremendous.

And everybody I talked to, I went to every open house at least for a few minutes. Everybody I talked to that went there to see what it was, were very, very happy to have the opportunity to ask questions, to talk with staff, to give their opinion and to go back then to the computer and ask more questions and give their responses. So I think it was successful. I think it was successful beyond what I anticipated and I would like to thank all of our citizens for being a part of that success and for giving their input.

What I have done here is I went back and said, okay, what did we do before? Okay? We had categories for items and I made some of the same categories in this. There were four of them here. I had it divided by information technology, infrastructure, parks and recreation and public safety. I since have looked at this and said, maybe three is a better number. Actually, Mr. Thompson says maybe three is a better number. So we were going three four, three four, four three, and I said okay. We'll do it your way.

[Time: 02:09:58]

My suggestion would be to take the information technology items and put them in with public safety because we have had some issues with our technologies that does apply to public safety in our workplace and for all of our citizens that have data in our systems. So I think that public safety is appropriate for that. Infrastructure carries a lot of different things from a lot of different areas of town. Parks and rec, we are all familiar. People know what they are when they look at them.

I had a couple of other changes also I have been from the first moment which probably all of you know, very unhappy about the Reata Wash flood plan. It's expensive. And one of my criteria for bond package, for a bond project is that it has value to all of the citizens that are going to pay into it. That they all get something back as a return and the Reata Wash does not. There are 46 structures in the Reata Wash, homes, businesses, et cetera. They would get a direct benefit from having the Reata Pass done. Most of the people in Scottsdale would have none, but they wouldn't have a benefit if it goes on a bond.

First of all and my preferred suggestion is go to the folks that live there, and ask them to vote on doing



an improvement district. If they want to do this, they will tax themselves and they can get the Reata Wash built and eventually the flood control taxes that they have to pay now will go away once this is structured. So that would be something that they could do and we could do an improvement district and not have them on this. If they don't want to do it, if they are not willing to pay have this Reata Wash done, then why should we force the rest of the citizens to pay for it too? I don't think that's fair and I don't think it's right.

So the other suggestion with the Reata Wash is if you are unhappy with doing an improvement district or asking for a vote to be taken from those people who would benefit from it, then put it as a single line item on the bond and let the citizens of Scottsdale vote yes or no. Simple. If they are willing to cover the cost, and they are willing to pay for it, throughout all of Scottsdale, fine. But if they are not, they shouldn't be forced to because they won't have a total equal benefit. So that's my feeling on the Reata Wash issue.

[Time: 02:12:51]

The two items that are in the brown, those are things that were put on separately. The athletic field does not have a rating because of what Councilwoman Klapp said. The label that was put on this \$47 million was for parking lots. Well, there's nobody in their right mind that would have said yes. So you are sitting there going, you don't want to do that because that's not really what this project is. This project is for multiple athletic fields, soccer fields, for high quality fields in play, tournament condition, and they are going to be structured with all of the accompanying attributes.

They will have rest rooms. They will have lighting. They will have facilities. They will have fencing. They will have grass. They will have all the different things, the equipment that's needed and they will also have parking. The fields also will be constructed in such a way that they are going to have a double sanding underneath them, so that you can, they can be used also for parking, for WestWorld. So we are going to not have to pay extra to get all of the parking that we need for the WestWorld facility. I think it's a great win/win for Scottsdale.

We can have the soccer fields that are in high demand and we don't have enough of for tournament play soccer and we will get soccer fields that are built in such a way that they won't be destroyed if you use them for parking. So I support that. I think that's something that would be really, really good and to me, that's part of our infrastructure, rather than parks and rec. You can put it in parks and rec if you want to, but some of these are kind of iffy because I only had three sections.

Most of the people were very positive when I talked to them at the open houses. Most of them were very positive, some were are not. But most were. And I think the people who participated in this, they were happy to participate. I'm not sure that that's an overall feel for the entire community. It was a very good turnout, but there's a lot more than 5,000 people that will be going to the polls to vote on these bonds. We can add and subtract as needed. But use terms that you are familiar. With it doesn't have any meaning to our citizens.

[Time: 02:16:01]

I said, okay, we will go back to our older way of producing this stuff. Public safety. Parks and rec, infrastructure, folks know what those things are. And so they are much more likely to approach them with a month of a feeling of satisfaction that, yes, this is what we need to do. If we do take the flood control, the Reata Wash out and use an improvement district to see if the people want to do that, then it gives us more money if we want to do a \$350 million bond to replace the \$27 million with oh, projects such as what Councilwoman Korte suggested.

There are some other projects. I think the ones that the citizens liked, that they said they wanted, they had a pretty good grasp of what was needed throughout all of Scottsdale. I was impressed and these people came from all parts of Scottsdale. North, south, east, west, it was a full dynamic and it showed a great deal of understanding of our city and what the high priorities that are that they had. They were remarkably together on this. So that's what I have if anybody has any questions on what I have done here or why. This is my way of thinking on it.

[Time: 02:17:25]

Mayor Lane: Thank you, Councilwoman Littlefield. Let me just make a couple of comments on it as well. Obviously, the presentation of the parking vs. the parking or the sports field for overflow parking in that presentation did make a big difference in how this thing was perceived and frankly, how it might have been prioritized and I certainly agree with you. And, of course, you know we did change that after the fact. But it wasn't available at the time the surveys are were being taken out there with the folks out there.

My experience was much the same as far as the extension and I don't think of this as so much of a survey as I do think of this as an extension. We really have not ever done this before, and that's to have these kinds of meetings of outreach after a subcommittee or any committee goes through this process. We put it on whatever is decided is put on the ballot, ultimately the public votes on this. I mean, they can vote on it. The development of the different categories, I may take a small exception with that, maybe taking it back down to three, I think is a good idea. But the bundling of them, I really haven't had an opportunity to review what you have got here, versus the way we had them bundled. The end result is same.

Councilwoman Littlefield: I put all the same projects that the subcommittee approved, except there's one extra project that was not on any of these forms and that is a fire truck that was brought before the subcommittee so about \$900,000, that they needed for the airport, and it's a class 4, and the subcommittee said, yeah, we will put that on. It actually just.....

Mayor Lane: Put it on the CIP

Councilwoman Littlefield: So that is on here. It's the last item on the list under public safety, and there's no rating because it wasn't on any of the open house issues.

Mayor Lane: Yeah. Yes. But let me just, please, hold your thought, but let me just, on the, well,

number one, on the sports fields, I wanted to make that comment and I think that you are right on as far as that is concerned. The categorization, I would reserve some judgment on that, as well as the fire truck. And I know that Councilwoman would like to speak on this too. But on the Reata Pass, this is a fairly significant departure than the way the city has operated in the past. Theoretically and conceptually, I agree with you as far as a private assessment on it, but this is an element that not only just affects the people that are abutting it, it affects everybody downstream. And a great deal of concern of having it completed.

In fact, it causes us problems, I'm not sure when you were on the Council, when we had the lawsuit and the perimeter center as a result of the inaction in this area. And we are in a drought. It was a period of time when we were in a drought. So I'm a little concerned about that, because a rejection of just by virtue of its size and difficulty of determining whether it is to their benefit or to the entire city's benefit. It's a lot like our Indian Bend Wash. There wasn't a private assessment on that either. And the folks that are abutting it certainly benefited from it, from the standpoint their property was more secure and thus their evaluations were better, but nevertheless, the entire city benefited from that. You could put it to a number of other projects that really affect the city-wide all the way across. So I'm a little concerned about that. I notice you didn't take the amount out.

Councilwoman Littlefield: No, I put everything in that the CIP subcommittee....

[Time: 02:21:11]

Mayor Lane: You have it off from other sources a couple of items and that's one of them. I don't know whether you spoke towards the replacing, I'm sorry is that replacing the document management system? No, that is install fiber optic infrastructure to reduce operating costs. You set that aside or at least a certain portion of that to other sources on your list. I don't think you spoke towards that. But the 6 million 332 is slated from other sources. Was that intended?

Councilwoman Littlefield: Yes, that's something that the staff gave to us that had other sources of dedicated money.

Mayor Lane: Oh, I see. That's already into the equation.

Councilwoman Littlefield: Yes.

Mayor Lane: Okay. Very good. But that will be, the only concern I have on that is the realization of those 4600 homeowners as to whether or not they feel whether it benefits the rest of the town or the rest of the town will be flooded because of the directional, or the lack of directional intent in that floodplain. So those are the two items, and frankly, conceptually, I'm with you, as far as the private assessment on some of these things, but we just haven't done much of it in the past, other than under grounding electric lines which is always a little bit of a struggle too. Nonetheless, it actually more specifically to the area of the folks for the people that are in it. With that, if you don't mind, I will ask.....

[Time: 02:22:54]

Councilwoman Klapp: I want to make a quick comment. In the meeting we had, we actually were going to move that fire truck to the five-year CIP and not put it on the bond list. So we moved it up in the priority, off the bond list. Probably not, it probably would be the second year, I believe, Jeff. But second year. So it would be funded in 2021 in the five-year CIP so it doesn't need to be on this list. But we did agree it needs to be moved and we moved it up because of the timing of getting the truck ordered.

Mayor Lane: And ultimately, the airport should pay for that truck. And I think it would be appropriate for it to be, which is an Enterprise for anybody would understand it and becomes part of their cost base but nevertheless, I believe that's a good place from different funding for it than on the bond. Well, I'm sorry do you have any other comments?

Councilwoman Klapp: I wanted to clarify that.

Mayor Lane: Councilman Phillips.

[Time: 02:23:54]

Councilman Phillips: Yes, I was going to bring that up too. I will say if Council will go for three questions, I guess it is, this is a good way to group it. You know, I appreciate the effort you put into that. This would be a good way to group it. However, the flood control structure, you are basically asking to make that a fourth question. I think if we did that, that would pretty much ensure that it wouldn't pass. Asking the residents to have some kind of improvement district or something like that, that's going to take a year. I mean we didn't have time to even ask them that. So I think we need to leave that in there.

You know, sometimes, you know, if there's projects, I mean, you look at the federal budget and it comes across and you go, what is this \$70 trillion for this. Look at all of this pork in there. Well, the pork is in there because it won't get passed otherwise, but those are needed by certain senators or whoever, for their hometown and they need to get their projects in there. So you get those in there. So, you know, when I was looking at it when you talked to the subcommittee, I made the comment that I said, I'm starting to look at it as maybe one question isn't so bad after all. Because when you look at the unofficial results, however you want to look at it and you look at all the comments and stuff, it's generally noted that everybody is for this bond. All of these top projects, they are all for it. They are all suggested or needed. If it looks like everybody is for it and, like everybody is for it and vote for it.

Why split it up. If there's no question, they would say I'm not really for that one but I will vote for these others. If you break it up into separate questions then they can say I was really for these and I don't really care about these other ones. I will vote for this one but not for that one. And then the other thing is, there are certain entities who are planning on contributing to this bond. And contributing as far as promoting it, you know, doing signs, running ads, whatever they want to do, to

promote it. They are doing that because there's certain projects in here that are a benefit to them, but the fact is they are willing to promote it. If you separate these, and two of these questions get promoted and the third one doesn't, then people might think, well, it looks like everybody is for these two but not that one. So I will vote for those two.

So I think that's another added problem as far as separating it. I was never for one question before, but I'm kind of leaning in that direction now because I feel like the public really wants this bond. And I feel like if they really want it, let's just give it to them. So that's my feeling. I mentioned earlier, Councilwoman Korte's suggestions if she wants to add those in, I think we easily have room for that, but, again, I wouldn't remove the other two.

[Time: 02:26:51]

Mayor Lane: Thank you, Councilman. You know, I think one of the things that Councilwoman Littlefield mentioned too, the effort by the subcommittee, and I respect what you have done and absolutely want to say that I think you did an excellent job of reviewing yourselves and then also even the idea of extending out to the population scientific or not scientific is you get an extension of thought, it's like having a commission of sorts, but with many hundreds of people weighing in on it and hopefully they became educated and my experience was that an awful lot of people became aware of a lot of things they were not aware of and the importance and how to run a city.

So I think that it was a very positive, I think it had a positive impact and was received very, very well. And so the suggestion too from the subcommittee to follow that course, I think was a good one. So I appreciate all of that effort. But the one thing you said, that I think is important for us to consider here, and that's that the effort is to cut off the line on failures of general obligation bonds which I personally feel is the most democratic way in order to put something to the voters to vote on something. Projects in one question or many questions with an understanding of these are capital projects. They are automatically sunsetted once the project is done and that's how it filters in from the debt from the previous retiring and pick up what we need in a current day. It's an ongoing solution.

It's like a reverse amortization kind of schedule, as buildings get older and maybe are in need of it, the funds become available again for them or others. To refinance on. I think this is something that drove us, I think, collectively as a Council but also as a subcommittee. To make sure we were not, we are conscientious and considering what we are putting in this and we are not necessarily doing it just on the first flush.

[Time: 02:28:59]

Something comes to us, we accept it all and I, I had to get back to the schedule, but, you know, it's worth noting for everyone, started with \$739 million, and the subcommittee through their work reduced it to 47 projects at \$460 million and then through the survey, however you might want to gauge the quality of that survey, they did at least categorize and put it into a view of 59 projects that they were on a higher than 50% in most instances, given proper presentation maybe on the one item

we were talking about to 350 merchandise. Think that says an awful, just by continuing to upgrade our, our capital project and infrastructure. So I, I personally like what's on deck here. I know there are more comments to be had and some of the comments I think we need to rethink, possibly. I think overall process is very, very good. I want to say that for the sake of the CIP subcommittee as well, what they have done this point in time. With that, I know, Virginia, you had a couple of items you want to add or you want to speak to them or maybe others now. So let's, if that's the case, because, I know that Solange has been waiting a moment. Is it back to your.....

Councilmember Korte: Yes, it is.

Mayor Lane: That's okay. Yeah.

[Time: 02:30:45]

Councilmember Korte: So just, you know, let's just move, either move forward with these suggestions or not. And, again, it's the Via Linda Senior Center that was cut because 26 people said yes, and 28 people said no.

Mayor Lane: Well, let me ask a question.

Councilmember Korte: Yes, Mayor.

Mayor Lane: Obviously there's a police station and a fire station that you wanted to delete. Is there something that that's based upon?

Councilmember Korte: No, I was trying to keep within the \$350 million bond package, but if we got the bonding capacity to not raise taxes, so did, so I am with Councilman Phillips in maintaining the police station and the fire station within the bond measure. So I would like to then consider including the Via Linda Senior Center for a total of \$4,539,000, and to give direction to staff to include that. So looking for some support for that. I know we don't take votes but.....

Mayor Lane: No, and we don't take votes. And a consensus, certainly on that.

Councilmember Korte: Well, I thought I would do one at a time.

Mayor Lane: I'm sorry. Solange.

[Time: 02:32:23]

Councilwoman Whitehead: I just want to thank staff and the three, my three colleagues. I watched, I think every meeting but one. I have found them actually kind of exciting. They were really good meetings. When I did go to open houses, you just couldn't help but be proud. I mean, the staff, it was really amazing. And so we have cuts we would like to make and lots of questions. So we talked about how high we can go. I guess my question is: How low can we go? What is the

bottom number for a bond? No, for a bond. Where it makes sense to do a bond. Is there a number that you are like, oh, bonds have to be \$250,000? That's a question for Jeff.

Jeff Nichols: Well, I would just caution you that all of these bonds would not be issued at the same time.

Councilwoman Whitehead: Okay.

Jeff Nichols: In issuing bonds, there's effect cause for that issuance, somewhere in the issuance of 250 to \$300,000. So that's something to consider.

Councilwoman Whitehead: Okay. There's a lot of pressure internally here at the city to get this bond done quickly and get it on the November ballot. So I get that priority and I'm with you on that. But I can tell you the priority in the community that I hear, is not speed. It's about quality and it's about cost. And, I mean, I just think of the great recession we just went through, where we had to get rid of employees and we did, you know, three different taxes were raised just last year. I so I would say what we ultimately want is to hurry up and get this on the November bond, the November election and then have it pass.

And the best way to do that and also serve the priorities the constituents, is to make sure that it is lean and mean and every single project is something that the community can understand as a benefit to them, as something that makes them safer or makes their quality of life better or makes Scottsdale dazzle just a little bit more. So I just think we have to, otherwise, what I heard, when I asked people why didn't you vote for the bonds in the past couple of years, one the things that stood out to me, because I was held hostage. I was told in order to get this, I have to get this, which I really, really don't see value in. So I just, that's my cautionary tale. So I'm going to go, instead of going in order, I will make it hard for everybody and go kind of by what I see as the most expensive items and, and that I question.

[Time: 02:35:05]

So Reata Wash comes to mind. You know, community input, I think that's the first time, the Mayor just said that. I agree. People were really amazed that you guys opened house, but the people who showed up, I just want to be very clear, the people who showed up are kind of the people who will probably vote yes. We have to think about the people who didn't show up. That's really important. And then I also think community input really matters on some things like should we have more tennis courts? But it might not matter on things that are data driven. And Reata Wash is data driven. Yes, we are in a drought. But it rained, it rained, and then it snowed and snowed, and snowed, and we rained some more. So this is a great year to get data on Reata Wash and I have some specific questions because I could not find answers to those questions and I just feel that Reata Wash is the project that's going to make us possibly not get our bond passed. And so I just would rather see it get bumped out.

I don't think this, this year, I don't think there was anything that made it feel urgent to me. My

question is, how much damage this year did homeowners experience that wasn't covered by their flood insurance. And I want to know in the past 12 months, how many roads were closed and how much did this cost taxpayers? In this Reata Wash area. I want to know what were any other costs? What did we pay as taxpayers? Because this Reata Wash project was not done in the last 12 months. And then I want to know if these homeowners and business owners, they were advised that they were buying in a flood, a flood zone and they bought flood insurance, were there any exceptions to that? Are there property owners out there who were not told and have been impacted? So those are questions I feel they have to be answered before I would ever support this project being in the bond. So that's, it gets easier from here. Hi. Thank you.

Mayor Lane: Ashley, do you want to speak toward that?

[Time: 02:37:16]

Ashley Couch: If I do so now, I will remember the questions a lot better than later. Okay. I think the first question was how many people were flooded this year in Reata Wash floodplain? To my knowledge, there were about 12 structures that flooded. There were seven structures that came very close to flooding. We had two or three inches of mud in the Tom Thumb parking lot, and some other developments at 94<sup>th</sup> and Bell. This is nowhere near 100 year flood that we had this winter. It, or even last summer in October, was the one that caused the structural flooding. That was at best a five-year flood.

We didn't have a lot of data because of where the rain hit. It kind of missed the gauges, but there was about 4 feet of water flowing down Reata Wash. And so I know that a number of streets were closed during that flood. There was, they had to pull, there was a street operations department, actually had to mull some strand, pull some stranded vehicles out of the washes but there were three locations that were particularly problematic, but that was a very small event back in October.

None of the events we had this winter are really of any significance as far as comparison to the 100 year flood. So if we look back at the history the gauge data which I believe goes back about 30 years, the biggest flood that we had on Reata Wash was a 20-year flood. That was September 8<sup>th</sup> of 2014. That's the one that flooded about 150 houses down in Mesa and closed a bunch of freeways. That was about a 20-year flood and so we have not really been tested.

The 100 year flood for Reata Wash is about 35% more flow than the flow in the Colorado River through the Grand Canyon and three times as steep. So I would be reticent to make any deductions about the damage that occurred over the past year. And extrapolating that forward and saying well, because x was observed in the past year, therefore this project has merit or doesn't have merit. As far as, okay. I'm trying to remember. That's the first two questions.

[Time: 02:39:45]

Councilwoman Whitehead: The first question was how much did it cost those homeowners in addition, so how much did it cost those homeowners beyond their flood insurance?



Ashley Couch: I don't know the answer to that question. I will say that typically I see a lot of, I see a good number of flood claims and they are typically, 20, 40, 60, \$80,000, but I have seen \$250,000. There was one this summer that was over \$400,000 not in Reata Wash and then way up north in desert mountain, I saw one that was \$600,000.

Councilwoman Whitehead: But that's not Reata Wash. It's really not relevant to this discussion because I'm asking about Reata Wash. Is that above their insurance or is that what the insurance paid?

Ashley Couch: Those are just the claims. I can't really say how much was covered by insurance and how much was not. I don't have any specific data about these 12 houses that I know flooded this past year.

Councilwoman Whitehead: Okay. Thanks. The other question I asked was how much did the city, and I don't care if it's 12 months or five years since 2014, how much has the Reata Wash cost the city in terms of road closures or any other costs. How much have taxpayers paid because this project was not done?

Ashley Couch: I'm probably going to, I don't know the answer to that. I will have to defer to Dan Worth if he has an idea. Street operations department falls under public works.

[Time: 02:41:36]

Public Works Director Dan Worth: Budgeting back to our department was largely clearing debris that gets deposited on highways. I know we had two events this year and it was a mild year, actually on some of the roads just downstream from the apex, the Reata Pass Wash, it's probably two or \$3,000 an episode that it cost in manpower and equipment to get out there and clear the debris off the roadway after a flood.

Councilwoman Whitehead: Thank you. I don't know if you want to answer the third question, but I would just say that we have a 50 something million dollars project and we have a few thousand dollars worth of damage that we can come up with. You know, from a, in 50, I'm talking about the \$50 million because it's still our taxes. It's \$27 million of our city taxes and another \$27 million of county taxes. Well guess what, folks we pay that too. So I would just say that we don't quite have enough data, but if, if citizens see this number and I have been here 23 years now, and I'm not a meteorologist, but this is one of the rainiest years I ever experienced.

But I realize we are talking 100 year floods but I realize that there's no data to convince me to vote for this, and we got to get this whole bond passed. So to me, it makes me very nervous to have this, I don't think we lose anything by pushing it out. And I know there's concern that because we haven't passed a bond in 20 years that we will never pass a bond in 20 more years. I disagree with that, if we prove trustworthy and if we prove financially judicious with the tax dollars. We approved a tax last year. So I think, you know, we can push that off go ahead.

Ashley Couch: There's a lot of discussion about Reata Wash. I wanted to share some information that should hopefully help you make your decision about this. It's a big decision. I think my responsibility is to arm you with information to make the best decision, on behalf of the city. The first thing is we did do a benefit cost analysis during the first phase of preliminary design on this project, was a report that was accepted by the City Council about a year ago. The benefits of the project are in excess of \$300 million, when you consider first of all flood damage avoided and you consider flood insurance premiums which are mandatory, if you have a mortgage in the floodplain for 4,600 property owners, that's, the flood insurance premiums avoided by virtue of completion of the project. You add those two values together and it's over \$300 million and that was actually simplified analysis.

We only evaluated a 100 year flood. Those smaller floods also caused flood damage to buildings and so if we were to do a more robust benefit cost analysis, the benefits of \$300 million would actually go up and so the benefit cost ratio is very high. I would leave it to the Council's discretion how to package it, whether it included in a bond or whatever. That's really your decision, not mine. But the other thing is my personal observations during the six public involvement meetings what that, and first, let me go to the data, 66% of the people that expressed, that voted online he is that they did consider the Reata Wash project a priority. Personally, the people I spoke with, it was, I only spoke with six people who didn't support the project.

Now getting to Councilwoman Littlefield's point about whether it should be an improvement district or not. I think about a third, maybe a quarter of the individuals I spoke with wanted this paid for by an improvement district. The rest thought it was a good candidate for a general obligation bond. The water campus, the water and wastewater, the reclaimed water there, that is at risk of flooding in the 100-year-old flood according to very detailed two-dimensional models which we've done in the recent pass. We have a police station and we have roadways that close when the washes run in this area.

We have a proposed fire station within Crossroads East. So that, to me, those are benefits to 4,600 property owners and benefits the city at large. I do agree that there are greater benefits to the 4,600 residents who will be provided with 100 year flood protection as well as elimination of the mandatory flood insurance requirements should the project be completed but hopefully that's some good information that will help you make your decision, and if you have any further questions about this.

[Time: -2:46:44]

Councilwoman Whitehead: Well, I don't think I have any more questions just the observations that, again, the, you know the benefit analysis, I get it, but the reality that I see on the ground is there isn't, as a citizen, as a voter, there just haven't been substantial costs. I don't see a rush to do this today, and I think that we should evaluate it and I realize that there's benefits to saving flood insurance but there's a lot of flood insurance policies we could buy for that amount of money. So I worry. And this is something I share with my colleagues here. I worry that the people who told me they felt hostage when they looked at the questions and then they voted down the whole package, I worry this is our guy. This is it. And I just see it as not an immediate need.

We did have a very rainy year. We have had a couple of rainy years. I know it's not 100 year flood, but I think there's time to evaluate this project further and make sure that we are not spending \$52 million for something that maybe there's a better way. Maybe there's a different way. I just, I'm not comfortable with this project. So I'm pretty strong on that one. And I heard from other people. And, again, the people who came, if you say flooding, they are going to say, I want it. But this is the type of question where we have to rely on data not citizen inputs, but I have other questions and I want to move on. And I'm sure everybody wants me to move on.

[Time: 02:48:12]

So on the WestWorld, since I am doing the big numbers, the \$47 million, oh, my gosh! Can we get from staff, can we find out how many fields we're getting? I mean we need some, what I want to know is how many fields are we getting? Do we need, like, in the subcommittee I saw it broken down. We could, \$20 million, we could get the parking and the fields on the 40 acres of the 80 acres we own. Do we need the whole Kit Kat and caboodle. You could convert the McDowell Mountain Ranch soccer fields to parking lots and for \$20 million by WestWorld and then there was, that's what I got out of the subcommittee meeting. Is this \$47 million rigid? Is that the amount? Or can it be reduced? And how many soccer fields are we going to get and how many weeks are those soccer fields going to be soccer fields versus parking lots and is there any way to have a public/private partnership for payment of those parking spaces, for instance, if we, for a month of the year, there are parking spaces instead of soccer fields? Is there a fee that we can charge and not be a revenue stream to pay that portion? Those are my questions on the WestWorld.

You know, I'm hesitant when I look at all the WestWorld, I agree with Councilwoman Korte, if we are going to do the WestWorld projects we should include the shade but it's \$11 million of property taxes being raised for what seems to me to be a tourism venue and by tourism venue, I mean that if our taxpayers want to go inside, they have to pay a third party private, someone who is making a profit to go inside WestWorld. So I think I will be in the minority here, but I don't, I don't like to support raising property taxes for tourism venues. So that's just my cautionary note. But I think WestWorld, everybody appreciates it, including me. So that might not, you know, maybe, and then Ashler Hills, the \$9 million Senior Center, was that pulled out?

[Time: 02:50:41]

It was, thank you. No further questions. Item number one, the Civic Center Plaza, which I thought was okay, but boring name. How much is the event ready venue? That seems to me like something that also needs further evaluation. I don't know that we need, we are kind of hot a lot of times of the year. I didn't see any data to back up that we need an event ready venue so I wanted to know how much that would cost, the total bill.

Vice Mayor Milhaven: What number was that?

Councilwoman Whitehead: That was item one. It just says that there's an event ready venue.

That could be something that, you know, whatever, trim that one down a little bit. Okay. On parking there were two downtown parking, which I, there's number 63, which was, was parking for the courts. I can't remember what number that was.

Councilwoman Littlefield: 63.

Councilwoman Whitehead: The courts. There was parking for the courts. So I.... Number 15 and 63. I have no questions on 15, but number 63, where is this parking structure. How many spots are we getting and will it make Bob Pejman happy. Those are my three questions on that. If we spend \$22 million on downtown parking, does that mean that we don't spend proceeds if we sell the land for Museum Square? I mean, does this satisfy parking? So those are, because I just couldn't figure out how many, anyway, where are they? How many spots and are we done with downtown parking? Otherwise known as is Bob happy?

Let's see, number 23. On the green belt, can we put, oh, there's Kroy. Can we put in that contract the trees, everyone here agrees that we want to protect all the trees but I'm worried about the contractor not being in agreement with that. So can we actually put in that contract, because that was like number one at the fantastic open house that you guys did, but can we put in the contract that the trees cannot come down? I mean, under penalty of death? No penalty of something. Something that really holds the contractor to that, because if they get in a pinch where they think, well, it might be easier for us to pull down a tree, we need something that says this is not allowed per the contract. Is that possible? I see a nod.

[Time: 02:53:45]

Mayor Lane: It may be possible, but we are putting the horse, the cart before the horse on a lot of this.

Councilwoman Whitehead: Okay.

Mayor Lane: You have to get whether it's even funded.

Councilwoman Whitehead: Well, then that's fine. And then I agree with Councilwoman Korte on the Via Linda Senior Center and there were a few other projects that I thought warranted some consideration, you know, I don't know if I can do that, at this point, but there's some trail connections to the McDowell Sonoran Preserve that were bumped early on, a shared use path on Shea. That's the one that connects to Fountain Hills. There were a few. I just, and also, the sidewalk on Bell and 94<sup>th</sup> Street. We, let me explain that one. I brought it up before. We have a commitment, we will have a commitment with D.C. Ranch to build a sidewalk from Bell up to where the D.C. Ranch sidewalk starts. And we just never have. And what I have been told is we don't have the \$50,000 to do it but it's too small of an amount to include in the bond and that puts this project in a weird position where it just seems to not get done. So I just wanted to throw that out for a second time. I think that is, there's a lot of children in the area and it's really dangerous to not have that sidewalk there. The cars go really fast. So those are my comments. And questions.

[Time: 02:55:11]

Mayor Lane: Keep track of that because you will need to make a motion. Now pardon me. There was about to be one. And frankly, there's been some further comment, obviously, by Councilwoman Whitehead, as far as that is concerned, but if you were to frame that in your, your suggestions. And what I'm going to ask as you are about to do that, and did before, if there is some reason that the fire station and the police station should be put off, if there's some reason and some understanding that that's not a necessary item and it's, it's a more important element for this to have the Via Linda and some of those things that you are suggesting, I just wonder if there's any reason that we would want to consider that suggestion at least as it came to us initially?

Councilmember Korte: No, Mayor. I was, I was looking for some projects that could be put off to just a tradeoff. That's all.

Mayor Lane: Okay.

Councilmember Korte: So back to the motion to direct staff would be to add item number 21, the Via Linda Senior Center for \$4.539 million.

Mayor Lane: Motion made and seconded. This is to give guidance to staff on this item for ultimate presentation for a vote on it. So this is just guidance and there's a motion and a second. All those in favor please indicate by aye. Okay.

Councilwoman Whitehead: So these are just, I was under the understanding that we can't vote.

Mayor Lane: It sounds like we are voting but we are getting an idea of where Council is with regard to guidance to staff on this.

Councilmember Korte: Thank you. Then I would like to bring forward number 49, as an addition which is the WestWorld shade structure for \$543,000.

[Time: 02:57:33]

Vice Mayor Milhaven: I would like to comment.

Mayor Lane: Please go ahead.

Vice Mayor Milhaven: Since we do it one at a time. Number 45 through 52 are all WestWorld improvements for \$11 million. I think I agree with Councilwoman Whitehead that I don't know that I support asking taxpayers to pay for a tourism venue, right. It started out as a \$30 million project that morphed to a \$60 million project, and more add-ons, it's somewhere between 60 and \$70 million and now we are asking for another \$11 million. And it was only a little over a month ago that the city manager presented the business plan for WestWorld that would suggest we have opportunities for

additional revenue and so the citizens are already subsidizing WestWorld to the tune of 2 to \$4 million a year, depending on what you include or don't include in the cost to run WestWorld and so in my opinion, I think it is way premature for us to be considering adding this to a bond and I'm not sure that I agree that citizens should be paying for it any way.

I know I heard some of many I colleagues say special events venues don't pay for themselves but I think we can do a better job. The business plan says we can do a better job making money. And then I'm reminded when I was first elected to Council, the common belief among Councilmembers was the airport would always be a drain on the General Fund until we found someone doing an amazing job and it covers our own expenses. And so not only would I not want to add that, I would support removing all the WestWorld improvements that are left. I wanted to make my argument.

[Time: 02:59:29]

Mayor Lane: I hear you and I share a bit of that feeling too because in 2010, when the ballot language was changed on the bed tax dollars a full 25% was set aside by public vote, and promoting that with a positive vote, to use it for tourism infrastructure and it was an effort to move that off the shoulders of a general public and have tourism pay for itself. Certainly this shade is something I, I know you have probably maybe adverse to any kind of reinvestment in it. But nevertheless, it certainly is warranted to come from those funds as an alternative source of funding rather than a bond. And so as it relates to this item, I mean we are only, only? Anybody has it in their pocket, let me know but \$543,000. I would certainly.....

Vice Mayor Milhaven: It's an increase.....

Mayor Lane: Was yours a second, Vice Mayor?

Vice Mayor Milhaven: Absolutely not.

Councilwoman Klapp: She's against it.

Mayor Lane: All right. Okay. So you want, okay. I appreciate that. And so.....

Councilmember Korte: The only response I have to that, and I certainly agree that we put a lot of money into WestWorld. Though the, that shade structure is estimated to provide a revenue stream of an additional \$28,000 a year. Yeah, that's not decent R.O.I., but it certainly does expand the uses of that facility. And that's what we need is expanding the uses of that facility.

Mayor Lane: Okay. So is there a second then on that particular item as Council.....

Mayor Lane: All right. So there's a motion and a second, I think we are then ready to vote. All in favor please vote by aye.

Vice Mayor Milhaven: Nay.

Mayor Lane: I didn't get to that one yet. I think we had three. Okay. Those opposed.

Vice Mayor Milhaven: No.

Councilwoman Whitehead: No.

Mayor Lane: So D.O.A. We'll come back with that one. The next one you had is the....

Councilmember Korte: The last one I had was the number 65, the streetscape project from Indian Bend to Chaparral.

Mayor Lane: That was 14.

Councilmember Korte: Yes, \$14 million justifying that 20 people said yes and 16 said no but justifying it as really an important north gateway to our Old Town.

Mayor Lane: Okay. So that's a motion. Do you want to speak to it?

[Time: 03:02:28]

Councilwoman Klapp: These were four projects that we talked about together. They are all under grounding power lines along, along Scottsdale Road. And we were kind of hesitant to put it on the list in the first place. So we took it out to the residents to see what they want. And we didn't get very good response on it there either. The thought process, they are all kind of similar projects. I don't know how you pick out one over the area because every one of these areas somebody is going to think is important.

But when you start putting under grounding of power lines on a bond project, everybody says what about my area. I would like to have my power lines underground too. And so theoretically, these four projects to underground power lines didn't get very good response. I wouldn't recommend putting any of them on the list. And I think we did remove them all except for that one; is that correct? Or did we? Did we have 64, 5, 6 and 7 on the list still? So you are just wanting to add one back on? And I would not agree with that. I think they are all tied together and I wouldn't put any of those projects on the bond list.

Mayor Lane: Okay. So do I have a second to that motion?

Councilman Phillips: I believe, and staff can correct me, I think the city is already committed to under grounding those lines I guess where they are going to get the money....

Councilwoman Klapp: Okay that again.

Councilman Phillips: Are we committed to undergrounding those lines?

Councilwoman Klapp: On all four or just that one?

Councilman Phillips: The one on Indian Bend and Scottsdale Road.

Mayor Lane: Is it already funded?

Councilman Phillips: No, that's the problem. That's why it was originally on there. I'm bringing out a point of information.

Councilwoman Klapp: Was that in our materials?

Councilman Phillips: It's back when they did the big project. That was part of the deal that we made with them for the, for Paradise Valley.

Councilwoman Klapp: 65?

Mayor Lane: Mr. Worth, would you like to respond to that?

[Time: 03:04:39]

Dan Worth: Sure, Mayor. The Pomeroy project is the project that Councilman Phillips is referring to. We have a development agreement with the developer. They are going to do about, a little bit more than a quarter of a mile of under grounding from just south of Indian Bend Road to the southern edge of the project. And we have committed to give them some matching funds, the intent was to use some proceeds from the Bond 2000 that we had for streetscape. But that is pretty substantial development contribution. That's part of one of these. One of these shows undergrounding from Indian Bend south to Chaparral. So this is a part of that. A small part.

Councilwoman Klapp: How much have we said we would commit to that?

Dan Worth: \$750,000.

Councilwoman Klapp: So it's certainly not \$14 million.

Dan Worth: Not \$14 million.

Councilwoman Klapp: Okay. So we don't have any commitment of that sort for this project?

Dan Worth: Right. Correct.

Mayor Lane: Okay.

Councilman Phillips: I will still second it.



Mayor Lane: You have a second. So it then, no second on the....

Councilwoman Klapp: No, we do have a second.

Mayor Lane: We do have a second. This is on the, I'm sorry, the Indian Bend streetscape, the Indian Bend to Chaparral. On Scottsdale Road, \$14 million, and it's intended to add back \$14 million or add into. Okay. We have a motion and a second.

Councilwoman Whitehead: I want to add to that. If there's a desire to put these back on, can we put all of the projects on, on a separate question? That might be a way to do it. Rather than pick somebody's neighborhood and not somebody else's. You know?

[Time: 03:06:34]

Mayor Lane: So the motion is on the table to add back \$14 million on Indian Bend to Chaparral streetscape. All of those in favor please indicate by aye. All those opposed.

Mayor Lane: Okay. So that's not added back.

Councilmember Korte: And that's all I had.

Mayor Lane: Okay. So what we got is the one add back on the Via Linda Senior Center.

Councilmember Korte: Yes.

[Time: 03:07:15]

Councilwoman Klapp: Did you mention the project, was it 55 that I wrote down or did you just make a comment about it? I thought you were adding it back on. Good okay. Thank you.

Mayor Lane: Now you are saying 55 build the 17-acre.....

Councilmember Korte: I brushed over it thinking I had some.....

Mayor Lane: You are saying it's not on the overall list?

Councilwoman Klapp: No, we took it off.

Mayor Lane: Then Kathy, did you add it back? Yeah, Kathy's got it on her 55.

Councilmember: It is on the Scottsdale work list.

Councilwoman Klapp: Oh, the park was okay, excuse me. I think the people that weighed in on this,

they wanted the park but they didn't want the community center. They didn't want the community at Ashler Hills either. So we only have a park at Ashler Hills and that was okay. That was agreed on in our committee. They didn't want to have any one of the community centers.

Mayor Lane: The \$6 million on the 17-acre neighborhood park is just the park? Okay.

Mayor Lane: Solange, do you have yours in a sense of direction that we might.....

Councilwoman Whitehead: Sure. I have a question. You mentioned the Indian Bend Wash. Was that voted, when voters approved it, was it a separate question? Does anybody have that history?

Mayor Lane: The last time the desert green belt was voted on which is this project. It never went to the ballot I don't believe so. Was it desert green belt approved at the ballot? I don't think it made it to the ballot is anybody around who remembers?

Councilwoman Whitehead: But I'm talking about the existing green belt.

Mayor Lane: You are talking about the original green belt.

Councilwoman Whitehead: It was 1969. I knew it was voter approved. I thought it was more....

Councilwoman Whitehead: Okay.

Mayor Lane: That was a change in design as well, and that was....

[Time: 03:09:55]

Councilwoman Whitehead: Okay. So I guess my motion on Reata Wash then is to make it a separate question, which is probably how we did in the Indian Bend Wash. So my motion is to pull out Reata Wash and make it a separate question, its own question. So it doesn't impact any other project.

Mayor Lane: It's been moved and seconded. No further comment.

Councilwoman Littlefield: My biggest concern with that is it would cause the entire thing to go down, the question, if it's with other projects. So put it aside if people want it, fine. And if they don't, that's fine too.

Mayor Lane: Understand. And certainly, I think we are all in the camp that we want to make sure that we have the most securable kind of things but also those things that have been skated as a priority, as far as the subcommittee and what we had in this, and frankly the overall importance to the city as a whole. So, yes, and I certainly appreciate what you are saying and I share those concerns. We have a motion and this will be for guidance as to whether or not to remove it or from the overall bond package as it may be packaged and put it on a separate question. Okay? All those in favor

please indicate by aye. Opposed? It stays as it is. Okay. Do you want to, I'm sorry, Solange, did you want to continue or are you stunned?

Councilwoman Whitehead: So, again, I feel like this is being moved very, very quickly and all of my other items I need answers to, including, in fact, the Reata Wash. I mean, I still want answers to the questions that I posed and I can put those in writing.

Mayor Lane: Well, here what we are here to decide as a Council is to whether or not to decide the staff to go forward. This is the point in time to present that.

Councilwoman Whitehead: Yes, I guess my question to you, Mayor, is the questions.....

Mayor Lane: Incidentally, we are not making any decisions right here or right now. Things will change, or they may change.

[Time: 03:12:22]

Councilwoman Whitehead: So I, I'm not sure if I need to make a motion for this. I would like to make a motion that, I get that the parking structure that we identify where it is, number 63 on the list, and how many spots and if this negates the need for additional parking as discussed for Museum Square.

Mayor Lane: Well, do you want to move to have it removed at this point in time.

Vice Mayor Milhaven: If I could, could staff give us a little more detail about that project.

Mayor Lane: Very good. Thank you, Vice Mayor. Now, are there others that you might want to....

Councilwoman Whitehead: No, I think that's it.

Mayor Lane: All right, now, well, I'm just going from Council person to Council person right now.

Dan Worth: Mayor, I can add a little bit about that particular project.

Mayor Lane: Oh, okay. Very good. Right now.

[Time: 03:13:26]

Dan Worth: When staff put that project proposal together, they were looking at two particular locations and both locations were the potential of adding public parking in some proposed private developments one along 5<sup>th</sup> Avenue and the other is the Museum Square project. And at this point in time, there were a lot of questions about both, in fact we are hearing from the Museum Square developer that that's not really feasible at this point in time.

The subcommittee decided to keep that project in the mix, even if we wouldn't be able to build at the location that was originally envisioned because parking was such an important need in the downtown and the thought was that if this was support for a parking project, we would figure out where it was going to go, but at this point, we really don't. There are some possible locations that we have talked about in the past. The Sixth Avenue surface lot, Rose Garden loss and potentially some others but if we had approval, we would take a look at some of those assets and figure out where he needs to go with it.

Mayor Lane: The values placed on this, is there a number of spaces or is there some calculated number that is getting thrown into the mix with this?

Dan Worth: They were predicated on a certain number of spaces and structured below grade parking. And I can tell you it's roughly about \$60,000 a space is the numbers that we are getting from the developers as we talk to those whatever number of spaces equates to. But if we are going to build something else, I would be, you know, very hesitant to say that you are going to get the same number of parking spaces, depends on how you build them and where.

Mayor Lane: Councilwoman Whitehead.

[Time: 03:15:19]

Councilwoman Whitehead: Okay I'll make another motion. I see no, I asked our transportation director about the project. I don't see it on anybody's schedule and that's to add a \$50,000 sidewalk from Bell Road on 94<sup>th</sup> to connect to the DC Ranch sidewalk. It seems like it could be tucked in with some of the other projects.

Mayor Lane: That's not on the list, but..... Is that a motion?

Councilwoman Whitehead: That would be a motion. Thank you.

Councilwoman Littlefield: Could you repeat that motion.

Councilwoman Whitehead: The motion is to add to the list the sidewalk from Bell Road on 94<sup>th</sup> Street to connect to the DC Ranch sidewalk, it's an agreement we made with DC Ranch years ago. We haven't fulfilled that. I don't see it any schedule of, it's not part of the transportation tax so.....

Councilwoman Littlefield: Do you know about what the cost would be to do that?

Councilwoman Whitehead: \$50,000 is.....

Mayor Lane: I think the city manager weighed in on this, Mr. Thompson.

[Time: 03:16:40]

City Manager Jim Thompson: Mr. Mayor, it's, I wish I had a simple answer but I don't. I will take a few seconds here and share the \$50,000 sidewalk in question, I'm not aware of any agreements that exist. What was the discussion point was the request to have a sidewalk put in relative to access a school to the east in particular, across what we would consider undeveloped ground right now. That request was being considered by our transportation department as we have many requests for sidewalks and we have an annual amount noted for sidewalk improvement.

This year, and into a couple of future years, we took all the money out of the sidewalk improvement program and we moved it to fix the bridge which is right outside our door here today. And so that was one of the things where we took all the sidewalk money and we moved it to take care of our emergency structures via our two bridges that were failing and we informed them that we are not going to be moving forward with the sidewalk project because we had to take all of those funds and fix the emergency repairs. Across that property that is in question, the 80 acres or 81 acres for which the city owns which we're not certain where that the soccer fields will go and it's back to the question of the three different locations of the soccer field.

Some on the backside of WestWorld which is privately and publicly held land, I won't go into details discussion because there may be property acquisition. We looked at the 81 acres, potentially on the 81 acres, potentially locating additional soccer fields associated with that. But, again, until we decide what we are going to do with the 81 acres and otherwise the sidewalk construction was one of those that number one, we took the money out of our annual budget to repair the two bridges that were failing.

And then number two, that we would come back and reconsider it once we were able to replenish those funds from whatever method we had. I think number three associated with that, we wanted to make sure that either we, if we were selling off the 81 acres, if we were retaining the 81 acres or building soccer fields on the 81 acres that decision would be made and then we would make a determination as to the sidewalk. In addition, there could be road improvements or otherwise associated with that or there could be a partnership with the private sector to assist them, they would then have the crossing that would have to go across Bell Road and that's probably one of the projects removed which is 94<sup>th</sup> street improvements. That's been removed from the list and that would allow that sidewalk then to have access across the road to get to the schools that are located there.

Short of having improvements to that roadway on 94<sup>th</sup>, with would then be limited and placing additional pedestrians in an area that traditionally hasn't had pedestrian traffic. So it's more complex than just sending them forward and rather than add the 50,000 here, it's a minor amount but I think if it's added in the CIP worthy sidewalk transportation funding once it's reestablished and we pay back the bridge costs associated with the improvements to the bridge, and then putting it into the bond because it opened so many questions and so forth.

So I'm not against doing it. I know we want to go do it, there is a demand in DC Ranch for us to address that issue but with all the other things that associate with, then we would have go back and reconsider some of the other issues. And I would rather not do that at this point in time. Thank you.

[Time: 03:20:29]

Mayor Lane: Thank you, Mr. Thompson. I mean, simply put, I think he will put it well, but it is a bit complex, but the bottom line is \$50,000 has been shelved over to the bridges but we are looking at reimbursing. I think we actually asked the question about whether the reimbursement from those sources for rebuilding the bridges on a contingency bases whether those funds would go back to where they have been taken and I think that's what we just heard here too. So that's the plan.

Councilwoman Whitehead: Okay, I will withdraw my motion.

Councilwoman Littlefield: I will withdraw my second.

City Clerk Carolyn Jagger: Your Honor?

Mayor Lane: Yes.

[Time: 03:21:01]

Carolyn Jagger: I'm so sorry to interrupt, but we need to capture whenever there's a motion and votes we need to capture who voted in the affirmative, we have two that we were not able to capture those votes. The first one was on the Scottsdale Road streetscape project. Can you let us know who voted the affirmative and who voted in the negative and then the other one would be the removal? Reata Wash project.

Mayor Lane: I think they were both 4-3 but I don't remember exactly who voted which way.

Vice Mayor Milhaven: Then we will do it again.

Mayor Lane: Let's start with Reata pass. It was to take it and put it into a separate question. Mine was a nay.

Councilmember Korte: Nay.

Vice Mayor Milhaven: Nay.

Mayor Lane: Wait a minute. Reata Pass putting it to one question. Myself, Vice Mayor, Virginia and guy.

Councilwoman Klapp: Those were nays.

Clerk Jagger: And the other one is streetscape, Indian Bend.

Councilwoman Klapp: I was a nay.

Mayor Lane: I was a nay.

Councilwoman Klapp: So four nays.

Councilmember Korte: Four nays.

Clerk Jagger: Could we do the yeses one time real quick.

Mayor Lane: The yeses? Vice Mayor, Virginia, and Guy.

Clerk Jagger: Thank you so much.

Mayor Lane: We could have gone through the discussion all again.

Councilmember Korte: Councilwoman Whitehead, did we ever decide.....

Councilwoman Whitehead: I can't hear you.

[Time: 03:23:31]

Councilmember Korte: Excuse me, there was another issue that you brought forward before the sidewalks. It was garage. We never, the garage, we never did anything with that.

Councilwoman Whitehead: Well, I can't remember who answered that there's money in this for a garage. We don't know where it is or how many spaces. The spaces are \$60,000 a pop. That's the answer I got.

Mayor Lane: Yeah, and I thought you had, we did give, we did come back to you on that and I thought you decided not to.....

Councilwoman Whitehead: No, I didn't make a motion. I just wanted more information.

Mayor Lane: Yes, Councilwoman Littlefield.

Councilwoman Littlefield: Could I ask staff to come back to us regarding that question, regarding what the possibilities are and a little more firm on the actual costs of the garages in downtown.

Mayor Lane: Fair enough, yeah.

Councilwoman Littlefield: Thank you.

Mayor Lane: Councilwoman Littlefield, I don't know, did we settle on what you proposed here. I can't recall that you made a motion on anything in particular or in general. The one item that I, the

idea of the Reata Pass, which, you know, you do have on here, that's been voted.

Councilwoman Littlefield: One of the things I was suggesting, we had, moving Information Technology, the question.....

[Time: 03:25:17]

Mayor Lane: You were talking about the categorization. Of what you have here versus what's actually been proposed by the C.I.P. subcommittee. So that's one for sure. And the other is the fire truck, which I think we settled on.

Councilwoman Littlefield: Which is actually, I have think Councilwoman Klapp is correct, that was the CIP year 2020 or something.

Mayor Lane: All right. Let's maybe, I'm sorry. Did you have something?

Vice Mayor Milhaven: I have more items.

Mayor Lane: All right.

Mayor Lane: If I just, if I will just go to the question as to whether or not there are three or four or whether the categorizations of how they are bundled, whether that's something we want to give some direction to staff on to change or otherwise. Okay. That's fine. That's fine.

Vice Mayor Milhaven: Thank you, Mayor.

Mayor Lane: Kathy, we will come back to you.

[Time: 03:26:10]

Vice Mayor Milhaven: Once we decide all the projects on or off the list then we can figure out how to bundle them. So I would like to make a motion to direct staff to remove all of the WestWorld items so that's 45, 46, 47, 48, 49, and we have already voted on. It's off. 50, 51 and 52.

Mayor Lane: Whoa, Nelly. Which list are you working from? I'm sorry.

Vice Mayor Milhaven: They are all the same number but I'm looking at the raw list because the WestWorld projects are listed together because it's, they are in different places on the, 45 through 52 not be included and that's approximately \$11.4 million.

Mayor Lane: And they were all WestWorld.

Vice Mayor Milhaven: They are all WestWorld.



Mayor Lane: Was one of them.....

Vice Mayor Milhaven: Yes, one of them is already off the list and not going to be re-added. Item 45 through 52 and we are already decided on 49.

Councilwoman Whitehead: I guess I would like to amend that motion. If we are going to do that, I would like to keep the lighting. I think the lighting was a neighborhood benefit. I'm looking at the number.

Mayor Lane: Well, we did the lighting if I'm, is it the lighting or the shading?

Councilwoman Whitehead: 51.

Mayor Lane: Well, 51, you want it added on.

Councilwoman Whitehead: So I want to amend the motion to put to, it to take off those WestWorld items except for item 51 with the lights.

[Time: 03:27:46]

City Attorney Bruce Washburn: Mayor.....

Mayor Lane: Yeah.

Bruce Washburn: Mayor I'm sorry.....

Mayor Lane: It's to guidance and I think that's probably what you are about to say.

Bruce Washburn: Actually, I was putting on my parliamentarian hat, because I don't believe the motion had a second. So therefore there's no pending motion to be amended.

Mayor Lane: Yeah. Thank you.

Bruce Washburn: Sorry.

Councilwoman Whitehead: I will second the motion.

Mayor Lane: It was a friendly amendment that she was trying to negotiate as we, okay. So given the amendment or rather the motion to give guidance to staff, to eliminate items 45 through 52, from the list, and I don't know what the total is on that, but nevertheless, I suppose that's something that we can figure later, but it's all the WestWorld specific WestWorld items.

Vice Mayor Milhaven: So if I can understand.....

Mayor Lane: If you want to make that motion.....

Vice Mayor Milhaven: I don't know that want to accept the motion because I don't understand what the impact is of the lighting on the neighbors. That's the first time that I'm saying it impacts the neighbors. It says to reduce operating costs.

Councilwoman Whitehead: The lighting goes out right now and impacts the neighbors. Whereas the lighting that's being proposed is very focused on the area. So hopefully it will save money but it will also have less light pollution in the neighboring areas.

Mayor Lane: It saves money because it's a matter of in a longer haul, bringing out generators and special lights for it. And you are saying that the permanently installed lighting would have a beneficial effect on the neighbors; is that right, Solange.

Vice Mayor Milhaven: So my other question is if it reduce costs is the reduction and the cost sufficient to pay for the lights? I guess that's a question for staff.

Councilwoman Whitehead: Yeah, I don't have any data on that.

Mayor Lane: I think it's a matter of cost savings, as well as it's for the benefit of the neighbors.

Vice Mayor Milhaven: Okay. I will accept the friendly amendment.

Mayor Lane: So your motion will be 45 through 52, except 51. All right.

[Time: 03:30:19]

Councilwoman Littlefield: I will not be supporting this motion. I'm sorry. But we just spent a lot of money and got a huge study done on WestWorld, on how we can make it more efficient, how we can increase its usage, and how we can make it profitable for the city. These are things that they needed us to do, to increase the borders of time that we can use it, that increases the flexibility of the project and I think that if we aren't willing to do that, and we just wasted a whole bunch of money on a study, just to maintain what we have got. So I think WestWorld is one of those very unique things that Scottsdale has. It's worth, I think, improving. It needs improvement, I will give it that and I think this is the way we do it, in order to use the shoulder months and in order to create more venues that WestWorld could be used for, so make sure it does turn profitable or turn more useful for the status and the recognition of Scottsdale as west's most western town and I think there's some value in that. So I won't be supporting this. I think we need to keep WestWorld going and we need to do what we can to make it as efficient and as effective as possible.

Mayor Lane: I think the sum total of all of this is about 11 million. So there is, \$11 million. So there is an element of total costs on this and where those funds would ultimately come from. Personally, I think that some of this would be for the betterment of WestWorld, and the use of it, and saving money is an interesting one where we talk about WestWorld, I suppose, but an awful lot of city

projects, as far as that goes.

In any case, we have a motion and with the exception, I understand, an exception of 51, that was one for the lighting, this is now a motion to remove 45 through 52. I don't know how much you might have missed. 45 through 52. It's not like you were gone for a day and a half or anything. We would have to start the meeting over. But in any case. So the exception of 51. So that's the motion for guidance to remove those items from the list. All of those in favor, indicate by aye. Opposed? And did you get who that was? Yes. Okay. Because if you come back 15 minutes from now, we won't know.

[Time: 03:33:27]

Vice Mayor Milhaven: Items, 57, 578, 59, and 60, are solar-powered generating, which I think is a really great idea. But to do that I'm imagining the savings should offset the cost and if that's the case, why would we put that on a bond? I don't know who from staff can answer that question? I mean, they may not have made the final list. I know some of the solars, some of the solars did, yeah. And 60 is down here too.

Mayor Lane: And community and safety well-being. I don't know what list you are looking at, but I have got 60, 58 and 57 on the lower hand of the community safety and well-being list. What I don't see is 59. Oh, okay.

Greg Lipinski: Vice Mayor Milhaven, unfortunately, we don't have the division here for this, but I can kind of dive into some of this. Do they pay for themselves? Eventually. The upfront costs on a lot of these are fairly significant. At the North Corporation campus, they are \$4.8 million for the installation of it with approximately savings of \$240,000 a year. It varies by each system, but I don't have all the paybacks in front of me. It's in the information, but you are looking at a 20-year payback.

Vice Mayor Milhaven: I would argue to say if they don't pay for themselves in savings, we probably shouldn't do it. I will make a motion to remove, 57, 58, 59 and 60 from the list.

Mayor Lane: Can I ask, what is the total cost of those four items?

Vice Mayor Milhaven: It's a lot. \$12.1 million.

Mayor Lane: And you are saying approximately payback of....

Vice Mayor Milhaven: Of 20 years.

[Time: 03:35:55]

Dave Lipinski: Mayor, for the, just for the North Corporation campus, we have a cost of \$4.8 million and an energy savings of \$240,000 a year just for that project.

Mayor Lane: So I don't know if you can extrapolate from that savings over the total of how much, what was the total of the all the projects? 57 through 60?

Dave Lipinski: I would have to go and add them up individually. I can, so for projects 57 through 60, you are looking at a total of \$12.3 million.

Mayor Lane: \$12.23 million. You are saying one is \$4.5 million and \$250,000? I'm trying to extrapolate. If it's \$4.5 million and it's \$250,000 savings then if I just do it by three, you have got \$750,000 worth of savings on, per year I'm presuming as well. Well, give me, divide that into 12.3 and tell me what you got. Let me get this real quick. Sorry.

Dave Lipinski: Mayor Lane, in the spreadsheet, you have the operating impact costs. It's the savings of \$607,000 a year.

Mayor Lane: Okay.

Dave Lipinski: And, for \$12.3 million. The on-site solar generating power capacity of Appaloosa Library, that's expanding the existing system.

Mayor Lane: You said 600 and 607.

Dave Lipinski: \$609,000.

Mayor Lane: So divided \$609,000 by \$12.3 million. What is the rate of return on that, on an annual basis, please? The only reason I would like to get a handle on this is certainly there is a desire to try to utilize renewable energy by the city of Scottsdale. And if it's close to, you know, some kind of return, and I'm presuming that includes what we don't have to purchase as far as power is concerned. As well as what we might be able to sell. And I don't want to get, I will accept what you got.

Dave Lipinski: 20.1.

Mayor Lane: That's on an annual basis. It's not a bad return if those numbers are accurate. Presumably it would have a life beyond the....

Vice Mayor Milhaven: So if it pays for itself, then why are we bonding to pay for it?

[Time: 03:39:24]

Mayor Lane: Because you have to front the money. I'm presuming that too. That's another thing. There's all kinds of lease arrangements too. That could become operational. I don't know whether this isn't worthy to maybe take a look and see what options are available on that. I would ask that, and maybe there's an agreement that before we decide on this one way or another, we at least determine that there's an operational response here. Obviously, we are not paying for every year and then it's maybe taking care of it. How much will it cost us each year just to lease the program

and have somebody else maintain it and that? Rather than to capitalize it ourselves, particularly with the technology that's changing all the time. Is that, I mean, I....

Vice Mayor Milhaven: I withdraw my motion and second that motion.

Mayor Lane: All right. Those in favor of that approach, please indicate by aye. Okay. It's unanimous on that. We directed staff to take a look and see what options there are as far as capitalization or leasing on it and what the actual overall cost of it might be to invest in renewable, as well as be able to be cost effective.

Carolyn Jagger: If it's agreeable to Council, we will not say it's a formal motion, and a second. We will say it's a direction to staff.

Mayor Lane: Fine.

[Time: 03:40:59]

Vice Mayor Milhaven: My last project is it goes back to Councilwoman Whitehead's question about item number, the fields for \$47 million.

Mayor Lane: What number is it? The parking, overflow and the fields?

Councilwoman Littlefield: 53.

Vice Mayor Milhaven: I think she was looking for more information. I mean, \$47 million, how many acres of fields? How many fields? So I understand, I'm excited about the prospect of the fields. But understanding also that it's about parking and then I think we have opportunities to leverage the events to help pay for their parking. You know, this is, you know, if there's 47 fields it's \$1 million a field. It seems like a lot of money. So I support the fields but I want more information. And it seems to me that the events ought to pay for some of their parking costs. So I would like more information.

Councilman Phillips: I think it includes the soccer balls.

Vice Mayor Milhaven: The balls and the striping.

Councilmember Korte: And the goal posts.

[Time: 03:42:13]

Strategic Project Executive Assistant Kroy Ekblaw: Mayor and members of Council and Councilwoman Milhaven, we are pulling up some slides real quick here that will show you through these. Brian, can I advance those. So this just a quick overview of the situation out in the airpark area. We have the two yellow dots, identify areas where we have existing fields, in WestWorld on

the Polo fields and over at the Scottsdale sports complex that is a large soccer complex, and then the other three dots identify the areas that we were looking at new fields that would also support parking for events and we'll quickly run through those.

The first one is existing field at McDowell Mountain Ranch and some of these are fields that we share with the Scottsdale Unified School District. And what we would be doing is upgrading the field bases, by that I think Councilwoman Littlefield mentioned earlier, putting in new sand base that would allow parking to occur on them. So this is the land and operations already occurred. So that was about a \$5 million.....

Vice Mayor Milhaven: So those are existing fields.

Kroy Ekblaw: Existing fields in yellow.

Vice Mayor Milhaven: And so the existing fields will be modified to allow parking?

Kroy Ekblaw: That's correct.

Vice Mayor Milhaven: So....

Mayor Lane: Well, wait a minute.

Vice Mayor Milhaven: For \$5 million.

Mayor Lane: These are fields that in part are owned by the school district and are subject to an I.G.A. of the trade of use?

Kroy Ekblaw: Correct.

Mayor Lane: So we are not even talking about purchasing the land.

Vice Mayor Milhaven: I'm fine with investing in fields but this \$5 million is creating parking. It's not adding to the number of fields that are available.

Kroy Ekblaw: That's correct. Just to be clear. These are existing fields in this situation we have.

Vice Mayor Milhaven: So this investment is just for parking.

Kroy Ekblaw: That's right.

Vice Mayor Milhaven: Thank you.

[Time: 03:44:20]

Kroy Ekblaw: This situation is on the, just to the north, northwest of that location on the other side of Thompson Peak Parkway. This does require some land acquisition, but it's also on Bureau land that the city utilizes. This configuration suggests seven new full sized soccer fields. You would have more smaller fields as can be utilized by different age groups. And this would be new occurring and for the most part, these fields would be usable for 48, 49 weeks a year and then for event parking would take up two to three weeks a year. And the next option.....

Mayor Lane: I'm sorry, just on that last, but other than what's outlined in the yellow dotted area, that's all land that the city currently owns?

Kroy Ekblaw: The areas identified and surrounded by the yellow dash line and the blue dash line require land acquisition which is included in the cost estimate on this. The other thing I should point out on this one is the costs do include providing lighting for both recreation and parking and to the extent that temporary parking out in these areas 50 utilizes temporary lighting that comes with generators and are typically low level lights that are angled out at a wide direction. That's where we see a lot of resident complaints about event parking. So these would be recreation field lighting, much higher, directed downward and shielded to have no impact on adjoining properties.

Oh, that's McDowell Mountain Ranch Parkway. So that's about 7 new fields. Full sized soccer fields and then moving on to the city's 80 acres, this is the location looking at the west 40, to develop as recreation fields. So this configuration suggests six fields being added. So with what we are proposing here, either it would be 13 new full sized fields and, again, these would provide lighting. They would support recreation. They would support parking. You would have from temporary operations today, no dust. You would have the potential in both of these two instances, you will be somewhere in the three to 3500 event stalls available. These costs do include the paved parking that would support the recreation uses. There would be rest rooms and there would be the necessary support facilities for maintenance as needed, probably a shared complex. So, again, looking at up to 13 full-sized fields. And you would be able to break that down into smaller, that addresses recreation fields and, again being utilized throughout the fields having recreational lighting that would also support parking and eliminating dust complaints and concerns that we manage today with temporary parking.

[Time: 03:47:59]

Vice Mayor Milhaven: Okay. I don't feel as though we have any commitment to create infinite amounts of parking for these major events. I think these events need to help pay for their own parking. And so to that end, I think that the 19.5 and the \$5 million projects, I think are beyond what I think we should take on as a community. But I do think turning the, half of the 80, the 40 acres into fields adds some value and helps to contribute to the parking. So I would make a motion to direct staff to reduce the total amount by \$27 million so that there's only \$20 million to do that project on the west 40.

Councilwoman Whitehead: Second.

Mayor Lane: Okay. The motion is to direct staff to assign \$20 million....

Vice Mayor Milhaven: To this project, for that portion of the project.

Mayor Lane: And considering that it would be that portion of the 81 acres or the 80 acres. Okay. The motion has been made and seconded.

Councilwoman Littlefield: I have a question for the city manager, if I could.

Mayor Lane: Sure.

Councilwoman Littlefield: Mr. City Manager, does that supply us enough parking facilities at WestWorld during the large events that it holds if we don't have the....

[Time: 03:49:25]

Jim Thompson: Mayor, Councilwoman Littlefield, we would still be short at some point when TPC parking, we park on the state land. Once we lose that state land, we would be short to that. One of the discussions we had at the CIP subcommittee, rather than limit us to 20 million, we had some additional improvements on land that we already own that would assist us a little bit. So we were looking at a closer number to \$30 million. And that would allow us some potential because the \$20 million in the \$19.5 million for the spots the, \$20 million generates less and we are putting it on the grow under grounding that we are already own, on the ground that we already own. There are discussions around all of it, but ideally \$30 million would be adequate for us to go address the parking at a much higher level than if we just did 20.

The other thing I would be cautious on is if we put the parking on that side, we challenge ourselves a little bit different than the \$19.5 million solution which is a wild card, both private/public ownership. But we have to have access. If they are going to park there and access WestWorld, normally they will be bussed in if they are going to the TPC and the Open. We may have a few who walk. The buses are provided but now we have people crossing Bell Road to attend the event at WestWorld if we park them on that side. And so we would need a structure in addition to, to what we showed this to build the soccer fields. If we use them for parking, we would want to provide safe passage, either above Bell Road or below Bell Road and there's additional costs. That's why I stipulate to \$30million. Could we get by with a little bit less? Potentially, but we haven't designed or priced them yet. These are rough estimates.

[Time: 03:51:37]

Vice Mayor Milhaven: It feels like you just said that we don't want to do the project that we are proposing. And you know what, in my opinion, if there's not enough parking for the TPC and the Thunderbirds, then they can help to fund part of their solution. Ten years ago, 150,000 people went to the open on a Saturday and 240,000 people go on a Saturday. Do we need to support parking for an event that brings 240,000. The best estimates is that our golf tournament sees as many as five



times people as the second most heavily attended golf event. I don't know that we have a responsibility to support infinite parking at the level that it is. I think they've been lucky to get the parking at such a low cost. It's not too late for them to do that or other ways to do that. So Mr. City Manager, you are saying that your preference would be rather than 20 for the fields, 30 for the fields.

Jim Thompson: Mayor, Vice Mayor, somewhere in between those two numbers because you are quite correct. We do not have current agreements with the Thunderbirds on parking. We do on some of our events at WestWorld to recoup some of those costs so there are ways to achieve that. We are in discussions with them. We started those discussions in the last three, three and a half months. We have had a few discussions to this point about the parking question. There's uncertainty of whether or not the state land will sell in the next year or two. It could be ten years and we may not need it. We could safely walk down the path and obviously strictly the need of soccer fields which the \$20 million question addresses.

And that we can come back at some point in the future and discuss any additional parking needs if you desire. You know, that one right there, if, in fact, certain things happen, the state lands gets auctioned off quicker, and some other derivatives of that, we could find ourselves challenged for parking up north. So I would feel more comfortable the other direction. However, again, we are trying to minimize the amount of the offering and to be certain, we would not issue debt, unless we really needed to and associated with it, if we had a higher number but I would be willing to accept the \$20 million, knowing that we would probably have some additional changes to contractual relationships that would need to occur to be able to fix the parking problem up north. So we address it but we don't fix it.

Mayor Lane: Thank you, Mr. Thompson. Councilman Phillips.

[Time: 03:54:47]

Councilman Phillips: I wanted to stress what the City Manager just said, if we go ahead and do all of these, it doesn't mean that we will issue the money. It just means that it's going to be available to us, that we agreed to go ahead and do it, if it comes up later to do it.

Mayor Lane: Good point.

Councilwoman Whitehead: Just a question to the city manager. You are saying \$20 million. That's for the land we own. And then \$10 million because we will have to go over or under Bell Road, is that what you said?

Jim Thompson: Well, it depends. If staff it directed to look at the 40 acres and build the six fields, we would be at the \$20 million question. If we were going to then use that for parking purposes, we would probably have to provide some safe passage associated with either above or below. Again, if we go with the seven fields, to the south adjacent to WestWorld as well, but kind of to the southeast, that's a \$19.5 million solution. I would suggest we don't decide this evening, because both require further discussion, regarding our land and/or acquiring additional ground but I think \$20 million would

get us there but if we do go to the north, we would have to consider how to cross individuals on that, that roadway from the parking and the soccer fields. Specifically to WestWorld.

The TPC, most likely going to be busied and we probably have improvements to the light. Be it the fact that we left in the improvements to, what number was that. We were widening the access road, 94<sup>th</sup> and the improvements to that and since that's currently left in, that would give us some funds to address it. I would be comfortable with the \$20 million at this point in. I wouldn't commit that we could fix any parking problem that might present itself. I don't want to say that this fixes the potential parking problem that we know will happen in the future at some point. Again, we don't know when the state land will sell their ground. We don't know what those uses are. We don't know if there will be opportunities for mutual arrangements. All of those things are still a wild card but we want to provide you the security of what the ultimate solution could be, but if we do something in the interim, I'm more than happy to lock down that path, because we are starting to lose pieces of the state ground. I think some of you probably notice that there's a parcel being developed right now that was previously utilized for TPC parking as well as for WestWorld.

[Time: 03:57:38]

Mayor Lane: Mr. Thompson, I wonder if you can ask, how much of these numbers, now, I, I understand what you have said and what you have indicated with regard to, you know, being prepared for anything. It's a changing environment on the overall. We don't actually know how these, when these would absolutely be used or not. We have the ability to park on sports fields 5% of the time or 10% of the time, there's some additional costs of having the sports fields utilized in that way. We could say there is a recovery path on that too, that may help with the overall payment in addition to having the sports fields, but is there a component, is there any indication of what we know to be the additional costs of making them available for parking overflow parking or otherwise?

Jim Thompson: I would defer to Bill. There is an additional cost because of your sub-base because you need the drainage, to make sure that they drain well, you need to make sure that they drain well and your setup of your gas station system would be a little bit different and what those factors, I couldn't say, per field but there is an increased cost in that. The exciting thing about this, which I think is, again, exciting. We are already park on soccer fields. But if it rains heavy, we have challenges with that, specifically for TPC.

That's why we say probably additional sand layers and/or drainage that's significant underneath and, again, we could probably come back with the cost in the next couple of weeks when we bring back the entire thing to Council but, again, we get year round usage of soccer fields which the community has a need for and then we start to address that we know a future problem. We just don't know when or how or the other good things associated with it, for parking for major events. We want to kill two dual purposes here. To me, that's more on the innovative side. You don't see a lot of places and a lot of the event centers. Just have large asphalt parking lots and that's what we are trying not to achieve here. We are trying to find dual uses where we try to get to use our properties all year round and that's what it provides. Again to your question, I don't know if Bill has a short answer. He might for each field. And he might not. But I'm going to hope he does.

Mayor Lane: Well, I'm thinking the dual use, rather is certainly beneficial no matter whatever else these costs might show and that making it parking compatible is a percentage of the costs that has been demonstrated here. But just curious as to what it might be.

[Time: 04:00:34]

Community Services Director Bill Murphy: So Mayor and Vice Mayor, so.....

Mayor Lane: Do you want to turn the mic.....

Bill Murphy: One thing I wanted to stress too, these are revenue producing for us, if we have the soccer fields and just to take the soccer complex at the sports complex right now, we average about 275 to 280 days of use of up there that generates quite a bit of revenue for us. Having the additional fields would give us the competitive edge of getting some more tournaments that would be here. When we were looking at the numbers of just what, if we had 13 fields or if we cut that in half, it's around \$250,000 in revenue, if we had seven fields, and if we had 13, we are somewhere up around 400 to \$500,000 that we anticipate that we could generate for tournaments, league play, and just the need alone that we would have out there.

Your question about the cost of the fields? So those fields are probably, when we, I would be guessing again what we did. With we built the fields at the soccer complex, they ran around \$750,000 for us to build at the time. If you add lights to them, they are roughly close to \$1 million by the time you add them up.

Mayor Lane: Making.....

Bill Murphy: So the sand-based fields, we prefer to have 12 inches of sand. As we go further up, we can get away with 8 inches of sand if we needed to and our upper fields have 8 inches of sand. Somewhere between 8 and 12 inches of sand are sufficient to take the weight of any kind of vehicles that we have on them.

Mayor Lane: So it's, it's not a significant add to make them available for parking?

Bill Murphy: No.

Mayor Lane: No. Okay.

Bill Murphy: We have been doing it for ten years at the soccer complex and we've had great success.

[Time: 04:02:49]

Mayor Lane: So the effective revenue from the tournaments or the league play or otherwise for soccer is one thing and then there's an ability to have the charges for parking?

Bill Murphy: And soccer is one of the sports, but a growing support that we have right now is lacrosse. And so ample space for lacrosse as well. The flat field sports that we have, there's a need out there, and we get those requests consistently.

Mayor Lane: Okay. Thank you, Bill. We've lost two now, we can't do anything. I think it's with you, Vice Mayor.

Vice Mayor Milhaven: We need a second.

Councilwoman Whitehead: I seconded.

Mayor Lane: And so the motion is to leave \$20 million. There's a motion and a second. All of those in favor, this is guidance to staff to make this amendment to the \$20 million with the idea of using part of 80 acres for that application. All of those in favor, please indicate by aye. Those opposed? The nays were Kathy, Guy, Virginia and myself. This side of the table, this side of the aisle.

Mayor Lane: All right, Kathy, I will come back to what your proposal is with regard to the categorizations and the division of the various projects on your list and they are all subject to what we already talked about, but nonetheless the categorization.

[Time: 04:05:13]

Councilwoman Littlefield: Thank you, Mayor. I prefer, if I have my druthers, if I were king of the world, I could leave it like it is and have the four categories and then separate Reata Wash out as a separate vote, however I have been told that three is better than four. So I will, I would suggest we take the information technology category, that has a large percentage of it as public safety, because our technology needs to be updated to protect data which has in it from almost every citizen. So I would put that under the public safety category, and add those dollars to that category and I would leave the infrastructure and the parks and recreation, and then the public safety as amended. I would also prefer, myself to separate out Reata Wash as a separate question, not a category. But that's something that Council didn't want to do.

Mayor Lane: There would be three categories and I'm not sure exactly on the placement, but it's information technology and public safety. And then another one is infrastructure and parks and recreation.

Councilwoman Littlefield: Mm-hmm.

Mayor Lane: Is that then a motion?

Councilwoman Littlefield: Yes.

Mayor Lane: To show the guidance and the change in those categories.

Councilwoman Littlefield: For that guidance to change it into three categories.

Councilwoman Whitehead: I will second that motion.

Mayor Lane: All right. The motion has been made and seconded. Further comment? ?

[Time: 04:07:08]

Councilman Phillips: I just want to make the comment that I would agree with it if we are structuring it as three questions.

Mayor Lane: You would go with the labeling of the three this way, or the way it's been proposed.

Councilman Phillips: Yes, I agree with the labeling.

Vice Mayor Milhaven: The vote is these three questions.

Mayor Lane: Right, these three questions labeled this way. Yes.

Councilman Phillips: These three questions labeled....

Mayor Lane: I'm sorry, go ahead, Guy.

Councilman Phillips: But we are not voting do we want three questions or one question. We are voting on how the three questions is going to be labeled.

Vice Mayor Milhaven: If we do three questions.

Councilman Phillips: Right.

[Time: 04:07:53]

Vice Mayor Milhaven: Well, then I would make, then I would do an alternative to say I would make a motion that we have one question. And then that would circumvent any conversation about how we would label three of them.

Councilman Phillips: So moved.

Vice Mayor Milhaven: Thank you.

Councilmember Korte: Second.

Mayor Lane: He already did. He said moved, though. I think you got it right the first time. The motion has been made and seconded twice. And that is to move to one question with what labeling on the question.

Vice Mayor Milhaven: We don't need labeling.

Mayor Lane: You won't break it out, even in one question.

Councilman Phillips: It's just what it shows.

Mayor Lane: Okay. All right. The motion has been made and seconded. All environment those in favor of that, all of those in favor of that, please indicate by aye.

Mayor Lane: All right. The motion is to come back with one question. We will probably look at how we'll list out the projects.

Councilwoman Littlefield: I won't be able to support that, I'm sorry.

Mayor Lane: All we are voting right now, and I would just stress this for those who may not feel the same way as the majority in this and that is simply that this will go to the Council. Whether or not we believe this would be something that's acceptable is one thing, but the public will have the opportunity to vote on it and I think that that's what this Council is putting forward. We are only hoping that we are not, actively engaged defeat on that basis.

[Time: 04:10:00]

Councilman Phillips: So it sounds like you are wrapping up but I would like to make one more motion to direct to staff to approve the proposed timeline.

Mayor Lane: Oh, approve the proposed timeline.

Vice Mayor Milhaven: Second.

Mayor Lane: Okay. All of those in favor of approving the proposed timeline, if you didn't hear that. Did you get that Carolyn.

Clerk Jagger: I didn't get the second.

Mayor Lane: The second was the Vice Mayor.

[Time: 04:10:32]

Councilwoman Whitehead: I would like to add a comment or a question. I have a lot of questions before I can support these. If we approve the timeline, am I assured to get answers to my questions?

Mayor Lane: We have to go through the next step.

Vice Mayor Milhaven: It's not binding.

Councilman Phillips: The proposed timeline says April 2<sup>nd</sup>. We will finalize the number of questions and project groupings. I know you made a comment earlier about staff trying to rush through, we are not trying to rush through it. What we are trying to do is get this, call the election so we can get it to the public. The earlier we call it, the earlier we can engage the public. That's my only concern.

Councilwoman Whitehead: To me, I don't think the public cares if we have the election in November or a special election in spring. I have think they want us to spend the time to get the projects right and make sure we minimize the dollar amounts.

Mayor Lane: Thank you, Councilwoman.

Councilwoman Klapp: Am I correct that bond issues need to be on November.

Councilwoman Littlefield: Is that not right, Carolyn.

Councilwoman Whitehead: Okay. So another newbie mistake. I think the citizens I talk to, they would rather us get it right than get it fast and I just want it to pass at the end of the day.

Mayor Lane: Thank you for that, and Councilwoman Korte.

[Time: 04:12:12]

Councilmember Korte: I want to thank the CIP subcommittee for this work. I think you really did some good work and I think we have come up with a good project list, and I want to remind us that we have been working on this for three years. These are the same projects we worked on for the last three years. Thank you for your work.

Mayor Lane: Thank you all for all of your work and the timetable is based upon the bit that we have been working on it a long time. We ended up not initiating it last time because there really wasn't a consensus among the Council that existed. At that point in time, and we are hoping to have gone through a process that was more inclusive and more, more outreach that was to the public, to get more input on the overall. And to get a number that we thought was compatible.

The Council sitting here in the Work Study has done a tremendous job by evaluating the various items even further yet. I only hope to say that we all want to see or I'm hoping that we all would like to see it pass. It's up to the public to vote on, to vote on it. We may have differences of opinion as far as how the public will receive it on the basis of a single vote versus multiple votes. I will tell you, we have tried multiple votes many times and it has become very, very difficult and we have had less success with that, than, and frankly, this is maybe a new try to unify our community into accepting the

idea that there are certainly projects that may not be their favorite one but they are important to the community or their neighbors. I think that is an approach. I would hope that we are all united in seeing that the, that the public has a fair opportunity to evaluate it from here. But I thank everyone on the Council and everyone on the staff with all you have done in regards to putting this together.

Clerk Jagger: Mayor? We need a vote open the last, we need a vote on the last motion.

Mayor Lane: Yes. I thought we did.

Clerk Jagger: We got the motion and the second but no vote.

Mayor Lane: Oh, man we must have been thinking real hard about it. It was 4-3 and I believe it was Guy, Virginia....

Councilmember Korte: No, no.

Mayor Lane: Well, then I just told you how you are supposed to vote, but, no.

[Time: 04:15:06]

Councilwoman Whitehead: Is it possible to meet our timeline of November and put out the vote that meeting another two weeks? So instead of November 2<sup>nd</sup>, that would put it, I mean, April 2<sup>nd</sup>, the, I think two weeks later we have another meeting. Can we bump it.

Mayor Lane: I'm not understanding.

Councilwoman Whitehead: Can we bump this from April 2<sup>nd</sup> and to April 16<sup>th</sup> and still meet the November bond, still be on the timeline.

Mayor Lane: Yes, I think so, but I would like to Carolyn, as far as the timetable on that because it's a lot of what her department.....

Clerk Jagger: Yes, we can.

Mayor Lane: All right, are you offering a motion to amend.

Councilwoman Whitehead: Yeah. I would like to amend the motion to put this.....

Mayor Lane: The alternative motion.

Councilwoman Whitehead: The alternative motion to April 16<sup>th</sup>.

Councilwoman Whitehead: To allow to staff to get answers to the questions so I can feel reasonably educated to make a decision to vote at the City Council meeting.



Mayor Lane: We are presuming that the staff cannot get it in the time frame, what is the date that's on the timeline April 2<sup>nd</sup>.

Councilmember Korte: April 2<sup>nd</sup>.

Councilwoman Klapp: One week.

Mayor Lane: So at alternative motion is to change just the.....

Councilwoman Whitehead: Just to bump it out to two weeks.

Mayor Lane: The motion has been made to bump it out two weeks. Two weeks from whatever is scheduled on the timeline, otherwise accepting the timeline. That's the alternative motion. It's been seconded. All of those in favor, please indicate by aye. I probably shouldn't have put it that way. Ayes raise your hand. Okay. It's unanimous. Your aye sounded a little like a nay.

[Time: 04:17:12]

Bruce Washburn: Mayor, I'm sorry, just to clarify the motion. They were two dates that were on the, in the fourth. One was the April 2<sup>nd</sup> date for finalizing questions and then the other was the April 16<sup>th</sup> for calling the election. So was the motion to extend both of those dates by two weeks or was it just the April 2<sup>nd</sup> date?

Mayor Lane: Again, if we need to do that, Carolyn, is that, is that something we need to do or is that....

Clerk Jagger: Mayor, I think just so that the staff understands, I mean, the way we took the motion, we are bumping everything two weeks so that you would get the number of questions and project grouping, not consulting with anybody and kind of doing this from over here, it is possible that if we get everything answered, we may be able to do everything at the 16<sup>th</sup> meeting, and if we could, would that be acceptable to the Council?

Mayor Lane: I would say yes.

Councilwoman Whitehead: Yes.

Clerk Jagger: So at this point, we would just take it that we are bumping everything to the 16<sup>th</sup> and see what we get done.

Mayor Lane: And so that vote has already been taken and we are set. Is there anything further from the staff? Any questions? Is it reasonably clear what we are looking for?

Erin Walsh: I think we have direction. Thank you.

Mayor Lane: Well, thanks very much for your information. And to all the staff members who contributed as well. And with that, that completes, oops. Wait a minute. No, that doesn't. We have another agenda item. Who would have thunk?

### ITEM 3 - CITY VAGRANCY POLICIES UPDATE

[Time: 04:18:58]

Mayor Lane: Our last and final item is the city vagrancy policy update and it's a presentation and discussion on the possible direction to staff regarding current city policies on vagrancy, panhandling, homelessness and related issues. The item was added to the agenda at the request of the Council. And we have our city attorney, Mr. Washburn here with us and Greg with us as well from Human Services, our Executive Director of Human Services. So, please, go ahead and start.

[Time: 04:19:34]

City Attorney Bruce Washburn: Thank you. Well, Mayor, the purpose of my presentation tonight is to give you some information regarding the current status of the city's efforts with respect to homelessness, and soliciting panhandling. Sorry. And then also to talk a little bit about the legal landscape regarding what can and cannot be done with respect to city regulations in these areas, and then to see if the Council has any questions or any directions coming out of this discussion.

So I want to start by talking a little bit about what the city already does in this respect. Because we do, in fact, make a number of efforts to assist the homeless parts of our population, our citizens. Kind of the front line people on this are the police crisis intervention specialists, police crisis intervention specialists, they are civilian employees in the police department. They are master level social workers who essentially when the police encounter people who are in crisis and it's not just homelessness, but any sort of crisis and whether or not they are people that would also be processed through the criminal system, the police bring in the police crisis intervention specialists and they have the ability to inform people about the resources that are available to them, to deal with whatever their particular sets of issues can be. And a lot of times homeless, or people in crisis will have addiction issues, substance abuse issues and sometimes mental illness issues and they are very well trained to deal with that. Like I said, they are kind of the front line responders on that. Then also through the Human Services department, and Mr., Mr. Bestgen is the director on that, and can answer any questions that you might have about those services I'm about to describe to you, but through that department, the city has a number of ways to impact these issues.

One of the primary ways of dealing with homelessness is that the city through federal funding has a number of programs that it administered. One is the the Section 8 housing choice voucher program, and that's essentially the program where people, it's income tested and needs tested and the city has vouchers available. The people can use to pay their rent depending on their needs. There's a waiting list for that program and, in fact, people who are homeless can get extra points if they are homeless and that impacts their placement on that list.

It's federally funded and administered through the Community Assistance Office, the Family Self-Sufficiency Program. They receive assistance through the voucher program who want to also lend further assistance and make broader terms and impacts on their lives and the Family Self-Sufficiency Program has the ability to provide them with that type of assistance and through the Community Assistance Office, there's annual funding process for nonprofit agencies. These are nonprofit agencies that provide assistance to not just Scottsdale residents but to Scottsdale residents and, and it's not, it doesn't just deal with homelessness, but a lot of them do. And the city determines through an open process which of these agencies would be able to make a positive impact on Scottsdale residents and can provide them with, again, federal funding.

The city also has the Vista Community Action Program, and this is Vista del Camino, they have action program, that deals with homelessness and a large homelessness component there and they can provide homelessness specific services, referrals and that sort of thing. The Paiute Neighborhood Center has a couple of Human Services specialists who provide the same kind of services that are available to the Vista Del Camino community center. Scottsdale Senior Centers, they have a couple of social workers who are available to assist with any kinds of needs for social workers might be able to provide assistance, and they can connect the people that they encounter at the Senior Centers who are in need with those kind of services with the resources available in the community.

There's also a career services program and this is, the Vista One Stop Shop has a career center, and while this is, doesn't directly relate to homelessness, it is basically, to get people that need assistance with, with basically job finding, and so it's everything from having computers available there, where they can, you know do applications and do online searching because almost all job seeking is done online these days and then also there's training available if you need some help with your resume or if you need help practicing for interviews and that sort of thing. The, the Vista One Stop Shop can help with that.

[Time: 04:25:21]

And then finally we have Youth and Family Services and this is for juveniles, who are referred there from the courts or from the, from the police. And, again there's an array of services available to juveniles through the youth and family services that are available nor diversion services but if they encounter homelessness, that's one of the areas that they can provide assistance. So that's the, you know, array of things that the city already does to try and impact positively on both the homelessness and panhandling people in need of assistance in that respect. But now let's talk about the legal landscape that.....

Mayor Lane: Let me ask just a quick question with regard to these resources that we have. Are they currently used to address some of the issues that we are about to talk about regard to homelessness and vagrancy?

Human Services Manager Greg Bestgen: Yes, they are. On a daily basis.

Mayor Lane: And, well, I suppose that's answer enough right now if you want to continue. But these are services that are utilized in that effort?

Greg Bestgen: That's correct.

Bruce Washburn: What are we facing from the legal standpoint if the city is trying through its ordinances have an impact with these areas and deal with the problems that arise? Homelessness and the panhandling are areas of law that are constantly evolving. There are cases coming out, almost literally every day, as you look at the state courts and the federal courts, and they range from the lowest level trial courts all the way up to the United States Supreme Court. It's difficult, it's not difficult, but it's necessary to keep an eye on the evolving legal landscape in order to know what the latest perspectives are on what you can do and can't do. And from the federal constitutional issue, which is probably the one that has the greatest impact, there's two different constitutional amendments that we're dealing with in the bill of rights.

One is the first amendment, the protection of free speech, that primarily impacts the panhandling aspect of it and then there's the eighth amendment on cruel and unusual punishment about what can and can't be done with respect to homelessness. Let's talk about the first amendment. Part of the first amendment that we are talking about is the one that says Congress should make no law abridging the freedom of speech and the courts have made it quite clear for quite some time that soliciting funds, panhandling, begging is protected speech and it's not commercial speech. It gets the same kind of protection that is like political speech gets. It's, the courts have determined that it has that level of protection.

[Time: 04:28:19]

And if you think about it, from government perspective, the panhandling that we are dealing with primarily takes place in public spaces and a lot of it takes place on sidewalks or it can take place in public parks and these are the areas which the courts have said are kind of your traditional public forums. These are the areas where it's expected that citizens would be able to go and freely exercise their first amendment rights which as I say the courts have said include the rights to panhandle. And while you can have reasonable time, place and manner restrictions on any exercise of free speech, when you are in a traditional public forum, there's a very high test that has to be met before you can justify any sorts of restrictions.

So let me talk a little bit about what this impact has been in Arizona, from the, from the application of the first amendment. In 2011, the Arizona court of appeals in the state V. Baylor case, struck down a Phoenix order that struck down panhandling ordinance. It was an aggressive panhandling ordinance. I can talk about it in a minute. But then they decided because they were getting a lot of people complaining about being panhandled downtown that they would expand that ordinance and make it basically any sort of begging or asking for money in the downtown area during the, during those hours was illegal. And then they had a, a police task force that went out and it was, people were coming out from a ball game and I can't remember what kind of ball game it was. Let's say it was a Diamondbacks game. And one person that got arrested was sitting on the stairs at a parking ramp,

wasn't blocking people from going up or down or anything, and said something like, hey, man, you got any spare change? Can you help me out? Got arrested for that.

And the other two were very similar sorts of situations. They are just standing this, sitting there, not blocking anybody. Not doing anything aggressive made like a one or two sense request for aid and got arrested. So that went to court and the Arizona court of appeals basically said, nope, that's free speech and they have a right to do that. And you, you know, you haven't fashioned your ordinance in such a way that what they are doing is distinguishable from in what anybody else is doing, or asking what time it is. It doesn't pass constitutional mustard. They struck that down.

Then 2013, the federal district court, a lawsuit was brought in federal district court against the states, you know, ban on begging and there were differences between the Phoenix ordinance and the state law, and I won't go into those, but there's a reason why the issue came up a second time a couple of years later in the federal district court and in that case, the Arizona attorney general just kind of said, you are right. Our law is unconstitutional and stipulated to have the law stricken. So that's kind of a legal landscape we are in, in Arizona, where it's basically been determined that you are, you know, your fundamental, no you can't beg laws are clearly unconstitutional and cannot be enforced.

I will talk in a minute about what we can do, but right now I'm talking about what we can't do. So bear with me. So now let's talk about the eighth amendment issue. The eighth amendment, this is the entire eighth amendment, excessive bail shall not be required nor excessive fines imposed or cruel or unusual punishments inflicted. Generally speaking because of this restriction, people can't be arrested for what are called status offenses. And the reason it is cruel and unusual punishment for people to have a particular status. And it was illegal to be addicted to heroin. And the courts said, okay, you can make it illegal to possess heroin. You can make it illegal to sell heroin but you can't make it illegal to be addicted to heroin, because that's a status. That's not doing anything that's just a status.

[Time: 04:32:57]

Status offenses were frowned upon because of the 8<sup>th</sup> amendment. And that's why you don't have vagrancy laws anymore, too because vagrancy laws basically said things like people who are wandering, aimlessly wandering about were subject to arrest. And, or people without visible means of support were subject to arrest. You can't, you know, if a person doesn't have any place to be, and they don't have a job, then basically, their status was they were a vagrant, even if they didn't do anything else wrong. And the courts said, no, you can't make it a crime not to have a job and not to have a place to be. So you can see how this gets over into homelessness, where basically the same issues have arisen.

And here's the ninth circuit approach to homelessness under that eighth amendment consideration. And I want to start with this quote "the law in its majestic equality forbids rich and poor alike to sleep under bridges" and the ninth circumstance the court of appeals in its opinion last year, in Martin vs. city of Boise started with that quote. So when the judge starts by that, with something like that, you kind of get an idea where the case is going. And so the ninth circuit last September in Martin vs. city

of Boise, prohibited the city from enforcing its no camping law, against people with no access to alternative shelter. Basically the situation here was that Boise was arresting people who were camping in their parks and the people who were camping in their parks were saying we don't have any place else to go. There's no shelter space open for available to us. We have to live. We have to sleep. And basically the court agreed with them on that. If you are homeless, that's a status.

You know, we can't, it's not illegal to be homeless and if you are homeless, and there's no place for you to go, the city doesn't have any place for you to go, you have to sleep. They condition make you it illegal for you to do what people have to do, sleep. So the, and there's the quote from the court's opinion, the eighth amendment prohibited the imposition of criminal penalties for sitting, sleeping or lying outside on public property. And we are somewhere in between those two where you don't have to allow people to people do it at any time or any place, and you can still have, you know, reasonable, time, place and manner regulations but if there are people who can't find someplace else to go, then it's cruel and unusual punishment to arrest them for that. And it goes on about what shelters are available and whether or not they are available and there's an issue about some of the shelters that were available had religious components.

One guy claimed that he had to go to chapel before he went to eat. You can't require people to participate in religious activities in order to avoid being arrested because that gets back to the first amendment, violating the first amendment. Mayor, did you have a question?

[Time: 04:36:28]

Mayor Lane: The last bullet that you have there, we in no way dictate to the city that who wishes to sit, lie or sleep on streets at any time or....

Bruce Washburn: Must do so. That's what the ellipsis took out, yes, that's the basic point, say, yes, we are not saying you have to allow people to sit, lie or sleep at any time or place. You can have regulations but if the regulations have the effect of making it a crime to be homeless, because people have to sleep and they have to sit down.

Mayor Lane: So public safety is certainly a factor that plays into it. We can't have them sleeping in the streets. If they are in danger.

Bruce Washburn: That's right.

Mayor Lane: Day or night.

Bruce Washburn: That's right. Sleeping in the travel portion of the highway, I'm pretty sure that you could criminalize that, although that's not, that doesn't come up that often. There's much more like, they are much more likely to be a place somewhere where they are not run over but the point's the same.

Mayor Lane: Well, being in the street. Excuse me, in the process of soliciting funds or otherwise,

that has been deemed a safety issue or no?

Bruce Washburn: There are, there are a lot of cases, not a lot, but there are a number of cases having to do with people soliciting funds from people in cars. And the, there's no simple way to generalize about what the results have been, but avoiding safety hazards weighs in favor of government regulation when you put it that way. Now, there's a question of how much of a safety hazard it is if I'm standing here and the car stops there, and I just lean over towards them. Anyway, those issues have been heavily litigated, but, yes, there's, there is a safety component, we will talk about that in a minute with the Phoenix median ordinance.

Mayor Lane: But obstructing traffic is not a problem.

Bruce Washburn: Obstructing traffic is still illegal.

Mayor Lane: Oh, it is illegal. Even if it doesn't create a safety issue?

Bruce Washburn: Well, it, almost by definition it creates a safety issue but that, again, gets into the nuances of how difficult this is, because what actually obstructs traffic? If the vehicle is already stopped or voluntarily stops because you are there, are you obstructing traffic? Anyway, it's hard for me, these are such factually intensive issues. I kind of want to get to the end, one of the things I will propose is if Council is interested, taking a deeper dive on this.

Mayor Lane: Pardon the interruption then. No, I mean, I'm just trying to, I was trying to get some clarity on that issue. I heard that there are circumstances where safety is an issue and, you know, does create a problem where someone can be stopped from doing what they are doing and obstructing traffic. But if they are stopped and everybody else is stopped, then I guess you are obstructing traffic, though.

Bruce Washburn: Well, the argument is...

Mayor Lane: But you are not a safety problem.

[Time: 04:39:54]

Bruce Washburn: Yes, you are right. The argument is that it's not a safety issue these brief interactions, voluntarily with the people in vehicles. By the same token, you know, if somebody stopped to speak to somebody to ask directions or something like that, you know, is that criminal? It all depends on the extent, extent to which they stopped the flow of traffic. These are factually intensive issues that is hard to generalize about. I want to talk about some of the things that cities are doing or states are doing.

And the first one is Arizona has an aggressive pan handling statute. 13-29-14. It has two prongs to it. It bans pan handling. With respect to bank entrances and exits and ATMs, you can't solicit anything of value or try or sell goods or anything within 15 feet of the ATM or the bank exit or

entrance. And then the second prong of it is if you are in a public place, and public place is very broadly defined, but it certainly includes streets and parks. If you are in a public place you cannot solicit in a way that causes fear of bodily harm. You can't run after people and grab them or touch them or anything like that. If you are told to leave them alone, you are supposed to leave them alone. Yeah. And basically....

Mayor Lane: If they are just acting aggressively, shouting, screaming, talking to themselves or anything like that, then that is not necessarily a threat?

Bruce Washburn: Well, the language of the ordinance puts, would put a reasonable person in fear of imminent harm. So that becomes a fact question. This has not been legally tested. Maybe it will be at some point, but right now that's the law in the state of Arizona, which means, of course, it's enforceable in Scottsdale.

[Time: 04:41:52]

Mayor Lane: One other thing, you know, obviously several months ago we met with a group that Greg was involved in with many other staff members and trying to really just find out what the status of some of the folks were. Maybe I'm misusing that term in this current conversation, but frankly, finding out what the difficulties were or what their general overall condition was. And they did a number of, it seemed to me there were scores interviews with folks and I understood that there was going to be at least some understanding as to what, what that situation was, maybe get that communicated to the Council somehow or other as to how we might further utilize the resources we are talking about here. Maybe in a better more efficient or effective way or what might be done additionally. So I guess I'm not trying to break to the chase on this, but I'm probably, well, not, I am concerned about whether or not have some strategy both from a humanitarian side, as well as safety for our overall community. You know, and how we work that together. And that's, that's essentially where it's at.

I don't know whether there's something that we are going to resolve here. I don't believe it. But I am sort of interested as to what became of that study and that work and if there were issues that maybe we need to consider. And I have no idea. That's why I asked to get together. I think it's becoming an important enough subject from the general population perspective that there's a growing concern that they may feel threatened. Some have expressed that. I have no way of judging it. I have no way of knowing how we can enforce it. It would eventually be one person's word against the other if, in fact, some said it. It's not an easy thing. I'm not suggesting I even have an answer for it.

Now you have given us a lot of what we can't do and frankly, what you can't in do as far as interaction and restricting somebody and their freedom of speech, and causing them some kind of penalty for their given status, you know, and frankly that could take any form. So I don't know that, I'm hoping that there's probably something that we could start communicating and maybe to the public and maybe work something out that works well for all sides and helps us, the humanitarian aspect and I'm talking about the general overall condition of what people are and what we can do to make people feel a bit more comfortable with what's going on or frankly if there's real solutions that we can



provide. In a reasonable manner. Again, that's just sort of the overall, but I don't know what the proposal might be of where we might go from here, but that's been my concern. I don't know about the other Councilmembers if they have similar concerns or not. But I'm running out of answers to citizens who are concerned about it. And what action we can or cannot take. Part of what you have told me is an extension of what we have been telling is we really can't do anything. And whether it's on either side of it. So don't know, but again, I know this is sort of a tough subject for you legally. It's a tough subject for you on the humanitarian side, it's a tough subject for us politically, but it's something that we do owe the public some kind of answer on it.

[Time: 04:46:00]

Human Services Manager Greg Bestgen: Mayor Lane, members of the Council. It's a dilemma that we face every day in all of our centers. When we do an assessment, we try to determine just exactly what it is we can do for that individual. Maybe they need mental health services. Maybe they just need something as simple as food. Probably they need someone that will listen and kind of put a face on where they are coming from.

And I think that's what we look at today in Human Services is what is the face of homelessness? Because a youth down at Eldorado Park yesterday that's going to school at Coronado came out to his family and is homeless and is needing services. We have seniors that come to our senior centers. I know I'm kind of telling you a lot of different stories you already know, but seniors that come to our center that have lived long enough that they have exhausted a lot of their resources and some of you have been involved in these efforts over the years and found themselves coming on the heels what can you do? Can you get me a place to live because I'm out of money. Vista Del Camino gets money from the state. We also get about another \$500,000 a year in shelter services and then the ancillary services amount to another \$500,000 a year and so we do a lot with the funding sources that we have, but the dilemma we have is there are folks who just simply don't want the help.

We reached out to a citizen that called us that mentioned she saw someone at a local shopping center, we set up an appointment at our Senior Center. The gentleman did not show up. So it has to be a choice. But it's, it's one that we are seeing more of. We did our point in time count this year. Last year, we had 64 this year, we had 76. So there is a little bit of an uptick there. Oftentimes the days that we do go out and we do the count we find that we don't see the individuals that we typically see in the park setting. Word gets around and I think they know that the city is counting. So we don't want to have too high a count. So we understand that. But it is a real dilemma to look at the health and safety.

I have staff on a regular basis that feel endangered enough that they want to trespass individuals from our centers but I think my thought is that we have to sit down and try, again, address that individual and we try to listen to the story and where they are coming from at this particular time. So I wish I could tell you that this was a magic solution to the many different faces, but....

[Time: 04:48:57]

Mayor Lane: And I don't believe in a magic solution. It's overwhelmed greater resources than we would ever have. And both in all quarters. We just had a list of resources that we have. How much support is there from Maricopa Health Services, what used to be called the county hospital at times, but nevertheless, from mental health situation? I don't know how often you may or may not run into that. I don't know that you are in a position to diagnose somebody on the spot and, of course, that may create issues. But if somebody who is potentially risking their, they are in risk of harming themselves or maybe others, is there anything that we have in that?

Greg Bestgen: Yes.

Mayor Lane: Basket of services that are out there, that we can draw upon when that occurs.

Greg Bestgen: Yes, Mayor and Council. We have the ability to petition individuals that we deem would be a danger to self or others and we certainly do that. We have a cadre of different mental health offices that we reach out to. One of the agencies that we fund does go, actually right in Scottsdale will go out and do an actual assessment right on the spot, right in the park wherever it might be and then from there they might make a petition. We will might also contact adult protective services just depending on what the situation is.

Mayor Lane: But something has to happen first, before somebody can be approached to, to be assessed?

Greg Bestgen: Mayor and Council, yes, that's correct.

Mayor Lane: And don't get me wrong, I'm not suggesting anything otherwise, but nevertheless, we do have that, a little bit of that risk.

Greg Bestgen: Yes, and Mayor and Council, we do have great resources. We have our crisis intervention team that Mr. Washburn pointed out earlier. We worked very closely with them and then some of the other nonprofit agencies that we work with very closely. We put together a new format through a homeless navigation team with the city that comprised of many different departments, police and fire, and code enforcement. So if citizens want to report something that they are seeing in their neighborhood, we have made it a little more accessible for them to go in and then some of my professionals in my centers are part of the contact members that would reach out when we receive a question from a citizen. So we got that portal in place that we didn't have a year ago.

[Time: 04:51:55]

Mayor Lane: Okay. All right. Was there some, I guess something you wanted to line out this evening to let us know what we might, what direction we might have taken from that study that the group put together on this subject? Is there something for us or that can be created for us?

Greg Bestgen: I respectfully submit that one of the resources necessary to, I could call it an

investment. We could call it Experience Scottsdale if you would like, but it's actually affordable housing. We, with our seniors that, like I mentioned earlier that are challenged, these are ways that we can really help our veterans that we do our point in time count. We have the documents here and we go out every year. We see our veterans out on the street and they are looking for work. They are looking for housing. We just lack a little bit of a cache here to address that need. And so I can only offer that that would be one of the strategies.

I think also maybe looking at some possibilities for new development and creating a modicum of spaces for individuals that, you know, again, these seniors that have to leave this community and go to a different community because they can't afford to stay here. When they have invested their tax dollars, et cetera and raised their children here. So they have made an investment to the community and sometimes unfortunately we just can't support them when they run out of those resources in the later years.

Mayor Lane: Is the greater extent of the folks that have this issue, are they folks that are, have followed that path, have they been here and run out of money or are they people who have come here?

[Time: 04:53:54]

Greg Bestgen: Mayor Lane, members of the Council, my experience having worked at the Senior Center as a social worker and a coordinator, that the majority of the people that I saw there experiencing homelessness, living in their cars, coming to the center and asking for a gas card so they could continue to get to some doctors' appointments and things, had lived here in Scottsdale and had run out of resources. We call it kind of, you know, whether it's a reverse mortgage or whatever other option is available to you, some of the individuals don't have this available.

Mayor Lane: And is this a situation where they are not able to get the social services and frankly whether it's assistance financially or food-wise.

Greg Bestgen: So Mayor and Council, we have a mechanism, it's the Arizona Long-Term Healthcare System and it's ALTHCS application and we can sit with them and based on their low income they can qualify, and so they can get in-home health care, which is extremely valuable. We mentioned that there are adult day care services that are offered in other parts of the valley, but then simple food stamp applications. These are all the things that we work with folks that come to our centers, right on a daily basis.

Mayor Lane: You said something about a number, of having a number of folks and it's increased slightly, to 76 if I remember the higher number. Do you have some information you could share with us with regard to what has happened with regard to the growth maybe of homelessness and, and frankly, what you might call panhandling?

Greg Bestgen: Certainly, Mayor Lane and members of the Council. One of the things that we did as a country years ago is we changed our welfare tactics, I'll call it. And so we had safety nets in place

for folks that were really difficult, having difficulty managing but there was a bit of a net there that was catching them before they fell through. So we as a country decided to not support those kind of programs and so that's caused definite hardship. We have 6,000 people, 6,211 people currently on our housing choice voucher waiting list and that's for Scottsdale. We have 189 right now, or 89 that have come off the wait list that are locating housing....

Mayor Lane: How much that grown in the last few years.

Greg Bestgen: The last time that we opened the enrollment, it was for a short period of time. It opened for less than an hour and it filled up at about 250. So at the county's suggestion, we took on keeping the open period longer, but that ensued with 62, well, it was about 7,000 at the time when we opened the wait list. You can imagine that people are impatient. With the homeless population we have 139 that qualify for preference points. So if you are homeless, if you are disabled or you are elderly, you have 5 points for each of those and you can add combinations of. So we have 139 on the wait list that we'll be actively looking for housing when they come off the wait list. So.....

[Time: 04:57:33]

Mayor Lane: Mr. Washburn is there anything that we need to know as far as the legal avenues available to help with this situation or is it a matter of you know, it's a circumstance generally speaking that will have to be dealt with in a very different way than....

Bruce Washburn: Let me finish up with the last two local examples I wanted to talk about and then I will answer your question more directly. Tempe in 2016 adopted the downtown city ordinance which basically makes it illegal to sit in the downtown commercial district area downtown during certain hours of day. But the important things about this is the, you can't, you can't be cited for that until the law enforcement person has first come and told you to stop. In other words, it's not a first offense citation. You have to be told and then ignore the warning. The first time it's a civil citation and so they can't arrest people and take them away on the first offense.

And also before they enacted this ordinance, they made sure that they had evidence that they had ample other opportunities for sitting in their downtown area. In other words, there are public benches and that sort of thing available. So they weren't just making it illegal to be somebody who had no place to sit, and this has not yet been legally tested. That's one approach that Tempe took.

And then Phoenix has its median ordinance, this was, I think they did this in 2014. Again, the first has to be a warning. If someone standing in the median, just because they are trying to cross the street, it's illegal to stand there and be in the median. It's illegal if you are not using it to cross the street. The first, there has to be a warning and the first time it's civil. So you just get a citation, and don't get arrested. Normally, it's all about public safety and they had evidence of a high collision vehicle pedestrian collision rates and that sort of thing. It had nothing to do with prohibiting people from standing in medians and trying to get people to give them money.

Mayor Lane: You said it wasn't legally tested. Does mean it wasn't enforced.

Bruce Washburn: No, it's been enforced but no lawsuits yet. That's what I mean by not legally tested. As you see here, there's two different approaches. Like you said there's the humanitarian approach and then there's the lawyers. And I think that you know, humanitarian approach probably has much greater prospects of having an impact on people than the legal approach because the legal approach is basically what prohibitions can we enforce and make people go somewhere else and do whatever they were going to do and it would have that effect. I would say, this is an evolving area of the law.

After the Boise decision came out, I was on a number of conference calls with city attorneys from all over the country talking about, you know, now people have a constitutional right to, you know, sleep, you know if there isn't any place else for them to go, how are we going to handle this? If you want us to look at further, you know avenues of legal, you know, legal enforcement measures, we can take a look at that. I got to tell you if the primary concern is the people don't like people standing in the, on the sidewalk panhandling, that's probably constitutionally protected activity and if you can't find some positive harm that you really need to, that you can prove the only way to correct it is to make it illegal.

If you can't find something like that, it will be a tough one to crack and the notion that people just become afraid because they see somebody standing there is probably not sufficient to show that, to do an aggressive pan handling thing. So solving that problem through legal, through enforcement means is probably going to be less fruitful to get them plugged into the economy, instead of panhandling. If Council wants we can take a look at what the other local jurisdictions are doing and I can get a better idea of what people are doing nationwide to deal with the issues. And we can come back and do a fuller presentation and maybe some proposals if you want to attack it that way, otherwise Mr. Bestgen's approach may be more fruitful.

[Time: 05:02:19]

Mayor Lane: I think legal was involved with that committee as well and in the process. So if there are any directives, any kinds of suggestions, that may have couple, you mentioned one, I know. But if there's any other things that might be worthy of consideration, I think that's maybe something we should take a stronger look at. I'm concerned about having results with it, that address some of our constituents' concerns about it, and you can travel around the country and you can see it has grown in massive proportions in some areas of the country. That's why I was asking about the growth here. People are much more in tune with the problem. And when I say the problem, the problem for the people themselves, as well as the problem it may present for them in dealing with it. So.

Bruce Washburn: I wanted to make one last point. A lot of times you find that, not a lot of times but all too frequently unfortunately, you find that veterans are involved, and when we have a veterans commission up and running maybe that could be part of their mandate to try and see what they can do about that homelessness and panhandling issues that can be endemic.

Mayor Lane: And there is probably is greater resources available to homeless vets than the general public as well.

Greg Bestgen: Yes, Mr. Mayor, we investigated the housing authority for Scottsdale we investigated the VASH program, and we solicited from support. Scottsdale doesn't have enough an affordable housing cache to really run that program and so they kind of came back to us and said if you can find ways to address that, I will tell you that the Community Assistance Office has a marketing strategy to get more landlords on the program. It's of course, like I said earlier, it's about housing. Once you provide stable housing for an individual, they can begin to reach other mending choices in their life.

Mayor Lane: Anyone else have any other questions or thoughts?

[Time: 05:04:40]

Councilwoman Whitehead: Rather than build housing, there are a lot of apartment complexes. That would be my idea is reach out and come up with a program that is using existing housing, somehow, benefiting those landlords to take in these people.

Greg Bestgen: Yes, Mayor Lane, Councilwoman Whitehead, what we are looking at is doing that aggressive marketing approach for getting more landlords involved. The challenge that we have in Scottsdale, as you can imagine is the market rate for rentals is much higher than what typically we can offer through the subsidized housing program. We are well above. We are at the maximum of what the federal government allows us to compensate a landlord for a one bedroom studio, for instance, but it's still not quite enough to entice a lot of them, and then they have to follow the rigors of the program and that kind of thing, but we still continue to reach out, but I agree with you, the more that we can do that, the better our chances of getting more people off of our wait list.

Mayor Lane: Thank you very much. I appreciate the information and I hope to be able to see something that we might come back and at least consider as a Council. In response to it. Right now, I'm going to be advising those people who are addressing me on the subject that we are in the process of continuing something I have been talking about for over a year now, and that is the committee that was put together to talk about it. So I'm hoping that we have maybe just a little bit more to, to provide. So best wishes on that. That finishes our business for this Work Study session.

## **ADJOURNMENT**

[Time: 05:06:32]

Mayor Lane: If I had a motion or if you would like, someone would like to give me a motion to adjourn. All those in favor, please indicate by aye. We are adjourned. Thanks very much.