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CALL TO ORDER

[Time: 00:00:03]

Mayor Lane: Now, try this one again. I would like to call to order the June 25th, 2019 City Council meeting. It is approximately 5:20.

ROLL CALL

[Time: 00:00:14]

Mayor Lane: And we'll 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.

Councilman 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: 00:00:37]

Mayor Lane: Thank you, couple of items of business, we have cards if you would like to speak on any of the subjects that's the white card the city clerk is holding up and if you'd like to give us some written comments there's a yellow card to change that, looks like a signal on a deck of a carrier. But in any case, so, we've got that and she, City Clerk Jagger our city clerk, newly hired again, but she is here to assist you in that regard. Yellow cards are for written comments and white to speak. Scottsdale Police officers Nathan Mullins and Tony Wells as well as Firefighter David Watts are here if you have need of their assistance, police officers directly here in front of me and over here to my right is our fire fighter. So the area behind the Council dais are for staff and Council use only. And restrooms to my left for your convenience. If you have difficulty hearing any of the proceedings there are hearing assist

headsets available, please check for the Clerk's table over here on my right.

PLEDGE OF ALLEGIANCE

[Time: 00:01:59]

Mayor Lane: For the Pledge of Allegiance. If Councilwoman Littlefield would lead us in the pledge.

Councilwoman Littlefield: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, Councilwoman.

INVOCATION

[Time: 00:02:29]

Mayor Lane: Invocation this afternoon, we have Father Gregory Schlarb, from Our Lady of Perpetual Help. Father, welcome.

Father Schlarb: Thank you, Mayor Lane. It is the wrong time to be wearing black suits and walking here. So....

Mayor Lane: Solar collector.

Father Schlarb: Let us pray. God is love and the desire to make us sharers in this love He sends us to the world to come to the aid of others and in gentle kindness to help those who are weak, sick, or unfortunate. In this great love for all of us, He asks us that whatever we do for the least among us we do for Him. Let us pray then, for the Lord's richest blessings on the members of this City Council who are devoted to helping their brothers and sisters. Blessed are you God of mercy and charity. Send down your blessing upon these your servants who so generously devote themselves to helping others. When they are called on in times of need, let them faithfully serve you and their neighbor. We ask this in your name, Amen.

Mayor Lane: Amen. Thank you, Father.

MAYOR'S REPORT

[Time: 00:04:02]

Mayor Lane: So for the Mayor's Report and founded in 1928, Arizona Water is a nonprofit educational organization dedicated to enhancing and preserving Arizona's water environment. Every year at the water awards the organization recognizes water industry professionals who have demonstrated superior levels of excellence in their field. Scottsdale is proud to have four recipients of Arizona Water awards this year. All of them were awarded certificates of special congressional recognition.

Please come to the front when I announce your name. Water operations supervisor, Randy Gomez, who has been with Scottsdale water for over 20 year and named operations leader of the year, Gomez received the esteemed award in port for his role to leading the city's conversion to automated meter reading technology. Principle scientist, Mark Xerxis who has been named laboratory analyst of the year. A recognition receive not only his analytical expertise, project leadership and 20 years of service, and also his exceptional citizenship and civic involvement. Scottsdale water security safety and training coordinators, Jeff Fritsch and Kerry Leib were awarded for protecting the health and safety. Thank you for your hard work and dedication. And let me make the presentation.

At this time, I'd like to take a moment to recognize our city attorney, Bruce Washburn. As he is retiring tomorrow. So this evening, he just told us this morning. No. Bruce, I want to thank you personally, certainly, I've done it individually with you, but nevertheless, I want to thank you for your dedication and commitment to the City of Scottsdale the fine work you have done in the nine years as our city attorney and some 16 years with the city here on our legal staff. So thank you very much. It's been a pleasure working with you and we wish you the very, very best in retirement after a well-deserved retirement I might say, for all of the pain we have inflicted upon you. No. Nevertheless, it's been a wonderful to be able to work with you. I hope that you've enjoyed it as much as all of us have in not only protecting city hall, but the citizens of Scottsdale for those who push us hard.

City Attorney Bruce Washburn: Thank you very much, Mayor, I really appreciate that, I really do.

Mayor Lane: Good luck with it all. Thank you. Still have to stay for the rest of the meeting, though.

PUBLIC COMMENT

[Time: 00:08:48]

Mayor Lane: Next order of business is Public Comment. And the Public Comment is reserved for citizens comments regarding non-agenized items with no official Council action to be taken on the items. Comments are limited to within the jurisdiction of the City Council. And three minutes each with a maximum of five speakers. There will be another opportunity at the end of our meeting if it's needed. I have four requests for Public Comment. And if you'd come up to the podium when your name is called. And we start with Darlene Peterson. I think she knows her way to the podium. Darlene, it's nice to see you here. I'm reserve final judgment after I hear what you have to say.

[Time: 00:09:57]

Darlene Peterson: I'm Darlene Peterson. Lived in Scottsdale 60 years. Same house. It's not cleaned up now. Well, I just saw the article in the "Scottsdale Progress" about the Desert Edge. And I wanted to take this opportunity to thank Jason Alexander for his hard work in getting this vote to the people and for erasing the building that was going to scrape the desert to build a building to tell about the desert. I'm hoping that this building, whatever they wanted to do, they would have been a marvelous developer of it. And I hope that it could be built on other property that is not the Preserve. And the reason, I know, I don't know Jason Alexander. In fact, I would have had to ask Patty to pick him out if he was here. And I'm sorry that he's had problems with financial. I know how hard it is to fill out any paper that you want to give to your insurance company, your car, any, anything, it's really

terrible to try to figure it out. And so, I just wanted to say is, thank you to the people who worked so hard to get the signatures and then the vote. And of course, Howard Meyer is one of the ones that was also involved with this. And I want to say, I'm going to give \$100 check to Jason Alexander to use, I don't care what he does with it, I don't, don't care if he uses it on a PAC or whatever these things are called. And he can go and have a steak if he wants to. And that's all I had to say about this. But I do want to remind everybody about the poor children that are being put in cages in those horrible, horrible places and they don't have their mothers or fathers to kiss them and hug them and say, good night, God bless you, sleep tight, wake up in the morning fine and dandy.

Mayor Lane: Thank you, Darlene. Next we hear from Curt Dunham.

[Time: 00:13:31]

Curt Dunham: Good evening, Mr. Mayor, members of the Council, I appreciate your time this evening. My name is Curt Dunham. I'm here with my wife, we're the co-owners of LDV Winery, 7134 East Stetson Drive. We chose our location a year ago, it was a great entertaining area of Scottsdale, high-end shops, restaurants and clubs. We thought we would fit right in. We were so happy and we love it.

We are concerned about the Marshall Way Bridge splash pad proposed for the space in front of our building. We feel this is an adult entertainment area, and the children's impact will impact the ambiance and visitors to downtown Scottsdale and our business in particular. We look out our windows and Stetson is busy with automobiles, tour buses, segue tours, and tons of pedestrians. This splash pad will be in the middle of this. We find it to be very dangerous. We are surprised the attorney's office and the risk management people and the public safety officials have not taken a look at this project maybe questioned it a bit. We also feel that, sound got better. We also feel there are numerous other areas in the city or downtown area where the splash pad would be better suited and compatible with the uses around it. The uses now are very active, they are evening-oriented. But we're open all day.

We think there could be a better location found in one of the parks, possibly one of the museum sites or maybe even here at the city hall complex. So, what we're requesting tonight is that the Council reconsider the implementation of the splash pad in the current location. We think is a bad fit, a liability issue and it will impact the business in and around our area. We also submitted paperwork to you to support our concerns and has petitions of the businesses, and visitors and customers we talked to about this project. One other concern we had, when we went out to talk to people about their project. There had been no public input prior to the project being accepted into the CIP. And nobody heard of it until we brought it up to them. There was a concern there. We had a public meeting in March, but it was about reviewing the design and not the feasibility of the project itself, which we think is flawed. We would like you to reconsider that. We appreciate your time this evening. And good luck to you the rest of the evening. Thank you.

Mayor Lane: Thank you, Mr. Dunham. Next Mr. Bob Pejman.

[Time: 00:16:43]

Bob Pejman: Good evening, Mayor Lane and Councilmembers, my address is on the record. Last time I spoke to you regarding parking codes and relating items and I called our parking code deficient. I want to go over this again. So let's put our, current parking code up again on the screen. As soon as you can see it. OK. So basically this is our parking code. And the reason I'm calling it deficient is that for one, one unit-bedroom apartments there is only requirements of having one parking space. And there is absolutely no guest parking space required per code. On the hotel parking code, the 1.25 parking spaces for each hotel room are more than sufficient, actually, but no dining our conference space required and more importantly, no employee hotel parking designated or required. So what I did last time, I presented you with some California comps. I presented you with Laguna Beach, and West Hollywood, and Carlsbad. In all of those cases, the one-bedroom units require 1 1/2 parking spaces and there is a one guest parking space for each four units. Some I heard in the staff said those are not good comps I don't know why, expensive real estate dense. Anyway.

So I came up with more comps. Clark County, Nevada, which pretty much constitutes Las Vegas mostly. But still, 1.25 spaces per one bedroom. The 1.75, is less. But 1.25 per one bedroom, and one guest parking space for each five units by far excels ours. City of Austin, someone said look up Texas. That is a city three times or four times more population than ours, still 1 1/2 parking spaces per one bedroom, and then .5 additional spaces for each additional bedrooms. Bottom line all of the cities recognize that one-bedroom units have more than one car and condos have this funny thing called guests that needs to come and park. We don't recognize that.

Let me go to hotel parking. Our requirement is 1.25. And the city of Nashville, Tennessee, one parking space per room and then one space for every two employees, which we don't have none. City of Laguna Beach, one per room, and one additional space for every 15 rooms. And then parking employee based on when they have the most amount of employees. So the bottom line for a city that's growing we're getting denser and denser and denser, when the city, when the downtown wasn't growing so much you could get away with these deficient codes. It didn't matter, much spillover. But adding this much density, this will magnify the issues to the extent will make things pretty miserable as far as parking. I hope it gets addressed, thank you.

Mayor Lane: Thank you. Next is Mr. French Thompson.

[Time: 00:20:26]

French Thompson: Good evening, Mayor Lane. And Vice Mayor Milhaven and City Council. I appreciate the time here. I'm not going to sound like a broken record, but I'm going to say the parking codes are deficient. They really need to be addressed. You know, when Museum Square started happening and we started realizing what was going on, we started reading these things. You look at that, we are going to have density in the downtown. I'm aware this is going to happen. We have zoning for 150-foot buildings, we have zoning for 90-foot buildings. We zoning for 120-foot buildings. We will have density. This is a great place to be. People want to be here, but if you don't increase the amount of parking required by the developers it's going to impact everybody in the future. When you get a building that's 150-foot, you're married to it. It isn't going to go away. It's going to be here for a long time.

If you don't address the needs for the parking, you're going to affect those tenants, you will affect the

tenants and people around it, and effect the businesses. You know, I may not be here in 10 years, there will be another business probably in my building. But if you don't have parking for those businesses, you're going to have a negative impact on them. And as Mr. Pejman said, there are guests. If we want to say this downtown area is one of the most desirable areas, there are now people living here. They will have guests and come down there in their cars. Interestingly enough, I noticed in the parking lot, all of the City Council people had their cars parked out there. You guys have private parking. Not everybody has that.

So you're going to have to make an adjustment and have the developers build enough parking for the space and use of those buildings. And you're going to have to stop selling phantom parking places that don't exist. The city has a great thing going, we will sell you parking places that don't exist. The next guy right next door, we will sell him the same parking places. I have been watching this for a long time, I boggles my mind, you sell the same phantom parking places over and over when they don't exist. But the businesses that go in needs them. So my request is that the City Council really strongly look at the parking requirements for the developers and what I'm really afraid of, I have seen this over and over, you listen to people from out-of-town that aren't on the grounds, they don't live here, and they're giving you all these things about you got plenty of parking. They don't live it day-to-day. I can tell you for 22 years, there is not enough parking in the downtown right now. So thank you for your time. I do hope that we can improve the parking regulations.

Mayor Lane: Thank you, Mr. Thompson. That does complete the public testimony at this time. And thank you all of those who took part. The information they have imparted.

CONSENT AGENDA

[Time: 00:23:49]

Mayor Lane: Our next order of the Consent items one through 28. I have a request from Councilwoman Klapp to have Item 22, Item 22 to be pulled and taken to the Regular Agenda. And 22 is a request to adopt Resolution 11511 to authorize funding not to exceed \$50,000 from 2019, 2020 tourism development fund and allocated towards event retention and for funding of assistance on Wonderspace of Arizona, LLC. So I will note that is withdrawn from the Consent items. And seeing that there's no further comments on the Consent items. I would ask the motion to approve 1 through 28, less 22.

Councilmember Korte: Mayor, so moved.

Mayor Lane: Motion has been made by Councilmember Korte and seconded it by Vice Mayor Milhaven. So then we're ready to vote on the Consent items absent Item 22. It is unanimous on the items. You're welcome to stay with us or please leave quietly.

REGULAR AGENDA

[Time: 00:25:21]

Mayor Lane: Moving along to our Regular Agenda items which now include Item 22. We will start

with Item 22. Mr. Geiogamah. Welcome.

ITEM 22 – WONDERSPACES EVENT

[Time: 00:25:51]

Tourism Development Manager Steve Geiogamah: Yeah. Good afternoon, Mayor and Councilmembers. I have a presentation ready on the item or particular questions whatever you prefer on this agenda item.

Mayor Lane: I will defer to Councilwoman Klapp.

Councilwoman Klapp: I would like to see a presentation on this specifically please. I'm not sure why this particular item is suggested for funding. If you can give me a presentation, it would be helpful.

Steve Geiogamah: Sure, it is a brief cursory. I'm sorry. There we go. So I'll give you a little bit of background on the Wonderspace activation at the Scottsdale Fashion Square Mall. 16 thousand-square foot located near the open area where Harkin Theater was located. It is an interactive artwork show. This event first request for event development funding. We never had them come forward in the past. The Tourism Development Commission was not unanimously, it was 6-1 vote, I should have updated that. The amount funding that was recommended was \$50,000 for this particular event. Looking at some of the analysis and assessment that staff and consultants went through. The Wonderspace will run from September to November. The show has been updated, it will run basically a little bit earlier on later, either in August, but end in November. The festival providers allocating \$160,000 for event marketing for the three-month show. A total budget of \$1.6 million.

The marketing promotional benefits is equal to value to the city regarding the expenditure that is being requested. Some of the additional analysis of the assessment that staff went through with this funding request it was an opportunity to fund a new or existing event that occurred during the tourism shoulder season, which is the fall time, potentially into the summer if it is started a little bit earlier. And create synergy with Canal Convergence was identified as well. We put the contract deliverables centered around that. So the requested action here this evening is adopt Resolution 11511 authorizing \$50,000 for the activation of Wonderspace.

Councilwoman Klapp: Thank you.

Steve Geiogamah: I'm happy to address questions you might have.

[Time: 00:28:24]]

Councilwoman Klapp: I think you explained it the way I understood it. So my problem with this event is that this is a business that operates out of space within Fashion Square so it's a private enterprise. It has been there already. It is already providing an art installation and the plans are they will continue to have art installations throughout the year. Apparently it will change every few months. And so what this business is asking is for the city to provide funds for one of the events that they will have

during the year. And I think because, you know, tourism funds are scarce and there's a lot of requests for them, that we should be very careful with the concept of providing public funds to fund a private enterprise that's providing a, whatever they want to call it, an event or a show, it's an art installation. I don't think it is appropriate for the TDC funds to be going to a private enterprise for a private event on private land, normally, the events that we fund are typically Westworld or other public property. So this would be in my estimation outside of the norm of what the city typically provides funding for and I think it's inappropriate.

So and I also question whether this is really a tourist destination. This is a location within a shopping mall. So, people going there are people primarily in the mall. You have to buy tickets for. It is a ticketed event. It's not a free public event. And in my estimation that's meaning that we're providing funding for a for-profit business to provide something that probably is very nice, I'm not talking against Wonderspace, it's probably a great venue and a great business. But I believe that in this case, that \$50,000 of our scarce tourism funds for a project like this is misplaced and I'm not, I'm not going to support it. I'd like to hear what other people have to say about it. And we'll see what, what the rest of the Council feels. Thank you.

Steve Geiogamah: Sure.

[Time: 00:30:53]

Mayor Lane: Thank you, Councilwoman Klapp. I share some of the same feelings on this. And I think that this is more on the line with a private enterprise with a business model that has actually exercised and in used and other locations across the country. But the use of the terminology of an event in this particular seems to be of a little bit of a stretch. It is in private property. It is within Fashion Square. It's hard for us to determine whether or not this is, meets some of the criteria of heads and beds as far as our overall tourism funds are concerned. And I'm concerned when we start moving further down the line into these area things that we are expanding the funding of things that may actually be competitive businesses in, in the arena and ending up with, creating, a less, a competitive disadvantage to some of the folks that may be with. They may be bringing, you know, people into the area, this is a shoulder season we're talking about, which has actually gotten stronger over the years.

So I'm not exactly sure what we're trying to accomplish here, but I'm very concerned, not only it is a matter of scarce funds, but a matter of how we're applying those funds and whether or not we're setting a precedent of subsidizing a business model that could easily be communicated into other businesses just from a fairness standpoint, I think you end up with an easy role into other business models and maybe similar on this line. So I won't be voting for this either. I think this is a little bit of an overplay here. Vice Mayor Milhaven.

[Time: 00:32:49]

Vice Mayor Milhaven: Thank you, Mayor. You said the commission approved this. And I was confused. You said unanimously, and then not unanimously, what was the vote and their discussion.

Steve Geiogamah: Yes, happy to fill you in. Pardon for the confusion. It was a 6-1 vote. One

commissioner decided not to move forward with the recommendation. Our event program we have nonprofit organizations and we have a profit organizations depending on the type of program you're going into. The new event program is eligible for private enterprises. They are eligible to apply, the commission takes that into consideration in terms of the event or activation, how long it may go. And take into what came up, specifically was it considered a day-to-day operation, if you will. They discussed that as well. They felt that the criteria of the eligibility associated with the day-to-day operation in Scottsdale could not apply here with the duration of the event the funding was for three months and separation in terms of the activation. So basically that's what they discussed.

Addressing the issue of a private venue, if you will, I think came up as well. Generally, our criteria is not established to identify the venue itself. It is applicable if the event or activation is open to the public. Whether it is ticketed or free, basically they are eligible to apply for that. I hope that addresses the issue with the venue itself. As long as it is not closed in and tickets available a select group of individuals attending, that is ineligible, but they were eligible to apply and potentially receive funding. I hope that addressed some of the questions.

Vice Mayor Milhaven: Thank you. So, this entity does this all year long, and they are asking us to support three months.

Steve Geiogamah: Correct. They have shows throughout the year at this particular venue. This is a three-month show on the shoulder season I mentioned. It has marketing benefits associated with it and marketing and tourism impact. We look at a particular event, we don't build our deliverables around the economic impact associated with it. There are some, with events in the downtown area or Westworld, our hope is that people are introduced to Scottsdale, a trigger for visitation and day visitation as well. So there is economic impact of bringing day visitors to this particular event. From a tourism perspective, it fits art and culture, what we're trying to position as well.

Vice Mayor Milhaven: Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Littlefield.

[Time: 00:35:46]

Councilwoman Littlefield: Thank you, Mayor. I had some questions and some problems with this also and I, spoke with our city people about it. She answered a lot of my questions, but she didn't answer all of my concerns. And I'm probably didn't address some of those concerns when I should have. I apologize for that. I did understand that this contract is for five to 10 years. Is that correct?

Steve Geiogamah: It is a one-year agreement. Solely based on the duration of the event. So at the conclusion in November we'll begin the process to close it out with a post event report assuring they meet contractual obligation. No funds are extended until contract obligations are met.

Vice Mayor Milhaven: But they do intend on continuing this and asking for additional funds going forward.

Steve Geiogamah: Not necessarily, my understanding it is for three months. The commission had a

conversation with the producer of the event. And it is just for the three-month duration show.

Councilwoman Littlefield: That's not what I read there. But that's okay. It is a private entity. It is a for-profit entity. And it is performed done in a for-profit scenario which is Fashion Square, which is run for-profit. The businesses in. There have a problem with starting something like this and doing something like this, where does it go from here? What else we will be doing in a for-profit business. What other businesses will be supporting with our tax dollars, because it is an event or tourism event that maybe this leads into. So I do have a concern with doing something like this. I don't think it's original, it's not what we originally intended these monies to go for. I don't think. Maybe could morph into it. I don't know, but I do have major concerns with this. Thank you.

Mayor Lane: Thank you, Councilwoman Whitehead.

[Time: 00:37:59]

Councilwoman Whitehead: I agree with what was already said. I think it is really nice. I haven't been there yet. I keep meaning to go. I do want to be the city that attracts new types of, I don't know, art, I guess it is being called art. And I think this fits that. And I'm really pleased that they're here, but I think what the Mayor said about heads in beds, I don't think to me, this doesn't, we don't have the definitive proof that this brings heads to beds. I think there are so many other ways that we can help with make this successful by, through promotion and other ways. I just, I don't support using our limited TDC dollars for it.

Steve Geiogamah: And, excuse me, to possibly fill you in a little bit more on some of, what we received when we were analyzing the event itself. We anticipated 100,000 individuals would be attending, and 25% could come from outside of the region. We really don't know that until we look at the activation that is being programmed underneath that. We have the option to do is vary shared by the provider. We always try to find out as much as we can. One clarifying point I know there is conversation about public and private, the organize itself, to clarify some of our programs are specific like community events, nonprofits and organizations, but the majority of other events that apply with matching event, new event development, the venue fee program, they are technically for-profit organizations in terms of their organizational structure. Just want to clarify that.

Councilwoman Whitehead: Thank you. That's one part I didn't have a problem with. The profit, nonprofit.

Mayor Lane: Thank you, Councilwoman.

Councilmember Korte: Thank you, Mayor. I don't have a problem with the for-profit either. Last time I looked Barrett-Jackson was a for-profit entity and charges a pretty good size entry fee and we provide significant dollars for that program. I'm, I don't understand why, so this, this programming has been going on at Scottsdale Fashion Square for six months?

Steve Geiogamah: My understanding the first show opened up in March. I could be wrong on that date. They are currently in one show called elsewhere, I believe, this would be a new one starting in August or September, I believe that is believe. So the second series of show and last for a duration of

three months and then go dark for a period of time and then another show may take its place.

Councilmember Korte: So why is it that they are coming for \$50,000 ask if, if their shows carried themselves. Help me with that.

Steve Geiogamah: Well, I think initially, why they initially applied for the application it was available. From a tourism perspective could we market this with art and culture during that duration of time. And in addition staff saw benefits with donations. 10% are going directly to, where believe a Community Art trust fund as well, related to their benefits and what they provide. Why they came to us, they qualified and hoping to get funding related to this. The commission recommended it and built the deliverables for it.

Councilmember Korte: So the \$50,000 is specifically for additional marketing?

[Time: 00:41:50]

Steve Geiogamah: There are marketing elements associated with it. Not so much prints, social, and advertising locally. This is unique with our structure. Basically most of events are market. Because of the structure of this we had opportunities to offer benefits to the public, specifically Scottsdale residents to attend the show on select given nights for free. Three nights and work with the Scottsdale school district as well. We did structuring and the 10% donation that I mentioned earlier, that were somewhat unique, we don't have, we don't do flats or event funding programs.

Councilmember Korte: You mentioned the Canal Convergence. How will they work with and create a symbiotic association there?

Steve Geiogamah: Not being directly thing marketing for either organization, our hope is they work together to explore the options how best to do that. Our goal is through the activation of Scottsdale Fashion Square, that kicks off in November, that's a good tie on the closure of this one and gives us opportunities to do that.

Councilmember Korte: Thank you.

Mayor Lane: Thank you, Councilmember. And Councilman Phillips?

Councilman Phillips: Thank you, Mayor. So I actually went to the grand opening. It is the coolest thing ever. So I would say anybody that has a chance to see it, it's really neat. I heard that every three months they rotate and you said something about they will go dark for a while.

Steve Geiogamah: That's my understanding.

Councilman Phillips: So to speak, giving \$50,000 for an event, it is not an event. This is a business that is going to keep on running whether we give them the money or not. I don't see they need the money. Most of the events we do this over a three-year period and they are supposed to be on their own. They are already on their own. But like you said, the money was, there anybody can apply, that's what they did. So personally I just feel like this is probably not right for us. Maybe Scottsdale

Arts might want to get involved with them. But I don't think it should come out of our money. I guess I will move to deny Resolution number 11511.

Councilwoman Klapp: Seconded.

Mayor Lane: Motion made by Councilman Phillips and seconded by Councilwoman Klapp. Would you like to speak it.

[Time: 00:44:20]

Councilwoman Klapp: One more thought that was mentioned by Councilwoman Littlefield this sets a precedent. I don't know that we provided for-profits in the past that is one of our facilities, Westworld comes to minds, it's a big one, that's where Craig Jackson operates. They are for-profit, but we want to activate Westworld, so that's one of the reasons we like Westworld to have Barrett-Jackson now. There is the Polo show, they make money on that. I'm not against anybody making money, but I feel that the precedence it sets, this is, a new kind of art gallery. And these are, art installations in an art gallery. So any art gallery could come to us and say we have this new show coming in and we want to have funding for the show during the shoulder months as well. If we give money for this, how do we stop it the next time around. I think we need to recognize that this is not really appropriate for the monies that are available through the tourism funds and so that's why I second the motion.

Mayor Lane: Thank you, Councilman. I want to add one final observation on this. I'm very concerned about the precedent, not about if it is profit or not for-profit, that's not ever a criteria for us, well, with the exception of commercialization of competing interest of the Gallery District. You could make a case, even this area as far as that is concerned. But you're talking about something that's being leasing space inside of a facility. I'm wondering if we apply this is a same logic, if a hotel were to have an event inside of their hotel grounds and an event for all other reports we're talking about, like we are for this, would we be funding something that's specifically into a facility.

Now, this is in Fashion Square and they lease space from them. Fashion Square, god bless them, Fashion Square is a great corporate citizen, they are a great amenity to downtown. Buts is not generally in our business to be subsidizing, to bring traffic directly and specifically to them. If they wanted to give the space way because they recognize the value that. That would be one thing. So I'm just a little concerned, I'm trying to define what my concerns are with regard to precedent. Where does this stop? Now, we might be inside of the Princess, they have a big event, we now say it qualifies and we need to do something, there too, I'm concerned about that precedent more than anything.

Steve Geiogamah: Mayor Lane, those are all good points. I know the Tourism Development Commission is scheduling their work-study session in September. This is probably one of the topics we will discuss a little further coming away from the evening with criteria. Council knows we recently approved our criteria for the fiscal year, that can be adjusted with change based on the recommendations. That will be a topic of discussion.

Mayor Lane: Thank you. I think that we're ready to vote on the motion. It is on the table and seconded. All of those in favor aye and those opposed with a nay. It is unanimous in denial. Thank you for the presentation, too.

ITEM 29 – FISCAL YEAR 2019/20 PROPERTY TAX LEVIES

[Time: 00:47:58]

Mayor Lane: Okay, our next order of business. Fiscal Year 2019/20 Property Tax Levies for the Period of July 1, 2019, to July 1, 2020. Budget Director Judy Doyle.

[Time: 00:48:08]

Budget Director Doyle: Thank you. We held a hearing on the property tax levy and rates. At that time I mentioned that state statute requires that the hearing be held at least 14 days prior to actually assessing the levies and fixing the rates. Tonight is to formalize via ordinance that action that you took on June 11th with a unanimous roll call vote for the secondary and the primary levy and to fix the property tax rate at about \$1.04 per \$100 of assessed valuation. So tonight to adopt ordinance 4408 and fixing those rates. That concludes my brief presentation.

Mayor Lane: Thank you, Budget Director Judy Doyle, thank you very much. Seeing I have no questions at this time. I could ask for a motion.

Councilmember Korte: Mayor. I move to adopt ordinance number 4408.

Mayor Lane: Motion is made by Councilmember Korte and seconded by Councilwoman Klapp. I think we're ready to vote. Those in favor please indicate by aye. Motion passes unanimously.

ITEM 30 – FISCAL YEAR 2019/20 STREETLIGHT IMPROVEMENT DISTRICT PROPERTY TAX LEVY

[Time: 00:49:58]

Mayor Lane: Standing and staying in place, Budget Director Judy Doyle welcome back.

[Time: 00:50:04]

Budget Director Doyle: Yes. Thank you very much. On June 11th we also held a public hearing on the fiscal year 2019/20 municipal streetlight improvement district property tax levy. By a unanimous vote you passed a motion to proceed with a levy on the city's 355 streetlight districts to cover electric utility costs of operating the streetlights within those districts. The action tonight a request to adopt Ordinance 4397 assessing the streetlight improvement property tax levy by district in accordance with the Arizona revised statutes and city charter.

Mayor Lane: Thank you very much. Seeing no questions do I have a motion?

Councilmember Korte: Mayor. I move to adopt ordinance number 4397.

Mayor Lane: Motion made by Councilmember Korte.

Councilman Phillips: Second.

Mayor Lane: Seconded by Councilman Phillips. No further questions. Motion passes unanimously. Next up is our treasurer?

ITEM 31 – MONTHLY FINANCIAL UPDATE

[Time: 00:51:31]

City Treasurer Jeff Nichols: Mr. Mayor. Thank you very much. In honor of Mr. Washburn, I'm going to keep this short and sweet. Not much has changed. This is a financial update for May 31st. Looking at the General Fund operating sources depicted here all by one of the funding sources has a positive variance. As you can see on the right two columns, the dollar amounts of those variance in total 11.9 million, a budget variance of 4%. What I would like to do tonight, if you all have any questions regarding any of the variances you see I can answer those and address those questions. If not, I will keep it at a very high level this time around.

You will see the General Fund operating sources and the sales taxes. Seven out of 10 sales tax revenue have positive sources for variances for various reasons. Some are permanent in nature. We will enjoy those at the end of the fiscal year and some are not. You look at General Fund operating uses by category. And again, very positive variances on the expense side and all but one that is capital outlays. \$400,000, part of that is related to copiers, if you will. Wouldn't seem to be drive that, but it is \$200,000 in the way that we account for our copiers that was not budgeted in capital outlay. We're accounting for it that way. Personnel services. Again, mostly positive variances. And salaries due to time and again, people filling positions at less than budgeted. You had one of those instances tonight, our outgoing city attorney for a little bit less money than what the city attorney is currently making. So save salaries from that. And the overtime police and fire with the events at Westworld and the retirement in the fire department, a change in accounting for the fire insurance policies and the way that we account for that as a remove and expense, it was driving that. It was not budgeted when we had to make the change.

So operating fund division, again, public safety, fire, was all of that \$2 million negative variance from that \$1.9 million in the change in the accounting. And so for the summary sources overuses, what we expect we're going to have a favorite variance of \$16.6 million. Source is up \$12 million. And savings \$4.7 million. That's good news. What we do now, though, we also give you an update sense we had the tentative budget when we proposed the budget and the difference between the revised budget and the forecast, you can see the taxes, local sales taxes and other taxes coming in are estimated to be higher by year end. And the other revenue sources as well, about an \$8 million variance on the uses side.

Where we feel will end up about a \$2.7 million of that 4.7 we talked about a little bit, positive variance, we think we will end up at the end of June 30th. So where we are estimated after we did the tentative budget adoption is a positive variance, change in fund balance of about \$10.7 million which will be available for Council when we have discussions in September and November when I present the figures for the fiscal year. With that I will take questions you have.

Mayor Lane: Thank you. I see no questions at this time. Thank you for the presentation. With that, I could ask that, this is just an acceptance and for information. So there's no action necessary for us on this. So that completes our last Regular Agenda item.

MAYOR AND COUNCIL ITEMS

[Time: 00:56:01]

Mayor Lane: We have, I'm sorry, yes. Councilman Phillips.

Councilman Phillips: Thank you, Mayor. I'm sorry this just occurred to me, I didn't have chance to garner support or talk to anybody about it. I would like to propose that Council or staff establish a work-study session after November on the downtown parking strategy.

Councilwoman Littlefield: I'll second that.

Mayor Lane: All right. The motion has been made and seconded. Would anyone like to speak to it.

Councilwoman Littlefield: No. I just think it is a very good idea. Thank you.

Mayor Lane: All right. Councilmember Korte did you want to speak towards that at all. OK. So we have, we're ready then to vote on it. All those in favor with aye. Those opposed with a nay. Schedule a work-study on the study of the subject. After November. No. It's not a petition. No it's a request for consideration. They are not citizens. That's all right. All right. So after November. OK. Councilmember Korte.

[Time: 00:57:19]

Councilmember Korte: Thank you, Mayor. We had a public testimony from some shop owners representing 10-plus shop owners on Stetson and 6th Avenue regarding the proposed splash pad in our measure. And I think given that there are 10-plus shop owners concerned about this that perhaps we get a staff report on their concerns. And be able to evaluate a little bit better.

Mayor Lane: OK.

Councilmember Korte: So that's a motion.

Councilwoman Littlefield: I'll second that one, too.

Mayor Lane: All right. Motion has been made and seconded. Let me add something to that, too. This is an item separate from a position that is stated. It is not citizens, but nevertheless, I think it is worthy consideration based on the business owners in the area concerned about it. So the motion has been made and seconded. We're then ready to vote on that request for considering this and be brought back to us. All in favor, please indicate by aye. It is unanimous then to consider that, that information that was present to us by those businesses. All right. There's no further Public Comment. Petition is a consideration item only. No consider Mayor or Council items. No further

comments from anyone? Unless you want to say here for a little while.

ADJOURNMENT

[Time: 00:59:04]

Mayor Lane: In any case, a motion to adjourn has been made.

Councilwoman Klapp: Second.

Mayor Lane: And seconded. We are adjourned. Thank you very much.