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#### **CALL TO ORDER**

[Time: 00:00:02]

Mayor Ortega: Good evening. I call the August 24<sup>th</sup>, 2021, city council regular meeting to order. City clerk, Ben Lane, please conduct the roll call.

#### **ROLL CALL**

[Time: 00:00:17]

Clerk Ben Lane: Thank you, mayor. Mayor David Ortega.

Mayor Ortega: Present.

Clerk Ben Lane: Vice Mayor Betty Janik.

Vice Mayor Janik: Present.

Clerk Ben Lane: Councilmembers Tammy Caputi.

Councilmember Caputi: Here.

Clerk Ben Lane: Tom Durham.

Councilmember Durham: Here.

Clerk Ben Lane: Kathy Littlefield.

Councilmember Littlefield: Here.

Clerk Ben Lane: Linda Milhaven.

Councilmember Milhaven: Here.

Clerk Ben Lane: Solange Whitehead.

Councilmember Whitehead: Here.

Clerk Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Clerk Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Clerk Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Clerk Ben Lane: City Auditor Sharron Walker.

Sharron Walker: Here.

Clerk Ben Lane: And the Clerk is Present. Thank you, mayor.

Mayor Ortega: Thank you and welcome back to the Kiva, Scottsdale, Arizona. We have Scottsdale police officers, Dustin Patrick, Kristen Bailey, and Anthony Wells as well as firefighter Jake Abbott should anybody need assistance. Let's stand. Join me in the Pledge of Allegiance.

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.

**MAYORS REPORT**

[Time: 00:01:30]

Mayor Ortega: Well, first of all, I -- I do want to mention that 71.6% of eligible population in Scottsdale has now gotten at least their first dose of the COVID-19 vaccine, which is excellent news, and we need to all work together to make this number even higher. There are plenty of places to go to get your vaccines. Simply go to the city of Scottsdaleaz.gov home page. And you can click on the link and look for the tab labeled coronavirus COVID-19. All of the resources, latest information is available, and of course you can find a location near you.

On August 17<sup>th</sup>, Scottsdale city manager Jim Thompson declared stage one of the city's drought management plan. Although the Colorado River tier one shortage is not to be implemented until January 1<sup>st</sup>, 2022, the city of Scottsdale has always been focused on water conservation and recycling and we are dedicated to finding new ways to use every drop of water efficiently.

Now with stage one of the drought management plan in place, our management team will activate means to examine our needs, recommend target appropriate responses and increase drought and water shortage communication efforts throughout the city.

**PUBLIC COMMENT**

[Time: 00:03:25]

Mayor Ortega: At this point, we will open public comment. Public comment is reserved for Scottsdale citizens to comment on non-agendized items that are within the city council's jurisdiction. No official council action can be taken on these items, and speakers are limited to three minutes to address the council.

We have received three requests -- excuse me. We have received one telephonic request and at this point, we have four in-person public comment requests. So let me move to Shane Stone and ask him to patch in the public comment by remote.

Shane Stone: Thank you, Mayor Ortega and members of the city council. This is Shane Stone with the city manager's office. For public comment, we will go to Mr. Lundberg. Mr. Lundberg, please press star six on your device and begin your public comment.

Dale Lundberg: Greetings, can you hear me? Are we reading?

Shane Stone: Yes, sir.

Dale Lundberg: Greetings, mayor and city councilmembers. Good evening to you. My name is Dale Lundberg. I live in Pinnacle Peak reserve. I'm calling with regards to the bridge over rawhide wash, Miller Road extension project.

We are requesting noise, block wall noise abatement to the back of our property. We are 175-foot direct line of sight to precisely where the pavement of the road will be and myself and my next door neighbors only have view fences between us and the road.

Presently there is a short, very low retaining wall between our NAOS land, it's approximately 3 feet high and 14 inches on the ends, to allow wildlife to pass through. And we're requesting that if and when the road goes through that that wall be increased or if you have to work with our HOA, or what have you, that you increase it to 8 to 12 feet, to block the noise from our homes and the lights from the headlights of cars into the backs of our houses.

Secondly, we would like to request some type of traffic calming, speed limiting safety stuff along Miller Road. Speed bumps may be a simple roundabout. There are two school bus stops on Miller Road, and there's one at -- they are both on whispering wind and Miller on the east side. They pick up in the morning and on the west side they drop the kids off in the afternoon. And if this is going to be a major corridor, they will have to run across four lanes of traffic that they never had to contend with before.

[Time: 00:06:20]

As you know this road has been barricaded. Miller road has been barricaded for 23 years. We purchased and built our house in the '96/97 timeframe and this was classified as a minor arterial at that time.

And on May 18<sup>th</sup> of 1999, the city council had a meeting to reclassify and redesignate this road as a major corridor, I believe after it was already built. We were already in our home at that time.

So I don't know if the reclassification of the road or the redesignation of the road would have changed the way that it was initially designed, but it sure seems like it's very narrow pathway for this amount of traffic and volume that's going to be going through our neighborhood. So basically, that's all I had to add to this meeting at that time and possibly join you all when this is an agenda item in the future.

Mayor Ortega: Thank you, Dan Lundberg.

Dan Lundberg: Do you have questions?

Mayor Ortega: Thank you very much, sir. Next, we have in-person Lisa Fitzgerald, and then French Thompson. Then let's lead off with French Thompson.

French Thompson: Good evening, Mr. Mayor and city councilmembers. My name is French Thompson. My address is on record. Last time I saw you guys, I had a lot longer hair. I had it all cut off because I got skin cancer.

You know, when I first moved to Scottsdale, I really enjoyed sitting in the swimming pool and drinking a beer and lying on a raft and getting a tan! It felt good. I seriously thought that's what living in Scottsdale was all about.

The problem is, I didn't really have a care in the world about the consequences of those actions. Later, years later, I discovered I got skin cancer. Stitches, surgery, all that kind of stuff. It was very expensive, and it was very painful to remove.

Lucky for me, it hasn't happened that I died from it, but some people do die of skin cancer. In is exactly what the city of Scottsdale is doing with its development. It's causing a cancer that will happen in the future. Basking in the joy of all of this development without a single thought of its consequences.

[Time: 00:09:15]

It was just mentioned about the drought management, where are we going to get all the water for the new development? Who is going to pay for the water that we don't have? Are the developers going to provide the water for all of these developments? Who will provide the infrastructure from the roads, the sewage, to the lighting? What are the plans for the increased congestion and air pollution on our roads? What happens to the rest of the city with the increased heat island effect?

Higher density has a proven heat island effect of up to 15 degrees hotter than the surrounding area. This is a cancer that's growing in Scottsdale and it's something that you, the city council can slow its growth. No more up zoning.

Our city was built around single family detached homes and now the developers want to thrust high density and congestion down the throats of those single-family neighborhoods and its own downtown.

There is no benefit to the citizens of Scottsdale by allowing greater density by upzoning these developments. I ask you to please listen to the people who voted you into office and not to the people would want to develop with no -- who want to develop with no regard of the future consequences.

With the water shortages that we know are going to happen, we know that the congestion is going to happen. It's really in your hands to be able to slow this down and look at it, and look at what the future consequences will be to it. The citizens are talking to you all the time about they don't want these developments. I know there's many people that do. There's developers who want it. They are going to make a lot of money of it, but the citizens and the neighborhoods around it are not going to benefit from that. So I think you for your time and I really hope you take this into very serious consideration.

Mayor Ortega: Thank you. Next we have Arthur Deihl, and then I will make another call for Lisa Fitzgerald to follow.

Arthur Deihl: Mayor, members of the council, public. I was here a couple -- oh, I don't know before the pandemic. I'm the guy that's very unhappy about Papago Park. I'm talking about the giants sublease of that part of the park. I'm a party in a lawsuit. We have -- now we have a court date. The U.S. district court seems to find some justification in our claims. This is serious stuff.

There are about six deeds and other instruments of conveyance that say that that land is to be used for a public park, public convenience and there's an equal number of -- and each of those deeds, there are revisionary provisions that say things like, um, let me see and if the land so granted and any parts thereof shall be abandoned for such uses, such land or such parts should revert to the U.S.

We have a meeting tomorrow with some lawyers from Scottsdale and Phoenix. It's the first face-to-face with video-to-video meeting. I don't know how it will go. We have some kind of a management report that the judge -- judge know, that's the Arpaio guy, has given us. And we will run with it. I'm asking -- what I want is to get this behind me.

I don't want to inflict damage on the city of Scottsdale or even to me as a taxpayer. I would like to request that you kindly consider this. You know, it's really important because you don't want -- if things go south, and the whole thing falls through and we insist that the revisionary provisions, be strictly enforced, the giants will turn around and they won't be for pocket change.

[Time: 00:13:28]

They will want their investment back, plus costs and I'm talking millions and tens and tens and tens of millions of dollars this is not Mayor Ortega's mess, it's Mr. Wheeling and dealing Lane.

My grandfather always said that they do what they want. They run Arizona. Let's keep it down. How is my time. I have 43 seconds. Oh, yes. Make it interesting in my final moments.

We have -- parallel to all the legal stuff, the 20-some motions that have been going back and forth, we have been fighting with Secretary of the Interior, thank you, and we have a freedom of information request about anything to do with Papago Park and there was a meeting about the titles.

This is what we get back. They redacted dozens and dozens of pages. A bunch of pages like this. Little black boxes. And pages like this. This is one of three pages, all blank. There's some kind of attorney-client privilege. Time is up. You guys take care. Thank you very much.

Mayor Ortega: Thank you. Last call for -- for Lisa Fitzgerald who submitted a card. Going once, going twice. I now close public comment.

**MINUTES**

[Time: 00:15:01]

Mayor Ortega: We will next move on to the minutes and I would ask that -- request a motion to approve regular meeting minutes of June 22<sup>nd</sup>, 2021, work study session minutes of June 22<sup>nd</sup>, 2021, special meeting minutes of July 1, 2021, executive session minutes of July 1, 2021, regular meeting minutes of July 1<sup>st</sup>, 2021, special meeting minutes of July 2<sup>nd</sup>, 2021, executive session minutes of July 2, 2021, and regular minutes of July 2<sup>nd</sup>, 2021, or any amendments.

Vice Mayor Janik: I make a motion to all of those minutes.

Councilmember Whitehead: I will second that.

Mayor Ortega: Thank you. We have a motion and a second. Please register your vote. Approved.

**CONSENT AGENDA**

[Time: 00:15:57]

Mayor Ortega: Next, we will go to our consent agenda items. That is items 1 through 28. We did receive three requests for public comment. There were two by telephone and one in person. So I would go first to the telephonic and ask Shane Stone to patch them in.

**CONSENT AGENDA - PUBLIC COMMENT**

[Time: 00:16:27]

Shane Stone: Thank you, Mayor Ortega and members of the city council. For public comment, we actually only have one comment telephonically. The other person we have not heard from, unfortunately. We will go to Mr. Hayden. Mr. Hayden, please press star six and begin your public comment.

William Hayden: Hi. Yes, my name is William Hayden and my address is on record. Thank you, mayor and city council. I'm here to speak to the proposed liquor store in downtown Scottsdale. I do not believe that that is a good idea for a number of reasons. I'm an operator of a business here in town. I'm also active in the community, and I believe just based on my own Google Search, that bringing a liquor store into any environment increases crime rates and deteriorates the experience, given this is potentially being put in our entertainment district, which there are a lot of venues there that probably would not benefit from having a liquor store clientele wandering around the streets with open containers.

So I would please ask that the city council reach out and actively oppose this, send notification

to the state and on behalf of business owners, as well as regular citizens, I vehemently oppose this application, and I also ask that if we need to get various public officials involved, ranging from law enforcement to public safety, we just need to get as many people as we can to actively oppose putting a liquor store in our entertainment district downtown.

I know we have a lot of investments down in that area, and I just don't think based again on my own research of what's out there, what happens when you put a liquor store, I just don't think that it's going to have a positive impact on our city, on the trajectory that we have built with Scottsdale as a destination for not only individuals but also families and it's going to be detrimental to all of the activities that folks have in those markets. So I'm going to give you guys time back. I will just use the one minute out of the two. So that's all I got.

Mayor Ortega: Thank you, Mr. Hayden. I think you were speaking on item 28a which will be on the regular agenda. Also so noted, if there is another person to speak regarding the consent agenda items, please approach and tell us your name, address. I'm told that there's one other person in-person. But if not my –

Vice Mayor Janik: Mayor? Mayor, I think he was talking about item 1 on the consent agenda, 75801 camelback liquor license.

Mayor Ortega: Yes.

Vice Mayor Janik: I thought you said it was a different number.

Mayor Ortega: Excuse me, I stand corrected. Go ahead, councilman Durham.

Councilmember Durham: I think what Vice Mayor Janik is saying is that item 1 on the agenda is different than item 28a.

Mayor Ortega: I see.

Councilmember Durham: Which comes up later. I think they are two different liquor licenses.

[Time: 00:20:12]

Mayor Ortega: I see that now, and is there another case in-person comment?

Clerk Ben Lane: Mayor, I believe you are correct. Item number 1 is actually for a bar. He was clearly speaking to a liquor store which is item 28a, so I believe you were correct.

Vice Mayor Janik: Okay. Thank you.

Mayor Ortega: Thank you. Okay. At this point, we do have public comment on consent items. And I see no other public comment. Therefore, I will close public comment pertaining to the



consent agenda items, 1 through 28.

Is there a motion to approve consent agenda items?

Vice Mayor Janik: I move to accept the consent agenda items.

Councilmember Whitehead: I will second it.

Councilmember Littlefield: Second.

Councilmember Durham: Second.

Mayor Ortega: And that's absent item 3 which we will be hearing on the regular agenda as posted. So please register your vote. Okay. Passes unanimously.

Mayor Ortega: Now, we are moving on to the regular agenda items, which include item 28a, through 32. In light of the request by the applicant for a second continuance on item number 29, will change the order of agenda to decide that request.

So I do have a request and I ask if there is a motion to continue item number 29 so-called district at 9400 Shea nonmajor general plan amendment and rezoning. Is there a motion?

[Time: 00:22:16]

Councilmember Whitehead: Yes, I would like to make a motion, mayor.

Mayor Ortega: And do you have a specific date certain?

Councilmember Whitehead: Yes, I do.

Mayor Ortega: So you would so move and what is the date?

Councilmember Whitehead: Well, I would like to speak to it for a minute, if I may.

Mayor Ortega: You can speak to, it but please make the --

Councilmember Whitehead: And make the motion. I want to say we have received a tidal wave of opposition to District 9400 Shea in the last 48 hours and certainly public support is a big component of my decision on how I vote. This is a tricky infill lot as well.

And so there's also a traffic flow challenge that the applicant is working on. So I contacted the applicant who is here, and the zoning attorney who is representing him and said these two items would make it so I wouldn't be able to support the project.

And that team has asked for a delay until October 19<sup>th</sup>, and sometimes the public doesn't see the inside stuff that we see, but this development team is just incredibly respectful and responsive.

So I am definitely going to reciprocate and support a motion until October 19<sup>th</sup>. They have got a tall order ahead of them and at the end of the day, I will represent our constituents, but I hope my colleagues will join me in supporting a continuance until October 19<sup>th</sup>. Thank you.

Mayor Ortega: I have a motion. Is there a second?

Councilmember Durham: I will second the motion and I would also like to make a few comments, if I could.

Mayor Ortega: Thank you.

Councilmember Durham: All right. As Councilmember Whitehead has indicated, we have received a tremendous amount of email on this subject, and we understand your concerns. I have driven this area, and traffic is difficult to say the least. But I think it's important that the public understand some of the issues around this. And the first is that it's important to understand that something will be built here eventually. It's zoned for a 48-foot tall office building.

[Time: 00:24:31]

So we have gotten a lot of emails saying, don't allow anything 48-foot buildings here. Well, the truth is, we can't stop a 48-foot building. It's zoned for a 48-foot commercial building. And we can't stop that.

One possible use for this would be a medical office building, which would be a very logical use giving its proximity to the Honor Health campus. Now, think about the traffic at 48-foot office building. You are going to have doctors entering that building. You are going to have nurses entering that building, receptionists, lab technicians, and patients.

So it's entirely possible that the traffic at a 48-foot medical office building would be more intense than the apartment building that's proposed here. So it's not a simple issue of not building an apartment building here. This is very serious issue that all of us take very, very seriously. And we think about this a lot.

So it's not an issue of letting a developer do something and make money because I think everybody who lives here owes a developer the building that they live in. So it's not a simple black and white issue. This is very, very complex. We are trying to figure out what is best for the community, given regulatory environment we have.

And as I say, there are alternatives here, which were possible to build without rezoning which

could create more traffic than is already there. I support the continuance. I second the motion, because I agree that the applicant here has acted in good faith. It's a very, very complicated project.

I have raised a number of issues, and we have just run out of time to solve these issues. And we're trying to see what can best be done here, and we have just run out of time to get something done. So I support the continuance. I think the applicant has acted in good faith, and we have just run out of time to see if we can solve the problem. So I do support the continuance.

Mayor Ortega: Thank you. We have a motion and we have a second. And discussion goes to Councilwoman Littlefield.

Councilmember Littlefield: Thank you, mayor. I had a question for Mr. Gilbert. When we discussed this earlier, you had given me a different date than October. I believe it was sometime in November. Did you want a different date for this continuance to occur to?

Paul Gilbert: Thank you. For your record, my name is Paul Gilbert, 701 north 44<sup>th</sup> street. You are right and I apologize for the confusion, but we found out that the date I asked for in November doesn't work because of complications of the timing of the adoption of the general plan. And so we have asked -- and I apologize for the confusion, because we have made, I think three asks today, but the October 19<sup>th</sup> is our preferred date. Thank you.

Councilmember Littlefield: Thank you.

Mayor Ortega: Okay. We have a motion and a second. Please register your vote. Thank you very much. It passed unanimously. Good luck with your project, sir.

**ITEM 28A. OLD TOWN SCOTTSDALE LIQUOR – LIQUOR LICENSE (38-LL-2021)**

[Time: 00:28:21]

Mayor Ortega: We will now return to Item Number 28A, The Old Town Scottsdale Liquor – Liquor License subject. The presenter is Tim Curtis, current planning director. Hello.

Current Planning Director Tim Curtis: Good evening, Mayor. Members of the Council. I'm Tim Curtis with the city's planning department. So, yes, item 28A is The Old Town Scottsdale Liquor Case 38-LL-2021. So, this is consideration for the City Council to consider forwarding a recommendation to the state -- this is a state application, a state liquor license requesting the Council to make a recommendation on it. So, consideration for making a recommendation to the state regarding a new series 9, which is a liquor store liquor license, at a new location.

So, this location had not been previously licensed for liquor. So that's a new location at 4439 North Saddlebag Trail in the entertainment district. This is a context aerial showing the property

in yellow, kind of the north side of the entertainment district, just south of Camelback Road there. The closer up aerial shows the more precise location, Saddlebag Trail and Camelback Road and then I have the street view showing the building, the premise that this new location is proposing, this building has been vacant for a number of years.

So, with the recommendation to the State for this liquor license for the new location, there's a very short criteria and that is per the State, that the Council consider whether the public convenience and best interest of the community will be substantially served by the issuance at this location. That's what they have.

Now, there's a lot of other things that -- or that play into this, in terms of the consideration by the City Council when they make a recommendation to the State. The property is zoned commercial, which allows retail sales, allowed offices, allows restaurants.

One the criteria that you may consider is the building in good condition. Does it meet all of the -- does it have all the permits? Also, one of the criteria is have there been any violations, liquor violations associated with this these premises within the past five years, and I think the property has actually been vacant for more than five years. But there's a lot of other locational criteria that the Council can evaluate when making a recommendation. The population of the area, is it growing? Is it reducing? There's nothing in the criteria or the documents from the State that tells you growing is better than not growing. It just says that the Council can consider that. Is the area marketable in terms of the liquor license request? Is the area -- is the liquor license location compatible with the area's activity?

[Time: 00:31:53]

The Council can consider the number of liquor licenses within a mile, as well as the accommodation of the vehicle or traffic. And then whether schools are located within 300 feet or other day care-type facilities can be part of the consideration that Council can make. And then in terms of public outreach, the -- we do have the 20-day posting requirement. So that's been met. Council can consider any written arguments for or against the proposed application, and we have both written arguments for and against. I think you received those.

The police department did express concerns, given the location, the entertainment district, the potential of a purchase and consumption on the street. They brought up the potential for purchase and consumption immediately prior to or after attending a venue. And they also have a concern about, you know, the potential disturbances and altercations surrounding this establishment. So, they definitely wanted to share that with you and Officer Bailey is here to expand more on that if you would like.

So, in terms of the action requested, again, the City Council has the option of recommending approval, disapproval, or no recommendation. And so, the next step is whatever the recommendation will be, will be forwarded to the Arizona Department of Liquor Licenses for Control -- for their consideration.

And, again, I'm here to ask any questions or answer any questions and so is Officer Bailey and I

think there may be some members of the public that wish to speak as well as I think the applicant is here to either give a presentation or answer any questions. Thank you, Mayor.

Mayor Ortega: Well, I think we do have quite a bit of public comment and it would probably be most productive if the applicant first spoke. And so, I would ask for that applicant to come forward, state your name, address, and representation.

Jake Curtis: Thank you. Mayor, members of the Council, my name is Jake Curtis. I'm around attorney at Burch & Cracchiolo, 1850 North Central Avenue. I do represent the applicant. The owners and applicants are here right in front of you. This is Samir Yono and his daughter Vanessa Yono.

And I apologize -- let me apologize in advance. I'm not quite as prepared as I'd like to be for one of these, I just got hired yesterday. We weren't aware of any opposition to this until about a week ago. We had staff recommendations of -- we didn't see any problems with it. Oh, I'm sorry. I can speak better into it. So, yes, they just learned that there was an issue with this, and it was pulled off consent last week. We just got quite a few opposition notices last night or the ones that I saw, contain quite a few false statements that I did want to address here.

I think -- I did want to note that this is a location transfer. The qualifications of the applicants are not really at issue. This body actually approved them for a liquor store about .8 miles away from this location. In the interim they found this location and thought it was better suited for what they're proposing to do.

[Time: 00:35:17]

So, what really all we are looking at today is, is this an appropriate location for a liquor store. We sent -- the applicants sent you an email with some photographs of what they are proposing to do, that they know owners of some of high-end liquor stores that are in the entertainment district in San Diego. Those have been operating very successfully for a number of years, and they proposed essentially to duplicate that process here in the entertainment district of Scottsdale. This body and Scottsdale in general have been advocating for more mixed use in the downtown area, including residential. There's no liquor store in this particular area. This provides a great opportunity for people who live nearby to avoid their cars, to walk, pick up liquor, things like that.

So, this is a necessary use in this particular area that's not being currently met. Would note the staff did not identify any issues with this particular location. There hasn't been any problems in the past. The applicant, actually, Mr. Yono has been operating licensed establishments in Arizona for more than 30 years. He owns a 7-Eleven in Scottsdale. Owns a restaurant up in Fountain Hills never had any problems with any liquor violations. They are great operators. They'd be a perfect group to operate this particular liquor store.

We have seen some -- we got a public records request. So, we found out why it was pulled off consent agenda. So, we have seen some opposition from immediate neighbors, various, it looks like bars in the adjacent area. A little surprised to see some of it in light of we know that one of

the main opponents is proposing to having a medical marijuana dispensary in the entertainment district. Which seems to be more problematic than a liquor store.

But I did want to address some of the claims that were circulated amongst the populous, including that Mr. Samir is actually a 32-year-old felon. I think you can see Mr. Yono right there. He's been operating for 30 years. He's not the person identified in the letter that was submitted around, I think to you guys maybe on Friday. Vanessa is also not a 19-year-old recent graduate of NAU. She's actually graduated quite a while ago. She was in corporate at JCPenney's for 13 years. These are solid citizens with a long record of operating successful businesses. They will not be a problem.

There was a statement too that I saw that the applicants didn't consult with their neighbors. They actually did hire a representative who went around talked to various neighbors. Didn't identify any opposition. I think most noteworthy for the claims that this will encourage public intoxication and open bottles on the streets, which, of course are illegal currently. But all the series 6 licenses, all the bar licenses in the area, they also can sell packaged liquor for off-site consumption. So, the idea that this is the first or only place where you could buy packaged liquor and take it away is simply not true. All the bars that have series 6 licenses in the immediate area can sell packaged liquor and so all the problems they identified to the extent they are not existing now; this particular use will not increase those problems either.

[Time: 00:38:48]

My clients did, in particular, talk to their immediately adjacent neighbor the Pretty Please and Shawn Yari also who initially gave them verbal approval and said they didn't have a problem with it. They also talked to other neighbors in the area, and no one expressed opposition until about a week ago. So, we're not sure where all this opposition came from, but when they originally applied, they want to have a high-end very nice place for local residents to buy fine wine and alcohol, they can take it home and consume it. They don't have to drive their cars. They don't have to go into a bar to buy it. And that use is simply not available in the immediate area, so this is something that's really necessary in light of the plan to increase residential and the increased residential uses that are in this area. As far as we know, there's no problem with the location. There hasn't been any liquor violations in the area. This is an entertainment area. There's adequate parking.

The plan for this particular liquor store will be on the busy nights on Friday and Saturday, they are going to limit the number of patrons that can enter. They'll have professional security making sure intoxicated people aren't coming in or milling about outside, but they plan to operate a high quality, very nice establishment for local residents to buy alcohol.

It's zoned C-2 this is a permitted use in the C-2 zoning district. And so these are -- this is an appropriate location. These are excellent applicants with long-term knowledge about the sale of liquor in Arizona, been very successful for a long time. And so we would just ask that you consider their application and forward your recommendation to the State Department of liquor. And I'm happy to answer any questions that you have.

Mayor Ortega: Thank you. At this point, we will go on to public comment regarding Case 28A and I will ask Shane Stone to handle the telephonic at this time.

Management Associate Shane Stone: Thank you, Mayor Ortega and members of the City Council. We will start remote public comment with Ryan Hibbert to be followed up by Jason Adler. Mr. Hibbert, please press star six on your device and begin your public comment.

Ryan Hibbert: Mayor Ortega and City Councilmembers, can you all hear me?

Shane Stone: Yes, sir, we can hear you.

Ryan Hibbert: All right. Good evening. My name is Ryan Hibbert and I'm the CEO of Riot Hospitality Group. I wish I could have been there tonight but me and my fiancé just had twins, and they are only eight days old. So, they are currently in the NICU and we're hoping there going to come home soon, so I will only be able to join you on Zoom tonight.

I wanted to give a little background, Riot Hospitality is a national hospitality management company that by year's end will manage over a dozen locations across the country -- Gilbert, Nashville, Chicago, Denver and of course here in Scottsdale. It's right here in Scottsdale where we started our company over a decade ago and as most you know, I'm a third generation Arizona native, and Scottsdale is our home. As our company has grown, so has the Old Town area. I have been owning and operating businesses in the Old Town area for over 20 years and we're extremely proud of our contribution to its vibrancy.

[Time: 00:42:27]

And for all things you will hear tonight and more, we stand with the businesses, the owners, the hotel operators, and the residents that strongly oppose this liquor store license application in the entertainment district, 38- LL-2021. Over the past two decades there's substantial investments made in the downtown area, in particular the entertainment district, to create a successful and highly sought-after area of the downtown that we have now today. Improvements to evolve the entertainment district into a high-end mixed use area with a more sophisticated mix of restaurants and night life with hotel and hospitality for a broader appeal. It's for this reason and many others, that we don't want to see applications like this liquor store start to disrupt that balance and devolve the downtown Scottsdale.

Specifically, as stated by Tim Curtis earlier, the Arizona Department of Liquor statute, R-19-1-702 states "to determine whether public convenience requires and the best interest of the community will be substantially served" by issuing or transferring a license at a particular unlicensed location. Local governing authorities of the board may consider the following criteria, petitions and testimony from individuals who favor or oppose the issuance of a license, who reside or own or lease property within one mile of the current premises. Currently, there are 20 to 30 property and business owners within one mile that have opposed this application, including Dierks Bentley's Whiskey Row, El Hefe, Riot House, Maya, The District, Farm and Craft, Handcut Chophouse, and The Club House. These are not simply employees of the businesses but the actual stakeholders and business owners in the area that do not support this application.

Number two, evidence concerning the nature of this proposed business since market -- potential market, this liquor store application's customers will be foot traffic from the entertainment district. These customers could be possible people that have been cut off from further alcohol use from other well-managed establishments of the downtown. Additionally, because of the new cocktails-to-go law as of October 1<sup>st</sup>, 2021, a series 9 liquor store license which was being applied for here today will be able to sell to-go drinks up to 32 ounces which can consist of slushy alcoholic drinks, just exactly like Mardi Gras in New Orleans. This will have a direct effect on increased public consumption, increased vagrancy, increased traffic issues, increased loitering, increased crime, increased consumables such as cigarette and cigars and overall people trying to consume their single serve beverages in parking lots and streets putting the onus on other businesses in the area, and Scottsdale P.D., to manage open containers on public and private property every day.

[Time: 00:45:24]

And the applicant is correct --

Mayor Ortega: Mr. Hibbert

Ryan Hibbert: all series of licenses do have the ability --

Mayor Ortega: Mr. Hibbert, this is Mayor Ortega. I want to congratulate you on your twins. And you are now eating into Jason Adler's time. So, you had an extra minute there. Again, congratulations. Let's go to the next speaker.

Management Associate Shane Stone: Thank you, Mayor Ortega.

Ryan Hibbert: Thank you, I appreciate that.

Management Associate Shane Stone: And thank you, Mr. Hibbert for your comment. Our next public comment will be coming from Jason Adler to be followed up by Tom Hatten. Jason Adler, please press star six on your device and begin your public comment.

Jason Adler: Hello, Mayor Ortega and City Council, can you hear me?

Mayor Ortega: Yep.

Management Associate Shane Stone: Yes, sir.

Jason Adler: Hi, my name is Jason Adler. I am definitely in opposition of this. Over the past 18 years, I myself have been a part of the growth in the area, and I have had the pleasure of witnessing it firsthand with the Scottsdale entertainment district. I'm pretty bothered to see this, and upon learning of this liquor license application, its, its -- just utter dismay. I firmly believe that the interest of the community will not be substantially served by the issuance of this liquor license.



Overall, I do believe with confidence that Council will recommend denial of this request. But unfortunately, I don't think that that may be enough. I am also here today asking that you do more. I'm asking that you send a clear message to the state liquor board that this license is definitely going to be something that's unwelcomed to the area. I ask the Council to send a formal letter to the AZDLLC strongly opposing this application. I also ask Council to have Scottsdale please contact the head of AZDPS and notify of them of the City of Scottsdale's opposition once this happens on this liquor application. And if the application still gets approved after those actions, I would also ask City Council to send our city manager to the State Liquor Board hearing to oppose this application.

Contrary to Mr. Yono's beliefs as he stated in the questionnaire, the addition of a liquor store in the entertainment district will not be a very welcomed addition to the neighborhood and entire downtown area. It in fact could potentially lead to the demise of Old Town as we know it.

Mayor Ortega and City Council, the future of Old Town definitely lies in your hands with this, and we respect you guys and this beloved city. I respectfully urge you guys it make the right decision for the community and recommend disapproval of this liquor license. Thank you.

Management Associate Shane Stone: Thank you, Mr. Adler. And our next public comment will be coming from Mr. Hatten to be followed up by Boyce O'Brien. Mr. Hatten, please press star six on your device and begin your public comment.

Tom Hatten: Mayor Ortega and members of the City Council thank you for the time today, my name is Tom Hatten, and I'm the owner of Mountainside Fitness Centers and longtime, lifelong valley resident and recently in the last ten years we moved our corporate office approximately quarter mile from where the proposed use is going and with the liquor license. And when it came to our attention that this use was somewhat allowed or even on the consent agenda, I decided to speak up, not just for as a resident of the city of Scottsdale, but as a business owner in the community and just looking at the massive amount of progress that the city of Scottsdale has done by blending the old heritage of Scottsdale into the progressive movement of today and flowing with retails and hotels, as well as restaurants.

[Time: 00:49:43]

There's some uses, even though allowed by code, that just don't fit in certain zoning districts and certain areas. And this was one of them I felt important to speak up with to everybody to say I firmly oppose it as well. And just feel that there's just, you know, certain dogs for certain races and this isn't one of them in this particular area. I do believe in businesses to be able to go where they want to go in certain areas, but density of this area, the certain retail areas, businesses that we have there, it just doesn't make sense at this time to allow that.

I do look at also what the applicant asks, stated that there will be a welcomed addition to the neighborhood, however the entire neighborhood is opposing the application. It became more aware to everybody in the last two weeks which is why you saw so much opposition in this meeting. Applicant's narrative states that they would be popular with hotel visitors, yet

every hotel operator in the area is opposed to the application as well.

Plain and simple, the application is just the wrong use and wrong location at this time and I strongly oppose it. I just want to make sure that it's there on the record as a business owner in the area and strongly proud of the progressive nature of what the city of Scottsdale has done over the years. Thank you for your time.

Management Associate Shane Stone: Thank you, Mr. Hatten. Our next public comment will be coming from Mr. O'Brien, to be followed up by Tommy Moore. Mr. O'Brien, please press star six on your device and begin your public comment.

Boyce O'Brien: Can you hear me?

Management Associate Shane Stone: Yes, sir.

Boyce O'Brien: Good afternoon, Mayor Ortega, City Councilmembers, my name is Boyce O'Brien. I'm here on behalf of Stockdale Capital Partners, obviously in opposition to this application. For the record, my address is 4501 North Scottsdale Road and I'll try to make it quick. I have to give the attorney credit for coming up with a tremendous story in just a week. But with all due respect, it's partially based on fiction. I just spoke to Sean, who unfortunately, is traveling with his family and unable to attend, but he adamantly denies that anyone from this applicant has spoken to him or Ryan Jacques. So, the attorney needs to spend a little more time getting his facts straight.

As you are likely aware, Stockdale Capital owns approximately 30 properties within a half mile radius of this site, and we oppose it for good cause but not the least of which is an attempt to maintain the character of this key quadrant in downtown Scottsdale and hopefully avoid letting it slip backwards. Our company has spent the last ten years and over \$10 million in collaboration with the city, the community at large, to establish a master plan PBD roadmap in this area that embraces our community and neighbors. Our goal is to evolve this into a 24/7 hospitality district that embraces all ages, and we're proud of that. In fact, we have already begun construction of over \$250 million on two high-rise developments. Our Hotel Maya permits will be issued in just a few weeks. Waterview permit will be pulled in the next week and the additional hotel is scheduled to begin construction later this year. With several other high-profile projects in the pipeline, we are proud to be on track to spend over a half a billion dollars with a "B", in Scottsdale over the next three to five years. We reached this point in a collaborative manner, including public outreach that went above and beyond the minimum requirements.

[Time: 00:53:11]

Obviously, we're better together and we need to maintain a common vision to accomplish our common objectives but a liquor store with who knows what upstairs is absolutely contrary to that goal and is not a public need or community convenience. This is nothing more than a wolf in sheep's clothing. It's a grab and go liquor store under the auspice of convenience. The last time I checked convenience stores were conveniently located on main streets with convenient circulation and convenient parking. This site is eternal to the hospitality district. There's little

doubt that their sales will be generated by pedestrian traffic. Their target will be people heading into or out of the night clubs. Whether they start their night with a rapid unregulated consumption or they get kicked out and want to end up in the streets or worse in their cars, it's a disaster waiting to happen as expressed by the police.

We can all debate what quality business development is, but this is not it. This is not a project that respects Scottsdale, nor is it supported by the neighbors that their attorney suggests. In closing, I understand and appreciate the Mayor and Council's recommendation role and implore you to send a strong recommendation of denial to the State in opposition to this class 9 application. Thank you for your time and thoughtful consideration.

Management Associate Shane Stone: Thank you, Mr. O'Brien. For the next public comment, we will be going to Mr. Moore. Mr. Moore, please press star six on your device and begin your public comment. Mr. Moore, it looks like you are still muted. If you press star six on your phone, that should unmute you and you can begin your comment.

Tommy Moore: Okay, I think you might be able to hear me now. My name is Tommy Moore. My company is Endeavor Real Estate. I have owned and operated and lived in Old Town Scottsdale for the last 20 years. The progress here has been tremendous by the groups doing it. All the different developments, apartment buildings, the entertainment district has just been wonderful. We don't need a liquor store down in this area. We have a Fry's grocery that has all the liquor that someone would ever need, less than a quarter mile away from there. We also have a Safeway which is less than a mile from there. That's all the liquor that this area needs ever. More than the bars. I would ask that the board strongly deny this application. Thank you.

Management Associate Shane Stone: Thank you, Mr. Moore. And Mr. Mayor, and members of the City Council that concludes telephone comment on this.

Mayor Ortega: Thank you. We will now turn to in-person testimony. I will begin with Correll Thomas and then Lissa Druss. I ask that you state your name, address, and come forward. Thank you.

[Time: 00:56:34]

Correll Thomas: Hello, my name is Correll Thomas. My address is 10914 East Crescent Avenue, Mesa, Arizona. I also partially reside in Nashville, Tennessee. I am the director of security operations for Riot Hospitality Group. I basically spent the last 16 years of my life as a protector. Half of that in the military, the other time was in executive protection, and now I run security operations for hospitality companies throughout the country. I'm also a weapons and tactics instructor for multiple law enforcement agencies down in Nashville, Tennessee involving de-escalation techniques. So, to say I know a little bit about dealing with drunk people is a little bit of an understatement. I can tell you that a liquor store being interjected into the entertainment district in Old Town Scottsdale is literally one the last things that we currently need if we want to continue to grow this beautiful city.

To speak to some of the attorney's points, while a liquor store may flourish in San Diego in their

district, I'm very proud to say that we are not San Diego, and that we do things differently here. 0.8 miles can make a very big difference in where you put a liquor store and to speak to the gentleman's comments right before me, there are already large liquor stores readily available outside of the entertainment district.

Who is going to basically secure this premises as far as being able to walk in, buy small bottles of liquor, drink them before you come into establishment, essentially tricking the door staff who is trained in combatting letting over intoxicated patrons in? Because I wanted to know how easy it was in order to get small liquor bottles, be able to consume them and then go into a premise. So, these are empty. But one, two, three, four -- and I could have fit more in any pockets -- my pockets, had I wanted to. What is going to stop underage patrons or patrons looking to get drunk quick before they go into an establishment? What is going to stop them from doing exactly what I just did? What is going to stop these patrons from purchasing alcohol on their way out of the U and then getting in their car and possibly hurting themselves or others causing a massive dram shop lawsuit for multiple business owners in that downtown district? Not to mention, the tragedy of loss of life or injury.

I do not want to see these Scottsdale officers have to become babysitters in the street for overly intoxicated patrons that cannot control themselves because they desire to consume liquor in the U and then cause problems. We need those officers for more serious offenses. They do not need to have their hands tied dealing with constant problems from people purchasing single serve liquor from a store inside the district and then wreaking havoc in the downtown U. Thank you very much for allowing me to speak today.

Mayor Ortega: Thank you. Next, we have Lissa Druss and then Jude Nau.

[Time: 01:00:03]

Lissa Druss: Good evening, Mayor Ortega and Council -- City Councilmembers. Thank you for allowing me to address you this evening. My name is Lissa Druss. I'm with Riot Hospitality Group and I'm the government relations representative. 7525 E Camelback. The venues that operate in the entertainment district are held to incredibly high monitored policies, regulated by the State, and the city. Alcohol consumption by patrons is monitored and regulated. More importantly, we don't allow alcohol to leave our premise.

The proposed liquor store will start serving liquor at 8 a.m. This will give ample time for bad actors to become intoxicated, long before restaurants bars are open. Operating on a Friday and Saturday night is the worst time to be selling alcohol in the entertainment district. There's no way to monitor if a person has recently purchased alcohol, how large of a purchase, how much may have been consumed before walking into an establishment. Suppose the same person is denied entry because of over intoxication. In that case, the likelihood of this person putting others in harm's way, or potentially damaging or defacing property, is a real situation.

As you may know, the State Liquor Board criteria for review includes taking testimony from those who own property within the one-mile proposal. The city of Scottsdale owns property within the one-mile proposal and there should therefore actively oppose this application. We

also encourage the City Council to enact a text amendment requiring conditional use permits for liquor stores, vape stores or convenience store applications in the downtown area.

In closing, the Arizona Statute 4-203a notes as a requirement of approving a liquor license application, quote, that the best interest of the community will be substantially served by the issuance in this license, unquote. This is clearly not the case. The liquor store application in no way substantially serves the community. In fact, the Scottsdale community has spoken through letters and comments and the Council. Please, the city of Scottsdale is adamantly opposed to this application. Thank you for your time.

Mayor Ortega: Next we have Jude Nau and then Bill Crawford.

Jude Nau: Well, good evening Mayor Ortega, City Council, my name is Jude Nau, I own the Best Western Plus Sundial at 7320 East Camelback Road. And I have lived on that same site since 1993, less than 100 yards from the applicant's proposed store. And I have sent you a letter. I assume that you have read it.

[Time: 01:03:18]

I have got a couple of issues. The first applicant's rep was going around to non-stakeholders looking for support and so in my letter I respectfully challenged all of those signatures.

Secondly, I did receive a call, possibly from Vanessa, and in that telephone call, I was confused because Vanessa said the city of Scottsdale police department supports this. Can I get some clarification on that? She said that there's no opposition by the city of Scottsdale police department. And that blows my mind because I read the report. The report says no and opposition as if there's opposition. So, I think there's some maybe honest misunderstanding, but it did seem to sound like I was being coerced into thinking the Scottsdale police department does support this. And what I understand is, the police department figures there are major life safety issues.

Another point on the applicant's application under parking, contrary to their impact study, the surrounding street network does not provide sufficient access to this 2 a.m. business. Scottsdale police blocks access to Saddlebag. Scottsdale police department closes vehicular traffic to the U between 10 p.m. and 2 a.m. During that time is the peak business of the nightclub district and that would be the peak business time of this proposed business. So, the only customers walking into this business would be doing just that, walking into the business.

And then finally, there's talk about, you know, it's going to be the -- the liquor store will be beautiful, and the operator is on the up and up. Good for them, but I tell you something, if A.J.'s Fine Foods was proposing this same business, I would be opposed to it because to have a bachelor herd of Canadians show up in downtown Scottsdale, walk into that liquor store, buy as much as they can walk out with, that's the business' prerogative, however, now they are armed with more liquor than they can possibly consume with no control, no monitoring, as was suggested by previous speakers. So, I request respectfully that you forward a request of denial. Thank you.

Mayor Ortega: Bill Crawford and then Jason Morris.

Bill Crawford: Greetings, Mayor and Council, I'm Bill Crawford. My address is on record. My wife and I live pretty much across the street from the entertainment district. My business is across the alley from the entertainment district for 25 years. As a downtown Scottsdale business owner, you know that I have worked hard and long with the entertainment district, the nonentertainment business community, and the residential neighbors for many, many years to ensure compatibility and safety downtown. Early on, when the bar district first started to spring up, we identified several issues and we worked hard with the city to solve these problems. Six policies and ordinances have served us well for many years. Now before us is a proposal that we think is a very bad idea. And the main issue is public safety. Lots of other issues, but the main issue of public safety.

[Time: 01:07:22]

I have ten years of experience in the Maricopa County sheriff's office where I served. The Scottsdale police department developed policies and procedures for the nightclubs which are closely followed. These include de-escalation training, and safeguards to protect everyone from overserving. If approved, having a liquor dispensary embedded in the center of the night clubs will make it impossible to protect us against overserving. It will also be difficult to establish liability when lawsuits arrive from overserving as to who done it. It's very ambiguous and it puts the bar owners in jeopardy. Along with overserving issues of littering and the alcohol will be consumed on public streets and in parking lots. We have been before. It's really ugly.

Yes, there are businesses that sell alcohol in nearby proximity, but bringing it into the entertainment district, there's lots of barriers and it makes it very difficult for this to happen. Why should we want to make it easy on them? This proposed operation will provide seamless, convenient accessibility, to uncontrolled unmeasurable consumption also the quantity of alcohol will be in pints and quarts.

I'm sure the applicants are very nice people, with an entrepreneur's concept that would bring benefit to themselves, but it would bring serious unmanageable problems to the entertainment district and the neighborhoods. It's in our ideology to not regulate free enterprise, but the first responsibility that we all have and you all have is public safety. Please keep that in mind, and please do not approve this project. Thank you.

Mayor Ortega: So, we have Jason Morris and then LeDonna Spongberg.

Jason Morris: Thank you, Mayor, Councilmembers, Jason Morris, Withey Morris 2525 East Arizona Biltmore Circle. On behalf of several underlying property owners, but more specifically, the EPG Group and the controlling ownership of the Galleria, nearby neighbors obviously within one mile.

I don't want to reiterate much of what has already been said this evening because I think it's been heard loud and clear. But I would like to touch on basically what is a compatibility

standard. And unlike so many liquor-related uses within the city of Scottsdale, this liquor-related use, as a liquor store does not require a Council use permit. Because it does not require that Council use permit, it can go virtually anywhere as a use by right that the zoning underlying that property permits. In this instance, it popped up.

There's the liquor license aspect of it, and because we are dealing with just a transfer, we're limited as a city and as the public as to what we can address with that transfer and staff adequately laid that out. But I would like to reiterate a few points. One, the police department, your police department has noted significant concerns with this application. And the impacts of that application. And that is probably the most pressing issue because if we talk about compatibility with this transfer, which is really what is being considered, as you look at the State law and they talk about evidence concerning the nature of the proposed business, its potential market, think about who that potential market would be, because I believe we have heard repeatedly who this will be marketed to. As well as its likely customers.

[Time: 01:11:12]

The compatibility of the proposed business with other activity within one mile of the proposed premises, and the effect or the impact on activities of businesses or the residential neighborhood that might be affected. All of those work in favor of denying this or recommending this be denied by the state. With that, thank you for your time. I would be happy to answer any questions you may have, and, again, I would urge your support for the community in denying this application. Thank you.

Mayor Ortega: Finally, I show LeDonna Spongberg. So, we had a list of in-person and telephonic and at this point, I will open up -- well, before we have a motion, I would open up any -- the Council for any questions they may have or clarifications, and I see officers here -- Officer Bailey, you have a very famous name, sir. And I have known some of the finest here in Scottsdale. Can you give us additional information?

Officer Christian Bailey: Yes, Mayor, members of Council. I just wanted to give a unique perspective I have based on some experience. I have worked for the city of Scottsdale police department for 17 years, and ironically, of those 17 years, 15 of them have all been spent in the downtown entertainment district. I have seen the growth. I have seen the change. And I have been able to be a part of a lot of that -- the conversation with the community as well as constituents that are there.

The city of Scottsdale police department based on our experience has seen some of the change that is going on in the area and we do have some concerns in relation to the safety and the security of the particular establishment that's going to go in there. Based on my experience in the area, patrons like to come in. They preparty. So, they might drink alcohol in vehicles and things like that, which is somewhat part of that area that is a major concern for us. People that have access to alcohol prior to entering establishments where it is regulated quite heavily brings another layer of safety and security concern for us that someone might get overly intoxicated prior to. Some of the establishments may or may not miss that sign and then you have someone who has access to the alcohol before that.

There's adjacent businesses that are in the area that have concerns that are related to littering and trash which we have seen an increased amount of, and we believe with this establishment it might bring that. There is some receptacles in the area and trash in the area but people who generally consume alcohol in the area, based on my experience, would bring more of an element to that, that might add some layers of difficulties for us.

And then finally, the impact, what it might have to staffing and things that we would have to put more attention to a longer set of hours that people consuming alcohol. They are proposing to open up at 8 a.m. in the morning, which means people could access that alcohol at an earlier time. They could consume that alcohol out on the street, which would possibly require more resources to attend to that.

Lastly, we use that area as an entertainment area. We have certain specific events that we do license in the area. This particular establishment would actually be part of that overlay, which would create another layer of trying to protect or either put it in and out, that would create an element of safety and security that we would have to address.

[Time: 01:15:06]

Those are the concerns that the P.D. has at the time and are laying out for your recommendation. If you have any questions, I would be more than happy to answer.

Mayor Ortega: I do not see any -- well, let me ask you one. Are there any local criteria for liquor store near a park? Are there any distance criteria?

Officer Christian Bailey: Near a park?

Mayor Ortega: Yeah, in Scottsdale.

Officer Bailey: No. There is relation to public schools and places of worship.

Mayor Ortega: Thank you. Okay. Well, at this point, we are -- I would like to get a -- we have several comments coming from Council, but let me also get to City Attorney Scott, if there's any commentary to add to the information.

City Attorney Sherry Scott: Thank you, Mayor. Typically, we would allow the applicant a short period of time to respond to public testimony if they have a response. I'm not sure if they want to take a moment for that.

Mayor Ortega: Yes. You have five minutes. How is that?

City Attorney Sherry Scott: Thank you, Mayor.

Jake Curtis: Thank you, Mayor and Council. Appreciate that. There was a lot of opposition that we saw from a lot of our local competitors but what I didn't hear from anybody was why this



particular location doesn't work. We heard a lot of generic comments about how liquor stores are bad and how serving alcohol is bad. A little bit ironic coming from what seemed to be mostly purveyors of alcohol in that exact area. But I wanted to address just a couple of things.

There was some confusion about what the -- what the Scottsdale police department's recommendation was. In the report that you all got, what we saw, was we didn't -- they identified some generic problems that come generally from liquor sales. But they didn't recommend denial or identify any particular problems with this specific location or these specific applicants. And so when we represented, we were not aware of any opposition from Scottsdale P.D., that was based on the report that you all received and we also viewed.

The gentleman who brought -- I guess snuck in a bunch of small bottles of liquor, they are not going to sell small bottles of liquor. It sounds like what they are worried about is that someone will -- that the bar owners will not be able to do their job and mistakenly serve over intoxicated people. That's a problem not created by this particular location. As already noted, there's a Fry's and other grocery stores. People can buy alcohol anywhere they want, including series 6 bars. So what we haven't heard is anything that says, this particular location increases any of the problems in the area.

We have heard complaints about trash. I mean, honestly, I don't know how to address that, that people may create more trash. That's true of any liquor store. That's just a generic comment against liquor stores. The fact that it opens at 8 a.m., my clients looked around, almost universally, liquor stores open at 8 a.m. in Scottsdale. This body has apparently approved liquor stores for opening at 8 a.m. As noted, Fry's and all the other stores, they're open even earlier than that. So what we didn't hear was anything that identified why this particular location would be a problem.

[Time: 01:18:34]

We have identified problems with liquor in general, and with liquor stores in general and apparently people don't like these particular things but there's nothing that's inconsistent with what's going on in the general area. As noted, this is a mixed-use area. You are promoting residential. It's not just young people coming to go to the bars, and this is exactly the kind of amenity that people like that would want to see.

I would note Mr. -- Mr. Yono told me that he's been had liquor licenses in Scottsdale for 30 years. He's actually gotten commendations from Scottsdale PD for his efforts to prevent underage drinking. These folks know that they are legally prohibited from serving intoxicated people and they're going to fulfill their obligations just like the bar owners state that they will do to not violate the law to not allow public intoxication. Drinking alcohol in public is against the law. They obviously can't prevent people from doing that, but liquor stores are not responsible for people violating the law. I see Vanessa wants me to tell you something. Can you come up? Is it okay if -- I know we've got a few minutes.

Mayor Ortega: Certainly, you have two minutes.

Vanessa Yono: I just want to note also -- sorry. I'm very short. I just -- want to note also we did a lot of studies and although the gentleman said San Diego is not the same as Scottsdale, the areas that we did the studies were, were very identical. Some close people that we studied actually have a liquor store in on the bottom of an Intercontinental hotel which is equal to or better than the W. So you know, the study that we did in that same -- those same areas really helped with our concept. So it's not like we're bringing in a low-end liquor store. They are going to have high bottles that are very expensive. It's not, you know, lower end type of liquor.

Jake Curtis: Anything else? I think that's all we have. I'm happy to answer any questions that you all might have.

Mayor Ortega: Okay. At this point, I see Councilwoman Caputi wishes to speak.

Councilwoman Caputi: Thank you, Mayor. I have no issue with the applicant or where the building is. I actually have a problem with the location for the use. This specific location, that's my issue. I don't believe this is in the best interest of our community.

[Time: 01:21:06]

This is right in the center of our entertainment district. We are already experiencing an increase in violent crime in this area and easier access to alcohol is certainly not going to help our problem. I spent in time over the summer in the U of our entertainment district, with the Scottsdale police department and it is a pretty wild scene. Adding more alcohol outlets will be detrimental to our public safety issues downtown. As the Scottsdale police department pointed out in our packets, the possibility of purchase and consumption of alcohol immediately prior to or after venue attendance is a concern, as well as consuming alcohol in the street.

These factors increase the potential for disturbances and altercations surrounding the establishment. Our police department already has its hands full on weekend nights in this location specifically. We want to make our downtown a safe, desirable, thriving location for residents and tourists, and I don't think this application accomplishes that goal.

I move that the City Council forward to the Arizona Department of Liquor Licenses and Control a recommendation to disapprove the applicant's request to transfer a liquor license to this location because the public convenience and the best interests of the community will not be served by a retail liquor license at this location, when considering factors 1, 6, 8, 9, 11, and 12 of the State's applicable administrative regulation R-19-1-702 and the evidence presented and contained in the hearing record tonight.

Councilwoman Littlefield: I will second that.

Mayor Ortega: We have a motion and a second. There's discussion from Councilmember Durham and then Vice Mayor Janik.

Councilmember Durham: Yes. I would like to offer a friendly amendment to the motion. I think after the word "because" if it's agreeable, I would like to add that "it is not compatible

with activity within one-mile", period. And then continue the language saying the public convenience and the best interest of the community will not be served by a retail liquor license, et cetera, et cetera.

Mayor Ortega: We have a request. The maker of the motion, would you consider that?

Councilwoman Caputi: I would have to defer to the city attorney, because I'm literally taking the language directly from her suggestion.

City Attorney Sherry Scott: It's fine for the Council, Mayor to amend the motion in that way. There's no exact way that that motion needs to go. If the Council thinks those additional items are another reason to recommend disapproval, then the Council can amend the motion in that way. And in this case, it would have to be up to Councilwoman Caputi, the motion maker and Councilwoman Littlefield, the person who seconded the motion.

[Time: 01:24:29]

Councilwoman Caputi: Councilman Durham, can you read that one more time, your changes?

Councilmember Durham: Yes. I think after the word "because."

Councilwoman Caputi: Because.

Councilmember Durham: I would add "it is not compatible within activity within one mile", period. And then I would start the new sentence "The public convenience and the best interest of the community", etcetera, etcetera.

Councilwoman Caputi: I'm okay with that. It doesn't change the intent of the motion. That's fine with me.

Councilwoman Littlefield: I'm okay with that.

Mayor Ortega: Okay. We have a reconstituted motion, and we have Vice Mayor Janik and then Councilwoman Littlefield and Whitehead.

Vice Mayor Janik: Thank you, Mayor.

Mayor Ortega: Yes.

Vice Mayor Janik: Venues in the entertainment district have the ability if a patron is intoxicated to remove them from the premises and to cut them off from alcohol consumption. Many establishments in the Scottsdale entertainment district have table service so they can do a very good job of monitoring alcohol consumption and keeping an eye on their customers.

With a liquor store in this area, there's an opportunity for purchase and consumption that is unmonitored. This poses an additional burden for establishments already in the entertainment

district as others have already said this evening. We are already dealing with an uptick in problem behavior in our entertainment district, just like happens in all the cities across our country. And a liquor store in this location specifically in the entertainment district will add to the problem. The Scottsdale police have done a terrific job of addressing the current situation and the current problems and getting them under control, but I don't think -- and I don't want them to have to deal with an additional burden. They are already putting in quite a few hours, a lot of overtime, a difficult job and I respect all that they do, but I don't want to add any more to this burden.

So, I am opposed to this liquor store in this particular location. And it has nothing to do with the person who has proposed it, because I do believe that he's well intentioned, but it is just the nature of this location that adds an additional burden to the city. So thank you.

Mayor Ortega: Councilwoman Littlefield and then Councilwoman Whitehead.

Councilmember Littlefield: Thank you, Mayor. Yeah, I -- I have a couple of issues with this. One thing, I don't like personal attacks on applicants who come before us wanting things. I don't think that's appropriate.

But the other thing is, I have an issue with the unmonitored use of alcohol in an area that's already very heavily alcoholled, if you will, and we already have issues and problems in. And so, I really don't see that it's in the best interest of the city to add to that issue, and to add to those problems. So that's why I do support this motion and I will be voting for it. Thank you.

Mayor Ortega: Councilwoman Whitehead and then Durham.

Councilmember Whitehead: Thank you, Mayor. I just want to thank the applicants for being here and I want to thank you for your work to stop underage drinking. I really appreciate it. I don't agree with your location change but I hope you will keep up the good work in other parts of our city and so I will be supporting this motion, but I do thank you.

[Time: 01:28:12]

Mayor Ortega: Councilmember Durham.

Councilmember Durham: Thank you, Mayor. I want to reiterate, as everyone -- excuse me, as everyone else has, that this has nothing to do with the applicants. We never heard any problems from you. I'm sure you have a fine record, but this is just the wrong location. It's the wrong place.

And I want to go into some detail about the location. I have very grave concerns about the safety of the public in, especially the safety of our police in policing in this area, and I think that this use is incompatible with the surrounding neighborhood as defined in the regulations. Many people have heard recently about the gunfire on craftsman court, but I want to highlight some instances taking place in the entertainment district, which probably haven't gotten the same publicity and all of these instances, I believe, took place within a very short distance from the

proposed store.

I'm going to list only incidents involving violence and firearms, and even with that limitation, it's a pretty long list. On February 4<sup>th</sup>, of this year -- everything this is year, two men were beaten unconscious outside of the Pretty Please Lounge, which is literally across the street from the proposed location. The following evening, February 5<sup>th</sup>, there was a verbal altercation at the Paris Nightclub, and between two females. One of them produced a gun and pointed it at the other. On April 29<sup>th</sup> there was a case of reckless driving, extreme drunkenness and six illegal guns were seized from the car.

On the next instance, five April, I'm sorry May 1<sup>st</sup> I don't have the exact location on this one I'm sorry, but I'm sure it was in the same area. A driver failed to admit to a firearm in the vehicle and then failed to admit to a second illegal firearm in the vehicle. So that night there were two illegal guns seized. The following night, May 2<sup>nd</sup>, there was a physical altercation on Saddlebag, outside of the El Hefe Nightclub, and the prior offender was suspected of dropping a stolen firearm.

[Time: 01:31:19]

On May 8<sup>th</sup>, there was an armed robbery in the vicinity, and the perpetrator ran from the scene, hid his firearm. He assaulted officers, resisted arrest and the second offender with him failed to obey the police and was also arrested. On May 17<sup>th</sup> there was a fight outside of Pretty Please Nightclub, one the offenders ran from the scene, and a gun magazine fell from his waist band. And he was -- this person was a prohibited possessor, which I assume means he was legally prohibited from carrying the firearm that he was possessing.

June 5<sup>th</sup>, an off-duty officer working at the International Nightclub tried to stop a fight outside the night club. The primary offender fled and resisted arrest, other offenders attempted to intervene and free the primary offender from police custody. On June 19<sup>th</sup>, there was an altercation between two females and several males leaving the International Nightclub. A male stole a phone from one of the females and assaulted the other by punching her in the face. The other female retrieved a handgun from her vehicle and fired two rounds towards the males. On June 24<sup>th</sup>, just a few days later, there was a discharge of a firearm with multiple rounds outside the Casa Amigos.

July 4<sup>th</sup>, there was an aggravated assault outside of the Pretty Please nightclub, which, once again, I think is directly across the street from the proposed location. July 5<sup>th</sup>, the following night, at the closing of the Paris Nightclub, officers attempted to intervene and break up a fight. Other members of the group began to assault the officers in an attempt to free the detained person. Five offenders were arrested. Firearms were located in the vehicles, but no arrests were made because I presume the weapons were legal. July 5<sup>th</sup>, the same night, there were shots fired in the area of 7350 East 6<sup>th</sup> Avenue. There were 12 shell casings from 9-millimeter and .40 caliber guns found there.

July 11<sup>th</sup>, a suspect was observed walking on Camelback, flashing a handgun outside of the south curb of the Pretty Please Nightclub. That person was involved in a physical altercation, and he

produced a handgun and brandished it at the other persons involved in the fight. July 12<sup>th</sup>, 390 drivers -- I'm not sure what that means. I assume it's probably a drunken driver. Actually, I'm sorry that one's a Craftsman Court incident so I'm not going to bring that one up. I am trying to limit myself to the entertainment district, so forget that last one.

What this tells me is that this is already an extremely dangerous area where our citizens are in danger actually sometimes at night, many people have been hurt and I'm particularly concerned with the policemen here. The policemen have been assaulted numerous times and so I think that this situation -- by introducing liquor into the situation, as many other people have mentioned is going to lead to increased accessibility to the liquor, probability of the drinking on the street is very high. The bottles can be easily concealed even if it's not little bottles that I believe that Mr. Thomas produced. And many people in this area are carrying guns. Unfortunately, the record shows that. And so, this is just a volatile atmosphere to me to put a liquor store into this area, when we already have significant problems with crimes I just outlined.

So, I think that this location is just totally incompatible with the surrounding environment and for that reason, I'm supporting Councilmember Caputi's motion. Thank you.

[Time: 01:36:56]

Mayor Ortega: Thank you. I have my own comments regarding the recommendation for denial, based on location. The city of Scottsdale has long held zoning right and a long process regarding the Old Town downtown area. We prohibit drive thru restaurants. We do that for a reason. They sell hamburgers or quick food or whatever, and the city of Scottsdale, for our business well-being, for the experience of enjoying some hospitality in a restaurant, has chosen to disallow drive through restaurants and drive through liquor stores in downtown. So, we have a prerogative as a city of exercising the kind of control that will build our city and support in every way law enforcement, hours of operation, security plan, conditional use permit for controlled substances.

I say that because the other topic, which was mentioned by the applicant had to do with medical marijuana dispensary which is also a controlled substance and which by ordinance, the city of Scottsdale, since 2016, has been prohibited in the downtown business district, as a dispensary and therefore with the legalized sale of a controlled substance.

So, the city of Scottsdale is well within our rights to shape the city so that certainly the opportunity to sit and enjoy a restaurant, employ people and so forth in that environment and the ambience that the city provides because we have so many venues in Scottsdale, versus having patrons exit to a convenient drive through, fast food restaurant. It just doesn't happen here. So, if you look around, that's why.

And in this case, I'm applying the same location thought and criteria as you look at this and as the right of the city to impose our own zoning restrictions for the good of control. There are many problems with controlled substances that have been discussed and disclosed here. And we do not want to add to them with a point of sale, which would have no control in terms of

what is under control within the premises of the establishment. There is no restriction as far as the size of liquor, which could be sold or might be sold verbally or otherwise and there again, that danger was expressed here in public, for the record. I heard it. I believe it is a potential obstacle danger, whether they look like the little airline liquor bottles. There is no restriction that that could not be done. And I think that is a concern for everyone.

So, I do support the motion and I believe we have grounds in terms of our and we will send that message to the state of Arizona in a very strong way that we are particular in how, for instance, defending the drive throughs, additional traffic, air pollution, but mainly because we want people to come, sit down and we can monitor what is on the menu and how it's delivered.

So, with that, I see no other comment. I will ask for your vote. Please register your vote. Thank you. It passes unanimously.

### **ITEM 30 OLD TOWN BICYCLE MASTER PLAN**

[Time: 01:41:36]

Mayor Ortega: We will now proceed to the next regular agenda item, which, I believe, is the old town bicycle master plan. Item number 30.

Mark Melnychenko: Good evening, mayor Ortega and city council. Now for something a little bit more positive than what we had just discussed. I appreciate the opportunity to provide a project summary and recommendations for the old town Scottsdale bicycle master plan which is an important piece of our expanding active transportation network.

The old town bicycle master plan is being funded in large part through the Maricopa Association of Governments active transportation program. Transportation staff began this effort in the summer of 2019. The purpose of the bicycle master plan is to identify routing options and make recommendations to address the gaps into and through the old town area for cyclists, while increasing active transportation, opportunities and providing greater area connections in the downtown.

This master plan is focused on making recommendations to enhance the network within the limits of the old town Scottsdale and improve connectivity to regional pathways surrounding old town Scottsdale U.S. as the Indian bend -- such as the Indian bend wash path and the cross-cut canal path, all within a half mile of old town.

This plan will help to integrate more biking into the area, which is full of activity centers and destinations. The team, the project team analyzed other planning documents such as old town Scottsdale character area plan, which identifies ten districts shown here on the slide within old town Scottsdale.

In addition to identifying the infrastructure -- in addition to evaluating the bicycle infrastructure

into and within old town Scottsdale as a whole, the project team also explored the bicycle trip interaction between these ten districts to aid in the identification and the prioritization of key bicycle routes.

Evaluating old town Scottsdale by district allowed the team to identify where additional bicycle infrastructure would add the most benefit to the bicycle network. The project purpose was further broken down into four project goals to align with our recommendations.

Overall, we focus on providing low stress, low volume, on-street facilities for cyclists. The project formally kicked off in April of 2020. The consultants assigned to the project held a visioning workshop in May of 2020, with participation from over 20 staff representing several city departments.

The team analyzed city planning documents, data, existing conditions and caps and barriers in the network during the summer of 2020. In the fall, the team began shaping the public outreach plan. This slide shown here summarizes the planning process. A project web page was created and had an open house. It had a recorded slide presentation, questionnaire for citizens.

[Time: 01:46:56]

There were 79 responses to the questionnaire with feedback in how people bike in old town and the challenges they experience. The slide also shows the other means of passing on information that were part of this project. In the spring of '21, a series of stakeholder sessions were held over a three-week period. Each week, focused on different aspect that included three separate stakeholder groups a week. Several types of stakeholders were represented as shown in the diagram, with old town Scottsdale bicycle master plan project.

The purpose of these stakeholder sessions were to familiarize stakeholders with the old town bicycle master plan project. Second was to present and receive input on proposed key routes and familiarize stakeholders with low stress bicycle environments. Thirdly, was to present and discuss specific recommendations per route and the overarching bicycle network recommendations.

The series of focus groups provided each group time to discuss the information in detail, and gather input on the recommendations of the bicycle master plan. The feedback from the various stakeholders represented a wide range of partners, was overall supportive for biking. A common discussion point was a need to make the old town bike network safe for all users, to support the diverse people that live, work and visit old town.

Additional feedback reinforced input from the virtual open house questionnaire about the need to connect people to, from, in and around old town Scottsdale. An important discussion point was quantity and quality of implementation. The majority of feedback from the focus groups indicated that quantity was far more important than quality, yet not at the sake of safety. This helped shape the factors to consider for implementation of each future improvement. There



were several factors that helped to include the key routes.

I will show on the screen, existing and planned bike ways, major destinations where people want to go, gaps in the system, and what we heard from the community through the public input process.

Once gaps in the system were identified, the team moved on to identifying the key routes, the focus was to improve the connectivity to the off-street network, including the canals and the multiuse path system, as well as provide low stress, low volume options for a wide range of cyclists.

[Time: 01:50:46]

It is important to provide routes to the area from every direction as you can see here, three are east/west, and two are north/south. Route number one is highlighted in the graphic shown on the slide, and will be discussed in more detail this was along second street. This slide shows a detailed look at one route that follows second street this corridor has a combination of existing path and bike lanes with planned improvements for the rest of the segment to link together. This route is important as a low stress connection between the Indian bend wash path, to the civic center plaza, across old town, to the Arizona canal path. Along the way, there are shops, restaurants, the upcoming museum square project and residential areas.

Close coordination with the civic center master plan and second street improvements will occur as well as the facilities -- as with facilities and library staff to ensure that a safe route near the parking garage and conjunction with the library pick up and drop-off area. Please note that the design phase will determine what type of engineering is needed these future corridors. There's several times of improvements in the project toolbox to utilize. These some are broad categories that staff will evaluate several of these for each route during the design phase.

The slide lists several that we'll consider, however, we do understand that continual coordination is needed with all of the downtown projects both public and private. For the next steps, the team is currently refining the master plan document with comments from staff, in looking to finalize the document shortly.

An update and summary of the plan will be added to the project web page. The key routes and the recommendations will be integrated into the neighborhood bikeways portion of our transportation action plan, which will be going out for public comment in the near future for a community input phase of that planning process. This concludes my presentation. And I will be happy to answer any questions that the mayor and council may have.

Mayor Ortega: Councilwoman Whitehead and then Councilmember Durham.

Councilmember Whitehead: First off, mark, thank you. It was fun to read this, and I'm obviously going to be very enthusiastic. A couple of questions. Just on the second street, how are you

going to get around that parking garage? Because I always get lost.

Mark Melnychenko: Well, mayor and city council, Councilwoman Whitehead, just to give a little bit more feedback, and I wanted to show second street because I think it illustrates everything that we are dealing with downtown, and it was a straight-shot between the off-street networks and then the improvements.

To answer your question, we are working with the library section because there was some conflict between their pickup and drop-off of the library system, and so we're working with them on the exact route for the cyclists to be able to pass through that area. That's one the challenges that we have and we will be working through that.

Councilmember Whitehead: Okay. Yeah. Thank you. I was paranoid after I found out that I had I was not able to buzz there.

Mark Melnychenko: Some of that will be incorporated with the civic center master plan.

[Time: 01:55:13]

Mayor Ortega: A couple of things --

Councilmember Whitehead: A couple of things I would like to see, and I don't know if you are at that level of specificity. I'd that there's a little plastic barriers when you are biking and I know you said cost, you are balancing cost, but you are riding on some bike lanes and there are these little plastic things, they are sticks. I want to throw that out.

We've had, obviously a lot of bicycle deaths. I thought that might be kind of cool. And in Tempe and other places we are seeing bright green colors in the bike lanes. I want to throw that out if the next round can more specificity. Let's see. I wanted to know if you are looking at the delayed pedestrian crosswalk that's cropping up different places. That's where the lights all turn red and the pedestrians have kind of a head start and they are really in the middle of the road before the other -- I don't know if you have seen that.

Mark Melnychenko: Mayor and councilman, you're talking about a phase for bicyclists.

Councilmember Whitehead: Well, it's phased for bicyclists. If you have a four-way stop sign. All four ways are red for the cars and a delayed start for the pedestrians. I'm starting to see that in different cities.

Mark Melnychenko: I will bring it back to the team and have the I. T.S. staff look at that option.

Councilmember Whitehead: Okay. I had another idea that I think your city manager shot down previously and I will bring it up again. It's scramble, the scramble concept, at camelback and Scottsdale Road.

And I think I had heard it's used in mostly big city, but the residents are our ears and eyes to the world, reported that Prescott has scrambles. It's kind of a cool way and makes a miserable -- it makes a miserable intersection a little more fun if it worked. So I think those were all of my ideas. And really, again, thank you.

Mayor Ortega: Thank you. Councilman Durham and then Councilwoman Caputi.

Councilmember Durham: Thank you, mayor. Many of the routes are not straight lines. So will there be some signage saying turn right or will it be done by marking the paths or something where there are turns because a lot of these are jig jagged around.

Mark Melnychenko: Councilman Durham, as part of this project, we would look for way finding signage as well as markings in the street that are -- they are called share lane markings. Where a motorist would understand that he's -- that he or she is sharing a street with a cyclist.

Councilmember Durham: Right. Okay. Several other comments. Some of which reflect Councilmember Whitehead's suggestions. I have seen those little plastic lane flags, used in many places, Chicago and New York, particularly, and I think they are very effective, because obviously, a car can drive right through them, but it's a signal and it's -- I think it's a mental note to a driver that that's not their lane when the bike lane is separated by those little flags.

The same with painted lanes, that it's more of a cue to the driver that that's not their property. We probably don't have the lane within most places but in some parts the country, there's a line of parallel parking that sort of takes over part of the street and then the bike lane is between the curb and the parallel parking lane.

[Time: 01:59:41]

That's a good concept if you can ever do that; although, it will probably be hard in our streets. The last thing I wanted to ask about, if you looked into the issue of putting up bike stations anywhere on these routes.

A bike station is sort of a vertical fixture where a person can hang their bike and their tools that are connected to the station and I realize it's a target for vandalism, but that seems to me that it's at least something to think about is to put up these stations at locations and the stations can Q.R. codes so someone can flash Q.R. code to figure out how to fix their derailleur, their brake or fix a flat tire and many of these have pumps also so you can pump up your tire.

There is an issue of cost involved because they are fairly expensive and there's vandalism. I haven't really done any research into how they work in other cities but I think it's at least something that's worth looking at to improve our bicycle ways.

Mark Melnychenko: Thank you for that input.

Mayor Ortega: Councilwoman Caputi and then Councilwoman Littlefield.

Councilmember Caputi: Thank you. As an avid cyclist myself, I'm excited today have a bicycle master plan. I just have one question. You mentioned about the Maricopa Association of Governments when you first started talking and I feel like I remember something in an email or in the packet somewhere, about how we would actually fund this wonderful idea and I would love to hear a little bit more of the details. I'm just interested in how we pay for this. Is it MAG money or city?

Mark Melnychenko: Councilwoman Caputi, I didn't catch all of that, but was it regarding the application that we put forth with M.A.G. for their funding through their ped bike committee? We have an opportunity to provide applications on a yearly basis and we have 70<sup>th</sup> street, which is a project we have completed in the planning phase. It provides the opening phase of the project so that you can set the tone and move into design and construction. So that's what this money is for. And there's only a small amount of local match for those funds.

Councilmember Caputi: So we are taking advantage of M.A.G. funding.

Mark Melnychenko: It's a yearly application.

Councilmember Caputi: Lovely, thank you.

[Time: 02:02:43]

Mayor Ortega: Councilwoman Littlefield and then back to Councilwoman Whitehead.

Councilmember Littlefield: Thank you very much. And I'm going to display a lot of ignorance on this. My notes are a mess. Does this include motorized bicycle or skateboards in any way, the plans we are going to be looking at?

Mark Melnychenko: This primarily for cyclists in the street. I don't know the exact regulations for skateboards and -- but scooters could also use this route. We are trying to get them in the street environment and off of our sidewalks where possible and I think this is a low stress, low volume route for that type of use also.

Councilmember Littlefield: Okay. The reason I ask, I sometimes watch what people are doing in the motorized or non-motorized vehicles and the motorized bikes seem to want to be on the street, but they will go up on the sidewalks if something gets in their way and I'm wondering if we are going to have any kind of plan on how to regulate a motorized bicycle, since they are coming more and more into use.

Also, I think skateboards go in and out and around about traffic, parked cars and back on the street again and causing some rather serious problems sometimes. And so I wanted to know if

that was going to be a part of this discussion or plan also.

Mark Melnychenko: In terms of parking, there will be no changes to the parking, but I think what we are trying to do is create an environment through some of these design features that we're able to implement in these corridors to make it safer for everyone so that they acknowledge that the roadway is being shared.

We're hoping that that provides connections through and within the on-street to the off-street network on both ends of old town.

Councilmember Littlefield: Okay, I am moderately supportive of this, because I know a lot of people like to bicycle and a lot of people use our paths and our trails and the canal banks and all other kinds of places in order to bike and they are extremely dedicated, I guess I would say.

And so I think having a master plan this Scottsdale for bicycling is a very good idea and I really like the connectivity idea, so that they don't end up having bicycle paths and trails and end up on the street. Because my major concern is safety. And that should be the focus through which we look at this plan and approve it and go forward with it. They are very vulnerable to accidents, to car accidents to being hit, and they are usually the ones that get the worst of it, if they are hit. So to me, safety is the number one priority.

[Time: 02:05:51]

Stressing better vision for the bicyclists and for the cars and drivers of cars is huge. I like having a separate path for them. I think that's a good thing. Interaction, improvements, parking locations, does this -- I think I asked you, this doesn't include that. So that's okay. I'm done with that.

I don't want to add a whole lot of layers of unnecessary paper and regulation and stuff like this should be a fun, free activity, for people to -- and I'm talking free, not monetarily free, but mentally free to be able to get on your bike and ride somewhere and have a good time, I did have one little question on something that I noticed they were saying on old town bicycle master plan route connections.

They wanted to connect to gentry on the green, museum square, things like that, and I just wanted to no, and I'm sure it isn't, but I wanted to know, could this be considered a gift of public monies to a private enterprise?

Mark Melnychenko: Councilwoman Littlefield, I don't know that I could answer that. If we have these types of issues, we would have help from legal staff on any concerns.

Councilmember Littlefield: In general, you can go throughout the city but if you actually target a private enterprise, I'm wondering if that would cause us any kind of legal problem. Just a question. I don't know. You can answer that if you want to.

City Attorney Scott: Mayor, if I may, and Councilwoman Littlefield, I would have to see the mechanism for that moving forward. My guess is if the city wants to put a bicycle trail as part of the city's bicycle infrastructure, there would be some sort of easement affiliated with that.

They would be working with the property owner regarding that easement and we would certainly be making sure that it met all the requirements of the charter, and the state's constitution regarding gifts.

Again, we would have to dig into those details. We are certainly more than happy to work with the transportation on that when the time comes.

Councilmember Littlefield: Thank you. I'm very supportive of having this kind of a master plan of bicycling and knowing what we are doing and having a place to do it in. So all of that is good. But I think safety has to be the highest priority and it has to be something that comes before any changes that we make that we are doing something that's safe for the riders. I have seen too many close calls and I have seen some calls that are not calls because they get hit. I have a big concern with that in downtown especially.

[Time: 02:09:05]

There are so many ways that people go and so many different directions all at the same time. Cars are backing out, they are going forward, they are turning, and all of this in the mix of walkers, pedestrians, bicyclists, skateboarders, some of them young kids and we need to make sure that safety is the top priority on.

This I like the idea and did I have one suggestion, just off -- as I'm thinking about all this stuff, if we go ahead and make these improvements and we have routes and specific ways of going through on the bicycle path, on a bicycle trail, I think we ought to put those improvements as an -- and include them as a notice in the downtown ambassador's informational pamphlets that they have in their carts that they hand out to the people who are walking and traveling in downtown so that we get the word out. So people know. And so it's just an idea.

We need to advertise it and that would be a fun way to do it since they are already in downtown, and maybe that would be an audience who would be interested in that. Thank you.

Mark Melnychenko: Thank you.

Mayor Ortega: Councilwoman Whitehead.

Councilmember Whitehead: I will segue into the cars backing up comment that Councilwoman Littlefield just made. And I did have a conversation with a colleague. I had one other suggestion and perhaps it's all in here, I think on 5<sup>th</sup> avenue where there's diagonal parking, again, I'm just bringing in all the things I have seen in other cities, shared roads so you don't actually have a

bike lane and perhaps you are thinking about that.

Instead you have a bicycle painted on the lane of cars. So cars in those small, slow sections, cars and bikes share the lane so that, number one, would probably slow cars down a little, and they should be going slow but it puts the bicycles in the middle of the lane and the cars backing up would be able to see them, just a final suggestion. Thank you.

Mayor Ortega: Thank you, Mr. Melnychenko. I will mention that there's no public comment. I see none by telephone or in person. So therefore, I will close public comment. Thank you very much. I do have one thing to add.

[Time: 02:11:46]

We are also tonight, following this item, going to be looking at the old town Scottsdale character area plan. And when I review what was projected back in 2018, and I see the refinement that you are proposing today, I think it's very useful that this information can be inserted and go out to the public. One of the most interesting things in downtown is there's no posted speed limit. I haven't found one.

I haven't found one on Fifth Avenue or Stetson or anywhere else. We are looking at introducing a -- we have an unusual situation because we have directional parking on Fifth Avenue and we have basically one lane in each direction and as councilman Whitehead pointed out, you have a blind side when you are trying to pull out and you have an SUV parked there and now we are showing that we intend to, you know, have the bicyclists who usually bear to the right, right, in a lane.

But in this case, the closer they are to the right, the more in danger they are because anyone trying to back up and I have been backing up on Fifth Avenue for 40 years. And you always look twice. You look in a store front window to see if anybody is coming. So it may be difficult to see a bicyclist.

It's very good that bicyclists can preview the old town, downtown and come back and enjoy it. I see how you simplified the routes and what this says to me is that and I will look for a motion to approve this, which I will support, is that the pedestrian and skateboard and bicyclist using the old town area will be reduced in speed in this area.

When you get reduced speeds and then you get less accidents, perhaps, but also that reduces the capacity of Fifth Avenue and nose areas for ten story buildings and 12-story outlets in that area. So that's realistic. I know before COVID struck, I checked with the hospitals. They had 450 injuries, skateboard and motorbike related in the downtown -- mostly in the downtown area.

So there's that conflict and there's a draw constantly to enjoy the downtown area, and I think although bicyclists will be able to conduct through this area, they do have to be very cautious and if they are conducting at the center of Fifth Avenue which may be the safest point. It's not

an area that you can flag or say this is exclusive for bicyclists but because people are backing up in both directions whether you are going southeast or if you are coming southwest, you are going to have -- you are going to get some surprises there. With, that I would myself move for approval of the plan and you have noted our concerns.

Councilmember Whitehead: I will second that motion.

Mayor Ortega: We have a motion and a second. Do we have any other discussion to the motion. City attorney, please clarify.

[Time: 02:15:45]

City Attorney Scott: For discussion and direction to staff. So if you can just clarify in your motion that you are in agreement with the plan as presented, I think that's I think that's the correction you are intending to give staff. If you give that clarification, I think that is good with the agenda.

Mayor Ortega: Thank you. We look forward to some successful biking and enjoyment of our town. I know my second -- are we okay with that?

Councilmember Whitehead: Yes.

Mayor Ortega: Thank you. With that I will ask for your vote. Please register your vote. Thank you, unanimous.

It is optional should council decide to take a five-minute break or continue straightforward? We are carrying on.

**ITEM 31 OLD TOWN SCOTTSDALE POLICY REGULATORY AND GUIDELINE UPDATE**

[Time: 02:16:58]

Our next item is the old town Scottsdale, policy, regulatory and guideline update. We have Brad Carr.

Brad Carr: Yes, thank you. Brad Carr with the planning department. Before we move on, I want to note my colleague Adam Yaron who can't be here tonight, but will continue to be on this project as we move forward.

So, again as you mentioned, staff is here in front of enthusiasm evening to discuss the old town character area plan and associated documents as a result of a work study session that council had with staff on June 22<sup>nd</sup>.

At that session, council gave some feedback to staff for the update not old town plan. So this evening, staff is bringing forward some consideration to update that plan, the 2018 old town



plan and the downtown overlay and the zoning block and any other sections applicable.

An amendment to the downtown infill incentive district and finally some direction to staff on an update to the old town Scottsdale urban design architectural guidelines. The 2018 old town character plan.

It establishes the city's vision and values for the old town area, and it also shapes the physical form through various golden policies through that document and it consists of five chapters that houses those goals and policies, including land use, character and design, mobility, arts and culture and economic vitality.

So as a result of what we heard from council at that June 22<sup>nd</sup> meeting, staff is bringing forward some considerations for you tonight as far as updates to that actual old town plan. As you can see on the screen that includes looking at quality new development and redevelopment in the downtown area, as part of the outreach and considering the development locations and locations and transitions of the development types as well as looking at our list of land uses and the location of land uses within our old town areas and the development designations making sure they are clear and conscience.

Also we want to make sure that the document has an emphasis on providing more interconnected and public open space. We want to ensure that what we heard from the council was making sure we provide infrastructure, sustainability, tourism and economic development, that's all within the plan.

And finally, looking at reviewing that naming convention of downtown versus old town, making sure there's no confusion on the use of those naming conventions within the document. As a mentioned companion to an update to the old town plan, we will look at an update to our zoning ordinance.

[Time: 02:20:19]

As many of you know, the zoning ordinance is our implementation tool for all the city's various plans and character area plans so within the document itself, the regulatory -- this outlines our regulatory guide guidance for development within the old town area, specifically within the downtown overlay and P.B.D.

So for consideration on updates within the zoning ordinance staff will be reviewing the ability to provide more or stronger development requirements. The use of development flexibility, maintaining, adding restriction or even reducing zoning ordinance base or bonus development standards or reconsideration of the building provisions. As well as re-examining bonus payment calculations.

I want to reiterate that these are all items that we as staffer gained from you, on the initial discussion on June 22<sup>nd</sup>, those of the old town plan considerations themselves. So I want to take

a moment, how this fits within the city's organizational plan, specifically the item on the right there, that opening of support, economic vitality, and improve consistency of proposed development old town and the review the old town character plan was part of the goals and objective for the council with the date of October 31<sup>st</sup>, 2021, for review of the old town strategic plan was drafted prior to the June 22<sup>nd</sup> meeting, and as a result, the staff hasn't had any direction to work on this, to bring forward this item until tonight on August 24<sup>th</sup> for initiation, because we felt like we want to maintain best practices, as well as council and our commissions and boards and commissions.

We are looking to extend that date beyond 2021, until March of 2022 completion date, in order to take in the best practices. That's about a six-month time frame as we look at this point. What is that planned public participation that we are anticipating at this point. Again, we are in front of you for possible initiation.

Our next session with you would be on the 22<sup>nd</sup>, followed planning commission, nonaction session which is similar to a work study session and then the public outreach phase which is October through December which is what we are participating.

We would include six open houses, several sets of virtual open houses, some focus groups with property owners and business owners in the downtown and the result of that would be additional time with the planning commission again in more of a work study session and city council as well.

Once we wrap that up, when we get all the data into our -- and we get that input, we are going to move forward to the actual public hearing process of hearing these cases through city council one final work session with them and planning commission Mr. We head to planning commission for recommendation and city council adoption in March 2022.

[Time: 02:24:01]

So staff is in front of you for your input and consideration of a nonmajor general plan amendment to the old town Scottsdale character plan. Associated with that initiating a text amendment to the downtown zoning districts. Initiation of an amendment to the downtown infill incentive district and directing staff to update the old town architectural guidelines as necessary. A note on that final, it's not necessarily a purview of the city council. They are generally reviewed and looked at by the development review board.

We are anticipating that lagging behind any changes that ultimately get adopted by council through the old town plan and the zoning ordinance. So that would be a further implementation of that update by updating the architectural guidelines through the DRB concludes staff's presentation. I'm happy to answer any questions.

Mayor Ortega: Thank you. At this point, I would like to call for public comment. And then we will after that go to council questions and then proceed this way. So I show in-person Bob Pejman.

Bob Pejman: Thank you, Mayor Ortega, I'm Bob Pejman. I sent a list of developments in Scottsdale to the council. It covered the developments that were either built since 2015 or certainly in the pipeline. Today, I want to focus on the downtown portion of this. Does the overhead work? Okay.

This is a one square mile area. It's not a big area. And this is what has happened since 2015. Almost 1,000 units have been built. There's not much as far as under construction and pending approval right now, about 200, but there's almost 1500 units that are approved, but not built but they will be built because they have been approved and they have been zoned.

Next slide focuses on what's in the pipeline there are currently almost 1700, or 1,700 units in the pipeline, almost 2,200 bedrooms, rough number. The list is pretty well known, canal, Kimsey, Scottsdale residences, artisan, that's what's in the pipeline, not built yet. Next we want to go to the commercial mixed use. The Scottsdale collection, the marquee.

Almost 8,151 square feet that are approved, not built. Bunt they will be built. Downtown hotels there are two hotels under construction. There are three that are approved, not built yet. The list is well known. Dunn and Charlie, Kimsey. Summary, about 1,700 units residential, commercial mixed use 851,000, about 1,000 hotel rooms keys.

We have not yet seen the impact of these projects on traffic, water supply, heat island effect, and impact of the construction. I think that when the councilmembers that say downtown is a growth area, and I agree it's a growth area, but you have count growth already approved that's not built.

[Time: 02:28:30]

When we look at new projects with very to consider what is in the pipeline, because otherwise, we are approving every project almost like it's the only game in town and it's not. All of this stuff is coming, it's been delayed because of COVID. It's coming. All of this has to be put into equation, or else we may be over approving and not accounting for the impacts. Thank you.

Mayor Ortega: Thank you. Next, Mr. Bastien Andrette.

Bastien Andrette: Good evening, Mayor Ortega, I'm here on behalf of the multi housing association, located at 818 north first street in Phoenix, Arizona. Today, I speak to you in regards to the old town Scottsdale policy, regulatory and guideline, the AMA which represents over 26,000 rental units want to caution against the council to detrimental amendments to the old town Scottsdale plans. And enabled unparalleled growth from an area previously from a shrinking economy.

Reversing the more recent reforms enacted in 2010 and 2018 to the city's zoning code will further exacerbate Arizona's housing shortages. As noted by the "Wall Street Journal," less than

two months ago the United States is millions of housing units behind current demand. In Arizona this translates to a prepandemic need of approximately 230,000 new units. Roughly 50,600 of those in Scottsdale alone.

Just to match current demand for a 2019 Elliott D. Pollock and company study. It's also important to consider the economic impact of a multifamily development. For example, a 250 unit multifamily development construction generates \$1.2 million for the city of Scottsdale with an estimated additional \$415 ongoing revenue. That means \$247 million in construction revenues equaling an additional \$80 million in ongoing revenue by 2030.

Furthermore, a recent New York University study uncovered for every 10% increase in the housing stock, rents decreased 1% and sales prices also decreased within 500 feet in New York. With a similar study of San Francisco identifying that rents fall by 2% for parcels within 100 meters of new construction, renters risk of displacement falls by 17%.

Further by imposing any further height and density restrictions, there's another potential battle with the legislature which as n my previous leader, passed senate bill 1409 earlier this year. It was passed in response to zoning regulations that have contributed to housing costs over the years and the more recent housing affordability issues.

The new law reads as follows before adopting any zoning ordinance of general applicability, the legislative body of municipality shall consider the probable impact of the prove posed zoning ordinance or text amendment on the cost to construct housing for sale or rent. SB-1409 serves as a reminder that the state is now active examining barriers for housing development. And is preparing to take remediation action.

The Arizona republic spoke to the intent of this ordinance and subsequent actions to limit building in old town Scottsdale. For these reasons and many more, the A.M.A. cautions the city against moving forward with changes to the old town Clark area plan. Especially those that will result in further barriers to increase in supply in housing in downtown Scottsdale. Thank you.

[Time: 02:32:25]

Mayor Ortega: Thank you very much. With that, I will close public comment on this issue. And I will start council input which is what -- why we are here to provide input and then late that be tested in the community.

First of all, the three areas of decisions are so allow staff to take whatever we propose forward to the community. For me, transportation, infrastructure, sustainability, and actually, the identity of Scottsdale, which is also tourist based all have to be taken into account. Often quoted economic vitality is somehow weighted more over these our areas.

But I can assure you that there is no economic vitality with traffic gridlock, with overstressed infrastructure, with a choking, unsustainable heat island or the depleting of the legacy part of

the Scottsdale that visitors and residents have come to know.

So looking at economic vitality as a city, it's our duty to be sure that it would mote those areas. -- to meet those areas. The old town character area plan is certainly subject to revision. Page 14 of the document said, hey, open it up to see if it's performing and see how it's performing. That's page 14. The old town character area architectural guidelines are also in effect and one again, there is a caution to see whether or not projects that have been approved have met those guidelines or not. Because now we have some projects to consider as well. The PBD zoning ordinance is on the table as well.

So we are actually looking at actual changes that are coming from us as individuals and may come forward through the public process. As I checked last, there's not one u car lane, a transportation lane in Scottsdale. As I look at the approvals for past projects, I don't see a master plan, a mega plan for how we can keep up with all the growth and certainly we have a water issue as well.

But I think it's important that we look at what we are not -- I repeat, not considering right now as we provide our input, as it moves forward. We're not deliberating to change any existing vested approved up zoning that's already of record. If it's there, it had some rules and it may have had some waivers. It may have had some variances. It exists. We are not here to change those vested rights.

[Time: 02:36:42]

We are also not -- and I think one speaker alluded to it looking at apartment dwellings outside of the old town Scottsdale character area. We get a lot of comments about the replacement of commercial -- [ No audio ] It's not what we're getting to.

We're also not specifically looking at the general plan. 2035 because we have already forwarded a text for the general plan. I do want to point out on page 185 of the general plan going to the voters, it is specific and it does cross reference the old town Scottsdale character area plan. This is what it says.

Building heights generally range between 2 and 6 stories depending on location and district context and may exceed six stories in certain areas identified in the old town Scottsdale area plan at the center of the old town growth plan is the downtown score core.

The downtown core is identified, and identified by the specific boundary within the old town character area plan as pedestrian-oriented, includes downtown's historic legacy and retail art galleries, restaurants, public art and the highest concentration of individual buildings found in the city.

In contrast to the majority of the area, the downtown core is comprised of the lowest and intensity of development in old town. The small lot actively ground at ground level, land uses

and pedestrian focuses on the downtown core are some of the primary elements that give old town its most identifiable character. That's in the general plan and then it says cross reference old town Scottsdale character area plan. So the subject that we have today is an independent evaluation of some decisions that were made in 2018, and now they are not theoretical anymore.

They may have supposed that certain properties could have gone up to 160 feet or 120 feet and added another character area level and it was essentially not tested. Okay? It was not tested. How far, you don't have to look far in the old town character area, page 4, executive summary states achieve the community's vision of a dynamic city center which recognizes its western heritage while boldly looking to its metropolitan future. It's right there, page 4. Metropolitan future.

Metropolis by common definition is the highest density core which dominates the area. It's typically supercharged with transportation options, and typically, the metropolitan future or metropolis, if you look at the definition says it relates to New York City, Boston, L.A. or Chicago. What I'm saying today is that the script of the old town and the consistency of the current old town character plan speaks to a metropolitan future and it's consistent throughout that. However, most residents came to Scottsdale to leave the metropolitan past. They didn't come to Scottsdale to recreate a metropolis here.

[Time: 02:41:25]

We're not interested -- I'm not interested in looking into a metropolitan future which can be described and you can look at all the urban tests which have been sociological looked at and think that that is an adequate direction that my city and our city wants to go in.

On the contrary, the identity of Scottsdale is low profile, open density, open vistas, it's part of our general plan. The valid one that occurs right now is the general plan 2001. 2001 is more valid and the character area plan, in my opinion of 2018, because there was no supporting document at 2010 we had an opportunity to look at those issues before they started reexpressing Scottsdale in and our metropolitan future.

The version of a metropolis, which the council approved July 20<sup>th</sup>, 2018, has actual metrics which can be weighed. For instance. What those decisions did was modify the 2019 criteria when there were two types. One and two. They added type two and a half and type three. It was recognized in the 2009 downtown plan update that areas north of the canal, might ask for 150 feet.

And it was recognized that the hospital which was already, you know, at quite a height, was also recognized within that document. But, again, there was a -- there's no substitute for a general plan. There's no substitute for a dialogue that identifies what kind of density and what type of transportation obligations we're going to make. So let's look at a few actual examples. For instance, the mar queue. The marquee and as I make these statements, they may be applicable

to either the zoning as it comes forward and some questions. They may be applicable to the architectural standards and they certainly are in the intent document that we're rewriting at this present time or asking to rewrite, which is the old town character plan. The marquee did not conform with the setbacks with the architectural plan or the general plan 2001. It did not.

There was a project called the Canalside, put in 54 units, apartment units on commercial property on 5<sup>th</sup> avenue, this was not one guest parking space. I think there were two guest parking spaces. Technically, they were all inside behind a gate. South bridge, two was so oversized and all the loopholes, the public objected to it, and finally the applicant withdrew it. Now step one that this council took in looking in critical thinking in what's happening to the old town. I got a little bug. Was the analysis of the citywide parking ordinance.

And the parking ordinance was modified -- I'm going to get that guy! On May 14<sup>th</sup>. It was effective June 14<sup>th</sup>. It was very anything citywide because it also required guest parking for apartments and dwelling units. It also applies to the old town character area and one of the things that we passed was that the -- that the parking in the mixed use area should retain 20% commercial use.

[Time: 02:46:29]

That's part of the zoning code for our parking criteria. Now when we have the case like Canalside that used the loophole that said they didn't need any guest parking and they were approved converting commercial property on Fifth Avenue, placing those units on stilts so all you have is a pedestrian on Fifth Avenue is car parking underneath an apartment building. That violates in my opinion, the general plan 2001. I helped write it. I think that's what we cared about was having interactivity.

In that case, again, I'm not being theoretical about it. Canalside ended up with 98.2% residential use and the so-called mixed use was 900 square feet for a slushy serving bar or something on the ground floor. That doesn't support economic vitality of a very unique and commercial place. That's an exact -- that's all factual. When it came to the south bridge two, south bridge two asked for the open space along the canal. You can read it in here. It says preserve public space as much as you can.

But it was basically sold and bartered for private property, and the city would have lost 18 feet of the canal area. That was an actual project. It would not only crowd the canal and the open space. It also would have taken property into the street underground for the merchants on the other side. That project was approved. And it took a referendum to really overturn it until it went away. When you look at that project. It also violates the step backs, the setback, the architectural guidelines that were part of consideration. It didn't have a podium. It was vertical.

I will point out another one. Consider the canopy hotel. It pretty much went vertical. We under that, but one of the most -- let's just say profound, you may say insignificant, but really add to the character of the city is covered walkways. Canopy hotel, only put a canopy over its own

entrance.

It should have had walkways so that as you walk from wherever to wherever from second street to Museum of the West, you would have had that invitation to do that. You see the same thing on south bridge original. The guidelines for walkways have been in our books. It's been part of the character of Scottsdale since '86 when we put it in there. I was part of that too. They say if you look at south bridge original, they put in 30-inch round concrete columns on one third of the buildings.

[Time: 02:50:34]

The other third have no covered walkways. Now this was built and the other third of the building has 2 by 3 square masonry columns. This is in a walkway. And there's there are like three of them together. You can't even hardly put your hand through between them. I mean, you are creating everything that is the antithesis of what we want or expect. And then several years later, south bridge two, they protect 4 by 8-foot columns -- project 4 by 8-foot columns in these walkway areas.

All you have to do is open the book on the requirement of why is Scottsdale so inviting? It's because of those walkways and they have been overlooked. Go to the sugar bowl. They don't even have columns. That was built in 1958. I expanded it another 75 feet. They are a triangular cantilever and people love it and you have a view of what is going on. Go any shopping centers. How many shopping centers have no covered walkways.

All of these areas scale and need to scale in support to make -- you know, it's true that private property begins at the property line, but Scottsdale has always asked for that covered walkway. Scottsdale has always given rights to -- and encouraged that to happen, but not with 4 by 4 big columns and south bridge had larger ones bunched in there. At the original south bridge, they have these enormous columns and they are supporting one story above it. You could support 15 stories on these columns.

This is the level of concern that I have and we will be opening up several of these areas. I haven't been -- I haven't split them into different, whether it's zoning situation or rewriting it. They are essentially, and when the Downtown guidelines that show transition and told the D.R. board that should be a type two and a type one and then a type three and the mapping shows directly from a type one to a type three, to me the mapping has to be corrected. That's our job.

Because it is semi-fraudulent to say this is the way it will be on the architectural guidelines and oh, yeah, I can show you four or five projects when those rules were all broken. Let's get real hear and decide all of these particulars. It will go forward and it needs to be aired publicly. There are other comments that I hope you will take known from. I don't know if there are any zoning attorneys listening.

Oh, wait. Let's go on to Councilwoman Whitehead.



Councilmember Whitehead: Thank you, mayor. I will go ahead and focus on the city requirements on ourselves and not address what we want to do with our partners so that the downtown is the best it can be. I definitely want to deliver every page, or every other page talks about open space. And on cue, Scottsdale progress today had an article identifying south Scottsdale as hotter. And, of course, they identified one of the solutions in open space.

[Time: 02:54:43]

There's one particular opportunity that would kind of tick off a lot of different properties in one initiation of a park. So I would like staff to come back and specify or I would like my -- input from my colleagues about having a canal level park on the only remaining public parcel we have on the canal, while retaining the public parking that we have. So that would be Fifth Avenue and Goldwater. That is -- and that would serve multiple purposes. It would cool down our city, our downtown area and it would provide connectivity, a place to stop. It will extend our wildlife corridor along the canal. We can't talk about open space unless we are actually going to do it.

Then I thought maybe some more again specificity in the -- you know, there's a lot of discussion about trees and again pedestrian connectivity comes after open spaces being identified again and again and again.

So staff thank you is working on, I think both of the tree canopy plan and the emerald necklace. I wonder if we want to include that so that people know when you go out to the public for these meetings they get used to our kind of clever phrase that's been around for a while, and recognize that that's part of this pedestrian connectivity that also works nicely with wildlife connectivity.

Let me see what other items I had. Oh, I would like to add a section on alleys. We are getting a lot of feedback and that's wasted space right now. And wow, wouldn't it be nice if we had lighting and clean and somehow alleys make better use of that valuable open space I have some ideas.

You know, what can we do with our private partners to make it so that we are working together to create the downtown that is described in our general plan and described in both the 35 and '01 plan and meets all the requirements that we set forth to make the downtown a destination that it's always been.

So I will stop with that for now. Thank you, mayor.

Mayor Ortega: Thank you. Vice Mayor Janik and then Councilmember Milhaven.

Vice Mayor Janik: Thank you, mayor. As I listened to what the mayor had to saddlebag I, he thought it was very interesting because I have gone through all of these pages, just like I did with the general plan. I have about 20 suggested edits. And one thing that really bothered me

was the use of metropolitan. And did I look it up in the dictionary. We are not a Chicago. We are not a New York.

And I think most of us would agree, we don't want to be a Chicago or New York. We want to be Scottsdale. That's one point. We have rules. We have guidelines. Darn it, people come and say, I want it a type three and then there's a type one next to it. And then we have the rules for the transition. But you know, what we don't follow them, we make exceptions to them.

There's supposed to be a certain distance between type one and type three but it's not there. It's okay. We can reduce the stepbacks and the step ups and it's okay. And that's what we have continued to do. And that is what is affecting the appreciation of Scottsdale in what we -- I think what many of us feel is value to the tourist when they come to our city. Those are just a couple of things.

Another thing that I think we can definitely work on is a point that was brought up by an owner in waterfront towers. He looked over our downtown and he was like, look at that dirt. We shouldn't have dirt in the empty lot. If the developer buys it, if a person buys it and they don't develop it within a certain length of time, darn it, put some rocks down and get some public artwork and you walk through the city and I'm ashamed when I see these dirt lots. That is not Scottsdale.

[Time: 02:59:38]

And that's not even an expensive fix! That is a cheap fix. I think we need to emphasize with that as well. I agree with open spaces parks which enrich the neighborhood. And, I have quite a few other things. I don't like the emphasis on vertical. Every time we talk about development, is that the only way to develop, make it 150 tall? It needs to fit in the neighborhood.

On page 19, there's a picture and they are trying -- a picture and they are trying to tell us that in that picture, the modern office building in the background that sets next to cavalry's blacksmith shop. Is a perfect transition. No, it's not. It's terrible. They took some of the brick from the blacksmith shop and then they put it up on the office building. It's not okay.

If we could follow our own rules, we would be in a better situation now and I think the whole purpose of reviewing this document is to make sure that we reemphasize. We are not the United States government where they never follow any of the rules. Westerly Scottsdale. We thought about the rules. We had community input. Now it's time that we are responsible and follow them.

I think that's been missing for several years because everybody was willing to get away with it, close their eyes and pass it off. I don't think we want that anymore. So I would say the first thing we need to start with is review our rules and follow those rules. Thank you.

Mayor Ortega: Councilmember Milhaven and then Councilmember Durham.

Councilmember Milhaven: Well, it's pretty clear that any colleagues disagree with a lot of decisions made in the past. And it's their prerogative to approve or not approve whatever projects or exceptions that they choose to, just as anyone who sits in these chairs in the future will decide for themselves based on their vision and what their constituents believe need to happen within our city. So we can modify rules all we want, but we can't bind a future council. Rather than speak to the consent of the plan, I think tonight is really more about process. And what the timing would be and the outreach.

And I think whatever we do, and it's the result of extensive public outreach and public input. And so I think if we are going to consider any changes to the plan, we need to also do that. But at the same time, we are sending a general plan to the voters and we have been challenged in the past, to get that general plan approved, and so I'm a bit confused in terms of process about why we would open this conversation, while I understand there's people at the dais who feel strongly about this I also know that there are community members who feel strongly about this and I think that this will be a very involved and engaged citizenry as we have this conversation. And I'm thinking that the timing is very bad in that that may confuse people with regard to their consideration of the general plan.

So what I would like to do -- I probably don't have any support for this, but what I would like to do is make a motion to put off beginning -- initiating this work until after the general plan election.

Councilmember Caputi: I will second that motion.

Mayor Ortega: Okay. There's been a motion and a second. I will oppose that. I think that you are trying to muddle the fact that we have unanimous approval and endorsement of our general plan. This is our specific action just as if there were any element in any character that went overboard and that did not address those elements.

If we want to speak to the motion at this time, the -- the discussion of this and these topics and on the agenda including specific text amendments that are very important for the public. They can understand. If you choose to propose that the building should continue to be 150 feet, then you can vote against the general plan. You can rally whatever forces you have.

[Time: 03:04:41]

I will tell you that the public should have a general plan that at least recognizes that our council is correcting the problems that will lead us to unsustainability, traffic problems, and infrastructure and a dilution of our tourism. We can vote on that. Go ahead, Ms. Littlefield.

Councilmember Littlefield: Yeah, I won't be supporting that. I don't think that gives the right impression to folks that we want you to vote for the general plan. You go out there and vote for the general plan but we don't want to tell you what we are going to do after you do that

because we think you won't like it. That just doesn't sit well with me.

We should be working -- all of these things is should be in conjunction with each other and they should be in agreement with our citizens that this is what they want to do. I think we have noticed an area, the downtown area character plan that needs work. It needs to be updated. It needs to be fixed.

That doesn't negate what we want to see in the general plan, what it does, it should augment it and we should make it so that they fit together and they build on each other, not that we are afraid to do it because we are afraid citizens won't like it and they will take out their anger on us by not voting for the general plan. That doesn't make any sense to me. So I can't go with that.

I think we should be doing things that all work together in a unified whole, and are consistent with each. Thank you.

Mayor Ortega: Councilmember Durham, if you have a comment.

Councilmember Durham: I don't think that the November election is inconsistent or conflicts with the continued work on the old town area plan. Looking at schedule, in object and December, we are going to be doing open houses and planning commission sessions, and we are not talking about council adoption on any of this until next March. So that's long after the general plan vote in November. So I don't see that there's any conflict on those.

Just a couple of notes on things that I wanted to see addressed in the hold up to character area plan, I think Councilmember Whitehead has mentioned most of them, but I have a hard time hearing behind these plexiglass things. She mentioned open space, particularly creation of a public park along the canal, that's obviously we ought to have a public park along the canals. There ought to be something there. The emerald necklace, we talked about that many times. Not much has been done with it. And it ought to be a big part of this plan. The bikeways ought to be integrated into the plan. That's certainly an important part of the infrastructure and transportation. I don't think there's much about bikeways or bicycles in the -- plan right now.

[Time: 03:08:13]

So finally I would like to have a greater emphasis on ways to invigorate old town. I mentioned before, street fairs, things like that, I don't care what you call them. But we need to be creative in figuring out ways to get people into old town, you know from the hotels from other locations. We need to figure out ways of getting people into old town.

So I would like to see some discussion of ways to invigorate old town. I think Councilmember Whitehead mentioned allies. Find ways for more -- alleys. Finding ways to do that, may be the way. And then looking at the event ordinance, seeing if there's any ways that the event ordinance blocks us from actually utilizing old town spaces. So I know that that's probably something that's on our future agenda.

But I would -- I would like to have some discussion in looking at the event ordinance as part of the old town character plan and seeing whether that's a blockade or something that inhibits activity in the old town. That's all I have.

Mayor Ortega: Thank you, councilman. The motion on the table and the discussion has to do with the motion to postpone this old town character area plan. And we have a second for that. So that's really where we are at right now. Councilmember Caputi and then Councilwoman Whitehead.

Councilmember Caputi: I do think that -- I don't understand why we are rushing this conversation. I agree that this conversation needs to happen after the general plan goes out to the public.

We need to have them approve it and we need to see what their vision of the future is, our vision of the future that has been approved by the voters. This current old town Scottsdale area plan as I said before and been mentioned, it's been 30-years in the making. We have done extensive community outreach and planning. It's been regularly updated. It's community based. It's flexible.

We had a unanimous city council adopt it. And I don't think that we can make a decision this important without involving the entire community, and that means residents and local businesses and probably tourism experts and everyone who is going to be affected. I just -- I don't understand how we could possibly rush our conversation this important as we're showing even just amongst us, we have very different visions of what the future of our city looks like, especially our downtown.

[Time: 03:11:14]

I agree that we can improve -- we can talk about improving quality and consistency of proposed development downtown which is what we were told we were going to talk about downtown. I think that's great.

We can certainly entertain ideas how to make our old town development better and more consistent, but I don't know that we are in a position to get so specific without going out to the community.

That conversation that the speaker presented in the beginning listing some of the wonderful projects that are coming forward in our city, I personally find those cause for celebration. I mean, I think it is a wonderful thing that we have investors willing to put their money in our city, and move us forward into the future.

I have a vision of downtown, as I said many times that's live, work, play, that's year-round, that's thriving. We need people to live here, downtown so we don't have downtown empty lots that

are all over our city at the moment.

I personally think that putting in some height and density in a downtown area makes sense and decreases traffic because you are going to have more live, work, play options which is the goal for the future of our city and I want to just remind everyone inside of our packet, it, once again, discusses the fact that our downtown area is one of three growth areas it's primary economic engines for the city.

Growth areas are locations identified by the community as areas best suited to accommodate future growth. Growth areas are to protect lower density residential neighborhoods from increased growth and development, by focusing new development into these targeted areas most appropriate for accommodating of variety of land uses, enhanced infrastructure and oriented to multimodal activity.

Since 2001, the citizens of Scottsdale have identified old town, parenthesis downtown as a community growth area. So we do have quite a few citizens that have identified our old town as a thriving vibrant year-round area and I think that we need to get community input before we could possibly move forward on something this impactful to our community. Thank you.

Mayor Ortega: Councilwoman Whitehead.

Councilmember Whitehead: Okay. Thank you, mayor. Yes, Councilwoman Milhaven, I agree, we don't want to, you know, jeopardize our general plan but I think our citizens are pretty savvy and I think our voters elected us to do multiple things, not just one thing at a time. They elected us assuming we could walk and chew gum. So we have gotten a lot done this year.

[Time: 03:14:06]

Congratulations to all of my colleagues and many of the things that we're moving forward on, like the emerald necklace and the tree canopy plan, these are part of the old town character area plan.

I'm not concerned -- and as far as public comment, this is -- we are initiating public comment. That's public involvement. That's exactly what we are doing right now. So I'm confident that we can -- we have four years that we're elected to serve our citizens, and we have to do many things during those four years.

This is tied very closely to our general plan and this is a great time to get citizen input and make some progress on the things that we know unite us. I also want to say when we started with the general plan, we were all over the map, gosh, we worked hard but we came together and we found those areas of unity, finding ideas that maybe I had that weren't so good that got knocked off and we voted unanimously in support of it. We will do that again, I'm sure here. We just have to start the process, and I'm looking forward to it. So I will not vote to deny -- vote for the motion.

Mayor Ortega: Okay. Thank you. Vice Mayor Janik and then I will call the question.

Vice Mayor Janik: Quickly. I don't know if anybody here has put more time in on the edits to the general plan than myself. And it's a wonderful general plan. It captures our vision. It does a terrific job of explaining everything. And we also came together and we really did a good job. I don't think that's at risk by voters if we in an organized, systemic fashion, with input from our fellow citizens who give great input, I think we can proceed with the minimum of disruption, basically for the passage of the general plan.

I think we are capable of that, and I do understand your concern. I definitely, Councilwoman Milhaven, I definitely understand it, but I think -- I'm hoping that we are mature enough that we can work it and do both things at once. I do believe that there are several key ideas here that most of the citizens will really relish and want to see I think it may propel it more with some of these ideas.

Mayor Ortega: Everyone has -- Ms. Milhaven, I see you.

Councilmember Milhaven: Thank you. I too hope we can have a productive and collaborative conversation because I'm very proud of the work we did on the general plan. However, I think this conversation will not be nearly as agreeable, particularly with the tone the mayor started the conversation with. And so if we're going to talk about some of the content of the plan, I would like to point out --

[Time: 03:17:23]

Mayor Ortega: Excuse me, we are talking --

Councilmember Milhaven: You need a vote -- you the council needs to vote to call the question.

Mayor Ortega: We can talk about the particulars. You interrupted that by saying to postpone it. Now you say you want to discuss the particulars. So it's better that we vote on that motion and then get back to any points you wish to say or make on the text and what's been on the agenda. That's my point.

So I would ask that you stick to the motion, which is the postponement, you can discuss that and then after that, up or down, we will get back to where we were in putting everything in motion.

Councilmember Milhaven: The rules of procedure require a vote of the council to stop discussion. You may not call --

Mayor Ortega: No, you are -- if that was the point of your --

Councilmember Milhaven: I would like to hear from the parliamentarian.

Mayor Ortega: We will vote on the motion and the second and that's my call because we have a motion, and we have a second.

Councilmember Milhaven: I would like to hear from the parliamentarian.

Mayor Ortega: The motion was to postpone until after the general plan. The second is for and we are ready to vote on what --

Councilmember Milhaven: So Robert's rules allows for me to make an objection to the procedure and I choose to do that.

Mayor Ortega: You made one motion already. Now you are trying to compound with a second motion.

Councilmember Milhaven: No, I'm making a comment about the motion and I'm adding to the discussion.

Mayor Ortega: Okay.

[Time: 03:19:09]

Councilmember Milhaven: The chair is not allowed to cut off discussion without the vote of council.

Mayor Ortega: Excuse me, continue with your comment regarding why we should delay this -- why you should support your motion. That's what's on the table.

Councilmember Milhaven: Thank you. What I was starting to say, I hope that the conversation around the downtown area character particular could be as agreeable and collegial as the general plan discussion was. As we have just seen, there's a lot of heated emotion around here. And the mayor started out with a very aggressive tone, and I take exception to a great deal of what he said.

He's trying to create a boogie man where one doesn't exist. We don't have gridlock in our community. We don't have overburdened infrastructure. We don't have water problems. I do not see that this discussion will be nearly as agreeable.

The items that my colleagues mentioned about open space and trees and alleys and private partners and emerald necklaces and bike lanes, I think they are good things to discuss and I take no exception.

I think there are some items that will create confusion not because the citizens won't like what we do but because there's great debate around that. Yes, Councilwoman Whitehead, I can walk



and chew gum at the same time. So my hope is that –

Mayor Ortega: There's one motion on the table.

Councilmember Milhaven: Excuse me, you cut me off, I'm not finished.

Mayor Ortega: Okay. Continue with your discussion.

Councilmember Milhaven: My hope is that we can have a more collegial conversation, but it looks like that that would be very challenging and be best to put it off.

Mayor Ortega: Well, that's your opinion and you wanted to delay the entire discussion to some future time, and at this point, we have a motion for you to delay and all of those in favor of the motion, aye, all those opposed, nay. Nay.

[Time: 03:21:08]

Mayor Ortega: We will continue with our discussion as posted for the public. According to our discussion confront the questions and the ambiguities and be as helpful to staff as possible, so as three challenges are coming forward, we are not in denial that these subjects are important, because they are. If there are any other comments, I have a few mosh to make as -- I have a few more to make and I do believe it can be cordial.

I believe the topic of cutting off the conversation has been answered and we are going to continue the conversation. Part two of this discussion has to do with the conflicts of mapping and where the mapping imposed and contradictory to the architectural standards that are proposed. That is a fact.

I am suggesting that the staff verify whether that is a legitimate question, the type one going directly to type three, is totally inappropriate, or not. I am suggesting that the 2.5 is even more arbitrary and not necessary. So I'm suggesting that that be discussed. I don't think there's anything pending and yet that was arbitrarily inserted.

I heard it came in at the last -- at the last part of the whole discussion. The other point that I believe should be tested is that whether or not in the old town character area, commercial downtown D.O. overlay and P.B. -- planned block development, where it is converting commercial property to 100% dwelling units and I know apartment builders know how to build apartments. I know that.

We know condo builders know how to build condos. But what we're dealing with in our town for vitality is a mixed use. So proposing that the mixed use have at least 20% retail commercial use that usually is at the ground floor. I don't believe that's asking too much. I believe it's consistent with a pedestrian walkable area.

I don't think it's that is that contestable. I happened to have lived with that in our -- in our old town. I think it's very significant. And I think it would match up with the actions that the council took so that we don't have another Canalside eating up 98% of the commercial space on Fifth Avenue or main street or elsewhere.

The other part of the discussion as I pointed out several of the flaws, I would also point out in one particular case, a project which did have walkways, conformed with most the step backs, setbacks on Indian School, it broke some of the rules on 3<sup>rd</sup> avenue but that was the triangle building or the Kimsey project.

[Time: 03:25:26]

It was deep enough, 400 feet, and it could make those requirements. It happened to be about 72 feet, 74 feet. In my opinion and when we test this we will find out that the type this three would ask for 420% increase of the -- of the 36-foot high limit. The c-2 property that has not been rezoned yet.

The Kimsey is an example that went twice that, 72 feet, 74. 100% increase. That being built. It's been invested in. It's successful in setbacks and stepbacks for of the most part. Now arguing that oh, wow, it would be even better if it was 160 feet. Or 190 feet, doesn't make it better. I'm an architect.

I've seen those kind of Taj Mahals end up being disasters. So that I don't want to say standard is another offshoot of what happened with the downtown Scottsdale area plan. Now in my opinion -- I hear from other people in the community would say, Mayor Ortega, keep it at 36 feet. How dare you go above 36 feet.

And I area areas who say 160 feet, is great. We will be the metropolitan of the whole valley here. They will want to come and join us here. We have all of that happening and all they have is empirical data.

That's why I pointed out the flaws of some of these other projects where the marquee busted the rules and the collective, the hotel that's being built, is short 126 spaces and it's approved last year, by saying, well, we have extra 126 spaces on another hotel nearby and now we are going to zero them out.

I mean, that just blows my mind. How that can ever be justified. It's true what Councilwoman Milhaven said. The council can vote for it. It doesn't make it practical. That doesn't make it efficient, sustainability, and it doesn't solve all of those things and in the end, they will come back to the council and say, oh, my gosh, what did you do to us? And why did that get piled on?

So as we go forward, I'm going to ask that some mapping and other discussions come forward. I believe that the type one can be increased by maybe 4 feet from 36 to 40 feet that. Allows for a little more structure, that they might have a little breathing room to do something with, type

one.

Type two, productively -- and this is an ordinance area that can be discussed and people will throw rocks one way or the other, and they will say -- I believe type two can probably be accomplished at 52 feet. Type three, if it exists, would probably be 60 feet with a bonus of 12. What happens when you have a bonus? Well, the developer has to earn it. In this case, they save the Kimsey building. This was a certain balance, is it the greatest? Yes or no.

It seemed to be an example that I could point to and say, you know, it can be reasonably done, but if this had tried a number -- remember, they were at 90 feet plus before and they reduced it by 20 feet, they were at 94 feet and, oh, yeah. We can make it at 74 feet. Make money, bring vitality. Et cetera.

[Time: 03:29:58]

So those are practical examples that I believe help us test whether or not something could and can evolve in a good way and in a responsible way because that's our job. I don't want to overload the streets. I don't want to overload -- you know, again, I believe there's been a patch work of saying well, we approved this project and now so-and-so has to run their sewer line three miles to tap in. It's a huge problem. That shouldn't be my problem as a city.

Eventually they will say you need to upgrade your sewer system to handle another 30,000 people in this area and that's an encumbrance on them. I'm not for the grandiose metropolitan future. That's what people ran away from. We can do better and Scottsdale is one of the most successful cash flow cities in the valley. We haven't done it without going way, way over board and breaking the city that supports it. And that's my input on in mapping.

And I think any of us can provide, and I would welcome the public to look at these -- to read the document and think of that because that's our job, is to reanalyze it again what is practical, and I will say one last thing, I have seen the city of Scottsdale, planners, staff, show the variance of setbacks and the violations of those are architectural plans. And it's true.

But what I'm getting to is I have seen the staff do their job in identifying where those critical things were and I seen them shake their heads after, hey, they just blew a big hole in our architectural stuff and our guidelines. To me, that's inappropriate, it's got to be corrected. I'm willing to step into it. If you think the old town character plan, I don't think anyone will say it's perfect? Do you think it was written three years ago is perfect? Of course not. Let's work together. We don't have an action item per se. So we can -- I don't see other requests from council people. Can you conclude and then Councilwoman Caputi has a comment.

Brad Carr: Thank you, again, mayor, you do have an action item this evening. You need to --

Mayor Ortega: Okay.

Brad Carr: You need to initiate the general plan amendment and the text amendment and the amendment to the downtown infill incentive district.

Mayor Ortega: So moved. I move that we proceed.

Councilmember Whitehead: Second. I will second that.

Mayor Ortega: Thank you. We have a motion and a second? Any discussion on the motion?

Councilmember Caputi: I still had a comment.

Mayor Ortega: We have a motion that I made, and if you want to comment on the motion to proceed.

Councilmember Caputi: No. Not on that.

Mayor Ortega: Thank you. City attorney, do I need to read that?

City Attorney Scott: I don't think you have to read it verbatim. I want to clarify your motion. You are moving to initiate, A, B and C as shown on the slide up on the screen right now. I think it's a second to last page in the PowerPoint. I'm sure that we can include this slide in the minutes to make the motion clear. And also directing staff on item d to update the -- and is that also the intention of the second?

[Time: 03:34:31]

Councilmember Whitehead: I just want to add and I will see in the mayor agrees with this. It's his motion to take some of the direction we have given you on the -- on things that need to be added. Thank you.

Mayor Ortega: Councilwoman Caputi, you had a comment.

Councilmember Caputi: I'm not comfortable that we are done with this conversation. I don't know why we want to decrease one out of the three growth areas that we have in the city. It's been brought up we don't have enough infrastructure. We don't have enough water.

I would like to -- if staff is going to be looking into things, I want staff to help dispel this idea because it seems to be a community boogie man and I don't think people have the right information right now to be able to make a good decision because somehow some of us have convinced them that we don't have the infrastructure and we don't have the water. I think that's false, and I think we need to present some facts to go up against that. I want to have a long time plan if we go backwards.

If we go backwards move the zoning back to 1980s levels, I would love to see an economic

projection for what our city looks like moving forward. Do you do we pay for these wonderful things. We want bike paths and open spaces and we want parks and beautiful things and I want them too, but we have to find a way to pay for these things and I disagree with the mayor. I don't think we have a sustainable model going forward if we move everything back close the door and stop everything now.

We have to move into the future. People will not come here and build two-story buildings in our downtown area. We will not have the revenue to move forward. I grew up in Boston. When I come into Scottsdale, I want to say that I don't feel like I'm in Boston. Scottsdale looks nothing like Boston or New York or L.A. and it won't look like that ever.

If there are people on this dais who actually think that our downtown looks like Boston or New York, I will challenge you to take more vacations because I'm not seeing it. I'm sorry. I would like to see these myths dispelled. We need to make decisions.

[Time: 03:37:17]

Mayor Ortega: Councilwoman Whitehead.

Councilmember Whitehead: This is moving us forward and I'm very, very excited. I think that one of the problems is that we have haven't negotiated the public benefit. We definitely do have a water shortage. I think anybody who has been to the lakes and sees the bathtub rings to even question that, I have to wonder about.

I look forward to working with our development partners. We have wonderful development -- developers in this town. We saw that this with Kimsey. There's no shortage of projects moving forward, some I voted for, some I adamantly opposed. I think we can -- it shouldn't be an adversarial thing. What can we do to make it more valuable to this? Less is more many times. I'm looking forward to seeing what we can do with this plan to make it better for all of us. Thank you.

Mayor Ortega: Thank you. I will conclude. The subject of no growth and total no growth. I have never advocated for that and for someone to say that it's zero growth is also on one deep end of the discussion. I suspect that we will be coming in positive conclusions and I have expressed that we do expect investment to continue. All in favor, please indicate your vote. Any opposed? The motion passes.

### **ITEM 32 PUBLIC HEARING ON PROPOSED WATER AND WASTEWATER DEVELOPMENT FEES**

[Time: 03:39:19]

Mayor Ortega: Now our next item, which is number 32, which has to do with the water report, and our other information. Mr. Biesemeyer, thank you for being here.

Brian Biesemeyer: Thank you, mayor and council. Tonight I have a brief discussion on development fees pending a public hearing. So with that -- so just a reminder to council. You have seen much of this report before. Our land use assumptions and the IIP as we have developed our development fees. Development fees are one-time fees to provide the necessary public services to a new development.

The development fees must result in the beneficial use to that new development and historically Scottsdale has adopted only water and wastewater development fees. The general plan states that the city of Scottsdale has long held the philosophy that new development should pay for itself. And not put a burden on existing residents and property owners.

The development fee process is guided by state law and requires the city to adopt first land use assumptions and infrastructure improvement plans and council adopted the land use assumptions and the IIPs on July 1<sup>st</sup>.

This is an outline of where we have been and we are going. The public hearing was held on May 18<sup>th</sup>. As I mentioned council approve the I.I.P. and the land use assumption and we are here for the public hearing on the development fee report. Then the next schedule would be October 5<sup>th</sup> for request to council to adopt those development fees. The October 5<sup>th</sup> is a change. Previously it had been September 28<sup>th</sup> but there was a council change of dates, and we moved this to October 5<sup>th</sup>. You might see an earlier document that had September 28<sup>th</sup> on it. And then the goal would be January 1<sup>st</sup> of 2022 for the development fees to be adopted -- to actually be in effect.

[Time: 03:41:54]

Land use assumptions. They are key components, and they are there for ten years. They must be updated every five, and they show land use densities and intensities and population of the service per the general plan. The infrastructure improvement plan also adopted, again covers a ten-year period, and must be updated every five years it includes existing levels of service and I have a couple of slides to show those.

Equivalent demand units. State law requires that we define the equivalent demand unit and the water side we define that -- both on water and wastewater we design that equal to one detached sickle family -- single family dwelling unit. For existing and future level of services, state law requires that we define the level of service. The level of service is defined differently. On the water side, it's defined as peak demand because people expect to turn on their tap. It needs to be the peak level of demand. On wastewater, the wastewater flows are not as dynamic. They don't rise and fall as much, and so we define that on annual demand. So again the land use assumptions are used to for the infrastructure development plan.

As we look at the infrastructure improvement plan, and the total costs you can see water and the wastewater sides. As we talked of before, there's both a infrastructure improvement or a growth-related portion as well as a rate funded organization on many of these projects. Last

time we talked about a pipeline that we might upsize for growth. We also -- there's a component of that pipeline that covers existing service and so that is part of the rates that go into these.

Into these totals. So new development fees. So water development fee per EDU is 4,765. With the costs that I have shown and the wastewater development fee is projected at 2,568 for a total of 7,335 per EDU. That is a change and it is an increase. So you can see this is over the last almost well nine years. In 2012, the state law took effect -- a new state law took effect after our 2012 fees had been established and there was an impact.

The biggest impact with the state law is it defined the period we could look at. Previously, we were able to look at 20 or 30 years and now we can only look at a 10-year period. We initially calculated fees differently and we have standardized that on the E.D.U. I think that was a good practice, but the problem with the existing state law is it regulates us to the ten-year period of time.

What happened in the ten-year window, the fees can go up and down. And in this case -- so in the current case, you can see our wastewater impact fees actually go down because we have no increase in our wastewater treatment plants. We have the central Arizona plant, the CAP, at the water campus and because of that influence, that influences our impact fees upwards in our current analysis.

On the commercial side, we had a different way to calculate and then the new state law and you can see the impact and it's been increasing since that time. So currently the development impact fees are based on the metering fees. On the water side, that's based on the capacity of flow. On the wastewater side, again the same thing. That the correlation between the amount of water returns exists. You can see it's in meter size as the current development fees and the proposed development fees. In summary, no action is required tonight, its really information for a public hearing and the development fee adoption is scheduled for October 5<sup>th</sup>. Pending your questions, that completes my presentation.

[Time: 03:47:26]

Mayor Ortega: Thank you. At this point -- Councilmember Milhaven and then I will open public comment.

Councilmember Milhaven: Thank you. Thank you, Mr. Biesemeyer. Very timely discussion given the conversation around development this clearly shows we are planning our infrastructure to support future development and charging developments for the impact they have on our infrastructure. I have one question, at the current rate of development, when did you think we will run out of water?

Brian Biesemeyer: That is a large question for this particular subject, I guess I'm not prepared to answer that, because there's a lot of inputs that I don't know of right now. We do have a water

issue. We have a water shortage. That is there, there are a lot of components.

There's our Salt River project supplies and the central Arizona supplies. We have a shortage on the CAP. We don't necessarily have a shortage on the SRP side. We have a lot of groundwater stored. So it's not quite a simple answer as I can make right here and now.

Councilmember Milhaven: I have heard the statement saying we have a 100-year water supply. What exactly does that mean?

Brian Biesemeyer: The 100-year water supply is not really on this agenda, but the 100-year water supply is approved by the department of water resources, where we show that we have a supply for 100 years. That's based on a number of assumptions on our supply, including our CAP water supply at its full allotment.

Councilmember Milhaven: Thank you.

Mayor Ortega: Thank you. At this point, the purpose is to open a public hearing. I have not received any comment telephonic or in person. Is there one now? Thank you.

City Clerk Lane: Mayor, there is one from Bastien Andrette.

Mayor Ortega: Great. Come forward.

Bastien Andrette: Just because I haven't made enough friends tonight, Bastien Andrette speaking on behalf of over 26,000 units and owners and units in the city of Scottsdale. Once again, we just wish to express our concerns related to the city's proposed water development impact fees that will increase by 12.5%.

[Time: 03:50:06]

It should be noted that no our knowledge not a simple stakeholder meeting was held to discuss these changes. The A.M.A. was not included in any of those discussions and for comparison, every city or town that adopted new of these assumptions, infrastructure improvement plans and the embrace suing impact fees conducts multiple stakeholder meetings.

As noted in a comprehensive study the state of Arizona must build hundreds of thousands of new market rate and affordable housing units by 2030 to match prepandemic demand. Considering that Scottsdale only has 26,000 apartment units and the city has grown by 41,000 residents over the past decade, it is imperative that we examine the conditions that led to this shortage and remove those barriers from Stanford to Clemson, from Brookings to Kato, and Obama to Trump.

It includes the imposition of costly development impact fees. In 2019, President Trump had a White House council on eliminating regulatory barriers to affordable housing in which he states



federal, state, local and tribal governments have imposed a multitude of regulatory barriers, laws and as administrative practices hinder the development of housing. These regulatory impacts have inordinate development fees this drives down the supply affordable housing. Similarly, in 2016, President Obama stated in his 2016 housing development in tool kit.

When the rent goes up, it puts a strain on insufficient resources for affordable housing and causing existing programs to serve fewer households. When development costs are high, the costs recuperation is passed along to the renter ultimately undercutting the expressed purpose of developing more housing affordability.

The proposed increase in water development impact fees is a step in the wrong direction to reducing these costs and rectifying the issuing of housing affordability. And as was in today's republic article as council's intent to restrict development and preserve old town will do nothing but to hinder the very goals which this city seeks to achieve. To this end we respectfully request that you reconsider these fees not limiting it or making it more expensive. Once again, I thank you for your time and if you have any further questions.

[Time: 03:52:45]

Mayor Ortega: I do. Previously you said you expect metropolitan area of Phoenix or the valley to absorb 210,000 or what was that number.

Bastien Andrette: Across the state of Arizona 230,000 units total.

Mayor Ortega: And then I heard you say you expected Scottsdale to absorb 51,000?

Bastien Andrette: This is based off of 2019 estimations but, yes.

Mayor Ortega: Excuse me, sir so you are saying Scottsdale, Arizona, according to your bosses believes that we should absorb 25% of the need of the whole state of Arizona.

Bastien Andrette: Actually, according to the Elliott D. Pollock –

Mayor Ortega: I'm clarifying that and you are way, way out of line in your numbers and I will say this as well. That there is the law of scarcity. The law of scarcity is like gravity. It governs everything whether it's fuels, school teachers, education, the law of scarcity of water is one of the most valuable and precious assets and if you are asking the city of Scottsdale by Mr. Pollack's reasoning and you're entering it into the record, expecting that we are going to carry 25% of the water load due to these 52,000, you can take that back to your bosses and say, it was heard very clearly what you intend to do and I don't believe that we can sustain that, because there is the law of scarcity.

I think you should review that. I understand and you have to understand that my job is to make sure that development pays for itself. We will not discount the apartments or the multi-family

and have the citizens subsidize that so that you can provide 25% of those units in Scottsdale, Arizona. So I think we concluded. That wasn't a question. That was just some feedback for you.

Bastien Andrette: And just as a point of clarification for you Mayor Ortega, Scottsdale currently holds about 22% of the entire state's apartment inventory.

[Time: 03:55:04]

Mayor Ortega: I will also say if you look at the AIA numbers from architects and city planning, they say that the city should -- a city -- their multifamily should be less than -- or 20% to be sustainable and so forth.

And I think if you are looking at what our total stock is of dwelling units, that 70,000 in that number, 54,000, plus 26,000 that we have now, would be way in excess of something that sustainability would allow.

That's some pushback and I hope we can come to a good conclusion at some point in between. The subject is water, and whether the development fees should be paid in follow, and I think that message is sent. I see Councilmember Milhaven and Councilwoman Caputi have a statement.

Councilmember Milhaven: I would like to apologize for the way you were spoken to for this evening. I think we can disagree more respectfully, I apologize. And the other is what I have understood you to say is that there's demand for additional housing that the community is short over 200,000 and that your belief is the demand in Scottsdale is for another 50,000, not that you were expecting that we would build anything but simply telling us what the demand was.

Bastien Andrette: Correct and just to elaborate forward that's across all different asset types it's not just multifamily and single family as well, just to clarify.

Councilmember Milhaven: Thank you, sir.

Mayor Ortega: Councilwoman Caputi.

Councilmember Caputi: My understanding is that this is just a public hearing to talk about these proposed changes. So I just want to make the comment that I think it's so interesting that we are having this conversation, exactly -- as Councilwoman Milhaven said, directly following a conversation about infrastructure in old town.

I want to underscore the fact that we in Scottsdale make development pay for infrastructure and public services and facilities. That's all. Development pays for itself in Scottsdale. This is -- I mean, this is -- we make developers pay for what they do here in our city, and thank goodness for them, because we get infrastructure and facilities and wonderful things. So --

Mayor Ortega: Thank you. Councilwoman Whitehead.

Councilmember Whitehead: That's correct. We do make our fees based on true costs and so you are suggesting that all of our citizens, subsidize the people you work for, no to build apartments with some kind of, frankly, empty promise that that will somehow help the future residents. I absolutely believe that development has to pay for itself. And I know that that is how our fees are computed. So I'm very comfortable with Mr. Biesemeyer's presentation, and his recommendations, thank you.

Mayor Ortega: Good. So at this point, we are concluded on this item. We have accepted the report. There's no action required. And we will move on to item number 33, that would be petitions from any -- from the public, seeing none and I have heard of none. Then we will move on to mayor and council items. I have none.

**ADJOURNMENT**

[Time: 03:58:27]

Are there any council items that might be brought forward? Okay. I wasn't sure if there was anything -- okay. And downtown, accordingly. We are concluded.