

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, SEPTEMBER 17, 2024**



**CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251**

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting of the Scottsdale City Council at 5:00 P.M. on Tuesday, September 17, 2024 in the City Hall Kiva Forum.

ROLL CALL

Mayor Ortega asked City Clerk Ben Lane to conduct the roll call.

Present: Mayor David D. Ortega; Vice Mayor Barry Graham (participated electronically); and Councilmembers Tammy Caputi, Tom Durham, Betty Janik, Kathy Littlefield, and Solange Whitehead

Also Present: Acting City Manager Bill Murphy, Acting City Attorney Luis Santaella, City Treasurer Sonia Andrews, Acting City Auditor Lai Cluff, and City Clerk Ben Lane

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilwoman Janik.

MAYOR'S REPORT

Mayor Ortega called attention to the ongoing wars in foreign countries as they fight to protect their democracy and freedom and asked for a moment of silent reflection for these war-torn countries and for the safety of our military personnel.

Mayor Ortega announced that today was U.S. Constitution Day, noting the Constitution forms the foundation of our government at all levels – federal, state, and local.

Mayor Ortega proclaimed September 15th through October 15th as Hispanic Heritage Month and presented a proclamation to members of the Scottsdale Hispanic Network, an Employee Resource Group.

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

PUBLIC COMMENT

No public comments were received.

MINUTES

Request: Approve the following Council meeting minutes from August 2024:

- a. **Special Meeting Minutes of August 13, 2024**
- b. **Special Meeting Minutes (Special Meeting No. 1) of August 20, 2024**
- c. **Special Meeting Minutes (Special Meeting No. 2) of August 20, 2024**
- d. Executive Session Minutes of August 20, 2024
- e. **Regular Meeting Minutes of August 20, 2024**

MOTION AND VOTE - MINUTES

Councilwoman Janik made a motion to approve the Special Meeting Minutes of August 13, 2024; Special Meeting Minutes (Special Meeting No. 1) of August 20, 2024; Special Meeting Minutes (Special Meeting No. 2) of August 20, 2024; Executive Session Minutes of August 20, 2024; and Regular Meeting Minutes of August 20, 2024. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

CONSENT AGENDA

1. **R T O'Sullivan's Teletrack Wagering Establishment License**
Request: Consider approval of a renewal application for a Teletrack Wagering Establishment License for R T O'Sullivan's.
Location: 7919 E. Thomas Road, Suite 101
Staff Contact(s): Whitney Pitt, Business Services Director, 480-312-5925, wpitt@scottsdaleaz.gov
2. **State Homeland Security Program Grant**
Request: Adopt **Resolution No. 13224** to authorize, if awarded:
 1. Acceptance of a grant from the Arizona Department of Homeland Security, in the amount of up to \$50,000, to reimburse the City for equipment costs related to the State Homeland Security Grant Program.
 2. The City Manager, or designee(s), to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with the acceptance of the grant.
 3. A Budget Transfer, of up to \$50,000, from the adopted Fiscal Year 2024/25 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.**Staff Contact(s):** Jeff Walther, Chief of Police, 480-312-1900, jwalther@scottsdaleaz.gov
3. **Urban Area Security Initiative Threat Liaison Officer Sustainment Program Grant**
Request: Adopt **Resolution No. 13225** to authorize, if awarded:
 1. Acceptance of a grant from the Arizona Department of Homeland Security, in the amount of up to \$33,535, to reimburse the City for training costs related to the Urban Area Security Initiative Threat Liaison Officer Sustainment Program.
 2. The City Manager, or designee(s), to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with the acceptance of the grant.

3. A Budget Transfer, of up to \$33,535, from the adopted Fiscal Year 2024/25 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.

Staff Contact(s): Jeff Walther, Chief of Police, 480-312-1900, jwalther@scottsdaleaz.gov

4. Urban Area Security Initiative Chemical, Biological, Radiological, and Nuclear Program Grant

Request: Adopt **Resolution No. 13226** to authorize, if awarded:

1. Acceptance of a grant from the Arizona Department of Homeland Security, in the amount of up to \$108,358, to reimburse the City for training and equipment costs related to the Urban Area Security Initiative Chemical, Biological, Radiological, and Nuclear Program.
2. The City Manager, or designee(s), to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with the acceptance of the grant.
3. A Budget Transfer, of up to \$108,358, from the adopted Fiscal Year 2024/25 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.

Staff Contact(s): Jeff Walther, Chief of Police, 480-312-1900, jwalther@scottsdaleaz.gov

5. Mobile Food Vendors Code Amendment

Request: Adopt **Ordinance No. 4647** amending Scottsdale Revised Code, Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations, amending Section 16-653 and Section 16-655, related to the operation of mobile food vendors.

Staff Contact(s): Whitney Pitt, Business Services Director, 480-312-5925, wpitt@scottsdaleaz.gov

PUBLIC COMMENT – CONSENT AGENDA

There was no public comment on the Consent Agenda items.

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Janik made a motion to approve Consent Agenda Items 1 through 5. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

REGULAR AGENDA

6. Advanced Semiconductor Materials (ASM) Development Agreement

Request: Adopt **Resolution No. 13158** to authorize:

1. Development Agreement No. 2024-120-COS with ASM America, Inc., for the reimbursement of a portion of public infrastructure costs paid by ASM America, Inc., up to a maximum amount of \$6,352,659.84.
2. The City Manager, or designee, to execute any other documents and take such other actions as necessary to carry out the purpose of this Resolution.

Location: Northwest corner of Mayo Boulevard and Miller Road

Presenter(s): Teri Killgore, Economic Development Director and Scott Cooper, Business Attraction Manager

Staff Contact(s): Teri Killgore, Economic Development Director, 480-312-2533, tkillgore@scottsdaleaz.gov

Economic Development Director Teri Killgore gave a PowerPoint presentation (attached) on the proposed Advanced Semiconductor Materials (ASM) Development Agreement.

Applicant Presenter ASM Corporate Vice President and Business Unit Head Steven Reiter gave a presentation on the proposed ASM Development Agreement.

PUBLIC COMMENT – ITEM 6

Mayor Ortega opened public comment on this item.

Dan Ishac, Scottsdale resident, spoke in support of the item.

Allen D'Ambra, Scottsdale resident and ASM employee, spoke in support of the item.

Brad Smidt, Senior Vice President of Business Development for the Greater Phoenix Economic Council, spoke in support of this item.

David Hovey, Jr., President of Optima, Inc., spoke in support of this item.

Mayor Ortega closed public comment on this item.

MOTION AND VOTE – ITEM 6

Councilmember Durham made a motion to adopt Resolution No. 13158. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

PUBLIC COMMENT

No public comments were received.

CITIZEN PETITIONS

7. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendaize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Ben Lane, City Clerk, 480-312-2411, blane@scottsdaleaz.gov

No citizen petitions were received.

MOTION AND VOTE – ADJOURNMENT

Councilwoman Whitehead made a motion to adjourn the Regular Meeting. Councilwoman Janik seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Caputi, Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

ADJOURNMENT

Mayor Ortega adjourned the Regular Meeting at 5:50 P.M.

SUBMITTED BY:



Ben Lane, City Clerk

Officially approved by the City Council on October 22, 2024

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona, held on the 17th day of September 2024.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 22nd day of October 2024.



Ben Lane, City Clerk

ASM America, Inc. Public Infrastructure Reimbursement Development Agreement

Scottsdale City Council | September 17, 2024
Teri Killgore, Economic Development Director



Background

- ASM was founded in the Netherlands in 1968
- Scottsdale will be their North American Headquarters + R&D Facility
- ASM supplies wafer processing equipment to leading semiconductor manufacturers, for depositing materials on thin films used by chipmakers to “print” their design on multiple layers
- Purchased more than 21 acres at the NWC of Mayo Blvd and Miller Rd immediately south of the Loop 101

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Background

- Currently employs 721 employees in Phoenix. This 400,000+ SF facility would add 500 new jobs and combine all their regional operations under one roof, in Scottsdale
 - Top 10 Private Employer
- \$400 million+ capital expense to build (land, building, equipment)
- The Scottsdale facility will house ASM’s supply chain, engineering operations, manufacturing, training center, and their global software and corporate support teams
- Estimated economic impact of \$8 million over 10 years

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Key Notes

- Development agreement for public infrastructure reimbursement
- Existing I-1 Zoning appropriate for project, no rezoning
 - Design and signage all required standard public hearing processes through Development Review Board
- ASM will secure and transfer to the City a total of 600 acre-feet of renewable water supplies which will be secured within thirty (30) days following ASM's receipt of the first building permit
 - 600-acre feet is over 195 million gallons
- ASM will return a minimum of 75% of the water supplied to the property back to the sewer

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Public Infrastructure Reimbursements

- Public infrastructure includes:
 - North side of Mayo Blvd from 73rd Street to Miller Road
 - West side of Miller Road from Mayo Blvd to Loop 101
- Milestone date of 6 years from date of contract execution
- ASM must:
 - Construct 400,000 SF feet of commercial space
 - Add 500 new jobs with an average wage of \$110,000
 - Achieve a payroll of \$55 million
- If performance requirements are met, the capped reimbursement amount is \$6,352,659.84
 - Amount reduced if all requirements not met by Year 7, amount will be reduced by 5% every month

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Development Agreement Structure

- The capped reimbursement amount requires proof of expenditure, public purpose, and milestones.
- Due to evolving conditions, staff is proposing a not to exceed amount including two categories:
 - Eligible
 - Under Consideration
- Items "Under Consideration" require additional examination to confirm:
 - Not duplicated in other reimbursement agreements
 - Only reimbursing infrastructure costs that serve a public purpose
- Process
 - Staff and ASM finalize reviews
 - Decision requires approval of City Manager with concurrence of City Attorney (Section 3.4)

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Summary

In Millions	Eligible	Under Consideration	Totals
Off-site Earthwork	0.19		0.19
Demolition	0.11		0.11
Paving	0.86		0.86
Soft Costs	1.01		1.01
Water	0.16	0.40	0.56
Streetlight Electrical	0.11		0.11
Storm Drain	0.32	0.75	1.07
Sewer		1.17	1.17
Subtotal	2.76	2.33	5.09
Contingency	0.69	0.57	1.26
TOTALS	\$3.45	2.90	\$6.35

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Community Benefits

- New HQ will attract top tech talent and serve as a premier training facility
- 720 existing ASM jobs with growth of 500 additional new jobs
- Consolidation of properties to over 400,000 square feet in Scottsdale
- Area infrastructure enhancements—Mayo Blvd. and Miller Rd
- Further diversifies city industry base and emerging tech industry

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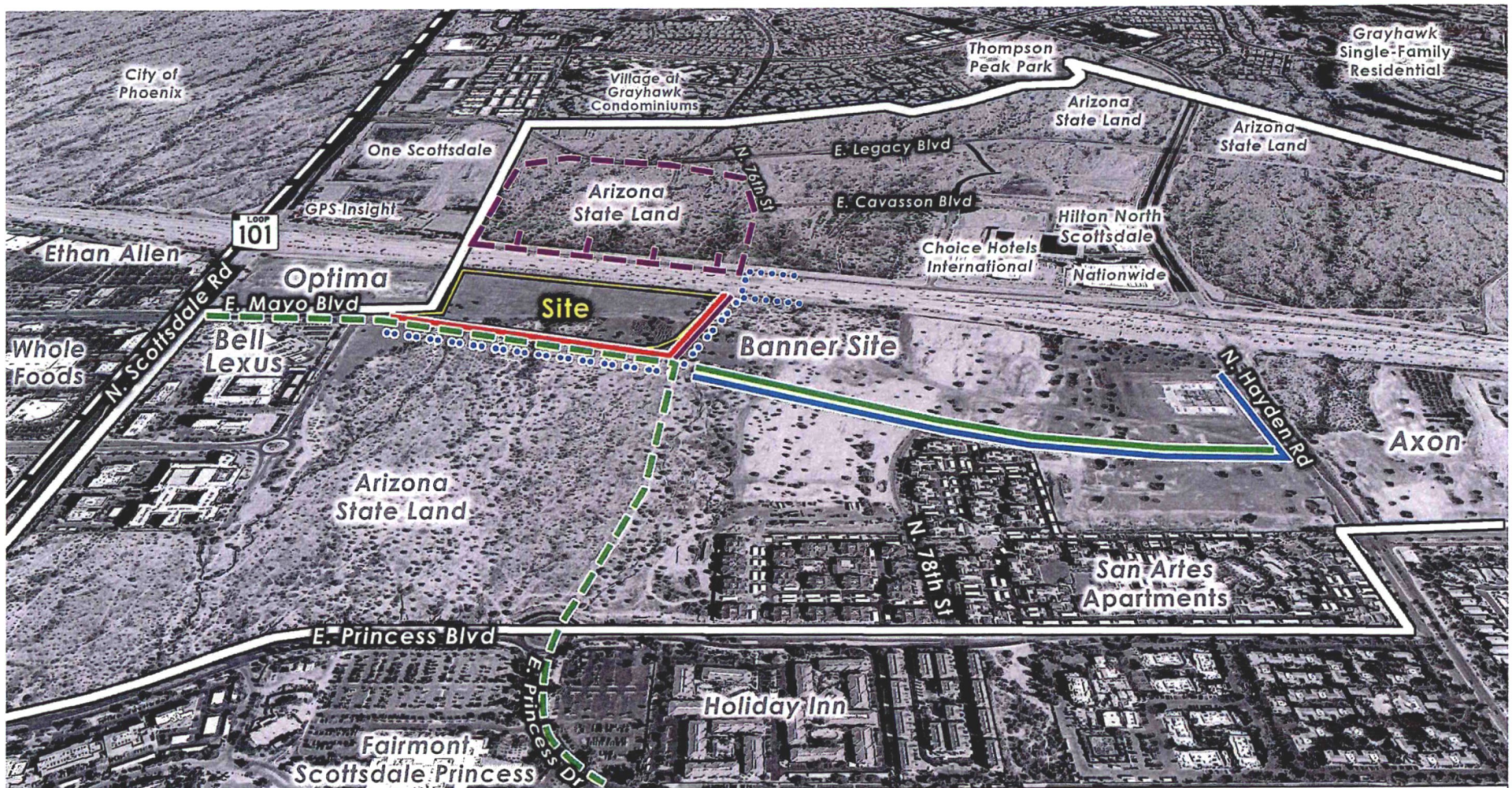


Request

Adopt Resolution No. 13158 authorizing Public Infrastructure Reimbursement Development Agreement No. 2024-120-COS with ASM America, Inc., for the reimbursement of public infrastructure costs paid by ASM America, Inc., up to a maximum amount of \$6,352,659.84.

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Streets — Stormwater — Water TBD — De Rito Sewer — — Optima — De Rito *NOT TO SCALE*