

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING AND WORK STUDY SESSION MINUTES
TUESDAY, NOVEMBER 19, 2024**



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

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting and Work Study Session of the Scottsdale City Council at 5:01 P.M. on Tuesday, November 19, 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; and Councilmembers Tammy Caputi, Tom Durham, Betty Janik, Kathy Littlefield (participated electronically), and Solange Whitehead

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, 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.

PUBLIC COMMENT

No public comments were received.

MINUTES

Request: Approve the Regular Meeting Minutes of October 22, 2024.

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.

MOTION AND VOTE - MINUTES

Councilwoman Janik made a motion to approve the Regular Meeting Minutes of October 22, 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. The Dirt Expo at WestWorld Scottsdale Event Funding

Request: Adopt **Resolution No. 13284** to authorize:

1. Funding, not to exceed \$42,750, from the portion of the Fiscal Year 2024/25 Tourism Development Fund that is allocated toward event retention and development for The Dirt Expo at WestWorld Scottsdale.

2. Event Funding Agreement No. 2024-189-COS with the Arizona Expos, Inc.

Staff Contact(s): Rachel Smetana, Tourism & Events Director, 480-312-2890, rsmetana@scottsdaleaz.gov

2. Driving Under the Influence (DUI) Enforcement and Education Grant

Request: Adopt **Resolution No. 13288** to authorize:

1. Contract No. 2024-195-COS with the State of Arizona, on behalf of the Oversight Council on Driving or Operating Under the Influence Abatement, accepting a grant in the amount of \$50,000, in support of DUI enforcement and education.

2. The City Manager, or designee, to execute Contract No. 2024-195-COS.

3. A Budget Transfer, in the amount of \$50,000, from the 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. Pay Step System for Sworn Fire Employees and Amendments to the Fiscal Year 2024/25 Job Classification Pay Table for Various City Positions

Request: Adopt **Resolution No. 13291** to authorize:

1. The implementation of a pay step system for all sworn employees of the Scottsdale Fire Department, which are Firefighter Recruit, Firefighter, Engineer, Captain, Battalion Chief, Deputy Chief, Assistant Chief, and Chief, effective January 2025.

2. Amending the Fiscal Year 2024/25 Job Classification Pay Table to reflect the step pay system for all sworn Fire employees.

3. Salary grade changes for the following positions: Assistant City Manager from pay grade 37 to 39; Chief Information Officer from pay grade 35 to 36; City Clerk from pay grade 36 to 37; Communications and Public Affairs Director from pay grade 34 to 35; and Assistant Police Chief (Civilian) from pay grade 34 to 35.

4. A Budget Transfer, in the amount of up to \$0.8 million, from the Public Safety Personnel Retirement System Pension Liabilities Fund Balance Designation to the Fire Division Operating Budget.

Staff Contact(s): Jim Thompson, City Manager, 480-312-2800, jthompson@scottsdaleaz.gov

PUBLIC COMMENT – CONSENT AGENDA

There was no public comment on the Consent Agenda items.

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Whitehead made a motion to approve Consent Agenda Items 1 through 3. 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.

REGULAR AGENDA

4. Axon Minor General Plan Amendment (3-GP-2023), Rezoning (13-ZN-2020#2), Development Agreement, and Public Infrastructure Reimbursement Development Agreement Requests:

1. Adopt **Resolution No. 13277** approving a minor general plan amendment to the Scottsdale General Plan 2035 to change the land use designation from Employment to Mixed-Use Neighborhoods, and a minor amendment to the Greater Airpark Character Area Plan to change the land use designation from Employment (EMP) to Airpark Mixed-Use - Residential (AMU-R), on a ±44.70 gross (±36.32 net) acre portion of a ±69.71 gross acre site.
2. Adopt **Ordinance No. 4658** approving a zoning district map amendment from Planned Community District, Industrial Park (P-C I-1) zoning to Planned Community District with P-C comparable Planned Airpark Core, Airpark Mixed-Use - Residential (P-C PCP AMU-R) zoning to accommodate an amendment to the original development plan (13-ZN-2020) and an amendment to the land use budget for Crossroads (19-ZN-2002#6) to allow for 1,965 multi-family residential units, a hotel, and ±47,000 square feet of commercial in five buildings, ranging from four- to five-stories, up to 68 feet in height, on a ±44.70-acre portion of a ± 69.71-acre site
3. Adopt **Resolution No. 13273** declaring the document entitled "*Axon Development Plan*" to be a public record.
4. Adopt **Resolution No. 13275** authorizing Development Agreement No. 2002-141-COS-A5 with the Arizona State Land Department.
5. Adopt **Resolution No. 13274** authorizing Amended and Restated Public Infrastructure Reimbursement Development Agreement No. 2020-138-COS-A1 with Axon Enterprise, Inc., for the reimbursement of public infrastructure costs paid by Axon Enterprise, Inc., up to a maximum amount of \$9,408,716.

Location: 8300 E. Axon Way

Presenter(s): Teri Killgore, Economic Development Director and Greg Bloemberg, Principal Planner

Staff Contact(s): Teri Killgore, Economic Development Director, 480-312-2533, tkillgore@scottsdaleaz.gov and Erin Perreault, Planning and Development Services Director, 480-312-7093, eperreault@scottsdaleaz.gov

Economic Development Director Teri Killgore, Principal Planner Taylor Reynolds, and Principal Planner Greg Bloemberg gave a PowerPoint presentation (attached) on the proposed Axon Minor General Plan Amendment, Rezoning, Development Agreement, and Public Infrastructure Reimbursement Development Agreement.

Applicant Representative Charles Huellmantel, with Huellmantel & Associates, gave a presentation on the proposed Axon Minor General Plan Amendment, Rezoning, Development Agreement, and Public Infrastructure Reimbursement Development Agreement.

Applicant Representative Rick Smith, Axon Enterprise Chief Executive Officer, gave a PowerPoint presentation (attached) on the proposed Axon Minor General Plan Amendment, Rezoning, Development Agreement, and Public Infrastructure Reimbursement Development Agreement.

PUBLIC COMMENT – ITEM 4

Mayor Ortega opened public comment on this item.

The following individuals spoke in support of this item:

- Jami Mei, Arizona Commerce Authority
- Chris Camacho, Greater Phoenix Economic Council
- Tim Black, Retired City of Phoenix Police Department
- Colonel Heston Silbert (Retired), Vigilant Consulting
- Isaiah Fields, Axon Enterprise, Inc.
- Charles Moore, Axon Enterprise, Inc.
- Delucia Lepore, Axon Enterprise, Inc.
- Jennifer Carstens, Axon Enterprise, Inc.
- Felixander Kery, Axon Enterprise, Inc.
- Deanna Cantrell, Axon Enterprise, Inc.
- Debora Black, Prescott Valley
- Harry Markley, Retired City of Phoenix Police Department
- McKenna Kardish, Axon Enterprise, Inc.
- Dan Drewnowski, Axon Enterprise, Inc.
- Joshua Isner, Axon Enterprise, Inc.
- Kalu Jay Varney, Axon Enterprise, Inc.
- Marcus Woodard, Axon Enterprise, Inc.
- Alex Sanchez, Axon Enterprise, Inc.
- Brian Moutinho, Axon Enterprise, Inc.
- Lauren Klein, Axon Enterprise, Inc.
- David Fulton, Axon Enterprise, Inc.
- Jacob Wurtz, Axon Enterprise, Inc.
- Iris Park, Axon Enterprise, Inc.
- Timothy Thomas, Phoenix Police Foundation
- Pam Peterson, Axon Enterprise, Inc.
- Ebony Kizzee, Axon Enterprise, Inc.
- Meryl Van Hyfte, Scottsdale resident
- Peter de Schepper, Axon Enterprise, Inc.
- Leslie Lerman, Scottsdale resident
- Christine Albert, Axon Enterprise, Inc.
- Rich Barber, Phoenix resident
- Jason Alexander, Scottsdale resident
- Nick Van Hyfte, Scottsdale resident
- Jason Koestner, Axon Enterprise, Inc.
- Matthew Richards, Scottsdale resident
- Jason Light, Scottsdale resident
- Stephen Tuttle, Axon Enterprise, Inc.

The following individuals spoke in opposition of this item:

- James Davis, Coalition of Greater Scottsdale

- Jan Dubauskas, City of Scottsdale Councilwoman-elect
- Ginny Bertoncino, Scottsdale resident
- Susan McGarry, Scottsdale Stonebrook II Homeowners Association
- Michael Schafer, Scottsdale resident
- Gabrielle Hitchcock, Scottsdale resident
- Mason Gates, Scottsdale resident
- French Thompson, Scottsdale resident
- Bob Pejman, Scottsdale resident
- Jim Haxby, Scottsdale resident
- Lee Martucci, Scottsdale resident
- Kathryn Daley, Scottsdale resident
- Tamara Goulden, Scottsdale resident
- Patricia Badenoch, Scottsdale resident
- Margaret Shultz, Worker Power Institute
- Mike Crooker, Scottsdale resident

Mayor Ortega closed public comment on this item.

MOTION AND VOTE – ITEM 4

Councilwoman Janik made a motion to adopt Resolution No. 13277; Ordinance No. 4658 as revised to reflect a reduction in apartment and condo units to a maximum number of 1,895 and further including the enhanced landscaping and berm stipulation shown and discussed in the hearing tonight; and Resolutions Nos. 13273, 13275, and 13274, with the Development Plan also being amended to reflect the new maximum number of units to 1,895. Councilwoman Caputi seconded the motion, which carried 5/2, with Mayor Ortega and Councilmembers Caputi, Durham, Janik, and Whitehead voting in the affirmative and Vice Mayor Graham and Councilwoman Littlefield dissenting.

CITIZEN PETITIONS

5. 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 agendize 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.

WORK STUDY SESSION

PUBLIC COMMENT – WORK STUDY SESSION

There was no public comment on the Work Study Session.

1. Quarterly Financial and Capital Improvement Plan (CIP) Updates

Requests:

- a. Receive, discuss, and provide possible direction on the City Treasurer's quarterly financial presentation as of September 2024.

- b. Receive, discuss, and provide possible direction on the City Engineer's quarterly CIP presentation as of September 2024.

Presenter(s): Sonia Andrews, City Treasurer and Alison Tymkiw, City Engineer

Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893,
anjohnson@scottsdaleaz.gov

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the City Treasurer's Quarterly Financial Update.

City Engineer Alison Tymkiw gave video (https://www.youtube.com/watch?v=mgP9KJQ_VaY) and PowerPoint presentations (attached) on the City Engineer's Quarterly Capital Improvement Plan (CIP) Update.

Councilmembers made the following observations:

- A significant portion of the funding for several City CIP Projects is from federal government bonds and other funds.
- Federal funds that are not used or turned down by the City go into Arizona Department of Transportation close-out funds and other cities and towns are able to apply for those funds.

MOTION AND VOTE – ADJOURNMENT

Councilwoman Whitehead made a motion to adjourn the Regular Meeting and Work Study Session. 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 and Work Study Session at 9:23 P.M.

SUBMITTED BY:



Ben Lane, City Clerk

Officially approved by the City Council on January 14, 2025

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting and Work Study Session of the City Council of Scottsdale, Arizona, held on the 19th day of November 2024.

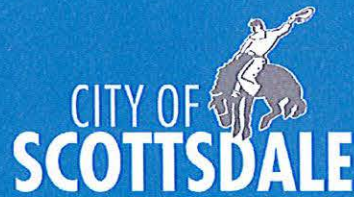
I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 14th day of January 2025.



Ben Lane, City Clerk

Item 4



Axon World HQ

3-GP-2023 & 13-ZN-2020#2

**City Council
November 19, 2024**

Coordinator: Greg Bloemberg

Axon Enterprises First Amended and Restated Public Infrastructure Reimbursement Development Agreement (Axon 3-GP-2023 and 13-ZN-2020#2)

Scottsdale City Council | November 19, 2024
Teri Killgore, Economic Development Director
Greg Bloemberg, Principal Planner



Background

Seeking expansion for World Headquarters Campus

- This modern technology campus will include:
 - 250,000 SF HQ + Manufacturing
 - 435 Hotel rooms
 - 47,000 SF Retail + Restaurant
 - 1965 Residential Units
 - 365 Condos | 1600 Apts

Over \$1.3 billion
capital expense to
build full project
(land, buildings,
equipment)

3



The Project



4



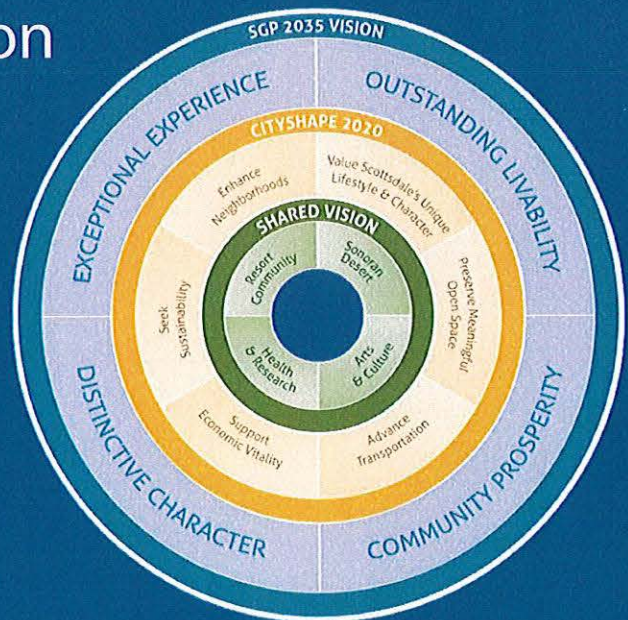
Multiple Action Approach

- General Plan Minor Amendments + Airport Character Area Plan Changes
- Zoning Action
- Declare the “Axon Development Plan” to be a public record
- Amended and Restated Public Infrastructure Agreement with Axon
- Arizona State Land Department Development Agreement with City

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Aligns with Strategic Vision

- General Plan
 - Community Prosperity
 - Chapter: Innovation + Prosperity
- Attract + Retain High-Quality Jobs
- Economic Development Strategic Plan
 - Corporate HQ
 - Technology



6

Aligns with Mission

- Public Safety
 - Better tools for public safety through technology
 - Partnerships with SPD
- National Security leader



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Industry Trends



Facebook Headquarters
Menlo Park, California



Googleplex
Mountain View, California

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Public Infrastructure Agreement Terms

- Milestones
 - 5 years from the confirmation date
 - Axon must construct 250,000 SF feet commercial space, achieve a payroll of \$130,000,000
- Axon is required to begin building Phase I before building subsequent facilities in Phase II

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Public Infrastructure Agreement Terms

- The capped reimbursement amount remains \$9,408,716 and includes:
 - Mayo Blvd: \$6,442,332
 - ASLD Hayden Road payback: \$2,183,536 (already paid by Axon)
 - Hayden Road widening: \$782,848
- 50% reimbursement if milestone requirements not met. If not achieved within 36 months of milestone date, no further reimbursement will be made.

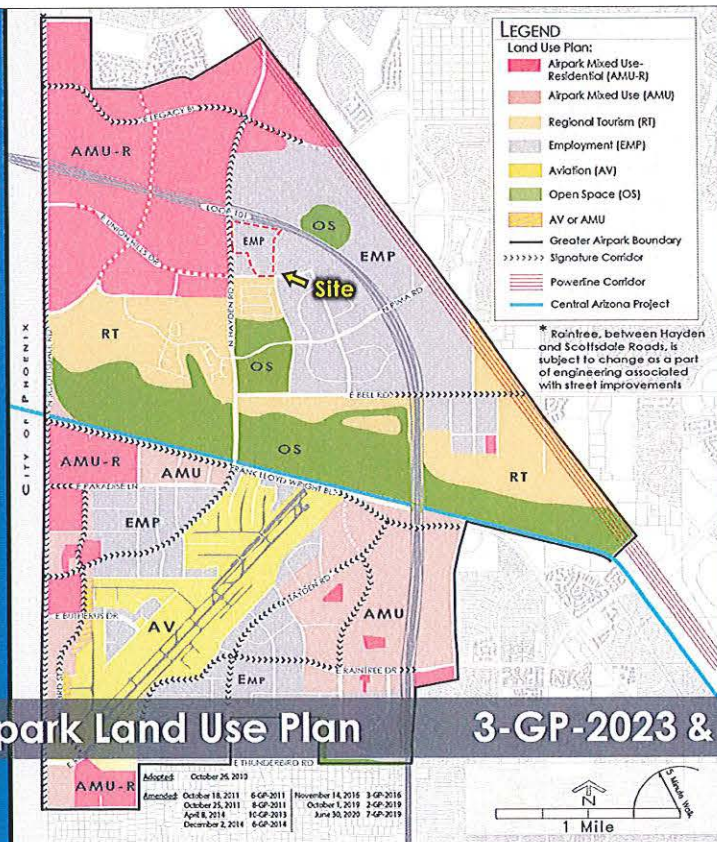
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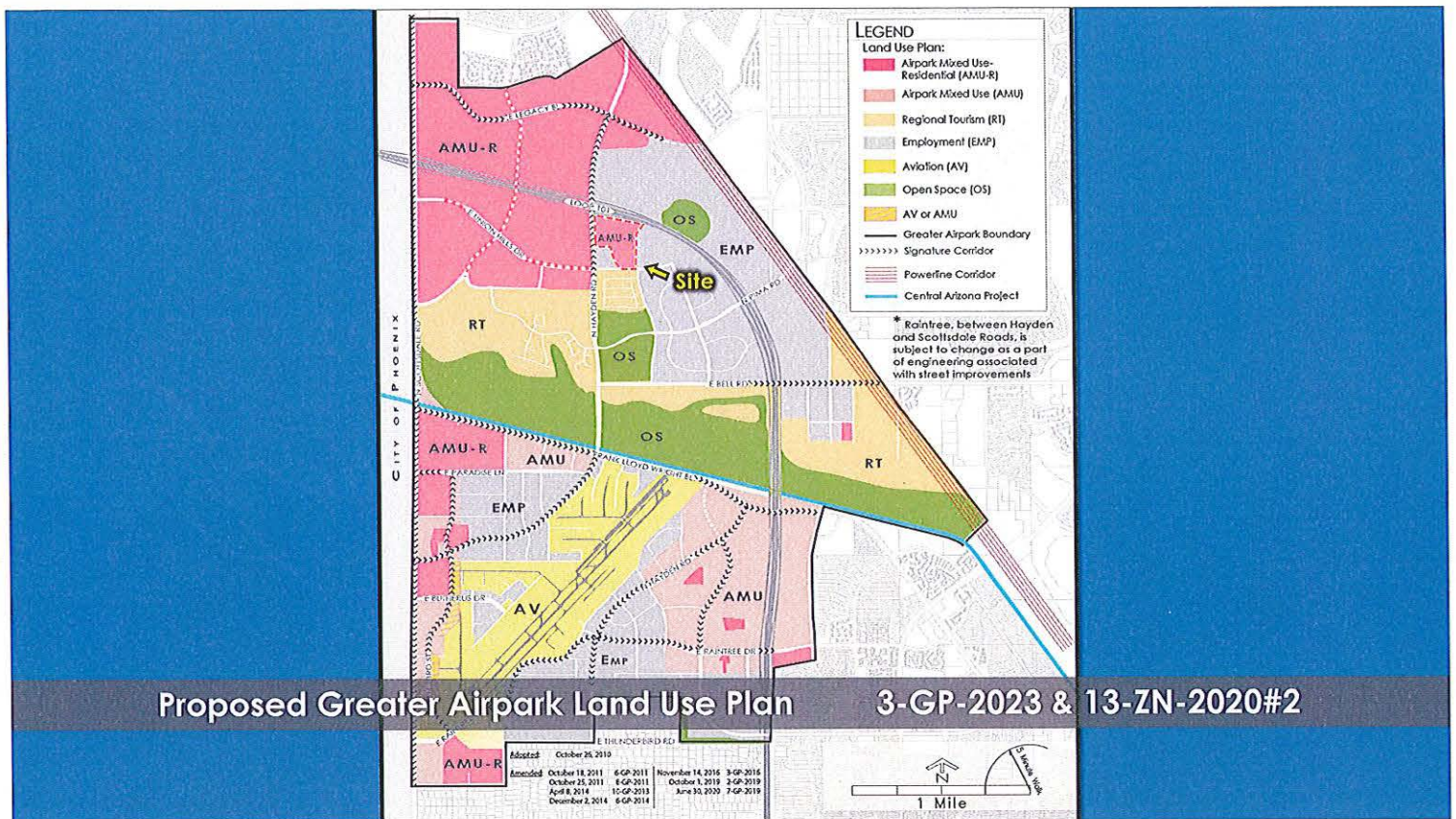
Community Benefits

- Worldwide leading technology company will stay and continue to grow, attracting top tech talent and serve as a premier facility
- Over 850 existing jobs with growth of over 650 new jobs
- Consolidation of properties to over 330,000 square feet in Scottsdale
- Area infrastructure enhancements—Mayo Blvd. and Hayden Rd
- Further diversifies city industry base and emerging tech industry

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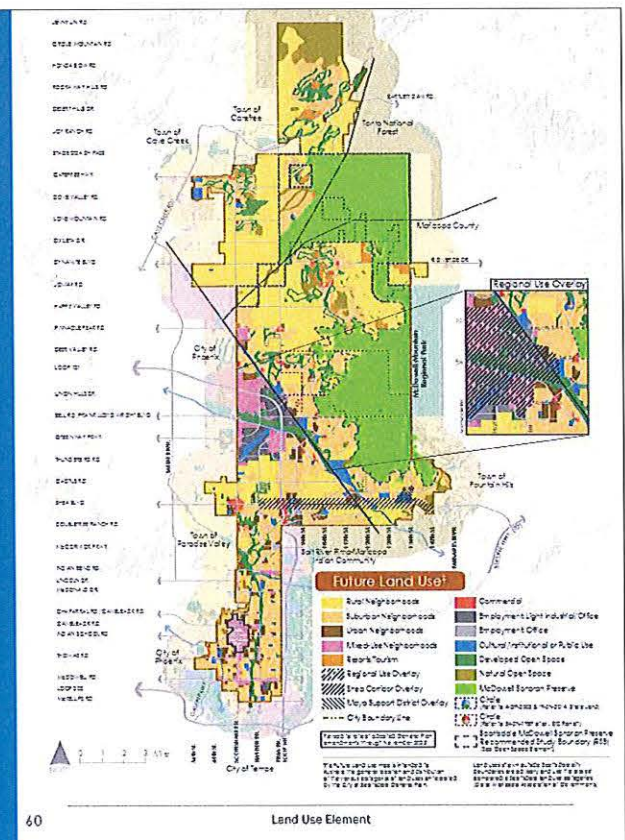
2035 GP Amendment Criteria

Criterion 2: Area of Change

- Request to amend 43 +/- Acres from Employment: Light Industrial/Office to Mixed-Use Neighborhoods
- Exceeds the 15-acre threshold

Criterion 8: Exceptions to the General Plan Amendment Criteria

- Regional uses are determined as already planned land uses and will be processed as a minor amendment



Regional Use Definition – 2035 General Plan

Regional Use Overlay:

The Regional Use Overlay Category provides flexibility for land uses when it can be shown that new land uses are viable in serving a regional market. Regional uses include, but are not limited to, corporate office, region-serving retail, major medical, educational campus, community service facilities, tourism, and destination attractions.

In determining whether proposed land uses are regional in nature, the city will consider whether the use has a regional draw, fulfills current economic development policies, enhances the employment core and the city's attractiveness to regional markets, benefits from good freeway access, and complements the established character for the area.

Exceptions to the General Plan Amendment Criteria:

Certain exceptions to the General Plan Amendment Criteria are considered in the best interest of the general public and in keeping with the vision, values, and goals of the community. The following exceptions to the General Plan Amendment Criteria will apply:

Regional uses within the Regional Use Overlay area on the General Plan Future Land Use Map are determined as already planned land uses for that area and will be processed as a minor amendment.

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Regional Uses

✓ Regional Draw and Enhancing the Employment Core

- Integration of supporting uses to enhance Axon's presence as a world headquarters, consolidating their Valley-wide operations into a single Scottsdale location
- Axon is the 3rd largest employer in the Greater Airpark (behind Vanguard and Nationwide Insurance), and 8th within Scottsdale – projecting 1,500 employees at buildout

✓ Economic Development Policies

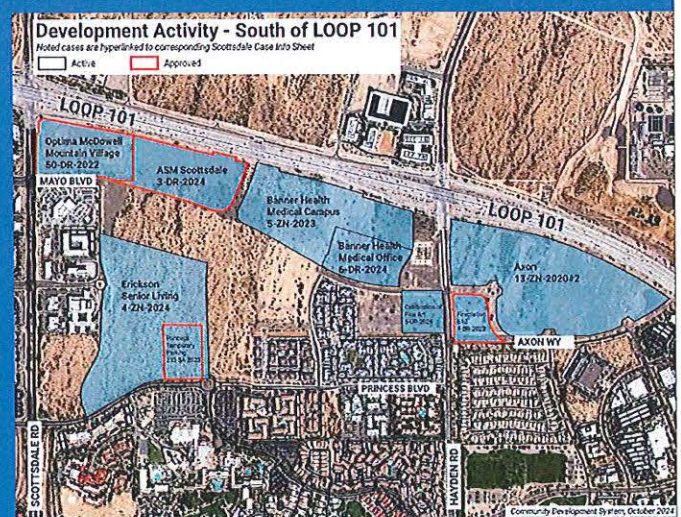
- Scottsdale's Economic Development 5-Year Strategic Plan promotes growing existing industries (Goal 1), attracting new investment (Goal 2), and building talent (Goal 5)

✓ Freeway Access

- Adjacency to LOOP 101 Freeway

✓ Established Character of the Area

- Subject site is part of an approved development plan (Crossroads East), inclusive of several other regional employers

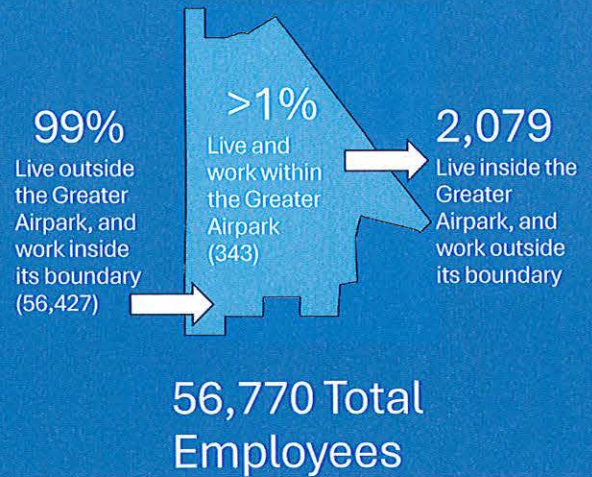


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Regional Uses

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 - Scottsdale's Economic Development 5-Year Strategic Plan promotes growing existing industries (Goal 1), attracting new investment (Goal 2), and building talent (Goal 5)
- ✓ Freeway Access
 - Adjacency to LOOP 101 Freeway
- ✓ Established Character of the Area
 - Subject site is part of an approved development plan (Crossroads East), inclusive of several other regional employers

Greater Airpark Employment Inflow/Outflow*

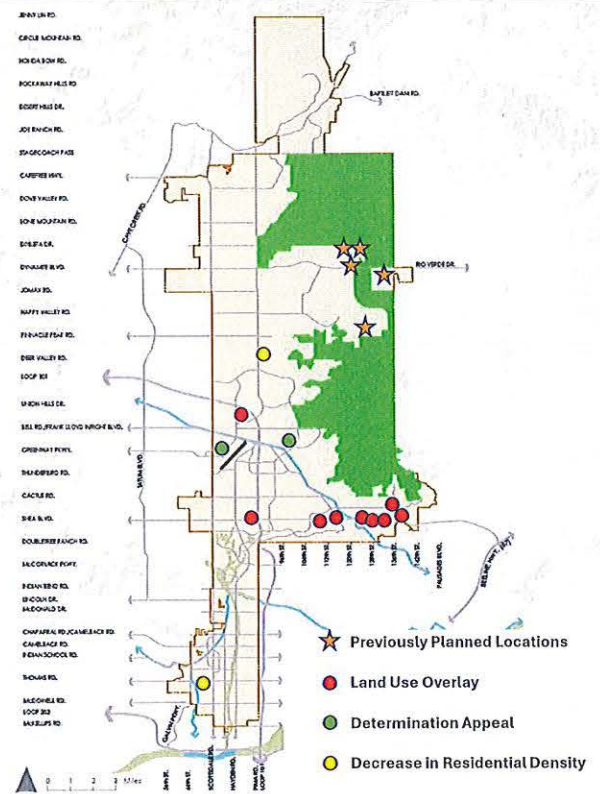


*Source: US Census 2021, LEHD Origin-Destination Employment Statistics

GP Amendment Exceptions

Exceptions to General Plan Amendment Criteria have been applied since 2001

- Address unique cases where changes serve the public interest
- Align with Scottsdale's vision, values, and goals
- Provide flexibility to support evolving community needs



GP Amendment Exceptions

18 Exceptions requested since 2001

★ 5 Previously Planned Locations (Resort Star)

- 4 Approved, 1 Withdrawn

● 9 Land Use Overlay

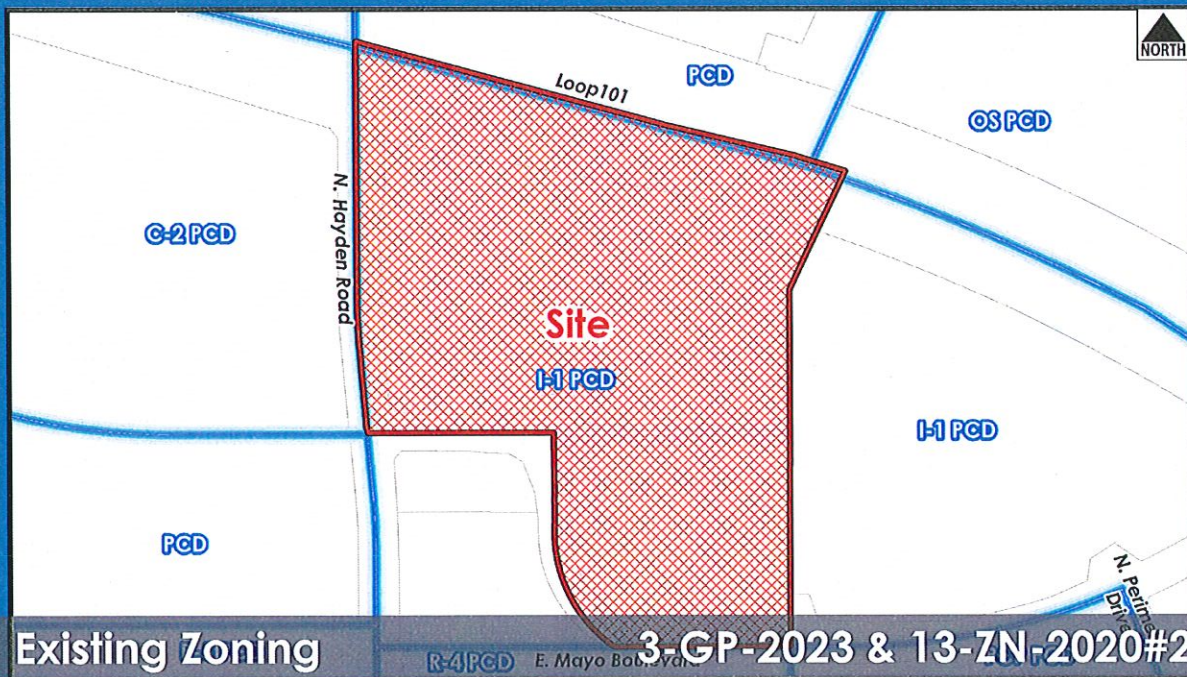
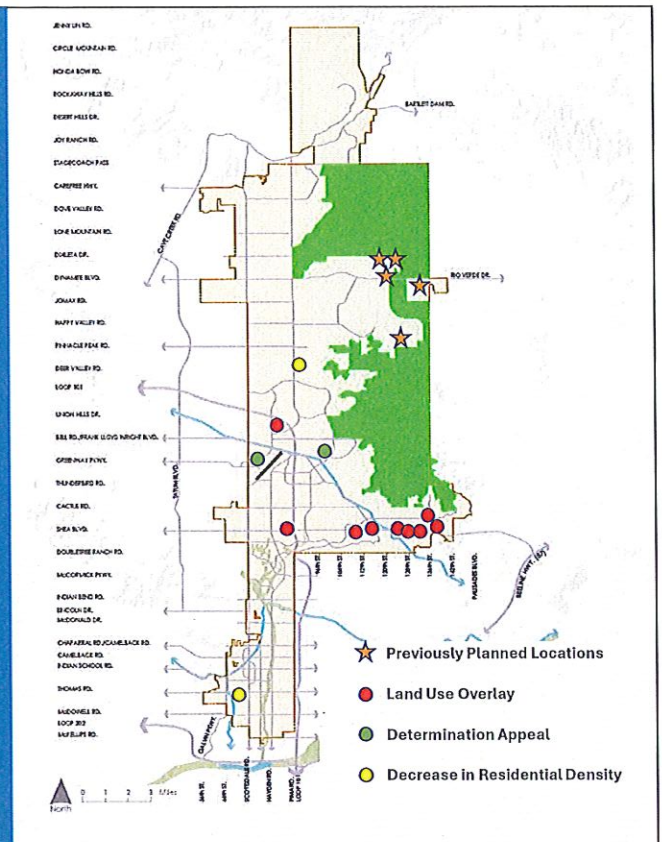
- 8 Approved, 1 Active (Axon)

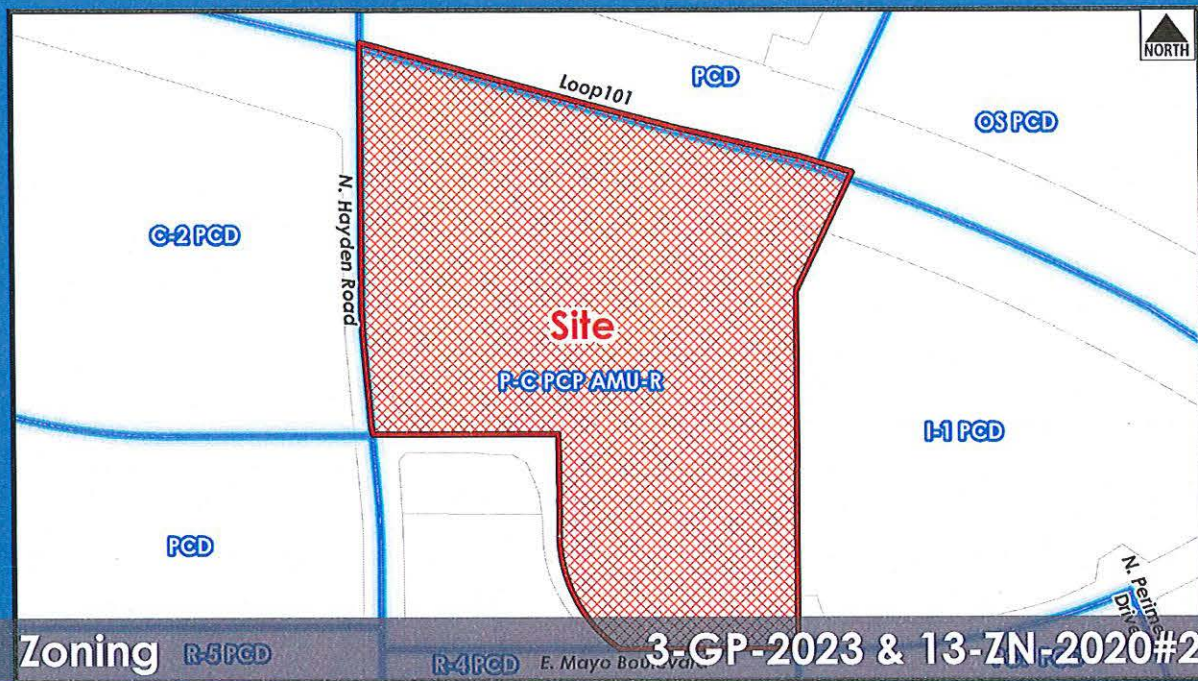
● 2 Determination Appeal

- 2 Approved

● 2 Decrease in Residential Density

- 2 Approved





Request Summary/Background

- Current cases submitted on 8/8/2023, PC hearing 11/13/2024
- GP & GACAP amendments needed to allow residential and retail in this area.
- Residential density = +/- 44 du/ac (PCP portion of site only)
- Existing maximum height (13-ZN-2020): 82 feet for Axon building, 52 feet for all others (exclusive of rooftop appurtenances)
- Proposed maximum height (PCP portion only): 68 feet (exclusive of rooftop appurtenances)
- Public comment in support and opposition received

Amended Development Standards

The P-C District allows for amendments to the P-C comparable zoning district (PCP). Two amendments are proposed as follows:

- PCP limits the amount of residential on the ground floor of the Development Plan to a maximum of 50%. Applicant seeks increase to 58%.
- Building height (~~inclusive~~ exclusive of rooftop appurtenances)
- No bonus development standards proposed

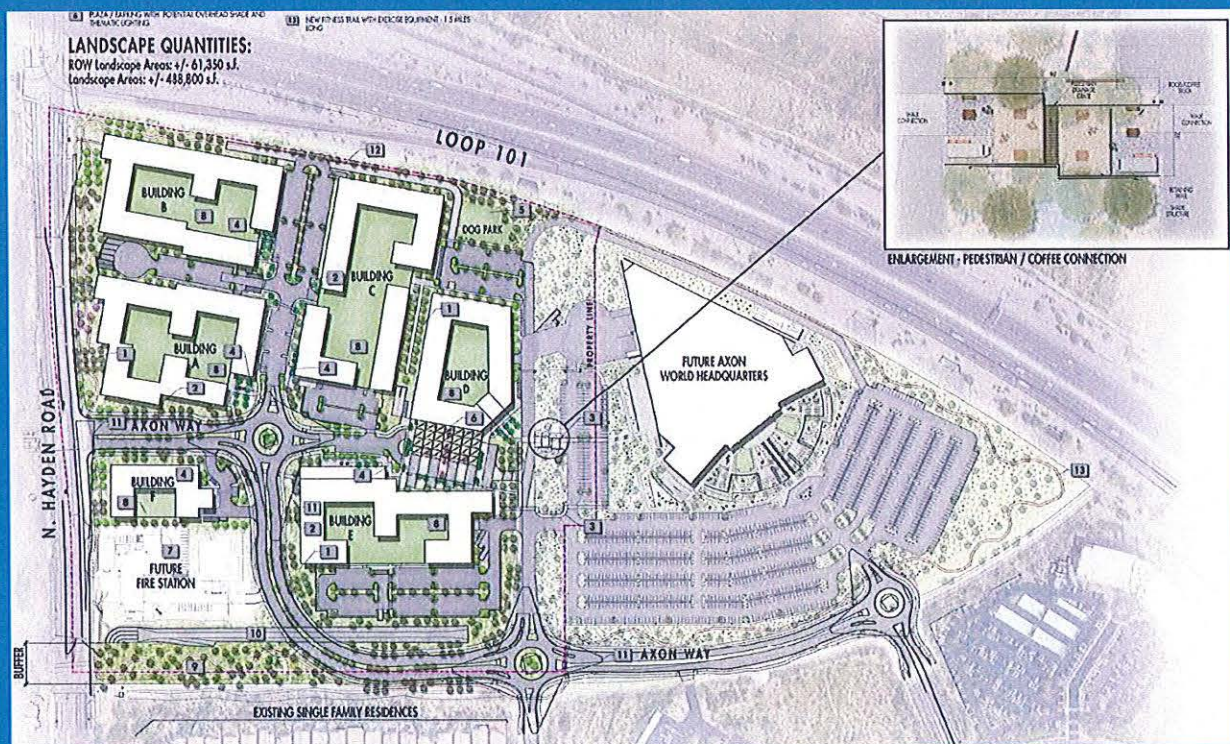
Changes Since Initial Proposal

- Number of units reduced from 2,552 to 1,965 (23% reduction)
 - 365 condos and 1,600 apartments
- Axon Way realigned away from neighborhood to the south
- Existing Mayo Blvd. (aka Union Hills) abutting neighborhood to be preserved and improved.
- Southernmost building reduced from 68 feet to 47 feet, stepping down to 40 feet closest to community

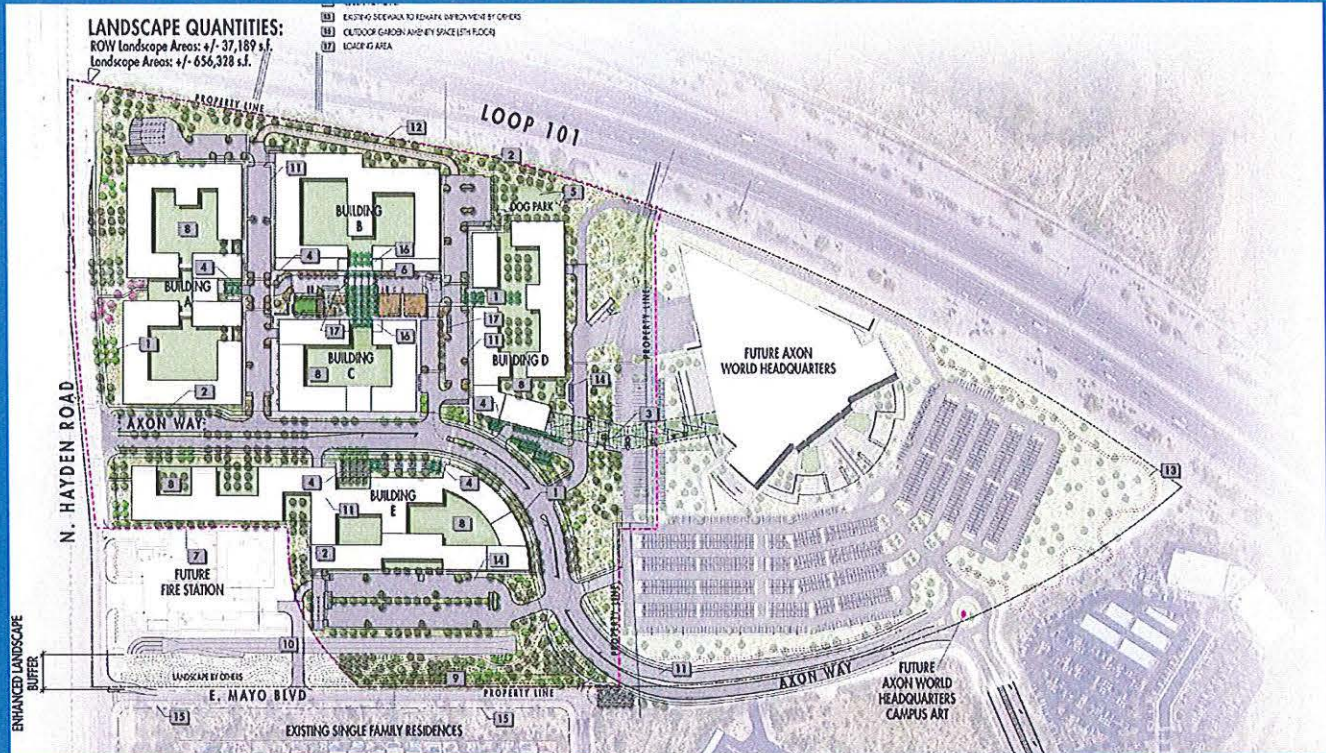
Changes Since Initial Proposal

- 300-foot setback from southernmost building to south property line
- Hotel relocated to northeast corner of the site
- Enhanced connectivity between the Axon building and mixed-use buildings, strengthening campus concept

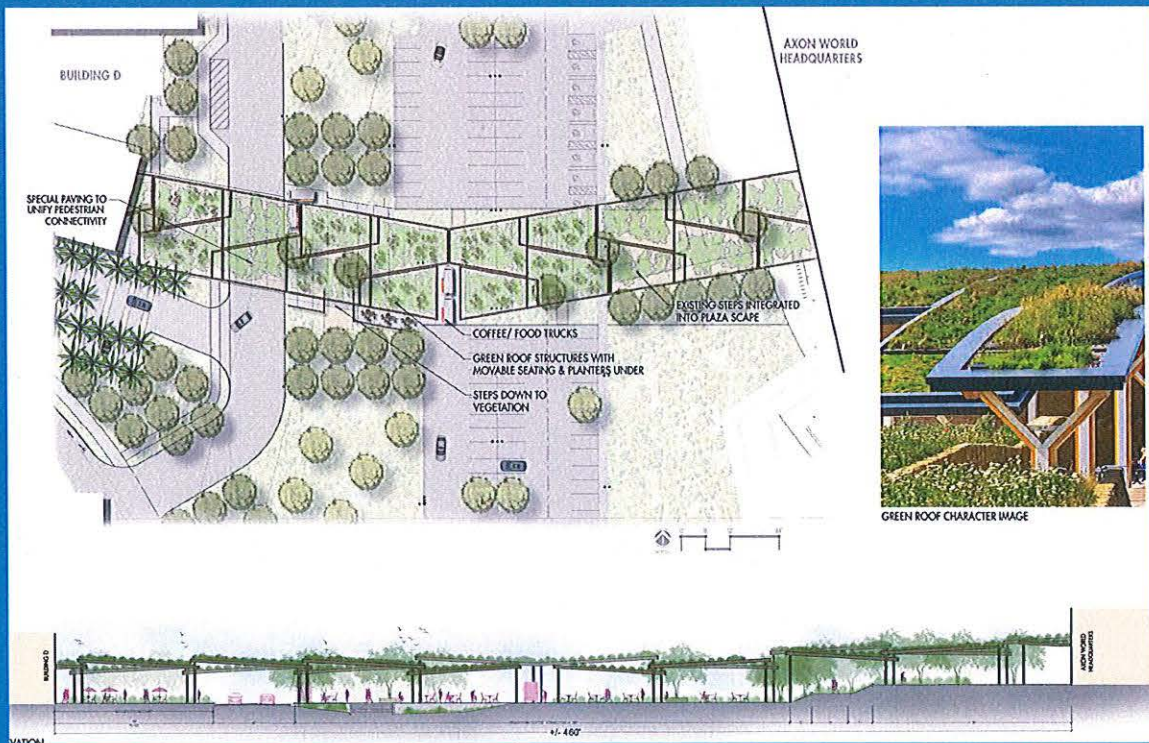
Original Site/Landscape Plan



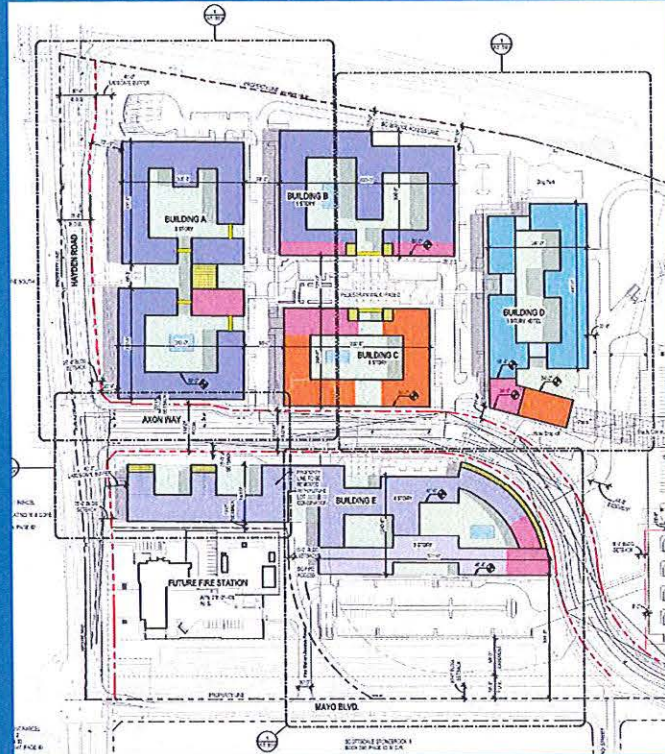
Current Site/Landscape Plan



Enhanced Connection Plan

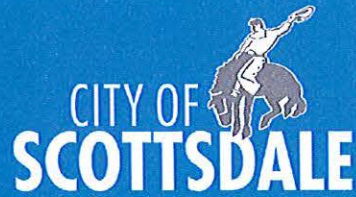


Site Plan (Building Heights)



Other Commissions

- 1/17/2024 – AAC : Recommendation of denial by a unanimous vote of 7-0 citing:
 - Number of proposed residential units
 - Incompatibility with airport operations
- 1/24/2024 – PC: Continued by PC to the 2/14/2024 hearing to allow time for additional information to be compiled (6-1)
- 2/14/2024 – PC: Applicant requested continuance to a date TBD to allow for additional time to address issues/concerns raised at the 1/24/2024 hearing (5-1)
- 11/13/2024 – PC: Recommendation of approval with a unanimous vote of 5-0



Axon World HQ

3-GP-2023 & 13-ZN-2020#2

**City Council
November 19, 2024**

Coordinator: Greg Bloemberg

Retention and Expansion Summary

	Retained	Expansion	Totals
Direct output (annual)	\$251 million	\$208 million	\$459 million
Total output (annual)	\$265 million	\$220 million	\$485 million
Construction (one time)		\$1.3 billion	\$1.3 billion
10-year impact totals	\$2.6 billion	\$1.9 billion	\$5.8 billion

Axon Retention

- \$99 million in current annual payroll
- Employment direct output estimated at \$252 million per year
 - Output represents labor costs, supplies, services and profits
- Total output estimated at \$265 million per year
 - Total output is impact to the private sector economy in City of Scottsdale
- An estimated \$140,000 in annual sales and primary property tax revenues
 - (\$1.4 million over next 10 years)

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Axon Expansion

- \$31 million in additional annual payroll by 2027
- Employment direct output estimated at additional \$193 million per year
- Total output estimated at additional \$204 million by 2027
- An estimated \$3 million in new real and personal primary property taxes annually (\$30.7 million over 10 years)

Construction Impacts

- Construction one-time economic impact of \$696 million
 - Payroll, supplies, services, indirect and induced jobs
- Estimated \$8.7 million in city construction sales taxes

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- Amendment to Crossroads Land Use Budget also required

Current Crossroads East Land Use Budget approved with case 19-ZN-2002#6

Category	Zoning	Gross Acreage by Zoning	Maximum Dwelling Unit per Gross Acre (DU/AC)	Maximum Allowable Dwelling Units
Employment	I-1	210	NP	NP
Employment	C-O	81	NP	NP
Mixed Use	PRC & PCP	407	See Schedule C	4,163
Commercial	C-2/C-3	170	NP	NP
Residential	R-5	132	23	2,806
Total		1,000		6,969

We are proposing to add 44 acres to the PRC & PCP allocation and increase the overall acreage accordingly while also increasing the maximum allowable dwelling units to accommodate the proposed 1,965 additional units for the Axon World Headquarters Campus.

Proposed Crossroads East Land Use Budget

Category	Zoning	Gross Acreage by Zoning	Maximum Dwelling Unit per Gross Acre (DU/AC)	Maximum Allowable Dwelling Units
Employment	I-1	210	NP	NP
Employment	C-O	81	NP	NP
Mixed Use	PRC & PCP	451	See Schedule C	4,163,128
Commercial	C-2/C-3	170	NP	NP
Residential	R-5	132	23	2,806
Total		1,000		6,969,934

Axon World Headquarters Campus

- Complete Campus Vision: Phase I includes Axon's World Headquarters office, with additional phases adding supporting residential, retail, and hotel components to complete the campus.
- Housing for Workforce Needs: New housing supports Axon's growing workforce, vital to drawing and retaining top talent in Scottsdale.
- Conference & Business Travel: An on-site hotel enables Axon to host conferences, adding 18,200 business travelers annually to Scottsdale's economy.
- Retaining Local Operations: With existing facilities at capacity, the campus expansion allows Axon to grow within Scottsdale instead of relocating operations outside the city.

In 2023, Axon requested to rezone approximately 44.7 gross acres (37.1 net acres) of the site to FCP PCD with an amendment to the Greater Airport Area Plan to AMU-R to create a mixed-use site with an approximately equal amount of industrial and residential land. Below is an image that shows the City of Scottsdale's Civic Use Site (in blue), the Axon headquarters to remain I-1 PCD (in yellow), and the portion of the site that is included in this rezoning request (in green).



This request went before the City of Scottsdale Planning Commission on January 24, 2024, and was continued. Axon has taken the time since that hearing to refine the campus plans with the comments we heard along the way in mind.

The site is located within a larger planning area within the City of Scottsdale known as Crossroads East that has been subject to various Development Agreements, rezonings, and other entitlement cases over many years. The Crossroads East area is depicted below in the image below that was created by the City:



Up to 5,000 High Tech Jobs

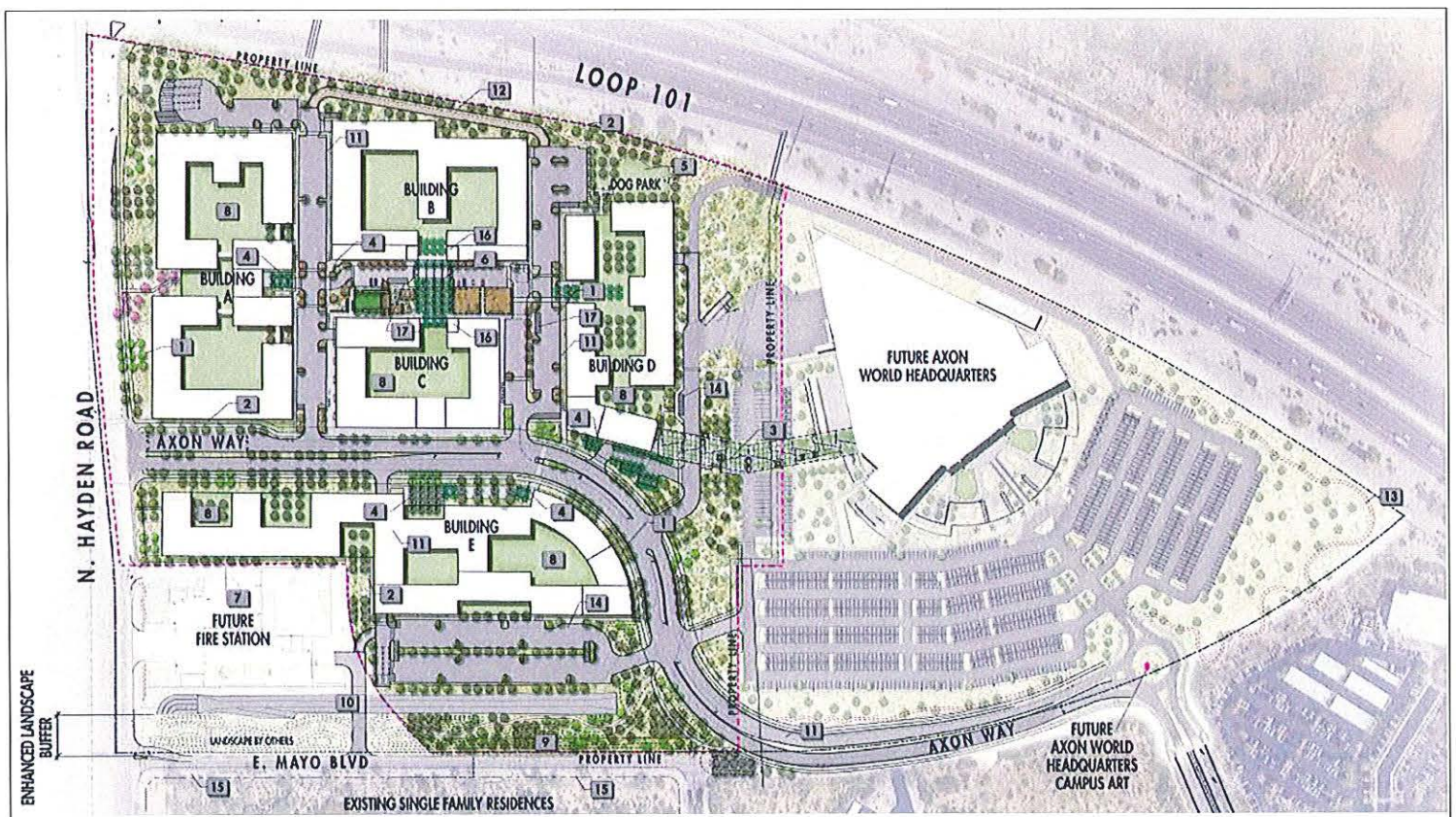
Employee Pay:

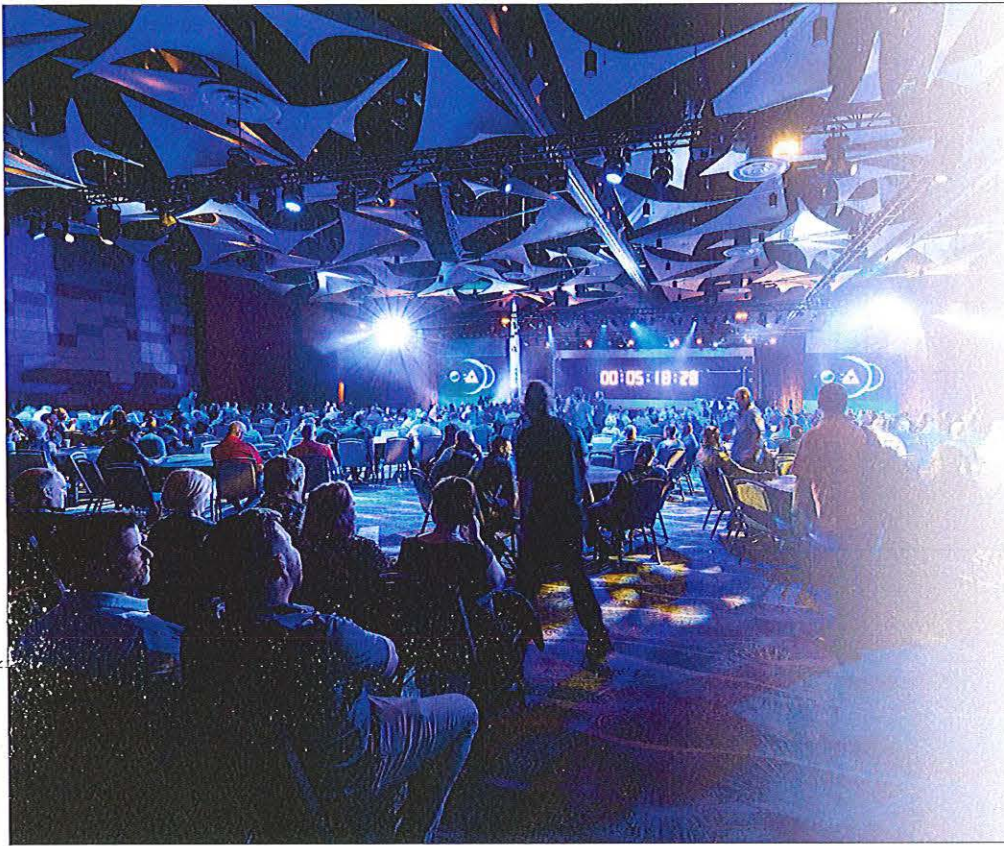
- **\$53,444:** Arizona Avg
- **\$135,248:** Axon Avg (AZ)
- **\$306,675:** Axon Tech Avg (WA)



Mixed Use Campuses in Tech Hubs

Community	Residential Units	Tech Companies
Microsoft (Redmond)	2,900	Microsoft headquarters
Google (Mountain View)	7,000	Googleplex, Silicon Valley innovators
Facebook (Menlo Park)	1,730	Facebook headquarters
The Domain (Austin)	3,000+	Amazon, IBM, Facebook, regional startups
Oracle (River Park)	1,400	Oracle headquarters, East Riverside businesses
The Fields (Frisco, TX)	8,500	Recruiting





20,000+
Visitors
& Events

Promenade

7 Restaurants

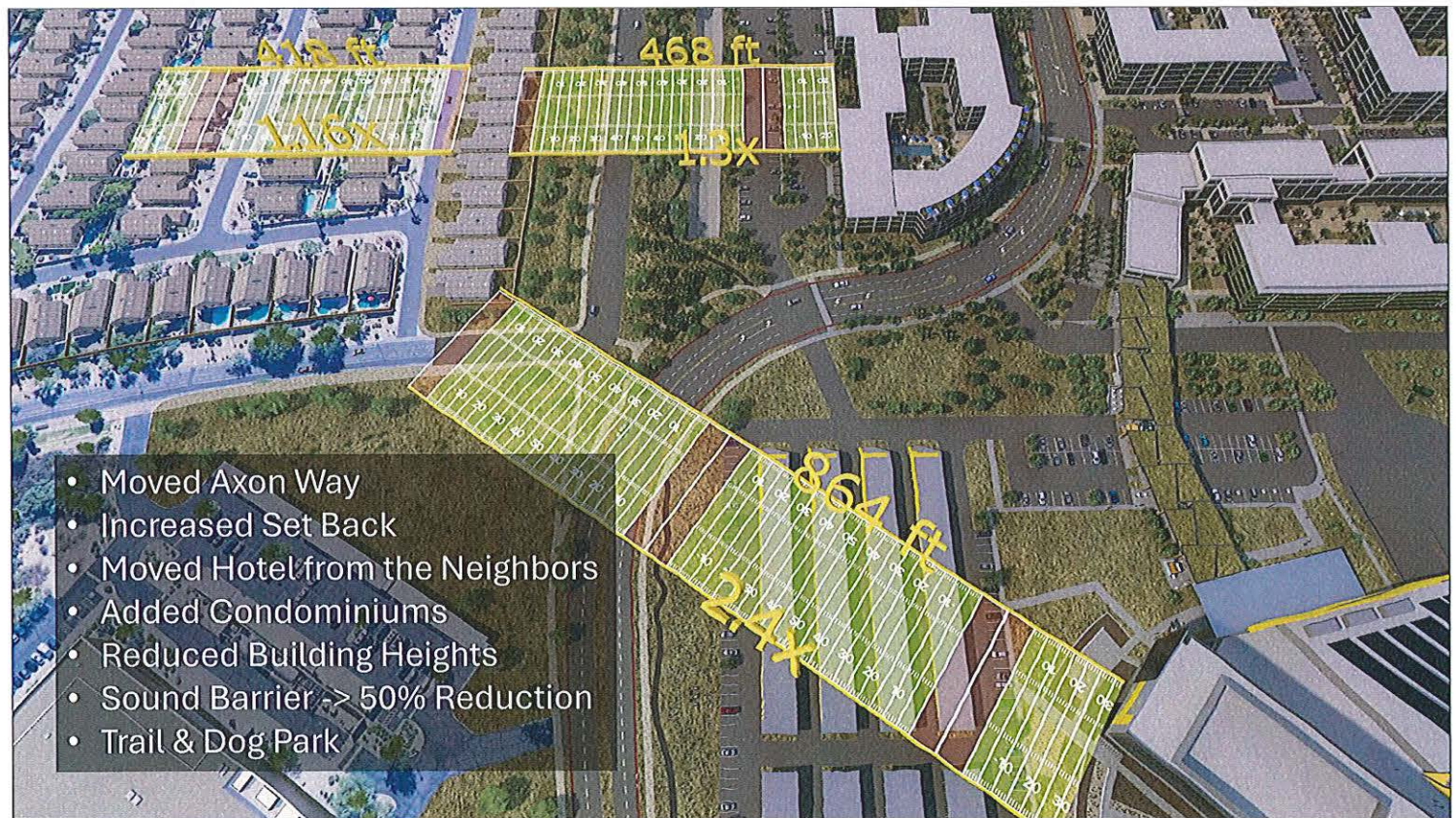
Walkable Lifestyle

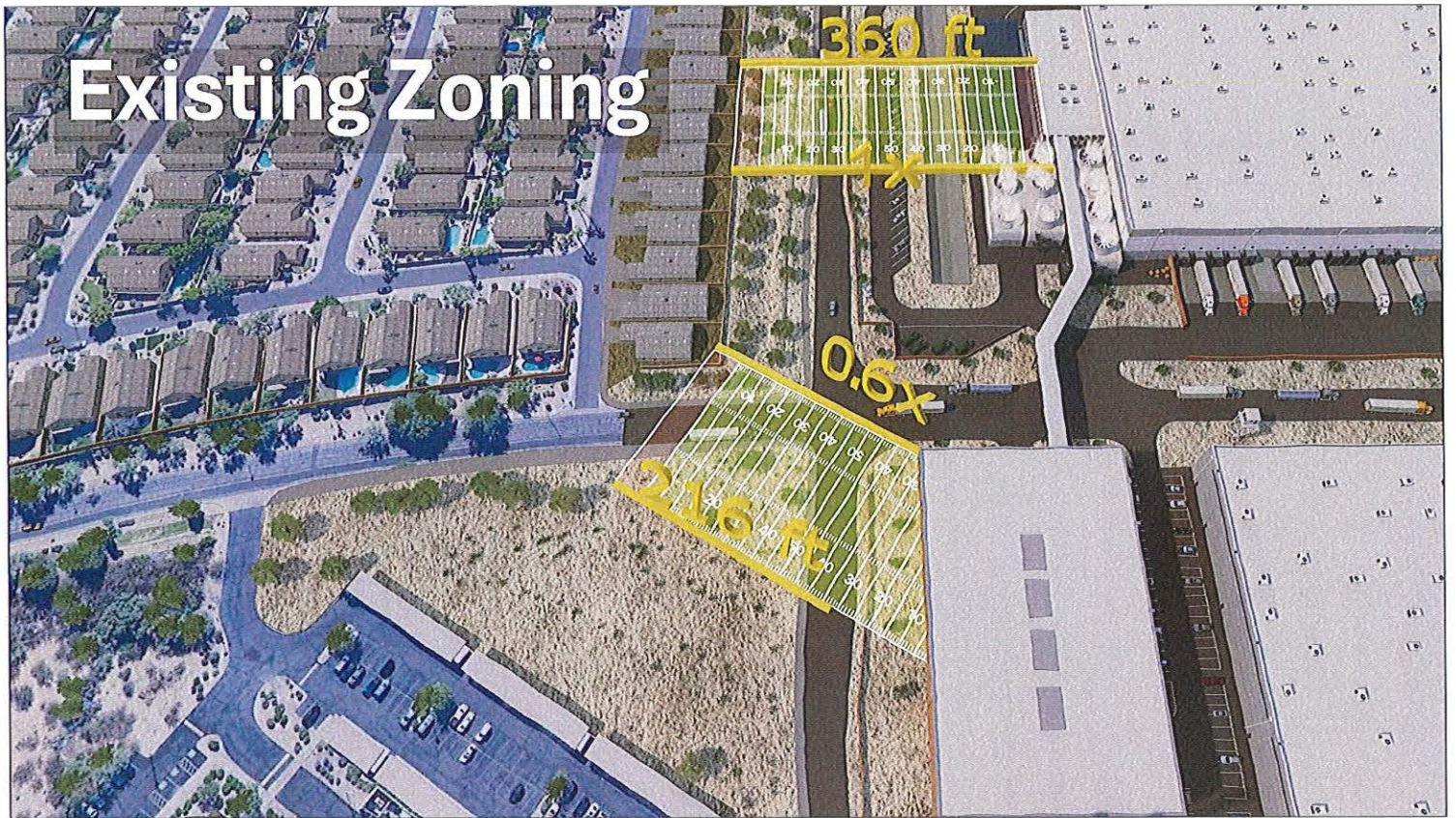
2 Hotels





Existing Zoning

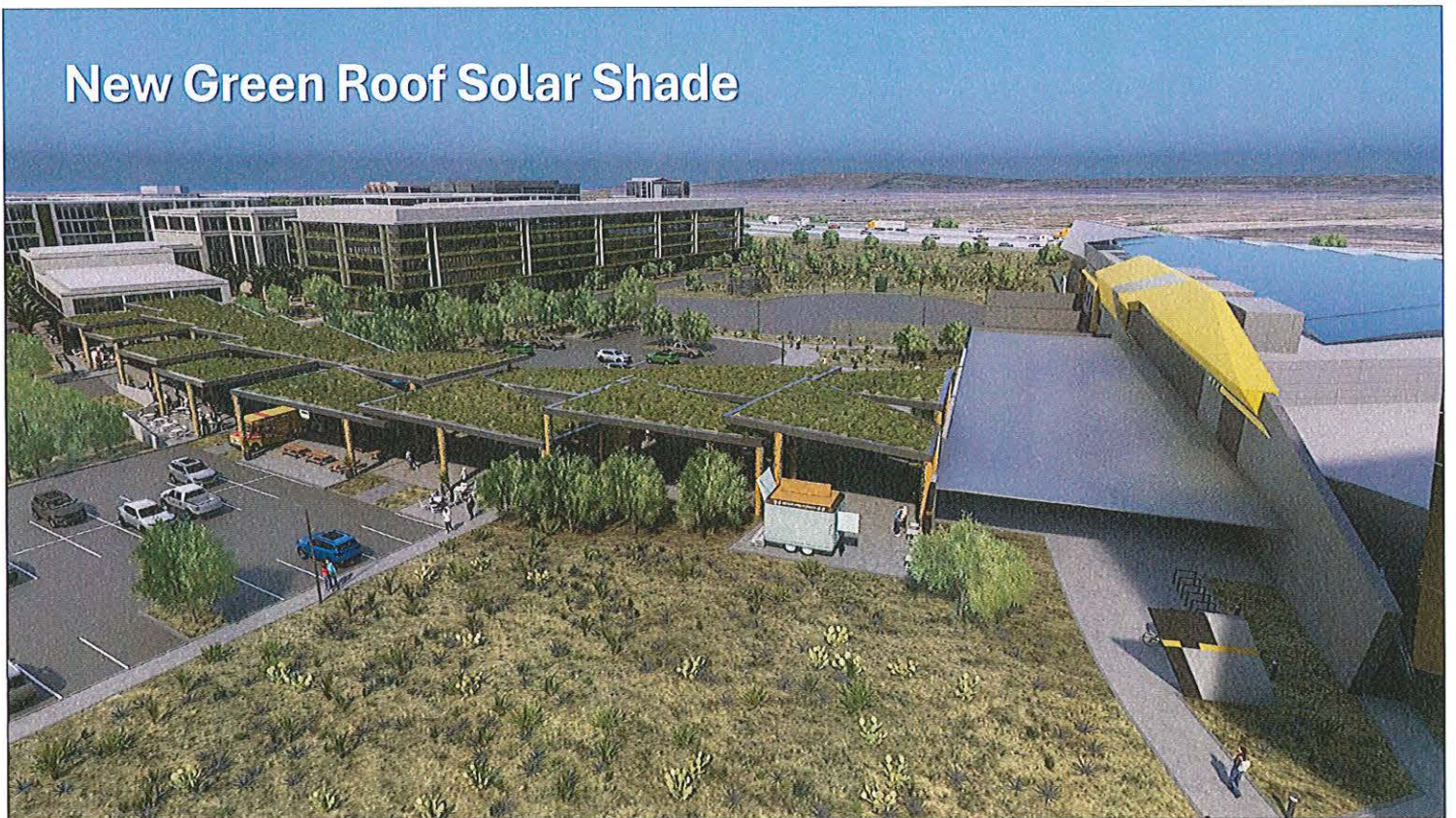




**View From Neighborhood:
Fulfillment Center**



New Green Roof Solar Shade



Restaurant Promenade



Industrial Alternative





SUMMARY OF FINDINGS

THE POTENTIAL IMPACT OF AXON'S EXPANSION PLANS

\$38B ECONOMIC IMPACT Total economic impact of construction and 10-years of operations.	18,800 ONGOING JOBS Total direct, indirect, and induced jobs supported in Arizona by Axon each year.	\$13B LABOR INCOME Total employee-earned income over construction and 10-years of operations.	\$2.3B TAX REVENUES Total construction and 10-years of operations taxes for all levels of government in Arizona.
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ANNUAL TAX REVENUE IMPACTS BY TAX JURISDICTION

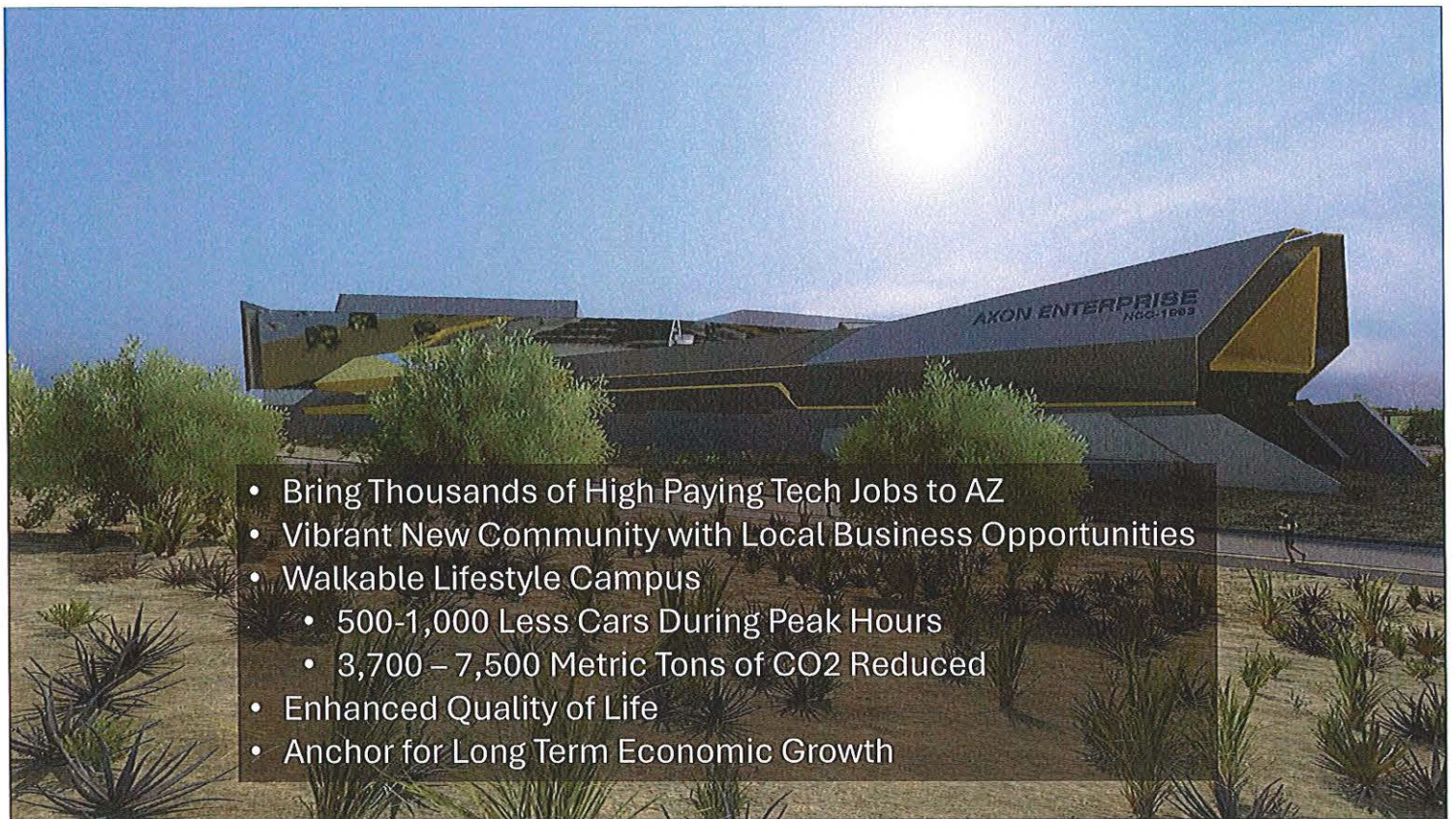
Figure 1 summarizes the annual tax revenue impact by tax jurisdiction of Axon's current activities compared to the potential annual fiscal impact if Axon expands in Scottsdale.

Figure 1: Annual Fiscal Impact by Tax Jurisdiction		
Tax Jurisdiction	Current Impact	Potential Impact
State Tax Revenues	\$14,994,600	\$57,187,200
Income/Payroll Taxes	\$8,081,300	\$29,631,300
Sales Taxes	\$6,017,000	\$24,269,200
VLTR/HURF Taxes	\$896,300	\$3,286,700
County Tax Revenues	\$4,426,600	\$17,201,300
Sales Taxes	\$1,390,900	\$5,665,900
Commercial Property Taxes	\$96,800	\$269,900
Residential Property Taxes	\$780,100	\$2,860,200
State Shared Revenues	\$2,158,800	\$8,405,300
Scottsdale Tax Revenues	\$1,387,400	\$11,513,700
Sales Taxes	\$656,400	\$6,692,000
Commercial Property Taxes	\$62,500	\$212,800
Residential Property Taxes	\$546,600	\$3,757,500
State Shared Revenues	\$121,900	\$851,400
Other Commercial Property Taxes	\$473,800	\$1,630,100
Community College District	\$72,500	\$249,400
Paradise Valley Unified School District	\$350,200	\$1,204,700
Central AZ Water District	\$8,900	\$30,700
Fire District Assistance	\$500	\$1,700
Flood Control District	\$9,600	\$33,700
Library District	\$3,100	\$10,800

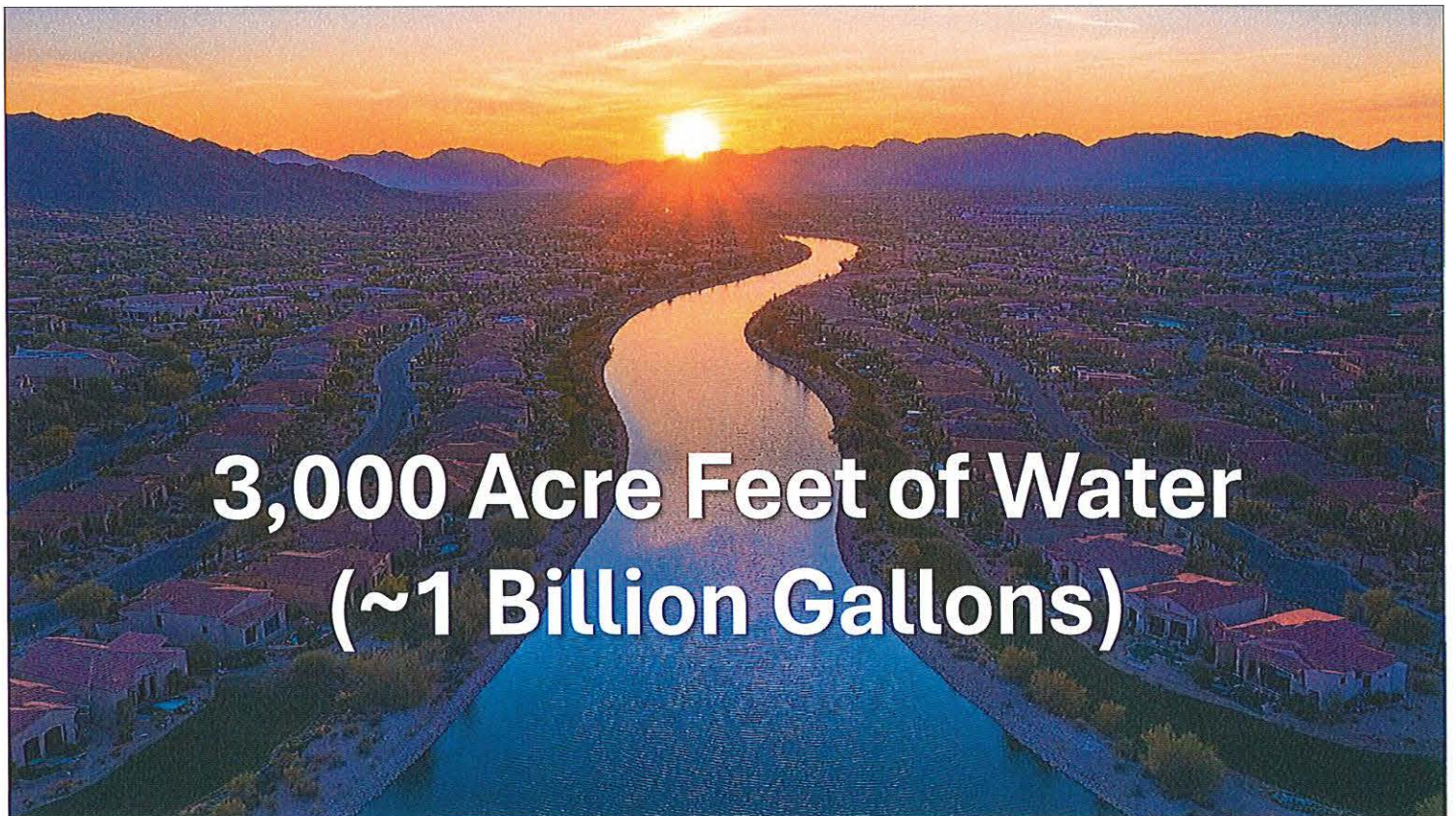
Total Annual Tax Revenue Collections	\$21,282,400	\$87,532,300
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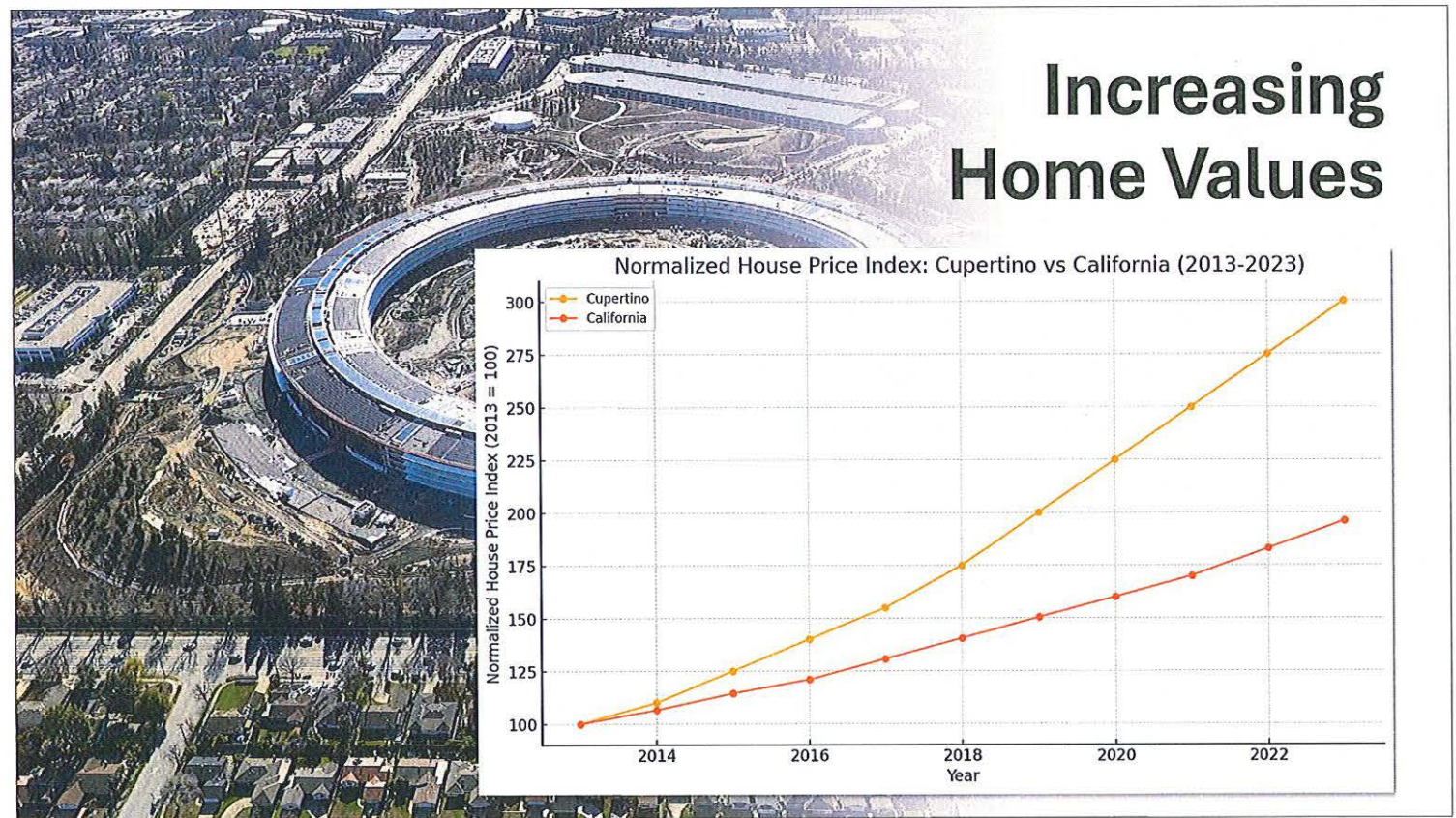
- Bring Thousands of High Paying Tech Jobs to AZ
- Vibrant New Community with Local Business Opportunities
- Walkable Lifestyle Campus
 - 500-1,000 Less Cars During Peak Hours
 - 3,700 – 7,500 Metric Tons of CO2 Reduced
- Enhanced Quality of Life
- Anchor for Long Term Economic Growth



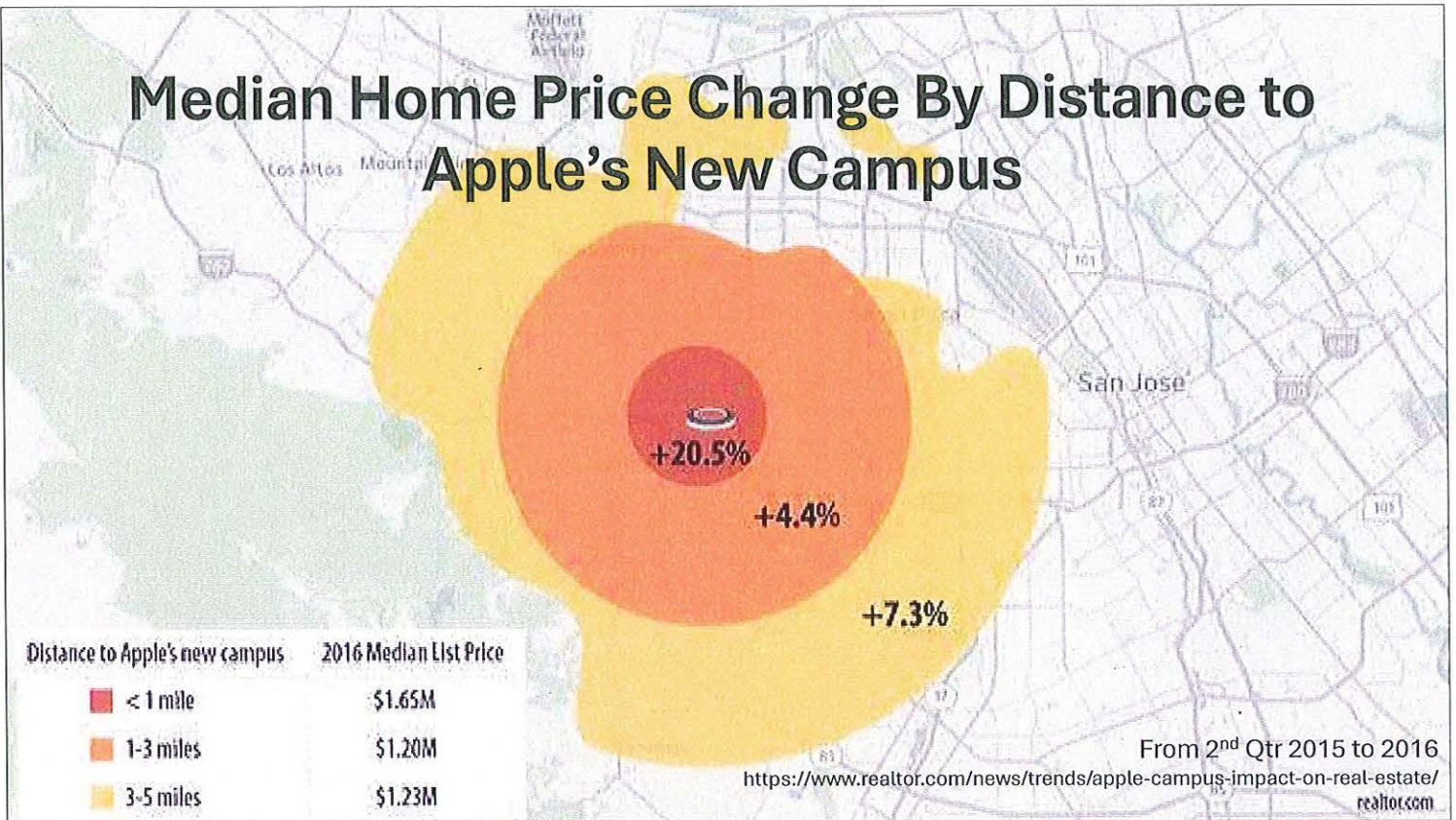
**3,000 Acre Feet of Water
(~1 Billion Gallons)**



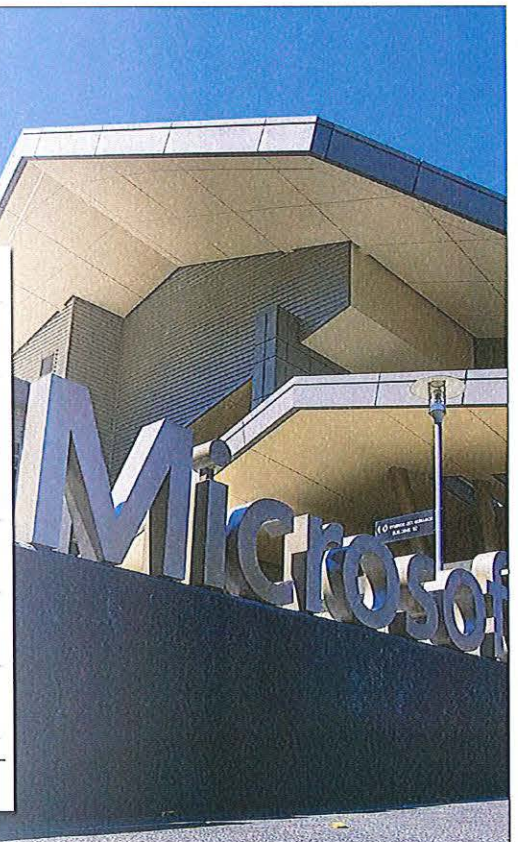
Rick@Axon.com



Median Home Price Change By Distance to Apple's New Campus



Increasing Home Values



The Alternative

The Effects of Industrial Real Estate on Residential Real Estate Prices

Finding:

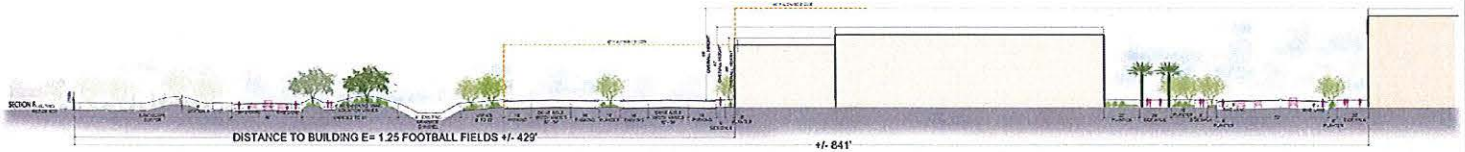
Larger [REDACTED] fulfillment centers
reduce the growth rate of housing prices
in both the county where the center is
located and the surrounding counties by
approximately 1-2% annually

Show statistical information

Circulation & Connectivity

Evolution of Current Design

CURRENT DESIGN – October 2024



Evolution of Current Design



acoustical consulting services

October 10, 2024

City of Scottsdale
Planning & Development
7447 E Indian School Road
Scottsdale, AZ 85251

Attn: Greg Bloemberg, Principal Planner

ACS has been asked by ORB Architects to assess the potential freeway traffic noise reduction provided by the proposed buildings of the Axon project (NEC Axon Way & Hayden Road, Scottsdale, AZ) for the residential properties to the south of the site.

ACS has calculated the potential barrier attenuation from the proposed buildings. These buildings (40' to 68' high) should provide at least a 3 decibel reduction in the freeway traffic noise for the closest typical residential property of the Scottsdale Stonebrook community.

Although a 3-decibel reduction does not sound like much, it does represent a reduction of the sound energy by half. This is the equivalent of reducing the current traffic volume of 146,820 vehicles per day on this section of Loop 101 to 73,410 vehicles per day.

Please let me know if you have any questions or need further information.

Respectfully,

Tony Sola
Acoustical Consulting Services, LLC

Quarterly Financial Update General Fund FY2024/25 Quarter 1



- *City Treasurer's Office*
- *City Council Meeting November 19, 2024*

Primary Focus of Quarterly Financial Updates

Highlight General Fund Results to Date

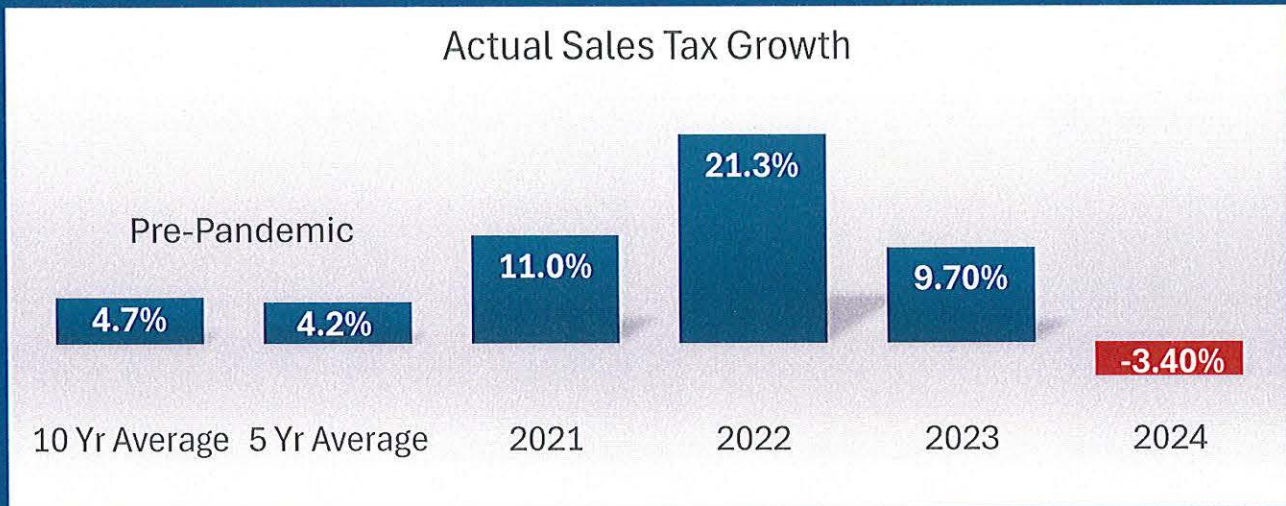
- Revenue Collections to Date
- Budget to Actual Variances



How Revenues Are Budgeted

Historical Averages

Significant fluctuations in Last 4 years not reflective of averages

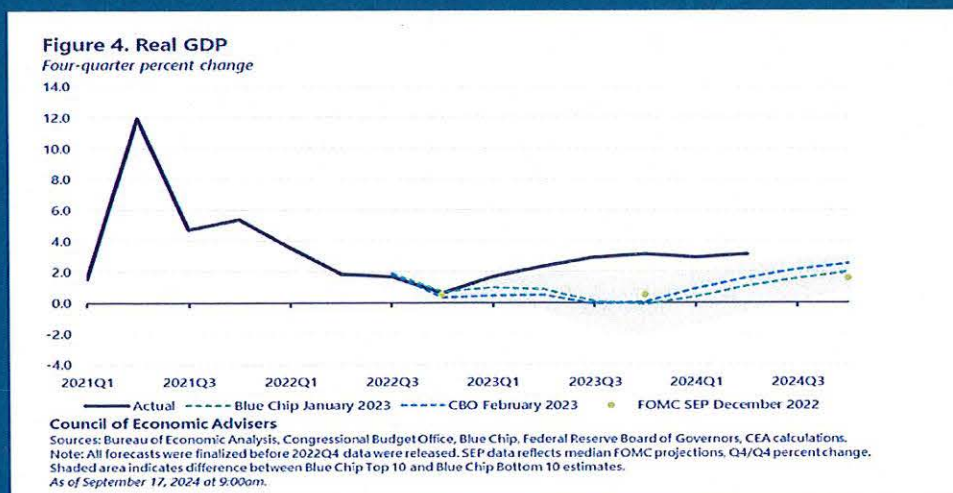


3

How Revenues Are Budgeted

Economic Forecasts

US Economy has Exceeded Blue Chip Economic Forecasts



4

FY2024/25 YTD Q1 (Jul 2024– September 2024)

General Fund Revenues are 9% Above Budget Due To:

- Stronger than expected retail sales tax
- One-time sales tax audit payments of \$2.1M
- Timing of revenue receipts

General Fund Expenditures are Within Budget with 5% Positive Variance Due To:

- Salary and vacancy savings
- Timing of expenditures



General Fund 1.1% Sales Tax

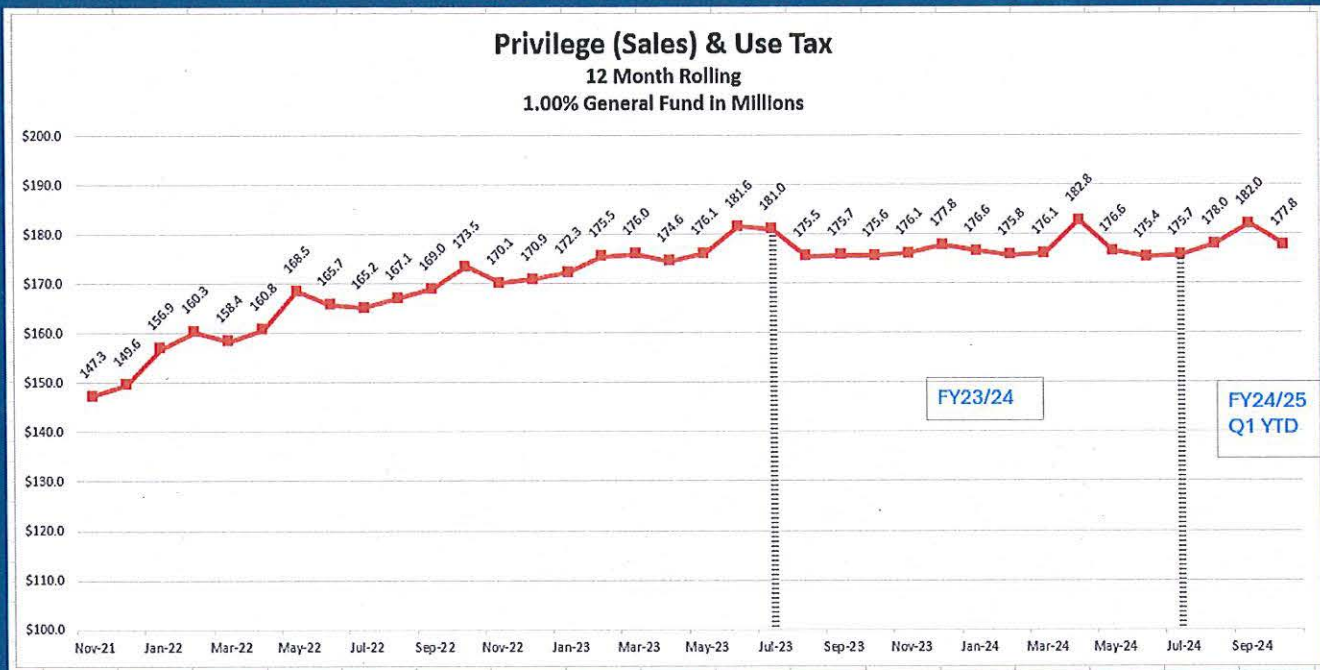
General Fund Local Sales Tax 1.1% - YTD September 2024

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %	FY25 Forecast
Retail	\$12.1	\$15.2	25%	\$12.2	\$3.0	24%	\$52.5
Rental	\$6.3	\$6.3	-	\$5.1	\$1.2	24%	\$20.8
Construction	\$5.2	\$5.9	14%	\$5.1	\$0.8	16%	\$19.1
Automotive	\$5.1	\$6.3	25%	\$5.5	\$0.9	16%	\$21.7
Dining/Entertainment	\$3.9	\$4.2	6%	\$3.8	\$0.4	9%	\$17.6
Food Stores	\$2.4	\$2.9	20%	\$3.0	(\$0.1)	-4%	\$11.6
Hotel/Motel	\$1.6	\$1.8	7%	\$1.7	\$0.1	5%	\$10.7
Other	\$6.7	\$7.9	17%	\$8.8	(\$1.0)	-11%	\$29.0
Total	\$43.3	\$50.4	16%	\$45.1	\$5.2	12%	\$183.0



\$ in millions/ rounding differences and blank lines may occur.

12-month Rolling Local Sales Tax Revenue



7

General Fund Sources (in millions) – YTD Quarter 1

Total General Fund Revenues

(in millions)	FY24 Actuals	FY25 Actuals	YOY Variance	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %	FY25 Forecast
Local Sales Tax	\$43.3	\$50.4	\$7.0	16%	\$45.1	\$5.2	12%	\$183.0
State Shared	\$26.5	\$25.6	(\$0.9)	-4%	\$25.1	\$0.5	2%	\$101.3
Charges for Services	\$5.3	\$5.9	\$0.6	11%	\$3.3	\$2.6	77%	\$17.2
Other	\$18.2	\$26.2	\$8.1	44%	\$25.3	\$0.9	4%	\$122.4
Total	\$93.3	\$108.1	\$14.8	16%	\$98.9	\$9.2	9%	\$423.9

\$ in millions/ rounding differences and blank lines may occur.

General Fund Uses (in millions) –YTD Quarter 1

General Fund Uses

(in millions)	FY24 Actuals	FY25 Actuals	% Change from PY	FY25 Budget	Budget Variance	Budget Variance %	FY25 Forecast
Personnel Costs	\$65.0	\$71.1	9%	\$74.8	\$3.6	5%	\$274.9
Commodities/Contracts	\$24.1	\$42.9	78%	\$45.5	\$2.6	6%	\$100.3
Transfers Out	\$53.7	\$0.0	-100%	\$0.0	-	-	\$61.6
Other	\$0.3	\$0.4	27%	\$0.1	(\$0.3)	>(100)%	\$1.6
Total	\$143.2	\$114.4	-20%	\$120.4	\$5.9	5%	\$438.5

\$ in millions/ rounding differences and blank lines may occur.



9

General Fund Division Uses (in millions) – YTD Quarter1

General Fund Divisions

(in millions)	FY24 Actuals	FY25 Actuals	FY25 Budget	Budget Variance	Budget Variance
Mayor/Council/Charter Officers	\$7.7	\$9.3	\$10.1	\$0.8	8%
Administrative Services	\$8.3	\$8.3	\$9.2	\$0.9	10%
Comm & Ec Dev	\$7.2	\$8.4	\$8.3	(\$0.1)	-1%
Community Services	\$12.2	\$15.9	\$16.3	\$0.4	2%
Public Safety - Fire	\$17.2	\$23.6	\$25.9	\$2.3	9%
Public Safety - Police	\$32.0	\$41.3	\$43.1	\$1.8	4%
Public Works	\$5.0	\$7.7	\$7.5	(\$0.1)	-2%
Total	\$89.5	\$114.4	\$120.4	\$5.9	5%

\$ in millions/ rounding differences and blank lines may occur.

10

Questions?

November 2024 Project Budget Overview

Work
Study



Project	Total Project Budget	Funds Spent	Funds Committed	Remaining Budget (in millions)	Funding Sources
Fire Training Facility	33.3	26.4	2.3	4.6	Bond 2019, General Fund, Restricted Land Sale
Old Town Light Improvements	3.4	2.2	0.6	0.6	Transportation Sales Tax 0.2%, Tourism funds
Pima Road: Pinnacle Peak to Happy Valley	50.2	38.7	4.2	7.3	Transportation Sales Tax 0.1% and 0.2%, MPC Bonds stormwater, ALCP Regional Sales Tax, Flood Control District IGA, Stormwater Utility fees, Contributions
Happy Valley Road: Pima to Alma School	37.4	28.1	5.6	3.7	Transportation Sales Tax 0.1% and 0.2%, ALCP Regional Sales Tax, In-Lieu Fees, Contributions
Miller Road and Bridge	20.4	15.5	4.3	0.7	Transportation Sales Tax 0.1% and ALCP Regional Sales Tax
Raintree Drive	40.5	33.6	3.9	3.0	Transportation Sales Tax 0.1% and 0.2%, ALCP Regional Sales Tax, Bond 2000
Repair Lakes and Irrigation in the Indian Bend Wash	34.6	5.7	5.9	23.0	Bond 2019 and General Fund
McCormick-Stillman Roundhouse	11.8	2.7	8.2	1.0	General Fund, McCormick Railroad Park fund and Tourism funds
Add Splash Pad and Improve Walkways at McCormick Stillman Railroad Park	1.3	0.3	0.9	0.1	Bond 2019, General Fund