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CALL TO ORDER

[Time: 00:00:01]

Mayor Ortega: Hello. I call the November 25, 2024 City Council Regular Meeting to order. City Clerk, Ben Lane, please conduct the roll call.

ROLL CALL

[Time: 00:00:11]

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

Mayor Ortega: Present.

Ben Lane: Vice Mayor Barry Graham.

Vice Mayor Graham: I’m here.

Ben Lane: Thank you, Vice Mayor. Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

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Ben Lane: Tom Durham.

Councilmember Durham: Here.

Ben Lane: Thank you, Councilmember. Betty Janik.

Councilwoman Janik: Here.

Ben Lane: Kathy Littlefield.

Councilwoman Littlefield: Here.

Ben Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Ben Lane: Acting City Auditor Lai Cluff.

Lai Cluff: Here.

Ben Lane: And the Clerk is present. Thank you, Mayor.

Mayor Ortega: Excellent. We have Scottsdale Police Sergeant Sean Ryan, as well as Detective Dustin Patrick, and Firefighter Ethan Ritterbusch if anyone needs assistance. Please stand and join me in the pledge of allegiance.

PLEDGE OF ALLEGIANCE

[Time: 00:01:06]

I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands:

One nation under God, indivisible, with liberty and justice for all.

MAYOR'S REPORT

[Time: 00:01:28]

Mayor Ortega: Well, at this time, I wish to call our attention to war-torn countries around the world, as well as our military men and women on duty in hazardous areas. So, I'd ask, please join me in time for reflection as these countries fight for their freedom and democracy.

Mayor Ortega: Thank you. Well, this week, our entire country reflects on our our own city, states, and we're very thankful. This is a time for Thanksgiving. And Scottsdale especially, is thankful for having a very stable city, a city put together by so many before us, other Mayors and Councils, but especially today, I would like to mention that Scottsdale relies on our volunteers, and I want to highlight Louise Lamb. Louise Lamb is with us today. She's served on many boards. She's been on block watch. She's been on commissions, and, of course, she's been a Scottsdale ambassador downtown for 10 years. Louise represents really the best attributes that residents have given to our city's very selflessly and we rely on her. She is moving on. She wants to be closer to family members out of state, and we can understand that. And especially at this time, for Thanksgiving, and the holidays, it's really an ideal time to join with with family members. So, I would like to call Louise forward and I have an appreciation certificate for you for your many years helping Scottsdale be as great as we are.

Mayor Ortega: Well, my next item is really historic. You know, Scottsdale has an amazing character and one reason why Scottsdale grew the way it did is because of the Salt River Pima Maricopa Indian Nation that created the east boundary for Scottsdale. It's almost like a coastline where our neighbors help identify Scottsdale, and all the openness of that nation is amazing. If we were surrounded by Mesa, Phoenix, and probably Scottsdale wouldn't have would be absorbed and wouldn't have the identity that we have. I do want to call out the most significant project really in our history will be the moving forward with the Pima Road improvements. For many years, decades, Pima Road was a major north-south, you know, street. And, of course, the latest proposal that has been designed and coordinated with Scottsdale, we have presenters here to explain that project to us, and we are very grateful for our relationship as we move forward.

[Time: 00:06:08]

I'll be calling on the Jennifer Jack, she's the Roads Manager and Josh Sciacca, the Public Works Director on the behalf of Salt River Pima Maricopa Indian Community. They will be presenting the Pima Road project, which will run from McDowell all the way to Via Linda. And bring everything up to tremendous standards. Please come forward and take the podium.

Director of Public Works at Salt River Pima-Maricopa Indian Community Josh Sciacca: Thank you, Mayor. Thank you, Councilmembers, city, staff, and public. Appreciate it. I'm Josh Sciacca, my name is Josh Sciacca, I'm the Director of Public Works at Salt River Pima Maricopa Indian Community. I want to

introduce Mrs. Jennifer Jack, she's our Road Sections Manager and she wants to give a quick update on the Pima Road improvements. Again, we do appreciate the partnership and thank you so much for having us here tonight.

Road Section Manager Jennifer Jack with Salt River Pima-Maricopa Indian Community: Thank you, good evening, Mayor, Vice Mayor and Council. Again, I'm Jennifer Jack, and I'm the Road Section Manager with Public Works.

A little background on this project, the Pima Road right-of-way on the community side was acquired by ADOT in 1990, along with the Loop 101. In 2004, voters approved the Prop 400 funds which is a half-cent sales tax that goes towards regional transportation, and Pima Road was one of those projects that was funded as part of that. In 2006, the Scottsdale and the community have began their partnering efforts to improve Pima Road. A design concept report was completed in 2009. That gave us the standard for design that we would be using to widen Pima Road, and the aesthetic corridor that would be used.

In 2011, Talking Stick Way to Via de Ventura was constructed and then in 2019 the bridge over the Arizona Canal was constructed and then the community was awarded also in 2019 just under \$50 million in a nationally significant federal lands and tribal lands grant from the Federal Highway Administration.

So, an overview of the project is it is a widening from McDowell up to Krail Street, which is just south of Talking Stick Way Indian Bend from there it's already widened to the four lanes. And it also includes drainage improvements in the Granite Reef Watershed. The city of Scottsdale and the community have an agreement to complete these combined projects as partners, and the community is leading this phase of the project. The total project cost is \$87.5 million dollars.

[Time: 00:09:20]

The good news is much of that is coming from outside sources. So, we have the \$50 millions that is coming from the federal highways grant, \$20 million is coming from MAG and that's the Prop 400 funds that I referred to earlier. \$7.5 million is coming from the Maricopa County flood control district for the regional drainage, and then the remaining amount is the 60/40 split between the community and the city of Scottsdale for that local share. So, it's expected to be \$6 million for the community and \$4 million for the city of Scottsdale.

So, to dive a little deeper on what the improvements are, the roadway improvements is widening from two to four lanes with bike lanes, a landscaped median, streetlighting and drainage infrastructure. We are also doing intersection improvements at all the major intersections along the way, including up to Via Linda.

This is a rendering of the cross section. So, a couple of things I wanted to point out on this. You can see above the orange line, that shows the boundary is generally the middle of the existing two lanes, between the city of Scottsdale and the community. All of the widening is occurring on the community

side. So, in the future it will be one lane on Scottsdale and three on the community side. So there's no interference with the existing sound wall, all of the widening is gonna fit within the right-of-way that ADOT acquired.

Then some other things that we are picking up is landscape improvements up from Via de Ventura from the Loop 101. This was completed by developers in 2008, but it did not include the landscaping to fit the corridor aesthetics. So, we will be adding that and the Granite Reef Watershed portion, from Thomas south to the Salt River.

The contractor is Hayden, and this is the snapshot of their timeline. You can see it's a two-year project that will be under construction. And I wanted also, on the bottom of this screen, point out that there is a website where you can sign up for weekly email feeds and the hotline number. The project managers for this is Pamela Tracy from the community. She is leading the project and then also from the city side, Elaine Mercado, is the project manager that is overseeing the project from the city's perspective. With that, I'm happy to answer any questions.

Mayor Ortega: Well, thank you. We are wonderful neighbors and really appreciate this update, as this will beautify the area between our communities. Thank you so much.

Jennifer Jack: Thank you.

EXECUTIVE SESSION

[Time: 00:13:02]

Mayor Ortega: Well, moving on, we have a possibility of an Executive Session. During tonight's meeting, the Council may make a motion to recess in Executive Session to obtain legal advice on any applicable item on the agenda. If authorized by the Council, the Executive Session will be held immediately, and would not be open to the public, however, the public meeting would resume following the Executive Session.

Also, per our Council Rules of Procedure, citizens attending City Council meetings shall observe the same rules of order and decorum applicable to members of the Council and city staff. So please observe that etiquette and the meeting will go much smoother. We appreciate your cooperation.

Additionally, we are setting aside any electronic communications, all public meetings or executive sessions must be open to the public. Therefore, we set aside our personal devices and refrain from using them during meeting.

PUBLIC COMMENT

Next, we are moving on to public comment. Public comment is an opportunity for Scottsdale citizens, business owners, or property owners to comment on non-agendized items that are within the Council's

jurisdiction. Advocacy for or against a candidate or ballot measure during a Council meeting is not allowed by state law and would therefore be deemed not within our jurisdiction. No official Council action can be taken on public comment. And certainly, checking with the clerk, you will be allowed three minutes. Please come forward. We had a request from Brandon Putman. He's not here at this time. Or is he? Is there Brandon Pitman? Okay. We have a second public comment period at the end of the meeting should he appear. Steve Sutton, please come forward. You have three minutes. Please I think we have your your residence address. Thank you, sir.

[Time: 00:15:14]

Steve Sutton: My name is Steve Sutton, I'm at 6637 North 81st Street, Scottsdale. Good evening, Mayor Ortega, Vice Mayor Graham and Councilmembers. There's been a lot of talk at the dog park since I was here last, and I wanted to come in and tell that you Chaparral Dog Park users are are very pleased that the Council unanimously voted to accept the petition for new signs at the park. Now that the City Manager's office is involved, the dog park managers open there's better communication between managers and users of Chaparral Dog Park so problems can be solved and improvements made.

The petition for new dog park signs is not just about improving the park with new text on signs but design, size, placement choices, that make the signs more effective. Dog park signs are not just designation signs. They are safety signs meant to promote safety for people and dogs. There's a term used in safety sign industry known as sign blindness. It is a concept similar to what is known on the Internet as banner blindness. These terms describe the ignoring of a message due to overfamiliarity with text and location. At the dog park signs that match in color and size with only a slight difference in text recently caused a demonstration of sign blindness.

The very similar, large dog area and small dog area designation signs were moved. This resulted in people with small dogs and large dogs unconsciously entering the wrong areas the park. It was about two hours before anybody figured it out. This was early in the morning. When a decision is made about new dog park signs, choices in design, size and placement to minimize the effects of sign blindness must be considered to make the signs as effective as possible. An example of you making a round blue background, white text sign for the passive dog area and a rectangular white background for the active dog area.

And another matter, almost universally, dog park users have no interest in a key card access system being installed or access fees of any kind being charged to users. They do however have some interest in making it a direct revenue generating facility through other machines such as dog washing machines. Yes, they exist. Like, there's one right here on the reservation. Santa Barbara County, California, has dog washing machines at six locations. They generate approximately \$120,000 annually. You can see a dog washing machine at the gas station located at the intersection of Pima and Chaparral roads.

T-shirts. Scottsdale is a tourist and seasonal resident designation. They use the dog park. Why aren't we selling "I run with the pack" at the Chaparral Dog Park Scottsdale Arizona t-shirts? I think they would sell. Thank you all for your consideration. I hope you all have a great Thanksgiving.

Mayor Ortega: Thank you, Mr. Sutton. With that, I will close public comment. We do not have any minutes by the way to approve at this meeting.

CONSENT AGENDA

[Time: 00:18:51]

So, we would move on to the Consent Agenda items, 1 through 6. And we also have an opportunity for public comment on Consent Agenda items. I wish to point out there were no requests from the public to speak on Consent Agenda items 1 through 6. I see Councilwoman Janik to speak.

Councilwoman Janik: If it's appropriate at this time Mayor, I have a few questions on item number one.

Mayor Ortega: Why don't you present your question.

Councilwoman Janik: Okay, thank you. My question is we have an amount not to exceed \$15,177,170.56 for phase 3 construction. It is a bond project, and I wanted to see if we were still on track with our budget.

City Engineer Alison Tymkiw: Hi, Alison Tymkiw, City Engineer. Councilwoman Janik, yes, so this is it's the third GMP. It's within the existing budget. And it's actually for the fourth phase of the work. We also have two more future phases, which we will bring the G.M.P.s to you in the future when they are ready.

Councilwoman Janik: That's very good information. Thank you very much, Alison.

Mayor Ortega: Okay. Since two Council are remote, Councilman Durham or Vice Mayor Graham have any questions on Consent Agenda items? I see no requests to speak. Therefore, we do have a motion on Consent Agenda Items 1 through 6?

Councilwoman Janik: I move to approve Consent Agenda items 1 through 6.

Councilwoman Whitehead: Second.

Mayor Ortega: We have a motion and a second. Please record your vote.

Vice Mayor Graham: Vice Mayor Graham votes yes.

Councilmember Durham: Councilman Durham votes yes.

REGULAR AGENDA – ITEM 7

Mayor Ortega: Thank you, we are unanimous. Moving on we have Regular Agenda Items. We have seven and eight. I do want to note that before we start the Regular Agenda, that he with amended the

agenda last week. Item number 9 which is the Scottsdale Community Sustainability Plan will be considered by the Council in December. So, it's been agendaized for Tuesday, December 3 of 2024. Therefore, we would have two items on Regular Agenda. Item number 7 and number 8. If there's anyone wishing to speak and I do have one request for Item number 7 from the public, of course, they can check in with the Clerk. And we will keep track of that. Let's proceed with the item number 7, as presented by Brad Carr, he's our Planning and Development Area Manager.

[Time: 00:21:55]

Planning and Development Area Manager Brad Carr: Hello, good evening, Mayor, Vice Mayor Graham, members of the City Council. This evening, staff is going to present to you two separate items on your agenda. There are two separate text amendments, and they deal with a number of different things, most notably, a few of the housing bills that came out of the last legislative session, at the Arizona State Legislature.

So, the first of that is 3-TA-2024, Item number 7 on your agenda. And the purpose of this text amendment is again to address one of the Housing Bill 2297, as well as Senate Bill 1162 that deals with development application determinations. First, I'm going to focus on my presentation on House Bill 2297, Adaptive Reuse Bill.

Some background on that bill as well as reminder that the state of Arizona grants cities and towns the local authority with local authority an ability to set zoning and regulations subject to the state law. House Bill 2297 was introduced in the last legislative session as I mentioned and signed by the Governor in April, to allow for adaptive reuse of existing commercial, mix used and office buildings. There's generally a lot of or there can be some varying definitions of what adaptive reuse is. As state has defined it on the screen, it means the converting existing buildings and sites from the use that they were constructed for, to multifamily residential uses. This bill does have a deadline for cities and municipalities to enact, that is January 1, 2025. And with compliance, the city is intending to minimize any negative impacts that may come from the proposed legislation for the enacted legislation.

And so just on the screen real quickly this bill applies to all communities in the state that are of certain size, that being 150,000 square feet or 150,000 population, excuse me. Most of those, in the state, are right here in the valley as you can see on the screen. The one that is not is the Tucson jurisdiction. But as you can see on the screen, Scottsdale's kind of alone in that upper northeast quadrant of the valley with regards to what how this bill applies.

So, what does that new state law dictate to the city? First and foremost, and probably maybe most importantly, with regards to how we normally process changes in land use, the city cannot require public hearings for the proposed change from for an Adaptive Reuse Proposal. That means we cannot require a rezoning, conditional use permit or even a Development Review Board application or approval in order for these proposals to move forward.

Also, the city cannot require any additional setbacks or density or parking and building height that is any

greater than what is set forth in the new state law. So that state law also outlines some parameters as far as criteria, when what we can require and that's shown on the right side of the screen, those include a site plan review and approval process compliance with the fire and public utility reviewed application, as well as the demonstration by the property owner that the building is on the site the building or buildings on the site are economically or functional obsolete. We'll talk a little bit more about that later in the presentation. There's also some exclusions as a part of that new state legislation, we'll talk about those as well, and finally, a minimum of 10% of the total new multifamily is constructed with one of these proposals must be moderate or low-income for a minimum of 20 years.

[Time: 00:25:48]

So, the city's approach, for this particular bill, and bringing this forward in our zoning code change, is to establish a new land use called multifamily conversion. We will account for those specific exclusions as outlined in the state law. There is eligibility requirements as we mentioned, where we will determine what percentage of existing buildings are eligible and then set a maximum conversion rate as defined currently at 1% of existing commercial office and mixed use areas. We'll talk through a little bit further about that conversion percentage that was set. And in addition, the location, must be existing buildings on the site before the end of the year in order to qualify. And you must be on a site with between 1 and 20 acres in size.

As we mentioned there needs to be demonstration of adequate water and sewer and a demonstration that the buildings are obsolete or operationally functional or obsolete for at least six months. Again, 10% of those new units must be moderate or low-income housing as defined by federal regulations.

So what buildings are included in that in those new requirements? Again, it enables the adaptive reuse of any existing office or mixed-use building that qualifies. The land use requirements there are and the building must be in a state of disrepair or have at least 50% vacancy. And that comes to that functionally obsolete or economically or functional obsolete requirement. The municipality can permit up to not more than 10% of their existing commercial floor areas. And that's straight out of the bill's requirements as highlighted here. Farther down, you can see additional highlighting that says the city or the municipality can address that percentage in the future, as permitted by the bill, once every ten years. So, we have an ability to establish that percentage with the establishment of the these requirements and again, again, we can do that in ten years if we need to adjust that.

So, speaking specifically to the exclusions. The legislation allows municipalities to do three different things with regards to exclusions. One is we can designate specific commercial and employment hubs where these provisions do not apply. So those special places that we find in the community that are essential for community members, we can designate those to not be a part of this process of conversion. They also allow the legislation also allows or excludes buildings or sites within the vicinity of the airport and that's defined by the bill and the state, as far as what those areas the geographic areas and size of those exclusion for airports. Finally, anything that's designated as historic would be excluded as well.

So, speaking on that first exclusion, commercial unemployment hubs. The state law allows up to 10% of any existing commercial of the city's overall commercial areas to be designated as commercial as commercial employment hubs. The city is intending to utilize that full 10%. As a result, as you can see on the right side of the screen, 10 sites have been chosen, that equal roughly 10% of the overall area of conversion that we are seeking, that would be eligible throughout the city for projection and emphasis, again was placed on those areas that are neighborhood servicing for community members. They might have adjacent residential and includes places like those that have grocery stores or other neighborhood servicing-type businesses.

[Time: 00:29:27]

Further with regards to our approach, we are limiting the conversion, as I mentioned of commercial mixed use and office uses to 1% of the city's existing commercial space. And this was done as a result of some analysis of our existing general plan and our existing land uses throughout the community. Generally speaking, our existing commercial mixed use and employment area throughout the city, only makes up a little less than 1% of our land area throughout the city. When you take into account the other exclusions. And so, in an effort to maintain that balance of land use throughout the city, the we have chosen 1% conversion rate of the remainder of that area that's eligible as being as eligible for that 1% conversion. Again, the legislation allows for review and update of this every ten years if needed.

And speaking specifically to that six months provision with regards to economically function or functionally obsolete. The state statute does mention adapter reuse for a building that is at least 50% vacant but it's loosely written and doesn't really provide any duration to how to qualify if that needs to be vacant for a certain amount of time or not. As written, as a result, one day at 50% vacancy would qualify.

And so, staff has decided that that's really not the intent of the provisions really you need to understand if the building has been obsolete for a little while, in order to understand if the buildings I've been obsolete for a little while in order to understand if that's really to economically or functional obsolete. That's why six months was chosen. That six-month date is consistent with how we apply other non-conforming provisions in the zoning ordinance. A non-conforming structure, a land use that's been discontinued for a period of six months is no longer presumed to be abandoned and no longer can carry forward that non-conforming status. So, this six month rule is generally consistent with other ways we apply that throughout the zoning code. That would conclude this portion of of the presentation.

So, I'm gonna go into the second part of this, which is dealing with Senate Bill 1162. Again, some background on this. This bill was related to the processing of zoning district math amendments, otherwise known as rezoning, here in this city as well as other municipalities throughout the state. What it requires the city to do is determine whether a zoning application is administratively complete within 30 days of receipt of that application. We also must and most importantly to our overall process, we must approve or deny a zoning application within 180 days after that application has been determined to be administratively complete. The city can grant one-time extensions of not more than 30 days for any kind of extenuating circumstances as well as grant 30-day extensions to an applicant if they request.

So, our approach on that is again to comply, we're going to will set our administrative review process to 30 days and 15 days for any subsequent review. We will also update parameters of incomplete applications is really a cleanup in our existing zoning ordinance and we will define specific time frames for the zoning district map amendments, as I mentioned, 180 days. All other time frames that we have for any other type of case, use permits, general plan amendments, things of that nature, those will all be the same as they currently are and published by the city.

So, speaking a little bit to our timeline, how we got to this point. The Planning Commission initiated these text amendments that I'm speaking about tonight on July 10th we had two public outreach and open house meetings on September 19th and 20th to discuss the approach with the community. We had two Planning Commission meetings initially a non-action discussion with them on October 9th and finally an action hearing for recommendation on October 23rd. That recommendation was approval for 6-1 on a recommendation for approval.

And again, we are here tonight for a possible adoption of the proposed amendments. We also as staff are looking at future general plan amendments that might need to be changed as a result of these text amendments, and those will come forward to the Council likely next year. This evening the request is to adopt three different items for this particular topic. One is Ordinance 4651 for the purposes of amending the zoning code, and associated Resolution 13253 to declare the adaptive reuse and development application determination text amendment as a public record and finally to declare a public record for the Scottsdale commercial and employment hubs and essential areas table, with 13254. That concludes my presentation Mayor and I'm happy to answer any questions.

Mayor Ortega: Thank you. At this point, we would move to public comment. And I see there's only one person wishing to speak. So, we will open up. Dr. Sonnie Kirtley. Representing COG.

[Time: 00:34:17]

Dr. Sonnie Kirtley: Happy turkey week to you all and Happy Thanksgiving. Elmo, please. Elmo. Sonnie Kirtley, representing COGS. We want to support the propositions. Many of our members attended the open houses. We are impressed by the presentations of the staff. The staff has done an incredible job on this you know the state keeps landing on us. They take away the 30-day limit on short-term rentals and so many of our political signs and ordinances and this is another footprint on top of Scottsdale. So, they have done an amazing job of putting flexibility back in.

Number one, we support the following. Maximum conversion is set to 1%. It could have been 10%. Thank you. Number two, it excludes those two 10 square mile areas. That protects a lot of neighborhoods. There's a lot of sighs of relief there. There was some contention, I understand with some government officials down on Washington that we were also using some of the Sky Harbor's flight paths.

Well, remember, we go all the way south to Roosevelt or Continental. Those people are affected. Number three, Scottsdale designated historic neighborhoods and historic Old Town are protected, yes,

state was going to protect them, but we have them designated. So, now we know they are safe. Number four, the conversion must prove it has sufficient water and infrastructure for both that sewer and water. That is our general plan. We've had that vision. Let's protect the water. We have a Sustainability Plan coming up later in December. Our town is so far ahead on every one of these important policies. And the state keeps thumping on us. So, let's be strong on this. Let's support our staff. They have done a great job. Thank you.

Mayor Ortega: Thank you very much. With that, I will close public comment on Item number 7. We are aware and in light of correspondence received from the Arizona House of Representatives, we have correspondence in hand, related to agenda Item number 7. I believe it's appropriate to recuse to an Executive Session on this matter. Do I have a motion?

Councilwoman Janik: So moved.

Councilwoman Caputi: Second.

[Time: 00:37:17]

Mayor Ortega: We have a motion to enter into Executive Session and our Regular Meeting would resume following our Executive Session. Please record your vote.

Vice Mayor Graham: Vice Mayor Graham votes yes.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: And repeat Vice Mayor Graham.

Vice Mayor Graham: Vice Mayor Graham votes yes.

Mayor Ortega: Thank you. So, we are unanimous, and we will adjourn to the Executive Session.

REGULAR AGENDA – ITEM 7

Mayor Ortega: We will, we will now resume our Regular Meeting, in particular, our top our agenda Item number 7. Number 7 has been presented and we have opened and closed public comment. At this point, I see Councilwoman Janik wishes to speak.

Councilwoman Janik: Thank you, Mayor. I'd like to make a motion to adopt Ordinance number 4651 for the purposes of amending the city of Scottsdale's zoning ordinance, Ordinance number 455, adopt Resolution 13253, declaring as a public record the adaptive reuse and development application and determination text amendment, 3-TA-2024, and adopt Resolution 13254 declaring it's a public record the quote Scottsdale commercial and employment hubs and essential areas table and Scottsdale total allocated multifamily conversion development projects amendment.

Councilwoman Whitehead: Second.

Councilwoman Janik: Can I just ask our attorney if I did everything properly.

[Time: 00:40:57]

City Attorney Sherry Scott: Mayor and Councilwoman Janik, you did, except the last word of the public document is allotment.

Councilwoman Janik: Allotment. Thank you. Corrected.

Councilwoman Whitehead: Second.

Mayor Ortega: Thank you. Would you like to speak to your motion or second? And I will call on Councilman Durham and Councilman Vice Mayor Graham who are remote. If you wish to speak, let me know. At this point, we have a motion on the floor. Do we have any questions of staff? Seeing none, the this has been a very large effort, outreach to residents and certainly procedurally, done correctly. So, we have a motion and a second. Seeing no other Councilmember wishing to speak, please record your vote.

Vice Mayor Graham: Vice Mayor Graham votes yes.

Councilmember Durham: Councilmember Councilmember Durham votes yes.

Mayor Ortega: Thank you. We are unanimous. Therefore, the motion carries unanimously.

REGULAR AGENDA – ITEM 8

Next, we will go to Item number 8. Item 8 is also presented. It refers to legislation and accessory dwelling unit, ADU text amendment and our presenter is Brad Carr once again please proceed.

[Time: 00:42:26]

Brad Carr: Thank you again Mayor, Vice Mayor, members of the Council. Similar to the last item this next item is the text amendment to the city's zoning ordinance to address several different areas, most notably, accessory dwelling units. As I noted, these are these two text amendments are dealing primarily with some housing bills that came out of the state legislature. House Bill 2720 is the primary focus of this update, but it also includes updates to the zoning code to address House Bill 2325, which is related to back yard fowl, as well as some other updates to the code to make it more usable and read a little bit better. So, I will go through all of those with this presentation.

Similar to the last one, House Bill 2720 was introduced and passed by the state legislature and assigned

by the governor in April. This particular bill noticed accessory dwelling unit on single family residential properties. The city must comply with this similar to the last one by January 1, 2025. We are also intended to minimize native impacts with this update to the zoning ordinance. But notably, this bill has a requirement by January 1, 2025, otherwise, accessory dwelling unit would be allowed in the city without limits. So, we want to make sure we address this appropriately, as the city and its residents see fit.

Just as we did on the previous one, we want to note where this one this legislation applies. This threshold for population is lower than the last one, 75,000, versus 150,000. As a result, more communities are qualifying or have to abide by this new state law, but, again, notably in the northeast portion of the valley, Scottsdale is alone in compliance.

So, let's speak a little bit about what an accessory dwelling unit is. An ADU is subordinate and self-contained dwelling unit on the same lot as a main single-family residential building that is already existing. It's designed for living purposes and includes its own sleeping and dining and sanitary facilities. And it can be either attached or detached from that existing single-family dwelling. They come in many shapes and sizes but most common is a self-contained unit that's detached unit from the main dwelling unit. That upper diagram shows that. They can be attached as the lower one shows. And that lower element could be attached on the ground floor, or it be a second floor above a garage.

[Time: 00:45:17]

So, what does the state law, the new state law dictate to the city? The city must allow one attached and one detached ADU per single family property. In addition, if that property is over an acre in size, the city must allow a third detached ADU if that ADU is designated as an affordable unit. The state also defines or sets a parameter for the size of those ADUs at 75% of the gross floor area of that existing home or 1,000 square feet whichever is less.

Also, the state says that we cannot do a number of different things, that is one, we cannot prohibit the short-term or long-term lease of an ADU. We cannot require familial relationship between the owner of that main unit and the ADU occupants. We cannot require any additional site parking for an ADU or any fees in lieu of parking. We can also we cannot require that an ADU look like the existing home on the property. So that unit could be completely separate from the design standpoint from the existing building or home on that property. We can't require any more than 5 feet of distance for an ADU in the rear yard from any side or rear property line. We also cannot require improvements to the public streets as a result of allowing an ADU or any permits or licenses or conditions between private parties between the use of an ADU.

Finally, and also very importantly to the city of Scottsdale as a whole, we cannot require an ADU to have any fire sprinkler system. As all of you know we have a fire ordinance requirement currently. Any livable or habitable space is required, and this will preclude it. What do we have for ADUs now? We don't. We allow guest houses, and we allow guest houses on single family houses, and they are different than an ADU, we'll get to that in the next slide. But generally, from a guest house standpoint that can be up to one half the size of the main building or house on that property. Guest houses must be connected to

the existing water meter and other infrastructure at that property, and they cannot be rented separately from the main rented separately from the main building or house on that property.

What will be the difference between the guest house and the ADU as a result of these changes? The existing guest house requirements are still in place, but the main difference is essentially you can rent out that ADU separate from the main residence; whereas, a guest house, you cannot rent that out separate from the main residence. It's designed to be accommodations for guests of the main residents. But in establishing ADUs, you are essentially establishing a whole new residence on that property, or multiple other residents on property. In addition, the ADU will be limited to 75% of the size or 1,000 square feet, and, yeah, separately rented is the big deal there.

So, the exclusion is similar to the last bill, there are exclusions in this bill. Notably, legislation prohibits ADUs in the vicinity of an airport. And again, those are defined and in the state statutes, those geographical boundaries of those airports. The city does have two airports within its vicinity, the Scottsdale Airport, of course but also the flight path airflight over path of Sky Harbor Airport is also within the southern boundaries of the city and also notably HOA neighborhoods can still privately restrict ADUs. That was made clear within the bill that any existing CC&Rs, other restrictions that are in place for an HOA can restrict ADUs.

So, the city's approach for ADUs, we are going to establish some new qualifications related to a new accessory dwelling unit land use. One importantly that it has to be a single-family residence already on the property, in order to establish an ADU. Utilities are going to be separately metered unlike guest house. We want those again because this is a separate home, essentially a new home on a property, they need to have separately metered utilities.

[Time: 00:49:19]

Ownership, ADUs cannot be sold separately from the main residence and cannot subdivided separately from the main residence on the property. Renting as I noted, we cannot prohibit short-term rentals, for prohibit an ADU from being a short-term rental but the state bill does allow a municipality to restrict that the owner of that property reside on the property, if the short-term rental is an in the ADU is a short-term rental. So that's going to be added to the provisions that the city is proposing. As a mentioned, you can't subdivide it separately and we need to make sure there's sufficient water and sewer capacity for these ADU units.

We also going to establish some development standards for ADUs. Some objective development standards for ADUs. First again, we have to allow a certain number of those, on the lot as I mentioned, one attached and one detached and one restricted affordable ADU for lots larger than one acre. The size as I mentioned 75% of the main residence or 1,000 square feet whichever is less for first and all other 80 units on the lot will be limited to 500 square feet. Currently the city limits single family properties to six unrelated people on a single-family property. We will continue that forward. The total occupancy for a single-family lot it cannot exceed six, regardless of the configuration of the people in the ADU and the main residence. We want to emphasize a familial relationship is not required

as part of the total number of occupancy.

And finally, we can't require more parking as I mentioned but we can still maintain the code minimum requirement for the main residence at all times. So that's outlined in the new provisions. Some additional development standards, we are going to require private outdoor living space for each of these new ADUs, similar to when we had multifamily developments. We require an outdoor living space to ensure people have the ability to enjoy outdoor space adjacent to their unit. So, we are requiring a 50 square foot size minimum here. The building height will be the same as underlying zoning district, as well as setbacks with the exception that again the ADU can be as close as 5 feet, if it's located within the rear yard. We are going to ensure access to each unit is separate, each ADU unit is separate from the main access to the main residence and need to have a clear path of travel for first responders to get there in case of emergency. And similarly addressing we need to make sure that there's a unique address for each one of these to make sure that responding to emergencies is easy and straightforward.

That concludes anything on the ADU portion of this particular text amendment. I'm happy to answer questions there or we can go on to the next part.

Mayor Ortega: Why don't we continue with the Item 8 the HB-2325 back yard fowl.

Brad Carr: Certainly, Mayor. So, in addition to the ADU, changes we're making to the zoning ordinance, we're also incorporating recent changes regarding to back yard fowl that were passed by the Arizona Legislature at the last session. In short, the requirements make it clear that there needs to be enclosure for keeping back yard fowl on a residential property and there needs to be some distance for that enclosure from property line. So, we we're just basically copy straight over the requirements that the state established. The setback, 20 feet from a property line, and a maximum size of 200 square feet. An enclosure can also not exceed 8 feet in height. Any existing parameters that we have in the city code related to domestic animals will continue to apply.

[Time: 00:53:04]

So, as I mentioned, there's a number of different additional text amendments we are making to the text, again to clarify certain things related to how the city administers the zoning ordinance especially to single-family residential dwellings. The first is non-conforming structures. There's some minor cleanup. There's accessory building and structures, also some cleanup. Residential recreation areas, sport courts, tennis courts and pickleball court and there's additional clarification there. We needed to make some further distinction between a guest house is and a ADU is so there's some changes there as well as some manufactured homes changes to clarify some things there. The foothills overlay is unique area in the city, as I'm sure many of you know. It defines the separation between certain century buildings on the property. Because ADUs have certain requirements or special requirements for setbacks we had to changes there as well.

And finally, correcting typographical errors or restructuring text reusability was also included. So similar to the timeline this was on the exact same timeline as the last text amendment 3TA went to Planning

Commission for July, and followed by public outreach in September, back to the Planning Commission for two items in October and finally tonight at City Council. We are anticipating again some changes to the general plan as a result of the changes to the zoning ordinance text. Those will come in 2025.

So, the request this is evening is to consider adoption of Ordinance 4652 for the purposes of amending this zoning code, as well as adopting Resolution 13255 which declares that public record for that accessory dwelling unit 4-TA-2024. With that, that concludes my presentation. I'm happy to answer any questions.

Mayor Ortega: Sure. At this point, I would call for public comment. Seeing none for agenda Item number 8, therefore, I will close the public comment. Moving on, Councilwoman Whitehead.

[Time: 00:55:00]

Councilwoman Whitehead: Thank you. Thanks, Mayor. Yeah, well, first of all, I want to thank staff, as the Mayor has said multiple times, you know, we are seeing our governing power significantly reduced, along with our revenue and the residents come to us, not their legislators when things go wrong. So, this bill is probably my least favorite since 1487 and the short-term rental law. This is an assault on our local control on our neighborhoods. I just want to thank the many hundred I just want to thank the many hundreds of residents that responded to an email I put out, simply writing to the governor's office and the legislator, explaining simple, common-sense ways to make this law better, much better. We still prefer local control, but we know that our housing is we are struggling with our housing because of short-term rentals. So common sense, number one, make the ADUs for long-term rentals, but the legislature chose not to do that. They chose to exasperate the problem.

[Time: 00:56:16]

And number two, when people buy a home, they understand that the zoning at the vacant lot might change or the commercial center might go through a renovation and have some changes, are but when they look in their back yard and they see their neighbors' yard, a large yard with maybe a tree in it, they don't expect a building to suddenly appear 5 feet from that wall. That completely upends residential real estate in our city. And then, of course, one of the things that defines Scottsdale is our high development standards. This blows that out of the water for no apparent reason. And finally, it would certainly appear that public safety is not of the interest of these legislators by disallowing us to even require the the mandatory fire sprinkler codes that we require in all of our homes. So, these are homes. They are just not safe homes, and they are not situated in a way that a person buying a home next door can expect anything their privacy or their view or anything to remain the same. So, I consider this a terrible, terrible law, and again, I appreciate what staff has done with it.

So, I do have a question. And that is with this business of the occupancy of six adults. Can you go into more detail? I just want to point out to anybody who has written to us and complained about short-term rentals, all of those people know that the city has no power to enforce the six-adult rule. And one other point I want to make, is this law puts a tremendous burden on the city without any

funding to enforce what limited enforcement mechanisms we have. So go ahead, explain the six person one more time for me.

Brad Carr: Certainly, and thank you, Mayor and Councilwoman Whitehead. I don't know I don't know if I want to get into all the detail on short-term rental side of that. But right now, our zoning ordinance says that you can have up to six unrelated people on a single in a single-family home, essentially. And that means you can have six people unrelated on a single-family lot. So, we want to carry forward that standard that the community has of a certain number of people on a residential property, which has a ramification, the amount of parking on that property. Since we can't require more parking through a foreign ADU, through this process, that parking will have to go somewhere, maybe not on the lot but maybe on the street. Just larger impacts escalating from there. So, an attempt to limit those impacts as we noted, we want to limit the number of people on a lot that's similar to what people are accustomed to, which is six unrelated people. And so that's why that provision is in here. If you have one additional ADU and one ADU and one main dwelling, you have six adults between the two. If you have two ADUs and one main dwelling, you can have six total between the three different buildings on the site.

[Time: 00:59:47]

Councilwoman Whitehead: The reason I ask that question is I just want our constituents to understand how hard our staff works within the boundaries of a law to protect protect our community. So, thank you. Another question, the law requires an operating an ADU operating as a short-term rental to have an owner occupant in the main house. Of course, there's no enforcement dollars or mechanism for that. So, I won't go into that. However, in a buyer of let's say an equestrian property can come in and correct me if I'm wrong, can come in and build let's say it's a 2-acre property can build three ADUs and not reside on the property. They have no vested interest; is that correct?

Brad Carr: Councilwoman Whitehead, if none of those ADUs are offered as short-term rentals then, yes, they don't need to occupy the site. If even one of those, though, is a short-term rental then the owner will be required to reside on site.

Councilwoman Whitehead: But my point is that we can have an equestrian property, and we are an equestrian town, and this is one of my big fears. And also, I want to point out that the burden, once again, falls on our older properties, and our large lot properties in kind of the traditional Scottsdale neighborhoods that have had felt this burden all along. My point is that an investor can now purchase an equestrian property, put three homes where there was one, and not reside even in one of the homes or even in the same town; is that correct?

Brad Carr: That would be correct, yes.

Councilwoman Whitehead: I think that's a big problem. Thank you so much.

Mayor Ortega: Councilwoman Janik, Councilwoman Caputi and Councilwoman Littlefield.

[Time: 01:01:33]

Councilwoman Janik: Thank you, Mayor. First of all, I totally concur with what Councilwoman Whitehead has said. Very disappointing to see this as part of our state laws. I totally appreciate all the work that Planning has done, and staff has done, because everything here is interrelated. So, it's not like you can make one change. You have to go through everything and make sure there's a consistency. And they have done an outstanding job of that. But I guess my biggest objection, which I just shake my head at require an ADU to contain a fire sprinkler system. We cannot allow that. As the city, we value our residents. That's why we require a sprinkler system. But heck if it's an ADU, doesn't matter, you don't need the sprinkler system. And by the way, sprinkler systems do save lives. I believe that what should have been said is that if a city already has the code requirement for sprinkler systems, the ADUs should have to follow that code as well. I just I'm amazed that this is what they do. It shows a total lack of to me appreciation for human life, but I guess that's what they did. So, thank you.

Mayor Ortega: Councilwoman Caputi and Councilwoman Littlefield.

Councilwoman Caputi: Well, good comments by my colleagues. Obviously with both of these laws, we're trying to land in a place where we are balancing protecting our city and our residents and appeasing the legislature and following the law. So, it puts us in a super awkward position super awkward position. We're trying to do a little balancing act here for the best of everybody. I just had one question, you said that the ADUs can be rented separately, and they can't be sold separately. I'm curious, what is the logic behind mandating the separate metering, given those parameters.

Brad Carr: Certainly, Mayor and Councilwoman Caputi. The reasoning is these essentially are different dwelling units. They're separately they could be people who don't even like each other and likely will be people who don't know each other that live in these two units. For instance, if you had an issue with the sewer line with one of the units, if it got had an issue and that unit is dependent on the other unit for that sewer line to be unclogged, you could have an issue where you have two people that are don't know each other. They likely are paying different bills and then they are dependent upon each other for that service.

Similarly, we had some conversation with local utilities, electrical utilities, they want the separate utilities for electrical connections. They said that their preference is that they be two separate connections. They didn't get into much detail about why. I think it's maybe for ease of maintenance or billing or whatever, but I think they prefer two homes, two different people having separate utilities. And so, there's some good reasons to have those utilities separate.

Councilwoman Caputi: Okay. I'm picturing there is a main homeowner, and it seems like that should be left up to the homeowner. They could rent to a person that's related to them or, you know, it can still be like a casita with a family member on the yard, it seems like it just feels to me like that that should be something that the homeowner should be able to decide or not, but that's just my two cents. It feels weird to mandate that. That's my opinion. Thank you.

Mayor Ortega: Councilwoman Littlefield and I will go on to remote Councilman Durham and Vice Mayor Graham if he has comments. Go ahead, Councilwoman Littlefield.

[Time: 01:05:11]

Councilwoman Littlefield: Thank you, Mayor. And I agree with all of the comments that have been made up here tonight about this, every single one of them is pertinent and meaningful to the future of this city. I also would like to thank staff very much for the time and effort that you put into this researching every crevice that you could and find every way that you could to make this less onerous for our people and our city to have it. And I really appreciate the work that you have done. So, I thank you for that. And I totally agree with everything that's said. This is not something that's good for Scottsdale or any other city that has to comply with it. Thank you.

Mayor Ortega: Okay. Councilman Durham, did you have a comment or...

Councilmember Durham: Thank you, Mayor. I just wanted to comment to both the continuing members of the Council and the future members of the Council, as if we needed more proof that this is clear we don't have the final word on zoning decisions in Scottsdale, and it's important to remember that. Our word is not final. Thank you, Mayor.

Mayor Ortega: Thank you, Vice Mayor Graham any comments?

Vice Mayor Graham: Yes, thank you, Mayor. I agree with the sentiments. I think this is an attack, this legislation was an attack on communities like Scottsdale. And it's you know, many of us up here have found it disturbing. We we have, you know we're thankful to what our staff has done, to read it closely and to apply it to apply it carefully. I want to is I can't see, is Brad Carr still at the podium?

Brad Carr: Yes.

Vice Mayor Graham: Brad, you were watching this closely legislatively, and I want to call out and thank you know, Scottsdale has a legislative delegation, and I want to thank personally on the record Representative Gress, Representative Chaplik, Representative Kolodin, Representative Terech for voting against this. I believe both legislators in District 8, including Representative Hernandez voted for it. And I don't remember on the Senate side. I'm pretty sure that Senator Marsh voted against it and Senator Kavanaugh voted against it. Brad, is that correct?

Brad Carr: Mayor and Vice Mayor, I don't know the specific votes for the bill. I'm sorry. I don't have that.

Vice Mayor Graham: It's just sort of an angle on all of this, because you know, the legislature has control, but we can show appreciation to our Scottsdale delegation, most of them for standing up for Scottsdale and standing up for their representatives and making sure that we know and putting that on the record who was there for Scottsdale. Thank you, Mayor.

[Time: 01:09:05]

Mayor Ortega: Okay. Well, my concluding comments are that the Arizona Legislature subverted our decades of planning and decades of working in consensus. The Item number 8 does, has two legislative actions. First one basically allows mini hotels everywhere. Short-term rentals.

And the second action is is that we don't have enough short-term rentals. The second action is to allow, I guess, more production of eggs in our city, because now we are they are permitted fowl everywhere. So, for some reason, we don't have enough eggs, and the price of eggs should go down, because of their action. We will have complaints. We will have other situations to deal with. What I want to emphasize is that the staff did our due diligence on these matters and we we were dealt a bad hand by the legislature. I think there's some precedence that are also in danger in the future, possibly going after H.O.A.s. That may come. It's not out of the question. They have come at our non-H.O.A. areas. So, I appreciate the comments. Councilwoman Caputi and, you know, we have a motion, and we need a motion and a second.

Councilwoman Caputi: I just wanted to make one last comment because I meant to make it when we were talking about the adaptive reuse. I think it's important on page 10 of your presentation it says, "existing commercial mixed use and employment land uses make up about .8% of existing land area outside of the airport exception." And we all have both of us printed out the page from our general plan. I don't think we can emphasize that enough that less than 1% of our city, commercial mixed use and employment land. And when you look at the page from the general plan, 50% of our land use is single-family, low density residential. And almost 40% of our city is open space. I feel like I need to repeat that 10 or 12 times up here tonight. I feel like I have been repeating this for last four years as well, but most of our city, you know, is very low intensity residential, single-family homes and that has not changed over time. So, the character of our city remains, and we are all talking about the teeny, tiniest less than 1% of our city that's even impacted by some of this higher intensity building. So, I just want to make that clear. Thank you.

Mayor Ortega: Okay. Councilwoman Whitehead do we have a motion.

Councilwoman Whitehead: I move to adopt ordinance number 4652 for the purpose of amending the city of Scottsdale zoning Ordinance number 455, adopt Resolution number 13255 declaring as a public record the accessory dwelling unit text amendment 4-TA-2024.

Mayor Ortega: Second. We have a motion and a second. Seeing no...

Councilmember Durham: Second.

Mayor Ortega: Thank you. We have a motion and a second. No one else wishing to speak, please record your vote.

Vice Mayor Graham: Vice Mayor Graham votes yes.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Okay. The motion passes unanimously. Next, I want to remind everyone, Sustainability was continued until December. Therefore, we will move on to public comment.

PUBLIC COMMENT

Public comment is an opportunity for Scottsdale citizens, owners or property owners to comment on non-agendized items. Advocacy for or against a candidate or ballot measure during a council meeting is not permitted by state law and, of course, we will not take any action on a non-agendized item. I have a request from Mr. Steve sorry, Brandon Putman to come forward here. You have three minutes, sir. Please state your place of residence. Thank you.

[Time: 01:13:30]

Brandon Putman: Good evening, Mayor, members of City Council, my name is Brandon Putman. 75366 East Virginia Avenue in south Scottsdale. I'm here tonight to urge you to pass the Scottsdale Sustainability Plan. A visionary document that has been two years in the making, shaped by extensive research, public input and expert analysis. This plan represents a culmination of your commitment to Scottsdale's future, and it's critical that we act now.

First, let me emphasize that this plan is aspirational and not a mandate. Therefore, no penalties if the targets are not met, no financial burdens, no restrictive regulations. What it offers instead is a roadmap for Scottsdale to address the most pressing challenges of our time, while preserving a vibrant community and unique desert environment we all cherish. As represented by the continuation of the sales tax recently voted on by our community. We cannot afford to delay this further. Climate change is already altering our life in the desert. As evidenced by record heat waves, failing Saguaro, dying shade trees and drought-fueled wildfires. Each summer we feel the financial strain of rising cooling costs and the growing economic toll of extreme weather events. Costs that have been compounded by SRP's recent rate hike. Without action, these challenges will only escalate threatening not only our environment, but our economic our economy, our tourism, and our quality of life.

This plan is not just about adaptation. It's about innovation. It lays the groundwork for Scottsdale to continue as a world-class sustainable city in the southwest, fostering economic opportunities while protecting our natural resources. As community leaders, you have the chance to make this your legacy, a commitment to ensuring Scottsdale thrives for generations to come. Climate change will not wait. Passing the sustainability plan is a vital step forward, signaling that Scottsdale is ready to confront these challenges head on, with solutions grounded in collaboration and practicality. Thank you for your leadership and consideration. Now is the time to act. I look forward to seeing you next week.

Mayor Ortega: Thank you, Mr. Putnam. Next therefore, I will close public comment. Moving on to petitions. Petitions is an opportunity for a citizen to come forward. Seeing none, therefore, I will close the petition posted agenda item. With that, we have concluded our Regular Agenda items. And may I

have a motion to adjourn.

Councilwoman Whitehead: So moved.

Councilwoman Janik: Second.

Mayor Ortega: Moved and seconded. Please record your vote.

Vice Mayor Graham: Vice Mayor Graham votes yes.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Unanimous. We are adjourned. Thank you.

ADJOURNMENT

[Time: 01:16:33]