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CALL TO ORDER

[Time: 00:00:01]

Mayor Borowsky: We'll go ahead and get started. I'd like to call the November 17, 2025 Special Meeting and possible Executive Session of the Scottsdale City Council to order. City Clerk Ben Lane, can you please do our roll call.

ROLL CALL

[Time: 00:00:14]

City Clerk Ben Lane: Thank you, Mayor. Mayor Lisa Borowsky.

Mayor Lisa Borowsky: Present.

Ben Lane: Vice Mayor Adam Kwasman.

Vice Mayor Kwasman:

Ben Lane: Councilmembers Jan Dubauskas.

Councilwoman Dubauskas:

Ben Lane: Barry Graham.

Councilman Graham: Here.

Ben Lane: Kathy Littlefield.

Councilwoman Littlefield: Present.

Ben Lane: Maryann McAllen.

Councilwoman McAllen: Present.

Ben Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

Ben Lane: City Manager Greg Caton.

City Manager Greg Caton:

Ben Lane: Interim City Attorney Luis Santaella.

Interim City Attorney Luis Santaella: Here. I'll note that City Manager Greg Caton just walked in.

Ben Lane: City Treasurer Sonia Andrews.

City Treasurer Sonia Andrews: Here.

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

EXECUTIVE SESSION

[Time: 00:00:52]

Mayor Borowsky: Thank you. For item number 1 we have a possible Executive Session to consult with our city's attorneys for legal advice and consider the city's position regarding the Taxpayers Against Awful Apartment Zoning Exemptions, et al versus state of Arizona and all other matters related to Senate Bill 1543 and development agreement No. 2020-138-COS, including amendments. And to also to address a proposed memorandum of understanding between the city and Axon. And the proposed Ordinance No. 4697 related to a self-certification and third-partied certification program. And for legal advice related to all these items.

Can I at this time I'll entertain a motion to enter into Executive Session.

Councilwoman Whitehead: So moved.

Councilwoman McAllen: Second.

Mayor Borowsky: All those in favor, please indicate your vote. We will now recess into Executive Session. And be back when we're finished, thank you.

[Time: 00:05:31]

Mayor Borowsky: We've wrapped up our Executive Session and at this time we are reconvening the Special Council Meeting. For the record most of the Council is here. I saw Barry here. We are all here. And the charter officers are also in attendance.

SPECIAL MEETING - ITEM 2

So, moving on to item No. 2, for consideration, a memorandum of understanding for the Axon World Headquarters Campus. This is a request to adopt Resolution 13567 authorizing contract No. 2025-195-COS, a memorandum of understanding between the city and Axon Enterprise. The MOU outlines the terms for development of Axon's international headquarters campus, including a reduction of the total number of residential units previously approved from 1,882 apartments to 750 apartments, and 750 condominiums for a total of 1,500 residential units. Which will include phased construction of office, manufacturing, hotel and residential components. Affordable housing provisions, infrastructure commitments, including roads, trails and utilities. Access to a real-time crime center, and use of a third party permitting and inspection process.

We do have some speakers on this. So, I'm going to go ahead first we'll hear from our city attorney, who will give us a brief presentation on this.

Interim City Attorney Luis Santaella: If I could please get the Elmo. Thank you. Honorable Mayor and members of the City Council and members of the public, I'm Luis Santaella. I'm the interim city attorney, and I'm going to speak briefly on the items that are being considered this evening.

The first item that's being considered this evening is the memorandum of understanding, an agreement between Axon, Inc., and the City of Scottsdale. And it outlines a proposal where Axon would do certain things and the city would do certain things. And it involves the development of Axon's international headquarters, located here in the City of Scottsdale.

The MOU include phased construction of the office, manufacturing, hotel and residential components, their infrastructure commitments such as a dog park, roads and trails and utilities that Axon is promising to do. There's some affordable housing provisions, there's also access to a real-time crime Center for the Scottsdale police department, and it also involves certain other conditions.

One of the biggest things about this particular proposed MOU if adopted is the number of units. Previously approved Axon was authorized 1,882 units. Under the agreement, they would be changing the number of units that they're doing to 750 apartments and 750 condominiums for a total of 1,500 units. Of those units, 38 units will be dedicated as affordable housing and the construction would be phased. Meaning that 375 of the apartments and 375 of the condos would be deferred until after

January 1, 2030.

They would begin the headquarters building sooner than later, before the ancillary stuff. In addition to the MOU itself, there are two ordinances that are related to the MOU that would be agreed upon if the MOU passes. One is a self-certification and third-party certification program. This type of program is authorized by state law, and a city can limit who this type of ordinance applies to. In this case only world headquarters campuses. Right now there's only one world headquarters campus within the city of Scottsdale, and there's only a couple of other parcels within the city that could possibly fit that definition. So it's very limited. Under the self-certifying ordinance or third-party certification program, it would allow licensed engineers and architects to basically certify the plans, conduct the inspections, and make sure that Axon is building and developing the property appropriately and properly.

The third part of this or the is the repeal of the zoning ordinance. Right now, as we all know, the current zoning has been referred, so it's kind of been suspended until there's a referendum. This would repeal the current zoning to what Axon had before, which is basically light industrial. The entire MOU is predicated on the idea that SB1543 the international headquarters, state statute is lawful.

The final thing that the Council may be considering tonight is an item to authorize me, or my designees, to file appropriate counter claims, cross-claims or third-party claims in the matter of Taxpayers Against Awful Apartment Zoning Exemptions et al versus state of Arizona, City of Scottsdale. That's a lawsuit that Axon is not involved in, but obviously because it involves SB14 excuse me, SB1543 it has repercussions for this particular MOU and for the development. With that, I'll take any questions from the City Council.

Mayor Borowsky: Thank you. Vice Mayor Kwasman.

[Time: 00:11:49]

Vice Mayor Kwasman: Thank you, Madam Mayor, and I really want to I want to just say, I have so much appreciation for you, Mr. City Manager, Mr. City Manager and Mr. City Attorney for all you have done to help put this all together in such a short time. Having been an attorney for a decade and seeing deals put together, rarely are they this comprehensive with this time frame that it something to be extremely proud of and it shows the quality of leadership we have in this city right noe. I also want to thank I want to thank Axon, who has come to the table in a way that is, there's a Yiddish word, mensch-like. You came in with real terms and whatever happens at this vote, this afternoon, is a, it's it is a reflection it's not a reflection on it's not a reflection on the negotiations that took place. I think it's really important. I just want for everybody listening, whether they're going to see this tomorrow or today, I'm going to do my very quick Ben Shapiro impression and get to where we are now.

So, all right, folks, let me just give you a little background. Last December former Council got us to roughly 1,900 apartments. Referendum succeeded getting signatures, puts it on the ballot. The 1543 was passed, okay, which then allows those businesses that Axon would qualify under, to not be subject to referendum, lawsuit ensued, okay, but I want to be very clear, under 1543 and under the development

agreement, 1,900 apartments would be allowed. Okay. If we had a referendum today, if somebody paused and we had a referendum today and Axon won the development agreement holds and it's roughly 1,900 apartments. If the referendum held today and Axon lost the referendum, Axon's property becomes reevaluated, it gets reclassified as light industrial, and therefore 1543 holds and they get to build 1,900 apartments. There is no difference, those anybody telling you that the voice of the people is not being heard, well guess what your outcome has already been decided by the state legislature. If Axon wins the referendum, 1,900. If Axon loses the referendum, 1,900. That's the law.

So, the question is then, is that then going to they say wait, the law is being challenged, there's a lawsuit occurring, okay? Now, here's where I can speak to as a litigator and as a former legislator. I have seen special legislation challenges being brought in front, in front of the in front of the state Supreme Court and have seen successes and failures, but what gets to happen there is the state legislature gets a second crack at this and so I see this and so ny complaint, you have to list the issues that they feel is unconstitutional. And the legislature now has a list of things that they could use to amend the legislation.

[Time: 00:15:37]

Now, I have been around, I have been around as long as some of these people in this audience but been around long enough to know that legislatures don't like to be overruled. And I promise you, that the amount of votes it took to get over the hump to get the first piece of legislation through, they are willing to make the amendments to make sure it's legal, because nobody wants to be the one who is holding the ball and be declared unconstitutional by a state Supreme Court. And that's what brought us to this moment.

So the idea is what can we do to make sure that we listen to residents, don't have 1,900 units 1,900 apartments, what can we do to make sure that we bring a resident first approach that is a compromise that is mature, that is realistic, that serves all parties, and makes sure that we don't get overrun by a state Supreme Court and a state legislature. And that was the impetus behind this compromise and this MOU. Only good intentions that was then borne out to be good compromise and a good final MOU that we have here today.

Those at this dais might want to tell you reasons that they vote no today, but the fact of the matter is, is that as recently as three weeks ago, we had we had a majority approving this. This language specifically, which is why we printed it out this way. If we didn't have a majority approving this, I wouldn't have put pen to paper. So, the proof is in the pudding. Using an alliteration here. Just the facts, I respect my clients and their votes, I respect everybody who came to the table, and Arizona was just rated No. 22 for jobs in this country I'm sorry, as a state in this country, No. 22, and if we don't do what we need to do to create a regulatory environment not to be corporatist, but to have stable rules with a regulatory environment that does not crush entrepreneurship, then free enterprise is going to go elsewhere. They already are. This is our chance to make sure that we revive and recover a regulatory environment that I consider extremely conservative, extremely free market and make sure that we have stable rules so the entrepreneurs can go as far as their God-given talents take them and hire incredible people. With that, Madam Mayor.

Mayor Borowsky: Thank you, Councilwoman Whitehead.

Councilwoman Whitehead: Would it be possible to have the public speakers come up before the rest of us speak.

Mayor Borowsky: Absolutely. Exact same thing, this could turn into a long discussion. So, let's have Andrew Wollmann followed by Barbara Burns and Dan Isaac.

PUBLIC COMMENT

[Time: 00:18:53]

Andrew Wollmann: Anybody know how to turn this on? Sorry. I'll leave that part of it. Here we go, got it. Good evening. Mayor, Councilmembers, before I get started, did anybody notice the smell in the room? It's I don't think it's the room, I think it's the process because something really stinks here. Because when a deal arrives this polished, coordinated and insulated after weeks of Executive Sessions, the odor isn't subtle. It's the smell you get when transparency has been sealed in a back room for too long. We have been told this MOU is merely an administrative act, that label isn't legally is an legal necessity, it's a legal strategy, calling this administrative shields it against another referendum. That it is not a coincidence, that's a plan.

And the clearest sign this agreement wasn't shaped by Scottsdale is it was shaped by Axon. You can see the fingerprints everywhere, the structure, the MOU protects Axon not the public. The foundation shows outside influence in places the public is not allowed to be. When binding development terms, zoning reversals, infrastructure commitments and oversight transfers are negotiated out of public view, then returns as a prepackaged inevitability, that's legislative action hiding under another name. The self-certification ordinance doesn't streamline anything, it outsources the city's own permitting and inspection authority to a private corporation. Axon will pick its own inspectors, issue its own certificate, interpret its own compliance, and no other developer has ever been issued this power. It's ridiculous. Placing a litigation item last on the agenda is not an accident. The MOU passes, first, the referendum becomes moot. That's not Democracy, that's gaming the order of provisions.

You're negotiating residential entitlements in the middle of an active regional water crisis, with the Arizona Department of Water Resources already halting groundwater dependent developments thousands of them and out of 1,500 units, we are only allowing 38 affordable housing units. That's the bare minimum required by law, is that a good citizen of Scottsdale? I don't think so. Ethical government requires transparency, independence, fairness and meaningful public participation, none of those principals are visible tonight. Please take the garbage out, give the city a process that doesn't smell like it was cooked weeks ago.

And one other thing, I'd like to say, I'm a resident 40 years in the city, and it is shameful that Axon takes the seats of people who actually live in this city and makes us stand while you come early on buses paid by your employer so that we have to stand. That is showing you how good of a citizen your company is.

I would welcome Axon here to be honest, but I am concerned the way they behave, and I don't want the apartments, if there were 400 apartments for employees, guaranteed a low rate, you all deserve a good apartment rate, I would be 100 percent behind that. This has nothing to do with employee housing or apartments, it has to do with a plate of multi-family residential development, restaurants, a hotel, it has nothing to do with Axon's actual primary business.

Mayor Borowsky: Thank you. Barbara Burns.

[Time: 00:23:22]

Barbara Burns: Mayor and Council, I am here today in support of the Council approving agenda item number 2, the MOU for the Axon World Headquarters campus. I'm a 52-year resident of Scottsdale, and also a 30 year past employee of the city, retiring in 2004 and 13 of those years I was aa Assistant City Manager. When I joined the city in 1975, the population was 75,000 residents. Today, it's about 242,000 so we've grown a lot. During my 30-year tenure, I witnessed a number of what I call signature projects being built in Scottsdale. Mayo Clinic on Shea, Honor Health North, WestWorld, TPC and the championship golf course, the Princess Hotel, Hyatt at Gainey Ranch, Scottsdale stadium rebuild and many others. All the projects had significant citizen opposition and we spent hours in council meetings listening to people, residents, but the various Councils held firm in their beliefs and the that the projects had enormous economic development opportunities for the city. That would reach far into the future and today we are able to see that they were right on target. And it took a lot of bravery and courage in order to approve those projects. I consider Axon as the signature project category. And as important, the city should not be allowing in state and out of state union activists dictating what is built in our community Arizona is a right to work state and we should uphold this law.

On reflection of the referendum wording, the question was misleading and confusing. I even signed the petition, not recognizing it's deceptive nature until further researched and reviewed. I was approached at the farmer's market and whoever the petition person was said are we against all these apartments that have been built in Scottsdale, and I was, I think there's been a lot of big box bad apartments that have been built here. So, I signed the petition, and then my be husband was with me, like a good husband, he signed the petition too. So, there are two signatures on there that in hindsight we wouldn't have done. And I feel that both of us were duped, and I also feel that I was lied to, which I'm not happy about in retrospect.

Axon is an international cutting-edge corporation, we are fortunate to have in Scottsdale since 1993. Its net worth is \$43 billion with revenues projected to be 27-point 2.7 billion and Axon's desire is to build a world class headquarters, which will be another jewel and an economic engine for Scottsdale's crown. And they have been great corporate citizens and expansion only increased that value. It would be sad to lose Axon to another entity as we did with the Mayo Hospital campus, going to Phoenix.

So, in conclusion, I encourage the Mayor and Council to approve the MOU and quit wasting valuable time because time is money for all of us.

Mayor Borowsky: Thank you. Dan Isaac. Followed by Gail Golic and Leslie Lerman.

[Time: 00:27:27]

Dan Ishac: Dan Isaac, address on record. I'm here asking the Council to vote yes on the MOU. And I echo many Vice Mayor Kwasman's comments about why the city should. But let's be clear, we are here because Bob Littlefield, some short-sighted Council members and their controlled city manager, denied residents the right to vote., they denied Axon the right to have a speedy resolution, and because of that denial, our state government, once again, overreached, like they did with short-term rentals, like they did with ADU's, like they did with adaptive reuse, like they did with school funding, the list goes on and on. But we now have an agreement that's far less than what Axon originally came to. Far less than what Axon negotiated last December. And it includes ownership opportunities, and more open space and more amenities for the city, it is a good compromise.

More importantly, where will we be if this doesn't get approved? Well, there are only two futures. One is the TAAZE lawsuit fails. If that lawsuit fails, then Axon can pretty much do whatever the heck they want. They're not limited to 1,900 apartments. I believe Axon will be a good corporate citizen as they've demonstrated over the past and will comply with the originally approved plan, but they can do what they want and we will have wasted valuable time and have 1,900, at least, instead of 750 apartments, 750 condominiums. The other alternative is the lawsuit is successful. If that happens, Axon potentially leaves the city. Taking hundreds of high-paying professional jobs. Having a multi-billion-dollar negative impact on the state and multi-million annual impact on our city. And they will then sell the property to a developer who is going to maximize their return. And instead of a beautiful campus, we will have a bunch of soulless boxes of warehouses and logistic centers which don't require a single change to our zoning. It might have less traffic, but it will have semi-trucks, light industrial trucks, 24 hours a day. That is not an improvement.

And I want to reiterate, I do not understand on what planet, Kathy Littlefield, who is immediate family member, is a party to a lawsuit against our city, is allowed to vote on this. And Barry, I don't want to hear your opinion, you're not an attorney, there has been nothing documented saying there isn't a conflict of interest, and since you're the only Council member who have been proven guilty of violating ethics and lies on a regular basis, your opinion on the conflict is akin to Jeffrey Epstein commenting on consent. Thank you.

Mayor Borowsky: Thank you, Dan. Gail Golic, followed by Leslie Lerman, Tim LaSota and last we'll have Gabby Hitchcock.

[Time: 00:30:52]

Gail Golec: Madam Mayor, Councilman and women. My name is Gail Golic, resident of Scottsdale and state committeemen for LD3. I'm here to speak on this new MOU. This MOU eliminates Axon's only water obligation, the requirement to transfer 3,000-acre feet of long-term storage credits to the city. That 3,000 acres of footage was the only water-related commitment attached to this project. You are

now being asked to approve an MOU without any requirements at water requirements at all. But even more important is what the city has already admitted to me in writing, and the city's official petition response dated November 4, 2025, Scottsdale confirmed the city has no documentation showing where the water for this project will come from. The city has no 100-year water calculations, the city has no current water portfolio analysis on file. The city has no enforceable water commitments from Axon.

Although I wrote this and I understand that Axon is no longer required to do this, so this city the city of Scottsdale is required as a designated water source to provide this information. And the city is relying on the 2013 analysis, and the supporting documentation is not in the city's possession, and if it is, they are not providing it to me. This is not speculation, these are by your own city manager's written admissions, so today the Council is being asked to remove Axon's only water obligation while the city is already acknowledged it has zero documentation showing the 100-year water supply for this document. As that directly conflicts with ARS 45-576, which requires a demonstrated 100-year assured water supply before the city enters into the development agreements, zoning approvals are or any development action. Under that statute, Scottsdale cannot lawfully approve this MOU. You cannot lawfully modify the development class or restructure obligations. Without first providing the public with identified water sources, 100-year demand modelling, any binding water commitments and confirmation from the ADWR that this project fits within Scottsdale's DAWS. None of that exists today. And the city has already admitted it does not exist.

Therefore, a yes vote on agenda item 2 would be taken in violation of ARS 45-576. It would knowingly advance a project with no demonstrated 100-year water supply and it would be legally will challengeable and subject to review by the Arizona Department of Water Resources. I urge you to vote no until the city produces the documentation required by law. I realize that things can, you know, happen actually in the background and you guys can come up with documents, but the reality is that no documents have been provided, and if you can get the documents that proves they have the water, go for it. Follow the law, you have an obligation to uphold the law as Council members.

Mayor Borowsky: Thank you. Leslie Lerrman.

[Time: 00:34:39]

Leslie Lerman: Thank you, Mayor and City Council. My name is Leslie Lerman, and I'm a board member at Scottsdale's Stonebrook II. Of course, in order to be on the board I need to own a property there, and we do, but I need to make it clear that I'm speaking on behalf of myself as a homeowner and not for the board of directors. We haven't taken, we haven't polled the community, and we don't know what every community member thinks, and so it wouldn't be right for me to say I represent all of them. But I can say that I've been here before, concerned about the residential density. I can't believe how much time has been invested in this process, I think I was naive about the whole political process.

In addition, there are legal matters that need to be resolved, I'm not even going to speak to that. Nor am I here to request lowering the density. I think that the group that has been meeting with Axon has

accomplished as much as they possibly can. Remember it's a two-way negotiation. You can't just keep saying no, we only want 500 residential units. There has to be a compromise, and I give Axon credit for the concessions it has made. They have in many areas dug deeply. I think everybody has heard the saying that the end of a successful negotiation leaves everyone unhappy. And I think that's the case here.

My reason for being here is to remind everyone of some specifically negotiated concessions on the part of Axon. They aren't listed, that doesn't mean you don't intend to include them. I just haven't seen any reassuring sign. So here are the three things I'd like you not to forget. Ensuring that Axon workers and visitors don't have access, direct access into their campus from either Mayo/Union Hills or 82nd Street. The last plan I saw, had that blocked off with a tall planted berm. The other is moving the tallest buildings away from the residential development, these are all single-family homes, about 175 of them. And no one wants people in the tall buildings looking in their backyard or their back windows.

And the last is, creating a wide, tall planted berm to provide privacy, and that would be along the north side of Mayo/Union Hills. So, I want to look you in the eye and say, Axon, Mayor, City Councilmembers, we are asking you to honor those commitments. Thank you.

Mayor Borowsky: Thank you very much. Tim LaSota.

[Time: 00:38:11]

Tim LaSota: Good afternoon, Mayor, members of Council, I'm Tim LaSota on behalf of TAAZE, Taxpayers Against Awful Zoning Exemptions. I urge a no vote on items 2 and 3. I want to talk briefly about the referendum. We have kind of heard some words of what I would call the defeated arguments against the referendum. Out of state money, union interests, special interest, those are all the arguments that have been made already, they already failed and that's what people say when they lose the argument. Is they they say, well, it was this or it was that. It was unfair, someone misled me. Not true. I helped draft the language for it, myself. It was perfectly honest, and it got 27,000 signatures. And that is no small feat. I know all of you carry those clipboards around and get signatures from voters. It's not that easy. So that is a huge accomplishment, and it should count for something. It should be honored by the Council, the Council should fight for the voters and fight for their right to be heard.

In terms of this it looks like with this MOU and the item No. 3, the self-certification program, it looks like the Council would be following suit with what the Arizona legislature did, and the Arizona legislature decided they would create a special law for one company, and that was an extremely disappointing, dark day, I think, for our legislature. I don't think that should happen here in Scottsdale. I think that's exactly the wrong thing to do, and I know there's a lot of talk about density, the number is too high, but that's going to be remarked on a lot. But I think more than anything, the thing that just stands out to me is now we have this self-certification program. We have the Axon statute and the Axon ordinance. City of Phoenix, write live has had a self-certification program for many years. A lot of people like it, gets some good reviews, but not limited to one company. Anyone can use it. I've never really heard of just saying, we are going to implement this entire new program for one company.

So, I think at the end of the day, this is just more of what we have seen already, and that's when Axon does not get its way, it demands to be treated in a special way that nobody else is treated. I would urge a no vote on 2 and 3, and I think Scottsdale needs to fight for its ability to have to be able to determine its destiny and not have that dictated by legally in my mine, but I'll talk on agenda item 5 in a few minutes, illegally by the Arizona legislature.

Mayor Borowsky: Thank you, Gabby Hitchcock and then Josh Isner.

[Time: 00:38:42]

Gabby Hitchcock: I'm Gabby Hitchcock, a resident of Scottsdale. City Council members, you had an extra meeting today just to repeal an ordinance backed by 26,000, but looks like it's much more than that, and the petition signatures and replace it with one that gives Axon everything it wants, posting this late on a Friday shows you are acting against the citizens you represent. Scottsdale voters have already removed Councilmembers for approving smaller projects than this. I may have made a mistake in my votes. Reject this giveaway, protect our city's character and join the TAAZE lawsuit to defend our right of referendum. Scottsdale belongs to the citizens. Not to Axon.

Mayor Borowsky: Thank you. Josh Isner.

[Time: 00:42:01]

Josh Isner: Can we get this to work on this side here? Madam Mayor, Council, nice to see you again. Mr. Kwasman, Vice Mayor, thank you very much for your statements already. Mayor, you posted two hours ago that you wanted us to arrive at a deal with TAAZE. This is a text from TAAZE's representatives this morning. We did not agree to 500 units over the weekend. They came back and they panicked and proposed us this deal. So, Mayor, if you want us to agree to this deal with TAAZE, it's right in front of you, make the motion for 700 units instead of 750. We'll agree to the 60 months on the next 200 and we have a deal. That's what you asked for, and we are willing to do that deal. What we're not willing to do is let TAAZE parade around in their self-righteous fashion, saying we cancelled an election and all this other stuff when they are proposing a deal that I have here that I can prove to you is from TAAZE that will cancel the election.

So, let's just forget that narrative moving forward, it is patently false, they do not care about the election. They are so panicked we are going to beat them in court and go to the state legislature as Mr. Kwasman just articulated that they are willing to walk away from all of this over the last two years over a 50-unit reduction. Okay. So that's the deal they've proposed. We are willing to do it, it's exactly what you asked for, Mayor, all you have to do is motion to update the numbers and we will agree to it right here.

The second thing I'll say is, Miss Littlefield, I mire you, you've been great to our community where I live for years and years as a member of the DRB, you were very good to us in a dispute with our homeowner's association, but Miss Littlefield, your husband stood up out front of Council, after the last

vote, and said my case will be stronger if the city joins this election. That's what he said on TV. I don't understand how anyone on this earth could deem it appropriate, knowing it's your husband who is already a party to the suit, to say you should be voting to join that same lawsuit. I just don't think that is fair, I don't I have tremendous respect for you and the service you have put forward toward this city, but I do not think that is fair. Thank you very much.

Mayor Borowsky: Thanks, Josh. And I think Steve Sutton, one more speaker.

[Time: 00:44:38]

Steve Sutton: Steve Sutton, address on record. Good afternoon Honorable Lisa Borowsky, Mayor of Scottsdale and other Councilmembers. As Tom was just mentioning, I'm one of those petition collectors, but not about Axon. Entirely different but trying to protect Scottsdale, but more about that later. Facts supported reality and a motion supported perception can have equal power and influence, the beliefs and actions of individuals. Either can be at any time more powerful in influence than the other. Regardless of the opinions, the members of this Council, city policy or what criminal or civil law may determine, not to be a conflict of interest, the perception of an increasing number of Scottsdale residents is that a conflict of interest exists. I and other residents do believe, Councilwoman Kathy Littlefield has a conflict of interest in discussing and voting on matters, pertaining to Axon due to the activities of her spouse, Bob Littlefield.

Councilwoman Littlefield has said, quote, I am my own person and defending herself from the accusation of having a conflict of interest. However, being Bob Littlefield's wife provides legal protections to her and her husband that could conflict with the interests of Kathy Littlefield Scottsdale constituents. At some point in the future, testimony in court may not be available due to Littlefield's having marital privilege protecting marital communications from being revealed and preventing testimony against the spouse. That could be detrimental to the City of Scottsdale in civil case 2025-03-4961, Taxpayers Against Awful Apartment Zoning Exemptions, versus state of Arizona, City of Scottsdale et al. Kathy Littlefield should recuse herself from any City Council discussion or vote on matters pertaining to Axon and civil case 2025-034-961.

So far, this Council's actions regarding Axon are a perfect example of the German word for attempting to make something better and making it worse. For over 23 years, a de facto family dynasty seat has existed on the City Council. That type of situation is rarely good for governance of the city the size of Scottsdale. Scottsdale is a city large enough to have an ample number of qualified individuals that could give good service on the Council. I believe this Council has got the attention of those qualified individuals. Kathy Littlefield has given good service to this city, but this is not about past deeds, this is about the current situation.

And I have one last statement for you to contemplate. I know you know what this is. Cartago delenda est.

Mayor Borowsky: That concludes the speakers. So, I'm going to talk about what's been going on here. As you all know, we have been working on this since we took office, since January, and this has been a very long conversation that's been a huge divisive issue for the City of Scottsdale. I feel for excuse me, for Axon and, you know, being put on hold, and going through this process, I also feel for the residents who are so invested in the outcome, in the opposite direction.

So, over the weekend, Josh Isner just talked about some negotiations we were still having over this last weekend. It is true that I want to see this matter resolved, and I want to see this matter resolved where everyone can live with the outcome, and there's going to be finality with the outcome, and so with that in mind, when we originally talked about 750 apartments, 750 condos, I got notification from TAAAZE if we approved this MOU, that they intend to do another petition drive and refer it a second time. So that is not finality for me. That is absolutely not finality, and I do not want to see this mess, really, continue. I want to see it wrapped up and I want people to go on with their lives, and I want TAAAZE to build their headquarters.

[Time: 00:49:57]

So, with that in mind, I met with Rick Smith of Axon, over the weekend and their attorney and we did come up with an agreement, Josh, I understood, that we came up with an agreement through the I had also Tom Hatton was talking to both Rick Smith and to TAAAZE. I understand there was a DL for 500 units, which to explain that further, TAAAZE, the opposition group, committed that they would stand down, they would not refer it, and there would be finality. Pretty good result. 500, 500 apartments, and then as many condos, up to -the number of condos were not identified yet.

So, you know, unbeknownst to me, TAAAZE fired off some communications to Axon, which essentially blew up what I understood to be the agreement. So, I'm extremely disappointed in that result because I thought the number 500 was a good number with the understanding that build a great project, come back, come back in a year or two, whenever you want to do some additional apartments, and sell that case to us. So, where I stand right now, is not in favor of this, I'm not in favor of having another referendum, and I don't want to take that risk. So, Josh, that's a great update, I really want to understand what this is and hear more about it and get confirmation. I don't think it's fair to do that without the other parties that are threatening to refer a decision like this again, and we can trust that they've done it once, I don't know why they wouldn't follow through with that a second time. So, I'm going to, I'm going to move to take a ten-minute recess. So, we can go have some discussion about this.

Vice Mayor Kwasman: Second.

Mayor Borowsky: All those in favor, please indulge me with your confirmation. Voice vote. Okay. Thank you. We're going to recess for ten minutes.

[Time: 00:52:26]

Mayor Borowsky: Sorry for the delay. We have been busy in very serious discussions about how we can

resolve this item No. 2. So, I know there was some a bunch of speakers on here. I'm going to go down the list, Councilwoman Whitehead.

Councilwoman Whitehead: Well, good evening. I'm going to keep it somewhat brief based on how we end up here, but I will just say having been involved in this for a long time, I do want to thank everybody on both sides, and, again, it seems like a year ago that Vice Mayor Kwasman spoke, but just remind everybody here and whoever is watching that this vote is about whether or not the City Council accepts an MOU to significantly reduce apartments and add condominiums, which is something a lot of our residents want, that middle housing, and keep the many investments that our community will get from the deal that was negotiated last year. Many of us here in last year's Council and this year's Council worked really hard with the residents of Stonebrook and with the residents generally to get some of these investments which include a dog park, a walking path, this is an area that doesn't have a lot of walkability and connectivity. So, this deal will include all of that.

Also, really important, some traffic abatement and one of our public speakers mentioned that. So this deal does include a road to keep the neighborhood and Axon's traffic separate. I think that what we're and the alternative, again, this is not about zero apartments and zero development. Why that's not on the table tonight. What's on the table is a local controlled negotiated deal that is a win for all parties, and actually, to counter one of the speakers, you can negotiate and have everybody happy more or less, but not everybody gets exactly what they want. So that's definitely the intent here.

[Time: 01:24:29]

The alternative is to allow the state law to take on a fact it isn't a fact, have Axon build to that state law, which means roughly 19-up apartments. So, it is my goal, it is my aim to see this Council do what we are elected to do, which is solve problems and create a win/win. I won't go into all the benefits right now, but clearly we want to keep an employer like Axon here, we are facing a lot of head winds on the economy and also want to have the highest quality development, having a world class city and have a global leader in public safety is really a good match.

I will say just briefly that Axon not only keeps our residents safer based on the numerous public safety people that spoke during the course of many meetings, but also keep our police officers safer, so we are real excited about that. So, I am supporting I'm waiting to hear the final motion, I don't have a motion, but I support local control, I support keeping this important employer here, I support protecting the neighbors most closely impacted and the residents everywhere and support referendum process. That's how we got here, the referendum helped bring Axon back to the table and helped bring a better deal to fruition. So, I'm going to leave it at that for the moment, but thanks everybody for your patience.

Mayor Borowsky: Thank you, Councilwoman Dubauskas.

Councilwoman Dubauskas: Thank you, Madam Mayor, thank you to Axon for coming out tonight and thank you for being a major employer in our city. We appreciate the service that you provide to the City of Scottsdale, we appreciate the service that you provide worldwide. You are a known leader in your

field, and we are proud to have you here in the City of Scottsdale. So, thank you for coming out and appreciate all your employees as well coming out to show that you support your employer.

As a member of the Economic Development Committee, I'm proud to work with a variety of employers throughout the City of Scottsdale and promote business in the City of Scottsdale. So, it is it is a wonderful thing to have an employer like Axon who is a market leader in our city. So, I just wanted to say thank you very much to Axon.

My concern with this project has always been the number of units in that particular area, as well. It was zoned no multi-family, and so I remain concerned about the number of units, but I'm very much interested in keeping Axon, very much interested in the hotel and the opportunity that offers their business to bring conventions to the City of Scottsdale and so with that, I just wanted to say thank you to Axon tonight.

Mayor Borowsky: Thank you, Councilwoman McAllen.

[Time: 01:27:24]

Councilwoman McAllen: Thank you, Mayor. I too would like to thank all the parties involved, Axon, my fellow Council members, as well as the citizens who took the time to come out and voice either their opposition or their pro for this, because that is what the process is all about. You've heard a lot tonight from the dais about that process being removed from the citizens, so we hear some of your concerns, obviously, also need to make sure that we help the legislature understand that local control is always the best option that we want our citizens, our City Council to actually affect the city we live in. And so, with that being said, I appreciate all the work that Axon has put in to coming back to the table with this city.

I do think someone mentioned before about the city losing Mayo Hospital to Phoenix. We have also lost other things to Phoenix. It's like Chandler back in the day. They almost lost Intel, it took Council members to make really bold decisions, and with that, I'm going to say I am going to support the MOU and I would love for Axon to stay in Scottsdale, I am glad to see the number of units go down because the citizens voiced that concern, but the fact we are working earnestly, right here in front of all of you to try and make this work so our city can have what's best for our city an employer that will be a good communal supporter. Someone that's going to support events throughout the city in the future. That will sponsor events and be here for the citizens of Scottsdale as well as their neighboring community. And more importantly, they support our public safety, and that is truly what is important. So, thank you.

Mayor Borowsky: Thank you, Councilman Graham.

[Time: 01:29:36]

Councilman Graham: Thank you, Mayor. I want to make a few remarks tonight, and I want to start by saying this is not about Axon the corporation. This is not about their global headquarters, which we support. Axon bought the 74 acres where they are today with a deed restriction that there would be no

multi-family housing and the price was adjusted accordingly for that discounted accordingly for that restriction. And in 2020, it was zoned industrial with a height of 52 feet. Axon wanted to go bigger for their global headquarters at that point, and they did a lot of back and forth and negotiations in 2020, and I was on the Planning Commission at that time. And I voted to increase, rezone Axon's land in 2020 as a member of the Planning Commission 58 percent, I voted to increase it from 52 feet to 82 feet. I did that because we wanted to keep Axon in Scottsdale, and that meant for them to have the headquarters that they desired. In that vote in 2020 I also voted for a reimbursement for infrastructure. So, it's not about Axon as a corporation.

I feel like this process is rushed. You the public were given notification approximately 72 hours ago on a Friday afternoon, I know there are reasons for that, but it doesn't feel like there's an emergent reason and that you should have had more time to review this.

I want to stand up for my colleague, Councilwoman Littlefield. Some aspersions were cast against her, and I'm going to repeat it that it is totally debunked, according to our legal department, that Councilwoman Littlefield has a conflict of interest. That has been scrutinized and vetted.

I also want to address one of the arguments that if we deny this tonight that Axon will just go back to the legislature and get something that's less special, and then we will get 1,900 or 2,000 apartments. See, here's the thing, the possible legislation that they're talking about would have to be broader. And that means it would include more cities and more towns. And what that would do is drag more cities and towns into the fight to be concerned about it. Something else that should be people should be aware of, since Senate Bill 1543 was signed, many legislators have felt the sting from their voters. So we don't have any clue we have no clue what their appetite for an amendment or alteration to the legislation would be. I want to go and ask the city attorney now a few questions.

[Time: 01:32:54]

First of all, a very basic question, this is called a Memorandum of Understanding, I'm not an attorney, when I look up the term memorandum of understanding, it defines it as a formal nonbinding agreement between two parties that outlines their mutual intentions or objectives. Can you please explain to the public how this memorandum of understanding is binding and contractual.

Interim City Attorney Luis Santaella: There is sometimes a misunderstanding that a memorandum of understanding is not binding. They can be nonbinding, but any time you have a contract that has offer, acceptance and consideration, it's binding. So, in this case, there's an offer, there's acceptance and consideration, therefore this memorandum in particular is binding, because Axon is giving up something, we are giving up something, they're getting something, we are getting something, there's definitely an offer and acceptance and consideration.

Councilman Graham: If it is binding, is it referable?

Interim City Attorney Luis Santaella: So, you're asking me to provide legal advice on that's not something

I can address in the public. Ultimately whether something is referable is something the courts would have to determine, but generally administrative acts are not considered referable.

Councilman Graham: I asked you some of these other questions, I'm going to ask earlier and you gave me answers, but it was privileged, so I want to ask it and then you can answer it to the best of your capacity as far as what's legally appropriate. In this MOU, we are repealing another ordinance. Can we repeal another ordinance for an upzoning for an applicant. Can we legally do that?

Interim City Attorney Luis Santaella: Yes, absolutely. The MOU itself is not repealing the ordinance, it's asking it to be agendized for consideration. Which it is agendized for consideration tonight. One of the additional items tonight is the zoning Ordinance and that can, indeed, be repealed by the Council. As the Council has done in the past, I think Southbridge is an example of that.

Councilman Graham: What I thought with Southbridge too, that was 2019 where there was a referendum on that, 15 stories downtown, I understood the applicant withdrew it, so I guess my concern here is can applicants can if we vote on this, do we have to come back another meeting to repeal the ordinance, or is that done tonight?

Interim City Attorney Luis Santaella: It's done tonight sir.

Councilman Graham: If we repeal that Ordinance, does that take away the referendum signed that has 26,000 signatures?

Interim City Attorney Luis Santaella: Yes, it would.

[Time: 01:35:43]

Councilman Graham: If we remove the ordinance tonight, and the courts rule that 1543, courts rule against 1543, do we have any legal exposure because we have taken legal rights from them?

Interim City Attorney Luis Santaella: No, because they're unrelated. The referendum is strictly based on the zoning ordinance. Without 1543, the City Council could have at any time repealed the zoning ordinance and negated the right to referendum. 1543 is just an additional kind of legal complication, just like with Southbridge, I don't believe there's any state legislation pending on the horizon in that situation.

Councilman Graham: Section 13, water pumping and sewer lift stations, it says the applicant may elect to build these critical facilities to city standards and dedicate them to the city. It says the language is it may elect. If Axon chooses to lower standards, the city and its rate payers could be left for substandard infrastructure. Can they choose, can they build to can they build to a standard below the city standard?

Interim City Attorney Luis Santaella: So, Mayor, members of the Council, the intent of that section is we will only take that infrastructure into our ownership and into our operation if it meets our standards.

They still have to meet the codes on the books for any private commercial development. So, the idea that they would be below standards, I don't think that is accurate. They just wouldn't necessarily be to our city municipal standard operations, they have to meet whatever the code standards are.

Councilman Graham: If they don't meet them, what do we do ask, do we have an enforcement mechanism to upgrade them.

Interim City Attorney Luis Santaella: Only if they want to turn them over to us. If they meet the minimum code standards like any other property owner, then they're on their own and they're subject to whatever problems those facilities might cause for them. They're minimal standards they have to meet.

Councilman Graham: So, speaking of water and sewer, that general topic, November 2024, during the lame duck session, there were five members that voted for 1,895 units apartments something like that, and in that development agreement, Axon was to bring 3,000 acre feet of water. Does this MOU remove that requirement?

[Time: 01:38:29]

Interim City Attorney Luis Santaella: Yes, Mayor and members of the Council, it does.

Councilman Graham: And what do you think the market value of that bringing that kind of water to our city might be?

Interim City Attorney Luis Santaella: I would have to defer to the city manager because I don't know.

City Manager Greg Caton: Madam Mayor, Councilmember Graham, regarding the acre feet as you referenced, 3,000 was in the originally approved approximately a year ago. Just for context, I'll provide the City Council that requiring additional acre feet is fairly unusual. The thought process at the time was how we arrived at the 3,000. I believe that's important for the discussion purposes, and my understanding that we did calculations and anticipated over a five-year period, based upon the development, as proposed at that time, it would bring a demand of approximately 600-acre-feet on an annual basis, and therefore for five years, which was what could be acquired, that's how the 3,000-acre-feet came about.

Councilman Graham: Mr. Caton, respectfully, if you have a market value, if you don't, that's okay.

City Manager Greg Caton: Madam Mayor, Councilmember Graham, so that's important to put in context, the acre-feet, and then what I would add to that we don't buy our water that way. This is also a storage credits, and we have approximately 277,000-acre-feet in storage credits. To put the 3,000-acre feet, it's much like a savings account for water services. So, in context 8,000 acre feet were submitted into our account, if you will, added to our account for last year, again, we don't buy them.

Councilman Graham: So, it's basically five years of what we predict the buildout facility to use.

City Manager Greg Caton: At 1,900 units. So, I think should there be discussion of a different unit mix, then that acre footage certainly changes. Thank you, Madam Mayor.

Councilman Graham: Thank you, Mr. City Manager. Back to the city attorney, the self-certification clause in this, is the first time we have done that for any applicant in the city before?

Interim City Attorney Luis Santaella: Yes, Councilman Graham, that's the correct.

Councilman Graham: And what would be the benefit to because I don't know whose idea this was, but what would be the benefit to the applicant for receiving that.

[Time: 01:41:04]

Interim City Attorney Luis Santaella: There are various potential benefits, and I would point out in the ordinance that the licensed engineers and architects have to be mutually agreed upon by the parties. It's not a unilateral decision on who to use. So, the benefits are and in the cost of these people would be borne by Axon, it would not cost the city money. The benefit is that that Axon has people that they can rely upon to accomplish the inspections and not be concerned with potential delays with city processes or city staff or concerns that the city might delay the project for some reason. Those are the potential benefits from an Axon standpoint.

From a city standpoint, it's limited in that there's very few properties that could be international headquarters in Scottsdale. There's more than one, so it's not a special law, our ordinance because there are at least three other properties that could be developed international headquarters processes. From the city standpoint, it relieves our personnel from having to work or inspect these projects. I understand that we have fairly heavy caseloads. There is some obvious concern with city staff placing that control in an outside agency. But it's basically something that was important to Axon, and it's limited in scope to such few properties, I don't think it materially impacts our inspection and permitting processes, but I could certainly defer to City Manager Caton.

Councilman Graham: Just for the record what I heard you say, some of our internal staff are uncomfortable with it, but it was important to Axon and so we did it. And so, it sounds like they're getting something, I just wondered what we're getting. Just I'm just expressing my discomfort with that.

Interim City Attorney Luis Santaella: Understood.

Councilman Graham: I don't know what the unit count is. The last I saw was 1,500, but that may have changed since, you know, in the past 30 minutes. Can Axon legally, for any condominiums for ownership units they put in there, can they use those legally as short-term rentals?

Interim City Attorney Luis Santaella: Yes, they could.

Councilman Graham: Could they legally open could they legally acquire those units, condominium units

in an LLC and lease them like any other investment lesser?

Interim City Attorney Luis Santaella: Presumably, yes, as long as they don't put it all depends on what kind of CCR's they put on those properties.

Councilman Graham: I want to talk about a couple of more things and wrap up my comments. Section 19 is, section 19 is a City Council liaison where we appoint the City Council economic development chair as liaison between Axon and City of Scottsdale. And that when I saw that, that just seemed very kind of jumped out at me. Have we ever done anything like that in the city to your knowledge?

Interim City Attorney Luis Santaella: To my knowledge, no.

Councilman Graham: It appears to endow one Councilmember with a significant amount of power, and it almost seems like it turns him from into an agent. If he's the liaison, who appraises his or her performance and is he or she giving orders to staff. It gives me discomfort to think about if he may be directing people and, you know, I see our job up here as governance, not management. We shouldn't be executing these. And so, if I could just sort of sidestep this a little bit and make a motion to delete that provision from this MOU, if my colleagues would indulge me and we could kind of delete that and that could be removed from the agreement. So, I'll move but then I'm not done with my comments. I would make that motion.

Councilwoman Whitehead: I'll second that.

[Time: 01:45:49]

Councilman Graham: So, we have a motion and a second. Ben, is that a motion, clear to you what we're saying? Okay.

Vice Mayor Kwasman: I'd like to speak to that motion. If that's okay.

Mayor Borowsky: Councilwoman Littlefield. Let's go down the list real quick, she's been waiting.

Vice Mayor Kwasman: I want to be respectful to Councilwoman Littlefield's place in line.

Councilman Graham: I have more comments to make, but I wanted to make maybe I can make this motion at the end of my comments. I'll make a few more comments and put the motion on the floor for us to debate. Thank you.

Mayor Borowsky: Thank you, are you still...

Councilman Graham: Still going. I'm almost done.

Mayor Borowsky: Still going.

Councilmember Graham: Almost done with my sermon. I have concerns about this MOU, I think the compliance language is weakened by some carveouts in the document. Very strong, very grave concerns with removing a referendum signed with containing 26,000 signatures. Concerned about the removal of the water, and I'm also concerned about if we do this, are we telling other commercial interests if this Council doesn't give into their desires, that we they can just head over to the legislature and get legislative relief and go around us.

I do agree with Leslie Lerman from the Stonebrook 2 HOA, negotiations should be two ways, but through this process, too many residents have told us that this has felt one way. Instead of guiding growth, they tell me, it feels like the process has overridden it. So, I appreciate those are my comments at the time being, there's a motion and second on the floor. Thank you to my colleagues I know we'll debate the motion, I appreciate my colleagues for voting on it.

Mayor Borowsky: Thank you, Councilwoman Littlefield.

Councilwoman Littlefield: This really isn't regarding the motion so much as some of the comments that were made earlier. I would like to let you all know that my ability to represent the citizens of Scottsdale regarding this issue has been reviewed previously. And I draw upon our city attorney for his conclusion, which he gave to me earlier. City attorney?

[Time: 01:48:45]

Interim City Attorney Luis Santaella: Honorable Mayor and members of the Council. Councilwoman Littlefield asked me to publicize the fact we have evaluated whether she has a conflict of interest in this matter and determined that she does not have a conflict of interest in this matter.

Councilwoman Littlefield: Thank you, I do not. I am a separate person from my husband. He does his thing, I do mine. And it is in my own right that I have listened up here to the comments and the considerations and the wise and the where's and how's and who's and made my own decision. The only other people who have interested me are the citizens of Scottsdale. I listen to them. And they are very forthcoming with their opinions and their reasons and their whys and wherefores. I have well over 1,000 e-mails still waiting for me to answer after the last three days, I have spent entirely answering their e-mails, regarding this issue, Axon. They are very concerned. They do not want this expansion of Axon, and that is everyone who e-mailed me and there are thousands. Except one person who wanted it. That is who I listen to. The citizens of Scottsdale. I do try to represent them, and I've spent almost four full days reading their e-mails and I haven't come to the end of them yet. They're still there waiting for me. So far, and with the exception of one, all citizens have said no to this. Every single citizen. No.

As their representative, it is my job and my duty to listen to them. With such overwhelming negative input, I will not support this. It is, let me get where I am here. It is against what I swore I would do as their representative. I represent the citizens. That's who I am. And I will continue to do so. I am not

against coming back to Axon and saying let's renegotiate, let's look at this, how can we bring this more in line with what our citizens want so we can all live in peace, because we are not going to with this, let me tell you, guys, they will not be happy. I am open to that kind of a negotiation, but I cannot actively and directly vote against thousands of Scottsdale citizens who have e-mailed me and asked me to say no. Thank you.

Mayor Borowsky: Thank you. Vice Mayor Kwasman.

Vice Mayor Kwasman: Thank you, Madam Mayor and members of the Council. I do not find Councilmember Graham's motion a hostile motion. I'm in support of the motion and happy to remove it from the memorandum of understanding or designate the city manager as the liaison.

Mayor Borowsky: Thank you. Councilwoman Whitehead.

Councilwoman Whitehead: I think I'll make my remarks after we vote on Councilman Graham's motion.

Mayor Borowsky: Okay. The motion on the table is to remove the Council liaison from the MOU. All those in favor? How about we take a voice vote. All those in favor. There we go. Okay. Thank you. All right. I don't see any.

Councilwoman Whitehead: I lost my spot.

Mayor Borowsky: That's okay. Go ahead, go right ahead.

[Time: 01:53:08]

Councilwoman Whitehead: I just want to wrap up on a couple of things that were mentioned, there was a lot of talk about the number of units, and the density. So, I did just want to give people a little bit of perspective there. I came in this evening having been part of a negotiation that was 750 condos and 750 apartments, and that's a really important distinction. Again, all of those community investments, and I can tell you that I personally have spent thousands of hours with residents, and as one can imagine, 240,000 residents don't all agree on anything. I have not received a thousand e-mails, but I have spent over the last couple of years, thousands of hours with residents. There is support and there's opposition.

Let's talk about the density, the numbers that I have that I support, which are significantly lower than what the state will allow. The density is 21 about 21.5 units per acre, and as comparison, there are projects in the air park, in that same region that are 60 units to the acre. So, the density here has changed so dramatically, and people are so upset about the upset about the original number, it got lost in the negotiations. I also want to stress that, again, the community has been very involved. We all are up here representing residents. Residents don't all agree on everything, and I think the former employee spoke beautifully about change, we choose Scottsdale, we love Scottsdale, change upsets everybody, and the incredible opposition to the waterfront, reminds me of tonight's decision. The waterfront saved our mall, it is one of the most vibrant and economically beneficial spots in our city. It was a height,

150-foot towers, for open space trade and that Council, at that time, Mary Manross was Mayor, went ahead and did not that. What we have here today is dirt on a freeway that is not productive, not helpful to the neighbors, not helpful to anyone, and it will be developed, just look a couple miles east and see what warehouses look like. So, what we are proposing here is not no apartments, that's not on the table, but what we are proving is something that's very low density for the area. Thank you.

Mayor Borowsky: Thank you. Vice Mayor Kwasman.

Vice Mayor Kwasman: Thank you, Madam Mayor. I move to adopt Resolution No. 13567, adopting contract No. 2025-195-COS. Between the city and Axon Enterprise, Inc. with the following modify kicks, why section 6 amended to amended, as previously amended by the last amendment. And then the following modifications. Section 6 is amended to reduce the total number of units from 1,500 units to 1,200 units, and of the 1,200 units, 600 will be apartments 600 condominiums. First phase will be 500 apartments, 100 condominiums, second phase will be 100 apartments, and 500 condominiums as designated in the MOU. The City Council authorizes the city manager and the interim city attorney to make conforming changes consistent with this modification. And before I finish my motion, with that sitting on the table, do I need to amend my motion, Mr. City Attorney, to discuss the to discuss the 48-hour aspect of it or is that coming in later?

Interim City Attorney Luis Santaella: Honorable Mayor and Vice Mayor, members of the City Council, you can when we get to that item, it should be amended appropriately just to say regarding the signature stuff. If that makes sense.

Vice Mayor Kwasman: Nothing else right now. Okay.

[Time: 01:57:43]

City Manager Greg Caton: If I may, Mr. Vice Mayor, I would suggest there was, I understand, a discussion about a proportional reduction in the commercial as it relates to the reduction on the reduction on the residential piece. So, it was to be commensurate with that reduction.

Vice Mayor Kwasman: Then I'm going to restate my motion if I can, Madam Mayor. I move to adopt Resolution No. 13567 adopting contract No 2025-195-COS as previously amended. Between city between the City of Scottsdale and Axon Enterprise, Inc. with the following modifications, Section 6 amended to reduce the total number of units from 1,500 units to 1,200 units. Of the 1,200 units, 600 of those units will be apartments and 600 units will be condominiums. The first phase will be 500 apartments and 100 condominiums. The second phase will be 100 apartments and 500 condominiums. Furthermore, there will be an appropriate proportional reduction of commercial of commercial space as in order to align with the reduction in residential buildings. The City Council authorizes the city manager and interim city attorney to make the conforming changes, consistent with this modification.

Councilwoman Whitehead: I'll second that.

Mayor Borowsky: Thank you. I don't see any other speakers, but I'm going to be supporting Vice Mayor Kwasman's motion. I think the parties have worked really hard to come to a number that is dramatically lower than what we inherited when we took when I took office. So going from nearly 1,900 apartments down to 600, I think, is a positive result and especially with all the other moving parts, which you've heard so much about over the past eight, nine months, you know, even with the election, no matter the outcome, under the state law, they can do the 1,900 units or more.

So, I spoke earlier about wanting finality for me this is this creates finality on this issue. It gets the conversation moving in a direction of let's break ground and start construction. And let's go build a great project. So, I am pleased about that, I appreciate the effort, all of the efforts that went into it. We have all we've all worked fairly tirelessly on this, and, you know, that involves talking to all of the residents as well.

And I just wanted to touch on the self-certification element of this, I'm actually very excited about this. I like the fact that we are going to do a test case here. Especially when we have, we can have a role in this election in the selection of the individual. We are in good shape there. I know other jurisdictions have this, and they outsource the you know, those obligations to third party, and I think it's going to be great to see how that works. And I think that's all that I have. But I will be supporting the motion. So, without any further comments, let's go ahead and take a vote.

Councilman Graham: Point of order. Is this item No. 2, 3 and 4 or just 2?

Mayor Borowsky: Just 2. Why we have to go through 3 and 4. All right. Okay, that motion passes and moving right along. All right.

SPECIAL AGENDA – ITEM 3

[Time: 02:01:59]

Alright, item No. 3, the self-certification and third-party certification. This is a request was that in your motion? Okay. This is a request to consider Ordinance No. 4697 authorizing the establishment of a self-certification and third-party certification program for qualified international headquarters campuses. The proposed ordinance enables licensed professionals, architects and engineers, to certify plans and inspections. Applies only to projects qualifying under Arizona Revised Statutes section 9-461.19 and includes provisions for city oversight, audit rights and enforcement. And will be sunsetted on January 1, 2035, unless otherwise extended. So, I know we have a couple of speakers on this, let's turn to those, Gail Golic, followed by Tim LaSota and Gabby Hitchcock.

Gail Golic: Good evening, Madam Mayor and Councilmembers, my name is Gail Golic, and I am a state committeeman with LD3 and Scottsdale resident. This is basically we are going to be speaking the same the same thing that I mentioned before, but I want to reiterate this. I'm speaking on agenda item 3, which creates a self-certification third party permitting programs for large headquarter developments. This item must be considered a light of a simple but extremely important fact, Axon no longer has any

water obligation. That means Scottsdale must independently demonstrate the required 100-year assured water supply before it advances permitting for this project. And state law is absolutely clear on whether this excuse me, when this proof must clear. I want to quote the statute. A plat of a subdivision shall not be approved by a city or town unless the director has determined that the subdivision has an assured water supply.

And even more to the point, ARS 45-576H, a center town shall not approve a plat or permit the construction of a subdivision unless an assured water supply has been demonstrated. A self-certification permitting program is, by definition, a program that permits construction, therefore, under 45-576, it cannot be improved unless the city has already demonstrated the 100-year water supply. But Scottsdale cannot demonstrate it and has admitted so. In the city's November 4th petition response, Scottsdale confirmed it has no documentation identifying the water sources for this project, it has no 100-year demand calculations, it has no up-to-date water portfolio analysis, it has no enforceable water commitments from Axon, never mind, don't need it, and sorry Scottsdale is relying on the 2013 DAWS whose planning horizon only goes through 2025. That's only six weeks from now.

The city further admitted that the supporting documents for the that is no longer in its possession and ADWR has not approved Scottsdale's new the water supply plan. This means Scottsdale's 100-year water model does not extend beyond 2025. The city is outside its planning horizon and cannot show 100-year water supply required by law. Therefore, approving item 3 today which advances construction without a demonstrated 100-year water supply would violate ARS 45-576. It would move a development forward with no water obligations from the city, no proof of 100-year map and expire 2013 planning horizon. This exposes the city to legal challenge and ADWR review. I urge you to vote no on item 3 until the documentation is publicly produced. Thank you for your time.

Mayor Borowsky: Thank you. Tim LaSota.

Tim LaSota: I already spoke on this item.

Mayor Borowsky: Thanks, Gabby Hitchcock. I don't see Gabby Hitchcock. Anybody? No. All right. Moving right along. That concludes the speakers. And so anyone want to bring a motion?

[Time: 02:07:15]

Councilwoman McAllen: Mayor, I am going to motion. Request to adopt Ordinance No. 4697 authorizing the establishment of the self-certification and third-party certification program for qualified international headquarter campuses. The proposed ordinance enables licensed professionals, architects and engineers to certify plans and inspections. Applies only to projects qualifying under Arizona Revised Statutes Section 9-461.19, includes provisions for city oversight, audit rights and enforcement. It is proposed to sunset on January 1, 2035, unless extended.

Councilwoman Whitehead: Second.

Mayor Borowsky: All those in favor? Excuse me. Go right ahead.

Interim City Attorney Luis Santaella: Mayor and members of the Council, there is no delayed repeal date in the ordinance that was presented, I believe.

Mayor Borowsky: Do we need to do anything about that Luis?

Interim City Attorney Luis Santaella: The signed copy I submitted did not have a delayed repeal date. So that's the issue where the I believe the ordinance does not have a delayed repeal date.

Councilwoman McAllen: To clarify do I need to take out the proposed sunset date.

Interim City Attorney Luis Santaella: Yes.

[Time: 02:08:58]

Councilwoman McAllen: I'll strike the last sentence, is proposed to sunset.

Mayor Borowsky: Councilman Graham.

Councilman Graham: Sorry Mayor, thank you. It does is proposed to sunset January 1, 2035, so I just that's what I'm reading.

Interim City Attorney Luis Santaella: So there's an error on the agenda language, but the actual ordinance doesn't have a delayed repeal date.

Councilman Graham: Okay. So the okay.

Interim City Attorney Luis Santaella: So, the Council can adopt it either way, it could add it into the ordinance that was attached. Or keep it out. My understanding it's going to take Axon much longer than ten years or whatever to finish their campus.

Councilwoman McAllen: Then I choose to strike it from my motion.

Councilwoman Whitehead: I'll second the motion with that section struck out.

Interim City Attorney Luis Santaella: Just so the Council knows, Council can always come back and change Ordinances. This was just an automatically take it off the books.

Councilwoman McAllen: Mayor, I'd like to speak to my motion.

Mayor Borowsky: Go right ahead.

Councilwoman McAllen: For those of you in the audience, this is a very common practice to have third party certification, almost all the cities do it, especially on massive projects. We'll be entering into a new phase here in Scottsdale doing this, but it is a very common practice, and it's one that helps expedite. The reason why we do it, in other cities, through my research, is that we don't always have enough staff to expedite what's happening, enough planners, enough reviewers, enough engineers, so then when you have a third party doing it, it's just like over time for public safety. It helps expedite a process. But professionally, you use the right people that you need to accomplish the right goals. So, this is a common practice. I don't want anybody to think we are doing something crazy.

Mayor Borowsky: All right. All those in favor? Okay. Thank you very much. All right.

SPECIAL MEETING – ITEM 4

[Time: 02:11:19]

Next we have item No. 4, repeal of Ordinance No. 4658 relating to Axon rezoning, this is a request to adopt Ordinance No. 4698 which amends Ordinance No. 455, the zoning ordinance of the City of Scottsdale and authorizing the repeal of zoning Ordinance No. 4658, that would restore the prior zoning designation for 44.7-acre-site located at 8300 East Axon Way. And there's one speaker, Gail, did you want to speak again on this? No, okay. All right. So, I'll entertain a motion. Go right ahead, Councilwoman Whitehead.

Councilwoman Whitehead: Okay, thank you, Mayor. I move to adopt Ordinance No. 4658, amending Ordinance 455, the zoning Ordinance of City of Scottsdale and authorizing the repeal of zoning Ordinance No. 4658 which would restore the prior zoning designation for the 44.7-acre-site located at 8300 East Axon Way. I would like to are we going to used the date? I would like. I would like to add that we are requiring, this is repealed at the end of the business day on 11/19 when we receive the MOU a signed MOU, I'd like to add that to the motion.

Interim City Attorney Luis Santaella: Members of the Council, normally once absent an emergency, an ordinance is not repealed until 30 days. So, I don't believe we can used that provision.

Councilwoman Whitehead: Okay, thank you.

Mayor Borowsky: Okay. There's a motion. Councilman Graham.

Councilman Graham: Thank you, Mayor. So, I'm going to ask probably almost identical set of questions that I asked about this earlier, because for me, this is just trying to wrap my brain around this one. We are repealing, we are repealing a rezoning that was authorized during the lame duck in 2024 to reauthorize industrial to mixed use. And this undoes that, is that correct?

Interim City Attorney Luis Santaella: Mayor and members of the Council, yes, that is correct, it repeals the the zoning that's basically on hold because of the referendum, and it makes it go back to the original

zoning.

Councilman Graham: I'm trying to get to my point. This vote removes the referendum, is that correct because there is nothing to refer anymore. Is that correct?

Interim City Attorney Luis Santaella: Yes, that's correct.

Councilman Graham: I talked about this before, but we can't just in my mind, it's just strange that we would go and an applicant comes and asks for a rezoning and gets it and then we pass an ordinance to undo it. That, to me now in a normal circumstance normal circumstance, you can't do that because that's, you know, a downzoning, taking away property value from them, and then they can file a 207 challenge, which is the which is the I don't know if it's a Constitutional amendment, but it's a state legislation that says that cities and governments can't downzone and reduce the value of people's property. So that's the reason why we normally couldn't do it. Is that correct?

Interim City Attorney Luis Santaella: I think that's a good way of looking at it. The twist here is you have SB1543 that basically upzones it again.

[Time: 02:15:26]

Councilman Graham: Right. So, we go back and we say, okay, we're going to delete that rezoning from November 2024, and then it would revert to industrial. In that case, SB1543 says if you own industrial and meet all these conditions, then you can build, you know, apartments, it goes to the other zoning. Because of that, we don't think that there's going to be a 207 challenge because the property owner is going to be happy with what they get when this is undone, is that correct?

Interim City Attorney Luis Santaella: Yes, we don't believe there would be any diminishment of value.

Councilman Graham: What would happen in the case because I understand I don't know anything about it, other than the fact a legal challenge is happening, what if the legal challenge happens and the courts rule against Senate Bill 1543? Could and they say no you can't do that law. Could then the property owner come to us with a 207 challenge?

Interim City Attorney Luis Santaella: I can't speculate on that. We'd have to do the research, and I'd have to provide that legal advice in closed session or via legal memo. But it's a good point that you raise.

Councilman Graham: I just I know it's I know there's some kind of got to run through the scenario, but it seems to me that if I'm Axon, and the courts rule against 1543, the city just took away my rezoning, and then I'm then I'm not in a good place and then I may have cause to challenge what we did here tonight. So that's why this, especially this, in addition to taking away the referendum, I have serious concerns about this particular item, and so I might make a motion, if we can just defer this one for the time being and maybe come back next week and get some legal advice because I don't want to expose us you city attorney, your goal is to minimize liability. Exposure to the city, this could put Axon in hot water, this

could put us in hot water. So, I don't want maybe the benefit of a little more time, if I could move to defer this defer this item for the time being. If I could get a second.

Councilwoman Dubauskas: Second.

Councilman Graham: Thank you.

Mayor Borowsky: There was a motion on the table, but there was no second. Is that right?

Vice Mayor Kwasman: That's correct.

Mayor Borowsky: Let's deal with.

[Time: 02:18:15]

Vice Mayor Kwasman: Can I speak to Councilmember Graham's motion. Mr. City Attorney, sorry to bother you I assume you're walking to the podium.

Interim City Attorney Luis Santaella: No.

Vice Mayor Kwasman: I just want to remind everybody that TAAAZE was willing to withdraw all claims, including in support and in support voting against the referendum for a number higher than what we just agreed to just now. So further and furthermore, I would like to ask the city attorney, Mr. City Attorney, I seem to remember in Southbridge there was precedent for withdrawing a referendum prior to referendum being held, is that correct?

Interim City Attorney Luis Santaella: Yes, that's exactly what occurred.

Vice Mayor Kwasman: So there is precedence for this, I want to be clear, there's precedence for this and that the actual backers and founders of the organization to promote the referendum was okay with a number higher than what we agreed to today. So I just want to be very clear that everybody knows the real truth and to know that also Mr. City Manager, I want to ask two questions, if we if the referendum were held tomorrow, let's say, and Axon were to win the referendum, would they would we still be withdrawing the understand what we passed today, and the memorandum of understanding, would we still be withdrawing their development agreement, which would be the same outcome as if the referendum failed? It would be the same outcome, am I correct?

City Manager Greg Caton: Madam Mayor and Vice Mayor, I believe if I understand the question correctly, if we held the election, and the election repealed, is that the question? If it were to repeal, then we still have 1543 that is in standing.

Vice Mayor Kwasman: Which would put us back into the 1,900 apartment units that were previous. And so I am going to second, thank you Councilmember, I'll second, but I also want to say, if it were to

pass, we would still then be in the have the ability to negotiate the very ordinance that we just negotiated just now. Is that correct? I'm sorry, if the referendum failed, we would be able to still negotiate the very same MOU that we just negotiated?

City Manager Greg Caton: Yeah, fair amount of hypotheticals here, but Madam Mayor and Vice Mayor, if the referendum were to be held, and it failed, then one could argue that you would go back to the original Ordinance which stands at the 1,900, I would point out that stands in isolation from 1543 still being in existence.

[Time: 02:21:31]

Vice Mayor Kwasman: One with the development agreement and one without. At the end of the day, we are still at 1,900 apartments, which was the impetus for the referendum in the first place. With that, I we have the alternate motion on the table. I don't think I can second the previous motion until the alternate motion is voted on. So, I'll yield the floor.

Mayor Borowsky: City attorney.

Interim City Attorney Luis Santaella: Thank you, Mayor and members of Council. I've consulted with Council for Axon regarding the Prop 207 issue. They pointed out in the original application, there is a prop 207 waiver. They're also committed to completing a new one related to this project. Or this MOU. So just wanted to bring that to everyone's attention.

Mayor Borowsky: Okay, thank you, Councilwoman Whitehead.

Councilwoman Whitehead: I want to remind everybody, we are elected to solve problems, and I personally have been very involved in referendum, our citizen initiatives. So, 2018 I was one of the leaders of the Protect our Preserve citizens initiative, which did pass overwhelmingly. And when Southbridge 2 was approved, a very high-density development, I had voted no and supported the citizens referendum to repeal that. And rather than waste more time and more of your tax dollars, we resolved, we solved the problem right here on the dais, by repealing that ordinance. What we are doing today, as Vice Mayor Kwasman said, certainly has precedence, and it certainly is the more efficient route.

I just want to address the comment that the people who signed the referendum opposing the 1,800 plus apartments aren't being heard. So, first of all, they are being heard, because we have just substantially reduced the number and we split the units into condominiums and apartments. So, in fact, that referendum helped produce a better project that I think every one of us up here, whether or not we supported it tonight, were certainly happy to be here where we are. So, I cannot stress enough that the residents of this city were heard. And that's how we got to tonight's agreement. Thank you.

Mayor Borowsky: Thank you, Councilman Graham.

Councilman Graham: Thank you, Mayor. This is a little bit this has become a little bit Byzantine. There is

no precedence, because we are talking about the Southbridge 2 referendum, and with the Southbridge 2 referendum, there was never, ever, a factor about a court ruling it against it. That was always about the referendum, but there's never a question about legality. You know, Axon will do what's best for their shareholders, and we should do what's best for our residents. That's what we should do. I don't fault anybody for pursuing those interests. I don't agree, though, 100 percent with Councilmember Whitehead that voters got to vote, got to be heard because when you sign a referendum, you expect a vote on the referendum. And that's not the case.

So, city attorney, you made a comment that in the past case, they the applicant signed a 207 Waiver and then you said in this case they're committed to signing a 207 Waiver.

Interim City Attorney Luis Santaella: Yes, Mayor, members of the City Council. They it's part of the original application, they apparently filed a 207 Waiver, and they've committed verbally to sign a new one based on the concerns that you raised.

[Time: 02:25:48]

Councilman Graham: So in that case, I since we have a motion on the floor, we have an alternate motion on the floor to defer and deferral motion takes precedence in our rules of procedure, I would just say let's just defer this until we can get that signature in writing and then we can and then we can bring it back. So, I'm ready to vote, if that's okay.

Mayor Borowsky: Vice Mayor Kwasman.

Vice Mayor Kwasman: I call the question.

Mayor Borowsky: We are voting on the alternate motion to continue this to another date.

Councilman Graham: I said defer but I meant continue, thank you.

Mayor Borowsky: So, all those in favor. Or opposed. All right. Now we'll go to...

Vice Mayor Kwasman: Madam Mayor, I second your motion.

Mayor Borowsky: It was...

Vice Mayor Kwasman: Council member Whitehead, I second your motion.

Mayor Borowsky: I don't do you want to speak to that.

Councilwoman Whitehead: I would like to amend my motion to include the signing of the 207 Waiver.

Interim City Attorney Luis Santaella: Honorable Mayor, members of the Council, you're making the

repeal the zoning Ordinance contingent that they sign a 207 Prop 207?

Councilwoman Whitehead: Just like to have that. If that works for you. I'll let you discuss. I can pull that.

Vice Mayor Kwasman: Madam Mayor. City Attorney, would it be cleaner if we put it in the MOU, if we amend the MOU and put it in the MOU? And can we reopen item number, I voted in the affirmative. Can I call can I call it back to..

Interim City Attorney Luis Santaella: How about we do this, there's a final item related to the litigation, right, and the litigation is to make sure that Axon actually signs the MOU with by the 19th. How about you put a condition on that they sign the MOU by the 19th, otherwise we file the cross claim and they also sign the Prop 207 Waiver?

Councilwoman Whitehead: I accept that for my motion. I just want to be clear for my motion. I drop I drop my original motion stands, and I just wanted to be clear we had a verbal agreement, I'm not concerned in government we like to go ahead and dot our i's and cross our t's. I'm fine with it in the next motion. Why thanks everybody who gathered for that one.

Mayor Borowsky: Okay, let's go ahead and vote on that. All those in favor. Indicate your vote or opposed. Okay.

SPECIAL MEETING – ITEM 5

[Time: 02:29:52]

Last item on the special meeting agenda, item No. 5. And that is litigation authorization. A request to authorize the interim city attorney to file any appropriate counter claim, cross claim and third-party claim in the TAAAZE versus state of Arizona and City of Scottsdale litigation. I have two people indicating actually I think there's no one left to speak on this one. Gabby Hitchcock. Okay. So, Vice Mayor Kwasman.

Vice Mayor Kwasman: Thank you, Madam Mayor. I move to authorize the interim city attorney and/or his designees to file any appropriate counter claim, cross claim and third-party claim in Taxpayers Against Awful Apartment Zoning Exemptions versus the state of Arizona, City of Scottsdale, et al CV2025-034961. With a proposal to sunset right, City Attorney, how would I?

Interim City Attorney Luis Santaella: I would suggest that I only file it unless we do not receive the signed MOU from Axon along with the Prop 207 Waiver by the close of business on the 19th.

Vice Mayor Kwasman: Thank you. November 19, sorry. Apologize. All right. Would you like me to repeat the whole thing.

Interim City Attorney Luis Santaella: Yes sir.

Vice Mayor Kwasman: Madam Mayor, I authorize the interim city attorney and designees to file any appropriate counter claim, clause people third party claims in TAAAZE versus state Arizona, City of Scottsdale, et al CV2025-034961, unless the Memorandum of Understanding is signed by Axon Enterprises, by close of business day November 19, 2025, and Axon delivers a signed 207 Waiver by the close of business day November 19, 2025.

Councilwoman Whitehead: Second.

Mayor Borowsky: All right. I see Councilman Graham wants to speak.

Councilman Graham: Thank you, Mayor. I'll make an alternate motion for the same motion, but the deletion of the two conditions.

Councilwoman Littlefield: I'll second that.

Mayor Borowsky: Let's take a vote on the alternate motion. Okay. And Councilman I'm sorry, Vice Mayor Kwasman. Let's go ahead and take a vote on that motion. Please indicate your vote.

All right. That concludes our business for this afternoon. Sorry for the delay, everybody, that was here for other matters. But at this time I'd like to move to adjourn the Special Council Meeting and we will move on.

Councilwoman Whitehead: Second.

ADJOURNMENT

[Time: 02:33:35]