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CALL TO ORDER

[Time: 00:00:01]

Mayor Ortega: I call the April 16, 2024 City Council Regular Meeting and Work Session to order. City Clerk, Ben Lane, please conduct the roll call.

ROLL CALL

[Time: 00:00:11]

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

Mayor Ortega: Present.

Ben Lane: Vice Mayor Solange Whitehead.

Vice Mayor Whitehead: Here.

Ben Lane: Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

Ben Lane: Tom Durham.

Councilmember Durham: Here.

Ben Lane: Barry Graham.

Councilmember Graham: Here.

Ben Lane: Betty Janik.

Councilwoman Janik: Here.

Ben Lane: And Kathy Littlefield.

Councilwoman Littlefield: 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: Very good. We do have Police Department Sergeant Sean Ryan, as well as Detective Dustin Patrick, and Firefighter Dan Gastellum if anyone needs assistance. Let's begin with the Pledge of Allegiance. I will call on Vice Mayor Whitehead.

PLEDGE OF ALLEGIANCE

[Time: 00:00:57]

Vice Mayor Whitehead: 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: 00:01:23]

Mayor Ortega: Thank you. Well, at this time, I want to call our attention to the ongoing wars in foreign countries, where nations are fighting to protect their freedom and democracy, and also our men and women in the armed services are in danger. So, I would ask you to join with me in a moment of silent reflection for the situation and people.

Mayor Ortega: Thank you. Well, this is volunteer week and I have a proclamation. Brandon Chapman is a Citywide Volunteer Program Coordinator, and we'd like to hear and see what is offered in our city. I will begin by reading our proclamation. You may know that City of Scottsdale has 2,675 full-time employees and we have approximately 3,700 volunteers in this city. So that's very commendable. Whereas volunteers play a critical role assisting the city of Scottsdale to perform the mission of simply better service for world-class community; and whereas, the Scottsdale Volunteer Program enlists residents and matches their talents and enthusiasm with numerous services, programs, and departments; and whereas, in fiscal year 2023, more than 3,700 citizen volunteers contributed over 114,000 hours of services to our community. And whereas, volunteers contributed a value of work that equates to more than \$3.4 million in savings without additional costs to the city taxpayers; and whereas, by sharing their talents and time, volunteers personally benefit by spreading their love of Scottsdale; therefore, I, David D. Ortega, the Mayor of Scottsdale do proclaim Scottsdale Volunteer Appreciation Week in Scottsdale and encourage everyone to celebrate the generosity of volunteers who serve our community and to consider volunteering themselves. Please come forward.

Mayor Ortega: Speaking of volunteering, Scottsdale residents wanting to volunteer their time and make a positive change in Scottsdale are invited to apply to serve on a city board or commission. Applications are being accepted until April 26th, that's next Friday for openings on 12 boards and commissions including the Board of Adjustment, which has the power to hear and decide on appeals from administrative decisions and variances from provisions of zoning. And we also have a Historic Preservation Commission, which is established by the City Council to oversee development and management of Scottsdale's Historic Preservation Program. Another one that's very exciting is called the Loss Trust Fund Board. And it's responsible for recommendations to the City Council regarding the administration of the Loss Trust Fund. Please go to Scottsdaleaz.gov, you will see a full menu of available openings and then we encourage you all to become a volunteer and really appreciate your participation.

PRESENTATION/INFORMATION UPDATE

[Time: 00:06:07]

Mayor Ortega: Our first presentation will be from the Scottsdale Arts group, and we have Gerd

Wuestemann, the President and Chief Executive Officer of Scottsdale Arts, to give us an update. Hello, Gerd.

Gerd Wuestemann: Mayor Ortega, Vice Mayor Whitehead, dear Councilmembers thanks for having me again today to present to you my six-month update on art and culture. I'm going to try to see if this board will allow me to advance. And I'm also thrilled to see such a big audience. Of course, you are all here to hear about art and culture in Scottsdale so thank you for that. I don't think I can advance my slides myself, okay oh, yeah, now it works. It's been an exciting year for us, as we are starting to wrap up our season going into the summer season. I'm happy to report that we have presented 485 shows, exhibits and events for this fiscal year. That really is 1.5 events per day. So, something that we should be very proud of and I'm very happy about and are absolutely thrilled to bring to this community. The advancing doesn't seem to work for some reason. Here we go. At the Center, we celebrate the 46th season with one of our mainstay pianists, Keyboard Conversation with Jeffrey Segal, but we also have our newest resident orchestra, the Scottsdale Symphony Orchestra performing great shows at the center for our audiences. So, it's great to be able to look back and look forward at the same time and really celebrate these great artists side by side.

We added something completely new to our portfolio. Anybody heard of Randy Johnson before, right? He was a pretty good ballplayer in his day, but he started his career as a photographer and revisited that career. We host an exhibit with him that wraps up next weekend, during Spring Training that drew record attendance to our small gallery inside the Center for Performing Arts and has been just an absolute, absolute wonderful thing to present here at the Center and, again, the slides don't seem to want to advance. Here we go. Regular attendance, we had feature stories in "USA Today" and GQ Magazine and a 7-minute showcase of this show at CBS Saturday Morning National. To give you a perspective, a 30-second ad on that show costs \$500,000 bucks. So, it was a great way to showcase and present about our organization, the City of Scottsdale and all the wonderful things here to this audience here at the Center. SMOCA just celebrated its 25th Anniversary, was a wonderful event celebrating 25 years of history and looking forward thinking about how can we can expand our museum's offerings going into the next 25 years. It's been really an exciting evening with more than 1,000 people coming to the event. Next slide, please.

We looked back to celebrate those 25 years and exhibited Dorothy Fratt, a significant artist here from our community that has been worldwide celebrated. We produced one of the most wonderful award-winning catalogs for this show and this artist had her last show here 1983 in the atrium of the Center for the Performing Arts before we had a Museum of Contemporary Arts. It was a great way to celebrate those 25 years. Next slide. But there was an even bigger anniversary to celebrate this year. We celebrated 50 years of public art, an iconic program that began with Louise Nevelson's iconic sculpture in 1973. It was a wonderful event. Many of you attended from the Council, and to the Mayor and many of you in the audience. It was also celebration of our newest addition to Civic Center, the beautiful Desert's Garden, by local artist Tammi Forrest, another wonderful addition to our offerings here and just absolutely spectacular. Next slide.

And of course, we continue the tradition of using our portable works collection to showcase all the

things we do in public art across galleries and civic institutions like our libraries and community centers across the city. Right now, if you find your way to the public library here in the Civic Center, you are going to see a beautiful exhibit by some of our collection arts artists with flirting with the desert and more public exhibits in our gallery spaces as well. Next slide, please.

[Time: 00:10:15]

In addition to that, over the last few years we invested in creating augmented reality expenses around all of our amazing public arts. So imagine this, there are 180 or so sculptures across the city, many of them are monumental as you see on the screen. Each of them now have a Q.R. code next to them and you can hold up your phone, it brings an app that allows to you visualize. You can see one of our staff members on your phone talking about the piece, giving its history, giving some insights or sometimes other 3D artwork that's created swirling around this piece in virtual reality. It's a very exciting new program. Next slide, please. And, of course, we also love to engage with people in person. So, this time of year we facilitate these incredible Cycle the Arts community tours. You can sign up for them, they're free of charge and you come, bring your own bike. We make you wear a helmet, safety first. And we then cover lots of ground to visit 20 or 30 public art pieces around Old Town and this part of the city. Really a wonderful series of events and we have hundreds of people get on their bikes every spring and explore these pieces. Next slide, please.

Of course, I wouldn't want to be remiss, you may have seen the piece as it went up in the last few weeks and you may have seen it coming here to this meeting tonight if you are driving through Drinkwater tunnel now which used to be a dark and dingy place before the renovations, right. We have installed a new piece, we will inaugurate on May 3rd and everyone is invited to join us for that event. I want to give a shout out, this piece "Breakaway" was a passion project for City Manager, Jim Thompson and I think he really wanted to see some public art in this tunnel, so it becomes a gateway to Civic Center and I want to say credit with credits to Jim. Thank you for the engagement on this. It's really wonderful. Next slide. Also, of late, the new renovated Civic Center received the AZ Forward Crescordia award. Crescorida means harmony between architectural beauty, landscaping, and sustainability. I think our new Civic Center really embodies all of those pieces coming together. Next Slide. And just as importantly, since opening of the full Civic Center October 3rd of last year, we have hosted more than 85 events, and more than 150,000 visitors found their way. Next slide.

[Time: 00:12:26]

Those events included what you just saw, Dreamy Draw, big music festival. It included the Lululemon 10k Run with 10,000 runners, starting here on Civic Center and stretching their doing their stretch just before the race. It included an expansion of the Dia de los Muertos offerings with this beautiful new installation on our 360 stage, next slide. But it also included free community concerts. For instance, we celebrated Veteran's Day with the U.S. Army Band, Navy Week with the Navy soul band and many other things from our Sun and Sound series and Sunday afternoon for family to New Golden Hour Concerts, happy hour concerts midweek. Next slide. And, of course, some events came back for the second year, like the Concours d'Elegance Car Show and the Bunnanza Easter Extravaganza with the city and of course our Gala just this last weekend and the new culinary event called Taste here on Civic Center. Next

slide.

Here's the new normal at Civic Center, this is just one weekend towards the end of Spring Training. That weekend, we hosted on Saturday mercantile marketplace with 13,000 visitors. On Sunday, our Sun and Sounds Concert with 5,000 people. 1,200 people came that weekend to see Randy Johnson's exhibit. On the inside of our VGP Theater we hosted Phoenix Corral with 2 sold out shows. The San Francisco Giants had back-to-back home games with about 20,000 people and 1 million smiles to be seen and probably lots of tax revenue feeding the city of Scottsdale. Next slide. We also really increased the level of partnerships we celebrated this last year. So, the Symphonic Orchestra, I already mentioned earlier United Colors of Arizona, our dance partners in Movement Source, Phoenix Symphony. Phoenix Chorale doing shows with us to Detour Theater longstanding partner, a really important partnership for us, and perhaps no partnership is more significant, next slide, please, than our partnership with SUSD. Over the last three years, we literally have doubled the amount of students we serve with arts integration in our school system here in Scottsdale. We now serve 25,000 students in every single school in the system and have more than 150,000 contact hours doing this service. Thank you. Next slide.

And we celebrated the results of all of this on our second Family Arts Fest at SkySong where 5,000 visitors saw work from 1,200 students from all of these schools and we managed to raise in honor of Mayor's late daughter, Allie Ortega, through the Empty Bowls Event, we raised more than \$47,000 for Scottsdale Community Partners to do our share as community servant. And Kathy Littlefield also helped us inaugurate this event. So, thank you for that. Next slide please. So, I believe we are in a winning partnership with the city. We present, we raise and earn about 67% of our budget and the city's money covers the other 33%. Compare that to the city of Mesa where tax presents \$20 million to Mesa Arts that then covers similar like services. We raised \$15 million last year for capital funds that we are about to begin to deploy and we invested more than \$450,000 a year in other nonprofits here in the culture sector to help with support of rental fees, et cetera, et cetera. And 75% of our programs at Scottsdale Arts are free to our community. Next slide.

So, looking ahead for just a couple of minutes, we started a new youth council that was approved last week. 13 to 18-year-olds will now come into our pipeline and help us move forward with our wonderful organization and build the next generation of engagement in the arts. Next slide. I'm also happy to announce that we have raised additional dollars towards Ziegler Theater, a project that you have already approved and really are welcome to add to Civic Center we're very, very passionate about this and we believe that. Next slide. We can now kick off with this project hopefully later on this year with the blessing of the city because we can fully fund it under our own wind and hopefully ready for a 50th season anniversary season opening. Next slide.

[Time: 00:16:31]

Last but not least, we're launching Artspark, a new creative career development program located on an 11-acre campus in the heart of Scottsdale. An iconic campus that has served the arts for many, many years. We want to build a hub for creatives, help them to develop themselves into full-fledged artists and career development. Next slide. Those artists would receive a stipend, studio space, galleries and

performance opportunities, customized career classes with our friends and partners at Scottsdale Community College, and this will all be located on this future permanent campus. Next slide. Last but not least, you may have wondered, did he forget about Canal Convergence because since last spoke to you that happened too. I wanted to save the best for last because this was a record year. We had 187,000 verified unique visitors. Next slide. It was the most diverse and family-friendly event in the southwest named by a couple of magazines that visited the event this last year. Next slide.

And if you were there, the crowds were dense on both weekends. It was really an amazing spectacle. For the fourth year running, we won the Best Arts Festival in the Valley. Always proud to bring that to Scottsdale and it has really become a tourist draw, based on the 100 or so tourist workshops and family activities that we've presented this year for everybody to enjoy, for free, in the heart of Scottsdale. And to close it out, if you didn't have a chance to go there, let's show you a little video. So, with that, thank you so much for having me today and I hope you enjoyed the presentation.

Mayor Ortega: Thank you so much, Gerd. You know, Scottsdale truly is surrounded by art, and we are still, we're the other side of peak season, but there are many other events, which, of course, you can go to Scottsdaleperformingarts.org and there is a jazz festival coming on the 27th here at our East Bowl. So, this is an amazing city. I do, as my last Mayor's Report Item want to call out that we had a spectacular Tour de Scottsdale event at WestWorld. And when I say that it's because all of these major events are possible because of our excellent police and fire, and, of course, all the other employees that bond together and make these things possible. I also want to acclaim our own Vice Mayor Solange Whitehead, who did the full 100 km kilometers, 62 miles and entered it with a smile. So, thank you Solange.

EXECUTIVE SESSION

[Time: 00:21:26]

Mayor Ortega: Back to the meeting. During tonight's meeting the Council may make a motion to recess into 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 and, of course, the public meeting would resume following the Executive Session. Per our Council Rules of Procedure, citizens attending City Council meetings shall observe the same rules of order and decorum applicable to city Councilmembers and city staff. Unauthorized remarks or demonstrations will be distracting and are not permitted. A violation of these rules could result in removal from the meeting by security staff, and, of course, our meetings run much smoother as we come forward and take care of the people's business. Next, we are moving to public comment.

PUBLIC COMMENT

[Time: 00:22:24]

Mayor Ortega: Public comment is an opportunity, it's reserved for Scottsdale citizens, Scottsdale

business owners and/or property owners to comment on non-agendized items that are within the Council's jurisdiction. Advocacy for or against a ballot measure or a candidate during a Council meeting is not allowed pursuant to state law and is therefore not deemed to be within the Council's jurisdiction. No official Council action can be taken on public comment items and speakers are limited to three minutes to address the Council. If you wish to speak, of course, you may fill out a form and check with the Clerk. And we are limited to three minutes per speaker. Please, as you come forward and give us your place of residence. At this point, I have five speakers. And as you come forward, you will be coming to the mic to my left. We have Stephen Casares, Lee Kauftheil, and Carolee Hoth. So, that's the order as you will come forward. Stephen Casares and then Lee Kauftheil.

[Time: 00:23:51]

Stephen Casares: Hello. Good evening. Thank you, sir. Members of Council, citizens, staff, I apologize. I got caught in traffic so if I'm sweating, it's not because I'm nervous, it's because I was following the speed limit so thank you. I'm Steve Casares. I'm a resident at 11977 North 76th Street, Unit 3213 zip code 85255. I would like to speak to you tonight briefly and concisely on the McDowell Mountain Preserve, about thanks and love and thanks and love may not have a place here on Council or in legislation, but if you allow me and permit me, I will explain why. I returned home in July of 2023 after 18 years of military service, representing Scottsdale, as a cadet at the United States Military Academy at West Point and subsequently as an officer in the Army. I am a local, as much as I can be.

I've been a resident for 25 years, tax paying citizen, class 2005 from Notre Dame, West Point class 2009, represented our congressional district. It was a long run. It was a good run, but I always had reliability with the McDowell Mountain Preserve. And speaking from the heart. It still remains the same when I was a young high school student at Notre Dame Prep running on the trail. I don't run that much anymore but for obvious reasons, it still remains the same when I came back here on military leave over the past 18 years. And believe it or not, McDowell Mountain is like Afghanistan, except 7,000 feet and no bars, no traffic, but neither here nor there. I want to thank people in no particular ascending nor descending order of precedence.

Mayor Ortega: Sir, I just, you know, the subject was McDowell and now you're going, so please, I would suggest you stay well, your topic is so general and somewhat personal bio, and so I cut you off there.

Stephen Casares: No. Sorry, Mr. Mayor.

Mayor Ortega: Thank you, sir. Just try to, if you are state your subject and as it happens, I think you are going beyond that so as.

Stephen Casares: Yes, sir.

Mayor Ortega: You know, you are a declared candidate, et cetera. So that's, you're going into your own personal bio.

Stephen Casares: Yes, sir.

Mayor Ortega: Please wrap it up as far as whether or not you were pertaining to the McDowell Mountains, I suppose, but that's the subject and not a personal bio.

Stephen Casares: Yes, sir.

Mayor Ortega: Thank you, sir.

Stephen Casares: I want to thank three entities. I want to thank City Council, past and present members who preserve the McDowell Mountain Preserve. I would like to thank city staff and I would also like to thank the stewards and the volunteers, and all the citizens who clean up and want to keep it the way it felt when I was a young man.

Mayor Ortega: Thank you, sir.

Stephen Casares: May I be dismissed?

Mayor Ortega: Yes.

Stephen Casares: Thank you, Mr. Mayor.

Mayor Ortega: Next, we have Lee Kauftheil, Carolee Hoth, and John Rosenberg.

[Time: 00:27:20]

Lee Kauftheil: Hi there. My name is Lee Kauftheil, live at 7726 East Thomas Road. I just wanted to come here. I just got back from Texas. I went out there for the eclipse, and I spent time in both Dallas and Houston. And I was struck by the way those cities dealt with development. And Dallas was a very vibrant city. There were a lot of people there for the eclipse, as you can imagine and they had a very multimodal forward looking type of transportation, and though there were a lot of people there, the congestion was under control, everybody was able to move around, and they had you know, they accommodated bikes, walking, light rail, buses, cars, everybody was able to find a way to get around there. I then, my corporate office is in Houston I went out there and I just would not want Scottsdale to follow Houston's path, which is they have, just there are no people in Houston. The only people I really saw while I was in Houston were homeless people who were underneath their ten-lane highways or sleeping next to the eight-lane roads and things like that. And so, they really prioritized car travel.

And speaking to people who had been there for 20 plus years, they said, you know, back when the main highway was only three lanes, it was too much traffic then. They have expanded it to ten lanes and it's still too much and the traffic has only gotten worse for them. So, I would just want Scottsdale to keep that in mind, that having a vibrant area means basically prioritizing people. And it was really, when I was in Dallas, it was a wonderful city. It had personality. It had a way to get around. And when I was in

Houston, it was sprawling. It took 30 minutes by car to get anywhere, and there were no people out, like we saw in the art. It was the opposite of what we just saw with the art presentation, where people were outside and loving their city, spending time in their city, visitors would come to their city. So, I just wanted to, I was just struck by that and thinking about Scottsdale and how much I want Scottsdale to look more like Dallas than like Houston. Thank you.

Mayor Ortega: Thank you, sir. Next, we have Carolee Hoth and Jon Rosenberg and then Lisa Marie.

[Time: 00:30:11]

Carolee Hoth: Hello, I'm Carolee Hoth, and I reside at 9361 East Dale Lane, Scottsdale 85262. And I am coming before you, Mayor and City Council people with a city Citizen Petition process that I have had completed by the Troon North HOA which I am a board member, and I am in the middle of serving my fourth year on this board. The HOA has received so many complaints from residences regarding the traffic, the safety, and the noise issues on Dynamite, specifically between Pima and Alma School. Did you all receive a packet with that information? Okay. Good. The petition is trying to address three different issues and we've been working with you to get baby steps taken. And you have been wonderful at providing us with deceleration lanes for four main intersections that go westbound on Dynamite which is a huge help as well as getting the no engine braking ordinance, which did not exist until the committee that I'm chairing put that before you. So, thank you for doing that for us.

Troon North right now is about 2,000 residences and some commercial developments as well as we are also addressing not just Troon North but also the subdivisions to the east, as well as neighborhoods like Estancia as well that are not in Troon North technically. So, I'm going to read the petition, we have three points. One is to reduce the speed limit from 50 to 45 miles an hour on Dynamite, between Pima and 114th Street. The second one is to establish Dynamite Boulevard between Pima Road and 114th Street as a safety corridor like Fountain Hills did in September of 2020 and there's an explanation on that handout to show you that they decreased their speeding by 65% when they instituted that safety corridor. The third one is to add traffic signals on 103rd, as well as 93rd streets and you can see the neighborhoods that are serviced by those two intersections.

The reason we are now asking for stoplights is that we have asked for a roundabout in the past and we're told that that was not feasible, that the footprint was too great, as well as the cost. Dynamite is different than Happy Valley. It has a grade that is substantial, and the traffic gets going very quickly as it is going westbound. We have now the water trucks that have been resurfaced, as well as the construction that and the landscaping trucks with their trailers and the horse trailers that continue on that road. The safety corridor we think, and again, all of this will be, it's the enforcement that has to do with any of these. So, I just hope you have a chance to look at the 442 signatures that were provided.

Mayor Ortega: Thank you very much. And we are taking note that you have properly entered it with the Clerk, and this petition will be heard later.

Carolee Hoth: Okay.

Mayor Ortega: In our meeting tonight.

Carolee Hoth: Thank you very much.

Mayor Ortega: Thank you, Ms. Hoth. Next, we will go to the next speaker is Jon Rosenberg and then Lisa Marie.

[Time: 00:34:00]

Jon Rosenberg: Thank you. Thank you, Mayor and Council, my name is Jon Rosenberg, and my address is on record. I'm here before you to discuss the petition that was provided to the City Clerk and signed by actually now over 350 small business owners, employees, and property owners in the northeast quadrant of Old Town who are desperately in need of your help. These are hard-working people who are focused on their small businesses, focused on their clients and who love and want to be in Scottsdale. There are two groups who are noticeably absent from this petition, the bars and the Galleria tenants. Why? Because the petition is to support the almost 500 other professional daytime businesses in this area. These include insurance companies, real estate firms, CPAs, architects, salons, doctors, dentists, insurance companies, tech firms and so many other professionals that the city should be embracing, not ignoring. It's also home to hundreds of residents, dozens of retailers, and thousands of weekly customers. They are raising their voices at this time, and this petition with 350 signatures is clear evidence of all of our concerns.

This quadrant is the only quadrant that does not have a public parking structure. More parking is desperately needed if we expect these small businesses in this area to ever survive in the future. Again, this is a daytime parking issue. There's a shortage of parking for employees and customers of these small businesses. There's a reason why this is the only quadrant that the city actually needed to issue weekday parking permits. It's the only quadrant. There's a reason that parking restriction hours end at 5 p.m. in all quadrants of Old Town, ask the police. It's because it's not an evening or weekend issue. It's a daytime issue with many recent and upcoming projects in this area, as well as offices filling back up, now is the time to start building a parking structure in the northeast quadrant before it's too late. Please listen to the hundreds of hard-working, entrepreneurial, local business owners, employees, and visitors who are desperately hoping that you will support them in a critically important part of Old Town. Thank you.

Mayor Ortega: Thank you, Mr. Rosenberg. And for the record, again, we have received your petition, and we properly submitted it to the clerk, and we will be addressing this later in the program. Next, I will call Lisa Marie.

[Time: 00:36:54]

Lisa Marie: Mayor, if you give me just one second.

Mayor Ortega: Sure, and please state your place of residence and certainly proceed.

Lisa Marie: My name is Lisa Marie and I recently have a second residence here in Scottsdale at 6811 East Main Street, just right down the street. I want to thank you so much for serving all of you. It is a passion of mine to support anyone that is taking the time to serve. I actually had run for high elected position so I could voice what I'm here to tell you. I'm quite emotional about this, because there's a reason why I ended up choosing Scottsdale. So, I'm going to go ahead and put this here. And this packet is for you and tomorrow I will be delivering more. So, this is the Idaho missing persons clearinghouse. The clearinghouse is actually an entity set by the federal government which keeps track legally of all the children that are missing. The reason why I chose to move here to Arizona, we're picking certain states that we're going to launch for America Missing Children, which will not be a nonprofit or a for profit, it's much like neighborhood watch. We have over 400,000 children that are missing a year in this country.

Your heart is going to bleed when I tell you that both of my children were molested. My daughter ran away at age 8. My daughter was being molested by my son, started at age four and a half. So, I'm a mother that lives a nightmare every single day. My daughter is 25 years old and suffers every day because of her molestation. What I can tell you, as I've dug extremely deep, missing children is a huge, huge unknown arena. This is a law enforcement press release that has taken quite a few people to come together. These ten questions, unfortunately, most of them even law enforcement can't answer. I'm dedicated, as a mom, and as a citizen of this country, to make sure that we make a change when it comes to children that are missing. I came to your state because I was actually asked by a lot of Cardinal players. I made a drink bigger than Gatorade, believe it or not. I'm a mom that did some pretty amazing things to be able to change the outcome of my children, and I hope at one point we can become friends. What I will tell you is I created a film production company called Red Rocks Films. I'm launching in your city. And God bless you.

Mayor Ortega: Thank you very much. At this point, we are concluded with the first session of public comment. Therefore, I will close public comment. Next, we have discussion of the Minutes.

MINUTES

[Time: 00:40:27]

Mayor Ortega: I request a motion to approve Special Meeting Minutes of March 5, 2024, Regular Meeting and Work Study Session Minutes of March 5, 2024, do I have a motion?

Councilwoman Janik: So moved.

Councilwoman Littlefield: Second.

Mayor Ortega: We have a motion and a second. Please record your vote. And we do have Councilmember Durham remote. Thank you. Voting is closed.

CONSENT AGENDA

[Time: 00:41:36]

Next, we have Consent Agenda Items 1 through 16. For the record, I would like to note that the Agenda was amended on April 11th, and that Item Number 15, a settlement agreement was removed at the request of staff. At this point, we have an opportunity for public comment on any consent agenda items. The Clerk tells me there's no request for public comment. Again, 1 through 16, however, 15 is not on the agenda. Therefore, I will next ask if Councilmembers have any questions on any of the Consent Agenda Items. If so, you can queue in. Okay. Seeing none.

Councilmember Graham: Mayor, mayor, mayor. It's not letting me.

Mayor Ortega: It's not letting you, okay. Wave to me. Thank you. We're having a couple technical difficulties, but, please, so Item 11 perhaps, is that what?

Councilmember Graham: Thank you, Mayor. I would like to pull Item 11 and then I would like to ask a question about Item 7 and 9.

Mayor Ortega: Certainly. Go ahead and it's noted that Item Number 11 will be moved to the Regular Agenda. And proceed, mention the item and then the topic. Thank you.

Councilmember Graham: So, this is for Item Number 7, this is Alison Tymkiw is coming up. This is about the fire station, which I'm going to vote for it. I had a question on the presentation of the packet.

[Time: 00:43:00]

Alison Tymkiw: Did you have a question?

Councilmember Graham: Yes, hi, Alison.

Alison Tymkiw: Hi.

Councilmember Graham: So, the packet talks about savings from another project because this is a bond project. We are very happy to be checking those boxes and crossing those off the list. We had savings from the other bond project. Can you say more about that?

Alison Tymkiw: Yes, correct. Councilmember Graham, so the project was Bond Project Number 4, which was replace outdated emergency response equipment for the Fire Department. And it was, I believe it was originally around a \$2 million project, and it was replacing outdated equipment. Some of the equipment that we thought was eligible for the bond funding turned out not to be. So, some of the bulletproof vests and some of the Haz-Mat reading equipment and thermal imaging equipment was not eligible for bond. So, we ended up utilizing other funds to purchase those items. So, we did have the \$631,000.

Councilmember Graham: What was the original budget for the Bond Project 28?

Alison Tymkiw: So, 28, the original bond was, okay. So, the original bond for 28 was 10, about \$10.5 million.

Councilmember Graham: I feel like in the past that used to be listed on the packet for the public to easily see, and I don't see the budget presented in the packet. It happened here and the last meeting with another project related to, is there any way we can start adding the budget back to the packet?

Alison Tymkiw: Councilmember Graham, yes, into the Council Action Report, we can do that.

Councilmember Graham: I think that would be helpful just for transparency.

Alison Tymkiw: Okay, so yeah, the original budget was \$10.5 million and then we did add \$2.4 million in General Fund last year to this project.

Councilmember Graham: So how much over budget is the whole project?

[Time: 00:45:07]

Alison Tymkiw: So, the current budget of the project is \$13 million, and we are requesting this transfer of \$631,000 from the bond savings, and we're hoping there's a potential for overall project savings when we are going through the construction and if so, we will be able to refund some of that to the General Fund.

Councilmember Graham: What percentage is the project over original budget if I may ask?

Alison Tymkiw: I don't have that calculation.

Councilmember Graham: Okay, if I could make a request going forward.

Alison Tymkiw: To include that.

Councilmember Graham: For these packets to have the original budget.

Alison Tymkiw: Sure.

Councilmember Graham: It's just easier to read, more transparent, it's easier access for the public. We don't have to dig for it, look for it.

Alison Tymkiw: Sure.

Councilmember Graham: Thank you.

Alison Tymkiw: Yeah.

Mayor Ortega: Okay, Councilman, did you have another Item that you wanted to discuss?

Councilmember Graham: Oh, thank you, Mayor, Item Number 9, please. Alison, are you the point of contact for that?

Alison Tymkiw: Yes, sorry.

Councilmember Graham: Just my question about this we are putting signage along the, SRP gave us permission to put signage along the canal.

Alison Tymkiw: Yes, correct.

Councilmember Graham: What do they look like?

Alison Tymkiw: I have a picture; I will show you.

Councilmember Graham: I guess yeah, I was wondering why we didn't see that in the packet. But I'm pleased that you brought a picture with you.

Alison Tymkiw: Thank you. That's one example of the pictures along the canal. So, a wayfinding. And that is another example of the signage on the canal.

Councilmember Graham: How many wayfinding signage are there going to be, I think, six or seven?

Alison Tymkiw: I don't have the total for you. Councilmember Graham, but I can get that to you.

Councilmember Graham: I think this will be a pretty nice improvement to the canal path. I kind of wanted to underline it and kind of brag about it a little bit to the public because I'm excited for this. Thank you, Alison.

Alison Tymkiw: Sure.

Councilmember Graham: So, thank you for this.

Alison Tymkiw: Thank you.

Mayor Ortega: Okay. You are concluded?

Councilmember Graham: Oh, thank you Mayor. Thank you, Alison. I have concluded my questions.

Mayor Ortega: Thank you. Next, we go to Vice Mayor Whitehead, please.

[Time: 00:47:33]

Vice Mayor Whitehead: Yeah, Alison I just want to say that the signage that you have done, the signage on the underpasses looks great. I admire it every time I bike down here. So good job on those signs.

Alison Tymkiw: Thank you.

Mayor Ortega: Okay. At this point, I move to approve Consent Agenda Items 1 through 14 and excluding 15, and then going to 16. So also, to approve that. I will note that, of course, the SRP Canal is federal property and has to comply with all of those requirements. That's my motion.

Vice Mayor Whitehead: Second.

Councilmember Graham: Mayor. I pulled 11. Did you say 11?

Mayor Ortega: Well, 11 is pulled already.

Councilmember Graham: Okay, thank you.

Councilwoman Caputi: Second.

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

Councilmember Durham: Yes.

Mayor Ortega: Thank you. That's unanimous. So those Consent Agenda Items are approved.

REGULAR AGENDA – ITEM 11

[Time: 00:48:35]

Mayor Ortega: Next, we will move to the Regular Agenda. We will have a full presentation for Item 11, which was a request to execute an agreement with the Maricopa Association of Governments, resolution pertaining to Second Street Neighborhood Bikeway Study only. And the City Manager rep will make the presentation. Thank you, sir.

Nathan Domme: Thank you, Mayor Ortega, City Council, name is Nathan Domme, Transportation Planning Manager, and I will have a short presentation on the Second Street Active Transportation Project Agreement. Oh, much faster than I thought. So, for an introduction, M.A.G. puts out a call for projects to all of the member agencies through the Active Transportation Design Assistance Program. Agencies can apply to this program to evaluate any project's feasibility or preliminary engineering and concept designs. This is to start from scratch to go to at most a 15% design phase. It's really assessing its feasibility.

The Second Street project is selected by a wide range of applicants in the process and Scottsdale has an excellent success over time with these. We have two currently right now both on 100th Street as well as the 64th intersections at Thomas and Indian School. This study will create design concepts including alternatives for an 0.8-mile segment from Second Street starting at Goldwater going to the Arizona Canal to the west. It could possibly include a hawk crossing at Second Street and Indian School, as well as other connections through the neighborhood, including 68th Street, Osborn, or Navajo Trail. All of this is slated for being assessed by the consultants to determine which approach or alternative is the most feasible or practical including the hawk. Currently, the Maricopa Association of Governments is putting in \$80,000 for this design assistance. The City of Scottsdale will put in \$6,300 for a total of \$86,000. So, looking to have City Council approve the resolution.

Mayor Ortega: Okay.

Councilmember Graham: Thank you, Mayor. Thank you, Nathan. How do we decide, so the county or M.A.G., not the county, M.A.G. puts out these call for projects. How do we decide which projects to apply for?

Nathan Domme: We go through a process internally to evaluate which ones would be valuable for us to study. Generally, that would be whether it's in one of our plans. So, this one is approved as a neighborhood bikeway in the Transportation Action Plan, as well as we try to determine concepts that would be that don't have an easy answer. We want to use this money in a way to answer questions that would pose challenging.

[Time: 00:51:58]

Councilmember Graham: In the application to M.A.G., it says street parking exists between 68th and Goldwater and changing that may be prove problematic for residents. How much public parking is at risk here.

Nathan Domme: I'm not sure. We haven't started the design, but we determined that there was parking there, through the design we'll evaluate how much parking is there.

Councilmember Graham: But I'm sure you did a walk through in the area.

Nathan Domme: We did but I don't have the exact number of how many parking spaces.

Councilmember Graham: How many spots would you approximate?

Nathan Domme: 100 maybe, I don't know for sure.

Councilmember Graham: Okay, so you say it may be problematic to remove public parking. Does that mean it's possible we still might do it?

Nathan Domme: It seems unlikely that we would remove parking for any bike infrastructure.

Councilmember Graham: Okay. And so, this project, which the dollar amount is small. It's not what worries me and we're not even paying for it, I mean well our taxes are paying for it, but M.A.G. reimburses us. This is about getting a bike path from Scottsdale Road to Goldwater; is that correct?

Nathan Domme: It is about getting a section of Second Street which is our neighborhood bikeway, the long-term plan is to do Second Street from the Arizona Canal all the way to the Indian Bend Wash. This is the small western section of that.

Councilmember Graham: But this is the study from Scottsdale Road to Goldwater, is that correct?

Nathan Domme: It's from Indian School to Goldwater.

Councilmember Graham: Indian School to Goldwater. Okay. I guess how would you get through, the have you contemplated how we'd get through, what do you think is most likely to go up, Goldwater or go through the neighborhood?

Nathan Domme: You mean, I'm sorry, go up Goldwater?

Councilmember Graham: Yes, so I'm sorry, 68th Street.

Nathan Domme: 68th Street, so the priority, the preferred alternative would be to go along Second Street. The other dashed lines are the alternatives to be evaluated whether those are a better alternative. That would all be reviewed in the study.

[Time: 00:54:02]

Councilmember Graham: Okay. Well, I do think that it would be problematic to remove public parking in that area. I don't, I'm not comfortable with this project, and, you know, here's the thing that we tend to do the projects that we study, and we have put money into, so we are authorizing to do the study. It's not much money but then we have the study and it's ready to go. And then it's likely to stir up a bunch of controversy. So, with that, I conclude my questions, and I will be voting in opposition. Thank you.

Nathan Domme: If I could just clarify one thing, though, the end of this with M.A.G. would only get the 15% design. We would not have a completed design or any kind of final plans by the end of this. This is just to do preliminary design and feasibility studies.

Councilmember Graham: Are you suggesting that the project is unlikely to even happen.

Nathan Domme: I'm just suggesting we are doing a feasibility and conceptual design. Then it would go through the process, the normal process going into the C.I.P. which would come to front of City Council.

Councilmember Graham: That's my point, is that we're likelier to do projects that we spent money and studied.

Nathan Domme: I would say it would be the same amount of likeliness as any other project. It would go into the same list that all of our projects go into and be prioritized in the very same fashion.

Councilmember Graham: Thank you, Nathan.

Nathan Domme: Thank you.

Mayor Ortega: Okay thank you. Vice Mayor Whitehead.

Vice Mayor Whitehead: So, I do want to thank Councilmember Graham for bringing this up. You know, it is easy to see problems with projects that aren't complete, but if you look at the City of Scottsdale, we not only do we solve problems, but we make our city so much better. And, in fact, the 68th Street controversy added parking. So, we ended up with turn bays to make that segment of street safer, bus turnouts. We made the sidewalks ADA compliant, and we added the bike lanes and yet we still added parking. So, I have full confidence. You know I just want to bring up because lately you know we're sort of in a no mood as a country. And I want to point out that there were a lot of things in Scottsdale that face scrutiny. That's what make us so great as a city is our residents really scrutinize things. So, there were strong efforts to prevent Civic Center Plaza because we had to put a road underneath to create a park and everybody said, well, what use is that? Well, it's worth all of the events you just saw on the big screen that were presented by Scottsdale Arts. None of that would have been possible without the City Council having a vision and saying, we can do this. We can get the cars to still flow and still have a park. If no was the answer, we wouldn't have the McDowell Sonoran Preserve, we would not have Spring Training, that was a controversy, and there'd be no Greenbelt and certainly no Canal Convergence at the Waterfront.

So, I understand, I appreciate there's seven of us up for a reason, because we all bring up different perspectives, but at the end of the day, Scottsdale is a world-class city because not only do we solve problems but we do things with vision and with kind of what one of our speakers said, with the idea of making our community more livable, more enjoyable, and certainly the place that people come from all over the world to visit so I'll be supporting this. And with that, I'm going to motion, let me find it, to adopt Item 11, Second Street Neighborhood Bikeway Active Transportation Project Agreement. Adopt Resolution Number 13081 to authorize Active Transportation Project Agreement Number 2024-056-COS with the Maricopa Association of Governments to identify the level of financial obligations of the parties to provide a project assessment for the Second Street neighborhood bikeway, and two, the City Manager or designee to execute any other documents and take such other actions as necessary to carry out the purpose of this resolution and contract. And look forward to a time where people who are biking on and walking on the, our canals and our Greenbelt, can connect. Thank you.

Councilwoman Janik: Second.

Councilmember Durham: Second.

Mayor Ortega: We have a motion and a second. Would you like to speak to your second? And I'm next in line to.

[Time: 00:58:30]

Councilwoman Janik: Well, I was going to make the motion. But yes, I will be supporting this. I think it's wonderful that we're working in cooperation with the Maricopa Association of Governors, that they are providing most of the finance to do this study to the 15% level, and I think it's very judicious that we do it step-wise, and we evaluate it, come back again once we have more information. So, thank you.

Mayor Ortega: Okay. So, I will speak next. And I do serve on the MAG Council and in many cases, the larger transportation issues hit the headlines, however, the MAG Council also participates in the small issues, right? And this is why cities have that opportunity to make local decisions, and pool money to their benefit. Well, what is this what is this project about? Scottsdale has a very strong north-south linear park, and that Greenbelt serves many purposes and, of course, you have Hayden running north-south. Scottsdale is also looking at connectivity which would run east-west. This is one of those segments for that. So, everybody can't just go north and south and get other places, especially when you can connect to the canal which is a wonderful amenity. So, Scottsdale put in applications for some larger connections actually from the library all the way to the Greenbelt. And those of record and they can be studied and they can be looked at topography-wise and so forth and that's very useful. So, somebody can bike along the Greenbelt, and then go west, and then enjoy the library and enjoy the Civic Center on their bike without having to go on or interrupt any traffic. So, this is part of that. I do support that. I think any time you can study something, it takes you out of darkness into the light, and that's a good thing. Accordingly, I see that Councilwoman Littlefield wants to speak. I'll give other people and we will call the question. Councilwoman Littlefield.

[Time: 01:00:48]

Councilwoman Littlefield: Thank you, Mayor. This is one of the items that I had a question on, a question mark. I really would like a little more detail on this one. I'm not against bikes or bike paths, but I would like to make sure that we're not destroying areas of our residential areas, commercial areas, that are dependent on the cars, and this is not fully vetted. I don't think, I would like I would like more information on this, and I would like to have it come back to us. Thank you.

Mayor Ortega: Okay. We will call the question do we need to vote on that? Let's vote on to move forward with a vote. I call the question. This is just to proceed with the vote if you want to sustain that question, vote yes. The call the question, the call the question is just to proceed with the matter.

Councilmember Durham: Yes.

Mayor Ortega: I heard yes from okay. So, it carries 5-2. Next, we will be voting on Item Number 11,

which is the motion itself. And we have the motion, and we have the second. Please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: So, the motion carries 5-2. Excuse me, please vote. 5-2, we will move forward with that item. Next, we go to, that concludes, that begins, excuse me, the Regular Agenda.

REGULAR AGENDA - ITEM 17

[Time: 01:02:45]

Mayor Ortega: Next, we will go to the Item Number 17, 18, which is the proposed budget and capital presentation.

Sonia Andrews: Okay. Thank you, Mayor, thank you, Council. Tonight's presentation is on our proposed fiscal year 24/25 budget and Capital Improvement Plan. Before I start, I really want to thank my budget staff, especially Ana Lia, our Acting Budget Director and all the budget staff who worked tirelessly on this budget and also city staff, City Manager and his staff. And also thank you for the City Council for the direction and guidance on this budget. Next slide. The steps to adopt the City's budget for the next fiscal year begins with our presentation tonight and then on May 14th we will hold a public hearing on the budget and have Council adopt the tentative budget including our rates and fees. On June 4th, we will hold another public hearing and ask Council to adopt the final budget, including a hearing on the truth in taxation for our property taxes. And then on June 25th, the last step of our budget process, would be a public hearing and final adoption of our property tax levy. Next slide.

The proposed budget we are presenting for Council consideration for fiscal year 24/25 is \$2.292 billion which consists of an operating budget of \$760.6 million, a capital budget of \$1.066 billion. And \$465.9 million in contingencies and reserves. Next slide. The proposed budget is a 9.5% decrease from our current year budget of \$2.5 billion. Mainly because of the decrease in our capital budget, which decreased \$302 million or 22%. Our proposed operating budget is an increase of \$21.6 million or just shy of 3% and our contingencies and reserves are an increase of \$40.6 million, or 9.5%. Next slide. When we put our proposed budget together, we ensure that it complies with our financial policies that Council adopted on March 5th. We worked closely with the City Manager's Office and the departments to ensure that our proposed budget funds, all of our core services including Council and community priorities. We also ensure that our proposed budget takes into account the city's financial condition and maintains our strong financial position and AAA bond ratings. Next slide.

The budget we are presenting to you tonight is a balanced budget. That means that our expenditures do not exceed the revenues and fund balance that we expect to collect. As you can see between the fund balance and revenues, our total sources are \$2.556 billion, and our expenditure appropriations and contingencies and reserves total \$2.292 billion. The beginning fund balance of \$1.295 billion, half of that is for capital improvements, and partly is because we have to set aside money before we start construction. So that is why it looks like we are drawing down the beginning fund balance but that is for

mostly our capital projects. Next slide.

[Time: 01:06:48]

The proposed budget is at 97% of our expenditure limitation. We spent quite a lot of time talking about our expenditure limitation so I'm not going to spend much time other than to let you know that the proposed budget for fiscal year 24/25 is at 97% of the expenditure limitation. Next slide. Our proposed budget provides for city services with the city's 1.75% tax rate which is one of the lowest tax rates in the Valley. For our audience who may not be familiar, the city's sales tax is currently 8.05%. Of the 8.05%, the city's portion is only 1.75% or more like 22%. And comparing the city's portion of 1.75% to all of our valley cities, in all the cities in the Valley, we are among the lowest. Next slide. Our proposed budget also ensures that we have sufficient reserves to maintain our AAA bond rating. Our General Fund has the largest portion of fund balance, and this chart shows our fund balance in the general fund in relation to the other cities in the Valley that we often compare ourselves to based on the last audited financial statements. So, these numbers are taken from the last audited financial statements ending June 30th of 2023. And these numbers represent the reserves and the fund balance in the General Fund of each of these cities. As you can see, we're just slightly lower than the average of all of these cities. Next slide.

So, with the proposed budget, our ending fund balance in the General Fund is expected to be increased to \$255.6 million, which brings us to more in line with more the average of the cities that we often compare ourselves to. Of the \$255.6 million, \$114.1 million is the minimum reserves and fund balance that we need to maintain our bond ratings. The \$141 million above that is earmarked for our public safety pension liability, General Plan, and other initiatives. Next slide. When we put our budget together, we spent a lot of time projecting our revenues, I'm switching our focus to revenues now, we look at every category of revenue and every line item, we take into consideration national and regional, economic forecast, and we also work with the City Manager's office to arrive at our forecast. Sales tax is our largest source of revenues, and it is driven by consumer spending.

So, we spend a lot of time focusing on our sales tax projections and by category as well. Forecasting sales tax is easier when we are in a period of stable growth, when annual growth is consistent, and about the same each year. That makes it easy for us to project sales tax. But we are not in a period that has a stable growth, however, instead, over the last four years, with the pandemic, we've had a period of exponential growth that makes it hard to forecast sales tax moving forward. Last year, everyone believed that we are headed into a recession. This year we are saying there's no recession and it's a soft landing. Consumer spending has been exceeding market expectations, so our proposed budget assumes that the consumer spending continues at this level but doesn't increase significantly, because we are already increased significantly with the pandemic spending. However, even though we have continued and strong consumer spending, we will also be losing sales tax revenues due to the ban on residential rental tax, which will result in a net reduction in our sales tax revenues. Next slide.

So, this chart shows you our sales tax forecast, factoring in the loss in residential rental tax, that will offset by the sustained consumer spending. So, because we are losing \$15 million a year in residential rental tax, even though there's sustained consumer spending, we will see, we expect to see a net reduction in our sales tax revenues. And keeping in mind that consumer spending is still possibly on a

post-pandemic high, we must be cautious and consider a possibility that there may be a future slowdown in spending, even if we don't have a recession. Next slide.

[Time: 01:11:43]

Our state shared revenues are another source of significant source of revenues for the city, and the General Fund. These are tax revenues collected by the state and allocated to the city based on population. The increase and then decrease that you see here in these revenues is due to the state going to a flat tax. So that reduces the state's income tax collection and thus reduces the allocation to us. And also in fiscal year 23/24, where you see the really high state-shared revenues of \$112.2 million, well, that was because of all the capital gains tax that the state received in 21/22, which was allocated to us this year. And we will not see those capital gains tax moving forward unless there's another spike in capital gains tax. And also, because the state shared is allocated by population and the city's population is not increasing as fast as other cities' populations, we will, we are a smaller piece of the allocation pie. So, between the loss of the state shared income tax with the flat tax being a smaller piece of the pie and also not having the one-time capital gains tax that was received this year, we are expecting a decrease in our state shared revenues. Next slide.

So, we will continue to monitor our revenues, between the loss of the residential rental tax and the state shared revenues, is a big hit to the city. We will also continue to monitor our revenues to see if we are still in a post-pandemic spending bubble or if there is a new and permanent higher revenue base. We still don't really know that yet. As we said earlier, consumer spending continues to exceed expectations, however, consumers are drawing down their savings from the pandemic. There was a lot of excess savings accumulated during the pandemic. So, when will these savings be completely depleted? It's still yet to be known. Consumer spending is also strong because of the job market that remains strong. Inflation has tapered, although not down to the fed target rate yet, and these can affect consumer spending depending on where the job market and inflation heads. So, we must proceed with cautious optimism, and we must make sure that we have the budget flexibility to adjust with any changes in the economic conditions. Next slide.

So, one the important things of this budget is we want to make sure that Council understands and the public understands and we remain committed to not allow our public safety pension unfunded liabilities to grow. Because of the loss of revenues and the expenditure limitation, which constrains our budget, we did not budget to make any extra payments for our public safety pension in the proposed fiscal year 24/25 budget. We made \$40 million in extra payments in fiscal year 22, 10 million in extra payments in fiscal year 23 that hasn't been reflected in this unfunded liability valuation yet. And we hope to resume those extra payments in fiscal year 25/26. Next slide. And also because of our revenue loss and our expenditure limitation, our budget is very constrained, and so, we have very limited new requests. Taking care of our workforce and implementing ambulance services for our community is our top priority for the fiscal year 24/25 budget. And staff has worked to look for budget savings to offset any expenditure increases that are unavoidable. So, I am going to turn it over to our Acting Budget Director Ana Lia in a minute to go over the details of the proposed budget. But before I do that, I wanted to see if you have any questions for me.

Mayor Ortega: Thank you. At this point, we are going to proceed and then we will come to public comment. So that we'll proceed with the capital discussion, and then go to public comment and then conclude with our own discussion. Thank you. We'll hold any questions. I don't see any requests at this time, but let's proceed now and after Ana Lia, we will go into public comment for Item Number 17.

[Time: 01:16:48]

Ana Lia Johnson: Good evening, Mayor and Council. My name is Ana Lia Johnson, Acting Budget Director.

Mayor Ortega: Get closer to the mic.

Ana Lia Johnson: So as Sonia mentioned earlier, our total proposed budget is \$2.29 billion, \$760.6 million of that or 33% corresponds to the operating budget. The 24/25 proposed budget includes an additional 60.56 new FTEs. The increase of the FTEs addresses the need to staff the first phase of the new ambulance program, a new fire station, and a training facility within the fire department. Other critical positions within Human Resources, Community Services, and Public Works have also been included in this budget. This chart displays FTE levels since fiscal year 2005/2006. As you can see, despite the increase of FTEs and population, we are still operating more efficiently today because of technology and process improvements. The 60.56 new FTEs proposed in this budget represent 2.3% increase in the total FTEs from last year. The General Fund is our largest operating fund. It funds most of our core operations such as public safety, community services, public works, general city administration, and other. The General Fund proposed budget for 24/25 is \$621.7 million and it's made up of an operating proposed budget of \$376.4 million, \$114.1 million in contingencies and operating reserves which are needed to maintain the bond rating, and \$131.2 million in reserves earmarked for specific purposes and initiatives such as the PSPRS unfunded liability and the General Plan.

The proposed 24/25 General Fund operating budget shows a modest increase of 0.3% from the 23/24 adopted budget. As you can see, most of the operating budget in the General Fund is primarily allocated to personal services. The 3.3% increase includes budget for the implementation of the comprehensive classification and compensation study that was approved in 23/24, and it's, and that is still underway. Also includes merit and marketing increases for eligible personnel and the previously mentioned addition of 60.56 new FTEs. With that said, I should mention that since the classification and the compensation studies are still underway, the merit and marketing increases published in the proposed book may change based on the result of this study. The 2.2% increase in other operating expenses is due to contract and utility expense increases and the cost of maintaining new facilities and programs.

This pie chart shows what General Fund budget looks like from the division standpoint. Public safety, so, police and fire will represent 55% of our General Fund budget. Along with all of our core services such as park and rec, library, human services, public works, streets, and community and economic development, it makes up 84% of our General Fund expenditures, leaving 16% of the General Fund budget for support services, general government, and administration. For the next few slides, I will go over the budget for the larger departments. The Police Chief, Fire Chief, and the department directors are available here to

answer any specific questions you may have. For the Fire Department, the total General Fund increase of 9.7% is mainly due to the addition of a new ambulance service, the fire station 612, and the new training facility. A total of 56 FTEs have been added to the fire department's budget, 46 of those are sworn FTEs.

The other fund category includes grants and other restricted special revenue funds. These funds are often designated for specific purposes and may fluctuate from year to year, based on the availability of grants and changes in revenue streams. The decrease in other funds is explained mostly by the end of the specific grant funding such as the healthy forest initiative and cancer screening grants in this case. For our police operations, the 24/25 General Fund proposed budget is a slight increase from the 23/24 adopted budget. This budget includes the step program for the sworn personnel and a merit and market increase for eligible employees. The increase was offset by the reduction of the PSPRS rates thanks to the additional contributions to the PSPRS unfunded liability. Overall, retirement, PSPRS retirement rates went down about 1.5% from last year. Other funds include cost increases for the on-body camera contract and budget for programs funded by donations to support police department initiatives. Oh, the additional contribution for the PSPRS unfunded liability, as Sonia mentioned, will resume in 25/26.

For Community Services, the General Fund budget shows a modest change again. The increase in Community Services budget is mostly explained by the increasing federal funding and grant carryovers for human services programs. Funding for the WestWorld Master Plan, funding for the stadium improvements, and for the Council approved revenue sharing agreement with the Scottsdale Railroad and Mechanical Society. Budget increases in other departments are modest as well and mainly driven by personnel and contractual cost increases. With the exception of the Special Revenue Fund, other operating funds also show very small increases. The revenue I'm sorry, very small changes. The Special Revenue Fund notable increase resulted from additional resources allocated to specific programs or projects funded by dedicated revenue streams, such as the previously mentioned WestWorld Master Plan, police initiatives funded by donations, and funding for on-body cameras, that would be Rico funding, increased funding for the Council approved revenue sharing agreement with the Scottsdale Railroad and Mechanical Society.

[Time: 01:24:15]

On the enterprise funds, these are self-supported funds, so, there's no General Fund added to these. Water and sewer represent almost 80% of the enterprise budget, Solid Waste 13%, and Aviation 7%. This side outlines the budget changes and allocations for water and sewer operations. \$1.7 million increase for water purchase costs ensuring that stable water supply for the community. \$0.1 million for the Verde River Watershed Program to enhance water yield supporting sustainable water management practices. And the increase in are electricity costs were \$1.2 million. The net, the new that and also, a new debt service for \$6.4 million. This slide you have seen before is just a reminder that our proposed budget continues to deliver value while maintaining low taxes for our residents. You mentioned that we will take questions at the end, right? So, I will move to Capital Improvement Plan.

So next, I will touch on the CIP proposed five-year plan before I turn it over to Brian and Alison. The

capital improvement plan budget for 24/25 is \$1.066 billion. Or 46.5% of the city's proposed budget. The total five-year Capital Improvement Plan is \$2.2 billion. This encompasses years 24/25 through 28/29, so this is a full five-year plan. The top three largest programs water and sewer, transportation, and the Bond 2019 program represent 80% of the total 5-year Capital Improvement Plan budget. While the five-year Capital Improvement Plan is about \$2.2 billion, the requested appropriation for 24/25 for the Capital Plan is \$1.1 billion. Later tonight, you will hear project highlights for the main capital programs. This slide shows major sources for capital projects by program, like water and sewer are funded by mainly water and sewer revenues and debt, transportation is funded by transportation sales tax and regional sales tax and some grants. The Bond 2019 obviously by bonds and some General Fund and other miscellaneous funds.

Lastly, I will give you an overview of the Bond 2019 Program. As you know, the Bond 2019 Program includes 58 projects for a total of \$318.8 million. So far, Council has approved \$18.8 million in additional funding for this program. Of that \$54.9 has come from the General Fund. \$20.1 million from restricted land sale proceeds and the rest from transportation, 0.2% sales tax, and other funds. The 24/25 proposed C.I.P. budget includes a request of \$2.5 million, in additional funding. This will bring the total cost of the Bond 2019 Program to \$404.1 million. The request for the additional \$2.5 million is for two projects. Modernize computer equipment rooms to protect the city servers. The request is \$1.2 million in General Fund, which will bring the total cost of the project to \$2.1 million, and for the renovate WestWorld horse barn and increase rentable space, the request is for \$1.3 million from Tourism Development Fund, which was recommended by the Tourism Development Commission. Now, I will turn it over to Brian Biesemeyer, Water Resources Executive Director, who will speak about water and sewer capital projects.

[Time: 01:28:43]

Brian Biesemeyer: Good evening, Mayor and Council. I've got just a few representative projects to show you in our Capital Improvement Plan. The first one we're going to talk on water. The first ones are distribution systems, and the continued investment we need to make into our pipes that provide water to our citizens. As we've talked about, these assets have a long lifespan, but we've been in business for a long time, and we need to continue to replace these assets to ensure that we minimize breaks and keep water in our lines. The next couple of projects I am going to outline are really about our water security and ensuring that we have sufficient water for the city now and in the future. The first is Bartlett Dam. The Salt River Project is looking at building a new Bartlett Dam and has asked for partnerships in that endeavor. We have raised our hand and said yes, we would like to be a partner with SRP, and the result would be potentially around 5,000-acre feet of additional water resources for the city.

That's important as you have heard Gretchen Baumgartner give you drought updates and we will continually be back to you in June for more updates. But as we look at what's coming on the Colorado River, post-2026, when the rules on the river change and are in place in 2027, we're looking at potential cuts in our Colorado River water of up to 20%, which could be up to 16,000-acre feet of water. That's 16,000-acre feet. So, we are looking at ways to increase and offset that. This is one of those ways. The next is also another way to offset that loss and that's for direct potable reuse on a full scale. And this project, we have the technology; it's really just connecting parts of our plants and making it available for

direct potable reuse to offset some of those cuts. We believe this could provide up to 4 to 5,000-acre feet of additional water into our system. You can see between that and SRP's Bartlett Dam project, we can make up 60%, 50 to 60% of the Colorado River cuts.

Then on the wastewater, the subregional operating group, is five cities that operates a large wastewater system throughout the valley, it's Phoenix, Mesa, Glendale, and Tempe with Scottsdale. We are part owners in this process, and this is our investment in both the treatment facility and the collectors that take the water to the 91st Avenue treatment facility. Greenway Hayden Loop sewer improvements, we came to Council a month or so ago about this project. We asked for additional funding. That additional funding is in the \$45 million. We had additional funds already established for the upcoming year. So, the entire project which you'll see there is \$48.9 million. It's a very large sewer. Which involves we already have a 24-inch, it's a 36-inch sewer, and it comes across the TPC. In addition to the existing 24-inch which we also had to repair. So then in the end, it will be a 36 and a 24-inch sewer running down the TPC. And then a reclamation plant expansion. Again, as we look for the need for recycling more water, we need to expand our reclamation facility and that would expand the reclamation facility from our current 24 million gallons a day to about \$30 million a day. And that concludes my portion. And our Transportation Director, or I think Alison, I take that back, Alison will be up next.

[Time: 01:33:17]

Alison Tymkiw: Okay, good evening, Mayor and members of Council. So, I have a few projects that I wanted to highlight that are in the current budget. And most of these projects I already presented to you in the C.I.P. updates in the past but the reason why I wanted to highlight these projects is when you look at the overall budget, for example, for transportation, we're looking at \$255 million, and just a reminder that we have to fund some of the projects that we're actually getting reimbursed by the Arizona, the ALCP program, as well as federal grants. So that's what I wanted to highlight on the next few slides. Next slide, please. Okay. So, this is Scottsdale Road, Jomax to Dixileta Drive project. As you can see, we have \$29.2 million in the budget for this project. And actually, of that, \$6.8 million is local funds and the rest are grant and ALCP funds. This project is to design and construct Scottsdale Road to the ultimate arterial minor arterial cross-section to improve capacity and safety. Next slide, please.

Okay, similarly, this is Pima Road, Happy Valley to Jomax. This section is the next section of Pima Road. Currently under construction, we have Pima Road from Pinnacle Peak to Happy Valley Road so this would be the next section north of that. And again, we are improving it to its ultimate four-lane minor arterial cross section, and you can see an example of the cross-section here and of the \$18 million, we do have ALCP funding, so the transportation sales tax portion is about \$5.4 million. Next slide, please. Pima Road, Dynamite Boulevard to Las Piedras, that's another section north. This, we will be widening this to the ultimate four-lane arterial cross section, again to improve capacity and safety. And of the \$26.4 million in the budget, \$7.9 million comes from transportation sales tax and the rest is ALCP funding. Next slide, please. And then similarly, Carefree Highway, Cave Creek to Scottsdale Road, this is primarily a two-lane roadway, so we will be widening it to its ultimate four-lane cross section and again of the \$21.5 million, 6.4 is local funding and the rest is Arterial Life Cycle Program.

And then similarly, I wanted to highlight a couple of drainage projects we have \$17 million in the budget this year but \$71 million for next year and again we have various funding sources for some of the drainage projects. And this is the Granite Reef Water Shed Phase 2A, it's construct a storm drain along Pima Road from north of Thomas Road to McKellips and then along McKellips and south to the Salt River. This project is going to be constructed with one of our south Pima Road projects and it will be constructed by the Salt River Pima Community, and we will be contributing funding. So again, of the \$25.7 million in this drainage project, 19.4 is coming from the flood control district and then 6.2 is from our stormwater fee. And then next slide, please. Similarly, we have Granite Reef Watershed Phase 2B. And this is to construct a detention basin in Pima Park and storm drain channel and culvert improvements along Granite Reef Wash from Thomas Road to McKellips. And, again, we have several sources of funding for this project. We have flood control district funding; we will have some funding from the Salt River Pima Maricopa Community. And again, we have our storm water utility fee. And that's what I have, thank you. Next slide. I think we're ready for questions or I think public comment.

PUBLIC COMMENT

Mayor Ortega: Sure, excellent. We will now go to public comment. So that concluded the direct staff presentation. I show Item Number 17, Robert Lettieri.

[Time: 01:38:05]

Robert Lettieri: Mayor and Council, I have some comments to offer on the budget. I know that you put out the budget for public consumption so we can be educated about it. But I have some suggestions that might add transparency and clarity to it, starting with the transmittal. First sentence is "I am pleased to present" but nowhere on here does it say who is presenting it. Now, I know in the City Charter, Article 2, Section 2c, rather, that's Article 3, Section 2c, it's the responsibility of the City Manager, but he doesn't sign it or disclose it. I also think it would be beneficial to the citizenship if we had a summary in the transmittal of total expenses and total revenue so we would know whether or not we are at zero budget, surplus or deficit. And the reason why I think this is important is I don't know if this page A11 of the budget is available to be put up, but I can share it with you here. If you will allow me to. The reason why I think that's important is it talks about, oh excuse me, it talks about the total revenue of the year being \$1.251 billion but you are planning to spend \$2.29 billion. So, my first reaction is what makes up the difference? Well, it's fund balances. But fund balances aren't really disclosed. Are they appropriations from prior years that roll into this budget that reconcile that difference?

Now, staying with that, it may have been corrected in the subsequent disclosure, but if you take a look at line two, you will see where the fund balances of \$1.295 billion, plus the current revenue of \$1.251 billion, it adds up to \$2.546 billion not the \$2.556 million. So, I think the executive summary in the front might prevent an error like that from happening. You can see that right here. Now the other question that I have that could be added to the disclosure is that it states that the opening balance or the balances available for this year are \$1.295 billion. The budget that was presented tonight says that the ending balance is \$268 million. That's a \$1 billion swing. Now, does that mean that going into next year's budget, we're we have only \$268 million versus this year where we had \$1.295 billion? I think that a

simple disclosure along those lines would alleviate somebody's stress if they were trying to understand the budget. So those are my comments. Thank you.

Mayor Ortega: Thank you. Now I will close public comment for Item Number 17. As we move forward, we can raise any questions. I don't see any other colleagues buzzing in. So well, what the budget shows is a balance when there are transportation solutions, there have to be drainage solutions as well. So that's basically how we look at the roads by themselves must have protection, so they don't get washed out. When you look at some of the cost, you will see the paired drainage and roadways, you know, are substantial. One cannot do without the other. That's my general impression that these same thing with water and sewer. So, water and sewer also working in tandem. And water in and because of our recycling capabilities to recapture and treat, why we have that advantage as an extra source of water. With that, I see Councilmember Graham and Councilwoman Janik wishing to speak.

Councilmember Graham: Mayor, may I defer to Councilwoman Janik, if I can speak after her? I'm still collecting my, thank you.

Mayor Ortega: Thank you. Councilwoman Janik.

[Time: 01:42:50]

Councilwoman Janik: I just wanted to make sure that it's okay if I go into questions on the water section. Is that okay?

Mayor Ortega: Yes, any part of the presentation you may have a question. Just help us referring to the section that's.

Councilwoman Janik: Okay. Page 41, which I now need to dig out too. Okay. I know you referred to this as improvements because the system is aging and there needs to be replacement which is the primary reason for these expenses. Question, why is 24/25 so much higher than 28/29?

Brian Biesemeyer: That's due to the way we budget and some of the things you'll have to, I'm sure the Treasurer can offer some more explanation, but that's past budget authorizations, rolling up forward. So those are projects currently underway that have been several years back were budgeting for and are then currently operating so it does look like all of a sudden, we're asking for a bunch up front. That's not correct. It kind of rolls those forward into that. So, it makes it look like it's front heavy where this is including past years' budgets that have not been spent.

Councilwoman Janik: Thank you. That makes sense. Then my next question is how do you decide where to go to do the work? Do you do it in an organized fashion where I'm sure it's organized, but do you have like a five-year plan. Where you review one fifth of the pipes year one, another one fifth of the system year two, or do you do it based on how old it is, or do you wait for leaks to appear?

Brian Biesemeyer: We don't wait for leaks to appear.

Councilwoman Janik: Okay, good.

Brian Biesemeyer: Although we do monitor where the leaks are and if we see an excessive amount of leaks in one area, then that's going to focus our attention. But we do things, we've done things like taking borings, actually replace our pipes and look at the pipes. If we replace any pipe, we look at that pipe how well that pipe exists. We do a forensic on that pipe. We also take little borings of those pipes in different places to assess the quality of the pipe. Obviously, we take a boring, we got to patch it. So, we have various means to do that, but it's not just wait until they leak and replace them. We try to be proactive and look at the age of pipes, as well as the condition of the pipe to make those assessments.

Councilwoman Janik: Okay. Thank you. And then page 43. Where are we in the process of being allowed by the state to direct potable reuse full scale for drinking water.

[Time: 01:45:41]

Brian Biesemeyer: The rules should be published this, the end of this year. So, we should have the final rules which allow for the larger scale. Technically, we could apply for it now. The state allows it. The county has been a little hesitant because the state didn't come out with their second phase of rules. We're waiting for the second phase of rules to come out by the end of 2024. So, while you see 1 million in 24/25, we wouldn't initiate that until those rules come out and we have an understanding of the rules and how we need to comply with those existing rules.

Councilwoman Janik: Okay. So these financial estimates are maybe additional steps you will need to take for compliance.

Brian Biesemeyer: For compliance in connection of pipes between our advanced water treatment facility and our Central Arizona Project Water Treatment Facility. Our plan is that we can connect it in several spots because we want to have maximum flexibility to treat and then retreat if we need to through the Central Arizona Project Water Treatment Facility. So, we want to build redundancy and multiple connections to allow us to treat variable water quality as needed.

Councilwoman Janik: Okay. Wonderful. Then page 45. The cost, I think my question had to do with the cost increase and just to verify that as development occurs, that it's using this system, we will be able to recoup the money we've spent up front to enhance the system.

Brian Biesemeyer: Councilwoman Janik, that is correct. There is initial funding in there that was impact fee, the additional funding is done and then will be paid back through pay back agreements as that development occurs. They have to pay to connect to the sewer and pay according to the flows that they're going to use in that sewer.

Councilwoman Janik: Okay. And then I didn't want to take all the time, just oh, this is for Alison. Thank you.

Brian Biesemeyer: Thank you.

Mayor Ortega: And by the way, Brian Biesemeyer is another enthusiast who completed the Tour de Scottsdale with seven other members of water team. Let's give him a hand.

Councilwoman Janik: Okay, Alison, this is a quick question. Slide 49, Pima Road, Happy Valley to Jomax. The people are suffering with this road construction. Are you going to give them a break? Or are you just going to say, we're going to go right through and get it all done? I would suggest maybe a little bit of a break, but I was curious.

[Time: 01:48:23]

Alison Tymkiw: Councilwoman Janik, well, the good news is they'll get a break on Pima Road, however, we will be switching to construction on Scottsdale Road as you saw Scottsdale Road, Jomax to Dixileta would be the next project under construction. But yes, we won't be doing another project on Pima Road until Scottsdale Road construction is complete.

Councilwoman Janik: Okay and about how long are you anticipating the different phases? I know that the current construction is going to be done pretty soon.

Alison Tymkiw: The current construction on Pima Road is scheduled to be completed in the summer. And we're hoping to start construction on Scottsdale Road in the fall.

Councilwoman Janik: And that will be ongoing for two years?

Alison Tymkiw: 18 months is our current estimated schedule for that project.

Councilwoman Janik: Okay. And then when you go back to Pima, about how long will that phase be?

Alison Tymkiw: Approximately one year.

Councilwoman Janik: Oh, good, okay. Thank you.

Mayor Ortega: We have Councilmember Graham and then Vice Mayor Whitehead.

Councilmember Graham: Thank you, Mayor. Sonia, can you in very layman's terms explain the difference to the public between reserves and contingencies?

[Time: 01:49:44]

Sonia Andrews: Yes, absolutely. So, contingencies are money set aside for any unexpected expenditures for our normal operations. So, let's say we have an unexpected price increase, or an unexpected additional supplies that we need to order that wasn't budgeted in the line item. We can then use our

contingency to cover those. Reserves are rainy day funds and reserves needed to cover emergency expenditures that are maybe natural disasters or totally unexpected emergencies that are well beyond our operating budget that are not normal operating budget increases. Reserves are normally seen by the rating agencies as a very important component of our bond rating. So, the minimum best practice required reserves is three months of operating expenses which is about 25%. Which is what our policy dictates that we maintain in order to keep our AAA bond rating.

Councilmember Graham: How much do we have in reserves right now? Approximately? I don't need exact numbers.

Sonia Andrews: So, we have a total of one, if you go back to slide.

Councilmember Graham: I'm trying to stay out of the slides as much as possible and just sort of keep this going. It's okay if you can't find it.

Sonia Andrews: Okay. If you go back to slide four, we're starting the year with \$1.295 billion in reserves and contingencies. And we, half of that, 600 and something, \$637 million of that is capital contingencies and reserves, because, again, we have to set the money aside before we can start construction. That's why a lot of times on the capital budget the beginning fund balance is sizable, and then we budget to spend it for construction.

Councilmember Graham: That might be where people get lost that you're talking about capital reserves and you're talking about cash reserves to secure our credit worthiness. And so, in this right here contingencies and reserve are you, you're combining both?

Sonia Andrews: I'm sorry. I'm sorry. This is operating reserves, but you are absolutely right. We do have capital reserves and we have operating reserves. So, I wanted to explain that we have both. And in total when you combine the two, we are starting the year with \$1.295 billion. \$637 million is capital and the rest of 600 something million is operating. Our budget proposes ending the year with \$465.9 million in contingencies and reserves.

[Time: 01:53:11]

Councilmember Graham: And why do we put, what's the policy for how much contingency we put on a particular fund balance or a particular program? Because we put a contingency on there, how do you decide how much goes there?

Sonia Andrews: Right. So, our policy dictates our reserves, and not our contingencies. Our policy dictates 25% of reserves in the operating funds for rainy day, revenue stabilization, disaster emergencies, that sort of stuff. That's not part of normal operations. Contingencies are unexpected expenses that are part of our normal operations that are determined by the departments, depending on the division and the expenditures, we dictate how much contingencies we need. So, if we have a division that we typically have very stable expenditures, not a lot of unexpected price changes or unexpected expenditures, we

may carry a much lower contingency, like \$3 million may be enough. We have a department with operations that have fluctuations, we may want a higher level of contingency.

Councilmember Graham: Do we have a written policy on how we set our contingencies?

Sonia Andrews: We do not have a policy on contingency levels because that's dictated by the operations in our departments. We have a policy on reserve levels.

Councilmember Graham: Well, I know, but they, I guess what I'm getting at is they ask for a contingency because.

Sonia Andrews: Oh, I see, yes.

Councilmember Graham: I think that you know, because Arizona law, when you pass a budget, you can't increase that budget, right?

Sonia Andrews: Yes.

Councilmember Graham: And so that's why we bake in that sort of additional cushion.

Sonia Andrews: Correct. And our policy requires Council approval to use contingency. So let's say an operating budget has \$3 or \$5 million in contingency and low and behold, there was unexpected operating expenditures. If they want to use contingency, we have to take that to Council to approve transferring the money from contingency up to the line item.

Councilmember Graham: I think that's sometimes that's where the confusion happens is because we a contingency happens, and then we say we have no money, we're broke, we're out of money, we're out of cash, well not really, but then all of a sudden, an unexpected contingency comes up, and then we have money. And so, I was just, do any other cities put a policy for what their contingency on these programs might be or is that just dictated by the request of the department.

Sonia Andrews: I'm not aware of contingency level policies. I could certainly research that and we could certainly explore that.

Councilmember Graham: And then, so the General Plan, we have \$15 million for General Plan Initiatives, that's different from the reserves and contingencies. Is that correct?

Sonia Andrews: Correct.

[Time: 01:56:02]

Councilmember Graham: What are some examples for what Council uses General Plan Initiatives for like say in the current year or in the past.

Sonia Andrews: Correct, so when the voters approved the General Plan 2035, we set aside \$15 million as an earmarked fund balance for General Plan initiatives and that would include affordable housing, the Sustainability Plan initiatives, any innovation initiatives so if Council approves the Sustainability Plan and there's action items that require use of funds, there's no budget appropriation currently in the budget for it, we would then use the General Plan Initiative, I'm sorry, General Plan Initiative fund balance as earmarked for those items.

Councilmember Graham: Do you have a separate fund or does that just come out of the General Fund?

Sonia Andrews: It's a separate line item in the General Plan.

Councilmember Graham: It's earmarked.

Councilmember Graham: It's earmarked and specifically stated in the General Fund as earmarked for General Plan Initiatives.

Councilmember Graham: What funds it? Sales taxes just generally?

Sonia Andrews: I'm sorry say that?

Councilmember Graham: What funds it?

Sonia Andrews: All the revenues in the General Fund which includes sales tax, state-shared property tax and all the charges and fees.

Councilmember Graham: So, like we move forward, for example, we move forward with Downtown parking in the southeastern section and then we could take \$15, \$14 million and build one in the northeast quadrant, that would be possible?

Sonia Andrews: Correct.

Councilmember Graham: Okay. I want to go to page C1 in the budget. So, we are talking about salary and benefits compensation for employees. You guys talk about, there's \$10 million in there, it's called Class and Comp Study implementation. And then there's a separate line item for market adjustments and then there's a separate line item for merit adjustments. I thought the Classic Comp Study was sold to us as we're going to go find out what market is. So, shouldn't that be kind of mixed with market adjustments? Jim, Mr. Thompson, are you stepping in?

[Time: 01:57:53]

Jim Thompson: I'm stepping in.

Councilmember Graham: Is this your contradiction?

Jim Thompson: Mr. Mayor, members of Council, to address your question directly the Class and Comp Study takes a very long time. We haven't done one in about close to ten years in the City of Scottsdale. What it will do, there's two different components to it, the classification, it's classifications across all ranges of city. Compensation is the market in which we look at. So, they looked at both. The compensation side, we kind of had an idea where we might fall but we found through the study that we are off in some areas and that's part of why that place holder was there because we are not quite done with the study. We still have a few weeks left; we are still working through it. It takes around nine months to complete. We meet with all the different departments, all the different range of employees, and then what we do on the classification side, which is the one that's been the challenging, because we haven't done it so long. We have over 1,000 classifications of our 3,000 employees and so for us we wanted to go in and condense some down and we wanted to look at the range.

If you recall, last year we addressed the Police Department and solely the Police Department. Now we are addressing the rest of the entire city. And so, it is very complex. We did it in little portions. So, this year, that's why that \$10 million sitting there to address that, that's why the other portions we originally had addressed the market. I think you see there is the 5% on the officers and the police side, we had a good idea of that. And we also then have the market adjustment which would need to occur to them and then the others we have the 2 and 3, but we're going to land somewhere a little bit different than that because what of we did with the Police Department to make it consistent across all boards. So that's why we have the holding there because when we developed the budget over the last multiple months we weren't to a point where we concluded with it yet.

Councilmember Graham: So, I guess we have the step program and the merit and the market and the class comp, wouldn't it just be easier to just say, like what are the reasons besides market adjustment or merit, or meritorious are there to increase someone's compensation?

Jim Thompson: There's various methods that you can utilize.

Councilmember Graham: But what's third, is there another way besides market and merit to increase somebody's compensation? So, I think it should be in those two categories, I think we could maybe put a footnote down here. I think that would just be easier for people to understand the budget. It's a thought. Just think about it.

Jim Thompson: Mayor, members of Council, Councilmember Graham, there's multiple ways to do it. We have chose for years to do the merit and market adjustments. It's kept us competitive in the marketplace in a very challenging environment today.

Councilmember Graham: I know it's challenge, it's just I know it's challenging. We all see it, labor scarcity, labor market. I'm just saying for somebody to read this budget and understand it, it's a lot simpler and a lot more accessible when you just put it those two buckets and then we can put a footnote. It's just something to consider. I'm just I'm proffering that as a consideration.

Jim Thompson: I would be happy to once we conclude the study.

Councilmember Graham: Thank you.

Jim Thompson: You're welcome.

[Time: 02:01:37]

Councilmember Graham: So just a general question. So, our head count, Sonia is proposed to go up about 60 people, is that right?

Sonia Andrews: 60.56.

Councilmember Graham: 60 people, yeah. And so, our head count is going to be about 2,700 next year. Is that? What's our population in Scottsdale as far as residents?

Sonia Andrews: 244. 244.

Councilmember Graham: What's the, is our population growing or flat kind of what's?

Sonia Andrews: It's been growing at about 1% a year.

Councilmember Graham: So, what's our headcount growing at?

Sonia Andrews: 2.3 from last year and that's because of the new ambulance service.

Councilmember Graham: Yeah.

Sonia Andrews: So, we are adding a new ambulance service and we're staffing the new fire station.

Councilmember Graham: I think it's good to keep population growth and employee headcount relatively close to one another. That would be kind of my suggestion. So, it seems like we're kind of mostly achieving that with this budget. Jim is giving me a look like he wants to step in.

[Time: 02:02:43]

Jim Thompson: Mr. Mayor, members of Council, Councilmember Graham, yes, we know our numbers per thousand and that changes depending on a lot of things. Example, many don't have a large open space that we have. We're 45% area communities open space so your park workers may be a little different. Many don't have the events that we have which require the police and fire coverage and all the 11 million tourists that come into town every year that generate a good portion of funds. So, when we start to do comparisons, we look at that. We also are below, still about 100, a little over 100 employees below where we were at before the recession and we made reductions and really pushed the envelope and we have grown over that same period of time. So there's a lot of things to consider and I don't like using a generic number of saying so much per thousands.

Councilmember Graham: No but you look for benchmarks. You look for benchmarks and trend lines, but I agree. You guys stretch your dollars and you guys work hard to make it efficient. So, I appreciate that. Just a couple more comments and I will probably wrap it up here. Page F11, we've got \$1.2 million to construct the Residence at Paiute. That's probably an error. And so, I just want to put that out there. I think that we had a meeting, I think that's probably going to go away because this Council voted to remove that project.

Sonia Andrews: Mayor, Councilmember Graham that appears to be a leftover one from the prior year that we need to remove.

Councilmember Graham: Kind of a remnant, yeah.

Sonia Andrews: We will research that and make sure we correct that for the tentative budget.

Councilmember Graham: Oh, a wish that yeah, my personal budget I could oh a million dollars, I should take that out there. But I'm pleased that we're going to be moving forward on page F12 with the shade study. It would be nice to get that a little closer I know we are talking about sustainability. So, it would be nice if that was going before that, but I'm pleased to see that coming up. I think that's one of the most important things and I just want to make a couple remarks. I'm very pleased with how much we are investing in our parks and how much we are moving forward for the bond projects. We are spending a lot of money on McCormick-Stillman Railroad Park is going to have a big year, isn't it? We are going to rip it all up and rebuild it, aren't we. Scottsdale Stadium is getting a lot of improvements which we just voted on recently and so there's some concerns about this budget, but there's also a lot to be excited for and so I thank you Sonia and Jim for your presentations as well as from your colleagues. Thank you, Mayor.

Mayor Ortega: Okay, Vice Mayor Whitehead.

[Time: 02:05:17]

Vice Mayor Whitehead: Okay, well a lot was addressed. So, thanks Councilmember Graham and I think that was good. I think the public needs to understand that we spend a lot of time with staff and with specifically our Treasurer before this meeting because these budgets are complex and how cities are run is complex and it's your tax dollars. So, but I thought that was a really good explanation of the discussion on reserves versus contingencies and how it's calculated. And I also was going to bring up the employee thing. You know, the number of employees. This city, it's a world-class city with simply better service and we have done so with such a deficit of employees. In the 2010s, employees, a number of employees were cut and even though our city has grown, our number of amenities have grown, our number of parks have grown. We have done so without sufficient staff and what we saw with police pay and that was something this Council did was rather than being the second highest paying city for police, we fell way below that during the 2010s. So, I'm pleased that we are back at the second spot, and I'm pleased that now we're reviewing all positions because we have to care for those who care for us. And we cannot be the simply better service without sufficient number of staff people.

So, you answered that question. And also I think it needs to be stressed again that we are such a donor city to this state. What does that mean? It means that the state gives us shared revenue based on our population. It does not include the fact that we have probably the largest percentage of snowbirds. It does not include the 5,000 short-term rentals, the people that are staying in those. It does not include the tourists, the 11 million people that come to this city, and yet we have to keep all of those people safe, and all of those people need to have access to water. So, this is truly an amazing budget. And I also want to remind people that unlike, let's say, the federal government, and certainly the state government, residents routinely come to us as we saw today with three petitions. We had actually three petitions. And our budget is influenced by our residents. So, we had residents that pointed out a sidewalk segment was missing, making it very dangerous. That's moving forward. That's in the budget.

So, and I just also want to point again, reiterate some of the challenges this city faces. The state government is really good at cutting budgets, just not their own. They are really good at cutting city budgets. There not, who calls state when you have a police issue? Who calls the state when there's a water leak. No, you call us and yet, we're facing \$20 to \$30 million revenue cut. The General Fund is not a pot of gold at the end of the rainbow. Everybody says let's just use the General Fund. Well, okay. Where does the money in the General Fund come from? It comes from taxes. Taxes in Scottsdale are how we fund the city. It comes from fees for services like trash and thank goodness it also come from our taxes that funnel through the federal government and come back and as we saw in this budget, come back to us as grants for specific projects.

So, we are dealing with \$20 to \$30 million loss in revenue, we're dealing with a deficit of staffing that we inherited from the last administration, and we are dealing with a population growth that isn't necessarily permanent population, but it's a whole heck of a lot of people, and we're glad they are here, and we're doing a good job. It's a tough budget year. I just also want to stress that we haven't cut positions. Every budget year I worry about that, especially we saw that in COVID. We have not cut the positions that people don't necessarily think of that matter so much, our social services, our parks employees, our code enforcement. I mean these are things that people call us about and we need to have people in those positions that can address these things. Graffiti. I just had someone comment to me today, graffiti goes up, graffiti goes down within 24 hours. That's staff and that's a world-class city with simply better service. So, I'm very appreciative of the many people on staff that made this budget possible. Thank you.

Mayor Ortega: Thank you. Councilwoman Caputi.

[Time: 02:10:14]

Councilwoman Caputi: Thank you Mayor. Just really briefly, I thank you Sonia, I'm going to echo what Vice Mayor Whitehead just said. There's so much work that goes into this budget. People sit and listen to us talk for 40 minutes but we've met with our City Treasurer for weeks and months and hours and done all the work you know that goes into such a complicated budget. So, thank you to the staff for all of your work. I just want to make two very quick comments. Councilwoman Janik pointed out all the road projects that we have going on and I just want to underscore. Yes, multiyear lane additions and

road widening going on. You know in some significant parts of our city. So, again, that cannot be underscored. We hear a lot about taking lanes. I can't remember doing that since I've been on Council but it's amazing how many lanes we're adding and widening and it's interesting to note.

The other point I want to make is I have been on this Council, this is my fourth year on Council and every year we've put aside some money in our Council fund, if you will, discretionary fund and every year we have reminded each other that we want to do something for affordable housing, and as our City Treasurer just mentioned, or sustainability. Those two things are still wildly important in our city, and we seem to keep getting foiled in our mission of doing that. So, I want to remind our Council that we all agreed together for the last three or four years that was an incredibly important initiative and that is where our discretionary money should be concentrated in my opinion. Thank you.

[Time: 02:12:00]

Mayor Ortega: So, as a wrap-up on this Item, we are expressing our, I believe, positive outcome of all the effort for the budget as it moves forward. The big standout is that the budget is reduced 9.5%, from year to year, and yet we are increasing our law enforcement, the tools, and the technology that they need. We are also stepping into; I toured the new fire department training building that's under construction. It will probably be finished by July. And there again, we have, the ability, we will have the ability to train our own firemen on site. Right now, the City of Scottsdale pays, I don't know how many x thousand, I heard it was about \$7,000 to train our cadets and keep our Fire Department trained but we pay that to other cities because we don't, we did not have an academy worthy of the training. The same thing occurs so we are supplementing our police. We did that last year when we had to have a new squad to rein in the short-term rentals and that enforcement. That was not negotiable. That's something that the Chief went and moved forward with. We will act on it decisively.

The other thing to point out is that this Council and I can proudly say, we are the first Council and I'm the Mayor that put \$15 million for some form of affordable housing and it may be in partnership with several groups. We have had quite a bit of interest. That had never been provided before in a budget. Well, that opens the door and why should we respond. It's because businesspeople, people who live near parks are telling us, do your job and see if you can find some solution. The solution can be, of course, a partnership with experts that can handle that. The other outcome is that by reducing our budget, we also are constrained. We are now at 97% of capacity. We were at 99% just for this fiscal year. That's dangerously close to hitting an empty gas tank, basically because we have the funds in reserves and so forth, but we may not be able to meet the needs unless that is revisited. So, we have seen taken action to have a competent administrative adjustment to that and that's going to the people. I'm saying that as a neutral statement because the facts show where we are at. So, I think we are pleased and with that, I will close this item as I see no other requests to speak. We would next go into public comment.

PUBLIC COMMENT

Mayor Ortega: Public comment is an opportunity for Scottsdale citizens and business owners and

property owners to come forward on a non-agendized item. I have two familiar faces who wish to speak, that is Dawn Brokaw and Susie Wheeler who are very established in the Cactus Corridor, and I remember you guys from 25 years ago. It's pretty amazing, right? Thank you. This is Dawn and then Susie, they will be speaking together and presenting a petition. How are you?

[Time: 02:19:01]

Dawn Brokaw: My name is Dawn Brokaw and I have lived in the Cactus Corridor for 33 years. After I moved there, I met Susie Wheeler and I found out about the Cactus Corridor Study which was the study to preserve a rural equestrian neighborhood trail. We spent the next year working with a lot of people to preserve that neighborhood and it passed in 1992. It's been a roaring success ever since. It took a long time to get that trail and the road built. The next step that we did was we petitioned the city to downgrade Cactus Road, five lanes of traffic in a rural equestrian neighborhood didn't seem to make sense and they agreed, and they did a great thing. They actually created a whole new road system or category, three lanes and a trail. It was all incorporated together and it did take about ten years to get that built. It's built now and it's great.

But we're having a problem and we're hoping that you can help us. On the north side of Cactus, there's a sidewalk and the people that live on that side of the road, the north side, I don't know where they park their cars or put their garbage, but it's never on the sidewalk. Once our trail got built, that's what it turned into, a place for garbage and people to park their cars. So, I called the police and the first policemen that came out was very nice, but he had never heard of the Cactus Corridor. He didn't know about trails. He didn't know how to write a ticket. He didn't even know what the little code he could put into the ticket would be. So, I called Greg Davies in Transportation, and he suggested I call officer, I think it's Katzaroff and between the two of them, they got a sign put up for no parking and a sign for the trail. Well, if you look at the page 2 in your folder, you see how well that worked. It didn't work hardly at all. So, we've got a problem.

Susan Wheeler: Your time is almost up.

Dawn Brokaw: It waxes and wanes. The police have gotten a little better, but the traffic comes and goes. It's actually going to be a safety issue, or it has been a safety issue and potentially a legal issue. So, we're hoping that you can help with it, and we are suggesting a split rail fence, which the good news is it's already, there's other split rail fences every place on the, you know on Cactus and on Scottsdale Road. It's cheap. It's easy. It's safe, and it looks nice and fits with the Cactus Corridor Study. So, we are hoping that you can help us with that, and Susie would like to tell you something.

Mayor Ortega: Can you have your sister speak oh wait, Susie, yes.

Susan Wheeler: I'll talk fast.

Mayor Ortega: Go ahead, go ahead.

Susan Wheeler: I'm Susan Wheeler and I live in Cactus Acres, and I've been a part of the trail system since the '90s in the City of Scottsdale. And putting a split rail fence along Cactus Road is a safety issue. And the main thing is that there were these, I want to tell you a little story. If you give me a little time. There was a couple riding their Missouri Trotters on Scottsdale Road, which has a trail up north and they were riding it down and along comes a truck and it's hauling a little trailer behind it, and it grabs ahold of the horse's leg. And they had to put the horse down. Fortunately, it was a man, an adult riding the horse. And, horses get spooked so easy, they can get out in the road. And so, there's children, and there's adults that ride on this trail to go out to the McDowells or go to WestWorld. And we really need to have a fence there separating the trail from the road. That's all. Thank you.

Mayor Ortega: Very good. Thank you. That concludes public comment. Therefore, I will close public comment.

CITIZEN PETITION

[Time: 02:20:14]

Mayor Ortega: Next, we move on and so, we are in receipt of your citizen petition. Thank you very much. And accordingly, we are in receipt of three distinct separate petitions according to our charter and the rules we have three points possible decisions to consider, and I would like to at least place on the for consideration in order as we receive them. The first question had to do with a template requesting some action along Dynamite and a study of different speeds and such. And that was the consideration that was presented by several neighborhood groups. We have three options; one is to direct the City Manager to agendize the petition for further discussion. The other was to direct the City Manager to investigate the matter and prepare a written response that would come from staff and that would be prepared, or the third option would be to take no action. I have Vice Mayor wishing to make a motion.

[Time: 02:21:46]

Vice Mayor Whitehead: Yeah, I will make a recommendation and I will just point out that Councilwoman Janik and I have been working with the residents up there and the speed limit. I just want to divide it. So, I want to I want to do item two, direct the City Manager to investigate the matter and prepare a written response to Council, but I want to divide the request into two parts. One is a simple speed reduction, which would make it consistent with the City of Phoenix, Rio Verde, and the county. And then the other, let me get to that petition and the safety zone so that would be category one. And the second request had to do with the traffic light. I just want those split and I would like staff. So, I would recommend that we do item number two.

Mayor Ortega: Thank you, just at this point you tried to clarify further but we are just directing the City Manager to investigate and take a special note of those two areas.

Vice Mayor Whitehead: Yes, thank you.

Mayor Ortega: Do I have a second?

Councilwoman Janik: Second.

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

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Thank you. We have a unanimous action. And we will look for that from the City Manager. Next, we have a request from many people in the northeast quadrant and coincidentally it's the subject of our Work Study. So, I believe at this point, it would be good to of course, it's been accepted, however, I think we can defer any action as we get more information in our Work Study. So, at this point, I don't think we need to table it or take a vote on that one. And let's say saving the easiest one for last. Just kidding. The one that had the most pictures. That was regarding the Cactus Corridor and that discussion, and I wonder how many of these are STR'S blocking your path. That really bugs me. But I see a hand up from Vice Mayor Whitehead.

Vice Mayor Whitehead: Yeah, I just want to thank you both for bringing it up I mean there's everything on that trail, llamas, we've seen camels. So, it's a great example of the city's vision when that whole trail system. So, thanks for your involvement. I know you have been involved for a long time so I would just direct again, direct the City Manager to investigate and then we'll go from there.

Councilwoman Janik: Second.

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

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Thank you accordingly we have a unanimous and that will be that matter is closed.

MAYOR AND COUNCIL - ITEM 19

[Time: 02:24:41]

Mayor Ortega: Next, we will look at the Item Number 19, and that deals with a request to amend the Rules of Council Procedure related to the use of technological devices during public meetings. This was looked at by the charters. And at this point, we have a presentation by the City Attorney, and then Jim Thompson, City Manager and Ben Lane, City Clerk are available to look at that. Thank you very much. Proceed, Ms. Scott.

Sherry Scott: Thank you, Mayor, members of the Council, this Item was added to the Agenda at the request of the City Council, but I do have a short presentation to take you through, just to facilitate your

discussion. I would like to begin by pointing out that Open Meeting Law requirements. The Open Meeting Law requires that Council to conduct its business during public meetings. And part of the Open Meeting Law is that the public has the right to attend and listen to the Council's deliberations during public meetings. As such, the optics of Councilmembers sending electronic messages during Council meetings can be problematic, and this is so even when those communications are innocent and have absolutely nothing to do with matters on the agenda, it still may look to some that the Council might be speaking electronically about matters on the agenda that the public is not able to hear. Next slide.

And for that reason, the Council's current Rules of Procedure have Rule 5.11. That rule provides that Councilmembers shall not use any electronic device capable of sending or receiving messages to or from outside parties for the purpose of communicating with outside parties during any public Council meeting. That also applies during Executive Sessions and if you look at the last sentence of the rule, it provides electronic devices may however be used for noncommunicative purposes such as referencing meeting materials. Next slide. So, if there is a concern that this rule is being violated, the appropriate mechanism for enforcement under our current Rules of Procedure, or I should say your current Rules of Procedure, is to make a Point of Order during the meeting. Next slide. And so, a Point of the Order is set out in Rule 4.3 and it can be raised by any member of the Council when there is a disturbance, a lack of decorum or to raise a question about whether there has a breach of the Council rules. Next slide.

Rule 4.4 also addresses Point of Orders. And it specifically provides that they can interrupt another speaker. It does not require a second. It is not debatable. It is not amendable, and it cannot be reconsidered. Once it's raised, a Point of Order requires a ruling by the presiding officer, and if it's held to be in order, the enforcement of the order by the presiding officer. Next slide. There is an appeal process. If the Council disagrees with the presiding officer's ruling and the Council or any member of the Council can ask that the ruling be appealed. And an affirmative vote of the majority of the Council will rule on that issue. Next slide.

[Time: 00:29:03]

This is the rule as it's written. I'm not going to take you through the rule specifically, but it does provide a bit more procedure about how presiding officers rule on a point of order can be appealed. Next slide. So, one of the things this agenda item was meant to allow the Council to consider, is whether or not the Council would like to take a look at your current Rule 5.11, regarding technological devices during Council meetings and perhaps make that stronger. So, one suggestion if the Council wanted to make the rule stronger, would be as follows: Councilmembers shall not send any electronic communications while attending public Council meetings or Executive Sessions. Only electronic devices supplied by the city and approved for use during Council meetings may be used during Council meetings for noncommunicative purposes, such as referencing meeting materials. And all other electronic devices must be stored elsewhere during Council meetings. Of course, this is one potential amendment that you could think about to potentially strengthen this rule if that was your desire. Next slide.

And if we had a rule like that, we would probably establish an emergency number for the Council's loved ones, friends, or family to use in case there was an emergency and the Councilmember needed to be

called away. Next slide. So, your options are to keep the rule as it is and make a Point of Order when a Councilmember appears to be in violation of the rule. Or you could strengthen rule 5.11, with an amendment, such as the one I've displayed but, of course, there are other options that the Council may have better ideas about. And a third option would be to simply direct staff regarding additional measures that you would like staff to take. Next slide. And with that, I'll wrap up my presentation and let the Council discuss this matter. Of course you have any questions, please let us know.

Mayor Ortega: Well, thank you very much. You know, this late in the meeting, I realize I haven't called on Councilman Durham. I say that because he is remote, and he does tag through the Clerk. So, there's an example where, you know, someone is not available up here and certainly maintains communication. I don't know if Councilman Durham had any comments, but I feel like, I don't think I have overlooked him. You know it is important that the integrity of the Open Meeting Law and any perception, misunderstandings, you know, not be a problem. One solution could be you know, please place your phone on airplane mode. If you do it on airplane mode, it's pretty much, it's off and it's done, right? And we can somehow do it without it because we're focused on what's going on. Another way would be to, you know, have a hat over there at the end be and say put your phone in the hat during meeting and they are out of the way, right? If something goes off, they will be able to, the Clerk will say, "Hey, this looks like momma's calling" or something. I don't know. Whatever. Whatever may happen. So, it could be as simple as that. But I don't know, I think that we can look at and explore, you know, this question. It's been two years since we made these rules and sometimes technology changes, but it is a, it is a concern, not just for this body, but, you know, for task members or board members. So let me go to Vice Mayor, I'm opening the discussion here. I see Vice Mayor Whitehead wishes to speak.

[Time: 02:33:27]

Vice Mayor Whitehead: Well, I think this is pretty simple. The think the recommendation staff made is fine with the emergency number because, and probably parents should do this at home as well. It's hard enough to get people's attention. So, it's nice to know when we're up here and for Open Meeting Laws that the devices that we have in front of us are city supplied and anybody can look at any communication. I don't see any problem with that. That would be my recommendation. And, again, I like the idea of the emergency number. You know, nobody has ever come looking for me, but there could be, and we want, you know, we want to have access to, you know to their husbands or whatever. So that would be my recommendation. I think it's fine.

Mayor Ortega: Okay. I see Councilwoman Littlefield wishes to speak.

Councilwoman Littlefield: Yeah, I do have a small problem with it. I don't even bring my iPad up here anymore. So, I usually use paper agendas and work through my paper notes that I've scribbled on, but I do have a husband that flies and he flies at night. And he has been in accidents when the airplanes don't work right, and I have been called on occasion at night to go pick him up at the hospital. So, I do like to keep my phone here. I don't use it. And it never rings thank goodness, but I consider it a safety measure. So, I would want to keep at least some sort of communication open where they could get ahold of me if they needed to in an emergency. Thank you.

Mayor Ortega: Thank you. Councilwoman Janik.

[Time: 02:35:07]

Councilwoman Janik: Thank you Mayor. I think this was brought up because there has an appearance at many of the meetings that there is communication between people in the audience and people up here. And what I have to say about that is first of all, it's impolite. It's a violation of the rules. I think we do need to make them stricter, just like Councilwoman Whitehead said. But we were the ones voted in by the people, not our advisors, not people who tell us what our position should be. It is us and the citizens have the right to hear what we want to say, not what my advisor wants to say, not what my publicist wants to say, but what Betty Janik and the rest of us have to say. I think it's disingenuous for this to go on and it's difficult to call the Point of Order because then you are disrupting then meeting and then you may say, well, it looks like you are, and then they will say but I am not. Right here, right now, let's stop it I know it was a problem years ago with some of the other people on Council. And we don't want that to continue if new people come on board. So, I think right here, right now, because it has been abused, we need to say no more. We are professionals. We are better than that. I am proud of what I say. Sometimes I'm right and sometimes I'm wrong. But it's me, Betty Janik, it's not the person in the back sending a message saying, Betty Janik, the best thing for you to say to get everybody behind you or get reelected is blah, blah, blah. I don't buy that because you voted for me, not my publicist. So that's my comment.

Mayor Ortega: Thank you, Councilwoman Caputi and I may get a motion soon.

Councilwoman Caputi: I think I agree with Councilwoman Janik. You know the reason we're having this conversation is because it has been a problem on this dais. It is very distracting. It does lend to the air of public meeting violation. I certainly heard from a lot of public complaints and concern about the optics up here when we use our private communication devices. I appreciate the need for emergency contacts, but it would be such a simple thing to assign a staff member to be an emergency contact for us. I don't think that's a big deal. I know when I served on the Development Review Board and when I was a Chair, the Vice Chair of Review Board as well, I would say, please, I am going to remind you that our rule says no electronic devices on the dais, please put them away and it happened, but again, it's not happening here, it's very awkward for us to interrupt the meeting when it's in process. People don't like this.

Point of Order just it throws off the meeting. It feels rude. We have all been afraid and sort of not wanting to do that let's just make a rule that we all agree with that we will allow the meetings to continue undisturbed and with great transparency and let's please not run the risk of having the Attorney General's Office file an ethics complaint against, Open Meeting Law violation against us, because that would not be good for our city. And again, I've served on this Council for almost four years, and I never had my phone on the dais, and I have somehow figured it out. So, I'm sure the rest of us can too. Was there a motion made?

Mayor Ortega: Well, it sounds like you are referring to page 10 which would allow a possible

amendment. Basically, concluding all other electronic devices must be stored elsewhere during the Council meetings and of course the emergency numbers stated or recommended on 11.

Councilwoman Caputi: And this is for our residents. I mean we are trying to have more transparency, so that nobody has any err of impropriety on our dais.

Mayor Ortega: So, I consider that a motion.

Vice Mayor Whitehead: Second.

Mayor Ortega: We have a motion and a second. Councilwoman Littlefield is your button. Excuse me, go.

Councilwoman Littlefield: I don't mind not having anything up here. I'm probably the least knowledgeable about having iPads and things like that up here. And so, I don't have any problem with that. I will leave the phone in my office. As long as there is an emergency contact number that I can be reached at if I should need to be. That's my one requirement.

Mayor Ortega: Good, thank you. And I will call upon Councilman Durham, if you are, just go ahead.

[Time: 02:39:50]

Councilmember Durham: Yes, I'm still here.

Mayor Ortega: Sure.

Councilmember Durham: Thank you. I think among the other issues caused by this activity it's just the perception of rudeness, when I see one of us not paying attention to the person speaking before us and looking at the phone or looking at an electronic device. It's like they are not getting our full attention and that should never be the case. Anyone who comes up here to speak and our staff and members of the public deserve our full attention. So, I agree completing with this measure.

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

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Okay, we have unanimous, and we have a new rule. Thank you very much. Thank you very much, Ms. Scott for all of your work as well as our excellent Clerk. Next, we will move on to Work Study and at this point, we will take a short recess and we will resume at 8:00 into our Work Study program.

WORK STUDY

[Time: 02:43:10]

Mayor Ortega: Okay. Returning to our Work Study Session as per the agenda. The Work Study Session is another opportunity for City Council to engage both with staff and preparation to review the specific issue which is duly posted. It's also an opportunity for us to hear from the public and the topic today has to do with the Project Number 63, which is the possibility of building parking structures in Old Town Scottsdale. We will go directly to the, we will go directly to public comment and do that first, and then we will have the presentation by staff. So that's the presentation has been in the works, and this is our process.

PUBLIC COMMENT

Mayor Ortega: So, we five requests to speak on this subject and I will start with French Thompson then Sonnie Kirtley and Bob Pejman. Thank you.

[Time: 02:44:35]

French Thompson: I have a PowerPoint. I'd rather have that on not on just yet I'd like to make my opening comments. French Thompson, 7148 East Main Street, Scottsdale, Arizona. Mr. Mayor, Councilman, I've got no problem with the northeast quadrant wanting parking added to their area. I have absolutely no problem with that at all. I have a really big problem with the northeast quadrant misappropriating funds from the 2019 Bond. They brought in a petition. Where was the petition before the bond was presented? I work with the city, City Council, city staff to get the money for the parking garage put on that bond. I never saw any of those people when all of this work was being done. All the people working with city staff and all the people working with City Council were from the south side of Indian School. So, I appreciate their petition, but I think they are about five years a little bit late, trying to take the money that we put a lot of time and effort in to getting on the bond. They are not really asking for parking over there to meet their current parking needs, which is what the south side of Indian School is. They are asking for the city to pay for parking so they can redevelop their properties. That's why they want the parking, so that they can redevelop the property. The voters didn't vote to have redevelopment done and provide parking for these people to redevelop their property.

So now I have a PowerPoint. So, I got this letter that was presented to the City Council, and I was reading it. The first thing I said, there's a whole lot of untrue statements in this. You go down about five lines there, it says fact, but it's not true. A little bit farther down, it says fact, no data supporting the comment that 600 stadium spots were lost since 2005. I made that presentation. You guys saw that presentation. There's evidence of that. To say that there's none, that's a lie. That's just a blatant lie. So, if this is not true, right here this one comment and it's saying fact, how can you believe any of the rest of it? The next three statements are not true. So, could we go to the next page, please? These aren't true statements either. And then it comes down here where he's talking about the Walker Study and the most critical need in there, but the northeast quadrant was never listed in the language of the bond. If it was so important, it could have easily been one of the three spaces that were there. So, none of this stuff was in the bond. If you take the money and put it up there, I don't think any citizen is going to trust the city for any future bonds. I really don't. I wouldn't trust the city in any future bonds. I wouldn't vote for it. I just can't even believe this is coming up. So, thank you for your time.

Mayor Ortega: Thank you. Next, we have Sonnie Kirtley and Bob Pejman and Jon Rosenberg.

[Time: 02:48:03]

Sonnie Kirtley: Elmo, please. This should look familiar. It will be coming up in the staff report. Good evening, Mayor Ortega, Vice Mayor Whitehead, and Councilmembers. My name is Sonnie Kirtley. I'm here representing the members and the board for COGS, Coalition of Greater Scottsdale. Today land uses in both the northeast quadrant and the original Old Town have changed. About the northeast quadrant, I served on the 2001 Downtown Task Force as Chairman of the Parking Subcommittee. That was eight years after the Galleria Mall closed in 1993. Because the Galleria use became more intense, then the Task Force included the request for a northeast parking lot to provide relief from the impact of the call center employees who were using the public parking places. The call center in the Galleria is gone. Less intensive uses are occupying the space. The service and office businesses in the northeast quadrant are brief in and out type of patrons. The uses are salons, office services, and small retail. Only the employees need the long hour parkings. Today, the bar district patrons are more dependent on Uber, Lyft, and other shared rides. That area's critical problem is not parking at night, but a lack of a safe place for drop-off and pickup.

Today the land uses in the original Old Town, south of Indian School have and will continue changing dramatically in land use. The city's multimillion dollar investment in the Civic Center renovation resulted in plans to increase up to 85 events just like we saw today at the beginning of the meeting. Multiple parking hours are required for each daytime and nighttime event person. You come to all of those events and here they are. Can you squeeze that down a bit? Thank you. On the left side, original Old Town events, and these aren't even all of them. You can't even see the bottom part. Squeeze it some more please. On the right side is the northeast quadrant. I did put the Canal Convergence in there because you get some people from that that cross over Scottsdale Road. So, the conclusion is Scottsdale needs to build for peak season, just like the staff report says. Focus on where the tourists and the visitors go within our city. So, COGS strongly support, our members by survey, strongly support using the 2019 Bond funds for adding two levels to the existing garage where the Farmer's Market is held. We also support finding sources for the northeast quadrant whether through them forming a special improvement district like the others have done or the City Manager can locate money. Thank you.

Mayor Ortega: Thank you, next we have Bob Pejman, Jon Rosenberg, and Danielle Larkin.

[Time: 02:51:39]

Bob Pejman: Good evening, Mayor Ortega, Councilmembers. Name is Bob Pejman; address is on record. I could have gotten 400 signatures too from very prominent property owners, but this is not a matter of influencing or lobbying the Council. That part is done. The bond was passed and now the City Council has to basically get the job done. Let's go back to 2019. In 2019, the city went to the voters and said this is in writing, certain parts of downtown experience parking shortages, especially in peak season and during events. Major events. And it listed three possible locations. And so those locations were all south of Indian School because with the exception of Canal Convergence, most of the events, whether it's

Spring Training, Scottsdale Art events, or the other events on you know, on Civic Center are basically south of Indian School. So, the voters agreed, they voted yes. And the city got their \$21 million.

Four years later, the city is now relying on a loophole to try to change the location. And that loophole says we can build it in a different area, we have the option. I have called that bait and switch before and I wasn't going to use that term again but when I see \$14 million is allocated to the Entertainment District location on both options that's what I call it because the city created a reasonable expectation for the voters to expect it to be in a certain location, now they want to change that location. And that doesn't really go over well, you know, gaining the voters' trust. And look, voters shouldn't have to hire attorneys to find loopholes. That much I can tell you. They should look at plain language and make the decision on the plain language.

Now, I want to go to the northeast quadrant. There is a parking situation over there, but it's by design. Why by design? Because going back five decades ago, when the city required the three quadrants to form improvement districts to fund their own parking, the northeast district was exempt from that, they just gave him P3 credits and they didn't require them to build any parking. Fast forward five decades, a large hotel just got built with no parking. So where were you guys back then to complain about that? I was complaining about parking all along. And frankly Councilwoman Caputi made fun of me for complaining back then. So fast forward to now, if you read between the lines, the major justification for this parking is redevelopment, because they are arguing that the small parcels can't redevelop without a parking lot. Well, the voters didn't vote yes to subsidize redevelopment. They voted yes to provide parking for peak season and large events and you guys know where that is. Thank you.

Mayor Ortega: Thank you, Jon Rosenberg and then Danielle Larkin.

[Time: 02:54:53]

Jon Rosenberg: Did you miss me? My name is Jon Rosenberg. Thank you, Mayor and Council. Once again, my address is on record. By the way, 50 years ago, I was not in Arizona. I think was in grade school or something. But anyway, currently and for the last 31 years my company has managed, leased, and sold hundreds of commercial properties in all quadrants of Old Town. We support the success of the entire downtown area. I'm again here on behalf of hundreds of hard-working small businesses, employees, residents, and visitors of the northeast quadrant. We need your help. We need the support of the city in order for us to maintain our businesses. This is 100% a daytime problem. This has nothing to do with the nighttime and nothing to do with the bars. There are maybe 20 bars in that quadrant and 500 small businesses. Thousands of employees, residents and visitors who spend their entire days in that quadrant. 168 hours in the week, bars are open are busy maybe eight of those and their patrons Uber. It's a daytime, it's a daytime businesses who need your help.

Over 40 years ago the city encouraged the development of the small lots by offering the street parking to count towards the zoning requirements. In return, the landowners in the northeast quadrant gave three incredible parcels of lands worth tens of millions of dollars in today's values to the city for parking. They also did finance an improvement district to widen streets and lay sidewalks. The area has paid in

more than any other quadrant towards parking, period. As many of you may remember, when the area was fully occupied there was not a single space to be found after 8 a.m. This forced hundreds each day to park west of Scottsdale Road, creating a major problem there as well. Ask any of those property owners. Adding parking to this area will not only support the daytime businesses and help prevent that spillover, but it's also going to provide great support for the events. It's literally a four-minute walk to the canal and it's an 8-minute walk to the Civic Center mall from where we are talking. This will benefit all areas all the time.

Due to the challenges the city commissioned a 2015 parking study, its conclusion, and I quote, "the most critical need for new parking is located within zone two, the northeast quadrant." Since that time, multiple new projects have been delivered or are in queue. It's more critical now than ever. We also do have countless, 40, 50, and 60-year-old buildings that are in need of updating. If we ever want to see these properties and the area improve, we need to show support to these property owners so they can be confident in investing in their properties. While COVID did push many office users to work from home, for a while, as a commercial real estate professional and as a business owner, I can tell you, they're coming back. All of my dozens of employees are back in the office. Almost all the area salons, medical users, retailers, CPAs, architects, law firms, financial advisors, dentists, doctors, therapists are back in the office and the larger spaces are filling up as well. Once again, this is a daytime problem, please now is the time to fix it, before it's too late, now is the time to help the only quadrant that never received the support from Scottsdale with a parking structure. We are begging you to make the logical, the legacy, and the extremely impactful decision that will help all of Old Town and Scottsdale for many years to come. Thank you.

Mayor Ortega: Thank you. Danielle Larkin.

[Time: 02:58:45]

Danielle Larkin: Good evening, Mayor and City Councilmembers. My name is Danielle Larkin. And I am the owner of Stetson Suites located 7319 East Stetson Drive. I also reside in Old Town Scottsdale. My late mother purchased this beauty mall back in 1986. Since the late '80s, parking has always been an issue, particularly on Stetson. We have six salon suites with 10 tenants and only six spots behind our building in the alley. Trying to manage who of the ten gets to park in the six spaces has caused many issues over the years as there's such limited parking on the street and has time constraints. I appreciate the introduction of the parking stickers which has helped with the remaining tenants I have, but unfortunately, that doesn't help with their clientele who have no place to park. I have lost many tenants over the years, due to them losing clients who choose to go elsewhere, where there's ample parking.

After 40 years, there's been no parking added to the area, yet numerous hotels, condos, restaurants, and several other beauty malls have been added to the area as the city continues to grow and add amenities, more small businesses, for tourists, as well as our locals, we need more parking in this quadrant. When my family moved to Scottsdale in 1984, there was 25,000 people in Scottsdale. Now we have nearly a quarter of a million. Scottsdale is no longer a seasonal city. Stetson Drive is packed 365 days a year, day and night. The entire block is filled by 8 a.m. on any given day. I hope the city will make

the decision and start construction on additional parking as soon as possible. We need more parking right now to satisfy today's needs, but we also have to look forward to the future. I'm proud to be a business owner in Scottsdale, and I hope to remain one for many more generations to come. Thank you for your time.

Mayor Ortega: Thank you. At this point, we have concluded public comment. Therefore, I will close the public comment.

[Time: 03:00:56]

Now we will move to the full presentation. As prepared, and Dan Worth is presenting. Thank you, Dan.

Dan Worth: Good evening, Mayor and Council. I don't think I have to tell you what the topic is. But I am going to give you a brief presentation on some issues associated with the Project 63, some options, and hopefully get some direction from you on where we need to go. I'm going to start with one of the issues which you heard a moment ago, the language in the bond ballot, and some of the promotional materials that were presented to voters before the bond election. And this is the actual ballot language. This was on the ballot that every resident who showed up and cast a ballot read and you can see highlighted maybe you can see, it's small print. I apologize for that. But the highlighted portion. In yellow, public parking facilities and improvements. This is question two, this is the question that included this project. That's all it said "public parking facilities and improvements" that was in the actual bond ballot language.

Before the election we prepared fact sheets. These are the fact sheets we used when we went out for a pretty aggressive round of public outreach, open houses to show the different projects to voters to get feedback from voters on what projects they wanted to have on the bond election, it's the same fact sheets on the website as the election during the run-ups of the election so if people wanted to inform themselves about what the projects entailed. This is the same fact sheet that Mr. Pejman quoted. And I'm going to show you what he was talking about. But two slides to show you what was in the fact sheet for the bond project. this slide, again, look at the highlighted information, project summary "build parking structures." It doesn't say a specific location. It says, "build parking structures." And in the lower right, project location, the project will build parking in Old Town Scottsdale at locations to be determined. It did not specify locations. At locations to be determined. We didn't know at that point in time where the optimal place would be to put this.

This is the bottom half of the project fact sheet. And you can see the bullets in the middle of the page, are the bullets there that Mr. Pejman alluded to, construction of parking structure at the surface parking lot on First Avenue between Marshall Way and Scottsdale Road. You can see the other two. These are three specific locations, and they're under the heading alternatives being considered include. It doesn't say it's exclusive. It doesn't say these are the only alternatives. It says they include these three locations. And by the way, two of these locations we ruled out. One we ruled out because it's infeasible, the first bullet. The space just isn't big enough to build a structure and to yield additional spaces, additional parking spaces. The third bullet, the lot adjacent to the Sagebrush Theater, we're making improvements

to the add surface parking spots and we are paying for 155 public spots next door. So, it just didn't seem to make sense to put a garage at that location. So that, three out of these alternatives that we're considering, two of them have been ruled out.

The fourth alternative, this is the loophole, it's pretty clearly stated right underneath those three alternatives. The city will continue to explore locations to provide additional parking throughout Old Town. There's nowhere on here that restricts it to a particular part of Old Town or particular location. And then this is just the current status of the funding. I know we talked in the past about why we hadn't spent money and gotten started yet. The primary reason is lack of a decision on where we want to go with it, but it's also been the funding we originally stretched the funding out over multiple years at between \$4.5 and \$5 million a year. And this actually changes with the proposed budget. But we've got flexibility with the way that we adopted the, or the way that we hoped to adopt the proposed budget to move funding forward if we get a decision we can go forward.

[Time: 03:05:31]

Just a moment to talk about the Walker Study. You heard that referred to. This was a study that was done in 2015. The focus at the time was the northeast quadrant and you can see, I thought I had a mouse here that I could point out the zone two and zone five are the two areas in the upper right of the northeast portion of the Old Town area. Here we go. Still not working. I will have to describe it. Zone two and zone five were the focus. This is where there was a perceived, not a perceived, a real shortage as the study bore out. And what the study did was two things. It looked at inventory in each of nine different zones that you see listed up here. It took stock of how many public spots, how many private spots, and with the public spots how many were off street, how many were on street, and you can see those totals for each of these nine different zones. That's the one thing that it did. The second thing it did was looked at utilization, but it only looked at utilization in the northeast quadrant because that was the big issue at the time. In 2014, we had a proposal to build a structure at the same location that we were considering now is a public private partnership. It got voted down for various reasons. We felt we had a problem that still needed to be solved. That's why we did the study, that's why we focused on the northeast quadrant.

And one number I want to kind of bring some addition to, zone 5, the second one from the top on the right-hand side, it shows public off street, 1,275 spots, that seems like a pretty good number, especially when you compare it to some of those other zones that the study looked at. But those 1,275 spots, 407 of them are actually not in zone 5. They are in zone 4 on the west side of Scottsdale Road and because of dynamic of what was going on at the time, people that worked in businesses on the east side of Scottsdale Road were parking in the Third Avenue parking garage and walking across the street. That's why we have time restrictions in that garage now. That dynamic was going on. So, when Walker did the study they included that garage, even though it's in zone four and the totals is for zone five. That's one thing I wanted to point out. The second thing that, that's 407 out of the 1275 spaces. The other 868 are in a paid parking garage. They're public but there's a gate. It's \$10, I think \$10 for the day. I'm not sure. It may have changed. But it is actually a paid parking garage. It's north of Indian School, across the street from One Civic. It's behind the Hilton Garden Inn and the Third Avenue Lofts. They meet their parking

demand, and they have excess spaces which they are allowed to pay for the public to use. It's labeled as visitor parking. That's 868 spaces.

[Time: 03:08:46]

If you recognize the fact that the parking garage at Third Avenue is not really in this zone and if you want to look at free public parking, which is what's available in the rest of Old Town, the number is zero. And then this is the same chart with the three yellow stars showing the locations of the three alternatives that I'm going to go through quickly now. Three alternatives that we are considering. One is the development at Indian School and Marshall Way, southwest corner of Indian School and Marshall Way, mixed use development. This project, the Artisan project is moving forward. I think they are actually scheduled for DRB next week. So, it is moving forward. When they got their zoning approval, we negotiated a development agreement with them at a fixed price per space, just under \$40,000 per space. And right now, we are getting a swinging deal if they build these things because those spaces cost probably \$80,000 a space to build now. And they have come and asked for relief, we haven't given it to them. As it stands right now if they want the project to go forward, they're going to give us 55 spaces at \$40,000 each. But that's one the things that we are looking at spending some of the bond funding on is to pay that commitment for parking as part of that development.

Second alternative, and you've heard this mentioned, this is the First and Brown, First Street and Brown Parking Corral. It is currently a at grade level and one level below grade, 225 spaces. When we built this in 2004, we designed it so that it could accommodate additional levels above. We went and I had a structural assessment done on it. They verified that that is still, in fact, very feasible. They worked up some estimates for us. And we have looked at two different alternatives. One is to add an additional deck, and you can see the cost there. About \$10.5 million to do that. You can see the net increase in spaces that would get us. And then they also did an analysis on adding two additional decks \$15 million, a net increase of 216 spaces and the visual there is just looking from the southeast over the Parada Museum and the Livery stable at what the structure would look like with the two additional decks.

And then the third option is in the northeast quadrant. This is the location of two surface parking lots. And I'm going to talk a little more about those later. Two surface parking lots that currently have, the lots actually have about 105 spaces. If we build what we are proposing, which would be a garage that consists of at grade plus one level above, with the capacity to add in the future if needed. But if we build that, we lose the 105 spaces that are currently in the surface lots as well as some on street spaces on 6th Avenue and you can see in the lower third of the diagram, this straddles 6th Avenue. 6th Avenue will end up dead ending at the garage. You'll still be able to drive through, service trucks, delivery, have an alley exit to drive through. It gives us an opportunity for a little screen space, a little pocket park on either side, but this is the current vision. And you can see the cost, \$14.9 million and it would add 144 net spaces. So that's the 144 plus the 128 that get displaced would be the total capacity of that garage.

Another issue that you heard discussed a little bit earlier is some of the previous city investments where we spent money and whose money it was. You saw this slide a year ago, when I gave you a presentation at the last parking work study, and this shows the improvement districts that were the focus of that

presentation. You heard discussion about the east-west main improvement district. That's the one on the diagram surrounded by the dark black line. You can see the properties that that improvement district improved in 1972 and in some cases, it bought the land and built surface parking improvements. And you can see that there was another improvement district in the northwest quadrant and a large red area in the northwest quadrant is the current location of the Third Avenue parking garage in 1972. This improvement district paid to build a surface lot at that location.

I'm going to come back to that with a modification, and I'm going to, this is another slide that I showed you a year ago. And I'm sorry but underneath the title previous city investments it says all of the Old Town. This is not all of Old Town. This is within the boundary of that improvement district, the east-west main improvement district. These are the structures; these are the investments in parking that we've made within the boundaries of that improvement district in the last 50 years. It includes the improvement district, it includes garages that we have added and you can see down at the bottom, if you take all of the dollar values and convert them to the same year, we use 2022, because this is the same slide I showed you a year ago, and if you convert them all to 2022 dollars, \$42 million worth of investment in parking within the boundaries of that improvement district, 10% of which came from the initial investment funded by the improvement district.

This is the slide I just showed you with one addition. I'm showing the northeast quadrant this was not an improvement district, you heard from Mr. Rosenberg there was an improvement district, but it was to do street paving, on street parking, curb and gutter and drainage which helps provide the ability to add parking in that area. But the area in yellow is four subdivisions, the Winfield Scott Plaza subdivisions, one, two, three and four and when they platted in the '50s, they set aside tracts for parking. And they did something that other subdivisions in the downtown didn't do. They ensured that it would be used forever for parking, and they put deed restrictions on the lots, and they dedicated them to the city five years later in the early '60s. So, the city out of the deal gets 220 some public parking spots and the city didn't have to pay anything. The only people that paid anything for it were the subdivision, the developer that donated land that is worth about \$19.7 million in 2022. So that is what their contribution was in the east-west main improvement district, they gave money to the city so the city could buy land and build improvements. In the northeast quadrant they skipped the give money step and just gave us land, but the effect is the same.

This is just a diagram to show you in some level of detail the four subdivisions and the three tracts that they dedicated for parking. And out of the three tracts, two of them are the location in the right-hand tracts, B and C, those are the two locations that we are proposing to build a garage. The third one at the top of the chart, tract A, is currently a garage and I have been unable to come up with all the details that surrounded the transaction, but when Galleria developed, they built a garage and the number of spaces that are dedicated for city daytime use, not nighttime, they've added additional for nighttime use, but city daytime use is roughly equivalent to the number of spaces that were in that surface lot. So, there's a direct correlation.

[Time: 03:17:01]

This is the chart that I show you earlier that showed previous city investments within the east-west main improvement district. This is across all of Old Town, and I have identified which quadrant and I have lumped the southeast and southwest quadrants together because that improvement district span southeast and southwest quadrant, then you've got northwest quadrant, you've got northeast quadrant. And I again I've converted all the costs to 2022 dollars to include the value of the land that was dedicated with the Winfield Scott Plaza subdivisions which is the bottom line on the chart, \$19.7 million. And I've got, this is a lot of numbers, it's had a to visualize. My intent here is to make it a little easier to visualize this. You can see northeast quadrant, northwest quadrant and then the southeast and the southwest combined and what I have done here if you look on the left-hand side of the chart, there's different funding sources that have paid for parking. We talked about improvement districts; we've talked about the dedication. In those cases, the money, the resources that were provided for parking came from the benefited properties, came from the properties that were going to be able to use that parking.

[Time: 03:18:20]

We also have money that went into in particular the two garages, the Third Avenue garage and the existing First Street and Brown garage that had a significant number of money paid from in lieu parking fees. That didn't come directly from the benefited properties. That came from anybody in the Old Town area that paid for in lieu parking. So that's Old Town wide. And then the bottom bullet, citywide, a lot of investment from General Fund, from transportation sales tax and from bond debt, backed by property tax, citywide, people all across the city made these investments. And you can look by quadrant. In the northwest quadrant \$23 million, 85% of that came from citywide sources. In the southeast/southwest quadrant, \$56 million invested, 90% of that came from citywide sources. In the northeast quadrant, \$19 million invested, zero of that came from citywide sources. That all came from the benefited properties. That is the represented by the dedication of the land for parking. No other investments have been made.

And then the last thing that I wanted to briefly mention is actually Sonnie Kirtley mentioned this a few minutes ago, in 2001, we had a Task Force that included, if you look at the report, 40 members from different constituencies, different interests across the Old Town area, what we call Old Town now, we called it downtown back in 2001, Sonnie was one of them. I believe the Transportation Committee that was part of this Task Force was chaired by Susie Wheeler who just walked out of the room a few minutes ago. And there are others that are still actively involved in the area that participated in this Task Force. Task Force made recommended 22 actions to the City Council, many of which had been acted on, many of which had been approved, many of which have been done, it includes the canal bank improvements, undergrounding the powerlines along the canal. You heard talk right from the beginning of this meeting today about Canal Convergence. That's the location that we made possible through one of the recommendations from this Task Force. They recommended a whole range of other actions but among those 22 actions were there three parking garages that they recommended, and you can look on the chart, we've built two of them. The green stars, Third Avenue and First and Brown. We haven't built the third one. And that is the one of the locations that we're considering, or that we're evaluating at this time.

[Time: 03:21:09]

So going forward, you know, I don't want to constrain you, but just to put a little bit of structure on this, here's two options for how we can approach this, with the money that we have. The difference between option one and option two, these are both options that provide parking in two different locations. They provide a garage in the northeast quadrant, they provide additions to the garage in the southeast quadrant, the First and Second, First and Brown. The only difference is adding one deck or two decks to the First and Brown garage. If we add one deck to the First and Brown garage, that is the option on the left, option one, and you add up all the funds and the \$20.9 million that we have for the bond. If we subtract out the money for the Artisan, we include the estimates for First and Brown, adding a floor, we include the Stetson 6th Avenue garage, we would need \$6.6 million in addition to the bond money to do this option.

Option two, it's two floors on the First and Brown garage. The number obviously goes up, it's \$11.4 million that we would need from some other source in addition to the bond funding to be able to do that and I just present these as a couple of alternatives. We can do either or none of the above. And just as to the additional funding. I can't go into a lot of details; I might have to defer others in the room here on that. But we do have assurances that there's enough funding to be able to do that from the General Fund indeed needed. So, with that, I'd be happy to answer any questions or entertain any direction.

Mayor Ortega: Okay. Councilwoman Caputi and then myself.

[Time: 03:23:04]

Mayor Ortega: Councilwoman Caputi and myself.

Councilwoman Caputi: Thank you, Mayor. This is a really important topic and I have quite a few minutes of comments to make. So please bear with me. We have spent decades and hundreds of thousands of dollars studying this issue. We need to decide what is best for our entire downtown, which includes every district. We have a fiscal responsibility to our taxpayers to build where the facts and the data support it. The downtown stakeholders in the 2001 Task Force agreed on three areas in need of a garage, including the northeast as we just heard. Structures have been built in two of those three areas to date. The one area downtown that we identified in great need of a public parking structure that has never been addressed is the northeast quadrant. All of our data supports this as we just heard. And as we have also heard tonight, over 300 of our downtown small businesses, the life blood of our city, need this parking.

The 2019 Bond project 63 says the money is to be used to build parking structures in Old Town and that we are considering alternatives at locations to be determined. Dan went over this, but it can't be gone over enough. A few alternatives were listed as possibilities, but options are being explored. That's the language, the clearly stated language that voters approved, says the city will continue to explore locations. I don't know how you use the word "loophole" for that. The 2015 parking study concluded

that the northeast quadrant, quote, "cannot support any substantial increase in parking demand without encountering additional capacity issues." Conditions have changed since 2015. Much more has been built since then, creating even more pressure in this area. The Galleria is part of the problem, but it will never be the solution. This is private property. We can't force them to give us parking. They were almost 4,000 employees at the Galleria before COVID and less than half that many parking spots. The call centers as we know have all relocated but the tenants are definitely coming back, and even at half the prior occupancy, we're going to be right back at capacity. So, the handful of available public parking spots in the Galleria are of no benefit to the daytime area parking challenges. This was really bad planning, but we can't punish the hundreds of local small businesses here for the mistakes of Galleria.

[Time: 03:25:49]

So, as we've heard, the northeast quadrant has a daytime parking problem. The 20 bars are busy what eight hours a week, 11 to 2 on the weekend nights and most people are Ubering these days. Certainly, to go drinking. All the new hotels that we've approved in this area have been approved with the surplus parking of our updated code and there's plenty of parking at night. Again, it is the hundreds of small businesses and residents here that are in desperate need of a parking garage. This is the only area that's ever had issued daytime parking permits and limit hours. There simply aren't enough spaces during the day. It's important to know that the P2, P3 parking district was created in the '80s as the only way for these tiny lots to be developed. We just heard this explanation, the property owners financed this widening of the streets and laying of the sidewalks and the city reciprocated by relaxing the on-site parking in favor of street parking. That idea worked great at the time, but these businesses now do not have enough daytime parking for employees or customers as the area has grown and it is suppressing redevelopment which we should all care about. This is our downtown.

If we want more than bars, which everyone on this dais has said, then the way to upscale this area is to provide more parking that allows for redevelopment of different businesses here. The lot on Stetson worth tens of millions of dollars was deeded to the city by the property owners to build parking here and that is very important because we keep hearing about who paid and what gets what. In contrast, the entire city helped pay for the lots that we have in all the other quadrants as just saw. This area has invested in parking that they have never received. The benefits of more parking in this quadrant will help all of Old Town. This is not about one district or another district. We have to look at the city as a whole. We have thousands of spots in and around the corral and I'll talk about that later. There are three other structures in walking distance, and all have excess capacity, except during Spring Training. There were six weekday home Spring Training games this year, four hours a day, that's 24 hours of extra parking needed. We managed to fill the 12,000 stadium seats successfully. Everyone parked. And lots are supposed to be busy during major events. That's how we designed them. Many people are now Ubering and we have a shuttle service that can bring you from other lots to the stadium. It was not a problem this year. We actually filled again the 12,000 seats for every game and people managed to park.

The Civic Center is absolutely going to absolutely going to have more events. We just saw that lovely presentation. But having more event days doesn't change the need for capacity. It's more days. We're not having all the events on the same day. There is no data to support this myth that seems to be

circulating about losing 600 spots by the stadium. I won't bore Dan with going through that, but I've, it's been explained to me. We lost 70 at most, and then we added 200 additional by HonorHealth to more than make up for that. There are almost 1,500 parking spaces within 1,000 feet of the Corral. We have another 400 spaces two blocks west of the Corral and we have 55 future spaces at the Artisan and 155 future spaces at Museum Square which we have already paid for. We are bringing sand to the beach, building additional parking at the Corral. We all know that the northeast quadrant is where the garage should go, but for some reason, we're considering spending \$10 or even \$15 million to build parking where there is no data or facts showing that it's needed.

As a steward of our public dollars, I can't in good conscious support this needless spending. I'm going to suggest option three which was on our overhead. Artisan, which, of course, makes sense. Those spots are a steal at the moment, and we're committed to it. And I think we should consider Stetson 6th Avenue ground floor plus one. That puts us at about \$17.1 million. And we are under what we need. So, we could support our small businesses. We could spare our already stressed General Fund. We could help our downtown as a whole and we could be 3 million under budget. Money we can certainly use for other priorities. I have certainly heard that from many people up here on the dais. So, to me, this is the fiscally responsible taxpayer approved option and it checks all the boxes. I have a few more things to say but I am going to rest there and let my colleagues speak. Thank you.

Councilmember Durham: Mr. Mayor?

Mayor Ortega: Yes, Councilman Durham. Thank you. Go ahead.

[Time: 03:31:17]

Councilmember Durham: Thank you. Thank you, Mayor. You know, I start from a pretty simple proposition on this, and that is that we ought to create more parking where there's a need for more parking and there's an absence of current parking. A lot of people have had a lot of opinions on this subject over the years, but it shouldn't be decided by opinions. We should be deciding it on facts and data and analysis. As Councilmember Caputi just said. And so, I would start by talking about this notion that we've somehow committed ourselves to bond locations. That's just not true. The language that Mr. Ward quoted was very, was quite correct. It's pointed out that the garage could go anywhere, that the parking was needed anywhere in Old Town. So, I think as long as it goes somewhere in Old Town where the parking was needed, that would be fine.

You know, things change. You know, this area in particular shows that things changed quickly over the years. At the time that the study was put together, the Galleria was the place to be, but COVID obviously changed things and it was no longer the place to be pretty quick and that happened very, very quickly. And it could be that it's coming back. And so, as COVID eases up, that the Galleria may be refilled again. So that's major consideration. We shouldn't be looking at what the issue is today or tomorrow, but we need to be looking at what it is four or five years ago, six or seven years ago. And the best place to really get the facts is to drive around these places and take a look at what's going on. So, I did that with Mr. Rosenberg last week, and it was very interesting. It was a very interesting drive. We started off at

the Galleria parking garage, which had as near as I could tell zero open spaces in the covered garage. So, there was nowhere to park there if you wanted to park there. There were some outside parking spaces on lots outside, but nothing that was under covered space. And nothing that would protect you from the elements.

After the Galleria, we went over to the Corral garage. The first floor looked to me like it was about halfway filled up, the top floor was pretty much empty. Nobody on the top floor and the bottom floor also was empty. Now, I've had complaints before that we don't adequately identify and mark our garages. I think that continues to be true of the Corral garage but that's probably a subject for another day. But right now, I don't think we are fully utilizing that space. So, from there, we went over to, where did we go next? I think we went over to the Art Museum garage, and it was basically the same story as the other garage. It was more or less half full on the lower floors and then mostly empty on the upper floors and then on the top floor, it was completely empty. No cars at all there. Same story about Fifth Avenue garage, between, which I guess is between Second and Fifth Avenue. The first few floors were almost full. Somewhere around 50 to 75% full, but after that, the traffic thinned out. The top floors were totally empty. There was a young entrepreneur up there, who was trying to do detailing work on another car, and he was using the garage as his place of business to do his work. So that that had a couple hundred spaces. Museum Square, we've talked about it today. There's going to be a lot of parking once Museum Square comes into play. Artisan, true. And so, there's a lot of garage space which is not utilized during the day.

[Time: 03:36:53]

As Mr. Rosenberg has said, this is mostly a daytime problem. We probably really don't hit the height of this garage situation until those six Giant games that happen, I guess probably every year. When there's only six games a year, many of those people are in hotels. They're going to come by Uber, or car taxis, or other ways. So those garages aren't really going to be filled. And there's also been criticism of these, of the parking situation by people who say, well, we have to park two or three events at a time. We may have two or three events during the course of a day. And you know that's true, but it doesn't really contribute to the parking problem. Because we only park events one at a time. One group of people pulls in and attends the event, they pull out and another group pulls in and attends the event. Just because you double the number of events at the Civic Center, doesn't mean that you double the number of parking or triple the number of parking. These events for the most part just use up parking spaces and only one at a time. So, I don't think it really follows through that we have to plan for multiple events. To some extent we do but we've just got to make sure that whatever we plan for meets the demand and what I'm seeing is the demand is not all that great. You know, I never heard problems about it. I would be interested in hearing people from staff heard more about this. So that's what I think is happening here.

I just don't, I don't think that we need to fill the garage to the peak occupancy, which is probably only going to happen six times a year, on those six days when the Giants are here playing, I think the people will be able to, you know, fill in to other places, and one of the garages I forgot to mention, but we did go and it was almost empty again, was the library, City Hall garage. Almost totally empty on the top

floor. The basement was almost totally empty. Not quite. And then the middle floor was, had quite a few people in it. Most of them were hanging out towards the end of the garage where the library is. So, I think the thing that we really need to do is to figure out some kind of good system for figuring out how many people really use this garage or use these combination of garages on the worst day and sort of direct our planning habits towards that. I just don't think it's going to be anywhere what some people say it is and that there's going to be that much of a demand for it.

I think Mr. Pejman makes, I guess, a good claim that we would be dishonest with the citizens if we said, oh, we're going to use the bond funds in some place different than what we actually told you, but I think citizens would be even more upset if they learned we were going to use the bond funds on a garage that's going to be empty 95% of the time. And if we build it to coincide with the maximum attendance of ball games, I think that's exactly what's going to happen. If we plan around those, we're going to plan for those six days a week, six days a year, when it has maximum attendance and so that's not really meeting our needs either. So, my feelings are for the most part, I still think we need to do a better job of figuring out what our peak demands are going to be, and I think we can do this possibly with a way that's less expensive than the prior parking plans. Maybe I think there was a plan in the late 1990s where they used our staff to try to figure out what parking, what the optimal parking should be and maybe that's something we could try but I think we really need more experience, more facts before we jump into this. Thank you.

Mayor Ortega: Thank you. Councilmember Graham next.

[Time: 03:42:29]

Councilmember Graham: Thank you, Mayor. The you know, it was said that things change but our promises shouldn't change. I think people are looking at this and they are wondering if we are going to keep our word. I think we'll know the answer by whether or not we double deck the Farmer's Market, so option two there. We sold the 2019 Bonds with a reasonable expectation to locate three sources, locations south of Indian School. There was some language about additional, but I think we're talking about plain language, plain meaning and we cited three examples south of Indian School which led voters to the reasonable expectation that that's where it would go. The parking status in the northeast quadrant is a problem, and I agree with those who said that problem was by design. The P3 program, we talk about P3 program like it's you know sort of abstract, but that was when correct me if I'm wrong, Mr. Worth, if you invest in, we put an overlay in that section and we said if you expand, if you build, then you don't have to we will basically let you build without your required parking. It doesn't exist. And so, there is a parking shortage in that area, and it was by design. We also saw in Mr. Worth's presentation; we get tremendous economies of scale. Dan, can you go back to the costs for the single deck versus the double deck?

Dan Worth: I can. Just a moment. If we could go to slide ten, please.

Councilmember Graham: So, we see right there, I mean, it's a pretty big delta between 108 spots. We would spend 108,000 per spot, and if we double decked it, we would get that average cost, our moving

average would go down to \$70,000 per spot. I think it was mentioned the Honor Health parking garage is making up for some of the lost stadium parking. That HonorHealth parking, they can pull that at any time for no reason. Is that true?

Dan Worth: Mayor, Councilmember Graham, that is true. It's a temporary arrangement.

Councilmember Graham: Okay. And so, you know, with that I keep my comments brief. It's about honoring promises from the 2019 Bonds. We have and we spoke about it tonight. We have \$15 million in our budget this year for General Plan Initiatives. You know, we've tried to spend it on other things, maybe they haven't worked out, but we talked about where are we going to get the money. We have in our budget that we discuss tonight General Plan Initiatives, and I check the General Plan mentions, expressly mentions, the Walker Study. So, we say right there, that's an option so we could look at that but don't think we should be spending bond money, 2019 Bond money on the northeast quadrant. So, I think we should take a hard look at that because we've been talking about in the past with this General Plan Initiative for \$15 million that we have in the budget. This is, these are real jobs, real businesses, this is a real solution that we can do for the northeast quadrant. So, I think that's something that this Council should consider. Thank you, Mayor.

Mayor Ortega: Thank you, next we have Councilwoman Janik and then Councilwoman Littlefield, myself, and then Solange.

[Time: 03:46:31]

Councilwoman Janik: Thank you, Mayor. I agree with what Councilmember Graham has said, especially when you look at slide four. You eliminated the first bullet point, and you eliminated the third bullet point. That's because hindsight is 20/20. When people voted on this, on the bond, it was with the intent that the location would be south of Indian School. Now if those sites didn't work, it's too bad we didn't know when we voted on it, but I'm guessing we didn't know. I feel that based on my experience driving around downtown, trying to find parking, most of the areas need more parking. And it's not when there's a game. It's like on a Saturday afternoon, when there's a lot of people in that area. I can't find a parking spot. And yes, we do have a problem. There are some spots, and nobody knows where they are. It's like hide and seek. So, I definitely think we need to do more with making sure people know where these spots are. But in general, I look at option number two. I think we have most of the funding there. I do not like one neighborhood fighting over with another neighborhood over parking. And I know that the northeast quadrant needs parking. I know that but I also know that the other areas do and based on what we saw with all the activities in our new Civic Center area, we need more parking, and we need it in both areas. So, I would be inclined to go with option number two for those reasons. Thank you.

Mayor Ortega: Councilwoman Littlefield. Go ahead.

Councilwoman Littlefield: Thank you, Mayor. I agree with both Councilman Graham and Councilwoman Janik. I like option number two, and I will tell you why. I agree with all that they said. This isn't going to solve all the issues and all the problems in our downtown Old Town area, but this is what we promised

people. And these folks in this area, in the arts district, they have been taxing themselves for years to put together money to build parking in their area. Not to build it across the street. And I think we need to honor that, because we took their money to build the parking. I do like the Farmer's Market. I think that's a reasonable location to put in two areas, two levels of parking. For one thing, we're building out the Civic Center Plaza. A couple of months ago, I was listening to people who wanted to build huge hotels along the edge there and if you do that and they're going to have people come, they're going to need more parking. So, this is not something that's a cut and dried this is all there's ever going to be there. This is an expanding area also if you look at what we've been doing right outside our door.

It's going to require in whatever form, parking. We're going to make that Civic Center active. It's going to be much more vibrant than it's ever been before and that's going to require more parking. I looked at some of the things I had been sent and it says in here, one level of parking at this location would be a \$10.5 million. Two levels or 216 spaces, as apposed to 97 for only one level, would be \$15.2 million. So, if we do two levels of parking on this space at even close to this dollar amount, it might be a little more if we wait too long and inflation hits us but even so, we are going to end up with a couple million dollars left over in the kitty that we can put somewhere else. Fine. Let's look at other locations. It doesn't mean that we have to limit ourselves that this is the only place. Maybe we put it at Artisan, maybe we put it somewhere else.

I think that these folks have been promised this for years, they've taxed themselves for it for years and we should honor our promises and we should honor the vote of the citizens because I remember this vote. I remember this ballot, and people expected this to be built there, the parking in the arts district. That's what they expected. That's what they were voting for, and I think we need to honor what we told them we were going to do. So, I will be supporting this excess if it doesn't cost all the money that we have, we have excess bond money, we have some of this parking, we can, we can choose a second spot. That's fine. We don't have to say, we're going to build parking in this spot and that's it, never any more parking anywhere. That's ridiculous because it's growing. All of this area is growing. It's going to continue to grow and it's going to continue to need more parking. So, I do support putting it at Second and Brown and I think that we should put two levels on and just do it. Finish it. Move on. Look at the next space. Thanks.

Mayor Ortega: Okay. Thank you. Myself and then Vice Mayor.

[Time: 03:52:21]

Mayor Ortega: Okay so yes, I was on Council back in 2000. I was on Council when we approved the two parking garages, the garage in Old Town, garage off Fifth Avenue. And the discussion at that time in Old Town was that one level would be underground, where the Noriega home was and the other would be three story, actually, actually they talked about two story at Fifth, off Fifth Avenue. However, I suggested we just go with three, because it was hidden, hidden from Scottsdale Road. And that's what we did. We actually got three levels of parking off Fifth Avenue, by not going down. Well, the purpose was to, in my opinion, respect the space kind of in front of the in Old Town by having surface parking and then the level below it, it gave the opportunity for the Farmer's Market which is really kind of a marquee thing,

and at the same time, I also suggested, well let's make sure we structure it so if we want to put a second or third level on, we could.

Now here I am 20 years later, and I don't like that idea anymore. I say that because it correlates more to slide or page 10 which shows that there's two levels. It would be such a monstrosity in front of the Mission Church, in my opinion. I have been to many wonderful Old Town areas, and so for me, today, I don't, we would be giving up the Farmer's Market, we could be giving up the space, that breathing room that Old Town has. And you know I, that's my perspective today and I think it's the correct one because I promoted having one lower level 24 years ago. So, we wouldn't just have a massive three story crowding that church area, crowding the blacksmith shop area, and crowding Main Street. And I think the aesthetics of it is too valuable to push a two or three-story in that area. And that's what you would basically have because when have, you save well, it would crowd that space and we would lose that Farmer's Market area. Now, as we look at the needs. So, for instance, even what I see here, I would almost terrace it and have it one level at across from the church or step it back, give it some space and then we're losing the value per dollar on parking spaces. If we didn't, then it just looks industrial. We just have another darn parking garage but right in the smack dab in the area that we want to respect is being western and I don't like that so I for aesthetic reasons, I wouldn't do what is suggested.

[Time: 03:55:45]

And I have second thoughts myself on what I was thinking 20 years ago. Now what has changed? I would think and again in those days we still had the old senior center on Second and that was city property and there was some other things that ended up getting sold off to HonorHealth. I if it were my choice today, I would say put a big parking garage back where the senior center area was that would work with the campus, the future campus of HonorHealth. I would go back and talk to them and say, hey, guys you're probably going to add some more medical there. It's only two blocks, two and a half blocks from this area of the quadrant and it could help serve this area and you could do a deal maybe where you swap, or we build the structure. Maybe we get 400 spaces because it's a cleaner build, and it's out of the, it's out of the Old Town area. It's on the other is south of Second Street. It can serve the new Civic Center, it will look better, it will feel better, and it might even work with what we want to do with the Second Street solution. Because we want that to connect from the Greenbelt all the way to the canal area. So hey, that's so much better than saying, I'm going to pour some concrete and do this, you know, this gross thing right there in our face.

When I was walking to the Museum of the West from Civic Center, and there was some event or maybe it was Parada related, and I was walking next to somebody and she had two or three people with her, and we were walking up Main Street, and she said, what is that? Why is that here? Who approved that? Well, she was talking about the Canopy Hotel. Now I could tell she was from Brooklyn or whatever. I didn't talk to her, I just heard her say that it was like this is so darn out of place and it was you know that was approved by the previous Council, Mayors or however you want to say it. But instinctively, you know that, and that was on Second Street, no covered walkways. You know, glass and so forth. So, all of a sudden, you know I mean that's the kind, this is from visitors saying it feels wrong. This is wrong. Maybe there is a way.

And again, this is just a Work Study, we're not you know, but I really think we would be doing a disservice by putting a monstrosity there and I can't make it look good as an architect. I can't make it you know; it's still going to be a parking garage planted right against one of the neatest areas. I know that a garage or maybe 400 or 500 spaces would serve pretty well for someone to walk along Brown. Brown still extends into that northeast quadrant. The other thing that happened and I was out of office after '04 is that the city put an RFP for lot number three. Lot number three is that that quadrant, the northeast quadrant. If I remember it, they said give it out to a builder or developer, see if they can preserve the space there, add to it and build something and I think it just flopped. Nobody could take it and that deal died, right, Dan? Or you know?

[Time: 03:59:16]

Dan Worth: Mayor, the provisions of that, it was a, we put an RFP for a private developer they could come in and propose development and they could build whatever they wanted to build, the zoning approvals were at their risk. As long as they provided at least 175 public parking spaces to replace the 120 some that are there now.

Mayor Ortega: That's something that I remember kind of more or less, right. And so that thing failed, and it didn't go anywhere. That's all I'm saying, right. Didn't go anywhere, it's too expensive, whatever. And the other failure was over there at the Rose Garden where somebody said they do you know big numbers and that never happened either. So, but what I'm saying is if we really feel and I know our Council knows how valuable our Old Town is and how wonderful that is and if it just means walking two blocks from Second Street to Second Avenue, you know, to fill that area. I wish and I think we know; you know we know HonorHealth and they know us. When they do their development, if we could build some parking garage and still retain some of those spaces as public spaces. I think we could do a deal, and it wouldn't have to be partially underground either. So we get a higher value for it then we might even be able to do something that could work more like a Farmer's Market without the tents coming in all the time back and forth or maybe some shaded parking actually where the Noriega thing is. So, it could be a win-win with some interesting tourist attraction to it as well.

So that's how things change. My own thinking changed. And what we got is true. People have said look at all the bang we are getting for our buck with the arts council made their presentation. Look at all of these events that are happening. That's going to help everybody but we're short of parking. I totally agree with you, directly on Brown. And if we can do a new anchor right here, and I think it would work for your employees and then my wife said she gets her hair done there too by the way. She says it's very hard to find a space. And that's and she's got to walk two or three blocks sometimes. So that's true. And I think the purpose is not to take away from one area and give to other. That's not I think the way we're rolling. So, let's look at the next step and probably explore it because frankly, I just, I just can't go for this thing. This is gross. That's just not going to work there and I hope that we can come up with something together over that will make it work because it is pretty much walkable from here along Brown, just a straight shot there and then we may be able to come up with an answer for lot number three, that's that quadrant and see how we can test that market maybe to make that work.

Because they were trying to shut off Sixth Avenue, sorry Sixth Avenue, I think. You know, so to make it, to gain that street back and be able to park more cars in there. So, I think we can get a win/win out of this, and not have the acrimony so to speak and be able to look at a good solution. I see Vice Mayor Whitehead and Councilwoman Caputi. And we are just talking this through. I don't think we're ready to, but we will get more information. I need more information. I would like to see if we can open the door on some negotiation with almost getting back some of the land that we had before, right? That ended up going to HonorHealth and see if something can work out. I would rather put a substantial parking garage there than right there as I said. Go ahead, Vice Mayor is the last speaker and then we can repeat. Go ahead Vice.

[Time: 04:03:13]

Vice Mayor Whitehead: Well, thank you Mayor. Yeah, this has been an interesting discussion and I mean I think the point that the Mayor just made about the views is really important, but I want to kind of back up. I was on the City Council when these bond when this bond package went to the voters. And I will just talk about perception. I always say government perception really does matter and the perception of Old Town at that I think even presently, I mean, was that it would be the parking would be focused in the areas where there are events and stores that the type, the south of Fifth Avenue-type area or the south, which have a parking garage. So, I do want to stress that there is that perception and I do want to honor that. But my first question see, none of this Work Study Session was supposed to happen until after we had the parking study. And then the parking study disappeared. So, I'll throw some shade over there to our City Manager, what happened to the parking study?

Jim Thompson: Mayor, members of Council, Councilmember Whitehead, we didn't move forward with parking study. When we went out and looked at cost and the time frame associated, it would be greater than a year. We have all data. The data tells us where there's needs. The data from the 25 study or 2015 study really hasn't changed. The cost of the study was substantial, and so we decided that we would come forward and have the discussion. We obviously can go out and do a study but keep in mind every study we have done downtown and there's quite a few actually I have a the few in my office that span a couple decades back tells us the same thing every time. But with that said, we hear that it wasn't over the right period of time. It wasn't over the right days, and you would have to span it a year. You would have to pick up the event season time, you would have to pick up the differences.

The other thing you would have to do is calc in what you know will come forward. And you can't say well building's half empty today and it could be full tomorrow. So, we will have to assume it's a full occupancy on the Galleria and the other things and right now the Galleria is fairly empty and if it came back and said that maybe one quadrant need to the other well the building's half empty and that what caused the problem in the first place. So, we just felt why go and spend taxpayers' money for something that's going to tell us the same thing that it does today. It's hard for me to do that to go spend \$450,000 to do a study, that would lead me to the same position and so it's me. If anybody wishes to say who did that? It was me and I openly admit that because I didn't feel comfortable doing that knowing all the data that we did have, that we shared this evening. So that's why we didn't do it. Certainly, we can and I'm not saying it's a bad idea, but I think we'll end up in a similar place to where we sit today and that's why

the recommendations that you see this evening is that there's needs at different times of the year in different areas of downtown and we end up in the same place.

I'll be quite frank, I and I hate to hear it but I'm going to have to, the whole time I have been here I have heard about downtown parking. And I've looked at all the things we've done, and it doesn't seem to go away and even when we build more, it just doesn't seem to go away. And you know, to be quite frank, I wish we could find a solution for down there. And I think what staff really struggled with. We know we have a couple of issues. We know that more parking could be utilized, and I appreciate the Mayor's thoughts this evening as well because we didn't go that direction. We were so focused on you know what had been spoke about in the past and what showed up on the bond question and what showed up and other things, but we are in a predicament that I think we to move forward and do something with parking downtown and hopefully to relieve some of the concerns and I think in both areas. I drive both. I know in the northeast quadrant during the day, it's tough to find a space, I will be frank. I have gone up there for meetings. And at times, I know on Main Street, it's tough to find a space at certain times of day on the Main Street but I can go to the parking garage and then I have to walk. So, some of those challenges do generate themselves depending on the time of the year.

So, again, the study, I think that our office building is here on Civic Center Plaza, most of us venture out to go eat or otherwise right around the area so we either walk or drive and so we see a lot of that. We get to talk to a lot of individuals that are down here throughout the year, and yeah, I think that's where we landed. But to answer the question again directly, I decided that we weren't going to move forward with the study. What the bond question didn't address the study and we would have used some of the bond monies. And so, we felt it's better off to spend that money on additional spaces than it would for another study that would lead us to the same point we are this evening. So that's the answer.

Vice Mayor Whitehead: Wow, okay. I got it. But I do also want to thank Dan Worth because the zero dollars. There was a lot in your presentation that on my own I didn't understand. So, I do appreciate that. So, you know I have another question though about paying for parking because it's my understanding that we require free parking and yet we know the hotels in the northeast corner, or northeast quadrant Hilton Garden whatever is charging \$22 a day for parking. And then I learned tonight actually that the one parking lot is \$10 a day. Is it really only \$10 a day?

[Time: 04:09:10]

Dan Worth: Mayor, Vice Mayor, I can't swear to that.

Vice Mayor Whitehead: Okay, but how is this allowed? I mean is there some I guess to quote Mr. Pejman, is there some loophole? Maybe it was French, is there some loophole here? I thought we weren't allowed; these entities weren't allowed to charge for parking.

Dan Worth: I might not be the right person to answer that. I think it's more of a planning issue. My understand is that if you meet your code requirement and you build in excess of that, you can charge for the use of the excess.

Vice Mayor Whitehead: Okay that's that's good to know. You know the south so, the area here, the southeast quadrant is, has growing parking needs. I agree with Councilwoman Caputi just it's not like we're having 10 times the events on the same day but we're growing in needs for all the right reasons. We are growing because we've renegotiated every contract practically in the city, including the stadium, so that that stadium gets used a whole heck of a lot more for all kinds of good things. We are growing because Scottsdale Arts is doing a fabulous job. We are growing because our bond voters, our voters approved bonds to make our Civic Center Plaza something besides a walk through. So, this area is growing, and it's very, it's owned by the residents, residents feel ownership, but it also brings in, you know, there's 11 million visitors, a lot of them are coming to the southeast quadrant. And I do think it's crucial that we have sufficient parking and we're not talking about parking for today, because it's going to take a couple years, three years to build. So, we're looking into the future, and I think for the right reasons, we need more parking in the southeast quadrant.

Now, something the Mayor said really struck me as true. And that's like, why in the world in the west's most western town, the one quadrant that we actually have the flavor of the west, why would we want a two-story monstrosity right in the middle blocking the church. So, I do agree with that, and I wonder, I would like to see staff look into a, you know, just like we know with SkySong and some of these other agreements with other entities, some type of long-term lease and possibly put a structure a couple blocks south. So, we still meet the needs of the southeast quadrant and get the best deal, you know, for the money by having two stories versus one story. That was an interesting idea. I mean that's just something I'm willing to entertain.

[04:11:55]

Then on option one, you get rid of, yes, I'm a cheapskate, so you know \$70k per spot versus \$10k per spot sounds awful, right? Why would you spend \$108k? Well, the reason is you have one story that doesn't block all the views. You get that added parking. You get the added shade. You pull out everybody for the Farmer's Market so that the Farmer's Market is a little more pleasant. Maybe they could even do it more into the summer. So, there are some benefits with option one and I'm not even talking about the northeast quadrant yet but of having one story. So, I'm not sure where I am. I mean I do worry and then maybe some of my colleagues who supported the two story now after they heard the Mayor, also worry about having that large structure right in the heart of that area because initially I was supportive of two.

And then I just want to address the northeast quadrant. It is not the businesses' fault, Jon, I get it, but we have some real problems there. So, in 2019, when there was no pandemic and it was a perfectly nice Tuesday morning at 10:30 or something and this is multiple times, I went into the Galleria parking garage and how many, I'm not even going to ask, the bottom floor or so is public. That was the public/private partnership that made public private partnerships really unpopular. So, we had this public/private partnership where you have the bottom floor and then yes, the top three or so, four floors are private. The top floors are empty. They are empty. And the employees that I talked to there, they told me they come as early as they can to try to snag a public spot. When they can't find a public street spot, they go to the public garage that we all paid for at the Civic Center Library and there's at the

time, Yelp was paying for a shuttle, morning, and night to take people to and from.

[Time: 04:12:20]

So, it's cheaper for Yelp to pay for a shuttle to schlep their people over to the Civic Center Library garage than to pay the owner of Galleria what he was asking to use a perfectly good empty parking garage. So, in good conscience. Do I want to build a parking garage in the northeast quadrant? Yeah. But will it fill up with the future Yelp employees? Because then Yelp doesn't even have to pay for a shuttle. We have to solve that problem. And we also know, the talk about no parking by design, we had a City Council, Councilwoman Littlefield and I were the only ones, I believe that voted no, that were approving hotels with zero parking. And so, yes, you have a problem there. Yes, I want to fix it.

But we have to fix the foundational problems in that area, because no matter what we build, it's just going to fill up with the same bad actors that are not paying, are being charged too much. I don't know what the reason is but are leaving a perfectly good parking garage empty. And so that is, a that's just an issue I'm not willing to move forward on northeast until we get some kind of resolution there. And if it's \$10 a day, I would go for it, but that's just me. So, signage, I just want to end on signage. Oh, my gosh, we need signs. We need big blue P signs. So, I mean maybe that's where we stray from the west's most western town, so people know, like, I admit I didn't know there was, I love underground parking, but I didn't even know about the Corral. So those are my comments, thanks. But I do like the Mayor's idea.

Mayor Ortega: Okay, well we have Councilwoman Caputi and then I do want to conclude.

[Time: 04:16:20]

Councilwoman Caputi: So, first of all, when Yelp was there, they had 4,000 employees and 2,000 spots. That was the big, that's why they had to get shuttled over. There just wasn't enough parking and again, you can't blame the small businesses for the faults of the Galleria. That is a disaster that we're not going to get into tonight. So, the first point I will make is that just because something is less expensive that doesn't mean that we're going to buy it. It's like saying you need a pair of pants, but shirts are on sale, so let's buy those. That's absolutely ridiculous. I'm not saying that we don't need to have parking south of Indian School. I'm simply saying everything we've done in the last several years has been for south of Indian School and everything we have approved for the future is for that area as well. Is the person still up there at the, could you I know I had given you some pictures to show. I just, I really think it's important for people to have an understanding, I know Councilman Durham was shocked beyond belief when he did a little tour downtown.

Again, I know I'm going to hear, oh we picked a quiet time, but this was Spring Training week at lunchtime. And if you could just, you know, this is the Scottsdale Center for the Arts. 95% of the time. Again, I know the argument is going to be it fills up for the six Spring Training weekday games but there's 365 days of the year and that's six days. So, if you can just go to the next slide, please. This is the west Main Street parking garage, again Spring Training week, midday, lunchtime. You can scroll through. Here's the Corral. There's two stories in the Corral, even when one is filled, I don't on anyone every

drives down below. That lower level, I've never seen it full. I could be wrong. But we certainly have excess capacity. Again, Spring Training week. There's the library lot, multiple levels, completely empty. You can keep scrolling, Library lot, Corral, different dates, different times. They are all time stamped. Maybe I'm missing something. It just seems to me that and pause here for one minute please on the map. We have certainly provided a lot of excess capacity south of Indian School. Again, we're always trying to be sustainable up here we've got an awful lot of empty asphalt doing nothing most of the time.

This is a map that the city provides. It's actually interactive. It's super helpful when you scroll over it, you can see the number of spots. I scrolled over and them, marked them so you could see them in real-time. This is south of Indian School. Look how many parking spots we have in structures. Thousands of parking spots below Indian School in structures. I'm not suggesting that that's not where most of our events are. It is, but I feel that we've addressed that problem fairly well. If you look at the map of the city, 95% of our parking garages are south of Indian School. I see that our Police Chief has sat here for, I don't know, four or five hours and I feel bad. So, I actually wonder if we could have Chief Walther come up for just two seconds to end this conversation. Chief Walther was the Downtown Commander for I don't know how many years. I don't think there's anyone in the city who knows the downtown better than our Police Chief, and I just wondered if he could give us a little bit of an historical perspective on the downtown parking challenges and maybe just your thoughts on where we have issues from a public safety point of view.

[Time: 04:19:44]

Police Chief Jeff Walther: Sure, thank you. Mayor, Vice Mayor, members of Council, Councilwoman Caputi, thanks for the invitation or calling me up, weighing in on the debate. Yeah, I have a 30-year perspective. I started with the Scottsdale Police Department 30 years ago this year and so I have a different perspective from the time I was a patrol officer to Sergeant to Lieutenant to the Downtown District Commander, McKellips District Commander, Bureau Chief and now the Chief. And so, I love the discussion. Sad to see, you know, it's interesting that we've, in my time in the city we've had a lot of discussion or chirping back and forth between north Scottsdale and south Scottsdale. I'm actually kind of sad to see it now between north of Indian School and south of Indian School. When really, we just need more parking, period, the end. So, that's a little discouraging because I will tell you that when you look south, and I agree with a lot of points that were made from a policing perspective, and so that's really what we do.

Your Police Department, especially during Spring Training and major events, we are those people directing traffic and sending people to various parking locations. I will tell you that in my experience, my vast experience with downtown is that where we are struggling and where we have been struggling is north of Indian School. And so, there are a lot of reasons for that. And I think Councilwoman Whitehead pointed out, I think appropriately so, there's a lot of issues going on in the northeast quadrant. But that's not the result of our small business owners. And so typically what we see in my time as the District Commander, that's why we came up with the P3 parking passes because what was going on is you have the three-hour parking and most people would come out of the various businesses, the Galleria, in particular, park for three hours or two hours and 45 minutes, come out, move the car from in front of a

salon or a business or, I know Jon Rosenberg is here, LevRose Group in that area and park in front of those businesses. And so, we had to deal with that as a city and a police department and that's what we wound up doing in the P3 parking passes and that provided some relief, just not all relief.

[Time 04:22:18]

The relief you saw came in the form of COVID-19 and the pandemic. And so that's what the relief was, and we saw a number of businesses opt for sending their folks home. So, it doesn't mean it's not a problem. It's still a problem for us. It's just not as big of a problem. So, when we have discussion about what that looks like for the Police Department, and the sheer number of calls that we were getting related to parking or there the lack of or I'll call the shenanigans parking at that time or move your car or somebody would leave the business and say give me all of your keys and we will continue to move these cars around. And so that's what we are seeing. So, do we need parking south of Indian School? Certainly, there are days that we that some of those parking areas might fill up on our heavy special event days. So, I'm not suggesting, that south of Indian School isn't also a discussion point. Completely agree the Mayor's, and I know you don't, you probably don't really care, but I think the Mayor's point I think is incredibly, incredibly important about how that parking looks if you add two stories to that. So, I think there can be some great discussion about on that. But we certainly need the assistance of additional parking, daytime parking. I will, I will only disagree with Mr. Rosenberg in just one small little area, is that there is a nighttime component of that as well.

The majority of it is a daytime component in the northeast quadrant, but there is a small nighttime component about that as well and I think we've talked about, I've talked to a number of you individually, and certainly the City Manager and I have had this conversation about nighttime parking and the availability, our opportunity to create rideshare areas at night, especially when we're having major events down there as well. So, when you build a parking garage on the Sixth Avenue spot, it opens up surface level spots that we can now really pay some attention to and crafting a different rideshare location in that spot. So the Sixth Avenue spot is a great spot for us to move a lot of traffic in that area, in that that will service that entire area, so the northeast quadrant is absolutely from my police perspective, and over a long period of time, it's absolutely essential to build a parking garage on that side as well ,and then we can talk about adding you know a single level on the on the south side.

Councilwoman Caputi: Thank you Chief. And I just want to remind everyone one last time because I think it keeps getting lost in the discussion. We are building more parking south of Indian School. Again, I would never advocate for one part over another part of the city over another. It's about all of downtown and this Council, we have 55 spots coming that we are paying for at Artisan that we negotiated at a steal at this point and 155 spots at Museum Square. We've already paid for those. They're going in, we are absolutely increasing parking. We are trying to make the best decision for the city as a whole. That's our job up here on the Council, making the best decision for the entire downtown. That's all I have for tonight. Thank you.

Mayor Ortega: Thank you. Okay, so at this point, thank you, Chief. I would say as far as the Work Study subject, to be continued. Okay? I think several of us were looking at some possibilities. One thing that I

would do is end the Work Study and I have to be a Parliamentarian here and say that we did have a matter concerning a petition which was, we said, well, we're going to be talking about this in the Work Study. So just kind of for the record, we didn't take any action per se, we didn't table it, we didn't continue it, but that petition is still on the table. It could be submitted. I mean it's still on the table and that's just how we're dealing with it fairly.

ADJOURNMENT

[Time: 04:26:20]

Mayor Ortega: So, with that, I have, do I hear a motion to adjourn?

Councilmember Graham: Motion.

Mayor Ortega: Thank you. Second?

Councilmember Durham: Second.

Mayor Ortega: We are adjourned.