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CALL TO ORDER

[Time: 00:00:06]

Mayor Borowsky: Good afternoon. I would like to call the June 23, 2026 City Council Regular Meeting and Work Study Session to order. City Clerk Ben Lane, will you please give us a roll call.

ROLL CALL

[Time: 00:00:16]

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

Mayor Borowsky: Present.

Ben Lane: Vice Mayor Maryann McAllen.

Vice Mayor McAllen: Present.

Ben Lane: Councilmembers Jan Dubauskas.

Councilwoman Dubauskas: Here.

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Ben Lane: Barry Graham.

Councilman Graham: Here

Ben Lane: Councilman Adam Kwasman.

Councilman Kwasman: Here.

Ben Lane: Councilmember Kathy Littlefield.

Councilwoman Littlefield: Here.

Ben Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

Ben Lane: City Manager Greg Caton.

City Manager Greg Caton: Here.

Ben Lane: City Attorney Luis Santaella.

City Attorney Luis Santaella: Here.

Ben Lane: City Treasurer Sonia Andrews.

City Treasurer Sonia Andrews: Here.

Ben Lane: Acting City Auditor Lai Cluff

Acting City Auditor Lai Cluff: Here.

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

Mayor Borowsky: Thank you so much. This evening we have Scottsdale Police Officers Kim Savage, Kyle Shollock, and Ray Wilburn, as well as Scottsdale Firefighters Logan Darling and Marcella Englam, if anyone requires their assistance. I think I saw some PD canines over there. Did I? Do we have PD canines, right? Two? Three. Wow! Welcome, we're lucky to have you.

PLEDGE OF ALLEGIANCE

For the Pledge of Allegiance, I would like to call on Councilwoman Kathy Littlefield.

Councilwoman Littlefield: 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 Borowsky: Thank you. And for the invocation, I will turn it over to Vice Mayor McAllen.

INVOCATION

Vice Mayor McAllen: At this time, I would ask you to bow your head for a moment of silence. Thank you.

MAYORS REPORT

[Time: 00:02:11]

Mayor Borowsky: For the Mayor's Report, I am pleased to announce the recognition of Digital Kindness Week here in Scottsdale which was brought forward as an idea at our last Council meeting by a Scottsdale student whose leadership inspired this proclamation. And so, it is my honor. I hope he's here. Do I see him? Oh, there he is. All right. There we go. It's my honor to recognize Varsh Varun, a 12-year-old Scottsdale student, who is wise beyond his years. The growing impact of the cyberbullying on students' well-being. Rather than simply identifying the problem, Varsh developed a solution, it's entitled SHEILD, which is an initiative he created to promote safer and more positive online interactions. It stands for strong help in every level of digital life. It encourages students to stay calm, report harmful behavior, block bullies, engage with kindness and disconnect when necessary and appropriate in order to protect their mental health. Through this initial, Varsh is empowering his peers and helping fostering a culture of digital responsibility and respect in our community.

Please join me in welcoming Varsh as we promote the Digital Kindness Week Proclamation. And I want to compliment Varsh for taking the lead on something so significant. And with that, I will invite Varsh down and my Council colleagues to come share in the presentation.

Mayor Borowsky: All right. Thank you very much, Varsh, again for being here.

PRESENTATION/INFORMATION UPDATES

[Time: 00:05:48]

Next, we have a few presentations. First, we'll start with the presentation from Chief Tom Shannon and Police Chief Joe LeDuc on why canines oh, that's why they are here, canines are utilized in apprehension, detection, search and rescue, investigation and other areas. I can't wait to hear more about this gentleman.

Fire Chief Tom Shannon: Thank you Madam Mayor and members of the Council. We're going to invite

the stars of the show down first. These are just some of your city canine partners, representing both police, fire and parks and rec initiatives. So next slide.

It's my great honor to talk to you a little bit about how dogs are being used inside the city. I'll do just a couple of slides for you, and then Chief LeDuc will take over the rest. Next slide.

So, COSSAR stands for City of Scottsdale Search and Rescue. We realized that one of the gaps that existed in our capabilities to search in our open spaces was the use of canines to help find people, whether they be alive or deceased. And so, we, we embarked on an adventure, if you will, that I just can't say enough about the two handlers Hayden and Chris. Would you wave? There's the two COSSAR handlers. These folks got certified in eight months which is absolutely incredible. Obviously, the real talent is in their canine partners. Really, the dogs are doing what they know how to do. And what we learned to do is communicate with them and help them understand what it is that we want them to find and reward them for that. Next slide.

[Time: 00:7:48]

Within the SAR concept, we are using all sorts of tools, canines being just one of them. We are using drones to do recognizance work and provide radios and water and gear sometimes to victims who might find themselves in a in a bad spot. We're currently using mountain bikes and E-bikes to access victims out on the trail system, or out in open spaces more quickly and our folks are trained at the National Association of Search and Rescue Technicians, Sartech2 level. That's a high level. What that means is they are able to operate in austere conditions in a variety of different environments whether it's mountainous terrain, or flat terraine, open spaces it fits exactly what Scottsdale requires which is a very diverse open space category. There's only one way to really describe what they do and that is show you. So if you turn your attention to the screen, we will go to the next slide.

Next slide, Chris, I believe that's probably almost real-time, three minutes. That's 45 acres in three minutes that was Leon who did that search. It's simply amazing to watch these dogs work. Their God-given talent and then the communication we go through in terms of learning how to communicate with them as to what we're looking for, whether it be human remains scent or live scent and a variety of environments is simply amazing.

The last thing I will say before turning it over to Chief LeDuc, is that our goal is to have redundant capabilities. Right now we have five canine teams and four of them are live scent canine teams and one is a human remains team. Two dogs are being trained in human remains and that would provide us an equal distribution of live and human remains detection. Sadly, some of our finds don't turn out well, but it's nevertheless very important for us to find those folks where they may be lost. And so, we use these dogs as well as all those other tools we shared with you in the SAR world to make sure that there's closure for all citizens and visitors in Scottsdale. I will stop talking now and certainly be happy to entertain questions but I will turn it over to my partner in Chief LeDuc.

Police Chief Joe LeDuc: Thank you, Chief. Madam Mayor, Councilmembers, it's my pleasure to tell you

about our operations, as it pertains to k-9s, they are truly man's best friend and we have a partnership with them that allows us to do things in the public safety space that we would be unable to do without them.

So, I will go quickly and tell you the different disciplines we have here, but I will introduce our pups here today. We have Farley, it was her birthday the day before yesterday or yesterday. Yesterday she turned 21 human years. So, we had a little party at the station. She's 3 years old. We have the O.G., Rocket, one of our crisis dogs. We have Ploy, search and rescue dog. Cache, explosive detection dog and Booker, and he's one of the patrol dogs with us today and an amazing team of handlers that support them, or they support each other, really.

So, we have 14 dogs total, separated into multiple disciplines and I will go into each one in a little bit of detail. But they're between patrol, specific detection dogs, park ranger, search and rescue that Chief Shannon talked about and then we have our crisis response canines that's just assigned to our police response and four which are in the schools which has been really a great success for us in our schools lately.

[Time: 00:14:05]

Let's start by laying the foundation of training, certification and care. These dogs are very well irrelevant cared for. They eat a better diet than I do. The trainers provide amazing diet and training. Training certification is also taken very seriously. There are yearly certifications for these dogs whether you are a patrol dog or even a crisis dog, they have to certify every single year to make sure they are reaching the metrics. Nobody has failed yet. That would be very, very sad. They are all doing very well.

Let's talk about the patrol canine teams, Booker and Sergeant Pitt is an example of that. They are the most versatile dogs, and the oldest that we've had on the force, since the beginning, actually, the late 1970s, one the first canine handlers we had was a Chicago P.D. canine handler who came down and worked for Scottsdale. But they do multiple things. One of the major things they do is do area searches and building searches. They are not only trained to search for bad folks or bad actors but they are also trained to apprehend them, and they're also trained in scent detention for some of them are trained in narcotics and some of them are trained in explosive detection, not both because it's very specific. We don't want to get those two things confused ever. So, some have that specialty and others have a different specialty.

They train every Wednesday in both just regular canine handling and SWAT applications. So, they will be training with the SWAT team. Very high energy, but when they get home to the family, they are like puppies. They melt in with the family. They know when they are at work and you can see the high energy here for them. They keep officers very safe because they sometimes go in the buildings that we don't have to go in to search for folks and then let us know that they are in there.

Their detection specialties some are narcotics detection canines. They are specially trained to search for cocaine, fentanyl and heroine. If you remember when marijuana was legalized, we had to take

marijuana off the table. And that was quite a process for us to do. They support school campus searches only at an administrator's request, and there's kind of a misnomer about how they search. They just don't go up to people looking for narcotics. You know, I see as we go into the special events some people start walking backwards. But they actually only are trained for narcotics to search vehicles and parcels or packages. So that's what they concentrate on.

Explosive detection, they're really also trained for high-levels of explosives down to the minute traces of explosives. If you had a bullet in a bag, they will hit on that because their noses are so well tuned that they can tell and then they see the explosives. They don't dig at it. They don't cause excitement. They just sit down. So, a lot of training there.

This is a dog, new dog that we got, Bizy, funded by the Secret Service, the U.S. Secret Service, one of our federal partners and it was the first electronics dog that we ever got. So, we bring this dog to search warrants to find where people may have secreted cell phones or electronics that may have evidence on them. The fun fact about Bizy is she's actually trained to sniff out just the glue that holds the components together on little pieces of electronics which is pretty amazing and we have tried to stymie her ability to find something and she finds something every single time. So, she's pretty amazing with that.

Our SPD canines that's me signing in one of them, Fender. They de-escalate situations when you see a care canine come into a room, you can see everybody's energy level go down to that. So, they are used in that play. We have four deployed in schools and then one, like I said with the crises unit that goes around to some of our most volatile situations and calm it down and de-escalate. They do a lot of employee work. They go around to the different workstations and they are great stress relievers. I never thought I would have a bag of dog biscuits on my desk, but there they are. I get a lot of dog visits as well. They have been a lot of great addition to our team. With that, that's the presentation if you have any questions, we would be happy to answer.

Mayor Borowsky: Thank you. That's wonderful. Councilman Kwasman.

[Time: 00:18:58]

Councilman Kwasman: I want to say, very quickly, it's been the pride of my term here is that I could tell my kids that I got to meet the Paw Patrol at the City Council. So thank you all I do, both search and rescue and police. Thank you.

Mayor Borowsky: Vice Mayor McAllen.

Vice Mayor McAllen: Thank you, Mayor. First, I want to comment, I believe it was Tom Deasey, and the dog was Arco. It was my husband's neighbor when his whole childhood so I heard a lot of stories about Arco.

But my question is for Chief Shannon. Could you elaborate a little bit. Your guys, the technical rescue go

out but maybe they can't find them. How do you interact? I think that would be interesting to know. We see the picture, but how does it happen? Like, through 911 call on?

Chief Shannon: Mayor Borowsky, Vice Mayor McAllen, that's a great question. It's an orchestrated affair. A call may come out, lost or missing party in the preserve. It is a unified command approach from the get-go, both police and fire will essentially wait to start the process until we are together, because obviously P.D. has an infinite amount of intelligence capability, and fire folks know that trail system like the back of their hand. And what will happen then is we'll get a sense of the factual reliability that the person is out on the trail system, everything from technology pings to last seen, to all of the things you might expect and then we assemble a plan and there's an actual cadence so that.

There are forward-operating personnel, that will go out to do specific clearing searches. The drones are sent out. The real-time crime center and the autonomous drone is employed. When when appropriate, we use our helicopter partners from both the Phoenix Fire Department and Maricopa County Sheriff as needed. And what we will do is we will start to use whatever technology is available to us to either heat sense or or otherwise visually identify the person. When that doesn't when that's unsuccessful, there's also a simultaneous call out for the dogs, as well as ground-capable search parties. And we start to assemble those assets in the event that we're going to have to now start to clear acre by acre the area.

[Time: 00:21:35]

The best example I can give you is we had a rescue oh, it seems like three weeks ago, where a party was out on the trail system and actually it was the intelligence of our of our one of our battalion chiefs who knew precisely by the picture that the person had taken and sent their family where about where they were because they recognized the trail system that well. And so, they assembled a search group, which included the very people in this room. They went out with both dogs and E-bikes, and they essentially went to the area and found the person quite quickly. So, what you do is you hit it with everything you've got in a sequential form. People might think, well, what goes first? The dogs are used as much to clear an area where we where we know they're not. So, we don't have to search there, as much as they are to actually find the person. So, we use it to rule out as much as rule in. But we have to use them precisely. This time of year, it's very difficult to use these dogs for any prolonged period of time and there's times where we just won't because it's just too darn hot. But otherwise we have to manage them, Leon, he will run until he drops. And so Chris has to be very, very conscientious about that.

So, it's a very orchestrated, very synchronous event, but it's done in a unified command approach, so that all communications are going through that command process, and everybody knows what's going on related to that missing party or person. We do, obviously bring the human remains folks along in the event that we're going to this is going to go from a recovery excuse me from a find to a recovery, but you usually have a little bit more time in that regard. Hopefully that explains kind of rhythm of this.

Vice Mayor McAllen: No, I appreciate it. Thank you. Both of you.

Mayor Borowsky: Councilwoman Dubauskas.

[Time: 00:23:38]

Councilwoman Dubauskas: Thank you, Madam Mayor. At our last Council Committee Meeting on Public Safety, we brought the COSSAR and introduced the canines to the community that way and I thought it was so special police and fire working together on that project and so I actually wanted to recognize your joint efforts. So, thank you very much.

One of my favorite social media posts is the cat April Fool's Day. Your team, Chief LeDuc, has so much fun with these dogs. I believe your PIO said the video of the dogs going through the gift wrap made it on to Good Morning America, so thank you for sharing these wonderful canines with us tonight.

Mayor Borowsky: Councilman Graham.

Councilman Graham: Thank you so much to presenting for us. This is more than a presentation for us, this is for the entire public. This is sort of an introduction to the public or informational for the public to know what they do and what they do for us. So, I really appreciate that and, you know, as Councilman Kwasman said, this is about as close to paw patrol. My kids love Paw Patrol. If they were here, they would be rolling I don't know if you would let 'em do that, but you know, I was kind of thinking, what maybe not too you know, the sort of other side of it, how long what age does a dog like this retire? I'm just kind of curious about what are the Medicare years for a canine look like?

Chief LeDuc: Before they can get a pension.

Councilman Graham: Yeah, what is the mention like?

Chief LeDuc: Madam Mayor, and Councilman Graham, on average, the useful life is six to seven years. It depends upon a multitude of factors. At that point, the handlers can choose to take the dog in as a family pet. So, they get to live their retirement years with the family and the handler that they started with. We had dogs stay working up until eight years and as little as four to five, depending what the health issues are. Some of the crisis dogs, a little bit longer, eight nine years, time before they actually retire. And again, they usually go to the handler. As far as the search and rescue dogs I'm thinking about that seven-year mark.

Councilman Graham: I'm curious who bears those cost? Is that totally on the handler or shared costs when a dog reaches retirement?

Councilman Graham: Yeah.

Chief LeDuc: Sergeant Pitt?

Councilman Graham: Sir, if you could speak into the mic, not for my benefit but for the people -the multitudes that are streaming this online.

Sergeant Pitt: Thank you, Council. There are programs out there, but typically the costs will fall on the handler once the dog is retired. So, vet bills and food, we take those costs. Really expensive items, there are programs out this, Paws 4 A Cause that will pick up \$2,000, \$3,000 a year, that's something we can apply for as handlers.

Councilman Graham: That was my other question, what partnerships or foundations or, you know, when these dogs when these dogs reach retirement? What was that again, if you can repeat that?

Sergeant Pitt: It's I believe it's called Paws 4 A Cause or something very similar to that, ALECA which is the Arizona Law Enforcement Canine Association, which many of the members of the Scottsdale PD are on the board for. We are looking at donor opportunities coming up to provide benefits to retired handlers across the state. So, they have around 375 members that they are hoping to give some of the opportunities to.

Councilman Graham: I would imagine that this would be people that would want to help with that. I don't know what kind of groups there are. I'm sure there would be a long list that would actually want to take one of these in. They would probably be the most excellent trained top notch dogs, and the handlers get first dibs. I think it would mean a lot to a lot of people to maybe know, not just today, but down the road to learn what kind of options are available for people to help them in their retirement. So, thank you for the explanation.

Sergeant Pitt: Yes, sir.

Mayor Borowsky: Councilwoman Littlefield.

[Time: 00:28:19]

Councilwoman Littlefield: Thank you, Mayor. I just had a quick question. I know I went to a new police station that was opening up and they had some dogs there, kind of on display, sitting in the trucks and stuff like that. There's also some dogs that stay at home and you are kind of loving dogs to people who are in crisis, who are hurting, who have lost someone, especially children. Do you still have those dogs available too for help, especially with the kids?

Chief LeDuc: Yeah, we do and that really falls under our crisis dogs that are assigned to our police crisis intervention services. They will bring them they do visits all the time to those in crisis, or those that need kind of that special lift. So, they're constantly out in the community doing those things.

Councilwoman Littlefield: How many dogs like that do you have?

Chief LeDuc: One we have one assigned to the crisis unit and four assigned to the school but during the summer, they actually take on that role in the community as well, time permitting.

Councilwoman Littlefield: Thank you.

Mayor Borowsky: Thank you, all of you for being here. Great presentation. Great to learn more about the program. I have a question for you about the crisis or support part of the patrol. I visited Saguaro probably a year ago and it was just it was so nice to see it was the golden doodle that was in the picture and then this was a black I don't know what you call the black doodle but labradoodle, it seems such a nice visit for a high school like that. And you mentioned that you have those dogs available, sight dogs available, based on administration's request. And are we open is that program open to all Scottsdale schools?

Chief LeDuc: It is. And the goal is to staff all of those schools with crisis canine eventually, cost permitting. As far as what I mentioned about the administrator, is the actual patrol dogs that are searching for narcotics or explosives they only go on school campuses when the administrator requests them to. That's the delineation, whereas the crisis dogs that go to the schools, it's just where they report to work. The connection between the children and the dogs and then the relationship that's built between the officers then and the children is just immeasurable.

Mayor Borowsky: That really struck me too. You have sworn officers on campus and that's a good relationship builder. That's wonderful. Really appreciate you being here.

Chief LeDuc: Madam Mayor, and Council, if you would like to come down and take a photo.

Mayor Borowsky: Sure!

All right. I hate to break up the party. I will read some announcements here.

EXECUTIVE SESSION

[Time: 00:33:24]

Tonight, during meeting, we might the Council may make a motion to recess into Executive Session. Thank you again for being here. Those are going to be beautiful pictures. Which would be to obtain legal advice on any applicable item on the agenda if authorized by Council, the Executive Session will be held immediately and will not be open to the public. And this public meeting would resume immediately following.

As a reminder, this is new, neither Councilmembers or members the public are permitted to engage in electioneering during tonight's Council meeting. So that's a new addition.

MINUTES

Next, we have the Meeting Minute approvals, and I will look for a motion to approve Regular and Work Study Session Meeting Minutes of May 5, 2026, Special Meeting Minutes of May 19, 2026, Executive Session Meeting Minutes of May 19, 2026, and Regular and Work Study Session Meeting Minutes of May 19, 2026.

Councilwoman Whitehead: I will second Councilman Kwasman's motion.

Mayor Borowsky: All right. Please indicate your vote.

CONSENT AGENDA

[Time: 00:34:39]

Next, we have Consent Agenda items, 1 through 25A, and I'm not sure if any other members have questions or wish to have an item removed, but I would like to ask for a brief presentation after the Consent Agenda items are voted on, on items number 13 and 23. Which I think are of special interest to the community. So, let's see here. Vice Mayor McAllen.

Vice Mayor McAllen: I was also going to ask for 23. So perfect.

Mayor Borowsky: Councilwoman Whitehead.

Councilwoman Whitehead: I was going to comment on them, but I wasn't going to pull them, but that's fine.

Councilman Graham: Which one was that?

Mayor Borowsky: 13 and 23. And we will hold that oh, we need to hear from the speakers first. Let's see who we got here. I will wait to ask Betty Janik to come up, not yet because we will vote on that and then you can come up and talk about 13. Yes, I will take a motion to approve, let's see, Consent Agenda items 1 through 12 and 14 through 22 and then 25 and 25A.

Councilwoman Whitehead: So moved.

Vice Mayor McAllen: Second.

Mayor Borowsky: I pulled it. All right. Please indicate your vote.

Ben Lane: Mayor, I'm sorry can you add 24 to that list?

Mayor Borowsky: Oh, did you say 24? Okay. Adding 24. Do you want me to say it over? Okay.

ITEM 13

[Time: 00:36:30]

Mayor Borowsky: There we go. All right. Who are we going to hear from. It's Thyra. I tried a number of times. She's our Interim Water Director and she's going to talk to us about item number 13.

Interim Water Director Thyra Ryden-Diaz: It's Thyra.

Mayor Borowsky: It looks like Thyra, and I have a friend and she pronounces it that way.

Thyra Ryden-Diaz: It's definitely Thyra.

[Time: 00:37:10]

All right. I'm here to talk to you, Mayor, members of Council about Resolution number 13696, the long-term storage credit acquisition. Next slide, please.

So, the background on this is long-term storage credits are generated for the underground the credits represent a savings account of water and are a key tool to enhance drought resilience and demonstrate compliance with the assured water supply designation requirements. The city desires to purchase 15,000 long-term storage credits from Vidler Water Company which is part of D.R. Horton for a price of \$8.25 million. This purchase would increase the long-term storage credit holdings to under 300,000-acre feet.

Next slide. This is the location of the of the source and it's right in the same area that the IWDS is building the turnout to the CAP. Next slide.

So, the long-term storage credit purchase contract request is to adopt Resolution 13696, authorizing contract 2026-112-COS with Vidler Water Company, for \$8,250,000 for the purchase of acre feet in the Harquahala Valley.

And the second part of the Resolution is for the city manager or designee to execute any other documents and take such other actions as necessary to carry out the intent of this resolution, and the third part is a fiscal year '26/27, capital appropriation contingency fund transfer from the water capital improvement plan of \$8.25 million to a newly created capital project to be titled long-term storage credit purchase. And our last slide, I'm happy to answer any questions.

Mayor Borowsky: Can you go back to that number, that adding this acquisition to our existing long-term storage credits, what that number was?

Thyra Ryden-Diaz: Right, it's the very last bullet.

Mayor Borowsky: Yeah.

Thyra Ryden-Diaz: Oh, you were right there. So, it it increases our storage holdings to 292,690-acre feet so right under 300,000-acre feet.

Mayor Borowsky: Can you put that in perspective, in terms like what duration, if we had zero other sources what is the duration of years that we have available with that?

Thyra Ryden-Diaz: Well, we would have other pumping. So, it wouldn't just be this we wouldn't be just on long-term storage credits. It's complicated. It would give us the period of time we need to find other sources and just an extra, like savings account somewhere else besides the water that we have within the Phoenix and Tucson area.

Mayor Borowsky: And what is our anticipated or expectation where we would start to draw on that water, if you know?

[Time: 00:40:18]

Thyra Ryden-Diaz: It really depends. We have a bunch of different operational scenarios and depending what our cuts were and how long those cuts would be for, if we would have further cuts so, it's a really big differential equation. It's not as linear as people would like.

Mayor Borowsky: And last question, I don't recall if we talked about this previously, but in terms of the 8.25 million, is there are there conditions in the purchase agreement whereby if we were unable to get approved through the CAP transport, or this was some, you know, prohibition in terms of the treatment and transfer, do we have, you know, some out of the contract if we can't transport the water?

Thyra Ryden-Diaz: I'm not concerned about transporting the water at this location, because we have that turnout that's already we're going through the NEPA process. So that's, like, not really a concern I have about being able to transport it or the treatment of the water. We have a pretty good handle on that.

Mayor Borowsky: But it's currently not approved?

Thyra Ryden-Diaz: The transport of the water? It would be part of the NEPA process that we are going for the I.D.W.S. at the same location.

Mayor Borowsky: Okay. And just, big picture, has anyone been approved to transport to a municipality?

Thyra Ryden-Diaz: On the CAP or at this specific location?

Mayor Borowsky: CAP.

Thyra Ryden-Diaz: Well, there's other there's other wheeling agreements that other cities have with CAP. So, there are...

Mayor Borowsky: Okay. So, we could start transporting it right away?

Thyra Ryden-Diaz: After we build the infrastructure.

Mayor Borowsky: Yeah. Okay. Great. Thank you very much. I don't know if anyone else has questions.

Councilwoman Littlefield?

Councilwoman Littlefield: Yeah, this is probably a silly question, but could you go back to the slide that showed the resolution number? You have 13696 on our calendar here. I have 13702. Are those one and the same or...I want to make sure I know what resolution we're approving.

Thyra Ryden-Diaz: This is 13702. This isn't correct on the slide. I apologize for that.

Councilwoman Littlefield: Okay, thank you.

Mayor Borowsky: Councilwoman Whitehead. I was going to call let's have Betty Janik come to the microphone. Thank you.

[Time: 00:42:44]

Betty Janik: Hello, my name is Betty Janik. My address is on file. And good evening, Mayor and City Councilmembers. I have the same numbers. They're great. The Arizona Department of Water recently made water from Harquahala Reservoir, available for purchase for long-term water credits of \$550 per acre and Scottsdale, as we said is going to by \$8.25 million worth, 15,000 acres and it will provide about six months' worth of water for all of Scottsdale because we use about 30,000-acre feet a year. Now, there is one big problem and this is what the experts are saying, not Betty Janik. Okay? And the big problem is you have to get the water, 60 miles from Harquahala to Scottsdale. And, yes, the CAP goes right through Harquahala, but the water from Harquahala has arsenic and nitrate and those are both poisons and when those poisons are in the water, you cannot put them in the CAP. You've got to get rid of them. Which means you need to build the facility nearby to cleanse that water. And that is time consuming and expensive.

And then the other option is construct a separate cross-valley 60-mile pipeline for delivery to Scottsdale Water Campus for treatment and distribution. Both options are extremely expensive. I see no money in the budget for that and financing for water projects is difficult, and, again, this is what the experts are saying, not Betty Janik. Either process would take about two and a half to five years before actual water delivery to the city of Scottsdale. Now, while this purchase will help round out our water portfolio, and these credits can be sold or traded and they do appreciate it value, it's not a replacement for advanced water purification, pure water, which could be available in the same amount of time as outlined in the 2025-2030 C. I.P. and abruptly removed from the '26/27 budget. It's very significant that pure water is a renewable resource. It keeps giving and giving and giving. Because water is recyclable. It's not like Harquahala, we buy it and it's one and done.

So what I'm asking is, if you have the time and money to start buying water credits, I think it's time that we start working on pure water, stop putting up artificial barriers and start working on what appears to be one of the most solid and resilient ways to get water for Scottsdale. Thank you.

Mayor Borowsky: Thank you, Betty. Councilwoman Whitehead?

[Time: 00:45:57]

Councilwoman Whitehead: Thank you, Councilwoman Betty Janik. We did a lot of water work when you were up here. Yeah, I just want to stress I hope this is something that we are all going to support but it is important to know that it is, I think, as former Councilwoman Janik, it's one and done. Groundwater is not renewable. And so, and the amount is a good buffer because the cuts that we may get are more significant than was even planned when the Council approved our water strategic plan in 2024. These are not and, you know, there's I always talk about we need immediate, medium, long-term water solutions. This is medium. This is not immediate, and I'm not aware, unless I'm not up to date that there's any Harquahala wheeling agreements, but I could be wrong. Maybe that's been settled. So yeah, two and a half to five years and one and done and what we need to be doing is looking at forever water as well. Even though I certainly support the supplemental amount of one-time water. Thank you.

Mayor Borowsky: Councilman Graham.

Councilman Graham: Thank you, Mayor. The presenter said carcinogenic, I think she said that in the Harquahala Basin would be a limiting factor for transport. Is that is that an accurate statement?

Thyra Ryden-Diaz: Mayor, members of Council, we don't have concerns for additional treatment.

Councilman Graham: Are other municipalities and water users buying water from this area because they want to do the same thing?

Thyra Ryden-Diaz: Yes, but there's lots of different areas. So, it's not just this one this particular location.

Councilman Graham: Yeah.

Thyra Ryden-Diaz: We vetted those. We are fairly confident in what we said. But that valley is a really big valley.

Councilman Graham: It's huge, isn't it?

Thyra Ryden-Diaz: It's not always apples and oranges and comparing against other cities, it's hard because you don't really understand their whole background either.

Councilman Graham: And it's possible that, you know, the commodity markets shift. I mean we could buy this and the value could go up.

Thyra Ryden-Diaz: Correct.

Councilman Graham: Thank you.

Mayor Borowsky: Thank you, Thyra. Oh, Councilman Kwasman.

[Time: 00:48:31]

Councilman Kwasman: Thank you Madam Mayor. I just want to reiterate what Councilman Graham said, just to be very clear, is there arsenic that's poisonous that would go into the water into the CAP from this specific purchase location that we are talking about today?

Thyra Ryden-Diaz: Mayor, members of Council, Councilman Kwasman, we are not concerned about this particular location that could change. We do treat for arsenic here. It is a natural occurring source and that really depends exactly where that well is. I mean we have some wells that we treat in Scottsdale for arsenic, because of their location and we have other ones that never the arsenic never comes in. It is a concern in Arizona, but at this particular buy location, it is not a concern.

Councilman Kwasman: If it becomes a concern, in terms of your final inspections of the water, is that going to would that deter you from making any final purchase agreements?

Thyra Ryden-Diaz: I mean, perhaps.

Councilman Kwasman: Can you elaborate more than perhaps. I respect Councilwoman Janik. She spoke with confidence and with authority and I want to make sure that the people are not scared if there is or if there is a serious concern, they have a right to know about a serious concern and if there isn't a concern, because the city has ample ability to test the quality of the water, understand that this is a portfolio, that this is a holistic portfolio that the people are not being led astray to something that is a, potentially not true; and b, if there is a real problem, that there are mechanisms in place to protect the health and the safety of the residents.

Thyra Ryden-Diaz: Okay, Mayor and members of Council, and Councilman Kwasman, at this location, there's a lot of search done in part of the I.W.S. So, there's a considerable amount of study. We are not concerned about arsenic at this location. I do believe that other cities that are pursuing water in this same valley do have concerns with arsenic about the location of where their wells are. They are not near these wells. So, we are not concerned with arsenic at this location.

Mayor Borowsky: I want to go back to my other questions. This is maybe for the city manager. Does the contract allow, if we have any, I know you said that you are not concerned about it, but we are going to be voting on a \$8.25 million to fund a contract for water that will be transferred transported to Scottsdale. So that's our expectation. If for whatever reason our expectation is not realized, does this contract if there's a reason, if it's CAP, or ADWR, or ADEQ, whatever the case may be, do we have a provision that we are we're we can get out of the contract if there's no ability to transfer it? I don't think that's gonna happen, I agree with you, but it's a contract. But none of it has been approved. I think in an abundance of caution, we should be protecting ourselves that any of the agencies that are involved in this case say no to this idea.

City Manager Greg Caton: Madam Mayor, as my colleague is looking that up in the agreement, I believe it's important to add to the context, particularly to the exchange that was recently had, if the audience hadn't read the agenda packet, then it may you are only getting a piece of the entire picture. So, I think the other part of the picture that we need to articulate. This is decision to a groundwater right in Harquahala Valley partnership with two golf courses and that's groundwater right to the tune of 3800-acre feet on annual basis. On annual basis. And so, then there is significant infrastructure that is needed in order to convey that water right to get it to Scottsdale. That is a significant infrastructure cost, and an environmental study is being completed that was referenced earlier. That infrastructure will be used in combination with this acquisition. If it were just a standalone, 15,000-acre feet, 60 miles west of here, what does how does that help us?

[Time: 00:53:56]

Well, that's the infrastructure for the other water right in conjunction with this that really brings it to our customers here in Scottsdale. And so, the golf courses in partnership with us are required to put in that infrastructure, significant testing has been conducted to date. And specifically to your question, Mayor, about really the timing of that, we look to break ground in the fall of 2027 and have approximately 18 to 24-month construction cycle. And other acquisitions in the Harquahala Valley know that we're first to get the permit. We've been standing in line for years. We've had that groundwater asset for nearly 8 to 10 years and so not new to that situation. But really, the combination serves the customers in this regard. Thank you Madam Mayor, and I will turn it over to the city attorney.

Mayor Borowsky: thank you Greg, I think that's good. About the guarantee to transport it if the answer is yes, I will stop talking but if it's no, I would think this company, Vidler Professionals, they are very experienced in what's going to happen and what the moving parts are and what you know, what the approvals are going to look like and I would believe that they would agree with Thyra about, you know, the likelihood of this not being an issue, not being a concern, and the likelihood is we'll get approved. Why wouldn't we just have that in the contract that if for any reason we can't get approved we're not stuck with \$8.25 million worth of water in the Harquahala Valley.

City Attorney Luis Santaella: Mayor and members of the City Council, the seller is agreeing to transfer good and marketable title to the water in question. There is some risk, obviously to this contract, but as the city manager has explained, we do have the we are going to build treatment facilities near this water because this water is next to our existing water, is it not, sir?

Greg Caton: It is, and just to state for the record that the arsenic does not exceed the standards in the Harquahala Valley. Thank you, Madam Mayor.

Mayor Borowsky: Okay, was that a no we don't have a provision to allow us to cancel the contract if we can't transport the water within a certain time frame?

Luis Santaella: Not what you are specifically asking, no, but they agreed to transfer good and marketable title to this water. So that's not a black and white answer, but it would indicate that they have agreed to

transfer something that can be used and sold. But the specific provision you are asking for, no, it's not in there.

Mayor Borowsky: But we can all agree the water lives there and would be difficult, if not impossible to get to Scottsdale if we can't get these approvals that as Greg has pointed out have been in the work for years.

Luis Santaella: There is risk.

[Time: 00:57:12]

Mayor Borowsky: There is risk, yeah. Personally, I would like to go back to Vidler and say you are sophisticated and educated and they would have the same level of confidence that you would have and we would have in our water department, and I would like to make a motion, you would like to speak Vice Mayor McAllen.

Vice Mayor McAllen: I was going to make a motion.

Mayor Borowsky: Okay. I would like to make a motion to approve let me get the exact language if someone can pop that up, Resolution 13 here. 13702, right?

Thyra Ryden-Diaz: Correct.

Mayor Borowsky: Well, it's correct in our agenda packet 13702. Approving long-term storage credits purchase contract with the single amendment that there's a there's a balance of risk, a sharing of risk and if we can't get the approvals from the necessary agencies, I believe there are three, there might only be two, that we can't that we don't have we don't have an agreement and we don't we aren't stuck with the water. So that's my motion. Anybody?

Councilwoman Whitehead: So, I do have a question. I think that does sounds reasonable. I have a question. This is an interesting discussion. I guess I'm asking both our city attorney and city manager their thoughts on this motion. And I will say that contractually, we usually like to have an out. So...

Luis Santaella: Mayor and members of the City Council, our preference because it goes into detail in what this contract does and does not do and I would prefer that we go into Executive Session and you receive legal advice on it.

Councilwoman Whitehead: I'd support that.

Mayor Borowsky: I mean, I don't know that we have to go into an Executive Session. City attorney, can you answer this question, in in open meeting, that do you believe they'll refuse to modify the agreement such that we're not indemnified but we're released in the event that we can't transport this water to Scottsdale? It seems pretty simple.

Luis Santaella: I can't speak for them. My suspicion is they will reject these changes because right now there's a balance of risk and they have a specific provision regarding the the basically buyer beware in terms of the regulatory approvals but at the same time, they are saying they will sell us and transfer marketable title to this water.

Mayor Borowsky: All right. Councilman Kwasman.

[Time: 01:00:14]

Councilman Kwasman: I would like to break up the two questions that we have. It's transferability and safety. I think safety is off the table. I think everyone can agree the safety is off the table, arsenic. If there's a treatment facility close by, and I see former Councilwoman Janik nodding her head vociferously. Safety is off the table, Scottsdale is not going to feed the people poisoned water. Everybody okay with that? Good. Okay.

So now we are at transportability, and transportability of any type of of water resource is a it's definitionally not going to weigh on the owner of the property owner at any given time. It's no different than a mine or a forestry, right and the fact of the matter is the market will solve this problem by definition. I think that's what Luis has been saying, transferable title. If the title cannot be moved and you are stuck with it, you can make a contract claim that this title was a bad title. And so, you have innately created a system I'm not saying anything that people at this dais doesn't know. This is a water portfolio. We have a water portfolio issue. We don't have a water issue. We have a water portfolio issue. And so, we are purchasing water like we have a retirement portfolio, diversified. We want to make sure that our availability is there, if, in terms of somewhat liquidity, no pun intended but also to make sure that it is that it is created as a holistic concept. And so, the idea here is that while in a worst case scenario, there is a demand for water and that's why there is a bidding time right now for that water, which is why we're making an offer for the water, right?

And so I want to be I just want to say, as we're discussing this in open forum here, that there are everybody wants a sure thing, but but there are market incentives here at play, that will still be at play if it's not right for Scottsdale and the worst case on the worst day.

But let me be very clear, everybody knows the entire the states know, the western states know, the state of Arizona knows and the feds know that with coming cap reductions there's going to be regulatory changes made to to cushion communities that are not close to water sources. So, I will support this without the amendment and that's why.

Mayor Borowsky: Councilwoman Whitehead.

Councilwoman Whitehead: I guess I'm going to agree with Councilman Kwasman on this. The transport will happen. We do have our investments in, Harquahala. It's coming our way. And it's one and done. So I will make a motion to adopt Resolution number 13702, authorizing contract number 2026-112-COS with Vidler Water Company in the amount of \$8,250,000 for the purchase of 15,000-acre feet of

long-term storage credits in the Harquahala Valley, number two the city manager or designee to execute any other documents and take other actions as necessary to carry out the intent of this resolution, and three, a fiscal year '26/27 capital appropriations contingency transfer from water capital improvement plan of \$8,250,000 to a newly created capital project to be titled long-term storage credits and purchase, and I do want to thank the Mayor, though, for bringing up this concern.

Vice Mayor McAllen: Second the motion.

Mayor Borowsky: Councilman Graham.

[Time: 01:04:50]

Councilman Graham: Mayor, thank you. I think what we saw here tonight was water grandstanding. I wish we could take out the pomp and circumstance, and I would like to thank Councilman Kwasman for fact-anchored his comments, about what we are doing here for our water security and protecting our water portfolio. The comments about it's just stoking fears about carcinogenics, arsenic. We heard from the water experts that I think this should have gone through on the consent, but we had to, you had to go through the grandstanding and I'm thankful that cooler heads prevailed tonight and I'm going to be voting on the motion. Thank you.

Mayor Borowsky: Well, Councilman Graham, when you are spending \$8.25 million of taxpayers' money, I think they are entitled to a brief presentation and a discussion on very important questions. I remain concerned about I can't even tell if we asked for this provision to be included with some sort of confirmation that it's transferable. I totally disagree, I'm sorry, Councilman Kwasman, we had our opportunity to do due diligence. So, I think there's little to no claim if it becomes non-transportable, because everyone knows right now, it's not transportable. So, to go back and make a claim against that, for for, you know, providing us legal title, right, transfer of title to the water, I think would be a fool's errand.

But nonetheless, given the guarantees, if you will, of our city attorney, and our interim water director and our city manager, I will support it. Like I said, I don't think I do think we'll eventually get there, but we don't know the answer to that. So, I think we should be protecting our residents and our taxpayers a lot more strongly if you will, and with that, I will let this pass. And I will let Councilman Graham have another turn here.

Councilman Graham: I agree with a lot of those comments. I would say go back and review the taxpayers' funds this \$8 million this Council has put through on consent items bigger than that. So, there's inconsistency there. This is a subject that we've all studied and had a full packet publicly disclosed for more than a full business week and it's a serious conversation that we had internally about the water.

Mayor Borowsky: Thank you. But I'm glad that the public got to hear this. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, Mayor. I'm just being picky here. But I would ask I would like to ask either the water department lady or the city manager, what is the correct resolution number for this if we want to do a pass on it, a vote on it?

Thyra Ryden-Diaz: Mayor, it is correct up here on the screen, 13702.

Councilwoman Littlefield: Okay. Thank you.

Mayor Borowsky: All right. I don't see any further discussion. Let's go ahead and vote. Thank you very much for the presentation. Appreciate it.

ITEM 23

[Time: 01:08:56]

Okay, the next was the event center definition code amendment. You didn't have to get up. Good to see you at the podium.

Luis Santaella: Mayor, members of Council, thank you for the opportunity to talk about proposed Ordinance 4719. What this ordinance does, it creates a definition of what an event center is as to short-term vacation rentals.

Currently both state law and city code prohibit the use of short-term vacation rentals as event centers, but there was no definition. If the Council passes this ordinance, there will be a definition, and it will make it easier for our police and code enforcement personnel to enforce the use of short-term vacation rental as a vent center. We have a short-term rental group that looks at ways to better enforce our short-term vacation rental ordinances, and this was identified as a gap. And that's why we're bringing it forward to you. In fact, the city of Scottsdale is known for its effectiveness in enforcing the short-term vacation rental laws against local operators who act in a bad way. As you all know, the state has put a lot of barriers, but we are always figuring out ways to better enforce the ordinances. With that, I will take any questions.

Mayor Borowsky: Thank you very much, city attorney, and I I really just wanted to bring this forward because I think it's such a great idea to codify this. Because it's happening so frequently, and we get a lot of complaints about it and I know Chief LeDuc is also in the audience for bringing this forward. I'm all for it. Vice Mayor McAllen.

Vice Mayor McAllen: I to wanted it pulled. I reached out to our city attorney. It's really important that the residents know that at any time where we can sink our teeth into laws that will help our citizens with the bad actors in short term rentals. So often, we tell the our residents we couldn't do it because the state law prohibits our local law. I applaud both of you, Chief LeDuc and our city attorney, for bringing this forward. It's one more tool in the tool belt to say to the residents, hey, we are working on your behalf. So, I'm so excited. Thank you so much.

Luis Santaella: Thank you.

Mayor Borowsky: Thank you. Councilwoman Whitehead.

[Time: 01:12:02]

Councilwoman Whitehead: So, I just want to call out our city attorney. Eight years ago, it was just it was just painful, remember some of the community meetings we went to? The state has been relentlessly giving us the authority we deserve and our residents deserve, but with what limited authority we have, our city attorney has been writing the strictest ordinances in the state and enforcing those ordinances. There's a lot of work to make bad actors pay and both the police department and our city attorney's office have been doing that and with great results and this is really huge.

So, our complaints have come way down because of the ordinances adopted before this one. But the people who are getting harassed by people who are harassed because the event center was not defined. Their lives are being ruined and I know our city attorney met with one of those residents maybe a week or two ago. She called me up crying. She finally feels hopeful. This is helping real people. Again, you are just creative guy. You got limited resources and we got a problem, our limited authority and we got a real problem, and you have been really good at finding a way to make things as good as they can be. So thank you so much.

Luis Santaella: Thank you.

Mayor Borowsky: Councilman Kwasman.

Councilman Kwasman: Thank you Madam Mayor. In the definition, we want to make sure a liberty issue, that and and let's call it a wedding after party. We just married and the father-in-law comes into town, is that going to be affected in this?

Luis Santaella: Mayor and Council, no because this is only applicable to the short-term vacation rentals.

Councilman Kwasman: But if it's a short-term vacation rental. Your father-in-law comes into town again, your father-in-law comes into town for the wedding and he gets a short-term rental and says I would like to have the family over to the house at the afternoon wedding, would this be subject to this law or this ordinance?

Luis Santaella: No, it would not be because if it's an incidental use to normal residents it would not be.

Councilman Kwasman: Perfect.

Luis Santaella: We're talking about commercial type activity.

Councilman Kwasman: That's right this is not so we're when we are crafting it type of ordinance, that

the regulatory regime is not meant to punish the families or the individuals on one-off wonderful, you know, anniversary get-togethers or family get-togethers that might occur. This is very, this is structured liberty, and structured order. So that to protect residents and communities. Thank you.

Mayor Borowsky: Thank you. And finally, Councilman Graham.

Councilman Graham: Mayor, thank you, Luis, I like this precedent you are setting coming to the podium.

Luis Santaella: Thank you.

Councilman Graham: You may be setting an example for your counterparts.

Luis Santaella: Maybe I should have stayed seating then. I'm just kidding.

[Time: 01:15:42]

Councilman Graham: Thank you for doing this definition. You know how I feel about this, I wish you could take it farther. I wish you could take the hammer and drop it farther. The short-term rentals have destroyed many of our neighborhoods and our streets. They are a harm and threat to quality of life on every street. And the issue, as you know, is really concentrated in 85257, 51, and 50, probably where three-fourths of the short-term rentals in Scottsdale are concentrated. I think those residents in particular will be pleased with this.

What are we doing as far as education or promotion to the public as far as, hey, we just passed this, this is a tool you can use to report unruly short-term rentals. Is there a way to get out the word.

Luis Santaella: We will work with our communications folks to get out the word. The effective date of this ordinance is 30 days from today. So, we have time to do that and we regularly put updates on our website regarding the different STR issues.

Councilman Graham: Thank you, Luis, thank you, Mayor.

Mayor Borowsky: Thank you. Go right ahead.

Councilwoman Whitehead: Thank you, Mayor. I move to adopt Ordinance number 4719, amending Chapter 18, Article 1, Section 18-2 of the Scottsdale Revised Code by adding a definition for event center.

Vice Mayor McAllen: Second the motion.

Mayor Borowsky: All right. Let's go ahead and take a vote.

REGULAR AGENDA – ITEM 26

[Time: 01:17:39]

Moving on to the Regular Agenda. We have item 26, and that is fiscal year '26/27 property tax levies and we have Scott Selin, Budget Director coming to the podium.

Budget Director Scott Selin: Thank you, Madam Mayor, members of the City Council. I'm happy to present the final tax levies and rate adoption. We did a public hearing and initial property tax rates on the ninth and tonight, we are asking the Council to do a final adoption.

The property taxes that we are proposing for fiscal year '26/27, is a total of 89.8 cents per \$100 of assessed value and this reflects the motion that was made and adopted at the last meeting to forgo the statutorily permitted 2% increase of fiscal year 26/27.

There's two components to the city's property taxes. The first is the primary property tax, which predominantly goes to the general fund. This is a small portion that goes to the risk management fund for tort settlements, and the second component is the secondary property tax is to generate debt service for voter-approved bonds. The primary property tax rate will decrease by about 3.7%. The secondary property tax will increase by just under 1 percentage point. And then combined it is 89.8 cents per \$100, which is a 1.5% decrease compared to the current year's rate of 91.2 cents.

This slide shows the city property taxes on a residential owner-occupied home with the median limited property value in the city, both with and without the 2% adjustment. Had the 2% increase been applied, the city property taxes would have been \$379.76, and then with the 2% adjustment removed, that, that property taxes on a similar home would be \$375.87. Again, we included the proposed city property taxes for many of our surrounding cities. You can see that our property tax rate is at the lower end of the range.

And I believe that brings me to the end this is the action that we are requesting of the Council to adopt ordinance 4714 and with that, I will be happy to stand for any questions.

Mayor Borowsky: Thank you. And we do have some public comments. Joe, I think it's Joe Janik.

Ben Lane: Mayor, that's for non-agendized and Mr. Janik has donated it to Dan Ishac.

Mayor Borowsky: We do have Dan Ishac speaking at this one.

[Time: 01:20:27]

Dan Ishac: Dan Ishac, address on record. Thank you, Mayor. I fully support what Barry suggested at the last meeting that we don't automatically increase the exact rate and I want him to correct some of the statements. So, since he talked about grandstanding. Even if it's only \$5, why not do it? You are an

accountant Barry, 245,000, \$800,000, that's \$3 per resident. So, you are off by 60%. More importantly, we have 40 to 50,000 residents who don't own their home, they rent. I don't believe a landlord is going to decrease the rent by 30 cents a month because of this. And the property tax applies to businesses, not just residents.

Therefore, the true impact on Scottsdale is tiny, but I support not automatically increases taxes, but I would like to understand and I need the overhead, please where his concern with our tax dollars was over the past two years. So, we have the Scottsdale Road project, which we lost \$30 million of federal funding plus \$2 million of federal funding. Yes, we got some regional funding back but that doesn't make up for it. Different fiscal years and we lost funding for this year's projects because we have to use it for the Scottsdale Road project to make the road less safe. And it also increased the cost by \$5 million because of the new design and new construction costs.

We also have the road repaving over the past two years where we're making the same mistakes that we made in 2015 and 2016. We're doing cosmetic changes instead of actual structural changes. So we are spending \$80 million of taxpayer money on something that's not long lasting.

The Old Town parking structure, yes, we need more parking in Old Town, but not at that location. We have no proof of that that was where it was needed. That's another \$20 million plus \$10 million of bond interest.

We also have \$2 million for the solar shade parking for city employees. That not only is not going to return, because there's an error in the city manager's analysis, because they forgot to discount the savings of utilities in the future. But it also ruins the aesthetics of Kiva, the Kiva.

And then, of course, we have the Kwasman crosswalk which is costing \$600,000. And, again that's supposed to be about safety for children and elderly, but we're not discussing crosswalks for any of our many parks such as Chaparral Park or the dog park at McDonald or Scottsdale Ranch park where we have hundreds of people crossing on a daily basis, nor do we have crosswalks at all of our senior citizen residences. So, it's not about safety, it's a pet project.

So that's \$149,500,000 that this Council, Barry, Jan, Adam and Kathy have wasted but bravo, you're saving us \$800,000. I think you should stand up and take a bow.

[Time: 01:23:59]

Mayor Borowsky: Thank you, Dan. Okay. That is the last speaker, and so I will go ahead and make a motion to approve, let's see here, adopt Ordinance 4714 assessing the fiscal year 26/27 primary and secondary property tax levies and fixing the primary and secondary property tax rates.

Councilwoman Whitehead: Second.

Mayor Borowsky: Okay. I don't see any other speakers. So, we will go ahead and vote. Okay.

REGULAR AGENDA – ITEM 27

Moving on, the item number 27, fiscal year 2026/27 municipal streetlight improvement district property tax levy. And I see Anna Henthorn, Assistant City Treasurer will be presenting.

[Time: 01:24:44]

Assistant City Treasurer Anna Henthorn: All right, good evening, Mayor and members of City Council this action is to review the fiscal year '26/27 municipal streetlight improvement district, property tax levy. This is a two-step process, required by state law on June 9th, we had the public hearing and the presentation. And then tonight, is the adoption of the property tax levies.

Just to remind you, the tax levy amount is \$642,566, it's an average of \$18.92 per lot. The ordinance is for \$47.15 and the action item is to approve the '26/27 streetlight improvement property tax levy by district in accordance with Arizona Revised Statutes. That concludes my presentation and I can answer any questions you may have.

Mayor Borowsky: Thank you very much. Vice Mayor McAllen.

Vice Mayor McAllen: Yes. I move that we adopt Ordinance 4715 assessing the fiscal year '26/27 municipal streetlight improvement district property tax levy.

Councilwoman Whitehead: Second.

Mayor Borowsky: I don't see any speakers on this. So, let's go ahead and take a vote. Thank you for your presentation. Okay.

PUBLIC COMMENT

Moving on to public comment, which is reserved for Scottsdale citizens, business owners, and or/property owners to comment on non-agendized item that are within the Council's jurisdiction. No official Council action can be taken on these items and are limited to three minutes each. I have three people, Joe Janik who is dedicating time to Dan Ishac and Gail Golec. I don't see oh, there she is. Go ahead. No, you're first, Dan.

[Time: 01:27:07]

Dan Ishac: Dan Ishac, address still on record. Before any points of order, our charter officers are within the purview of the City Council. Their pay, their performance and the city employment. I'm here to discuss our charter, but not here to discuss the city manager, who is not qualified and overpaid. I'm here to discuss the city attorney. You are aware I filed an ethics complaint against Kathy Littlefield because I believe there was a conflict of behind as a direct family member had the head of TAAAZE which had an economic benefit from any Axon vote. I filed this claim. It was sent to the city attorney, the city attorney

appropriately, as he's supposed to do in this case, finds an outside person to do an initial review to see whether it's worthy of going to a full panel. He did so. After a couple back and forths with the outside investigator, he found that there was a conflict of interest. But then he gave Kathy Littlefield an opportunity to respond. Kathy responded with two very disappointing responses. The one was I didn't file timely. So, it doesn't matter. Now, I don't think an elected official should try to get away from an ethics violation by claiming that the ethics filing was untimely and by the way, her facts were wrong, it was timely. It doesn't matter because the outside investigator said it doesn't matter even if he was off by a few days it should go forward.

The second issue, she said, well, I relied on our city attorney's guidance that there was no conflict of interest. Now, that guidance was oral and given at November 17th. There were many votes before November 17th. I respond well, here's why I have an issue with our city attorney. Even if he didn't have the foresight to understand that his opinion would become important in this case, and removed himself at the beginning, the moment Kathy used it as an excuse, he should have recused himself from all interaction on it. He should have put somebody else in his office to be responsible for it. Not only did he not do that, he moved from being a conduit of information, to being a gatekeeper of information.

I responded to Kathy's response with facts and details that an investigator should have. Sent it to Mr. to our city attorney and I heard nothing. I asked, did you send it? His response was, the judge didn't ask for it. And I said, I would be disappointed if you moved from being a conduit to a gatekeeper. He was not pleased with that statement. Told me that I was ignorant of the process. I followed up a couple days later and he said the judge doesn't want it. I asked for a copy of how it was communicated with the judge. It did not say that it was a response to Kathy. It did not list any of the information. It just said, do you want more information from Dan Ishac? So, of course, he said no. That level of gatekeeping is inappropriate. That was only three minutes. You didn't give me extra time.

Mayor Borowsky: You're right. I didn't. What do you need, a minute more?

[Time: 01:30:40]

Dan Ishac: One minute. In my response to Kathy's response, I pointed out that if I rely on a CPA but the IRS doesn't like the guidance of the CPA, I still owe the taxes, interest and penalty. If I work for a corporation and our counsel does not, tells me that something is not a crime but the attorney general says it's a crime, I still go to jail. So, her reliance on an oral opinion was inappropriate. And her comments about my not being timely were inappropriate.

Now, I will leave it to the residents of Scottsdale to determine whether there's a conflict of interest and whether she violated ethics. But not only did our city attorney not remove himself from this process, he then documented his opinion after six months of time had transpired, writing it in such a way that gives Kathy a get out of jail free card. That is unacceptable.

I will leave it up to you whether it should be investigated and whether there should be a different process in place when the city attorney is conflicted and has a personal and professional role in the

ethics.

Mayor Borowsky: Thank you.

Dan Ishac: Thank you.

Mayor Borowsky: Gail Golec.

[Time: 01:32:04]

Gail Golec: Gail Golec, LD3, Scottsdale, Arizona. Prior to the Axon development, I have been asking a simple question. How does Scottsdale determine that major development approvals remain within the limits of the city designation of assured water supply? To be clear, I'm not arguing that developments such as Axon require their own designation of a shared water supply. Arizona law allows developments within Scottsdale service area to rely on the city's designation. However, I recently received a written response from the Arizona Department of Water Resources. In that response, Connor Waggestall stated, quote, during the application review period, a designated provider may continue to approve new plants and develop commitments within the service area provided that the current committed and two-year projected demand does not exceed the volume of water authorized by this designation. End quote. This statement confirms that development approvals are committed demand and projected remains within the limit of the Scottsdale DAWS.

And I have also provided the modification application to the clerk for distribution. Those pages show that the Scottsdale demand for projections include multifamily growth and that development-specific water use values are used for certain large developments. I have heard it suggested that apartment developments may be treated differently, however, ADWR standard is not based on whether a project contains apartments, offices, hotels, commercial uses or a combination of all of them. ADWR states that the current demand, committed demand, projected demand must remain within the limits of Scottsdale's DAWS, therefore, regardless of how a project is categorized is projected water demand should be accounted for somewhere within the Scottsdale demand calculations.

The Axon development brought this issue to light because the city has repeatedly stated it possesses no record demonstrating how that project projected water demand was incorporated into Scottsdale's current demand or committed demand.

My request is straightforward, if no analysis exists, demonstrating how major development approvals are incorporated into Scottsdale's DAWS compliance calculations, then I respectfully request that the city establish a process to perform and document those analyses and make them available to the Council before approvals are granted. With respect to Axon, I request that the city perform a water analysis now and publicly disclose the results. If an analysis demonstrates compliance with the law, then the issue is resolved. If it does not, the city can determine what corrective action is appropriate. But ultimately, this is not about Axon. It's about transparency, accountability and ensuring that Scottsdale has the documents process to verify DAWS compliance for all major developments before

approvals are granted. Thank you.

Mayor Borowsky: Thank you, Gail. All right, that concludes public comment on non-agenda items.

MAYOR AND COUNCIL

[Time: 01:35:40]

So, moving right along, we have a Mayor and Council oh, there's no citizen petitions tonight. Moving on to item 29 and at the request of Vice Mayor McAllen who added this for consideration, I will let you take it from here.

Vice Mayor McAllen: Thank you, Mayor. This item is to actually request that the city manager or responsible charter officer investigate the possibility of having a memorial to fallen city employees. We do have a memorial to fallen police officers while in the line of duty and firefighters and that's located at the headquarters on Indian School and Granite Reef Road, but we do not have a memorial that memorializes employees who work for the city of Scottsdale who have died in the line of duty. An example would be someone who worked in the preserve who had died of a heart attack while working in the preserve. We had a transportation worker a few years back, maybe a decade ago that died in the line of duty while working on in the streets department.

So, things of that nature and it was brought to my attention. I was having this discussion with our city attorney, because recently a member of our staff at WestWorld had passed away. And then a citizen had asked for a memorial through the parks department for a different person, and so we started to talk about how we look at this. Because everybody right away says, okay, let's memorialize the police officers and the firefighters with good reason. But we also have employees who work everyday jobs who donate and dedicate and may die in the line of duty and we should recognize that. So that's why I brought it forward. All of the major cities, Phoenix has a very large memorial to their employees who have died in the line of duty. And this is just to look at the possibility.

So, I'm asking for your support that we can God willing no one dies in the line of duty but memorialize those who do. Thank you, Mayor.

Mayor Borowsky: Thank you, Councilwoman Whitehead.

[Time: 01:37:56]

Councilwoman Whitehead: I support. That I think it's a fabulous idea. I would support having it agendized.

Mayor Borowsky: All right. I don't see any other speakers. Let's go ahead and take a vote on this item. You are agendizing the discussion, right?

Councilwoman Whitehead: Mm-hmm.

Mayor Borowsky: Okay.

Vice Mayor McAllen: And I want to thank the city attorney Luis. He brought this forward over a decade ago and it brought it up again. And thank you, because I think the employees will value it and be valued.

Mayor Borowsky: Thank you very much.

WORK STUDY SESSION – ITEM 1

So, moving on to the Work Study Session. This is an opportunity for the Council to discuss in a less formal setting specific topics at length with each other and city staff, and they provide an opportunity for staff to receive direction from Council during the public open meeting process.

So, the first, we have two presentations, work session presentations and discussion items tonight. The first one is Scottsdale Airport Master Plan. Rick Wielebski, the Aviation Director to present tonight's work study session is for presentation, discussion, and possible direction to staff regarding the Scottsdale Airport Master Plan. Welcome.

[Time: 01:39:03]

Aviation Director Rick Wielebski: Thank you, Mayor, members of the City Council, we're excited to be here this evening, to get your input and present to you our airport master plan. We've actually been working on this for going 20 months now. This started back in October of 2024 when we kicked the project off. We have worked closely with our neighbors in the community to get their input on the project, with stakeholders around the airport, business owners within the aircraft park and on the airport to get their input on putting this project together and we are excited to get now your input this evening.

Our primary consultant on this has been Coffman & Associates who is also our airport planning consultant and we have Patrick Taylor here this evening with Coffman to present the airport master plan to you. So, looking forward to hearing from Patrick here and getting your input.

Patrick Taylor with Coffman & Associates: Thanks, Rick. Again, Patrick Taylor with Coffman & Associates. We are a national airport planning consulting firm and that's all we do is the planning and we work with a number of engineers, including the engineers out at the airport to implement those projects.

So as Rick said, for the last 18 months, we 18, 20 months, we have been in a master plan process. So I'm going to cover a few items, first the process, and then we'll go through a little bit of the findings and then we'll go into the airport economic benefit analysis that was tied to the master plan, and, in fact, we have a subconsultant from Kimley Horn, Georgia, right here who is going to talk about the results of her analysis on the economic benefits and then we'll wrap up and discuss the next steps.

Just to kind of identify what the purpose of a master plan is for an airport, so this is an FAA-funded document. It's a visioning document for the next 20 years. It is intended to address any changes in local or national aviation trends, and in the aviation industry, changes can happen quickly and they can be dramatic, such as recessions or terrorist attacks, things like that can make dramatic changes to airports all across the country. We're really trying to address airport and FAA priorities. So, as I mentioned, this study and master plans for airports across the country are heavily funded up to 90 plus percent by the FAA. So, the output of these studies is a list of projects that the FAA might potentially participate in. So large capital projects that can be expensive for the local communities to undertake themselves.

Other elements is to define on airport land uses. We're also looking to the FAA to approve two very specific elements of a master plan, one is the aviation demand forecast, what might you expect in the future and what should you plan for? As well as a set of technical drawings that depict the existing and the potential future condition of the airport, that's referred to as the airport layout plan or the ALP.

There are other benefits too of doing a master plan, increasing stakeholder awareness, public awareness, in fact, I recognize several people on the dais right now that came to some of our open house meetings. So, I appreciate that. But it also leads to open communication with the FAA. So, the airport can be in a position to accept grant funding at a moment's notice. And, of course, I mentioned Georgia will talk about the economic benefit analysis.

[Time: 01:43:18]

Just to kind of give you an idea of the timeline. As Rick mentioned we started back late in 2024 and basically a master plan is a structured study process that is detailed. It's outlined by FAA guidance how you pursue, how you develop a master plan for an airport. So, phase one is an initiation and an a kickoff. We had we assembled with the airport's help a group of airport stakeholders that we call a planning advisory committee this group, we presented to periodically, in fact, four times during the process, draft working papers of the process.

So, the first phase includes the forecast of aviation demand. I will talk a little bit more about that. And then we translated those into potential future facility needs which is that phase two. And then that then leads to directly into a recommended development concept, which goes on that technical drawing, the airport layout plan that the FAA will ultimately approve. So, we're at that last stage. In fact, today's date is on there. We're in the local approval process, and we still have to send those technical drawings to the FAA.

Public involvement is a huge piece of a planning study like this. So, a multi-pronged approach. So first, we have I mentioned that planning advisory committee. So, a group of technical stakeholders, we conducted four of those meetings. We had four open house public information workshops. We presented to the Airport Advisory Committee a couple of times, and frankly, this meeting here also counts as a public interaction as well. So, we've had human interaction. We've had an ongoing live project website with all of the draft documents and communications available for anybody to go to and it's still up right now.

Just a little bit of education maybe. Most folks don't really realize that there are over 20,000 aviation facilities in the country. The FAA classifies those. About 3300 are included in the national plan of integrated airport systems. Those 3,300 airports are all eligible for FAA grant funding for capital projects. About 400 of them are commercial service airports, about 3,000 of them are general aviation airports, Scottsdale is a general aviation airport. General aviation airports are further classified in those four or five categories, the top one being a national airport. There's only 122 of them out and Scottsdale is one of those. Frankly Scottsdale is one of the most important general aviation airports in the country and I worked at many, many of them and almost to a t, when I'm when I tell people I work at Scottsdale, or I have worked for Scottsdale, they want to know all about it because Scottsdale has a great reputation nationally for the for what they have done in terms of running an airport.

I might also note there's another 264 of those 20,000 airports that are classified as reliever airports, so they are the the intent of a reliever airport is to draw general aviation traffic away from commercial service airports which are more congested. So, they're supposed to be kind of supersized general aviation airports able to accommodate all general aviation aircraft, not commercial service planes, just general aviation planes. So, Scottsdale is a national general aviation reliever airport.

Just for some familiarity, this is the footprint of the airport, and you can see the runway there. It's 8,250 feet long. That's a really good length. That can accommodate nearly all if not all of the general aviation aircraft that are in production today. It is a really good footprint, parallel taxiways on both sides of that runway. So, there's the ability to move airports around there efficiently.

[Time: 01:47:28]

Another feature that I would highlight but see these colored areas. They are not on the airport property, but they are taxi ways leading to them. So, there's additional uses. It's called through the fence activity and Scottsdale is the positive poster child for this type of access to an airport. Other airports across the country regularly call Rick or Kelly asking how do you do that so effectively? So, it's really a positive way to accommodate the demand and there's a lot of demand for aviation services here.

Briefly, to summarize the aviation demand forecast, there's basically these three elements, one is based aircraft, so a plane that lives. We have projections of growth in that category. The other side is operations. So, we have projections of operational growth. That lends to capacity.

And the middle one is fairly new for this airport and that is in enplanements and what that is, is a paying passenger boarding a plane here and departing and that's really important because one of the FAA funding matrix is the number of enplanements that you have. So, charter people, people who take a charter flight are considered an enplanement by the FAA. So, the airport has recently begun capturing those and it's translating into significant funding opportunities, entitlement, actual real money, not things they have to compete for in the future and I will talk a little bit more about those funding opportunities in a minute.

One thing that's a little different about Scottsdale and I want to just point this out for a minute is the

design standards. So, the safety design standards around a runway system are based upon what's called a critical aircraft. That critical aircraft is a plane or a family of similar type planes that account for 500 annual operations. An operation being a landing. That's one, a takeoff, that's one. So, you can see two stars up here. So, the star in yellow is the FAA-identified critical aircraft and the star in blue is the operational critical aircraft. So, there's a bit of a disconnect here. We have more than 500 operations by these larger business jets. So like large Gulfstream planes which is the blue star. However, the certain elements in the runway and the taxiway system do not meet the FAA standard today. There are solutions for that.

What I'm trying to communicate is that the FAA approved that D-II category, slightly smaller but still large business jet, and the airport should meet all the design standards associated with that. Where it can, it should also meet the design standards for that slightly larger business jet, which is that group three business jet, the one in blue. So, when we're looking at this from a planning perspective, we're trying to meet all of the design standards from the FAA to the best of our ability within providing an acceptable level of safety. And I'll describe some of that in and I will describe some of that in a second.

[Time: 01:50:52]

So, when we go through the master plan process, these bullets are basic we're basically the focus of this master plan. The first is the runway and the taxi way separation, and the standard is 200 feet, and 450 feet is what exists today. And you can there's an asterisk; the FAA has approved a modification to standard. It provides an acceptable level of safety. That's on record since 2019. The runway object-free area is exactly what it sounds like. An area surrounding the runway that should not have any penetrating objects that. Too is subject to a modification of standard which provides an acceptable level of safety. The runway safety area, another area, a little tighter to the runway has to be clear of ruts and things but there's no modifications allowed for that.

So, you some people may not be aware of this, but the runway, which I mentioned was 8,250 feet long, it depends on the direction you are taking off if you are going one direction, it's a little bit shorter. If you are taking off in different direction, it's a little bit shorter and the reason why is you have to provide 1,000 feet beyond for safety. We are in a constrained area. The runway system at Scottsdale is maximized within its current footprint, which is a good thing.

There's other elements, those declare distances, it's declared shorter in certain direction, the hold line location is a little closer to the runway than would be standard. Frankly if I was building this airport runway system in a green space, it would look a lot different than it does today.

We also examined the taxi way and taxi lane separation standards and have a solution to that, some taxiway geometry and a couple of points I want to kind of land on here. I got a couple of slides, is the runway weight bearing capacity and the introduction of business jets, general aviation aircraft that are already coming to the airport.

So, I mentioned those modifications to standard. These are important for the operation of the airport.

One that exists is the standard for runway and taxi way separation is 400 feet, it's at 250 feet. The analysis done previously and reconfirmed in this study shows that that provides the acceptable level of safety that the FAA wants and they have signed off on that modification of standard.

Same with the runway object-free area, so that should be a thousand feet long beyond the runway and 800 feet wide and it's modified to different dimensions, also providing an acceptable level of safety and there's a third one, which doesn't apply anymore, but it is still in existence, just because the FAA standards have changed.

[Time: 01:53:46]

So let me talk about the runway weight bearing capacity. This is kind of an important one for this airport, again, Scottsdale Airport being one of the flagship national general aviation airports in the country, it should be designed as a reliever airport for general aviation traffic and right now it can't quite, and that's because the runway weight bearing capacity is about 75,000 pounds but there are many operations by aircraft over 100,000 pounds and they are allowed to do that with prior permission, but they have to call the airport. There are also a number of slightly larger business jets coming online like the Gulfstream 700 and 800 and the global 7500. They are just a little bit over 100,000 pounds.

So, from a planning perspective, from an airport planning perspective, I would say, to accommodate the planes that are already operating there, I mentioned there's 1,700 operations by airport above 75,000 pounds already, that you should pursue that. So, you will see in our capital program, at some point in 2030, '35, some range in there, the runway would be due for a reconstruction and when that project happens, it should be the the pavement strength should be increased.

So, this is just an overview of kind of the recommended development concept. I mentioned the runway system is already maximized. So, you don't see a whole lot of changes to the runway system. There's a few taxi way changes. Those are the little things in red. Those are some taxiway connectors to meet the most recent FAA design standards. This' a couple of little yellow blocks. Those are potential hanger locations. There's only three shown on here. You know, this is a very mature facility. I think some of the opportunities might see in the near future would be redevelopment of some older hangars. So, you can see that coming down the line. You also see some green areas on here. So, these are in the business park.

Basically, it's a map of if these properties become available and the airport has an opportunity to acquire them, we would recommend that, because the more that the aircraft can control in terms of the activity on the airfield, the better. But I can also tell you, these are very expensive. So, if it's available, then you should be you should try to pursue those.

This is a really important map. So, about every three years the entire runway pavement system is assessed in a visual inspection that results in a pavement condition index. What we're seeing here are greens and yellows and it's really good. This airport has done a phenomenal job of maintaining their pavements, which is a requirement under FAA grant assurances but there's some yellows that will

probably need some attention before the greens and this helps us in prioritizing future projects.

So, this is an exhibit of the phasing program. This is what we see possibly happening over the next five years and really what again, what we're seeing here is a lot of pavement projects, pavement rehabilitation, pavement reconstruction, primarily because those are the things the FAA loves to pay for and can pay for. One thing the FAA can't pay for is revenue-producing facilities like a fuel farm or a parking garage things like that, but they love to keep the pavements up to speed. This is longer term project. So, excuse me, kind of years six through 20 within the plan. These are much more fluid. I mean we try to capture everything, because that technical drawing, that ALP has to capture any project that the FAA might consider funding for, but one of the projects in here is a complete reconstruction of the runway, like I said in the kind of early 2030s type of time frame.

All right. I'm not going to hang out on this for very long. I will tell you what's on here only because I can't even see it myself. All the projects are listed in priority order. This is the first five years, and it shows a cost estimate for each project, and it shows the potential funding breakdown with FAA being the primary funder, the state matching a portion of that, and then the local responsibility, which ends up being about 4.5%. I might just point out that ADOT also funds airport projects on their own, and not always in conjunction with FAA funding. And so that's another source where funding can come from.

[Time: 01:58:37]

In total, there's about \$300 million in potential projects over the next 20 years for the airport. None of these are guaranteed for funding from the FAA. However, it is in the FAA's interest to help airports maintain their pavements. So, all of these are justified, just not funded as of yet.

So, I might just mention some of the funding sources. This is my second to last slide and then we will get to the good news which is the economic benefits study. The primary funding source, one of the primary funding sources from the FAA is the airport improvement program. So, this is funded through all the taxes that you pay for your airline ticket. So, this is essentially a user tax. So, your airline ticket taxes go to funding the entire airport system projects across the country. First class is entitlements. So, the first one, Scottsdale was entitled to \$150,000 for capital projects. And that's changing because the passenger enplanements. And those numbers are growing significantly. This year, the minimum will be about \$1.3 million. So that's a lot more than \$150,000 and then over the 20-years with the forecast, it's about \$2 million a year. So, it's a significant help to the airport for funding capital projects.

There's other pieces within the AIP that this airport is eligible for so it's not just the passenger enplanements that help to fund projects here. The IIJA Act which is kind of wrapping up right now, but Scottsdale Airport took advantage of funding there. And then there's state ADOT funding elements, including matching FAA grants or funding projects on their own, and then, of course, local revenues or bonding or leasehold financing. There's other local kind of ways to fund projects. And with that, I'm going to turn it over to Georgia to talk about the economic impact.

[Time: 02:00:40]

Kimley Horn Aviation Planner Georgia Twyerould: Good evening, everyone. Georgia Twyerould with Kimley Horn. I'm an aviation planner, focusing primarily on aviation, economic benefits studies or benefit analysis and state aviation system plans.

I'm going start our conversation today just by giving an overview of what was included in the economic benefit analysis. So, the top box there, some icons indicating the activity sources that were evaluated as a part of the study. We looked at airport administration. So that's really the staff and expenditures associated directly with the airport sponsor employees at the Scottsdale Airport. We also looked at aviation-related airport tenants. So, these are the businesses that are located on airport property, as well as any capital expenditures or construction-related expenses, either those pursued by the airport sponsor or by the business tenants. Those are what we consider our on-airport impacts. And then we also looked at off-airport impacts. So that our visitor spending. So, when visitors from outside of the Scottsdale region visit through the Scottsdale Airport and spend money in the community, they are generating economic activity, we capture that within the study. And then we also looked at aviation-related businesses that are associated with the airpark as well.

We collect information from the sources through a number of different ways, primarily it was through surveying. So, myself and our team visited the Scottsdale Airport over two days for a site visit. We worked closely with Kelly and Rick to identify all of the businesses that we were required to visit in person. And we went around and visited each of them as best we could. Some were not available at the time of the visit. So, of course, we followed up by phone or email. The intention behind these visits was to understand the number of employees working at each of these businesses, and collect other information from them, like their capital improvement information.

And then for visitors spending we collect the or we estimate the number of visitors based on operations data, that was derived through the master plan process, and then some visitor spending impacts using other local resources and tourism bureau data. So, no visitor, exact visitor passenger surveying for that activity. Once we collect that information, that's identifies the direct impact. That's the impact occurring specifically and directly because the airport activity. We then use an input/output modeling program in plan. In plan is a proprietary software that is a sort of FAA-recognized and recommended input/output model that allows us to identify our indirect and our induced impacts. So, this is essentially how the initial spending from our direct impacts moves throughout the economy. So, when we're looking at our indirect impacts that is the purchase of goods and services from other Scottsdale area businesses and then our induced is our income responding, essentially when employees of the airport or other activities are spending their wages in the community.

That leads us tort total impacts. We express those using three key measures, jobs, payroll and output. Jobs is the number of people employed by headcount and payroll is the payroll and wages and benefits associated with that. And output is essentially the economic impact from those activities.

That's just an overview of the process here and the next slide is presenting the results for the study.

I should have mentioned this I should have mentioned this was a base year of 2024, so that was when we collected the information. You can see here looking at the impacts by jobs, payroll and output, these are all total impacts. So, we're thinking about our direct, indirect and induced impacts all sort of on this slide here. So, you can see that the most significant sort of component is through our visitor spending. That is the largest chunk of our jobs. How far, we're seeing the highest sort of impact from payroll, from our on airport activities. So again, on airport is the airport administration, tenants and capital expenditures. And then we see our airpark as our biggest sort of output producer or total impact there.

All total, when we look at all of the activities that we evaluated combined, over 5,000 jobs within the Scottsdale region are attributed to airport activity, whether that is directly or through the multiplier impacts. This supports more than \$392 million in payroll. And when rounded, you have a total economic output of \$1.1 billion associated with the Scottsdale Airport.

We also included a future economic impact analysis. I don't have a slide for this. This was essentially a forecasting exercise to estimate what the impacts the airport may be in 2035. We used findings from the master plan, particularly from the forecasting exercise, to identify some of those numbers and just briefly, the findings from that show that in 2035, it could be estimated that the airport is supporting more than 9,600 jobs with an estimated payroll of 703 million, and a total economic output of 1.9 billion. So, again, that is very much a forecasting exercise but wanted to include that information during today's presentation as well. And I believe that leads us to our sort of wrap-up and Q&A.

Patrick Taylor: Thank you, Georgia. So, the next step in finalizing the master plan, at some point the airport will come back to Council to get the approval of the master plan and then we submit that to the FAA. That takes a little while. It could be three or four or five months and then after that, we will put a bow on it and finalize the document. So, I guess if we have any questions, I would be happy to take them.

Mayor Borowsky: Yes, thank you. I see Vice Mayor McAllen had a question or a comment.

[Time: 02:07:26]

Vice Mayor McAllen: Yeah, just a quick question. You had set that the pavement index needs to be increased in order to have heavier planes. Those heavier planes I'm imagining. Bring more people on them which turns to more dollars, is that correct?

Patrick Taylor: I think the more dollars is true.

Vice Mayor McAllen: Okay.

Patrick Taylor: Not necessarily more people, unless there's more frequency. Because the number of seats on this next generation of planes is about the same as what exists today.

Vice Mayor McAllen: Okay. Thank you.

Mayor Borowsky: I don't see any other questions. So great job. Thank you very much. Look forward to seeing the final agenda proposal.

Patrick Taylor: Okay.

Mayor Borowsky: Thank you.

Patrick Taylor: Thank you.

WORK STUDY – ITEM 2

Mayor Borowsky: All right. Moving on to the second presentation, it's Kevin Burke, the Economic Development & Tourism Senior Director who will be presenting on the Old Town Scottsdale annual marketing plan.

[Time: 02:08:45]

Economic Development & Tourism Senior Director Kevin Burke: Thank you, honorable Mayor, members the Council, appreciate the time this evening to talk about what we have been doing to market and advertise Old Town as a destination. Here we go.

Agenda for our presentation this evening, I want to first describe the in-house pilot as members of the Council are aware in 2025, there was a request for proposals that was conducted by the city to find a new marketing agency to take on Old Town marketing on our behalf. That did not result in an approved contract and so we have been working on this in-house marketing program since it was initiated by the city manager in December of 2025.

What I hope to do today is describe our pilot program, how we have performed, and why we as staff recommend continuing with the in-house marketing program for '26/27. So, we will talk through the in-house pilot, how we have performed during this last six-month period and then dive into some of the details of the proposed plan which is the objectives, the framework. We'll talk through the proposed budget, as well as go over the public involvement leading up to and going forward as well.

So, the in-house pilot, as I mentioned, we have been working as a team in house since January of this year for essentially at least the last ten years, the city has contracted we have had a firm or multiple firms to perform marketing, advertising and public relations, specifically for the Old Town destination.

So, this transition period required us to do a couple of things. The first was to identify I house resources, replicate the resources. So, we have at the city manager's direction put together a really great team of multiple departments. So, my team in economic development and tourism, as well as members of the communications team, as well as members of the I.T. department and the city manager's office staff have come together bringing different skills and ability to bear to put the in-house program together and to implement it over the past couple of months.

The city manager allocated a total budget for the six-month period of \$1 million. The goal that was given to our team was to spend most of that, 85% of it on direct advertising, which was a significant shift from how the program was operating under the contract previously. And so that was a significant change. What doesn't change is really the target audience. And so, Scottsdale has always positioned itself for luxury travelers and what we are focusing on is in-market luxury travelers. We have with our partners Experience Scottsdale, a very significant destination marketing program. We are working internationally and across the country to bring luxury travelers to Scottsdale as a destination. Their job, as our definition. Their job as a destination contractor is to get people to Scottsdale and the in-house marketing team takes over. Once they are here, we want to get them to Old Town and that's the focus of our efforts, is reaching the people who are in or near Scottsdale but getting them to Old Town and patronizing our businesses and other venues.

That's the target audience in market luxury travelers and over the course of the past six months, we have run a number of campaigns to target that audience. I listed just a few here, but we have been running an arts and cultural campaign. We ran a significant campaign over the period of spring training. We run dining and food and beverage campaign, and we are wrapping up our June days campaign, which hopefully everybody has seen some of over the last couple of weeks.

[Time: 02:12:46]

This is just again to highlight some of the campaigns that the team has worked on over the past couple of months. So, I mentioned the arts and culture campaign, arts and culture is one of the key drivers, when the key experiences that we're selling in Old Town. And so, we would consider this to be something of an evergreen campaign and we'll talk more about those campaigns in the plan for the year period going forward. We've also had a lot of emphasis on dining, food and beverage. We have, as you all know, a ton of really amazing restaurants, food and beverage opportunities at Old Town. So that is something we were continuously wanting to bring people out there and bring people to those destinations and then I wanted to highlight the experience Passport, which I think was really new and innovative thing for Old Town. We created a Passport program in partnership with about 52 of our Old Town merchants. We created a physical passport booklet, and we provided stamps to those participating businesses. We had hundreds of people come through and pick up those passports and we encourage them to try things that they may not have otherwise run into in Old Town by way of trying to get the stamps on the passports. A couple of examples of the campaign that we have run that will inform the plan for a number of campaigns that we'll run in the next year.

So let me switch gears and talk about how we did. This is a screenshot; I have two screenshots from our online dashboard. So, the team and I mentioned our partnership with the I.T. department is working to stand up a real-time performance dashboard that is available to the public and continuously updated so that we as staff can track the performance of our campaigns, as well as members of the public and decision makers. This specifically is showing visibility I would call it visibility in Old Town so impressions digital marketing preferences, 13.9 million. This is as of just two weeks ago. 13.9 million, what we call impressions. So that's the number of digital ads that have been served to distinct individuals.

We are also going to be tracking our website visits and then excuse me. We're also going to be tracking visitation, and I think that the Council is familiar with some of the tools we have to do that. We have placer A.I. at our disposal and we are continuing as staff to educate ourselves and do a better job of using those tools and conducting data analytics because they're really powerful. So, what we end up what we're wanting to track is overall visitation, dwell time, unique visitors, total trips into downtown, and we think that that's a metric for us that we actually can then tie to sales tax data.

So, we have been working very closely with the treasurer's office and thank you to the city treasurer for helping us reformat the way that we collect and report on sales tax data within Old Town and Fashion Square area. We have very recently entered into contract for a new tool that will help us tie the placer location data directly to the sales tax data. And so that is one of the ways where on the dashboard we want to be able to report out and say very clearly what are the direct economic impacts of the advertising and marketing efforts that we're undertaking for Old Town.

[Time: 02:16:19]

I should point out that the creation of this new program was a significant undertaking for the tourism and events team, something that we had contracted out, we brought in-house. Using existing staff resources. And so, a shout out to that team, a few of whom are present today, Angelica Sepulo, and some from other departments would have full-time jobs and are also engaged in this effort. One of the things we learned, though is we've got incredible skill sets in the city across different departments. Everyone has brought a little piece of that to bear, and it has really resulted in a great team. We really think the program is worth continuing. We would like to establish a new cadence for bringing these items for bringing in-house marketing effort to Council.

So here at the very end of in fiscal year, we're bringing forward this plan for fiscal year of '26/27 and we would like to bring the annual plan to Council to set the stage for our work for that next year. So, we prepared this fiscal year '26/27 draft Old Town annual marketing plan which we'll go into a little bit here. We set some very clear objectives in the plan and so this is the backbone of the document. I hope that everyone finds these to be mutually agreeable. We think they are the baseline for what we want to achieve which is we want to increase in market visitation, right, more people in Old Town. We want to increase taxable sales and the way we think about that is actually two-fold. We want to increase taxable sales for our merchants and as a result we want to increase sales tax revenue to the city as well. And then through our marketing efforts we want to strengthen our destination identity. Scottsdale has an incredible brand. Old Town is an incredible brand and what we have as our goal is through our marketing efforts, putting the word out to actually make that brand stronger and stronger over time.

Let's talk about our excuse me our strategic framework. So, in the plan this is sort of how we approach the problem of marketing to Old Town. What are we selling? Right, what we're selling are experiences. So, we're leading with experiences. Retail, food and beverage, arts and culture, southwest heritage, all the events we have downtown. Each of these are experiences and these are specific people, types of people, who we call archetype experiences. Who are the people that we are attracting to Old Town and then we tailor campaigns to target those specific personas for those specific experiences. And then the

last line there is tactics. So how? That is how we're doing it. And each of our campaigns we employ a number of different tactics. We have paid additional media, social media, our email marketing, website, and activations, just as a few. So, the plan provides quite a bit of detail on the different types of campaigns, as well as very long list of tactics, but it's a mix and match approach. Right? So, we don't use every single tactic for every type of campaign and target every type of persona.

I could give you an example. So, arts and culture, I mentioned at the top. We think of this as like an evergreen campaign. We always want to be advertising, arts and culture as a part of what makes the Old Town experience so great and unique. We would run arts and culture campaigns say targeted luxury travelers or indulgent individuals or a subset of individuals who are interested in Old Town. Then we would have a campaign connected by art and it would deploy a number of tactics, so paid social media, social media and we have been using the digital kiosks at fashion square, there's 22 of them and we have been putting paid ads on those and really effective for us. Email marketing and then activations. And the art walk is an opportunity for us to partner with the businesses and activate the space downtown in Old Town as an example of how we think through the strategic framework for each of the campaigns that we're going to run over the course of the year.

[Time: 02:20:46]

Speaking of the calendar for the year. So, I mentioned we have evergreen campaigns. And then we have campaigns that are more specifically targeted of place and time. So, this is just a illustrative example. In the document, it's a little more dry, but we'll work it to spruce it up. Internally we think about it with the overlapping campaigns, this example for February, where we run the arts and cultural campaign in the month of February but that would overlap with our spring training campaign. We are not just doing one thing at a time we're running our evergreen campaigns like food and beverage and arts and culture year round and then we layer on top of those or in addition to those, some of our event and specific campaigns with spring training being, I think, a good example of that.

Let us talk about the budget. So, the Mayor and Council have recently approved the budget for fiscal year '26/27, and within that is \$2.5 million for the entirety of the fiscal year for this in-house market program. As with the pilot program, our intension is to spend the vast majority of those dollars on direct advertising. If you look at our line for direct marketing is 1.6 and the matching marketing program, we're thinking we intend to spend that's about 75, 76% of the overall budget which is dedicated directly to advertising.

Let me touch on the matching marketing program. That is our partnership with the downtown merchants and the business owners. So many of our downtown businesses do their own marketing and advertising. We respect that and we want to use city dollars to leverage what they are doing. So, through the matching marketing program, they can apply to the city for matching grant dollars. We will match dollar for up to \$5,000, and up to \$20,000 for groups of businesses to conduct and extend their marketing efforts. I mentioned some of the events and activations and so we want to ensure we have budget set aside to do a bunch of those. It's an opportunity for us to work directly with business owners, groups of business owners to do things that generate a bunch of activity and create a lot of activity open

social media and generate activity and bring more people to downtown. And then contracted creative, I will touch on that. These are the specialized support services.

I mentioned that we are able to do, I will say, most of this work with our existing resources in house. We do, though, have the need for some contracted creative services. So, content development and design, video production and programs, you know, photography, some of these things we can use outside of support for, over the course of the year. We are executing our campaign at the highest possible level that the community deserves and we have \$300,000 for contracted creative through the course of the year.

I mentioned the public involvement. Internally, we've been working on this plan for months. We conducted in two stakeholder meetings on May 21st and 29, we had meetings at the community design center where we had a conversation with merchants and others to get feedback on the very early draft of the plan. Those comments and that feedback was incorporated into the draft that's before you today. We did not present to the Tourism Development Commission on the 16th. They didn't have quorum. We met this morning. The TDC has reviewed this plan. We want to session meeting this evening and our intent is to get feedback from Mayor and Council tonight, incorporate any changes as necessary into a final version of the plan and bring that forward for Mayor, Council consideration at the July 1st meeting.

[Time: 02:24:41]

Our public engagement will not stop with the adoption of the plan. We are planning for the official rollout of the marketing man at the merchant mixer, which we do monthly. I mentioned the dashboard that will go live and be available for the public on a real-time basis and then we will continue to do quarterly updates to keep the merchants and the business owners involved and the activations that we see happening throughout the year and get feedback and partner with those businesses to extend our marketing and advertising efforts as deep as we can into Old Town and work with those businesses to support them. That is the plan in a nutshell, and I would appreciate any comments or questions that you have.

Mayor Borowsky: Thank you, Kevin. I get asked a lot, especially with the Mayor's Old Town Task Force, more recently, about where what is the money being spent on? I know that you talked about impressions which, you know, abstractly, you know, describes it's hard to point to impression, right? And show it to somebody. But where would where should I direct them to go find, for example, your advertising board, you're the ideas that you are communicating out, and I guess you call it a visioning board of what you're doing with advertising.

Kevin Burke: Thank you for the question, honorable Mayor, I appreciate that. It's interesting because so much of our advertising is not targeted at our constituents. Right? And that is by design. So, most of the advertising dollars have been spent on digital advertising, and that digital advertising is very specifically targeting, typically geofenced to 22 luxury high-end properties in Scottsdale and the surrounding area. For the most part, nobody in this room is getting those ads. If I understand the question directly, it's

how can we see those ads because our stakeholders are not actually the ones that we are targeting those ads to. And we have not, to date, put all of the creative content behind those ads in a, like, single place is that publicly accessible but it's certainly something that we can consider doing.

[Time: 02:27:01]

Mayor Borowsky: Yeah, I think that would be great. That would be helpful to actually see what it is that we're pushing out.

And then the second thing I hear a lot of feedback from business owners in Old Town that sales are town. Way down. And so, are you interfacing with the individuals? I'm sure you hear from people too about their revenue being down considerably. Are you bringing those voices in to your teams? I know you are doing the Old Town merchant mixer, I see one in August. But how are you tapping into that and getting kind of feedback from the actual individual affected businesses?

Kevin Burke: Certainly, we have heard thank you, honorable Mayor. We have heard those types of comments from many businesses and honestly, the other side of the story from others, right? So, what we really want to focus on is providing factual data through the dashboard. That's why we are working with the Treasurer's office, we want to provide really clear sales tax reporting data for Old Town that is digestible for people and can provide ground truth. A lot of what we hear, frankly, is anecdote. While we are not able to have conversations at, like, the level of individual businesses, right, we don't have access to that data specifically, we have access to that sales tax data in the aggregate and what we intend to do through the dashboard is track that data month over month over time.

Mayor Borowsky: And one I heard you're working on that. I think that's a great idea to separate out the Old Town sales revenue data from, you know, overall sales revenue data. When will that be available?

Kevin Burke: We have on the dashboard today preliminary sales tax data provided by the treasurer's office. That's not yet incorporated as the real-time data that we like it to be, over the next month to six weeks.

Mayor Borowsky: I will pass it over to McAllen. Calm down. We will go with the public comment. And by the way, the Chair can decide when to take the public comment. So, I will call on Vice Mayor, Maryann McAllen.

Vice Mayor McAllen: Thank you, Mayor. Kevin, thank you for your presentation. I have a question, it's \$1.6 million direct marketing. Very vague. Is do you have a little more information for us, please?

Kevin Burke: Yes, Vice Mayor. When we say direct marketing, we are primarily talking about digital ads. So, most of our effort, we're not putting billboards on the 101, right? We do some, what we refer to as out-of-home advertising. I mentioned, signage, most inform digital ads in Fashion Square bust most of this is digital advertising that consumers are consuming on mobile devices.

Mayor Borowsky: Thank you. I don't see any other requests for questions. So, I will move forward with Bob Pejman, followed by Rachel White, French Thompson, Andrew Cesik.

[Time: 02:30:26]

Bob Pejman: Good evening, Mayor Borowsky, and Councilmen, my name is Bob Pejman. I want to put the \$2.5 million in perspective. I got involved in Scottsdale politics back in 2015, and back then the budget was about \$150,000. And then the city hired an ad agency, maybe they boosted it to \$200,000. It went pretty much around that amount until 2022, when the Council approved the 5% bed tax to go to Old Town destination marketing, and then after that, for the next two years a lot of that money was siphoned out for other stuff besides Old Town marketing. But this \$2.5 million is unprecedented. I'm very happy that our City Manager Greg Caton has actually put this huge amount of money up and his staff. The amount of money is huge. The \$1.6 million is also huge. About 300,000 goes towards basically creative efforts.

So, we have \$1.6 million how do we spend that money effectively? That becomes the question. I have to say, that the real story on the street is that qualified visitation has plummeted. Let me put this up. You have seen this you have seen this graph before. It's upside down. Okay. This was presented at the T.D.C. I put the circles on and the arrows. A couple of years ago it clearly shows that daytime traffic has plummeted. I've got nothing against the nighttime traffic going up by the way. I'm pointing out that daytime is plummeted and to add insult to injury, from that amount of people that's left, the qualified portion of that has plummeted. So, it's a double whammy.

Now I hear that, oh, some people have a great experience. Some people have their best year. As you all know, I'm part of the Mayor's Task Force for Old Town and what I hear from all of these people that are participating, they all say the same thing, qualified foot traffic has plummeted. So, it is not just Bob and French and a couple of people complaining. It's across the board. And in the meantime, if you look at the data the city puts out there's always an increase. Oh, we're up 9%. If all of this increase is happening, then where is the disconnect between the merchants who say, they don't see qualified people and the city says the number is up. Well, there are both sides to that. No, no 90% are saying things are down and there's always exceptions people have their best year.

Now, the report correctly points out that well, actually, the report has six personas, luxury traveler is one of them and then other personas. For example, the report correctly connects the luxury traveler with the arts district, and arts and travel but we need metrics we need KPIs to track all of this. We need to develop a baseline, where we are now and then six months from now see if the advertising moves the needle in the right direction. That's the whole thing. If it can move it in the right direction to bring qualified visitation to downtown, the program is a success. And the place A.I. data needs to be also, we need to just get more information out of it. You know, age range and all of that, because when I see that visitation is up, but the experience of the merchants is different, that's where it's all going. Thank you.

Mayor Borowsky: Thank you, Bob and thank you for being such a great participant in the task force. Really appreciate it. Next, we have Rachel White. French Thompson.

[Time: 02:34:38]

French Thompson: Madam Mayor, City Council thank you for having me here. French Thompson, my address is on record also. I'm extremely happy that the city is doing this marketing. I'm glad they put this stuff together. I'm glad they are putting more money into it. The city of Scottsdale is really a luxury destination, and it should always be marketed that way. A senior partner at McKenzie and Company made a report to LVMH, which is the largest luxury retailer in the world, and that report basically said it's time for them to talk about the over 50 shoppers. That's what Bob has been talking about, and I have been talking about. In this report in the United States, people 55 and older hold 72% of the population's wealth in 2024. That's a McKenzie Report and that share is increasing each year. In the western company, it's the over 50 customer that crosses the purse strings. That's where the wealth is concentrated and frankly, it's also the segment that's often funding some of the purchases by the younger generations.

So, the luxury destination should be devoting more attention to the demographic that they have neglected in recent years, the so-called silver generation. So, with the city doing the marketing for Old Town, so more of the money will be going to the marketing and not to salary and profit for companies like that. This is all this money is basically going for what we are really trying to do, advertising and marketing. The Old Town merchants and I like this dashboard idea. If in the dashboard, they see the breakout of the demographics what the city is marketing to and what are the demographics of the people showing up. Well, these people don't buy anything from us. Why are they here? We're marketing and bringing in people who don't buy anything for us. It doesn't do anything for the sales tax. We want to see who is actually coming but also who are the ones that it's being targeted to. So, I would love to see all of that stuff on the dashboard.

One the other things I would like to see in marketing the city, I would love to see the city marketing together to bring businesses to Old Town Scottsdale instead of it just being independent individual landlords have to do all the work to try to get tenants. In the city was working with them and other cities do this, to bring tenants and go market to outside markets to bring these people to Scottsdale you know, we're a great destination but they might not know hey, we would like your business to come here.

There's one other thing that the city needs to fix. The left hand doesn't have the information the right hand. The business tax license department will not share the information on how to contact every business in Old Town Scottsdale. That needs to change. You need to be able to have the left hand know who is in Old Town Scottsdale, what business owners names are and how to contact them so when you have an event, you can't even contact every single business on the street because you don't have that information. The license department says it's an invasion of privacy. The city has the information, and the city want to use it. Anyway, I would love to see that happen and thank you.

Mayor Borowsky: Thank you, French. Andrew Cesik. Am I saying that right?

[Time: 02:38:30]

Andrew Cesik: Good evening, Mayor and City Councilmembers, thank you for allowing me to speak today. My name is Andrew Cisek, address on record. I had the privilege of living in Scottsdale for 30 years, which is why I felt compelled to share an observation for Scottsdale's future. I began studying how Scottsdale is investing in its future. I read the proposed marketing plan and reviewed the budget. I kept coming with one question. Does this strategy prepare Old Town for destination marketing or simply optimize for the past. Using readily available metrics, I pulled Scottsdale's current destination. Is that upside down? I pulled up Scottsdale's current destination. This graph answer all my questions. This is not just a decline, this is a pivot in the Internet. The marketing plan does an excellent job of how to describe Old Town. What it doesn't address is how Old Town Scottsdale will compete in an era where travelers are no longer searching websites and asking A.I.

Yesterday was KPI visitor traffic. And today is visitor intelligence. And this is not a criticism at the plan or the current web properties. Not at all. It's an acknowledgment that the market has changed. Google is not the primary way to discover destinations. A.I. has rapidly become the front door. So just imagine giving Experience Scottsdale a new level of intelligence, not just how many people visited Old Town, but why they came. Why they searched. What influenced their decisions. These aren't visitors. They become ambassadors. Attribution is not who is proving or deserves the credit. It's what actually works so every future marketing dollars becomes effective.

Lastly, every time someone asks A.I. where to shop, where to stay, what experience in Scottsdale, this conversation creates intelligence. Intelligence that should be the property of the city of Scottsdale. Today you purchase those reports to Scottsdale and tomorrow Scottsdale should have them. The valuable tourism asset will not be a website. It will be proprietary visitor intelligence. I believe Scottsdale has an opportunity right now, not just to lead tourism but redefine it. Thank you.

Mayor Borowsky: Thank you very much. Appreciate that. That concludes the public speakers on this item, and I guess we will have you come back up, Kevin. Councilman Graham.

Councilman Graham: Mayor, thank you. Really appreciate all the public comments that we heard tonight. I agree with nearly everything I heard. I hope that maybe you took that, you received that information and I will reiterate some of the things I like to hear. Kind of we are doing this because the Council requested this and I appreciate that. And the there were just a lot of problems with the prior, you know, tourism plan. And this is one of those things that this Council is going through and working on and we have more things to do like that, but this is one of those and it's just incredibly important. I think that we prioritize this more than a lot of things we wanted to do elsewhere in the city because we see and we hear about the drop in qualified visitation to our Old Town.

I like the idea. I think I asked the city treasurer about breakouts of the sales tax. I think I heard you can't get that breakout and I won't put you on the spot but maybe we can look at it by zip code. Do you want to say -o you want to say something briefly about the possibility I mean, what I would like to see I think what a lot of us would like to see, what are the sales in this perimeter.

[Time: 02:43:15]

City Treasurer Sonia Andrews: Yes. Thank you, Mayor, Councilmembers. We do have that capability that we are able to automate it. Until we are able to automate it, it's a manual process for us to actually identify all the sales tax businesses in a...

Councilman Graham: Like a perimeter or radius.

Sonia Andrews: We can do that; it's just a very tedious manual process right now until we're able to automate it.

Councilman Graham: Okay. So maybe that can be something on the horizon that with be incorporated because that with be that you know, that can be the canary in the coal mine as far as where things are trending and it's just I mean, I don't know how else to say it. I'm trying to put it simply; it's about getting qualified foot traffic to our Old Town. And we are grappling with that, frustrated with that. We're bringing more parking down here. I have notes I wanted to talk about but I'm not going to do it. The years we spent on the Old Town marketing. It feels like to me we got nothing and all we were doing in large part was just promoting the late-night party vibe and that just doesn't get us in the qualified direction that we want to go. Kevin, what cities would you say are our competitive cities?

Kevin Burke: Honorable Mayor, Councilman Graham, that's an excellent question. When you think competitive set, Scottsdale as a whole has one competitive set and then Old Town as a destination, perhaps is a different competitive set.

Councilman Graham: Yeah.

[Time: 02:45:07]

Kevin Burke: So, I would think about Old Town as one of the premier destinations within our region. We are focused in market. It's not the whole universe of travelers. It's travelers who have already tried to come to Scottsdale and the Phoenix metropolitan area that we're trying to reach. And in that sense, we're competing against the entertainment district in Glendale, right? We're competing against resort and hotel properties that are, you know, outside of Scottsdale and Paradise Valley. We're competing against downtown Phoenix, right? Those are the largest ones.

Councilman Graham: And from that, those are valley residents who are competing against.

Kevin Burke: Those are in-market visitors.

Councilman Graham: Right. I mean, like but the Glendale entertainment district, I don't know if that's really what Scottsdale residents think about, you know?

Kevin Burke: Certainly not Scottsdale residents, I would completely agree with you. We're talking about

people who are not Arizona residents, or international residents, so once they are here, where do they go? Yes, some of them because of the large-scale events that happened and just, for example, like the Glendale entertainment district, we also want them to come here. I mean I could give you the example of some of strategies that we intend...

Councilman Graham: That's what I'm saying. It's not volume is not the sole metric. I mean, you have heard the phrase good can drive out bad. I mean, bad can drive out good. And so, this is not solely a volume pursuit. And, in fact, it's the right you know, it's the qualified visitors. What cities would you, in your mind, as you sort of lead this process, do you think we're competing against?

Kevin Burke: Honorable Mayor, Councilman Graham, I would redirect the question because so much of what we are doing is really focused on the people who have already decided to come to Scottsdale. If you think about that from a slightly different perspective, Experience Scottsdale is...

Councilman Graham: Destination marketing.

Kevin Burke: And that is defined in a lot of their marketing plan. In that sense, Scottsdale is competing against other luxury destinations, not just nationally, but internationally. But what we're actually considering here is...

Councilman Graham: Okay.

Kevin Burke: Not advertising to like the entire globe, we're advertising to really specifically 22 hotels in Scottsdale and Paradise Valley.

Councilman Graham: Let me ask you this, do you see more goings Palm Springs or like Las Vegas?

[Time: 02:47:46]

Kevin Burke: Short answer, honorable Mayor and Councilman Graham, I don't know, I'm not quite sure on that.

Councilman Graham: To me, that's a softball.

City Manager Greg Caton: Councilman Graham, let me help my colleague out here. Honorable Mayor and Councilman Graham, I think the important point is that the traveler that Experience Scottsdale is marketing to because they have over \$20 million is very important, and they are going national and international and bringing people here. And then we are really capturing the people that have already selected Scottsdale or the Scottsdale region, I would say. I might submit a direct answer because I will give you a direct answer to our broader efforts, this is marketing, but what I would think about are holistic efforts to Old Town, which include infrastructure improvements, the mix of what's going on in Old Town. In the Denver, Colorado, area, Cherry Creek area is a model that many could look to. It's more than just the marketing piece.

Councilman Graham: Okay, I will wrap up my comments quickly. Every city is unique. It's not like we want to be like this city. We don't. Obviously, we think that we're, you know, we're one of a kind. But but it just kind of it's just kind of I mean and I guess what you're saying, well, the person is here we want to sort of bring them in. But it's kind of how we think about ourselves that kind of you know, knowing what you are doing is knowing where you are going. You know these banal phrases. There is kind of truth to that.

Greg Caton: Councilman Graham, if I may add to, that I think what is key to the in-market, the way we are serving them up and just as an illustration for, that people under one of the 22 resorts I think that's really key. So, who is staying in those resorts. That's already that elevated market of of that resort facility, and then they're close proximity and Googling where should I eat or something like that, certainly appreciate I think our A. I. commenter left. And earned media is a big part of of A.I., but and then we serve them up with that. And so, they're at they're at an exclusive resort destination. So, they already meet some of our criteria, all of our criteria, quite frankly and then what happens is we're not doing the billboards, it's data driven. So, we're tracking it and following. And that's what as soon as we get that stood up which we are, then we are pushing that out to be transparent.

Councilman Graham: You know, that's a good answer. I mean, I would kind of tilt us, I would prefer maybe palm springs than Las Vegas. If it were me. Does this document in one of the prior versions of the plan, there was zoning. There there's nothing like that in the new program.

[Time: 02:51:14]

Kevin Burke: Honorable Mayor, Councilman Graham, no, this is a de novo document. So, it's not an iteration of anything that's been previously introduced by the city, and we don't want plan to use our marketing efforts to do zoning changes.

Councilman Graham: That actually happened and it almost became what we passed. Remember that? Yeah. So, I just think the city needs to establish a baseline for what the current visitation traveler, you know, profile is, and tracking KPIs, like Mr. Pejman said to see if marketing is what how marketing is doing for luxury visitors, whether that's the dashboard or some other manner. I think I think dashboards are a little bit overblown because it's like, okay. But people I think that's sort of way of saying they want the information in one manner.

I appreciate what you are doing, Mr. Burke, as far as the outreach, you are meeting with people and doing stakeholder meetings, and I think you're it seems to me like you're listening to them and so I'm excited about the product that you will go forward. I encourage to keep collaborating with them, the speakers in the audience here. I see that not only do they care about Old Town Scottsdale, but they poured their livelihood, they poured their time and their future is tied to the success of Old Town's future. And so, it's one of those, you know, rising rising tide kind of comments. Raising all boats. So, thank you, Mayor.

Mayor Borowsky: Councilwoman Dubauskas.

[Time: 02:53:01]

Councilwoman Dubauskas: Thank you, Madam Mayor. Taking at the look at the April 2026 Experience Scottsdale monthly report, I think it's interesting to note that they are reporting hotel occupancy and average daily revenue are up. So, for the year 2026, year-over-year, they are up 3.7% on occupancy, and they're up 5.6% on average daily revenue. They're showing that spending is up. Pretty significantly. Year over year, for the first part of 2026, the first quarter, they're reporting that 43% of the spending is retail, and 29% of it is in restaurants, with a year-over-year increase of 10.9% in spending. So, some of these numbers are in conflict with some of the information that we're hearing from our merchants. And so, I'm wondering about it sounds like we have more people coming and they're spending more money, but they're not necessarily spending money in Old Town. So, when we take a look at the report. It talks about arts and Musical Instrument Museum accounts for 35% of the trips. That's not Scottsdale. Museum of the West is 11% of the trips. Nothing about Scottsdale Arts. And so, I think some of this spending is going outside of Scottsdale. WestWorld, city event facility, that's 58%. The Scottsdale Sports Complex is 22%. Hiking, Camelback Mountain is 68%, and McDowell Sonoran Preserve, again Phoenix over Scottsdale. Old Town, this is where I think it gets interesting, the northwest quadrant accounts for 45% of trips. The southeast quadrant 36% and the northeast quadrant at 28%.

So, I'm wondering if some of this disconnect is, are we really driving these people to places in Scottsdale? Are we driving them where we want to drive them. Then we are getting this data from Experience Scottsdale. There's a couple of ways to think about this, and this might cause more work for our treasurer's office, but we might want to be able to on a more specific basis, look at Old Town and see where is the new sales tax revenue coming from. I think that's a great way to measure the efficacy of the of the impact of your work. So, if we could see more specifically within Old Town, where is that impact? Because there seems to be a question, we have more people, but they're not coming or they're not spending their money in Old Town. How do we get them to spend their money in Old Town?

And then the other portion of that is, maybe we would like to see different or more metrics that we could utilize for our own impact studies from Experience Scottsdale. We do have the contract that's coming up in 2027 for Experience Scottsdale, maybe this is an opportunity for us internally to think about, you know, what some are good metrics? Do we have the metrics today that we need from Experience Scottsdale? This is an opportunity for you to maybe fine tune this program but also Experience Scottsdale's program so that we can work together and utilize each other's data for even greater leverage. So those are my comments. Thank you very much. Appreciate your work on this.

Kevin Burke: Thank you.

Mayor Borowsky: Okay. I don't see any other oh, sorry go. Ahead, Kathy. Councilwoman Littlefield, pardon me.

[Time: 02:56:34]

Councilwoman Littlefield: I just had kind of a thought. I know we have been doing a lot of research. We

have been doing a lot of work to try to find what's going on in Old Town. What can we do to stimulate marketing and stuff like that. Maybe we're just not like that. Maybe we're just not offering what people want to buy anymore. Maybe the market itself has changed. Are we doing any research on what kind of art, what kind of sculpture, what kind of classes for the kids, what are we offering or not offering that people would come to the downtown in order to get? Maybe our market has changed and we haven't changed with that market. That's just a thought. Thank you. I'm not an art person. So, it's off the top of my head. But thank you.

Kevin Burke: I appreciate that. Thank you.

Mayor Borowsky: Thank you. I don't see any other questions. So, thank you very much for the presentation. All right. That concludes the presentations or the work study presentations.

COUNCILMEMBER REPORTS

And so, I will shift to Councilmember updates or presentations. Anybody? I don't see anybody. Let's see, Councilwoman Dubauskas.

[Time: 02:57:55]

Councilwoman Dubauskas: Very excited for Scottsdale 75 on Thursday, 75 years of this wonderful city. So, congratulations to you all. Looking forward to seeing you on Thursday.

Mayor Borowsky: All right. That...

Councilman Graham: Oh, sorry, I got one.

Mayor Borowsky: Councilman Graham.

Councilman Graham: Mayor, thank you. What time and when is that Scottsdale 75? I think it's at 9 A.M. out here.

Councilwoman Dubauskas: At Scottsdale Stadium.

Mayor Borowsky: The Field House.

Councilman Graham: I also want to remind people that we're doing a WestWorld on July 1st, which is or July 4th which is a Saturday this year. WestWorld event. So, fireworks, kids, family activities and I hope to see you there. Thank you, Mayor.

Mayor Borowsky: Councilwoman Whitehead.

Councilwoman Whitehead: I know Councilman Graham meant to say composting too. Yeah, July 4th at

WestWorld. Thank you.

Mayor Borowsky: All right. We are concluded and I will move to adjourn.

Vice Mayor McAllen: So moved.

Mayor Borowsky: Thank you, everyone, for being here.

ADJOURNMENT

[Time: 02:59:13]