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CALL TO ORDER

[Time: 00:00:04]

Mayor Lane: Good afternoon, everyone. I would like to call to order the February 11th, 2014 City Council Work Study Session. We will start with a roll call, please.

ROLL CALL

[Time: 00:00:11]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Virginia Korte.

Vice Mayor Korte: Here.

Carolyn Jagger: Councilmember Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Bob Littlefield.

Councilman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilmember Phillips: Here.

Carolyn Jagger: Dennis Robbins.

Councilman Robbins: Here.

Carolyn Jagger: City Manager Fritz Behring.

Fritz Behring: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

MAYOR'S REPORT

[Time: 00:00:37]

Mayor Lane: Thank you. Just one note here, before we get started with our meeting and that is tomorrow is my annual State of the City Address, at the Scottsdale Marriott and all seats for the fund-raiser portion of the program hosted by Scottsdale business development forum is to benefit Operation Fix It. If you are not familiar with that program, it's a great program that we operate with volunteers and private money to the benefit of our neighbors and neighborhoods, but all the tickets are sold out. If you would like to attend to hear the speech, there is an open seating for the public. That portion begins at 12:30. If you need more information, call my office at 312-7977.

I see this is a work study session. A little bit different and apart from the regular Council meeting. Mr. Behring, do you have any report at all? No, we have no indication of public comment.

ITEM 1 – TOURISM DEVELOPMENT AND MARKETING FIVE-YEAR STRATEGIC PLAN

[Time: 00:01:36]

Mayor Lane: So we will get right into the order of business, and our first item of the two items we have on this Work Study Session is the Tourism Development and Marketing Five-Year Strategic Plan. We have Mr. Geiogamah here, the coordinator from the tourism, well, from the Economic Development Department. I do understand, and what we'll try to do here, Steve, if it's okay, more often than not with a Work Study program, I like to be able to encourage the Council to be able to ask questions during the course of the presentation.

Tourism Development Coordinator Steve Geiogamah: Sure.

Mayor Lane: If that's all right. If you are comfortable with that. The Transportation side, they have asked for a different approach on it. If that's okay. We can address any questions at any time.

Steve Geiogamah: That's perfectly fine.

Mayor Lane: I will ask Mr. Derouin, all the items requested to speak are on item 2. Mr. Derouin, if you would like to speak at this time on item two. If you wait for it, it may be a lengthy process. Wait until item two comes up. Okay. Very good.

[Time: 00:02:53]

Tourism Development Coordinator Steve Geiogamah: Good afternoon. This afternoon, we are here to present to you the Tourism Advisory Task Force Update, regarding the progress they have made so far on the five-year Tourism Development And Marketing Plan. You will hear from the tourism task force, as well as some of the members of the task force regarding the progress we have made and in regards to some of the particular initiatives. We also have Valeri LeBlanc who will be providing some information. We will be brief in staff comments. I have a few initiatives that we have brought forward regarding some of the recommendations and plans. I would like to briefly review before we start kicking off our presentation here this afternoon.

Mayor Lane: Okay. If I might, Mr. Geiogamah, I do have now one card for this item, from Joan Baron. Joan, would you like to make your comments at the front end or wait until after the discussion, if I might? Wait? Okay. Very good. Well, good. Thank you.

Steve Geiogamah: Thank you. Regarding the Advisory Task Force, in July the City Council appointed 11 members to the task force, and three alternates. We have been moving forward and they have been working hard, keeping in mind some of these, I guess, objectives of the task force and that is they are custodians of the plan's vision and strategy. They ensure it's meeting the objectives in milestones that we and City Council approved. They are moving that forward and perhaps most importantly, they provide the communication resource and we will continually try to enhance that to give an update.

They are reaching out to different task forces and groups. I would like to mention that members of the task force are here in support of this presentation here this afternoon. I would also like to thank the staff at the Civic Center Library, regarding the communication structure. They have offered as a war

room planning meeting if you will to move forward the plan, the library director was very helpful, as well as Bill Murphy. We are pleased to have that set up and use that as a planning room for the residents and the members of the task force to use. In addition to some staff initiatives we have been moving through these three initiatives but I want to briefly review these.

Some of the things we have been working on is the city tourism research program. We are beginning that process to get a better understanding of our visitors on a broader scope, to begin to understand are we moving things. Are we starting to progress in terms of the implementation, as well as looking at segmentation on the leisure travel or the business traveler. We are moving forward to developing the scope of work. We see looking at, that putting that place in the next few weeks, starting to look at the marketability, as well as the reinvestment value, since that's an important part of the plan as we presented it last fiscal year, and we are looking to the city tourism event program, and it provides the quintessential Scottsdale field to it, as well as provide historical value. We have been providing dollars to events like Parada del Sol and events like that, and they have been receptive to that when moving it forward. We still embrace all of our events here in Scottsdale but it's something we have been moving forward related to the plan.

In regard to our resource, and the budget, we anticipate City Council approve \$625,000 last fiscal year to move forward the initial project, our plan itself. We anticipate using those dollars beginning over the last quarter and whatever dollars we don't use our position is we will roll those over into next fiscal year as part of the city budget process. We do not anticipate asking for any additional dollars for year two at this time but if a need arises we will come back to the Council and move them forward.

[Time: 00:06:53]

Mayor Lane: Excuse me, Mr. Geiogamah, these numbers for 2013/14 and 14/15, these are total numbers I presume of the tax revenue?

Steve Geiogamah: Correct, the \$625,000 is bed tax.

Mayor Lane: Is there any anticipated, is there some goal orientation or is there some goal that we might set for what return we would be looking at for the investment of these funds and the implementation of this plan, as far as an increase over and above what is anticipated?

Steve Geiogamah: I think we feel comfortable with that amount for year one and two. We have to reevaluate the plan moves forward. I do anticipate some dollars being used this upcoming fiscal year before the end of, before the beginning of July 1st. So we'll be using some of those dollars but we'll try to get an estimate of how much we anticipate. We will be moving forward into the next fiscal year in terms of a dollar amount.

Mayor Lane: Okay. And I guess, pardon me, maybe I wasn't quite clear enough on that. What I'm really looking for is \$625,000 and whatever efforts we put forward in the way of staff or otherwise. Are we anticipating being able to grow our bed tax revenues on the basis of those efforts and has there been any consideration as to what we might be shooting for or is it too early for something like that?

Steve Geiogamah: In terms of anticipation.....

Mayor Lane: Over and above of what we anticipate in growth.

Steve Geiogamah: We anticipate \$13.9 million. Next fiscal year \$15.7 million. We are anticipating an increase in bed tax, based on trending and what we see so far. And over the next five years to give you the perspective, we anticipate \$90 million in that forecast provided by Financial Services.

[Time: 00:08:38]

Mayor Lane: And would we be able to say or speak to the fact that of that \$1.8 million increase, between '14 and 15, whether some portion of that is tied to the efforts that we're expending in the way of \$625,000 and/or the programs that we are hoping to implement?

Steve Geiogamah: Yes, and I think that points to some of the research that we are trying to make that tie to understand how we are moving the needle related to performance of the plan. I think that's what we are hoping to show related to the expenditure of that.

Mayor Lane: Okay. Thank you.

Steve Geiogamah: At this point, if there are no other questions, I will invite Valeri LeBlanc to give us a quick update.

[Time: 00:09:18]

Valeri LeBlanc: Thank you, Councilmembers. I appreciate very much your attention and support for this plan, and just to kind of refocus all the things that we have talked about into some simplicity for the beginning, if you think about tourism, and how it's constructed and where this plan fits, for the most part, outside of the market, the external part of the market is under the domain of the CVB and developing an imaginative place for Scottsdale in the visitor's mind or in the business attraction kind of mind for meetings.

And inside we have to, inside the market we have to really focus on experience. And Steve has mentioned some of the external things that we are working on with the research and the Downtown Plan. Those are external in terms of infrastructure, but most of the work that the tax force has been charged with this year are internal. How will we build more experiences? How will we understand how to do experiences better? I will talk more about that. But that's kind of a setup.

By the way, if you look at the market in tourism, about 50% of the spending in the external market, before people get here, is already committed to hotels and rental cars and airline and that kind of thing. And about 50% of the money spent is internal, and not planned until they get here. So a big piece of how we start to affect what's going on has to do with doing a better job of creating these internal experiences. And it's especially important as we move from resort to destination focus. The resorts

knew how to do that.

You know, they had a program for that and understood it and you still have about 42% of your occupancy in resorts, but do the math, and there's still, there's a lot of people that don't have the same kind of program that a resort provides. And so we call that getting to a destination focus, and really understanding how to build the whole destination experience downtown, tours, pervasive interpretation of place, all the components that can really make the destination feel more like something you understand when you get there, more like you experienced it when you left, and can tell people about it.

[Time: 00:11:53]

So that involves increased connections. It involves in building on and deepening the love of place. And it involves creating events of all sizes, enhancing interpretation and moving toward more event creation. And I can say that we have already seized discussion about the Parada thing as already an example of trying to build and deepen some of the experiences but we will be working on that throughout all the events and experiences. You have a report that we did, called the Three Cities Report. It's about 20 pages long. It highlights, which is as a result of one of the committees, they ask that we do a real deep look at three cities.

So we looked at San Antonio, Austin, and Charleston as competitive destinations on events and we have laid out how they really use events. I think you will find that maybe a little bit more complex take and the kind of complex they would take. They have different audiences and one of our tax force groups, Kate Birchler asked us to do the report and another one is really looking seriously at condensing how do we measure what we have here now, where do they fit in these categories?

How could they move if we wanted them to move? How could they be more of something or have three or four events that they are doing over the year instead of one or what kind of components can we put in place? And because we have, right now we have three groups working on events, looking at different takes and at some point, probably close to the end of this year, we will start collapsing the material together and seeing where we are and how we think we need to go forward. So as we, as you are watching the work that we put forward, I think you will see a lot more data following that report.

By the way, one of the initiatives that you have had in the events side, which was sort of my shorthand for it is a one-stop shop for events and taking a look at that and the city and all the departments working on that. It's interesting because Austin just implemented something like that. They passed the legislation while I was writing that report. So everybody has in there a, I don't imagine you got the 104-page appendix, but there is their legislation and how they went about doing it. I think it's interesting because they are a very strong event destination and they took that move and you are taking the move. So I think, you know, it's pretty much state-of-the-art what you are looking at.

[Time: 00:14:40]

We have seven working groups on the task force. One is a community foundation, a rival experience

that when you get here, how do you feel and how do we bring that along? Arizona central, which is our focus area for how do we give a really strong wow experience for tours and other experiences. And this is sort of a code name, it's not the name of it, but, and how can we get it to be more experiential for people. They don't go in and pick up a brochure out of a rack. How do we create more of a sense of what is going on. They are working on that, what should it be? What are the qualities?

Dashboard, Dashboard is short, Mayor Lane of what you are asking on for the financial payback but it's a measurement payback. Where are we? How many event days do we have? How is this going? And how does this correlate with what our Smith travel research looks like?

So they have done a really good job and as a matter of fact, I think we are in a position to say that although they had a, you know, nine months to do their work, I think we are pretty close to being able to launch that as a, wow, I'm going backwards. Something happened here. I think we are pretty close to being able to launch a beta site on that and try to figure out how to do it. I don't know what, yes, if you could go back maybe two, two.

[Time: 00:16:13]

Mayor Lane: Valeri, excuse me one second. I wonder if I could ask you a question, the choice of the Charleston, South Carolina, Austin, Texas, and Santa Fe, I presume there's some correlation between those markets and ours but there's very distinct differences, with the kinds of attractions and visitors that we have historically and maybe even going future are looking to attract. I mean, Austin has grown to become very familiar with their attractions and, you know, I don't think that we want to institute a bridge like they have on Congress Street with a cloud of bats coming out.

Valeri LeBlanc: With the bats?

Mayor Lane: There's a big no here in Scottsdale. A lot of the big events appeal to a very specific crowd, not necessarily a national or international crowd, but more of a, somewhat of a local crowd of the younger folks. It becomes an attraction for their industry and the living, or the circumstances of entertainment for the technologists and the various people would take up residency and visit there, not unlike what we are trying to emulate in downtown Scottsdale.

Valeri LeBlanc: Well, I can address, let me just address Austin out of that. I didn't pick the cities. The task force did. Okay? So they gave me five and I picked three out of the five, mostly because I knew about the complexity of their experiences and events. And when you look at Austin, their big signature event is south by southwest and the instruction there is it hit so perfectly the market and the need, that it grew enormously large and it sort of drove their one-stop shop thing, because every piece of real estate, every convention room, everything was taken up by that. And they had sort of established, as you said an economic development march from that beginning. Now, it's not a new event. It's fairly old. You know, I think it was '82 or something like that. I mean, it's not brand new.

[Time: 00:18:31]

So it really did hit its mark, but there's an interesting new event in Austin, that you all are probably familiar with Austin City Limits at least some of you who have liked country and western music and some of that stuff. Austin City Limits has been on public television for 40 years or 30 years but they just started Austin City Limits Festival and it took off to be really big and strong draw festival. So one of the things that I say in the analysis is when you can marry media and an event, you can see the growth of it go faster. You can see it get bigger faster. So one of the questions is: Are there any of the events here in Scottsdale that we think might have those kind of partnerships we can go forward and try to make and would it develop a piece of the market that we would like to see?

And frankly, one of the things I really believe in is focus on what you are good at. Make sure that as much as you can, your events reflect who you are, because that's going to have many more spinoff opportunities than just going for, I mean, you don't have, that I know, a really strong music scene, live music scene. I haven't, I have been to you know maybe two or three live music events here, and so I don't see that as a focus for what you do here. I could be persuaded otherwise but what about food? What about some things around food that could get bigger and have partnerships and do some things that could be really strong? You know, those kind of question are questions I have.

[Time: 00:20:14]

I know you have some of those components, but if you look at the, at the food and wine event in Santa Fe, it's gotten really big! And Charleston started one about two years ago that has become really strong across the south. So I'm just saying there are some, there's instruction. There's instruction on what are the components that make this look different from what we are used to, and those cities are certainly different. What I liked about the three cities is that they are different enough to see how they develop differently.

Mayor Lane: Thank you.

Valeri LeBlanc: But our reason for three different kinds of events and festivals, events and happening and rituals is they are all different sizes. They all have different valances and rolls that they can do and you have to think about them differently. So we set up three different groups to look at them and look at them differently so that when we get all of that data together, we can start really making better decisions. And you have some one-page reports on each one of these initiatives that can help bring you along. Okay. So I'm hitting, there it is.

[Time: 00:21:37]

So let me just connect it all up in one story so that you can see sort of how this works. One of the things I say is we are going to look for ways to interpret the place, get more interpretation out about place. And so Ben Moriarty who has been doing a lot of work for you downtown and Paul Basha and Susan Conklu and a bunch of us went out on our first bicycle tour, and developed as a result of it, I'm trying to advance that slide. Sorry. We developed our first interpretive bike tour. This is not ready for prime time. It's not ready. It's not been safety tested by the police. It's not ready to be, it

doesn't have all the ways in which it could make it a richer experience for visitors, but at some point a year, six months from now, we will have a dozen of these and we will say, okay, how does this work? Which ones work? How do they work? Are they group tours? Are they individual bicycle things that people do?

And so this is the map for this tour. And, you know, if you start in Old Town and you come down and end up going through the Valley Ho and then you get to 16th street, what people said was it's interesting to see the migration, and seeing some of the differences in downtown. And then once we went through the Valley Ho, and then you got to 68th Street, and oh, it's a little scary. There are some things we can do from a transportation standpoint to make it safer. You know, if that's what people want to do.

And we got to that corner on the canal, and you have a view of Camelback Mountain, and a not so attractive view looking down off the, we call them levees. Canal banks. It's not so attractive off there and we talked to some folks about how we could improve it. Could we do a little display there on the canal and say, all right, so does this look like a camel you to? No, it's the wrong side. Here are the four sides and now you can see how it looks like a camel. Just those types of things that help to connect people up to the place.

[Time: 00:24:06]

We kept going down the canal bank. We went under the tunnel, which was pretty cool, but maybe it's an art opportunity. Maybe it's an interpretation of canal, an opportunity. We went to the bridge. I forget what the bridge is called but we went to the bridge and had a beautifully framed view of the McDowells. What I would love is can we put a telescope there or a fieldscope there or can we tell a little bit more about the McDowells and their geology or their religious significance to Native Americans or the story, the phenomenal story of what you did as a community to make those a part of your story and preserve them forever? So those are the kind of components that are an important part of pervasive interpretation. Will everybody take that tour? No. Will some people? Maybe. But what it does is it allows you to keep the story and message of what you have out there rich and lively for everybody that comes along. And some of those things can have some enhancements as a result of what we are trying to work on.

As sort of a close to my presentations at this point, what I would say is, we worked hard at the beginning on communication. Steve mentioned that we have a war room and the war room is an open room, people at the library. People can come out to the library and look at it. People in our task forces have been using them for meetings. All the materials are posted on the walls so they can see what we are trying to do and the details of the things we are working on and the maps and takeaways and all of that. So it's a lively room for meetings. We set up a process in which Ace Bailey has been coming to our task force meetings and taking our message back to the TDC and various members of the CVB have been taking our messages back and we have one other component that we have talked about, but haven't, in fact, implemented successfully and that is just sort of a notes dictation system, so that every so often we do a little notes to everybody.

[Time: 00:26:33]

These people are meeting. Here's what they are talking about, that kind of thing. And we have put the technology in place but we haven't gotten people comfortable with how to do it. So we have got to amp that up a little bit. And then the other thing is participation. We are now at the stage where all the task force members who were working know what they are up to and where they are trying to go. We are sort of at the end of the first quarter of work, and I think everybody fully understands what they are up to and now we want to move towards getting more participation and what I would say to people at home is all you need to do is raise your hand and say, hey, I would like to drop in on a meeting. I would like to contribute something to a meeting, and I think you will find all the people that are working on the task force, willing to entertain your questions and have you participate in the development of these ideas. At some point, we are going to have a slate of things we want to do at the end of the second quarter, maybe the dashboard will be one that's ready to roll out. Maybe there will be some other components that are ready to go and we will start developing that slate of things to bring forward for decision making. And I think maybe that's one of the things that's kind of odd, is that although we are meeting a lot, we are planning, we are formalizing plans and we are executing, we are not really executing at this point. We are getting to the place where we are ready to execute and maybe people who know that we are working hard and they are thinking we are making a whole bunch of decisions that we are making decisions to make decisions. So any questions about what I'm saying?

[Time: 00:28:13]

Mayor Lane: We do have one comment from the public. I don't have any comments right now from the dais, there's conversation throughout the Council report we received in that area, and that is if you don't change, you know, and embrace, and if you embrace, we like it the way that it is, that we risk a loss or.....

Valeri LeBlanc: A precipitous amount.

Mayor Lane: Of the market share but at the same time, at the same time, you were mentioning that we need to play to our strengths, which I fully embrace, is an important component. So changing does have the connotation of throwing out the baby with the bath water. But if we don't change, we will somehow be at risk of losing our market share. I think some of us might believe, and this isn't in defense of anything other than what Scottsdale is today, and still rather successfully, I think it sometimes points it somewhat more bleak than I think we might see it, but nevertheless, but rather not to change, but to evolve.

Valeri LeBlanc: Yes.

Mayor Lane: I think that these, all of these issues, they are strengths that we work with but as the market evolves, we need to be able to, if I would use your term change to meet that changing market, but it's an evolution, rather than a dramatic throw out and start anew.

[Time: 00:29:46]

Valeri LeBlanc: That's absolutely true. You can do it the way that you are describing. You can say that we are going to throw out the old, but why would you do that.....

Mayor Lane: I'm describing, not embracing.

Valeri LeBlanc: I can make a logical argument that there's no reason to do that here. You have planted the seeds of your future and your future is not dramatically different from what you love, it will enhance what you love. It will make it stronger. So that's, that's how I believe things. My shorthand for it is as more and more places become like each other, the places that hold on to the uniqueness will become more and more valuable. You don't have to look very far to see the homogenization. Look at the chain hotels.

Mayor Lane: Maybe for purposes of brevity it has in here, if we don't change, we run this risk and I think you spelled it out a little bit more and, of course, I inserted the word to evolve rather than to change.

Valeri LeBlanc: It's a better word.

Mayor Lane: Well, and I appreciate that but I guess I want to make sure that we are clear on that. We are not looking to be, and you know I kidded you about the use of Philadelphia in comparison and we are not Philadelphia. We are not even some of these other cities here.

Valeri LeBlanc: No.

Mayor Lane: We may learn something from them but it's important that we do and as you used purposefully and correctly maintain our uniqueness but still we have an evolving population, an environment within our country, all kinds of things that we have moved in the direction of, but we do have some other comments or questions at this point in time, but I did want to at least get that clarification. Thank you.

Valeri LeBlanc: Thank you.

Mayor Lane: Vice Mayor Korte.

[Time: 00:31:36]

Vice Mayor Korte: Thank you, Mayor. Thank you, Valeri. I'm looking at this report and this is, of course, the first time I have seen this and I guess I need to express my disappointment that I didn't get to see this earlier so that I could look at it and study it. So perhaps in the future we could get this a little bit earlier because we were given very little information ahead of time. I'm looking at influencing factors, this broad scope of greater Phoenix hit more harshly in the economic downturn and the social tensions around the 1070.....

Valeri LeBlanc: I think you are talking about John's presentation and maybe you want to get him to come up.

Vice Mayor Korte: Am I? Okay. Then I will wait. Then I will wait. No, I will wait, John. So thank you.

[Time: 00:32:42]

Councilwoman Klapp: It seems to me the three cities that you are looking at, the one that could most likely be compared to Scottsdale is Santa Fe, it's obviously more of the kind of the culture we have here and I think we could take a lot of thought about some of the events that Santa Fe has developed and consider how something like that could work here because they are known as an art and culture destination, and I know from my experience in talking to tourists and people who live here, we are perceived as an art and culture destination but not nearly in the sense that Santa Fe is. It seems that we could build upon that in some way, more events that relate to that because, you know, tourists love that kind of an event when they are going to other places.

Another thought was we have the unique green belt system and park system here. We have a mall area in our downtown, and I wondered if your group, one of the groups you are talking about, how we utilize those in other ways for art and culture, because some communities do theater in the park. They have performances in park. We don't do too much of that here other than we occasionally have a performance here in the mall that is developed by the Performing Arts Center, but is that something that you are thinking about? How can we utilize our open spaces for more art, performance art and other kinds of cultural activities that would be similar to those things that they are doing in Santa Fe?

Valier LeBlanc: Well, in terms of the Indian Bend Wash and green belt. That hasn't been our focus. More downtown. One of the groups has a job of looking at what type of events, little events to larger events and what do we need to make that easier to do, you know, ease of use is a cost factor. It's usually an investment up front, and then an easier process to animate going forward. So what works and how could it work is the question that people are looking at. And then each one of the groups are responsible for looking in the way that we have described what is uniquely here, what used to be here that we could recreate. What could we recreate given who we are talking to and that kind of stuff and they come up with a list. Everybody has sort of a working list, but nobody is ready to say, okay, we are ready to bring this to the task force and say here's our working list, that will be a fun meeting. When we bring all of that stuff ready to start talking about as the task force and our meetings are pretty animated when we get together. It will be interesting to see those results. And we are probably, I don't know, I hate to speak for the other groups, 60 to 90 days away from our first glance at that and maybe figure it all out. But it will be quite interesting.

[Time: 00:36:21]

Santa Fe has a lot of markets which don't have the same cost factor because they are looking at people who are going to be selling things. In that market environment, you don't have to provide as much support. Austin doesn't provide support for any of their events. They do waive some fees for the

city, but it's an interesting program. One of the reasons that I think Charleston is an interesting example for you guys, they are trying to claim, they say New Orleans without the sleaze unofficially is their slogan. But they are trying to consolidate their position as, I don't want to say old south, but the old/new south, and they are making some serious moves to get a regional thing going. So I forget the name of the publication. It's not one I subscribe to, but "guns and horses" or "guns and something." Anyways, they have a southern, but it's a regional southern publication that reaches across art, sort of the hunting, fishing, you know, the outdoor life and some other things in a really unique way, and they are going blockbusters on that hasn't they are starting to attract national media programs that want to focus on the south and all of that. I don't know what's there, you know, is there a new west, old west? Is there some focus there? But we have smart people thinking about this, and people that are closer to the ground than I am on it. I think of myself as more directing and refining some of their ideas to help them understand it from a model standpoint but not to come up with the ideas.

[Time: 00:38:09]

Councilwoman Klapp: Thank you.

Mayor Lane: Thank you, Councilwoman and thank you, Valeri. I think we got that covered.

[Time: 00:38:28]

Tourism Advisory Task Force Chair John Holdsworth: Mayor, members of Council, John Holdsworth as most of you know. I have the pleasure of serving you as chairman of the task force. This five-year plan is extraordinarily ambitious, but we have a great bunch of people who intend to make your strategic plan happen. Some of the things that we are doing in the early stages are, have been pointed out, are really in the infancy of trying to figure out what our options are, and see some of the best opportunities out there. There's been a lot of discussion about the cities that were chosen, for instance, to look at events. They weren't chosen because they are similar to us other than they too have got some great things going for them and they are trying to evolve those great things and build upon those strengths.

And secondly, they are cities that have proven in the last couple of years since the economic downturn, that they are ready, willing and able to take those evolutionary steps to improve their position in the marketplace. I don't want anybody to think that we are just looking at, you know, three places that may or may not have particular likeness to our great city but they are aggressive. They are doing well and we want to make sure that we take advantage of the things that we can learn from them and others. We talked a lot about subgroups and this plan is so big that the task force as an individual unit would have had no chance of succeeding whatsoever if we all sat around the table and discussed each and every opportunity.

So we took pieces of it, seven particular initiatives for year one, and we asked the volunteers and when I didn't get them, I appointed them. To take charge of those seven particular initiatives and two members of the task force and/or an alternate individual took responsibility for evolving some of those discussions and bringing back to the task force the opportunities they found. So I think what I would

like to do, seeing as so many of them have graciously attended tonight is to ask a couple of them to give you specific updates on the initiatives that they are undertaking on behalf of the task force as a whole, before we take the decisions that Valeri had mentioned earlier.

[Time: 00:41:05]

So I will do that in just a sec. At the end, I would like to give you some food for thought, and I'm going to answer, I hope, some of your questions. We have had some improvements. We have had some very, very tough years. We are also in a position where we mustn't let things lie dormant. I will tell you the good news and I will tell you some of the concerns that I have and others have in the community, that you should be aware of if you are not aware of already, and we should collectively take steps to make things better for the future. We don't want to give it away.

Mayor Lane: Absolutely, John and if I might, just for clarification, because this was dropped on the counter here, on the dais, is this a product of the commission? This says, it's labeled "food for thought" it's not.....

John Holdsworth: It is actually mine.

Mayor Lane: Okay. All right. And that's what I wanted to know the source.

John Holdsworth: I put those thoughts together based upon interaction that I've had with the TDC, with the task force, with members of the city, the CVB and other entities in and around town that I felt had a good opportunity to help give us input into some of the opportunities and challenges that we face. In addition to that, I think we have an obligation to let you know the good and the bad and there's some of both. So I felt I would just highlight some, and to give you an opportunity to think about them as we go forward, both in context of the specific individual things that we are addressing today, but some of the longer term things which this tome contains which will be affected by some of the things that I included in my food for thought.

[Time: 00:42:59]

I think the most important thing we can do in the short term is let you hear from some of the participants and we have talked a lot about events. I'm afraid I'm going to call on Kate Birchler who happens to be one of the task force members who is faced with that challenge and it up and we will let you know what she and her team have done today to date. When you look at the interest level and at rivals and Margaret Gunn is here also. Thank you, Margaret and she will come tell you what her team is doing and give you a sense of how we are putting this together in pieces and then bring it all back to you, once we have made some good decisions.

Mayor Lane: Thank you, John.

John Holdsworth: Kate.

Mayor Lane: Kate, welcome.

[Time: 00:43:46]

Tourism Advisory Task Force Member Kate Birchler: Thank you very much, I'm Kate Birchler, member of the Tourism Task Force and I'm co-chairing with Susan Morrow-Potje, one of them was to identify the destinations. We identified destinations that are different from the destinations we have already looked at. We looked at what Vegas does. We looked at what San Diego does. We looked at Denver. We looked at other competitive markets within our own state. We said, let's think outside of the standard destinations that we usually look at from our competitive set and as John said look at destinations that are doing things right, the food, the wine, the festivals, the different programming that they are doing and that's how we landed on these three.

It's not a similarity to who Scottsdale is. We think Scottsdale sets itself apart from these destinations but really to understand their best practices and understand what they are doing right and how we can learn from them and evolve because some of the things we have talked about is how do we define events during shoulder seasons or off-seasons? How do we take a one-day event to a three-day event. How do we make an event an event series and some of these destinations do a very good job of that. So we are evaluating those three cities as we speak and we are appreciative to Valeri and her team to providing that information to us.

In addition to that, we are working directly with the downtown stakeholders and understand what they want to see, how to make a difference. What are the areas that are really lacking in that energy and vibe that we want to see in a vibrant downtown and how do we make that better and who are the event producers and what is the infrastructure to make that happen and really create that experience here in Scottsdale that we all know and love. In addition to that, we are also looking at long term and short-term opportunities to really create a happening experience and where we could maybe pop up an event with approval, of course, but something that popped up and happens, you know, with a street market something.

I was in London recently and saw a great food fest will have that would fit in Scottsdale. We are very much in the discovery mode. We are having a lot of conversations doing our due diligence and our research and talking to the experts on this side of the business and trying to get a real understanding of what we can do to improve upon what we currently have and that is the focus of this particular committee. Any questions?

Mayor Lane: I don't see any questions right now. Thank you very much. I appreciate it.

John Holdsworth: Margaret, perhaps you would like to come up and talk about the arrivals group. In the interim, I wonder if I might ask other members of the task force to stand up. Dick Hayslip from the Cultural Council, and Matt Wright is the vice chair of the task force. He's working on the Dashboard, I think and what else? And Dick Hayslip is working with Craig Jackson and I on the community foundation. So thank you all for your input so far. We also have some members of the TDC to come and try to work together more closely.

Mayor Lane: Thank you, John. Welcome, Margaret.

[Time: 00:47:25]

Tourism Advisory Task Force Member Margaret Dunn: Thank you, Mayor and City Council. So our mission was to figure out how to welcome our visitors more with the Scottsdale warm welcome. So I went out when Matt and I are co-sharing. I decided to go out to the airport and pretend I just flew in and what was that experience like? So I went up to the gate and came down the escalators and baggage, to see if there was any warm, you got to see Scottsdale, come see Scottsdale. There wasn't. What our group is looking into is exploring those ways of how to identify aspects in the airport that will welcome our visitors, will bring Scottsdale to that new arrival. That was one of our initiatives.

The other is once you, so here is my adventure. I went and got on the rental car shuttle. And then that's where I parked my car and then I pretended like I was trying to get to Scottsdale from the rental car center. So if I didn't get very good directions, from the agent behind the counter, it would have been very challenging to figure out how to get from the rental car center to Scottsdale. One of the things we would like to look into is figuring out to combine with ADOT, the City of Phoenix, with the City of Scottsdale with a more welcoming way to direct people and a way finding way to direct them from the center to Scottsdale. So that's another thing that we are working on.

So I think as we evolve in into that, we also want to look at, is there a way to capture our visitors in a strong, warm, Scottsdale way and get them to our community a little faster and a little bit more efficiently? I think that's pretty much where this arrival part came. I don't know if anybody has any thoughts. Matt, I don't know if you have any additions to that. But we have a committee of, not a committee, but a group of people, lots of open dialogue, Chamber, CVB, hoteliers, myself and anybody is welcome to come and create in that dialogue. So we are very open and welcoming and that's what our group is moving towards.

Mayor Lane: Thank you, Margaret. We have a question or a comment from Councilman Robbins.

[Time: 00:50:12]

Councilman Robbins: Thank you, Mayor. Thanks, Margaret. I recently took many my family to Disneyland and some of their friends, and one of the cool things we got was an app on our smartphone that told you wait times in line so you knew where to go. And so that made us determine where we were going to go within the park and could even tell you where to eat and all of those things. Has anybody thought, if I was at the airport and I wanted to know how to get to Scottsdale, if this was a Scottsdale app that told me exactly where to go and where my hotel are and where the restaurants are close by?

Margaret Dunn: Absolutely and that's a very good thing. That is something that we are working on is how do we get a cool Scottsdale app to show how to get to Scottsdale. What's going on in Scottsdale and that really is incorporated with many of the other committees that we're not all working on those

initiatives separately, that we are coming together that we can have a very comprehensive app that you can get, you know, schedules to different things that are going on, how to get to Scottsdale faster, what to do, what events, other things you can do in Scottsdale. So that definitely is something that our arrival committee is looking at as well as when you come into the city, how do you really know that it's Scottsdale? Do we have something that's quintessentially Scottsdale that we want to have as you enter into the city, whether it's the sign that says welcome to Scottsdale, the friendliest bike place, whether you want to have a bike, a replica of the Frank Lloyd Wright spire up on Frank Lloyd Wright and Scottsdale Road, something that could identify our community that you are entering it. There are so many iconic things that we could do, along with the enthusiasm technologies and smartphones and things that we can incorporate that way as well.

Mayor Lane: Thank you, Councilman. Councilman Phillips?

[Time: 00:42:15]

Councilmember Phillips: Thank you, Mayor. It's funny you mentioned that Frank Lloyd Wright spire. Nobody knows what it is. It's kind of like, oh, yeah, you know, that big tall blue thing, that's where you turn. So you though, I don't know if you want to do something about that. I talked to Rachel Sacco about doing a Scottsdale app before the Super Bowl comes up. I don't know if that's a new idea. When you land in Scottsdale airport, the exit out is extremely boring. There's, there's no welcome to Scottsdale. There's no destination at that point. So I think a lot of people that come here for whatever event, that would be a good place to start. And if you know what I'm talking about.

Margaret Dunn: Absolutely.

Councilmember Phillips: So we will have Scottsdale corridor there, but if we could dress up that area, even the road out. It's a strange area for an airport, in and out. I think that's something that could be addressed. And the way finding in our own city could be much improved, and this way to special events whether it's the way finding with different color coding on the signs that people know more. I think we could do a much better job in not only in our own city, but trying to get people directed to our city. So I think that's a lot of layers to it.

Councilmember Phillips: Thank you.

[Time: 00:54:03]

Mayor Lane: There's a couple of things, obviously the app I think it's something that has been discussed a number of different times. It's a matter sometimes of connecting the dots with the right organization and you may also, you may know that we had a recently new arrival of a technology company, 29th Street which specializes in just that kind of thing. I understood that we had some opportunity with Economic Development, but it would be nice to make sure that we bring it around to fruition, if it's them or somebody else, but if we thought out a plan for that.

The other thing I wanted to mention, there are a couple of other things. Very much appreciate what

your efforts were in getting down to the airport and pretending like you were a visitor, and how would you sort of decipher your way through the maze that exists for a traveler trying to get to Scottsdale. If they were just trying to do it on their own. I know there was also some conversation with some development of something on McDowell Road with regard to whether or not we try to work through Economic Development to see if there isn't a rental car facility or a facilitator or a developer in that kind of area to bring people to an area in Scottsdale, where they could rent a car if need be, but nevertheless get them to town. The other side of it is I think Phoenix, excuse me, Phoenix has a significant amount of ambassadors at the airport which certainly leaves us dry on that.

The final item that I wanted to talk about is something that John has brought up in a number of different conversations with me but also in the course of years and that's the topic of lift in and out of Sky Harbor and how it's been diminished as of late with some consolidation and mergers within airlines but for other reasons as well. And I think that this is a dramatic area of real concern. When we lost Lufthansa. They open a vast majority of airlines in Europe and try to get that back again. That's going to require some real work with Phoenix and frankly, Economic Development should be looking at that very actively because Phoenix needs it as much as we do, but we're at the forefront of recognizing and at least identifying that problem and making sure, I know this is a little outside the realm of this overall master plan but it's certainly an important element and I appreciate John's continuing interest in that area and it is something we addressed a couple of years ago to no avail, particularly in the downturn, frankly, they had too much lift as it was at that point in time.

So those are all important aspects but I think this one critical area that you seem to have, at least volunteered to investigate, I think it's something that this, it would be nice if we came to a conclusion and then a path of how we can best address both the app and frankly, the entrance into Scottsdale from the airport.

Margaret Dunn: Absolutely. Thank you.

Mayor Lane: Thank you very much, Margaret. I appreciate it. John, is that the last of I just have one card if you want to..... Before you close out, maybe we will hear from the one testimony of the audience, unless you would like it otherwise.

[Time: 00:57:40]

John Holdsworth: I have a couple of comments in addition to Margaret's, which I think will help, the three things that we just talked about are, in fact, initiatives within the task force. The arrival center on McDowell Road has come a long, long way in terms of how and where it might be. We even have a location. We have a potential operator that has permits into and out of Sky Harbor. We are a long way down the way in some of these initiatives. Each and every part of the task force has a reporting date basically which is coming up, I think at the end of February where we will have some conclusions to draw from and then at the next session, we should be able to come back to you with some very specific suggestions as to how we move some of those to forward.

Mayor Lane: Very good, John. Thank you very much for that. We do have one request to speak on

this item and I will go ahead, if that's okay.

John Holdsworth: It's fine with me. I would like to leave with you some thoughts before we do finish but I'm very, I'm more than happy to hear comments first.

Mayor Lane: You may want to comment on this comment. Stand by. This will be Joan Baron.

[Time: 00:59:03]

Joan Baron: Thank you, Mayor and Council for allowing me to speak on this long range project which I think is extremely exciting, and as a citizen of Scottsdale since 1980, living in the southern-most part of Scottsdale, I'm particularly excited because I see so much innovation going on in my area of the city, and I see it expanding all across the city and a couple of those areas that I just wanted to emphasize tonight, one of them has to do with our arts community. It is growing and flourishing. And I'm sure many of you are aware that we just appointed a new senior curator and educational director by the name of Sara Cochran, and the direction that our Scottsdale Museum of Contemporary Arts is headed is nothing but stellar. I can see as some reference was made earlier tonight to Santa Fe's booming arts community, I just see us being next. I can see SOFA Scottsdale. We are ready for it. We will bring as Councilwoman Klapp identified, it's very clear to me that that's what's coming next for us. Huge economic opportunities there.

I think another area that I would like to point out is our unique neighborhoods, and one of the very successful things that the City of Phoenix has done, for example, is they have identified a lot of their neighborhoods with names after a person that lived there, a story of someone who, you know, the community has come to love and as a result of that, we identify all of these areas around Scottsdale that make us unique, and we create tours. People love tours. It's one of the hottest things. They sell out. An example of that is supporting the modern Phoenix tours. Those tickets sold in two days. It's building and building. It's just another example of how we can continue to use our innovation and our arts that flows right into the use and better use of our open spaces. It was mentioned about our parks. Absolutely, why not a sculpture park? That's another great destination. People love those spaces.

And I think the combination of our Scottsdale Arts Festival and the Scottsdale Center for the Arts, that partnership is just brilliant. We got a new evolution of that creating a better entry and way finding there. So I think we are on a great path and I salute this, these task force teams for the work they are doing. Thank you.

[Time: 01:02:13]

Mayor Lane: Thank you, Joan.

John Holdsworth: Thank you very much. I had wanted to end on food for thought, I want to end on food for thought. I thought it would be a good opportunity to go through how we have been performing over the past few years compared to other identifications. Identify some of the factors

that are influencing the trends that we are seeing, and perhaps more importantly, to look at the factors that we need to ensure that we maximize the future performance and improve our position in the marketplace. So Councilwoman Korte, I have to apologize for the lateness in presenting this, but it was solely my problem. I wasn't able to get to it until the end of last week. So a little bit behind schedule. My apologies. We will try to get it to you earlier.

If you look at room demand, growth, occupancy, if you will, over the last few years, if you look at our performance against the rest of the nation, there was some fairly worrying factors included, and the information I have given you here comes from Smith's travel research which is the renowned research company, the hospitality initiatives in the nation. I'm not going to go into the detail line by line, but I think you will start to see pictures evolving that all is not necessarily great but things are improving, and it's not working..... here we go.

[Time: 01:03:53]

If we take ourselves back to 2008 and before, and the good old days that we used to enjoy, you would have found in the greater Phoenix market and certainly Scottsdale position, probably in the top five. In 2012, the general metro area had gone way down in its performance. For those of you who don't know, RevPAR is the model of what hospitality companies look at for its performance, it's revenue realized per available room and this is revenue seen by other major marketplaces. Again, not all similar to ours but just to show that some are performing extremely well, and we are doing better in 2012 than we were before that. And in 2013. A nice jump in the right direction, but still a long way to go. This has not been very cooperative, I'm sorry. I'm not sure what happened here. If we go to slide 15, please. Sorry. I think Councilman, you have a question on this particular issue about social tensions but we did get hit very hard during that time. And in particular the meetings market which.....

Mayor Lane: Excuse me one second, John. I think we have a question from Councilman Phillips. Or a comment. Councilman?

[Time: 01:05:40]

Councilmember Phillips: Oh, well, thank you, Mayor. If you go back to the last slide. That one ride. It looks like you are lumping Scottsdale in with Phoenix, Arizona.

John Holdsworth: That's how Smith travel research looks at us as a market. You can see our performance has improved generally but in terms of the top 25 visitor markets in the U.S.A., we are fortunately or unfortunately lumped in with Phoenix.

Councilmember Phillips: Yeah because, you know, I have a hard time swallowing that. I mean, you look at 2013, Detroit is 13 and Phoenix is 16, and so you are saying that people would rather go to Detroit than Scottsdale?

John Holdsworth: I didn't put the research together and I don't put the collective areas. That's why I did a little bit later, you see I have broken out Scottsdale specifically and there is some good news there.

Councilmember Phillips: Yeah, I'm sure there is.

John Holdsworth: There's no, unfortunately, there's no national research that takes us out. We are good or worse, better or worse, lumped with Phoenix.

Councilmember Phillips: Okay. Thank you.

Mayor Lane: Thank you, Councilman. John, if you want to continue.

John Holdsworth: Councilwoman Korte had a question on this particular issue, some of the influencing factors. Meetings market in particular, are affected by these four things, not in isolation but these are some of the things that we hear from meeting planners in and around the nation and, in fact, internationally as well that are affecting our ability to recover more quickly and I think you had a specific question Vice Mayor Korte?

Mayor Lane: Yes, Vice Mayor.

[Time: 01:07:40]

Vice Mayor Korte: John, thanks for this. This is a really nice picture as we go through. I'm, I guess I'm, what stepped up to me on these influencing factors, is the safe and security perceptions in that Scottsdale has been recognized as one of the safest cities. We know that. My question to the tourism industry or as political leaders, if this is an influencing factor and perhaps being lumped with Phoenix and other tourism destinations in all of Arizona which we are, how do we answer this? How do we impact this? How do we turn that around?

John Holdsworth: Well, I think the CVB has done a tremendous job in trying to market what we really do have and what the perception is. There's a lot of media, national media in particular, that won't take us away from Phoenix and there's a lot of issues in and around Phoenix on some of these more difficult issues, and in Arizona as a whole, that we are being affected by. And what seems to be the case is that for the most part, people don't want to engage in the discussion. They would just rather not talk about it. So when you go to the big meeting planners and, in fact, the CVB has a lot of experience in this particular area, if you go to meeting planner and they don't even want to talk about it. They just don't consider us as a destination. So we have a very important job to keep sending the message that what we have is great, and we are going to build on it and we are going to improve things and we are, you know, we are not going to stand still. We are going to evolve, Mr. Mayor, not change, in a way that we would hope to encourage them to come back. And I was extremely surprised that this is still a factor. I believed in my own heart of hearts that it kind of got away. You don't see and hear it on the news like you used to, but out in the marketplace, the decision makers, professional meeting planners and within organizations and some specific state organizations still have an issue with these factors.

Mayor Lane: Thank you, Vice Mayor.

[Time: 01:10:14]

John Holdsworth: A couple of other things here, the strategic plan, as you saw, is a huge book, but I thought I would highlight some of the concerns we talked about, perceptions I just talked about as a serious meeting destination. Negative fallout, and racial tensions and the need to re-invent is the one I haven't touched on yet, but it comes back to this evolution. We do have some strengths, but there is a tendency to accept the strengths will remain forever and that's not necessarily so and as you pointed out, Mayor, that, you know, the change of, the face of Scottsdale is changing in as much as the millennials are becoming more important, the visitor, apart from the fact that we are looking for the same type of demographic is changing and we need to change with it. And what we don't want to do is to become part of the megalopolis and we want to keep our uniqueness and take advantage of what our neighbors might offer us but remember that we do have a uniqueness and continue to reinvent ourselves with what people will relate to Scottsdale. We touched on lift a little bit and I won't go into these in great detail but as you can see, there's some significantly concerning factors that affect the whole of Arizona, and we are looking for both the meeting market and individual traveler.

Mayor Lane: We have another question or comment from Vice Mayor Korte.

[Time: 01:11:52]

Vice Mayor Korte: I'm sorry, John. Back to the noted variety of key concerns, the need to re-invent. I'm hopeful that at the end of this research and study period, that we identify specific things that we need to do to reinvent ourselves or to evolve ourselves. And I'm hoping that that it embraces much more than just the tourism community. You know, that it embraces other infrastructure that Scottsdale needs to look at to support this important economy of ours.

John Holdsworth: Well, absolutely. And I believe and most of my task force members and colleagues agree too, that you know, tourism is an enabler in many ways and the community itself should benefit from what tourism or the infrastructure that comes with the tourism can offer and we will have some very specific recommendations to bring back to you. Unfortunately this is a massive plan that's going to take a long time to do. It's a five-year plan and as much as we would like to do it all tomorrow, we want to make sure that we get it right too and not just jump into things and be careful that we don't lose track of some of the other influencing factors outside of our control like this one to a certain extent that could affect our long-term ability to evolve. I did put a couple of comments at the end. It's frightening to me that Sky Harbor was the only one of the ten busiest airports in the U.S. to report declining passengers in 2012.

The American-U.S. Airways merger agreement, a lot has talked about it and everyone keeps telling us that Phoenix will remain as a hub but if you look at the Justice Department agreement with the new American Airlines, it's only required to maintain a hub here for three years and there's no indication as what might or might not happen after that. I'm not saying that it will necessarily but it's something that we should be cognizant of and continue to monitor. It doesn't like your finger or mine, Valeri. You know what will happen, it will go forward ten in a minute. Can I get some help from back there,

please, to move this one on, the keyboard doesn't seem to be working. I must have hit it ten times. Thank you, Steve.

[Time: 01:14:32]

To Councilman Phillips' comments, you don't like to be put in necessarily with our neighbors and neither do I so I tried to look at more Scottsdale specific performance and I did expand it slightly to include Paradise Valley, Salt River-Pima, Fort McDowell and some portions of southern Phoenix and you can see hopefully from this map, although even I'm having trouble with my glasses in reading it. So hopefully you will see the physical area that we are talking about. And we looked at some of the room demand things that I showed you earlier on a national level and in 2010, Scottsdale itself came back and did pretty well against U.S. performance and better than others.

And then we hit a wall somewhere and we did extremely poorly in '11 and '12, against pretty well all of the other metrics with the exception of our close neighbors. 2013 is showing a different picture and it's an improving picture, specifically for the City of Scottsdale and greater Scottsdale has an advantage for us in as much as there's some new properties that are gaining some interest in the visitor communities. So at least we are bringing them into the region. So things are improving, without question. I don't know what I'm doing here, Steve, but I'm hitting the same things you did and now it works. It is the, this is an American machine. I'm actually an American citizen as well, by the way but this is obviously not the English version. Thank you for that.

Bed tax collections, it's very easy for us to get very excited about the coffers that are fuller today than they have been for some time. But I'm also concerned that we feel too comfortable in that position. As you can see, if you look at the 3% we had before Prop 200 against the monies that we have in the coffers today, the performance actually, and I will put it specifically in dollar terms, if I can get the English people to work. As you can see, we are not actually back to the same levels that we had in 2008, where the 3% level. Only doing so well because of the 2% increase. And I think what I would like to comment on there, that both the city and the CVB and its efforts to improve and address tourism in this particular area has a lot to do with the fact that the improvement is there. So the dollars come with the improving performance but we shouldn't let ourselves rest on the laurels that things are great. They are certainly a lot better, but it's a long way to go.

[Time: 01:17:33]

We talk about competitions. So I don't think I really dwell on this. I did give you some information about some other resorts, other than Austin and we didn't do it in conjunction. We mentioned some of these other destinations that have done some fairly impressive things and out-performed us in the years of 2011 and '12. For the most part, in areas like Austin, in particular, where they tried to enhance their existing infrastructure and event community has done exceptionally well. We talked again about why they are doing this. I apologize for the duplication. Again, this is due mainly because of my late coming to the table with this. So I won't go into any specific issues here unless you have questions for me afterwards. But we talked quite a lot about embracing evolution not change, Mayor.

Mayor Lane: Excuse me.

John Holdsworth: We will continue to look at that.

Mayor Lane: Councilman Littlefield has a question or a comment.

[Time: 01:18:49]

Councilman Littlefield: So what exactly new development did Austin, Palm Springs, San Antonio and Tucson create to give them an edge?

John Holdsworth: I'm sorry, I didn't.....

Councilman Littlefield: Well, you are saying here that other southwest competitors out-performed Scottsdale, and the implication from our slide is because they did something having to do with continuing evolution in product development that we didn't do. So what is it that you think that they did that caused them to out-perform us?

John Holdsworth: Well, there are lots of individual things and I don't look at all of them but some of them are actually shown on this particular slide. You know, they have got some new activities that they either have introduced or enhanced from previous opportunity that have helped them improve their performance. We, other than what we have just been able to achieve at WestWorld have done very little in terms of new activity, in terms of new events or new infrastructure. That's something that we have been lagging over the last few years and it's something that, one of the reasons the task force is addressing it is to find ways in which we can come up with new initiatives and find ways to introduce new infrastructure, new events, new opportunity to bring us back.

Councilman Littlefield: What I don't see here is what new things did they do?

[Time: 01:20:22]

John Holdsworth: Austin we talked about. They have done a lot with their music festivals there. In San Antonio, they have the culinary institute. There's a lot of activity there. Palm Springs is doing a celebration of 75 years and bringing back the glory days. Those are just a few. You can look into specifics or I can get more specifics. These are some of the things I have seen and been talked to about, that other communities were doing and that we didn't appear to be doing. So if you want a definitive list, we can do more research, which we are doing in our area, these are just a few examples. If you would like more information, I can do that.

Councilman Littlefield: If the implication is that we are not evolving, all right, the obvious answer is what does evolving mean?

John Holdsworth: That's finding new events. It means building new infrastructure and getting new

things for people to do when they come here. And we haven't been doing that as much as we should. I don't know what other destinations are doing. I care more about what we are doing or not, as the case may be.

Councilman Littlefield: So is part of the output of what we are doing here going to be a list of new things we should do?

John Holdsworth: We hope so.

Councilman Littlefield: Pardon?

John Holdsworth: We hope so. So that's what we are working diligently to do. I mean, that's the whole point. The task force is trying to look to see ways in which we can enhance, maintain and improve when we have. One of the problems we have is that repeat visitation will go down to a degree as generational changes take place, and unless we bring new and different things to build on what we already have, we will not continue to grow.

Councilman Littlefield: You are not prepared to say what they are?

John Holdsworth: No, at the end of 90 days we are not ready. It doesn't mean us, but us collectively as a community.

Councilman Littlefield: Would expanding the Tony Nelssen Equestrian Center would have counted as evolving?

[Time: 01:22:52]

John Holdsworth: I do believe it is, but we didn't do anything about marketing it, did we?

Councilman Littlefield: Well, actually we did. We appointed a marketing consultant.

John Holdsworth: We did about two months ago but we didn't do anything for the two or three years before that when we should have done. If you look at any of the resorts here that invested hundreds of millions of dollars in new ballrooms and expanded rooms. They went out three years ago to sell and market what was coming. We waited until we had it and then said oops, we better do something about it. Sorry. Those some are of the things that we need to make sure that we don't make those mistakes again.

Mayor Lane: Thank you.

John Holdsworth: I think some of that is tainted but it's fantastic. But we haven't told anybody that. We are going to, which is terrific. But that's just one thing.

Mayor Lane: Thank you, Councilman. Councilman Phillips.

[Time: 01:23:54]

Councilmember Phillips: Thank you, Mayor and this is nothing to do with your presentation. I think, you know, you are doing fine for what you are doing and I believe in tourism. I think we should have more of it, but I feel like we have to use this opportunity when you are talking about what can we do to bring more tourism in, and I hear other groups saying we have to get away from tourism. And what is happening, you know, over the last, we lost Rawhide, we lost Riata Pass and I think a lot of people who are used to come here are thinking, you know what, Scottsdale is not what it used to be. We are losing a lot of that stuff. What we are places can I go? I think that's what happens when you get away from tourism, and over develop. And I think that's Scottsdale is in danger of. When you talk about what can we do for tourism, we have to talk about how do we make sure that we don't overdevelop to the point that people don't want to come here anymore. Thank you.

Mayor Lane: Thank you, Councilman. John, you know, just to go on a little bit of the point that Bob was making, and I suppose there's a little bit of defense and I understand. I get a little bit of a sense of an edge, as far as you are concerned about the promotion of that Tony Nelssen Equestrian Center. Frankly, there's been huge advancements, as far as the building of infrastructure at a time that was critical by virtue of the available funding of tourism tax dollars for infrastructure, and I think whether it's the Tony Nelssen Equestrian Center, aside from the idea that maybe there was a little bit of a delay in getting it booked, it's in process. So I mean, we can't lament to the fact that that time is lost. And, in fact, I think it has been moved in a positive direction to this point in time. It goes to this statement, really, of not developing that kind of additional venues, additional attractions, additional events. All of those things are certainly in process. And I would say also, and I don't know where you might be on this, but even the rebuilding of the TPC is, the availability of those funds which is critical for that to continue after 30 years of no continued rehabilitation of that city and Bureau of Reclamation property but also the Scottsdale Museum of the West, something that has been planned for 50 years.

John Holdsworth: And it was expanded recently, which is terrific.

Mayor Lane: That's right. All of those things are almost in direct response to what you are talking about and frankly, the fact that they don't happen overnight. I'm certainly appreciative of identifying our weaknesses. I think I'm more on to where do we go from here? We can talk about past political issues and all kinds of things. We really have to talk about, hey we have a product here that needs to evolve and build upon. How do we best community that? How do we best use our existing assets and grow them into a new market place? You know, the statement and I'm wondering how to do that, Scottsdale doesn't attract visitors that could have been ours. I don't know how we can do that without illegally abducting people. So I think all of it plays to whatever the master plan maybe adds to the picture of how we enhance it. I'm, you know, I'm not really interested about the depth of the problem personally. I'm thinking about where do we go from here. That's what the task force is put to go to do. As far as any slip ups in this process, which has been a very busy time, under difficult circumstances, all the way around, some of those circumstances you have already identified. I think it's important that we take on a positive line on this and not dwell on what we may have potentially slipped up on in your view or others view. And, again, there's a little bit of defense on that because we

have been pretty aggressive in using those dollars to the best possible way, even in promotional dollars.

[Time: 01:28:08]

John Holdsworth: I'm not even trying to apportion blame here. I was challenged on a particular question which I had a response to, we are both entitled to how we feel about that. What I'm trying to see is encourage continued concern and thought. And the task force is in place to try to improve that over the next five years. It can't be done overnight. I accept that.

Mayor Lane: And I do understand that, John. But for the purposes of moving forward enough on the, you know, the past problems and the issues as they may exist today and even comparison to some of the Oregon locations, I'm concerned as I expressed to Valeri, I want to make sure that we are considering, and I'm not trying to overdo this, but considering what Scottsdale is looking for, versus some of these other locations. I know I have kidded Valeri enough about the comparison with Philadelphia, which I have firsthand experience with, and I do not want to be compared to Philadelphia anymore or what they have done or what they have done or not done, but nevertheless, I think that maintaining a perspective on how we move forward, maybe to overcome some of the sins of the past, but nevertheless, however we do that, that's what I think we are all here to look about as far as reinventing Scottsdale, others aggressively reinventing Scottsdales at risk and listen, I would like to say, Edward, do not use that as a headline. Not that I can dictate to the press, but I'm concerned about that view.

John Holdsworth: I'm not trying to point blame or fingers or anything else, I'm just offering some of my thoughts and they are mine. I said that right at the beginning they are not all right but it's derived from others that know much more than I do and have researched it more. I think we get hung up on that we don't want to be compared to this, that or the other. I don't think we are trying to do that. We are trying to find places that have done well in this particular area of tourism development and learn from them.

Mayor Lane: I think we are really talking about the methodologies that may have been employed to get there, wherever their market is or whatever they are aiming for. So we have to consider our market and what methodology we would like to employ to get there. I think that's what it gets down to and I don't mean to over simplify it.

John Holdsworth: I think some of our research will show some of these destinations have done things extremely poorly and we should make sure we don't make the same mistakes.

Mayor Lane: I still think about those clouds of bats under the Congress Street Bridge. That's not something we are shooting for. Valeri, please don't make that suggestion.

John Holdsworth: I don't think the task force would allow her to but I don't think she has any intention.

Mayor Lane: Obviously, no, I'm kidding.

[Time: 01:31:20]

John Holdsworth: I think perhaps, if I may finish because I know I have been talking too much as usual and I'm not trying not to be argumentative, but I'm fairly passionate in the people I'm working with on this task force are the same. We have made quite a lot of steps, good steps in a very short time. We have raised a lot of issues. We have ruffled a few feathers. We have entered into some great dialogue with groups that we never talked to before. We have been talking with the City Manager about the importance of tourism within the economic development environment, I'm a great believer that we should leverage our tourism assets but it's so important to our city that it deserves focus.

I'm glad to say, if I may say, that we will make some changes or the City Manager will make changes within the organization shortly which I'm sure he will share with you if he hasn't already, to focus specifically already on certain areas and tourism being one of them, which I think is a terrific step forward in helping us do some of the things that you would like to see us do. On that note, thank you for your attention. If there's no more questions.

Mayor Lane: Yes. We have a couple of or comments or questions. Vice Mayor Korte.

[Time: 01:32:43]

Vice Mayor Korte: Thank you, Mayor. I agree with your comments that Scottsdale has been sleeping for the last couple of years, perhaps the last five years. We certainly have not invested in our infrastructure to support the tourism industry. We have been resting on our laurels and I think it's important to recognize that weakness so that we can move forward and not do the same mistake twice. And continue to move forward and build I think it's important and I think this, your work and also the work of the entire task force illustrates that the tourist has changed and continues to change. So while Rawhide may have been a viable business model 15 years ago, clearly it longer was a viable business model or it would have still been there. You know, the market drives that and attendance drives that. So I think it's important that we recognize how the tourist is changing and identify that characteristic so we can better move forward with our strategies in this plan. Thank you.

John Holdsworth: If I may just answer, the CVB and the city both have invested significant time, dollars and effort in looking at that. It's the evolution of understanding where we need westbound that chain.

Mayor Lane: Thank you, Vice Mayor. Councilwoman Milhaven.

[Time: 01:34:25]

Councilwoman Milhaven: First of all, I want to thank all the members of the task force. It's a true labor of love when you commit your time and treasure and talent to such an important part of our community. I want to thank all of you for your contribution to make this a better city. And I'm so excited to hear about your process and the questions you are asking. It's like you pose a question of, yeah, what is the answer to that? And so it's interesting to hear about your process and the questions

you are asking. We know that good, critical thinking and problem solving is about asking the right questions. So I can't wait to hear what the answers are and I'm so excited to hear Valeri say we will get to the things that we want to do.

We want to know what you want to do. I know I can speak for myself and I think one of the things we all agree, all seven of us agree is how important tourism is to our community. And so we are anxious to support your recommendations. And, John, we have done a lot but I think there's a lot more we need to do in terms of investing in our infrastructure. I'm so pleased that the decisions we will make with how we spend the bed tax funds will be informed by the thoughtfulness of this task force. Thank you all so very, very much. And Councilman Littlefield, I heard you say get away from tourism. I have never heard anybody talk about getting away from tourism.

Councilman Littlefield: I didn't say that.

Councilwoman Milhaven: I'm sorry, Councilman Phillips. Pardon me, thank you for correcting me. I think it's the power of "and." It's not tourism or something else. It's tourism and how something else. How can we diversify our economy so that during the cycle it's not a whip saw. So I don't see us getting away from tourism. I think it's the power of "and" and diversifying our community and adding more to it. I thank you all. I can't wait to hear what you want to do.

Mayor Lane: Thank you, Councilwoman. Councilman Robbins.

[Time: 01:36:21]

Councilman Robbins: It's great to see this many people out here about an issue that the Council is talking about. We have a billion dollar budget and we have three citizens that show up. It's nice to see so many people in the industry come out for something that they are so passionate about and I think we should be. And I like the fact that we are wrestling about this and that we are having some discussions maybe some heated discussions. If we want to figure out what the next iteration of Scottsdale is, that has to happen. I think obviously we have been in survival mode in the last several years as an economy and so we have been battering down the hatches. It's more difficult.

But I think we have as was suggested we made some important infrastructure investments in WestWorld and in TPC and McDowell Mountain Golf Course and others. And then with the events that have happened, some new events, this will be the third year of the Scottsdale Baseball Festival and Charros tried to do bull riding and a concert this year. There's a lot of things that have been happening and I know it will continue to happen. Those are the kind of things we want to see and grow and stretch on those kind of things. So, you know, like Valeri had said, we are in the first quarter of this process and so I don't really think to see a lot of conclusions. That will make it fruitful and good at the end.

John Holdsworth: We are having some healthy debates, I can assure you.

Mayor Lane: Thank you, Councilman. Councilman Littlefield.

[Time: 01:38:15]

Councilman Littlefield: On point number three, projects that have been on the drawing board for years and need to move ahead, what projects would they be?

John Holdsworth: Desert Discovery Center for one.

Councilman Littlefield: Others? Anything else?

John Holdsworth: That was the one that came to my mind.

Councilman Littlefield: Okay.

John Holdsworth: There are others, I'm sure. One of the most important ones we as a community need to address is this amazing opportunity.

Mayor Lane: Thank you.

Councilman Littlefield: Really do you think the whole tourism community backs that idea?

John Holdsworth: I can't speak for the whole community, but I know there's a lot of support for the Desert Discovery Center. I think we should do things for the community. Get the concept right and then we'll find out a way to make it happen, my personal opinion and I think shared by others.

Mayor Lane: Thank you, Councilman. Councilman Phillips.

[Time: 01:39:20]

Councilmember Phillips: Thank you, Mayor. Well, where to begin, the DDC, that's the \$80 million price tag. You say worry about it later, but you can't because that's a lot of money and that's why it hasn't evolved. Councilwoman Milhaven, the Chamber and the Bond Task Force has said that we need to get away from tourism and it's no longer a viable economic engine. That's where I got that from. Councilwoman Korte, I'm not saying we have to have Rawhide, but you know, tourism of multi-high rise housing, people won't come to see that. As far as your presentation goes, I appreciate it. I want to see tourism, I think that is what will sustain Scottsdale and I believe that's what we need to work on. So keep up the good work.

John Holdsworth: Thank you.

Mayor Lane: Thank you, Councilman. Final comments on this, I suppose, and that is that number one, I want to thank the task force too, and I, of course, participated to some degree with this group. I certainly appreciate all the time and the effort you are putting into this and the thought that's gone into it and frankly, I can understand that there's some rather interesting debates and discussions about various

elements and I appreciate that, because it's a positive thing in any kind of moving forward with any kind of consensus and I think that's how we come to these better decisions.

I will say, one thing, the DDC, it has been on the drawing board, like the Scottsdale Museum of the West and whether or not the rebuild of the TPC, whether it's scheduled properly right now but nonetheless, one of our greatest attraction with the largest number and frankly, it feeds back into the bed tax in a major way with the great clientele that we are looking for, and certainly they were not thinking about it immediately but probably for the last ten years they have been thinking about that.

And then, of course, the Tony Nelssen Equestrian Center which we transformed into an equestrian center into a multiuse facility and if you want to look at both of those items, they have been on the drawing board for a long time. The replacement of the tent, ultimately has been in at least in the works for 10, maybe 20 years as far as that goes too. So all of those things were those items you were talking about being on the drawing board and there may be others.

[Time: 01:42:00]

But as Councilman Phillips aptly pointed out, it's always a matter of funding. When you think about the capital improvements within our infrastructure, for our core functions within the city, being turned down by the public, you can only imagine that those kinds of items probably wouldn't have had a prayer of being accepted and this Council by policy, a number of years ago, probably three, four years ago, we used the bed tax, that allocation of the bed tax for capital infrastructure, that's the only thing that allowed these to occur. And so we off lifted the obligation to fund tourism infrastructure from the citizens, our residents on to the, essentially on to the tourism community to have it pay for itself for those improvements. That's the only thing that allowed these things to happen in some of the most critical times for the city's history financially.

But we were able to do it with some major innovation on the part of this Council to accomplish that. So a number of those things. I just listed four, including your DDC item. But the DDC is probably one of the more controversial and certainly the most expense item by far and away and I know that the group that is working on that, after a series of rather expensive investments in studies on the subject are still working on that as to whether or not there is a ready market for it, and whether it's an application that can be received by the communicate and by our tourist community as well in order to make it work. And I think they are on a line to work that through. I applaud their effort, and I hope they can put together a private/public partnership that it will be able to be built in some form or another. I wanted to mention that in conclusion as far as I'm concerned but as usual, it's given rise to Councilman Littlefield's remarks on the other side.....

[Time: 01:44:18]

John Holdsworth: I will have one comment too. You will notice from what I said, I didn't point the finger at the use of public dollars. I said we being the community we need to fast track some of these things. We need to find a way to work to go and I'm glad you raised private/public partnerships because many of these initiatives will never happen if we don't create them.

Mayor Lane: I agree with that 100%. Thank you, John and I will let it go at this after Councilman Littlefield's response here one way or the other. Thank you very much for the work you are doing, Valeri and the entire committee. Councilman Littlefield.

[Time: 01:44:51]

Councilman Littlefield: I have nothing but warm things to say about it.

Mayor Lane: Let me brace myself.

Councilman Littlefield: There was a note of testiness up here and usually when we are talking about tourism, we are all pretty happy. I thought why are we having this note of testiness and I thought about it, four years ago in 2010, the tourism community came to us and said, we want you guys to increase the bed tax and we want you to change the formula by which you allocate that so we could now build, use that money to build more attractions, literally to evolve using the terminology of your food for thought. And I'm pretty sure everybody up here, even those who weren't on the Council at the time supported that, and Council unanimously put it on the ballot and the public passed.

It then we turned around and we took that money and we allocated, well, not all of it, but pretty much most of it, the Museum of the West, Tony Nelssen Equestrian Center. We allocated money to this study. It's hard for me to believe that there's any community out there or any City Council out there that's been more willing to allocate resources and time and attention and money to tourism than this. I guess the tone of your presentation here is a little surprising to me. We pretty much gave you everything you asked for and so I guess I'm kind of surprised. The other thing is as the Mayor for whom I have nothing but fondness, pointed out earlier, nobody can seriously believe after last fall that any type of tourism attraction is going to be approved by the public for bonding. That's just not going to happen. I guess I'm a little surprised at the tone of this presentation. That disturbs me. Because I think this Council has been pretty good to you guys.

[Time: 01:47:11]

John Holdsworth: I'm sorry to hear that. I didn't try to point fingers nor do I think that I attempted to. I think it's food for thought that we must continue to be aware of factors that can influence our future performance and performance in the marketplace. We can talk about how much we did or did not invest and you know I have been very proactive in helping some of the initiatives to get some of these things done and I applauded you publicly and privately as a group for the good things you have done. I didn't come here to point fingers. I came here to show us all that we mustn't lose sight of what could happen if we don't continue to evolve, invest, be aware of competition.

Councilman Littlefield: I guess the bottom line is, I will be interested to see what the requested deliverable is. When we get down to what does it specifically mean to evolve and so maybe we need to wait.

John Holdsworth: Well, the tasks that we are charged with addressing are in this document. And we are piece by piece addressing every one of those items in this strategic plan that was put together by the tourism community and the city –appointed consultant and the City approved them. We didn't make this plan up. We are in place to look at ways in which we can accomplish your plan. And that's what we are going to do.

Councilman Littlefield: Are you okay with the plan?

John Holdsworth: Yes, I am for the most part. I think it will change. Nothing that is five years out in today's world is going to stay static. I wouldn't be standing here or doing what I'm doing and spending all the hours that I'm doing and neither would all of these other good people, if we didn't believe in number one, the need for it and number two the basis of it.

Councilman Littlefield: Well, I will be interested to see what you finally come up with and what you will ask for. That will be, I think, that will be the key to the whole thing.

John Holdsworth: Well, I think the current budget stream numbers are out there for five years that you had approved. We are working within those, if we believe them to be insufficient, or we see opportunity that we think further investment will return a greater opportunity, then we will come to you at that time, but at this point, it's very clearly stated as to what the expectations are for this particular plan to get implemented.

Mayor Lane: Thank you, Councilman. Councilwoman Klapp.

[Time: 01:49:55]

Councilwoman Klapp: Thank you, John, and I appreciate the process that you have gone through with the task force and with us tonight, and nothing wrong with a little soul searching. We don't want to rest on our laurels and we have to look at what is today and then try to take that information and decide where we want to go with it. So I appreciate you grounding us a bit. That's certainly not a problem for me. My experience has been in the past, in companies I have worked at, where strategic planning was doing, they come to the high level people and the high level people take exception with the information, even though the data is very telling and they argue with it. I understand what you are telling us. I'm looking forward to what you are going to bring back to us.

That's what's most important, what are you going to bring back to us that will be something that we can move forward with. And I'm also going to be interested in hearing, nobody really explained it very well to me, what the community foundation is going to do because there's been discussion about how we are going to fund some things. I'm assuming the community foundation will play into that in some fashion, and obviously has been mentioned bringing in the private sector for funding is critical. Other cities do it. They don't depend on public money to do things done in those cities. We have to find a way to make that happen in Scottsdale so we don't have to fund everything through tax dollars.

John Holdsworth: That's the purpose on the foundation. It's not as easy as I hoped it would be, I

have to tell you, but we are getting there.

[Time: 01:51:51]

Mayor Lane: Thank you, Councilwoman, and John, again, thank you. I would just hope that we, the consideration we have for the private sector and the investments as has been made in the tourism industry are also an add to the component and frankly, a clear indication of the increase and the demand and to all of those feeder type of amenities, private amenities that feed into this, they are a major component for us here, not to mention the preserve too, which we are also adding to the equation, on large part. I know there's a lot of focus on downtown but there's a citywide issue. So thank you again, John.

John Holdsworth: We appreciate your support. And you can be assured that we will come for more of it, not necessarily monetarily. We need your backing and your support. Thank you.

Mayor Lane: Thank you, John. Okay. I think we worked that one out.

ITEM 2 – TRANSPORTATION STRATEGY

[Time: 01:52:57]

Mayor Lane: And our next item is the transportation strategy and we have Mr. Paul Basha here, the Transportation Director and we do have some folks that want to speak on this one Paul, but what I will do if this works for you and the Council, if you want to go through your presentation and we'll provide our questions after you complete your presentation and then we'll, we will have public testimony before we raise our questions. I would ask the Council to reserve your questions until that time.

[Time: 01:53:32]

Transportation Director Paul Basha: My name is Paul Basha. With us are a couple of the transportation commissioners, as well as most of the Transportation department. Also with us is Margaret Dunn, Chair of the Dunn Transportation Services. Last May, the City Council met in a retreat and developed a list of strategic priorities. One is to advance transportation. Transportation, excuse me, Brian, can you help me?

Mayor Lane: We have seen that one before, Paul.

Councilman Littlefield: It's still funny.

Paul Basha: Never let Randy Grant be the last person to proof read your presentation. Transportation exists because people do not want to be where they are. They simply want to travel somewhere else. Most everybody who lives in Scottsdale does so by choice. Most of us could live in any other city in the valley or the stay or the country or perhaps even the world. We have a wide variety of different types of residential communities from high density to low density, mixed use

developments to exclusively residential communities.

We have large corporations, small corporations, small businesses. We have a variety of recreational activities, ranging from the McDowell Sonoran preserve to our extensive park system to our active athletic facilities to San Francisco Giants spring training to WestWorld, to the professional golf tournament. All of those require transportation. A good transportation system would support those land uses whereas a poor transportation system would be detrimental to those land uses and activities. Our transportation system simply has to be high quality and multifaceted to enable us to compete with other cities throughout the state and the country. What I would like to do this evening is show you some of the transportation data that we acquire and that we analyze, and explain to you the reasons why we utilize that data, to help us make decisions, to help us make recommendations to you, and then also to point towards our intentions for our future plans.

A few facts and figures. We have \$1.3 billion in assets in our street and drainage system. We have approximately 3,000 lane miles of paved streets in the city. Approximately 800 of those are major streets. We also serve approximately 2 million bus riders every single year and we have over 500 miles of non-motorized transportation facilities.

[Time: 01:56:43]

I would like to show you a comparison of the population of Scottsdale, to the daily vehicle miles traveled. In the 1990s, our population grew pretty dramatically. For the last 15 years, it's leveled off. Our vehicle miles traveled per day, pretty much mimics the population. There was a large decrease in travel on our city streets when the loop 101 was completed in 1999. Also what matters to all of us is collisions. We also compare the number of collisions that occur every single year to our population, and our vehicle miles traveled. Essentially the number of collisions that occur each year in Scottsdale tracks fairly closely to our population.

Except in recent years. The number of collisions in our community has decreased, pretty steadily the last six to eight years and there are many reasons why that has occurred. Part of it is that our vehicles are simply much safer than they once were. Our police enforcement of our traffic laws certainly deserves some credit for reduction in collisions, but also we believe our transportation system has improved. I examined seven of our Bond 2000 projects to see if there was any correlation to collision reduction. What we discovered from just those seven projects, there was a reduction of 80 collisions each year and obviously we have several dozen capital improvement projects every single year and certainly that's part of the reason why our collision experience has decreased.

[Time: 01:58:40]

Again, statistics about the collisions, more than half occurred at intersections. We had very few fatalities, unfortunately six in 2012. Very few involve serious injuries. Three-quarters of collisions in Scottsdale result in no injury at all, and that's certainly very, very positive. The single greatest cause of collision is speeding. The largest type of the collision is a rear-end collision. Angle collisions are second, that's where one vehicle is on one street and another vehicle is on the other street. And then

left turn collisions are the third highest in our community. In large part because we use a lagging left turn arrow here in Scottsdale our left turn experience is much less than in other communities.

What is most important with collision is identifying and understanding those locations that have a greater collision experience than any other of the locations in the city. As some of you are aware, I was a consulting engineering for a year or so, I became very familiar with the collision investigations practiced by other communities in the valley. I can tell you with no source of self-pride, only a recognition of the traffic engineers in our community, our investigation of collisions is far superior to any other city in the valley. We simply devote considerable attention and resources to identifying, analyzing and preventing collisions.

[Time: 02:00:16]

So I would like to show you a lit bit of that effort. What I have listed here is those intersections that have the highest number of collisions. This is the top five in the city. Next to that is collision rate. Collision rate simply compares the number of collisions to the number of vehicles. It's better in comparing year to year and area to area and location to location. We consider both rate and number. This next slide listed the highest five intersection rates in the city. We have a three-way tie for fifth and we have seven locations. And you can see two of those on the highest number of collisions also appear on the highest rate. As I mentioned we consider both the number of collisions and the rate of collisions. This next draft shows the number of collisions on the horizontal access and collision rate on the vertical access. Each diamond is an intersection in the city. With this graph, we can identify the locations with a high collision number, and a high collision rate. Those are the locations where we need to analyze closely the collision data, determining the cause of the collisions, the types of collisions and then develop mitigation measures for those collisions so we can prevent and reduce collisions in the future.

Another piece of information that is vital to us, is understanding people who work in Scottsdale, and where they are coming from, the homes of people who live in Scottsdale. We investigated two areas in Scottsdale that have a high number of employees, both approximately 40,000 employees. This is downtown Scottsdale which includes City of Scottsdale, Scottsdale Healthcare, Scottsdale Fashion Square and the Galleria Corporate Center. This first graph shows downtown Scottsdale ZIP code 85251 and the distance that people travel to come to work in downtown Scottsdale. Approximately 20% travel more than 25 miles to come to work in downtown Scottsdale. The largest percentage, approximately half, travel 10 to 24 miles and then a little over a third travel less than 10 miles to come to work in downtown Scottsdale. These two areas, the large blue and yellow tell us something about the transportation system we need to provide. People traveling 10 to 24 miles to come to work are most likely using either the 202 or the 101 freeway.

[Time: 02:03:19]

This tells us that our sections from downtown Scottsdale, to the east to the loop 101 and the loop 202 are very critical. The large blue area, people traveling less than 10 miles to come to work are primarily using our arterial and collector street system, our mile and half mile grid system. Also people would

are traveling less than 10 miles from their home to work in downtown Scottsdale could probably use buses or bicycles that's important for us to know. Equally important as to the distance where they travel is where they are coming from. The largest number of Scottsdale employees come from Mesa, Chandler, and Gilbert and next from Phoenix, and Glendale, Peoria, Tempe, and further points south and then from the north of Scottsdale. Looking at the Scottsdale Air Park area, and, again, approximately 40,000 employees, and understanding the distance those employees travel. Again, approximately half travel 10 to 24 miles and approximately a third travel less than 10 miles. I should mention this comes from the 2010 census.

It tells us a large percentage of the Scottsdale Air Park employees are probably using the loop 101 to come to work and return home. Also approximately a third of the employees use city streets. So, again, we need to have strong connections from the Air Park, to the Loop 101 and we also need to have strong arterial street connections to and from the Air Park. The direction that these people, employees use, the largest number come from the west, Phoenix, some from south Scottsdale and then other Chandler, Gilbert, Mesa and lesser numbers from the north and the east and the northeast. Another measure that we often use in understanding our transportation system, especially our street system, is the traffic volume, compared to the number of lanes we provide.

[Time: 02:05:44]

As the Council is aware, another of the strategic priorities adopted is the McDowell Road Corridor. So I will have more information on the McDowell Corridor with traffic volume. The capacity of the street segment is approximately 8,000 vehicles per day per lane. If a street has more traffic volume than capacity, this results in congestion and delay, most likely frustration and collisions as well. Of our 300 street segments in the city, we only have 14 street segments, where the volume exceeds the capacity. There has been some discussion that McDowell should be adjusted from the six lanes to four lanes considering the 2012 traffic volumes on McDowell Road, it currently ranges about 131st out of 300 segments. If we were to narrow McDowell Road to four lanes it would still rank 44th which is quite low and quite acceptable, however, as we are all keenly aware, McDowell Road has a number of vacant buildings and properties and, of course, the traffic volumes on McDowell Road are quite low.

We examined the past 20 years of data and discovered the peak traffic leveled occurred in 1998 after the 202 was constructed and open and after the loop 101 extended north from the 202 to Scottsdale Community College. So our traffic volumes in 1998 were quite high on McDowell Road. If we were to keep McDowell lane at six lanes it would rank 89th on our list of 200 traffic volume segments. However, if we were to narrow McDowell Road to four lanes and our traffic volumes returned to the level that they were at when those businesses were all occupied, it would be the second highest in the city.

Looking at those same 14 street segments compared to capacity, McDowell Road is a six lane segment with the 1998 volumes we would be under capacity; however, if McDowell Road were to be narrowed to four lanes, it would be the second highest lane volume segment in the city, higher than Shea Boulevard at the 101 interchange. Approximately six to eight years ago, the city debated the improvements on Indian School Road and as a community we decided we discussed constructing Indian School Road from

downtown Scottsdale to the 101 to either six lanes or four lanes. Our decision as a community was to construct it to a four lane width. Four of the 14 over capacity street segments in the City of Scottsdale are Indian School Road between downtown Scottsdale and the loop 101. Considering only this data, the traffic volume data, the suggestion is that McDowell Road should remain a six lane facility.

[Time: 02:09:06]

I would like to provide you some information on our second component of transportation and that's our transit system which consists of buses and trolleys. Important to acknowledge that in 2013, the City of Scottsdale transit organization in conjunction with Dunn Transportation was awarded an outstanding transit organization by the Arizona Department of Transportation and the Arizona Transit Association. Certainly we're proud of that accomplishment.

I would like to explain some information relative to transit ridership and I will be comparing Scottsdale ridership on buses and to other communities in the valley and this data is based on the point of boarding. So someone would get on a bus in Scottsdale is included in the Scottsdale data, but someone who would get on the bus in some other community is not included in the Scottsdale data. This is the annual ridership per resident. The highest use is first and then the lower use as it continues down. Not too surprising, Tempe and Phoenix has the highest annual transit ridership per resident in the valley, Scottsdale is sixth.

Another statistic that might be more meaningful is the number of transit riders per seat, per mile. This tells us the efficiency of the system. Surprisingly enough, the city of Buckeye ranks highest. They have a small bus system but it's used effectively and efficiently by the residents and Scottsdale ranks eighth by this measure. Next, I would like to show you two slides related to just transit use in the City of Scottsdale, which is buses and trolleys. Our highest annual ridership is Route 72, Scottsdale Road, it's followed somewhat surprisingly by two of our trolley services, the Neighborhood Trolley and the Miller Road trolley.

The last bars on the chart, those are express routes, they only have two routes, two buses in the morning and two buses in the evening. On an annual basis, they do not serve a large number of citizens but on a per bus basis, they serve a large number of citizens. This next data is ridership per mile. Route 72 has the most riders but it also has the longest length. Based on this criteria, the Neighborhood Trolley ranks highest. And Route 72 ranks eighth.

[Time: 02:12:15]

We had the opportunity to explore a comparison between transit ridership and service frequency, as we are all aware, we have a Downtown Trolley here in Scottsdale. We examine six years of data of ridership data and service frequency. Five and six years ago, they operated once every ten minutes, six times an hour. This shows the ridership when we did operate the service six times an hour. Because of economic reasons we decreased the service frequency to every 15 minutes or four times an hour with a corresponding dramatic decrease in ridership. Our first thought is maybe we didn't have as many tourists in those years so we examined the total number of Scottsdale visitors compared to the transit

ridership and we discovered that the visitors increased the last four years, even though the trolley ridership decreased. Transit usage is heavily dependent on the quality of the service, specifically the frequency of the service. Examining this data we had an 18% increase in ridership with no change in the Scottsdale visitors. As soon as we decreased frequency from six times an hour to four times an hour, we lost over a third of our riders, and that decrease in ridership continued for the next four years.

I want to show you a little bit about our bus service in the southern part of the city. We have four main east/west routes. This is our street system. We have buses on McDowell, Thomas, Indian School and Camelback. We have north and south routes and I also included route 44 in Phoenix. The service frequency in Scottsdale is 30 to 20 minutes. Notice just west of us in the city of Phoenix, the service frequency is twice as often as it is in Scottsdale. Our east/west routes, Camelback, Indian School and McDowell come twice an hour, where on Thomas, it's three times an hour. In Phoenix, the buses on Camelback, McDowell and Thomas come four times an hour and on Thomas, six times an hour.

[Time: 02:15:04]

Their service is twice as frequent as ours. I'm certainly an advocate of cooperating with our adjacent communities. Pardon me, I think Scottsdale should be better than our adjacent communities. McDowell was a part of the strategic look. This is our street system to the south and west of Phoenix and Tempe. This is the light rail line. The two closest light rail stations are on Scottsdale and Priest Drive. The little flower is the Desert Botanical Gardens. There's a route from Chandler and ends just shy of Scottsdale, just shy of McDowell Road. When this bus service extended to the Desert Botanical Gardens, in 2012, Scottsdale was approached to see if we would like that route to continue on to McDowell Road and serve SkySong. At the time, our feeling was we couldn't afford it. The cost of that service would have been \$50,000 per year. We felt we couldn't afford that service. So it doesn't happen.

Obviously, SkySong has asked us to encourage this route. The Desert Botanical Gardens has asked us to encourage this route. While I have this slide up, I want to discuss a little bit of a faulty perception of transit ridership. The current feeling among many is that transit, be it bus or rail requires high density development to be successful. That's simply not true. Throughout the United States, the history of the United States, with just a few exceptions, the bus service in our country is rather pathetic. It's a poor product. If you have a poor product, not many people are going to use it. If you have a poor product and not many people are going to use, it you need to have a very large pool of people who might use it because then you will get a small percentage of a very large number and that will give you a number that's sufficient to provide the service. However, if you provide a very good product, with a very high quality service, many people will use it, and a large percentage of the potential users will use it.

If we provide an excellent bus system, it is the truth that many people will use it, and you don't need high density. You simply need a good product and people will use it. As evidence of that, the light rail system in Phoenix has dramatically exceeded expectations in terms of ridership. Not because Phoenix suddenly became a high density community. Certainly there's been redevelopment around the transit line. It's a high quality product that's well received by potential riders.

I want to discuss the Hospitality Trolley. We started that four years ago. The first three years partial funding came from advertisers which seemed like a good idea at the time, except the advertisers got a chance to dictate our route. And now it's called the Day Tripper and only hotel bed tax funds support the day tripper route. Therefore, we could determine the route that best serves the potential ridership not the route that served the advertisers. This was a very worthwhile exercise and I guess investigation last summer.

The Transportation Department collaborated with the Economic Development Department as well as the Convention and Visitors Bureau, and the Transportation Commission to develop this route. This is the route that we used to have for the first three years, the Hospitality Trolley. The north end was the Fairmont Scottsdale Princess Hotel and the southern end was Oreganos, one of the original advertisers. Another advertiser was the Scottsdale Conference Resort, more than a mile east of Scottsdale Road.

This route we used for three years and we advertised it as 30 minute service, however, the route took 35 to 40 minutes to drive because of the diversion to Oreganos to the south, and the Scottsdale Conference Resort to the east. I have no animosity towards Oreganos and I also like the Scottsdale Conference Resort, that's not the point. The point is the route took 35 to 40 minutes to travel but we advertised it as 30-minute service. Therefore the trolley was typically late. It became unreliable, and people wouldn't use it. We changed that route this year. We served the Fairmont Princess Hotel to the north and Scottsdale Fashion Square at the south.

[Time: 02:20:43]

These two locations were the highest ridership locations of the Hospitality Trolley. And so we wanted to be certain to serve these locations. Now, now the route is advertised as a 30 minute service and it's about a 25-minute trip. So we do have reliability. Another change we made to this service this year, it's a direct result of John Kelly who is here tonight. It was his idea. The trolley before used to start in downtown Scottsdale in the morning and then travel north towards the resorts which doesn't make much sense. The trolley route should begin at the north, where the resorts are and then come south into the downtown area. John is brilliant! Additionally, this change in the schedule allowed us to start in the morning at the Princess Hotel and then end in the late evening at the Princess Hotel. We basically got one more one-way trip with John's idea. We worked closely with the Tourism Development Commission on this route. They strongly suggested that late morning to late evening would be a better time period in. In the past we used to use mid-morning to midevening. They felt that our hotel guests would be more likely to use a trolley service in the evening than in the morning.

So our route now begins at 11:00 in the morning and the last trolley leaves the Princess hotel traveling south at 9:00 in the evening returning to the Fairmont Princess at 10:30 in the evening. This was our idea. Did it work? This shows the daily average ridership of the hospitality trial the past two years. We are very pleased that we have a 35% increase in trolley ridership for one week in December and then five weeks in January. We fully expect that this ridership increase will continue through February and March. Margaret Dunn did bring one of the trolleys. I would encourage you to look at the trolley, it's in the parking lot. It's an impressive looking trolley. I will tell you it's a diesel bus. It's a

bus, but it looks like a trolley. It's got wood slat seats. It's a very attractive outside. Margaret tells me it's particularly attractive with the lights on in the evening. A quick little aside as I was walking over to the Council meeting this evening, I can't say the word but you know that event that many Spanish people have where 15-year-olds have, there was one, and the young lady wanted her picture taken by the trolley. That was most impressive.

A couple of comments about our Downtown Trolley, I wanted to change our Downtown Trolley route this season. I was advised to do one thing at a time. So we just changed our Hospitality Trolley. This is our Downtown Trolley route, similar route we had for many years. This route has many left turns and many right turns and it's incredibly circuitous all of us in the room would be able to follow this trolley route. I doubt anybody who was never to Scottsdale would be able to follow this. This was determined by merchants, not by people who would ride the trolley. It's been, let's say, less than successful because of circuitousness, because of the many turns. It becomes very unreliable. Something that we are considering, using Marshall Way and Brown and Buckboard. It would terminate on Second Street near our Center for the Arts. This route would be much more reliable, this would serve almost the same number of downtown merchants as the existing route, but more efficiently. It is our hope that John Kelly, he will tell us if he can do it or not, it's our hope that we can resume 10 minute frequency and we want to have a route similar to this this summer.

[Time: 02:25:59]

My next series of slides compare different transportation modes and I would like to focus on the impact of those different modes as well as their cost. This is our city as we all know, we have a freeway immediately east of us. That freeway is going to have a fifth lane per direction constructed in the next 15 months that will give us a 25% increase in traffic volume carrying capacity. The question is how big do we want that freeway to be. This is an aerial photograph of the U.S. 60 in Mesa. It's seven lanes per direction. I can't remember if it as two or three lanes when it was first constructed but it was either two or three lanes per construction and now it's seven lanes per direction.

This is the Pima freeway. Notice it's four lanes. Just west of the main line, we have a two-lane entrance ramp. Just east of the main line, we have a one-lane exit ramp. Just west of the entrance ramp, we have a four-lane one direction frontage road. Just east of the one lane exit ramp, we have a two-lane frontage road. There an awful lot of concrete dedicated to our area. After we are done driving around on that concrete, we have to put our car somewhere. I specifically chose this aerial photograph because it shows us a parking structure. If we have a lot of freeway lanes, we have to have a lot of parking structures. Again, it's a use of our community's resources that we have to decide if we want to use that way or some other way.

The next photograph is of the Pima-Cactus interchange, how it looks today, how it looked 15 years ago and that's what it looks like today. Now, fortunately, our friends with Scottsdale Public Art did their best to make this attractive but it's still a large chunk of concrete. As our freeways get larger, our interchanges have to get larger. As our interchanges get larger, then our adjacent city streets, that intersect with the interchanges also have to get larger. Fifth lane per direction will cost us \$100 million. \$10 million per mile to provide that lane. Recall the bus routes I showed you, those

four bus routes. If we were to double their frequency that would cost \$1.3 million. \$64,000 per mile. For that \$64,000 per mile, we would double our transportation capacity.

[Time: 02:29:16]

Obviously, this is not a one for one comparison. I certainly don't pretend that a freeway experience is the same way as a bus experience, however, the magnitude is the point. \$10 million per mile for freeways, \$64,000 per mile for doubling bus service. The third component of transportation is our path and trail system also we can brag a little bit. I can't because I wasn't here, but the League of American bicyclists rates communicates on a scale of bronze to diamond, bronze being the lowest level and silver being second level. They don't always give an award if a bicycle, if a community is not bicycle community, they don't give any award. We were quite surprised and pleasantly surprised that when we were first ranked in 2005, we were ranked as a silver bike friendly community. Initially we used a two-year ranking system and we received that three consecutive two-year periods. Most recently they have gone to a four-year certification and in 2011, we improved to a gold bike friendly community. Obviously we are very proud of that fact.

We are very pleased with a new project that is about to finish design. It's a paved concrete path along our canal system. Over the past 15 years, we have been paving different segments of our concrete, of our canal system and we completed one segment last year. We are hoping for another segment to be completed this year and next year, we'll complete the final link, approximately 1.8 miles and this would be a concrete path along the Arizona canal. As I say, we are in the final design stages. We hope to begin construction in early 2015, perhaps completing that construction in summer to late 2015.

[Time: 02:31:28]

Again, a brief mention of McDowell Road, its bicycle facilities. McDowell Road extends for three miles in our community. It crosses the Arizona canal. It also crosses the Indian Bend Wash. Less than 1 mile of this three-mile roadway has bicycle lanes. The half mile from Granite Reef to Pima was constructed approximately 15 years ago and then we constructed bicycle lanes for a three-block segment just east of Miller Road to Hayden Road. The other two plus miles do not have bicycle lanes. I get calls from SkySong about once a week reminding me of that fact. We would like to have a capital improvement program to provide bicycle lanes for the other two miles of McDowell Road. We expect we will be recommending to the City Council for such a program, probably in two or three years from now.

[Time: 02:32:22]

I would like to show you some graphs, maps of our path and trail system. These are our existing concrete paved paths. This shows our planned concrete paths and then combined you can see we have an extensive concrete path system planned in our community. This next graph is unpaved trails outside of the Preserve. The Preserve is obviously exclusively for recreational purposes but these are for both recreational and transportation functions. These are those that exist. These are the paths that we have planned and combined, again, you can see it's an extensive network of trails.

Time to explain what we would like to plan for the future of our transportation system here in Scottsdale. I began the presentation with some collision data. We are very committed to improving safety of the streets for our citizens. We will continue to identify and analyze locations that are experiencing a high number of collisions, a high collision rate, and develop mitigation tools to reduce those collisions. Those of us that live near Thomas Road right now are seeing the results of that construction. The Thomas Road streetscape should decrease accidents at the Hayden and the Scottsdale Thomas Road intersections. We intend to identify those locations where collisions are caused by speeding so we can talk with our partners with the police department to provide enforcement on those streets at those locations during the times of day when speeding-related collisions are occurring. We also want to continue to improve our traffic operations. We want to reduce congestion as much as we can. We want to develop a computer model to predict future traffic volumes.

We'll be using the model developed by the Maricopa Association of Governments but our traffic engineers will be refining and magnifying and amplifying those prediction models. Typically with traffic systems, we consider traffic volumes as a measure, as I mentioned earlier. We also consider intersection delay as a measure of traffic performance. Our traffic engineer, Phil Kercher, has suggested that we ought to consider travel time. None of us driving the street really cares much about volume. We don't concern ourselves with the delay at an individual intersection. What we care about is how long does it take to get from where we are to where we want to be.

[Time: 02:35:18]

So over the next year to two years, we hope to develop? Sort of methodology so we can measure travel time between different points in Scottsdale, such as from downtown Scottsdale to the 202, or to the 101, or from downtown Scottsdale to the Scottsdale Shea area. We will be developing that in the next two years. We also hope to use our existing traffic signal systems and our computer operations to continue to provide high quality service. I mentioned earlier that the single greatest type of collision in Scottsdale are angle collisions. It's been discovered nationally that roundabouts decrease angle collisions. They also decrease travel times and they also increase traffic volume. So we expect to be recommending more roundabouts in the city. With our transit operation, we expect to implement in the next 18 months a bus rapid transit route on Scottsdale Road to supplement Route 72.

I mentioned earlier a bus service on McDowell Road coming from the south of Tempe and Chandler. We want to evaluate 15 minute and 10 minute service and, in fact, our transit manager, Madeline Clemann met with the Phoenix transit people this morning to discuss this very idea. We have a vacancy in our department. We requested and received approval from Fritz Behring to recruit a Transit Planner to comprehensively look at our bus system and provide recommendations for improvements. Our current General Plan requires us to complete a tier two high capacity transit study which we hope to complete in the next year or two.

We have a very successful trolley system. We want to continue to evaluate the Day Tripper, as well as the Downtown Trolley. There's continued interest in specialty trolley service in our city. This is

perhaps more of a comment on the inadequacy of our bus system than anything else. Certainly there's a place for specialty trolleys and certainly, the City of Scottsdale excels in providing the special trolley services; however, if our bus system was ubiquitous and reliable as our street system, we wouldn't need to have specialty trolley services for certain segments of our community. Nonetheless, we will continue to evaluate our bus operation and consider requests for additional trolley service.

[Time: 02:38:14]

And the third part of our transportation system, the Cities of Phoenix, Tempe and Mesa are implementing a bike share program. This was a system of renting bicycles by the trip, not by the hour and not by the day. This was seen to be an ancillary transportation system for the Light Rail transportation system. The idea that people can bicycle from their home and work to the Light Rail station, and leave the bicycle there and ride the Light Rail and then somebody else would exit the Light Rail, use that same bicycle to travel to their home or places of employment.

We are not part of the initial implementation, which I learned this afternoon is scheduled for late April, but we want to monitor that bike share program and understand what is successful, understand what needs to be corrected and then we hope to recommend to the Transportation Commission and the City Council participation in that bike share program.

We also want to improve our traffic control devices along our path and trail system. Complete streets is something that Scottsdale is proud to have adopted. Complete streets means that our streets should be used for all modes of transportation, and not just private vehicles. We want to continue to expand our path and trail system.

That concludes my presentation. We have several questions that we are asking the Council to stimulate and initiate discussion. I'm happy to answer any questions you may have, and happy to participate in any discussion you would like to have. Thank you, Mayor and Council.

Mayor Lane: Thank you, Paul for the comprehensive presentation, and I appreciate the time and effort put into that to share with us. We have a couple of comments from the audience that we will take first and it will be followed by questions or comments that we have here on the dais and you may want to respond to those, that testimony as well, if you care to. We will start with Jim Derouin.

[Time: 02:40:42]

Jim Derouin: Mr. Mayor, members of the Council, my name is Jim Derouin, my wife and I have lived in Scottsdale for 28 years. We live north of Shea Boulevard by the Mayo Clinic facility. As victims of four rear end accidents in the city for 28 years, I stand here strongly in favor of anything that can slow traffic, keep people away from you, get people to stop using phones and in any way pay attention to what they are doing. As a little background, you are aware of the fact that there is a master transportation plan and 2008, in January, the most recent one was unanimously approved by the Mayor and the Council, including several members of the current Council. It included, as Mr. Basha has pointed out, plans in ten specific areas, including walking trails, including arterial roads, buses, trolleys,

bicycle paths, and everything.

It also included a section on high capacity transportation which can be trolleys because trolleys are buses as Mr. Basha has pointed out. But they run more frequently and they carry more people. A tier one study was included in that unanimously approved plan, along with the recommendation to prepare a two study. And in May of last year, another gentlemen, another citizen, Jerry Gettinger and I petitioned you to determine the status of the tier two plan and you were kind enough to refer that to the City Manager would prepare a report that basically said, yes, it is on our work list and we will get to it. And although I didn't know it was going to be in the report this evening, that tier two plan was in one of the last slides that Mr. Basha showed to you and to all of us.

So the whole purpose of my comments tonight is to encourage you to stay the course and to complete when timely the tier two study. I'm certainly not an expert on transportation issues, vehicles, routes, timing and all of that, that you have seen Mr. Basha report on, but I do know that given the number of people who come into this community every day, for jobs, which generates sales taxes and lead to an improved tax base, that we need a first-class transportation system and part of that is to complete the tier two study so that next year or the following year you have more specific information to look at and to consider. Thank you very much for your time.

Mayor Lane: Thank you, Mr. Derouin. Next forgive me if I don't have this exactly right, Jill Heise, is it? Have I mispronounced it that badly or, Jill Heise. If not? Julia Hood. I guess we ran on too much. Julia Hood. I'm sorry. Does that make a difference? That completes the public testimony on this subject, with two not being available for that. Okay. Now we do have some questions, Mr. Basha from the Council and we'll start with Councilman Phillips.

[Time: 02:44:56]

Councilmember Phillips: Thank you, Mayor and thank you Mr. Basha for your presentation. I kind of feel like that was a lot of information and, I mean, I've got like 20 questions and I could be here all night. So, you know, my apologies to the rest of the Council and I will try to get through them as quick as possible. I would say careful with the Downtown Trolley. A lot of people that ride those, a lot of kids take the trolley to school, actually and a lot of seniors use them to get back and forth. It's their only way to go shopping. So we've got to be careful as far as moving those routes around and messing with that. It really is almost a means of living for some people. You have to be careful with the trolleys downtown. If you could go to the annual ridership. That's where the questions began.

Paul Basha: Bear with me just a moment. It's number 26. Sorry, 27. There's some inadvertent slide in there I forgot to count. Thanks, Brian. Is this the slide?

Councilmember Phillips: Yes. And I think what you were trying to point out is you were trying to point out how much people ride the bus in Scottsdale. I have seen people ride 72 up and down Scottsdale Road because my house is on Scottsdale Road and you are lucky to see one or two people in that bus. I think when you have Scottsdale as number five there, a little more than Glendale, you are including the trolleys; is that correct?

Paul Basha: Mayor Lane, Councilman Phillips, this includes all buses and trolleys in the City of Scottsdale. And while I agree that we should have more buses in Scottsdale, I don't think we should have included trolleys there because I think it's misrepresenting the actual bus ridership. I know you like to think of the trolley as a bus but we don't. We think of it as a special thing for Scottsdale and I would like to see an increase in trolleys.

Councilmember Phillips: Let's see. You pointed out on a later screen that our visitors had increased the last three years even though the bus ridership was down which I thought was kind of funny because earlier, when we had the tourism presentation, it says that tourism had decreased in those last three years. I would think the decrease in ridership maybe is possible that to do it is the connectivity of the Phoenix buses because a lot of those were dropped. I think maybe that's one of the reasons why the ridership declined those years.

[Time: 02:47:53]

Paul Basha: Mayor Lane, Councilman Phillips, if I could respond, that ridership decrease was only the Downtown Trolley in Scottsdale.

Councilmember Phillips: Okay.

Paul Basha: Excuse me, Brian, that was slide 32, please. Sorry, 33. This graphic is only Downtown Trolley ridership.

Councilmember Phillips: Oh, okay. Well, that's still confusing because Downtown Trolley, if that's down because of tourism, but you said it's not down because of tourism.

Paul Basha: Councilman Phillips, we don't believe it was related to tourism. The previous slide indicated it was actually increased. The reason we believe the ridership decreased is because of the frequency. The white bars represent six trolleys per hour. The yellow bars represent four trolleys per hour.

Councilmember Phillips: So less trolleys, less ridership?

Paul Basha: Exactly.

Councilmember Phillips: On the point of the Botanical Garden bus route, if there's public support for, that I think it's a good idea. And let's see, you talked about the freeway riding. It will cost us \$100 million. It won't cost Scottsdale \$100 million, right? We don't really have a say in how wide the 101 freeway is.

Paul Basha: Mayor Lane, Councilman Phillips, that's correct. It's still our money. We are all taxpayers. It's federal and state money, but it's still our money.

[Time: 02:49:38]

Councilmember Phillips: It will happen whether we like it or not. There are some areas where the 101 and the 202 meet, needs to be widened because you have four lanes going into three. It doesn't work. My personal opinion, I think paths and trails should be separate from transportation. Paths don't always follow the streets and I think they shouldn't run along transportation guidelines. Also along that same line, you said concrete paths along the canal and then earlier when you mentioned the freeways about the concrete, there's not too much concrete. It seems to, you know, not coincide with what you are saying about let's make concrete paths along the canal. I heard a lot of comment why not harden dirt. I think it's easier on the bicycles and easier on your head and every other thing. I don't know why we are having the concrete paths built, especially at the expense it probably costs.

Paul Basha: Mayor Lane, Councilman Philips, the issue is one of choice. The concrete paths will be supplementing the unpaved paths along the canal. This just provides concrete for those would want to use concrete and the unpaved paths are still there for people who do not want to use concrete. The path is 10 feet wide. I suggest a 10-foot wide two direction bicycle path is different than five to seven lanes per direction of freeways.

Councilmember Phillips: I understand but it's something we have control over. We don't have control over the seven lanes of freeway. I don't know where the direction came from that. You are not getting me to vote on any roundabouts in Scottsdale. Thank you.

Paul Basha: Thank you, Councilman Phillips.

Mayor Lane: Thank you, Councilman. Councilman Robbins.

[Time: 02:51:43]

Councilman Robbins: Thank you, Mayor. Nice job, Paul, very comprehensive. Can you explain to me and citizens, because I get this question all the time, and you had one small little mention of this, about the traffic management system and the timing of the lights. You get the question. You should time the lights better. Can you explain that process, what happens, what goes into that and how they are timed.

Paul Basha: Mayor Lane, Councilman Robbins, once again, during my consulting years, I had the experience of working with a number of other valley communities and once again, the Scottsdale traffic signal timing system is far superior to any other municipality for agency in the valley. We simply do a very, very good job of that. Our management center has just expanded. It used to be in the building across the street, just south of Indian School Road. Now it's in the Corporation Yard and Via Linda and 90th Street, roughly. A typical community has a half a dozen to ten signal timing programs throughout the week. Scottsdale has approximately two dozen signal timing, different signal timing plans and actually, I think it's closer to three dozen. We use extensive traffic counts to understand the different peaks and the different directions and the different times of the day and the different days of week. We use that data to then develop the length of the red lights and the consecutive green lights for

different patterns. Councilman Robbins, it's very extensive, and what I can tell you is we will work very, very hard to make this signal timing correspond to traffic patterns. And also, it's not my job.

Councilman Robbins: So who do they call if they have a question?

Paul Basha: I would suggest they call Councilman Robbins.

Councilman Robbins: No, see, I don't know the answer. That's just the problem. I'm trying to pawn this off on somebody else, and so.....

Paul Basha: Thanks for letting me tease you, Councilman Robbins. They can call me 312-7651. They can certainly call me.

[Time: 02:54:05]

Councilman Robbins: There you go. A couple more things. So you had mentioned 14 street segments where it's larger than capacity and you had a graph on those. And the city has 300 segments approximately.

Paul Basha: Correct.

Councilman Robbins: Can I infer from that, that we have 286 segments that are not at capacity?

Paul Basha: That is correct.

[Time: 02:54:34]

Councilman Robbins: And how is that, how does that stack up in relation to other communities? I mean, how is our system, that must mean that we have very good street system that's underutilized in its present situation and how does that compare to other cities.

Paul Basha: Mayor Lane, Councilman Robbins, this is a rather clumsy measure of transportation efficiency, but it is a very easy measure. We can count cars. And we do extensively every two years. Our travel, when we were showing the vehicle miles per day, travel in Scottsdale on Scottsdale streets is slightly higher than most communities in the valley, most communities in the country. Our number of over capacity streets is much smaller than most communities in the valley. Phoenix, because it's mostly built out, there's kind of no place to build new streets and new lanes. The southeast valley and the southwest valley, their street system is behind their development.

Scottsdale, we're in kind of a perfect spot, where we are not expanding in terms of development as much as we were 15 and 20 years ago, and our street system is pretty sufficient. And that's one of the reasons why our traffic engineer, Phil Kercher suggested we use travel time as our measure of effectiveness, rather than traffic volume. Traffic volume is kind of clumsy. We want to use travel time to understand better where our deficiencies are and how we can improve those. I hope I have

addressed your question.

Councilman Robbins: Yes, and now something you had said you are looking to look to figure out the next one to two years. And lastly, when you had the slide about the \$100 million to increase the 101 by 25% versus the \$1.2 million to increase our bus service by 100%, can you put that into context, the scale of how many people the 101 services, versus how many people the bus services? And I know we are somewhat comparing apples to oranges but you kind of set that out there, but we need to put that in the context of how many people the 101 services versus buses.

[Time: 02:57:03]

Paul Basha: Yes, Mayor Lane, Councilman Robbins, Brian, that's slide 50. This slide is for dramatic effect. Yes, certainly we have far more people driving on the freeway than we have riding buses in the southern part of the community. I'm not suggesting that we individually spend our money differently. I'm not suggesting that at all. I'm just indicating the dramatic difference in cost between serving only cars and serving buses. I don't have specific data for number of users on buses or on the freeway. That's something that we intend to explore in the next several months.

Councilman Robbins: But you know how many cars per day travel the 101.

Paul Basha: I hate to disappoint you, sir, but I don't.

Councilman Robbins: I don't know how to time the lights, either. Thank you for letting me tease you.

Mayor Lane: Thank you, Councilman Robbins. Councilwoman Milhaven.

[Time: 02:58:17]

Councilwoman Milhaven: Thank you, what a great presentation. To go back to some of the questions Council direction, how do we anticipate our future needs. You said the Tier 2 study would be done in the next year or two. I would like to put the next higher level of priority and get that done sooner rather than later and I know that's one woman's opinion. I'm not sure if we need, I will let other folks talk to see if you need more of a formal direction from the body to make that more of a priority. You make a compelling argument about the difference between being in our car and our bus and I think the tier two study, would be able to look at that tradeoff. I would support more investment in our buses. So thank you for that.

I agree with you that we deserve better in terms of matching up with the frequency of the buses in Phoenix and so I hope we will continue to try to improve that. Curious, you know, with, we are starting conversations around budget and really trying to sharpen our pencils and it's curious to me that we offer free trolley service because our paid buses for a fee are not adequate. I would like to take a look at what are the tradeoffs between the buses and the trolleys and might we consider the trolleys for a fee in the future in order to sustain that and make that more viable? So I think that's all I have for now. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Klapp.

[Time: 03:00:10]

Councilwoman Klapp: Paul, you showed us a map that indicated the east/west routes but no further north than Chaparral. How many routes are there above Chaparral.

Paul Basha: Mayor Lane Councilwoman Klapp, bear with me just a moment. Brian, could you put slide 29 up? Councilwoman Klapp, we have four east/west routes north of downtown Scottsdale.

Councilwoman Klapp: And they are which routes, east/west?

Paul Basha: East/west, there's Bell Road and Greenway and I don't count very well. Thanks, Brian. And then we also have a route on Shea and depending on how you count the Hayden Road route, 81 also has some east west aspects to it.

Councilwoman Klapp: Okay. So when you get above Chaparral there's not many bus routes?

Paul Basha: That's right.

Councilwoman Klapp: And that makes me concerned because as you mentioned in your one slide that you are considering what to do about serving the population around the Via Linda Senior Center. We have a highly traveled neighborhood trolley that goes from the Granite Reef Senior Center around the southern neighborhood but we have nothing around Via Linda. We have one bus that goes down Shea Boulevard and I don't know what the frequency is, half an hour, an hour, but that, and then you mentioned, your comment was if there's a large pool of people who might use it, we should consider it, and there is a large group of people in the central part of the city that are vastly underserved by anything other than one bus that goes down Shea Boulevard.

So I think that that means that we ought to be looking at what did we do to serve that large group of people that is an aging population surrounding Via Linda and they're aging as we speak. So we know that for that section of the city, in particular, with the population that we have rapidly aging in Scottsdale, there's got to be other modes of transportation that's going to be provided to them. If you are in the southern section of Scottsdale, there's some hope that you can get on a trolley and maybe go downtown and go to the Granite Reef Senior Center. Other than getting a Dial-A-Ride or Cab Connections or maybe being able to walk to Shea to get a bus, there is no good way to get around.

[Time: 03:03:14]

So I think we have to look at what's changing in our community and where people are gathered, where they live now and consider that, you know, it may not be the most immediate problem in the next year or two, but we are rapidly approaching the time when many people are going to be faced with, do I stay in my home or do I have no move out of Scottsdale because I can't get anywhere? And you are talking

about an area of the community also which has a large hospital, a lot of doctors' offices and we have to find a way for the aging people in that area to be able to get to the doctor, to the Senior Center, to get their groceries and other things and they don't have any good way to do that. So I think it's a big concern for me in this community about how we are going to serve that population. So I hope that you will look at, is there a way to provide a trolley, around the Via Linda Senior Center. I know it's more money in the budget, and trolleys are not cheap. We focused a lot on other parts of the city and not this area.

Paul Basha: Councilwoman Klapp, if I could respond, I agree with you completely. East of the Pima freeway and south of the Central Arizona Project Canal, we have virtually no bus service whatsoever. And a very large percentage of our population lives in that area. You are absolutely correct, it's horribly underserved and we simply need to do better.

[Time: 03:04:56]

Councilwoman Klapp: Yes, I agree with that. And anything you can do to find some short-term and long-term solutions, the better. As well as I believe based on what you have showed us today, McDowell Road is a high priority that it needs to be a complete street if we are going to have that kind of activity on McDowell Road, then it needs to get the same kind of focus as other streets do, major east/west thoroughfare, you know, a little bit of bike paths but not enough.

And if there can be a way that the bus service can serve along McDowell Road and connect to the Desert Botanical Garden and go down to the trolley station, that makes all the sense in the world. I know that you didn't have the money but if there's a way that it can be done, you would certainly receive my support for providing bus service down McDowell Road to connect to the transportation that's coming up through the Desert, through the Papago Park area. I think that's it. Let me see if I have anything else I want to comment on. I think that's it for now. I appreciated the information. It was very, it gave me a much better understanding of how the bus service and trolley service is serving the community and what we've got to do to make it better. And I would agree also with your assessment that the Downtown Trolley being cut down, making the wait time longer does nothing but cause people to not use it. So you've got to be serious about it, if you want to have a trolley that you have a time interval that's going to encourage people to use it, not discourage them from using it. And I also applaud your change in the Hospitality Trolley and how you are starting it and ending it now makes a lot more sense than it was for the last few years. So thank you.

Mayor Lane: Thank you, Councilwoman. Vice Mayor Korte.

[Time: 03:07:13]

Vice Mayor Korte: Thank you, Mayor. Thank you Mr. Basha. I commend you and your staff and the transportation commission for the work behind this report. So thank you. Are we here? Okay. And I'm just going to bounce around because that's where my notes bounced me. A couple of things I found very interesting. One was intersection Hayden and Thomas and the impact of the Bond 2000 improvements on other intersections that reduced the collision rates significantly. My question and I

don't know if you can answer this, but with the failed 2013 bond issue, what impact does that have on our intersection safety? What projects were there? How are we going to make up the lack of funding for those?

Paul Basha: Mayor Lane and Vice Mayor Korte, we are working diligently with our Public Works Department to develop a list of projects that need to occur and I guess reprioritizing those to where we can spend our available resources as efficiently as possible. An example of that is the Hayden/Thomas intersection. We hired a consultant to examine that intersection.

They developed a rather extensive improvement project that would have cost a large sum of money and impacted a large number of businesses and we in the Transportation Department evaluated that intersection, studied the collision patterns studied the traffic patterns and we developed a, we believe a much more effective solution that doesn't require as much construction, doesn't require any right-of-way acquisition, and we hope to implement that in the next, I will say eight months. So we will just do the working harder and smarter for the improved transportation with the funds available.

Vice Mayor Korte: Thank you. Next point and Councilmember Milhaven brought up the budgeting process that we are beginning and the impact of the failed bond. I support looking into some type of pay for service for the trolley. We need to figure out a way to minimize our cost on some of these things and maybe there's a way there. Buses, you called it a poor product. Can you explain?

Paul Basha: Mayor Lane, Vice Mayor Korte, the bus systems in the United States pale by comparison to bus systems in Europe and South America. The bus systems in Europe and South America are much more frequent. They are a dominant form of travel on those continents and I should include Southeast Asia has extensive bus systems.

If, let me say it this way, if you need to have a schedule to determine when the next bus is arriving, you do not have a bus system. You have a pale imitation of a bus system. There are so many times when I'm in my office or I'm walking around our city campus, and I notice people standing at a bus stop on Indian School Road and I will go up to them and say, you know, you are going to have to wait here for a very long time before a bus comes. And they speak to me in some European language and they don't understand a bus system where you need a schedule. Where they come from you go to a bus stop sign and a bus comes and you get on it and go. Specifically I mean the frequency of buses.

[Time: 03:11:42]

The City of Tempe probably has the best developed bus system in the valley. They have small businesses they call them the Orbit System and those routes serve a large number of people and with very, very frequent service. That's mostly what I mean by poor quality bus system. I will also take this opportunity to tell you something else we have discovered. The millennial generation seems to be very drawn to light rail transit but opposed to bus service. We are trying to figure out why this was. We received a report from the Maricopa County that is exploring that phenomenon. There are systems on the East Coast that are battery operated and electric that do not require fixed rail, and we are watching those systems carefully to see if they will generate high ridership. There are many

reasons why people use transit and many reasons why people don't use transit. We are trying to explore and discover how we can provide a system that's acceptable to our community and still acceptable to riders. I guess I wish had a better definition of a poor transit system, but you know it when you don't have it.

Vice Mayor Korte: Thank you, Paul. McDowell Road. Councilmember Klapp brought it up, make it a complete street and I think that's great. Certainly the extension of the bicycle lane will do a lot to move that complete street concept forward there. For so long, we have talked about the connection of the green belt and greenbelt to Papago Park and all through that part of McDowell and the bicycle connection to correct those two recreational areas. It just seems to be a natural to me. I would love to see that time line bumped along with Councilmember Klapp for the study and try to identify some funding for it. I think a big a-ha, I have two things to suggest we move forward. The big aha for me was when you put up the picture of the Pima/Cactus interchange and then following that, and I can't remember where that, what that number was.....

Paul Basha: Right, 49.

Vice Mayor Korte: So the shall we say the concrete massing of that interchange and then followed by the cost of additional two lanes or one lane for 10 miles that was \$100 million. I think it has really given me pause to say one of the biggest arguments around transit has been the cost of it and how does that compare with the cost of an additional lane that only adds 25% capacity or the cost of the environmental impact of the concrete. You know, I think that's, that's some dialogue. I really believe that it's time for this community, and I said this for two years now, for this community to have a dialogue around high capacity transit and so I fully support moving forward with the tier two, the tier two study of the transportation master plan. And we have to have that dialogue as a community.

[Time: 03:16:03]

The second thing that I would like to end with is so much of transportation is centered in the M.A.G. Regional Transportation Plan. I understand that the draft of the 2035 M.A.G. Regional Transportation Plan is up for approval. 2035, that is 21 years from now, if I have my arithmetic correct. 21 years they are planning out, and is Scottsdale at the table? Is Scottsdale at the table to talk about a comprehensive multi modal performance based coordinated plan that we contribute to? We contribute taxes to that and are we at the table and are we getting our fair share? So I would like to, number one, make sure that we have the appropriate representatives at that Regional Transportation Plan, around the table, the appropriate representatives that represent Scottsdale holistically and broadly, to be a part of those regional plans for freeways and highways and streets and public transit and bus routes and all of that, because I don't think Scottsdale is getting its fair share.

Paul Basha: Mayor Lane, Vice Mayor Korte, if I could respond, we are intimately involved with the Maricopa association of governments and the decision making process. Approximately 60% of the funds we spend on transportation come from the Maricopa Association of Governments and that's primarily the result of one of our people, Eve Ng, who is very, very involved with the financial aspect of that. Also my predecessor Dave Meinhart excelled at interacting with the Maricopa Association of

Governments and receiving our fair funding. Todd Taylor in our office attends the streets committee meetings of M.A.G. Madeline Clemann and John Kelly attend the transit meetings. Susan Conklu attends the trails committee meetings at M.A.G. We are very much at the table and we are always looking for opportunities for grants from either the region, the state, or the federal government to supplement our transportation dollars.

Vice Mayor Korte: Thank you, Paul. And in closing we do deserve better and we deserve better in providing a comprehensive transportation system that not only supports our important tourism industry, but also helps us to diversify our revenue sources in creating high-paying jobs and providing access to those jobs from other, from residents from other parts of the valley as we have seen in your slides, it's like 65, 70% of individuals that come into downtown or go to the Airpark are outside of Scottsdale. And we need to support that, not only from an environmental aspect, but also as an economic development aspect. Thanks.

[Time: 03:19:49]

Mayor Lane: Thank you, Vice Mayor. Paul, I would just want to say too, it's a great presentation. Obviously it provokes a lot of questions and certainly draws a lot of answers from beyond the specifics of how some of this comes together. But I do have a couple of things I would like to speak toward and some of them have been asked in different forms in and answered in different forms but I'm not quite satisfied with the way the answers were given.

One was, and maybe even to the point of the questions that were asked that were in this area. One of the things that is of particular curiosity to me is as to what percentage, we saw a lot of things that you mentioned, in the plan, they are in the works or recommended and frankly in the process of being done or certainly highly recommended. I'm wondering what percentage of those items look to be funded with the city transportation tax now. I think it's down to 40% that goes to projects versus overhead, which is something I think we really ought to look at a little more closely since we have to come up with matching funds even for the Prop 400 monies. But I'm interested as to what extent we draw upon that city transportation sales tax for these kinds of projects if, in fact, it does it all, and then what percentage of what you have talked about was in the transportation question that failed in the bond measure.

Paul Basha: Mayor Lane, I will answer as much of that question as I can. First, many of our projects, our street improvement projects are funded 90% or 80% by outside sources and 10% or 20% are what we call matching funds from the City of Scottsdale. Those matching funds come from a variety of sources but primarily our .2 of a percent sales tax dedicated for only transportation uses.

Mayor Lane: And you are saying the other sources, I presume are state, federal, coming through M.A.G. or Prop 400 monies?

Paul Basha: That's correct, Mayor Lane. That's correct. Our transportation, approximately half of our transportation funds are used for, I will say maintenance activities, repaving our arterial and collector streets. Providing striping, signal repair and maintenance, those sorts of activities, that's also funded by our transportation sales tax. Some of the salaries in both the Public Works Department and

the Transportation Department are paid out of the transportation fund.

Mayor Lane: You know, it may have been during your absence, you know, when you were away from the city for a number of years but the city's transportation sales tax for a number of years continued to get diminished from the standpoint of projects for as you were indicating periodic maintenance issues as well and gotten pushed over into administration. There was some indication that that was consistent with the ballot language. There may be some point of a conversation there. But nonetheless, it's always concerned me since that has been the area that was dedicated to transportation projects and that does serve as now as you have indicated for not only maintenance, periodic maintenance issues but also for the source of those matching funds. Even though we may be a small percentage on any given project, right now the situation, and I asked whether the second part of that question, and I don't know if you were going to get to it, as to what percentage of the items we have talked about here were on, in the bond question. No matter what percentage of the city needed to come up with were those items in there.

Paul Basha: Mayor Lane, nothing I discussed this evening was in the Bond election.

Mayor Lane: So there was other sources of funding for it?

[Time: 03:24:07]

Paul Basha: Correct.

Mayor Lane: So it's independent of that entirely?

Paul Basha: Correct.

Mayor Lane: Well, that does answer that particular question that I was concerned about, as far as what we are doing there and I'm one that believe it was for projected, construction projects. We have continued to month of that into administration and taken away from those availability of funds for just that kind of thing that I think we are suggesting right here.

Paul Basha: Mayor Lane, if I may, I will continue our discussions with our City Treasurer Jeff Nichols and Lee Guillory, I forgotten her title exactly but we will discuss those questions and will provide information to Fritz Behring regarding those questions.

Mayor Lane: Okay. Very good. I appreciate that. One thing I certainly want to confirm and endorse and embrace and that is the better utilization of our trolleys, our free trolleys. If our routing can be improved that is more consistent and more timing in the downtown areas and whatever routes we are on, I think getting steadfast with the standard routing would, much less the additional frequency. There was an availability with the same trolley system of actually increasing frequently on the route. I think those things would be to your point, would be a way of increasing ridership and use. We are providing essentially, it's been something that has been funded by tourism dollars and therefore there is an emphasis of making sure that it contributed to that Scottsdale experience for our tourist industries.

So I think it's an important component.

There's one area that's always concerned me a little bit, though, is that we have no fare box on our trolleys but we have a fare box on Route 72 and we mirror that route a lot. And we would now, according to the plan, if we were to be able to exercise or implement this plan, we would have greater frequency. I'm not sure, as opposed to Route 72. The intention of the trolley, the free trolley was for tourism. I don't know that we have any way of determining who is on the trolley and whether or not it's serving that element of our tourism or if it's just another way to get up Scottsdale Road now free versus whatever the fare is now, \$1.50 or whatever it happens to be.

Paul Basha: Mayor Lane, if I can respond to those comments. You are asking the exact same questions I have been asking for the past six months. And we are.....

Mayor Lane: I presume that's in accordance with the time since you have returned?

Paul Basha: Yes, sir. Again, and we are in constant conversations. We have a meeting scheduled with Valley Metro later this month, to discuss exactly that redundancy of service issue that you referenced.

[Time: 03:27:12]

Mayor Lane: Yes, because I think that it's, we have enough of a problem at M.A.G., you know, of course with Valley Metro being our provider as far as our bus service is concerned coming out of Phoenix, not that that route necessarily originates in Phoenix, but nevertheless, it's all tied to go with fare box return. And if we are working in sort of in conflict with the idea of a fare box return on our bus system, then it certainly works against our entire system on the overall. But anyhow, if you are having that discussion, I would be very interested in how that proceeds and how you respond to that, because my argument has been in the past that somehow or other, it would be good if our tourist community could give out free passes to that. Now we have the additional reliability and frequency and everything else, but we also have it sort of dedicated to the reason it was put in existence, but now, the struggle, Councilman Phillips just mentioned it, is that we have a general population that has become invested in the availability of a free trolley service route downtown. So you have your work cut out for you. Welcome back.

Paul Basha: Thank you.

Mayor Lane: But the better routing thing, I think is absolutely an imperative one and I'm really glad to hear that and, you know, one thing that I missed in this dialogue and I don't think I was listening as intently as I possibly can and you did cover a ton of ground, was that you made no mention of the bus rapid transit system that has been proposed and it's part of the, as we have talked about many, many times. When we talk about a return on M.A.G. dollars that we contribute as a community. We are at 23 cents on the dollar. A lot of it is not because we are a fairly developed area with regard to our highway systems and access roads in comparison to some of the newer areas but we definitely do, we are donor city in that regard. And I believe it's 2016. I'm very close to the issues as this thing comes

up. In 2016, we are supposed to be set and there's a hold or whatever we want to call it for a certain amount of funds to build a bus rapid transit system, which is relatively close to light rail in this sense, it takes out those lanes of traffic. It ends up being a separate lane or at least how it was originally designed, that it would be isolated from the regular traffic in much the same way as light rail is.

[Time: 03:29:57]

Now, I haven't heard much about it, but as you probably well know and I think most people who were in touch with this know that over the past five years, the Prop 400 monies have been much diminished by as much as 40% in certain years and being of course, that's money not recoverable in the time sequence of things in the 20-year cycle. So that money is gone, and as we talk about projects, inclusive of bus rapid transit, we are going to end up with some real heartburn as to who is going to get what out of this and it will be a struggle. There isn't any doubt about it when we talk about the availability of those funds. And I went on a little bit too far on this. My question was, you didn't bring that one up?

Paul Basha: Mayor Lane, only once was it included in the discussion. It was to incorporate bus rapid transit on Scottsdale Road in early 2015 and we had some construction. The construction in the City of Scottsdale Road was related to the bus rapid transit service. There are several different types of bus rapid transit, you are correct in some systems there are dedicated lanes and only the buses can use those lanes. That's not what was proposed for Scottsdale Road in the past or currently. It would just use the lanes that currently exist. We are in conversation with.....

Mayor Lane: So we would be simple, it's more of an express bus with less stops.

Paul Basha: Correct, Mayor Lane. The bus rapid transit contemplated for Scottsdale Road is a skip stop service, one stop every mile and then Route 72 would be used to travel from those stops to intermediate stops at quarter mile locations. We are in conversations with Valley Metro on the best type of service for the bus rapid transit and I, unfortunately I don't have any additional information open that at this time. When we have additional information, we'll present it to the City Manager, to the Mayor and Council.

Mayor Lane: It's always a matter, you were talking about the adequacy of a bus system here in the United States and Scottsdale as opposed to South America and Europe and other points of interest across the world. I do think it's very important that they are utilized. And that's why I'm a big advocate of what you suggested as far as investing in better routing and then certainly getting the frequency because I do think we have to have some consistency on that in order to encourage us about ridership on any line, whether it be express or bus rapid transit or route 74 as an example. I'm interested to see if we are able to implement that type of thing as we move into an improved situation at M.A.G. with regard to even the bus schedules and that's part of R.P.T.A.'s problem as far as that is concerned.

You mentioned something, just one small item and then I have one item that I wanted to go back to. And that is Chaparral Road, between Miller and 78th Street was way down your list as far as over capacity routes. It amazed me because we spent, maybe just Bob and I, but nevertheless, I spent

tortuous years of our lives discussing what was happening with Chaparral Road, and being of course, it was decided to keep that section between Miller and 78th street to two lanes. I don't know what slide it is, but it's at the very bottom of the list....

Paul Basha: Mayor Lane excuse me. Brian. Slide 21, please.

Mayor Lane: Well, you have the numbers down here. I hope you are looking at something otherwise you committed them all to memory.

Paul Basha: I have it written down.

[Time: 03:34:18]

Mayor Lane: I can barely see it but I think I have it here. But Chaparral from Miller to 78th street, it just barely looks like it barely exceeds its capacity. It just was surprising to me. I'm sure you were familiar, with you know, the discussions that took place about that, and frankly, the concentration coming in from Hayden Road on four lanes, two lanes in each direction and then funneling back out as you go towards Scottsdale Road from Miller Road to four lanes again. Just that small section that is described right there, just seems to me that it would be almost over capacity, more or worse than it's indicated there. Any thought on that?

Paul Basha: Sometimes I wish my mother hadn't raised me to always be honest.

Mayor Lane: I'm certainly not asking you to lie to me.

Paul Basha: Mayor Lane, you are exactly correct. That section of Chaparral is one lane per direction and it's only for two blocks and it's ranked as the 14th highest congested street segment in the city out of over 300 street segments. The traffic calming attempts on that street segment have been somewhat successful in reducing volumes on that street segment.

Mayor Lane: So going to this bar graph that you have here, that has effectively kept it at that relatively modest overage of usage of a two-lane road?

Paul Basha: That's correct, Mayor.

Mayor Lane: Okay. Interesting and then one other one that seemed to be, in fact, the top of the list, it's a section of the road of Scottsdale Road between the 101 and Thompson Peak which a few years back it was decided not to expand on that by virtue of just comments and discussions we had at the time, and I see the consequence of the decision not to expand to that capacity. And it's a troubled area of roadway. One final thing. Paul, forgive me for riding on the coattails of Councilman Robbins on this, but I do, think you said it was slide 52, and it's been discussed by a couple of people and you made a very interesting comment at the outset when this was first questioned. I think 52 and then we are talking about the \$100 million versus the \$1 million 275.

Paul Basha: Brian, that's slide 50.

[Time: 03:36:56]

Mayor Lane: That's one I thought you might have committed to your memory, but in any case, you know, I had a long conversation just today with one of our charter officers with regard to statistical information and the use of it. And you said something, this is for dramatic display and you did reveal yourself a little bit as your real desire for mass transit and the bus system improvement, but when Councilman Robbins asked you, what's the capacity, what number of people, and I realize one of things that you also have is the incident of accidents you specifically gave the percentage by what that translated into and the number of accidents. It was .82 and 40 accidents. In that case, I see that you were sensitive that we are talking about a quantification of what's impacted here. If we just looked at this as it is, it's certainly .it is just that dramatic effect that you were looking to have. 25% capacity increase, versus 100%. If there were only two people on those buses at 50% capacity, you have four people. It's certainly a much more dramatic play when you talk about dollars and cents on this graph. So that was the only thing I was going to say there. I'm not necessarily opposed to price comparison. In fact, what I would compare this to is light rail at 100, or approximately \$80 million a mile and approximately \$2 million in operating cost between 1 million and a half and \$2 million. That would be the comparison to your standard bus and, of course, it's utilization. I'm not sure that's a fair comparison.

Paul Basha: Understood, Mayor Lane.

Mayor Lane: And that completes my interrogation. Here. I'm kidding, Paul. Thank you so very much for your presentation. But Councilman Phillips I think has a question or a comment.

Councilmember Phillips: Thank you, Mayor. A couple of comments that have been made, I just wanted to make more comments. You said Tempe's bus ridership is much better than ours and they have the Orbit bus and stuff like that. Well, that's A.S.U., it serves the students and obviously most of those students live in dorms or apartments and they ride the right rail free all the way downtown. You can't compare that to Scottsdale, you know. Maybe some parts of Scottsdale people would use the bus so much, but taking a bus up north, you know, Scottsdale drivers will not get out of their Mercedes and park and ride the bus. That's not going to happen and it's never going to happen. As far as a failed bond impact, transportation has a lot of money and this was brought up in a lot of different points about where you get your money and the different ways to do it, and you specify all of your projects and then you go ahead and do them but it's just kind of like public safety. It's what is the priority. Excuse me for bringing this up, we have former double A. and roundabouts in the Airpark. I think that's another social experiment. It's not necessary. There are projects that are necessary, and they can't shelve or remove projects to more pressing projects. So that's another way to move the money around.

When they were talking about the rapid transit, the way I see that or the way I heard it, because we didn't get right rail, we have to institute rapid transit, and like you said correctly, it's not going to add an extra lane but it's more dedicated and the bus will go all the way up and down Scottsdale Road.

Because we didn't get light rail, they are forcing us to do this and it will be another bus with two people in it. It's another bus that gets in the way of traffic. But we are stuck with it.

McDowell and Scottsdale Road, in the past we spent \$5 million on a beautification project, what was really for this bus rapid transit, they are going to have transit stations there and we actually voted, I wasn't on the Council, they actually voted for eminent domain of a coffee shop there so they could put the transit station in. That's what happens when you don't vote for light rail. However, I would not vote for light rail. And I would not charge the trolleys now that the Hospitality Trolley that's only during the tourist season, I think that makes sense that that trolley, the resorts, the businesses, you know, Scottsdale corridor and the Fashion Square, you purchase a product, would you like a bus token, and then get to ride the trolley free back to their resort or hotel.

[Time: 03:42:07]

I think that's a good idea as far as that one goes but the trolleys downtown, you know, there's too many shut in people that they rely on that trolley badly, you know, and even the school children rely on the trolley and so I would not be in favor of charging them to ride it at that point. They had it for so long. It's kind of like sacred cow of Scottsdale. You don't want to mess with that. That's part of Scottsdale image and I think we should leave it alone. By the way, did I say I'm against roundabouts. I can't remember. Yes? Thank you.

Paul Basha: Thank you, Councilman Phillips.

Mayor Lane: Thank you Councilman. Councilman Littlefield.

Councilman Littlefield: It's interesting the 12 years I have been up here, you and your predecessor, and I understand that you guys, transportation professionals have kind of a bias towards mass transit of all types but it's completely in conflict with what the actual people want to do. The number of people in Scottsdale who get to work or get around by any other means of transportation besides cars is tiny. It's infinitesimal, and I think people have voted with their tires so to speak as opposed to feet, and so, you know, you are not in tune with what the citizens want. And that's just the bottom line.

It's been that way all 12 years I have been here, and so we have this constant fight back and forth, but especially in light of the fact that all the stuff that you want to talk about costs a lot of money. I think the citizens will win simply by not funding it. I'm on the R.P.T.A. Board and we are the people would run the bus system. And one of the complaints I have always had, is that, you know, you put up all of these numbers for how many people ride each bus line but that doesn't tell you what the utilization is. More the most part these buses are empty most of the time.

Now, I understand we've got a regional system so we can't just, you know, do it through Scottsdale but the bottom line is the residents of Scottsdale have said they want to get somewhere by their car. And we need to take that preference into account and remember that that's what they want us to do. They don't want us to get them out of their car and on to their bicycle or into a bus or a trolley or a light railcar. They want us to do our job and to make it easier for them to get around on the streets in their

cars.

And one of my complaints, your department, not just you, but your predecessors too, is, you know, you are always talking about. Well, when you get people out of their cars. That's not what people want. Residents of Scottsdale want to stay in their car and they want you and us to make them easier to do that.

[Time: 03:45:17]

Paul Basha: Mayor Lane, Councilman Littlefield, if I can respond. Absolutely, the vast majority of people in Scottsdale want to drive and that's their primary mode of transportation and that's our commitment in our Transportation Department to serve those people. And I can't put a percentage on it, but a large percentage of our time is spent to devoting our street system. I'm not one saying we have to get people out of our cars. I never have been. What I believe we need is a multifaceted transportation system. We need to provide a bus system that is comparable to our street system. That gives us a more competitive community relative to other cities in the valley. Our dedication is to improve street transportation, as well as the other two modes of transportation.

Councilman Littlefield: If you want, do what Councilman Robbins and Mayor Lane said is get the traffic lights so people can get up and down Scottsdale and Hayden better. If you did that, citizens of this town would come in here and put you on their shoulders and ride you out like the champion. They won't do that for buses. I remember with your predecessor and I don't want to make this about you because all of you guys are in the same boat. Well, we have to get people out of their cars on to their bikes. How many, what percentage of people actually commute to work in Maricopa County by bikes. In the summer it's 0, and it's something like 1%.

Back when you were here before, when Jan Dolan was the City Manager and she moved trails into transportation. That's ridiculous. Trails aren't a way for people to go to work, or commute. Trails are a way for people to hike and recreate and have fun. I think if you went out and took a poll, what do people want us to do? They want to drive up and down Hayden and Scottsdale Road faster. That's more important than anything else.

Paul Basha: Mayor Lane and Councilman Littlefield, that's exactly why we have suggested measuring travel times as a measure of effectiveness of our transportation system.

Mayor Lane: Thank you, Councilman and thank you, Paul. Vice Mayor Korte.

Vice Mayor Korte: Thank you, Mayor. You know, I take exception to what Councilman Littlefield said saying that you are not in tune with what citizens want. I think you have provided us quite a bit of data and you talked about the fact that there are no other options and so cars are really the only option in Scottsdale. People aren't willing to wait 20 minutes or 30 minutes for a bus. They are hardly willing to wait 15 minutes for a trolley and we have seen that reduce. I think we are on the right track. I think what we need to do is look at all the options and provide an array of options for transporting not only our citizens but our visitors and the workforce that comes into our city every single day, which

equates to about 70% of our workforce. I am not a traffic engineer. I don't know what is best.

[Time: 03:49:12]

But I believe it is time for the dialogue. It is time for the dialogue, for, of our citizens and our staff and our political leaders to say, okay, this is 2014 and the last time we had a dialogue, I think that was about 10 or 11 years if I'm correct. And I don't know about you but I have gotten a lot older and, you know, I probably won't see that 2035 transportation plan be implemented by M.A.G. But others will. And I think it's important for us to continue to look towards the future and make decisions based on what the next generation is going to need and it's different than what we need today.

Mayor Lane: Thank you, Vice Mayor. I for one don't want to be talking about our end of life cycle, but that's all right. That's all right. You are right. That's, I don't want to talk about it. But no, one of the things you said, there's dramatic changes in the availability of funds. We were just in a session at M.A.G. not too long ago talking about not only the reduction and the available M.A.G. Prop 400 funds but also federal funds that generally subsidize us or supplement those as well. They are dropping off as a percentage and frankly, it's seen that the best thing it would do is hold steady from where it's continued to drop off. There's dramatic events that may play into this in the upcoming months.

So everything we need to do Paul, must come into the best possible utilization of the resources we have right now. The last thing that anyone here on the dais wants to hear from the general public, certainly and understandably and rightfully so, that there are buses riding around empty or trolleys that nobody is on, just for show, and I mean, truly, that's why I said I fully embrace the idea that we are going to spend it on tourism, trolleys, the best thing that we can do is get good, solid routing, stick with it, get a frequency that's going to encourage.

[Time: 03:51:37]

I was looking for the graph that you had and you may have it committed to memory, but the one that indicated that the level of tourism actually went up as ridership went down because of our frequency going down and maybe to the complexity of the routing. I said for the longest time and at different times my wife and I will try to ride the trolleys but it's always a little bit of a scary event as to where you will go and when you may get back. So I can only imagine for somebody who is new to town, really you are taking a big chance. It's one of those things that I think the best utilization, the best thing that we can do is to make sure that we are using the resources we have for mass transit and for our road systems are properly utilized to the best level of efficiency and productivity that can muster.

With that being said I was going to say thank you very much again for a very good presentation. It certainly invokes and spurred a lot of great discussion and I think, I hope it's given you some indication of the sentiments and where we need to go on that. I think that's the product we have here. Nothing to vote on, basically the conversation on it.

Paul Basha: Absolutely, Mr. Mayor and Council. Thank you very much for your comments and the opportunity to speak before you.

Mayor Lane: Thank you, again, Paul. Thank you very much. Well, that completes the second and last item on our work study session here.

ADJOURNMENT

[Time: 03:53:14]

Mayor Lane: I don't believe we really have any Mayor or Council items to consider so I will entertain a motion to adjourn.

Councilman Robbins: So moved.

Councilwoman Milhaven: Second.

Mayor Lane: Moved and seconded. All of those in favor of adjourning, please indicate by aye. We are adjourned. Thank you very much for being here.