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CALL TO ORDER

[Time: 00:00:00]

Mayor Lane: Well, good evening, everybody. It's very nice to have you here. Thank you very much for joining us. And I would like to call to order our February 3rd, 2015 City Council meeting. It is a regular meeting. We will start with a roll call, please.

ROLL CALL

[Time: 00:00:22]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathleen Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Here.

City Clerk Carolyn Jagger: City Manager Fritz Behring.

City Manager Fritz Behring: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the clerk is present.

Mayor Lane: Thank you very much. We have a couple of items of business to cover. If you would like to speak, those are white cards the City Clerk has over her head to my right here, and we have yellow cards if you would like to have any written comments for any of the items that are on the agenda. We will be reading those through the course of the evening and so we will get those covered if you submit those. This evening we have got Scottsdale Police Officers Tom Cleary and Jason Glenn who are almost immediately in front of me this evening. Thank you, gentlemen. They are here to assist you. They are for staff and council access only. There are restrooms under that exit sign over there. It doesn't mean you go outside for those but nonetheless the facilities are there for you. In any case, they are there for your convenience.

PLEDGE OF ALLEGIANCE

[Time: 00:01:37]

Mayor Lane: We are honored to have the Junior Girl Scout Troop 1283 and their leaders Shelley Bream and Chamise Broucek - do I have that right? And Karen Treon are here to lead us and these young ladies are here to lead us in the pledge.

[Time: 00:02:06]

Mayor Lane: If you would come up to the microphone and if you can, please stand. And any time you are ready, ladies, go ahead and start.

Girl Scout Troop 1283: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, ladies. That was a very strong rendition. It really sounded great. Thank you very much for that. And now if you will, individually, if you will come to the microphone. I see you have been prompted to do. Introduce yourself please and let us know where you go to school and what your favorite subject is.

Ryan Sheedy: My name is Ryan Sheedy, I'm in 4th grade at Hopi School Elementary and I like math.

Brinley Strand: My name is Brinley Strand, I go to Hopi Elementary and my favorite subject is reading.

Ellie Russic: My name is Ellie Russic. I go to Hopi Elementary School. I'm in 4th grade and my favorite subject is art.

Emma Gutierrez: My name is Emma Gutierrez. I go to Hopi Elementary School. I'm in 4th grade and my favorite subject in school is music.

Bella Tass: My name is Bella Tass. I go to Hopi Elementary. I'm in 4th grade and my favorite subject is math.

Maddie Malatesta: My name is Maddie Malatesta and I go to Hopi Elementary School. I'm in 4th grade and my favorite subject is social studies.

Audrey Tranin: My name is Audrey Tranin and I'm in 4th grade at Hopi Elementary School and my favorite subject is music.

McKenzie Reem: My name is Mckenzie Reem and I go to Hopi Elementary School. I'm in 4th grade and my favorite subject is P.E.

Katie Cross: My name is Katie Cross. I go to school at Hopi Elementary School. I'm in 4th grade and my favorite subject is reading.

Avery Wall: My name is Avery Wall. I go to Hopi Elementary School. I'm in 4th grade and my favorite subject is music.

Avery Amico: My name is Avery Amico. I go to Hopi Elementary School. I'm in 4th grade and my favorite subject is art.

Alexandra Murphy: My name is Alexandra Murphy and I go to Hopi Elementary School and I'm in 4th grade and my favorite subject is reading.

Lily Reed: My name is Lily Reed. I go to Hopi Elementary School and my favorite subject is writing.

Laney Sayer: My name is Laney Sayer. I go to Hopi Elementary School and I'm in 4th grade and my favorite subject is reading.

Lauren Kinnick: I'm Lauren Kinnick. I go to Hopi Elementary School. I'm in 4th grade and my favorite subject is music.

Julia Jennings: My name is Julia Jennings. I go to Hopi elementary school and I'm in 4th grade and my favorite subject is art.

Maron Day: My name is Maron Day. I'm in 4th grade at elementary school and my favorite subject is math.

Mayor Lane: Very nice! All right. Thank you very much for being here.

INVOCATION

[Time: 00:05:01]

Mayor Lane: Now, I would like to welcome Chaplain Ben Shelton from Pinnacle Church to provide an invocation tonight.

Chaplain Shelton: Let's bow our heads in prayer. Our Heavenly Father, we thank you for this occasion in which our minds and hearts pause to recognize you as Lord and creator. Remind us all that we are members of one community striving for preservation of truth and freedom. Grant your blessing upon our leaders and give them wisdom and strength to carry out the responsibility ever not only being the pillars of influence in our community but also servants to its citizens. May we be steadfast in our convictions, consistent in our commitments and courageous in our endeavors to make the world a better place in which to live. We express our gratitude of the abundant provision of life and ask your blessing upon this evening. In your name and in your power we pray, amen.

Mayor Lane: Amen. Thank you very much.

MAYOR'S REPORT

[Time: 00:06:04]

Mayor Lane: So I have a couple of things to report on today. The last one today, the city was presented with a check from the Arabian Horse Association of Arizona for their contract to produce the Scottsdale Arabian horse show at WestWorld for the next 20 years. And I certainly personally look forward and I know the City does, looks forward to the continued partnership between the City and the Arabian Horse Association, to keep the country's largest Arabian horse show here in Scottsdale and our new facilities at WestWorld.

Last Friday, I had the pleasure of attending the 57th annual Hashknife Pony Express ride. The western kickoff to the month's Parada del Sol and for everyone keeping their honored tradition alive. The spirits of this month's western events, I have this proclamation, which I will read so that everyone is aware of not only how special this event is, but also how it is for this month.

The proclamation reads as: Whereas the Old West will come alive during the 62nd annual Parada del Sol with the Hashknife Pony Express ride, and reminding us that Scottsdale is the most western town and whereas over the years the Parada del Sol has grown from a small town rodeo to one of the most popular rodeos in the southwest, sanctioned by the professional rodeo cowboys association and is part of the Turquoise Circuit Rodeos. And become known as the world's largest horse-drawn parade; and whereas, the Parada del Sol brings the Scottsdale and the events celebrating the mettle and the wit of the original explorers of the American West.

The volunteers involved in these events coordinate with the parade, rodeo, and western week's events and their generous efforts to reflect their love for Scottsdale and the western way of life.

Whereas the Museum of the West, a wonderful new addition to Scottsdale western spirit and will allow our citizens and visitors alike to learn and be entertained at the heart, the area, the history and the culture of the American West.

I therefore Jim Lane, Mayor of the City of Scottsdale proclaim February 2015 as Parada del Sol month. And I ask and urge everyone to participate in the Parada activities, to warmly welcome the travelers who come to enjoy the spirit of the old west and extend our deepest thanks to the Parada del Sol for carrying forward this tradition.

So there it is! And I was just about to say this as well, but we have now established in conjunction with this and we have done this for a number of years, recent years, Western Wednesdays. It's really not confined to just those Wednesdays but we sort of play that as a Western Wednesday to make sure that everybody sort of remembers that history and that heritage to the best that we can. So wearing western wear on Wednesdays to the point that we can. So I certainly want to entertain or ask everyone to not only honor the month for our western heritage but also to exhibit it in your western wear. Another western or Parada del Sol month and Western Wednesdays.

You know, one other thing I might want to just mention too is that unless you were out of town and couldn't get back, or left purposefully because of the events we had over the last week or weekend, we had some great events here in Scottsdale and in the valley, of course, with the infrequent but certainly periodic playing of the super bowl in Glendale, as it is. But as we oftentimes say, the game is played, there but the party is here in Scottsdale. We had a lot of activity here and also in conjunction with our open which is scheduled on or about -- on the same time, actually.

So I hope everybody enjoyed themselves, but the one thing I do want to say, and I hope everyone here in the Kiva here with us tonight recognizes that we have a tremendous city staff, and frankly, we have become maybe experts through the years and we are seen that way by a lot of the communities that surround us, as a community that can and does deal with a lot of people who are here visitors, some 9 million people a year we entertain here in the city of Scottsdale. And that has really been done in a very safe and friendly and a celebratory type of mood. But it's been primarily because our city staff, and I have to say and point to our police department and our fire department being on the job and being vigilant and making sure we maintain a great environment for just these kind of events. I would like to applaud our city staff in its entirety for what they have done over this past week.

PRESENTATIONS

[Time: 00:11:42]

Mayor Lane: Thank you all. So we have a presentation tonight by my own Scottsdale Youth -- well, Scottsdale Mayor's Youth Council. And we have an update from Daniel Morgan, a Human Services Specialist who works with this group in a very, very special way and is really refined and made this a group, a very, very fine group of students who are with us during the course of one year or actually it can be multiple years. But to start with Dan, I certainly appreciate all of your efforts in working with that and what fine results we have seen.

Daniel Morgan: Mayor Lane and members of the Council, thank you for that this opportunity. I'm a Human Services Specialist, and one of my responsibilities is to act as an advisor to the Scottsdale Mayor's Youth Council. It's a group of kids who never cease to amaze me. We have one who has accomplished more than most, and he happens to be our president this year. This is Preston Wiley. He will give our report.

[Time: 00:132:47]

Mayor Lane: Preston, welcome.

Preston Wiley: Thank you, Mayor Lane. Thank you members of the City Council. My name is Preston Wiley, I have been a Scottsdale resident all of my life. I'm currently a senior at Chaparral High School and I appreciate the privilege of being the President of the Mayors' Youth Council. With me is Daniel Morgan who is a Human Services Specialist and advisor to the Scottsdale Mayor's Youth Council. I would like to thank the Council for this opportunity to speak and I would like to start by providing a very brief history of our organization, followed by a synopsis of our current activities.

To begin the Scottsdale Mayor's Youth Council has been in existence since the late 1980s when it was founded through a partnership with the Office of Mayor Drinkwater and Scottsdale Family and Youth Services. The same partnership continues today and we are grateful for the support of the Mayor's office and of Youth and Family Services.

The primary goals of Scottsdale Mayor's Youth Council are to learn about local government and its function, to promote civil responsibility and provide a venue to support youth voice. This is achieved through our participation in a variety of activities such as tours of the City's facilities including the police and fire training center, which is my personal favorite, the Scottsdale Airport, Traffic Control Center and the Sonoran Preserve to name a few. Service learning opportunities in the form of assisting with packing the holiday meal bag, and the biannual Adopt-a-Road project with the Mayor himself, which we are very grateful for.

Additionally, we have a few special events each year, including our annual simulated city council meeting held right here. Our annual Scottsdale Youth Town Hall. This year it was held on January 22nd at A.S.U. Sky Song. We were able to get 100 attendees to come together and tell us a little bit about what they want the future of the Scottsdale to look like, especially in terms of the general plan. In three weeks this information is going to be compiled into our 2015 Youth Town Hall Report, which will be available on our website, Scottsdale Mayors Youth website, as well as the City's website. We will be participating in the Parada del Sol, begun an opportunity we are very grateful for.

This brings us to our primary purpose for seeking an audience in this public forum. We are currently in the process of recruiting for the 2015/2016 Scottsdale Mayor's Youth Council. It opens January 1st and ends on April 1st. Usually it begins in April and ends in August. We believe there are numerous reasons, including accommodating the busy schedules of our high school students and to plan well in advance that the members of the youth council can participate fully in all of our planned activities. Furthermore, we believe this change in recruitment time, us this making for a more competitive program resulting in only the finest of Scottsdale's teens.

We are seeking Scottsdale's best and brightest high school students that will be sophomores, juniors and seniors during the 2015/2016 school year. That said, I would like to encourage any freshman, sophomore or junior students that live in Scottsdale or learn in Scottsdale to apply for the Scottsdale Mayor's Youth Council. This can be found at our website, cottsdaleaz.gov/education/smyc/application.

For those who do not have access to a computer, a written copy of the application can be secured by contacting Youth and Family Services 480-312-7922. Any questions regarding the political process or the Scottsdale Mayor's Youth Group still as a whole, any questions should be directed to Daniel Morgan. Again, thank you for your time and if you have any questions at this point, I would be very happy to address them.

Mayor Lane: Well thank you very much, Preston. You are very thorough with that and we're in good shape. Thank you very much.

Preston Wiley: Thank you.

PUBLIC COMMENT

[Time: 00:17:04]

Mayor Lane: Our next order of business is public comment and public comment is reserved for citizen comments regarding non-agendized items with no official Council action. Speakers are limited to three minutes and we have a maximum of five cards that are accepted at any one time. And there will be an opportunity for additional public comment if it's needed at the end of the meeting. We do have the maximum allowed of five cards available and so it is that three minutes each and we will start with Darlene Petersen.

[TIME: 00:17:37]

Darlene Petersen: I have lived in Scottsdale for, well, 57 years. Mayor Lane and members of the Council, I want to put on record today concerning the Parada del Sol the P.R. For this parade was very poor. Last year it was almost nonexistent. A lot of people said they missed it because they didn't see anything about it. Well, now someone has decided to change the route. They have changed it to a smaller area so that it could be where it started. Well, in 1953, when it started, the population was 2,000. In 1960, when I took my 3-week-old baby and my husband and we took her to her first parade and we have been attending almost every year since, the population then was about 10,000. Now they want to make it smaller, when the population is 230,000. This is now a community tradition, drawing people from surrounding cities and out-of-town visitors who come to everything else that's going on. In the '70s, it has changed over the years a little bit. In the '70s, it was like to Thomas, and then it was to McDowell and then that was too busy and they moved it to Oak Street. Where the staging could be at Coronado High School and there were a lot of parking around. Where are the people going to park that are from Oak to Thomas? Where are the handicapped people going to park their cars, use their walkers and get up to 9 sidewalk to watch? It's going to be hard enough just for the people that are -- have been going downtown to find parking. I would like to make -- give a quote that Debbie Abel, our Scottsdale Historical Preservation officer gave in 2004 for a newspaper article about the parade. Historic preservation is not just about saving old buildings. It's about preserving memories. It's about retelling a community's stories and doing traditional things and that's what the Parada del Sol. We need to be enlarging it and not make it smaller. We need to put it back next year to Oak Street and Indian School. Thank you very much.

Mayor Lane: Thank you, Darlene. Next is -- next is Scott Caley.

[Time: 00:21:10]

Scott Caley: Since we are trying to be western - howdy. We're on? Great! I'm here for a little different reason. I haven't been around for a while. A couple people up there know me and a couple people up there don't want to know me. This is some wood in my backyard. You really can't

see it but you may be able to see 9 uprights. My wood in my backyard is turning black. The stuff under the tree is not turning black. Some people can recognize my cars in town because it says various things on the back windows, sometimes controversial. I'm renaming Scottsdale because of the problems that I'm seeing that I think have gotten out of control by many City Councils -- not necessarily you. We are now the sewer of sound and the funnel of filth. What does the funnel of filth mean? We have a pollution problem in Scottsdale is not being addressed. Inadvertently we got the 101. Then we made Hayden, six, seven lanes wide and Cactus is the main access route in the Scottsdale area along with Shea to the 101. We have Frank Lloyd Wright and we have Scottsdale Road. The amount of cars in this funnel of filth, as I call it, may be anywhere from a half a million on up per day. Sewer of the sound. Why we drive 40 miles an hour in Scottsdale -- in Phoenix and then the minute we hit Scottsdale and Cactus, we go to 45. Do you think the sound would go down if Scottsdale, a community of very wealthy people that's been forgotten like Darlene was speaking, someone who has been living here forever would be interested in maybe bringing back some of the quiet instead of the high rises, the parties, the increase in the population and when should we say no? The airport. We could change what used to be at the airport, a plane would fly down to 56th street or 64th, not only reducing sound in the neighborhood that Mayor Lane lives in, that I live in, but reducing pollution. This is the first time I'm coming here. I plan on visiting a lot to change the attitude of Scottsdale so we cannot be named the funnel of filth and the sewer of sound. I look forward to seeing you all in the future. Thank you very much for your time.

Mayor Lane: Thank you, Scott. Next, we have Karen Treon.

[Time: 00:24:36]

Karen Treon: Mayor Lane, members of City Council my name is Karen Treon. I served as the co-chair of Yes to Children. It recently worked to pass the Scottsdale Unified Public School District overrides. I'm here to speak on behalf of my co-chair, Cindy Bitkin. The Scottsdale Unified School district delivered a clear message, quality schools are an essential component of a healthy community. Thanks to the solid support of so many community leaders, including you, the Scottsdale Unified School District will be able to sustain the quality of an education system that leads the state in graduation rates, college admissions and overall quality ratings. This is good for families. Their number one priority is to provide their children with the tools that are necessary to have successful and happy life. This is good for Scottsdale. Good schools attract businesses looking for a community that is a great place to live. This is good for our economy, since knowledge is the not so secret ingredient to creating good paying jobs. This is good for everyone who owns a Scottsdale home or business, since schools quality plays a significant role in determining real estate values. So Mayor Lane, members of the Council, on behalf of Yes to Children, and my Girl Scout Troop who had the honor of leading you in the pledge of allegiance, Cindy and I offer our thanks and gratitude for your wisdom and leadership in ensuring that Scottsdale's long standing tradition of valuing public education continues. Thank you.

Mayor Lane: Thank you, Karen. Please, I would appreciate in we would refrain from the applause. We do not normally consider that part of our decorum here. Even though I recognize and understand the reason and the thinking. Next, would be Ryan McDonald.

[Time: 00:26:50]

Ryan McDonald: Good evening Mayor Lane, City Councilmembers. My name is Ryan McDonald. I'm a husband and father of three boys, little league coach and a Cub Scout leader. I'm here today to speak out on the proliferation of cell phone towers in our city parks and city schools. I believe they are becoming a blight and an eyesore on otherwise natural, tranquil open spaces. These are last bastions of free, natural areas within our city and should be preserved. There are always alternate sites for such industrial equipment, such as light poles, commercial centers, streets, freeways. No other private corporations are permitted to erect permanent structures within our city parks or our schools and neither should telecom companies. I would ask what benefit they provide to the residents of the city of Scottsdale. These are places to escape the burdens of everyday life, of overbearing technology and it's a place to spend time with family, our friends and our neighbors, which is becoming a lost pastime it seems. And right behind you is a sign that says the west's most western town. I don't know western towns that have 70-foot metal poles erected in the center of their city parks and schools. So therefore, I Ryan McDonald, citizen of the state of Arizona and resident of the city of Scottsdale do hereby petition the Scottsdale City Council to direct their staff to draft an ordinance prohibiting the erection, construction or placement of any new cell towers, type one or type two antennas in any city park or K-12 school. It destroys the peaceful tranquility and intended uses of these facilities. Alternate sites can be found for such private businesses. I yield the balance of my time. Thank you.

Mayor Lane: Thank you, Mr. McDonald. Next and final on the public comment period testimony is Nancy Cantor.

[Time: 00:29:14]

Nancy Cantor: Mayor Lane, members of the Council, last Thursday when it was raining some friends and I took a stroll through downtown and the bar district and we came up on a gentleman who was very distraught. And being the nosy old bats that we are, we asked why and could we help. And he looked at us and said not unless you are on the City Council or you work for the City of Scottsdale. And I said, no, I'm afraid I don't. I'm curious now, what's the problem? Well, apparently no one had bothered to pull permits for this gentleman who is the head road supervisor and the vice president of the NFL's office for him to put up \$30 million worth of equipment in downtown for the NFL festivities. They had not bothered to get permits for the construction of equipment, nor had they bothered to get permits for the closing of the streets so he could get the people and the towers up. One of the maps he had been given from the vice president's office had a vacant lot down there that he could park trucks and put some of the equipment up. Unfortunately, there's a restaurant on that spot now and he couldn't do that. So he put the equipment up in front of the building and he didn't care very much at that time whether or not they could go through the front door or the kitchen door. So those of us who didn't really oppose the Super Bowl were very concerned when the gentleman said if anybody in the vice president's office asked them about coming back to Scottsdale to do a Super Bowl, he would tell them flat out no and he's been a roady for over 30 years. He was a roady for rock groups. He was a roady for other big presentations like Cirque du Soleil and he was very upset with what transpired. He did mention to me why didn't Mr. Sean Yari and his friends get the permits for us. I

don't know if that has anything to do with anything, but I sure hope that someone on our Council and someone in the City Manager's office who is curious enough to find out what happened and why a gentleman standing in the rain trying to figure out how to put up \$30 million worth of technical equipment for that event.

Mayor Lane: thank you, Ms. Cantor for that. That completes the public comment that we have at this time.

MINUTES

[Time: 00:32:00]

Mayor Lane: So we will move on to the next order of business, and that is the approval of minutes. And I would ask for a motion to approve the regular meeting minutes of January 6th, 2015, and January 13th, 2015. Unless there are any comments or adds or deletes that the council is concerned with. Seeing no comments, i will accept that motion.

Councilmember Korte: So moved.

Councilman Phillips: Second.

Mayor Lane: Moved and seconded. No further comments, we are ready to vote. All those in favor please indicate by aye and register your vote. Aye. It's unanimous, the acceptance of those minutes.

CONSENT AGENDA

[Time: 00:32:46]

Mayor Lane: Next order of business is Consent Items 1 through 23. And we have no cards on any of those but we do have a request by Councilman Smith to move consent item 11 to the Regular Agenda. So we will consider items 1 through 23, absent item 11 which will be moved to the regular agenda. I see no cards to speak on any of those other items. I will accept then a motion to approve.

Vice Mayor Milhaven: So moved.

Mayor Lane: The motion has been moved.

Councilmember Korte: Second.

Mayor Lane: And seconded. No other requests to speak on that. So we are then ready to vote. All those in favor, indicate by an aye. That's unanimous of the consent agenda, absent item 11.

REGULAR AGENDA

[Time: 00:50:12]

ITEM 11 – ARIZONA BIKE WEEK WESTWORLD EVENT AGREEMENT

Mayor Lane: We move on to the regular agenda items, which are 24 through 26. But now starting with 11. Just for the record, because it has been pulled, it's the Arizona Bike Week WestWorld event agreement. The request is to adopt Resolution 9950 authorizing a Contract 2015-013-COS with FX Promotions Inc. to produce an Arizona Bike Week event at WestWorld facility during the year 2015 through 2017. And I would ask if Mr. Smith, if you are -- or Councilman Smith, if you have any comments you would like to or just proceed with the presentation? Okay. Mr. Katsenes, you are on stage.

[Time: 0034:38]

Tourism and Events Director Paul Katsenes: Thank you, Mayor, Council. Bike week or FX Promotions partners Brad Bennett and Lisa Sear have been at WestWorld since 2000, producing the Bike Week show. This is an outdoor motorcycle rally that has become one of the top five motorcycle events in the United States. The show continues to grow in attendees. It's a unique show supported by motorcycle manufacturers and Scottsdale motorcycle dealers. There's a strong tourism component in that people come from all over the United States bringing their motorcycles here for six days or even more. They stay in our RV spots or in other cases when Mr. Bennett blocks hundreds of hotel rooms for visitors within the United States and outside too. The size of the show is 30,000 attendees and growing. 15,000 motorcycles and growing, five days of event and six-figure event revenue to the City.

Through 2013 bike week produced the event using a special event liquor license. In 2013 and 2014, as we all know, the Tony Nelszen Equestrian Center provided for a full-time food and beverage vendor on site. Plus we had the value of the kitchens. We have five kitchens in those new buildings, some value between half a million and potentially \$750,000 of new construction in those buildings. The City contracted with National Western Capital Corporation and M Culinary to provide those services, to provide a single liquor license for all of the WestWorld campus, to do a high-quality, full-time, full service provider for all of WestWorld campus, and to build out those kitchens over time.

WestWorld's best interests are now being served with this new year-round facility. There's an increased quality of service. There's an increased sales and there's an increased event activity. However, we knew this day was coming that the year-round facility drove the need but at the same time, we knew we had to go back to Bike Week and say, a special event permit is no longer available and we had to figure out how not to lose this very important show, this long-term show, and one that is growing. We had to figure it out.

WestWorld's general manager, Brian Dygert spent last spring figuring out how to do that in negotiating with Mr. Bennett. Discussions continued into the summer and the fall at the charter office level where Bruce Washburn spent time with the Bike Week attorneys, Jeff Nichols and the Acting City

Manager, Brian Biesemeyer and many of you, the Councilmembers, were engaged in those discussions as we tried to find a balance on a renewal contract. This contract was the first order of business for Mr. Behring when he came back in September 2014. Discussions, negotiations, and drafting of contract occurred for another 60 days after his return and we reached an agreement. That agreement is before you this evening.

And to refresh our collective memories, let me put the contract business points here. You will see the new contract is a three-year contract with one-year extensions. There's a fixed base use fee of \$25,000. Fixed each year for the first three years. And number three, there is a 3% escalation for each of the extension years on that \$25,000 base use fee. Number four, the RV sites are being sold for the event to the event producer. And Bike Week will resell those on demand to those people that come and want to stay in the RV spots. Number 5, WestWorld receives 5% of gross food and nonalcoholic beverages. WestWorld will not receive any share of alcohol sales. And number six, Bike Week and WestWorld will each receive 16% of parking revenue. Number 7, WestWorld will receive 34% of profit from an on-site convenience store. There's been some discussion back and forth and some questions to pose to the city treasurer and he has responded and provided you some background.

I am here with Brian Dygert, Mr. Brad Bennett, his partner Lisa Sear, the four of us remain available for any questions would you like to ask and bring forward.

[Time: 00:40:59]

Mayor Lane: Thank you Mr. Katsenes, if that's the conclusion of your presentation on this. We will have some questions and we'll start with Councilman Smith.

Councilman Smith: Thank you, Mr. Mayor. Paul, you said it's a fixed use fee of \$25,000. There are, however, credits against that fee, is that right, for a return of profits on liquor sales and food sales and so on and so forth?

Tourism and Events Director Paul Katsenes: Inside the fixed fee, sir?

Councilman Smith: Do they get a credit for food sales and liquor sales? I read the contract. It seemed to say that it was a credit against the use fee.

Tourism and Events Director Paul Katsenes: The City is not receiving any alcohol, although we will collect it through our vendor and culinary. They will provide the alcohol service. They will sell and they will collect that fee and so, yes, at the end of the event the receipts from alcohol only will go back to the event producer. They will pass through. So, yes, there is a credit.

Councilman Smith: And am I right that's a credit against their use fee, the \$25,000?

Tourism and Events Director Paul Katsenes: Yes. Yes.

Councilman Smith: And there's also a credit that they get for the convenience food that's sold? There's also a credit against the use fee?

Tourism and Events Director Paul Katsenes: There is city participation in the convenience store of 34% and so they will participate also in the balance of the profit.

Councilman Smith: And they get a credit of 15% of the gross food sales? Against the use fee?

Tourism and Events Director Paul Katsenes: That would be true since our contract with M. Culinary and National Western Capital Corporation is in essentially two steps. It's 20% on all food on premises for that show and so since the city is receiving 5%, the 15% will be to the producer. Bike week FX promotions.

[Time: 00:43:02]

Councilman Smith: I think my concern was what I saw initially as a \$25,000 fixed base use fee. I realized it goes down and down and down as they are given credits for first one thing and then another. And I think what finally caught my attention was the fact that the expectation for their -- for WestWorld's realized revenue from this event next year would be according to what you sent us, \$110,000, which appears to be about 7.5% less than what we got last year. And perhaps a third less than we got two years ago. And so it highlights my concern and I wanted to understand why we're sort of on a slippery slope of reduced revenue realization from this event, which is for the members of the audience that may not understand this is occurring during the prime rental period of the WestWorld facilities. They are not renting the facilities themselves. They are renting the land, the polo field and so on, but it will intimidate, I would think, rental of the facilities that we spent so much money to modernize and climatize and everything else. And why we are carving out five days for an event or ten days if you count move in and move out, in the prime period of rental time for WestWorld, and doing so at a declining revenue realization. That, I guess, is what I would like to hear you address.

Tourism and Events Director Paul Katsenes: We spent a substantial amount of time going through those same questions with the producers and his team, with Mr. Bennett, Ms. Sear and their team. And at the end of it, we could not reach an agreement. Until this last fall and this is -- this is the result of that agreement. So it was -- we became convinced that we would have to do something exactly like this or lose them completely from WestWorld, number one.

Number two, we think that we also became convinced that they are experienced producers of the show, after that long period of time at WestWorld, that they produce a quality show for their audience and that they have a substantial investment that they are committed to make into that show to grow that show. And so we are -- we were highly persuaded to look for additional growth to get back to those previous levels. But there was no way to put that into a contract. So we did this contract to keep in show at WestWorld for the next three plus 2.1 years, with the intent that we had a producer team partners that were highly motivated in the attendance and revenue and therefore benefit the city in a higher number than last year.

[Time: 00:46:32]

Councilman Smith: I guess I hear what you are saying. I remain concerned that we -- that in an effort to keep a show or become highly persuaded to keep a show or whatever, we would allow the revenues to decline at WestWorld and we all know the challenge that we all have to enhance and grow those revenues. And if we can't take a party who has been with us for 14, 15 years, whatever it's been and somehow keep the revenue neutral, much less grow the revenue, it's perplexing to me how we hope to -- how we hope to ever increase the revenue and reduce the burden on the taxpayers of that facility. And I don't expect you to have an answer to that, but I wanted to express my concern that we're on a slippery slope here. That's all, Mr. Mayor.

Mayor Lane: thank you, Councilman. Councilwoman Littlefield.

[Time: 00:47:37]

Councilwoman Littlefield: Thank you, Mayor. I had two concerns. One Councilman Smith was talking about. This is a project that's growing and getting bigger and better every year and we are getting less money for it. That's a problem for me. We have a lot of money we need to make good at WestWorld. Accepting programs for less money is not the way to do that. Another thing I had a question for you about this. Last year or the year before, when this was at WestWorld, we received a lot of complaints from people in the surrounding areas that live there about the noise and the light pollution that was going on with some of the programs that Bike Week contributed to. Have we done anything to address those concerns from the residents?

Tourism and Events Director Paul Katsenes: We have in this regard. Most of the -- most of the light complaints came from those portable lights. They are run by generators. They have a tendency to vibrate and move around. With the installation of our new buildings, our north hall, the Tony Nelssen and the south hall, Tony Nelssen Equestrian Center and the south hall, we have a lesser need for some of those lights that were on the outside of the event periphery and so there will probably be fewer lights that will vibrate and shine into people's windows, especially those condos at 94th Street and Bell. So we expect fewer light complaints this year.

Councilwoman Littlefield: And noise?

Tourism and Events Director Paul Katsenes: And noise? I don't mean to be flip, but noise is in the ear of the beholder. So a motorcycle being revved is music to some people's ears and is a distraction to others. And this is an event venue of over 300 acres and this is a show that has -- almost as Councilman Smith pointed out, a 15-year history. So it should come as no surprise that we have events there that sometimes have noise. And so we do the best we can from an operations standpoint and from a production standpoint. I can tell you that this producer is -- this team is sensitive to that.

Councilwoman Littlefield: Thank you.

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

[Time: 00:50:12]

Vice Mayor Milhaven: Thank you, Mayor. I would like to make a motion to approve Resolution 9950 authorizing approval of Contract 2015-13-COS with FX Promotions for Arizona Bike Week.

Councilmember Korte: Second.

Mayor Lane: A motion has been made and seconded. Would the second like to speak to it?

[Time: 00:50:32]

Councilmember Korte: Yes, it's more in a couple of questions. Paul, can you better describe -- so we know with the new equestrian center in the contract with M.K. Catering and others, that the numbers and the business model is totally different than it was prior to the Tony Nelssen Equestrian Center, correct?

Tourism and Events Director Paul Katsenes: Yes.

Councilmember Korte: Could you just briefly explain what those differences are?

Tourism and Events Director Paul Katsenes: Yes, I would be happy to. We had a food provider -- I'm hesitating because it's -- it's a bit unfair to criticize on a quality level or on a service level. Some people are potentially not in the room, but we had a need with the new facilities increase the level of our quality of food, to increase the level of our quality of service and to increase the performance of both of those throughout the whole venue. Before these contracts were in place we had a series of -- a variety of concessionaires that would come and go and they would not be consistent from show to show. So the quality did not continue to hold up -- hold up. We had complaints on quality and complaints on pricing and we had complaints on variety.

We now have M.K. Catering and M. Culinary and National Western Capital Corporation, who are full-time, full service and provide a consistency of quality and a variety of menus they will -- they will customize a menu to any event's needs and deliver that. So that's the distinction between a single event with a variety of concessionaires and a single event with a single full-time deliverers of all the things we need to do. And the benefit to us is a very close second benefit, those shows then produce a better show and increase revenues, their own and to the City over time.

Councilmember Korte: So do you -- could you say that those new contracts and increasing the quality of food and service and consistency has increased the costs of doing business and thus impacting the revenue generation back to the City?

Tourism and Events Director Paul Katsenes: I don't think it's increased cost of doing business because

they are incredibly competitive. They are providing the food and beverage service to our big three events right now on standalone contracts as we all remember. They are -- they have their own commissary. They have the ability to deliver food and very difficult situations and do it effectively. They provided food for the Phoenix Open. They provided -- they provide food for the firefighters on national federal contracts in place at fire scenes. They provide food in very -- in backyards for private parties. So they are very experienced in delivering food at a competitive and high quality but competitive pricing. So if an event producer comes in, they can meet their expectations. And the other component -- I'm sorry. The other component that we shouldn't forget is that they are committed to building out those five kitchens in our buildings and they are already finished one of those, over time.

Councilmember Korte: So, Paul, give me one or two reasons why the negotiation of this contract was so difficult and the value of this contract back to the City. Sign of the times?

Tourism and Events Director Paul Katsenes: I hope it's not a sign of the times because this was a singularly most difficult negotiation. But we knew that this was a shift for this one -- for this one event, this was a complete shift in the way. It would be difficult. We knew it would be difficult and so I don't think it's a sign of the times this virtually is the last one that we have to confront in this way. This makes the switch over to the National Western Capital Corporation and M. Culinary makes it complete.

Councilmember Korte: thank you, Paul and I'm going to support this contract. I don't think in sitting up here on the dais, shall we say, negotiate a contract from this position and certainly trust the staff for doing everything it possibly could for the best of the City. Thank you.

[Time: 00:56:00]

Mayor Lane: Thank you, Councilwoman. I have a couple of comments to make, and I'm torn on this. It was a difficult one for staff to work through and I appreciate even some of the pressures, frankly, Paul, that you are referring to with regard to sometimes the nature of the event, the history of the event and seemingly the importance of the event. There's a couple of other things that have to be considered too.

One is that we are a brand new facility. I do understand with M culinary, even though I'm not sure exactly how deep we get into these negotiations with them, my concern is that you just said something that I made particular mental note of and that is this one makes it complete. We are done. We have moved over, we have shifted over. A lot of things have gone under the bridge as far as the terms and conditions.

Not the least of which in 2014, significant credit from the last time I saw the numbers \$80,000 was paid by the City -- a credit from the City to Bike Week to try to bring it in line with what was presumed to be some level of income that they were derived of because of a switch from the special events to the new contract formulas. Under the special events, the City received 17.5%. That's good, bad or indifferent, they received 17.5% of the alcohol purchases. We're down to zero.

There was also a percentage with regard to food. I thought there's a big change in even the contract and the commitment by M Culinary with regard to the facilities and the investment in that and all that that entails but it still does endanger the baseline that we have established for the commission structure on this facility, and that the \$4.2 million base, as we go through each and every one of these things and somehow denigrate that base by the overall revenues received from the individual event producers within that base, changes that base by some number that I couldn't tell you what it is, but I see it -- I see it happening.

The other was if this was less, we already have some folks in line to try to extract the same kinds of terms and conditions using this as their example, as a continued departure from our standard contract language, and the contribution primarily of food and beverage. So that all concerns me, the denigration of that base, the denigration of revenues received off of this contract, the quality of this contract, the time slot that it takes up, the extent of time that it takes up in a prime -- in a prime period of available leasing customers.

So it -- and now we're essentially on a three-year lease. I realize it's year-to-year kind of thing. So I would not want to stick too hard with this, and I certainly don't want to set the precedent on this, but I will say that I am extremely concerned that we may have set a precedent here that is going to be followed, even as we talk about it here, I suppose, but nevertheless, word in this industry gets around regardless of what we might say here.

So I think you did -- you did answer my first -- and I haven't posed it, is the extent of the credit in the year 2014, I think that's already been -- I have already been told or informed of that, and it's some \$84,000 and took it from the previous year, even with increase in growth in the event from \$156,000 in 2013, to 118 after the credit in 2014. That doesn't feel real good and some of the other offsets aren't necessarily helpful neither.

I guess what I get down to; I'm not sure exactly what I feel on this. I know there's been a lot of work put into it. There's a timing element right now, a commitment on the part of the city and certainly by the Bike Week folks, FX Promotions and this will be a difficult time for everybody, with regard to some major upheaval in this regard. So that's one of the very things you worked with and now we're working with that, as stress point. I'm not really interested in having this be an extended contract under these terms. I think this is definitely something that should be looked at next year as we start to book up this time.

And that's another thing, is there a reservation for the next two years? I think that's something that has caused us a little bit of difficult as we try to book up the schedule for the facilities there as to how we make sure that they are secure and we don't have conflicting ones. Now, that's another subject all together. So I voiced my concern. I'm concerned that we don't do this. I don't want to be under a bigger gun because we have done this here. So that's -- that's the extent of my comments right now.

I think there are a few other comments so I will wait to hear from them. And I realize a motion is on

the table and has been seconded. Councilman Smith.

[Time: 1:02:00]

Councilman Smith: I just wanted to make a comment. I don't have any problem with the M Catering contract. I think it's the right thing for the City to do. I think it's more efficient and financial advantageous to delivering food out there. I don't really have any issue with that at all. The only reason to even have it discussed is my concern, as the Mayor said, that we are establishing a precedent here that we have given away almost all of the anticipated City benefits, the City financial profits from food, from liquor sales and convenience sales, whatever. It's a bad precedence. I will be voting against it. I'm doing it more not against FX Promotions but more just to say, let's -- if we can stop this and reverse the trend and get back on a path of trying to increase the revenues of WestWorld and decrease the drain that it is on the taxpayer.

Tourism and Events Director Paul Katsenes: We have heard you tonight about your concerns about precedent setting. We don't want to bring you another deal like this. And we need your help then to remind us if we get close to this, again, but we don't expect to get close to this deal again. We think this is -- this is something that made sense to keep this event there and make it grow and that we will benefit collectively in revenues to this world and to the City but we don't think there should be another event that gets this deal.

Mayor Lane: thank you, Councilman. Vice Mayor Milhaven.

[Time: 01:03:56]

Vice Mayor Milhaven: Thank you, Mayor. Mr. Katsenes, folks raised a couple of issues because I was privy to some of the conversations. Prior to 2014, it was my understanding that Bike Week used a special events liquor license which meant they could get liquor donated or buy it wholesale and they could sell it for themselves. It seems to me that would have been a pretty lucrative source of income to the promoters of this event.

Tourism and Events Director Paul Katsenes: Yes, it was.

Vice Mayor Milhaven: And that's no longer present.

Tourism and Events Director Paul Katsenes: That's right.

Vice Mayor Milhaven: And then it's my understanding that the contract with M Culinary, we bring them the people, and the other is a percentage of food and beverage. Our contract with them requires an agreement different than what was available prior to 2014.

Tourism and Events Director Paul Katsenes: You are exactly right.

Vice Mayor Milhaven: So then as I'm looking at this the difference between the estimated \$110,000

the City brings in, based on this contract, and the 118 we may have gotten last year is \$8,000 worth of marketing contract that really is covering M. Catering's total service and so we are now paying somebody to do food and beverage and manage an event where we are providing resources to do that in the past, and so it's just shifting the expense to cover M. Catering's contract and the \$8,000 is the cost of the marketing. Is that a fair assumption?

Tourism and Events Director Paul Katsenes: It's more than a bit of a leap. We don't connect it in that way at all. It doesn't translate. The numbers may -- may -- may sift out in that way, but it's not a -- it's not a covering of --

Vice Mayor Milhaven: No, I meant more conceptually.

Tourism and Events Director Paul Katsenes: Conceptually, yes.

Vice Mayor Milhaven: Conceptually. So to come at it a different way, this contract is a compromise between what M. Catering would traditionally get in and a contract they bring forward and what Bike Week had before. So these are a compromise between the two, recognizing the City's relationship over time with Bike Week.

Tourism and Events Director Paul Katsenes: I think you are exactly right. No one was happy but we are now pleased if you see fit to approve this, we are now pleased to have -- really pleased to have Bike Week continue saying WestWorld is our home for the next five years.

[Time: 01:06:25]

Vice Mayor Milhaven: Thank you Mr. Katsenes. I would like to call the question, Mr. Mayor.

Mayor Lane: The question then is called.

Councilmember Korte: Second.

Mayor Lane: Okay. All right. Therefore we are then ready to vote. All of those in favor please indicate by aye, and those opposed with a nay. Motion passes 4-2 with the Councilman -- I'm sorry, 5-2 with Councilman Smith and Councilwoman Littlefield opposing. Thank you very much, Mr. Katsenes.

Tourism and Events Director Paul Katsenes: Thank you very much.

ITEM 24 – ALL BALLS LIQUOR LICENSE

[Time: 01:07:55]

Mayor Lane: All right. That completes item 11. We will then move on to item 24, All Balls Liquor License. It's 136-LL-2014. We have Mr. Curtis.

Current Planning Director Tim Curtis: Good evening Mayor and members of Council. I'm Tim Curtis with the City Planning Department. Item 24 is a request for your recommendation to the State Liquor Department for a series 6 bar liquor license at 2040 North Scottsdale Road. This is the location of the site. Scottsdale Road, in between Palm and Oak. This is a close-up of the site. You may remember this as operating as Polyesters years ago.

The issue with this liquor license application is that the establishment is designed and intended to operate as a bar. The zoning for this property allows bars with a conditional use permit. Currently there's no conditional use permit for a bar at this location. The application so far is declined to seek a conditional use permit for the bar in support of this liquor license application. As you know, the conditional use permit process provides the analysis the City needs to determine compatibility. What's real important here is that the State reviews these local licenses off a specific criteria and there are 12 criteria that outline in your pocket, first unit license to ensure that the best interest of the community is served and there's some history that's important to note.

In 2003, the previous bar at this location closed. Then in 2004, the City started requiring conditional use permits for bars. A few years -- there's been a few times where the liquor license applications for a bar have come to this city, at which point they weren't accompanied by a conditional use permit for a bar or the conditional use permit wasn't complete and subsequent recommendations by the City Council was to deny or disapprove the application for liquor license in previous years. So there's been no bar activity here since 2003.

So the staff recommendation currently is disapproval of the series 6 liquor license, based on the finding that State criteria hadn't been met. We have identified the criterion here -- just abbreviated criterion number 3 of the State indicates that all necessary permits have been obtained and, again, we don't have a conditional use permit for this property. Criteria 7 deals with vehicle traffic and making an assessment on that. 8 deals with compatibility and really 9 and 11 deal with compatibility with the surrounding areas.

And, again, going back to will this license serve the best interest of the community? And again, the conditional use permit would determine if the characteristics of this bar would meet the State criteria. So, again, we asked tonight for a recommendation by the City Council. Your options are approval, disapproval, or no recommendation to the State. That would then be forwarded to the State for their consideration. If the liquor license is approved by the State, regardless of what your recommendation is, if the State ends up approving a liquor license for the bar, series 6.

[Time: 01:11:54]

Mayor Lane: Excuse me. We have a question from Councilwoman Klapp.

Councilwoman Klapp: Can you tell me why the applicant -- if the applicant is here, perhaps he can tell us -- why he does not want to have a C.U.P.?

Current Planning Director Tim Curtis: I think that would be best, Mayor and Councilwoman Klapp, answered by the applicant.

Councilwoman Klapp: He's here?

Current Planning Director Tim Curtis: Yeah.

Councilwoman Klapp: Okay. If I could ask that question of the applicant.

Current Planning Director Tim Curtis: I'm about to wrap up and then they can speak.

Councilwoman Klapp: That would be fine.

Current Planning Director Tim Curtis: The last bullet point is regardless of recommendation, if the State decided to approve the liquor license for a series 6 bar, they would still need to go through the conditional use process before commencing bar operations. So the applicant is here to speak. I would be happy to answer any questions.

Councilwoman Klapp: We'll be happy to hear from him. Thank you.

[Time: 01:12:42]

Mayor Lane: Tim, you just mentioned something that -- what stage is this at right now, if something were to be approved right now, it would be set, would it not? Or is there some way to withdraw it? Right now, we are looking for an okay of a transfer to this site, a liquor license. If that were to be done tonight, then it would be done. It wouldn't be subject, certainly building permits and that type of thing for the use would then come later?

Current Planning Director Tim Curtis: Certainly Mayor and members of Council, this action -- I will just use this language -- is the opportunity to park the liquor license at this location. And then things will roll from there. Whether they use the liquor license or not at this location, whether they operate a restaurant with the 6, you can even do a lot of retail sales with a 6 or if they operate a bar as a 6. Based on the questionnaire and the application that was submitted, it was -- the intent is to operate this establishment as a bar, based on the floor plan characteristics and the information that was provided.

Because it is a series 6, the concern that we have is getting that permit or conditional use permit which allows us to assess all the criteria established by the State and because that hasn't been assessed and the opinion of staff is that those criteria have not been met and so the staff's recommendation is for disapproval. Again, you are right, building permits would have to be issued. Operations would commence if they end up operating as a bar and then there would be a zoning violation.

Mayor Lane: So operation of a bar is entirely contingent upon them going through the process of a C.U.P. at that point in time? So to answer the question, I don't know whether this is -- I will ask the

owner, as Councilwoman Klapp has indicated, but what we have here is if they are -- parking it is one thing and then actually utilizing it or using it is quite another.

Current Planning Director Tim Curtis: That's correct.

Mayor Lane: As a bar now irrespective of what the stated intent is. Using it or having a right to use it as a bar is entirely subject to a continued process with the continued C.U.P.

Current Planning Director Tim Curtis: That's right, Mayor. And that's why the history is important in understanding what previous Councils have done, about having concerns about making approval to the State when the permits have not been issued. And, again, the previous Councils have recommended disapproval.

Mayor Lane: Gotcha. Okay. Thank you. I guess we still have some questions of yourself. Hold on then. Councilman Phillips?

[Time: 01:15:38]

Councilman Phillips: Thank you, Mayor. One of the things I was wondering, is this included in the downtown public safety ordinance or is that outside the realm of that?

Current Planning Director Tim Curtis: Mayor and Councilmember Phillips, the safety plan is citywide. This location is isn't in downtown. But when you go through the conditional use permit, there's a public safety and security maintenance plan that's associated with that, however, the -- if they are operating with this sale of liquor, I think that -- I could be corrected but I think that would then automatically trigger the public safety plan.

Councilman Phillips: Okay. And have we recommended approval and the State approve this and he sold the property, would the license still stay on that property?

Current Planning Director Tim Curtis: The -- the Mayor and Councilman Phillips, the series 6 license is an asset. So if they sold the property I would assume they would sell it with that asset but they wouldn't have to. That asset could be transferred to another location. So it depends on how the transaction occurred between the buyer and the seller.

Councilman Phillips: Okay. It seems like the point being if we disapprove it and the State still approves it, what's the matter because we still have a C.U.P. anyway. So whether -- unless he builds a bar, then we are going to have those stipulations. If he doesn't, then it doesn't matter. So I think more the question is, why is the City disapproving this one? What's the difference?

Current Planning Director Tim Curtis: Mayor and members of Council, it's entirely up to you. Our recommendation as a staff is that it's consistent as we have done in the past and that is with a series 6 license which is for a bar and if the intent is to operate as a bar, that we make sure that that conditional use permit accompanies those requests to then establish that those state criteria have

been met. So that's the staff's recommendation to Council. And staff has been pretty consistent with that. And with this location, at least that was the previous direction from Council.

Councilman Phillips: Okay. But one way or the other, they will have to do it if it's a bar. You are talking more protocol than anything else.

Current Planning Director Tim Curtis: Perhaps Mayor and members of Council.

Councilman Phillips: Okay. Thank you.

[Time: 01:18:16]

Mayor Lane: Thank you, Councilman. Councilwoman Korte.

Councilmember Korte: This question is going to require some institutional memory. Has the City been in the situation before where we have disapproved our recommendation for disapproval of a liquor license? And what has been the reaction from the State Liquor Board?

Current Planning Director Tim Curtis: Mayor and Councilwoman Korte, I know at this location with those disapprovals, there's been withdrawals from the applicant to the State in the past and the applicant is the same and they confirmed that. That's my understanding is that those applications have been withdrawn. I can't think of any others where we have done the disapproval and run into that scenario as you mentioned.

Councilmember Korte: Okay. Thank you.

[Time: 01:19:09]

Mayor Lane: Thank you, Councilmember. Now one other thing I wanted to just ask and that was when we are talking about -- and I think maybe it got answered just now, and that is -- I will phrase it a little differently. Are we sending an unintended message if, in fact, we say, hey, okay, if he wants to park it there, no skin off our beak because he would have to go through the process in order to utilize it anyway. Now, I realize the stated intent is there, but are we setting the stage for bypassing our own C.U.P. process if we were to say, hey, at this point in time, and I fully appreciate the staff's position. This is the criteria for allowing the transfer, to okay it, to recommend it for approval anyway. If we were, are we -- are we doing something that will damage or is it sending an unintended message to somebody somewhere, whether it's the liquor board or whether it's the community at large?

Current Planning Director Tim Curtis: Mayor, I think the previous messages that have been sent is that our expectations is that if you park a 6, please use it and get the appropriate permits for that. I think it's been as simple as that.

Mayor Lane: Okay. We have had the one occasion not too very long ago, where we -- we have sort

of bypassed the C.U.P. and I think we did send a message unintentionally on some of that. But in any case, all right, that's enough from me. Yes. If we could ask the applicant to maybe come forward and answer the question about the -- the question as was posed by Councilwoman Klapp.

[Time: 01:20:46]

Applicant Elliott Glasser: Good evening, Mr. Mayor, Councilmembers. Some of you know me because half my life I have lived here. I almost had as many liquor licenses in Scottsdale as the years I lived here. I never had a violation, whether it was a 6 or 9 or 12 license. I always apply for a number 6 when possible. That way I prevent violating law by selling alcohol and not selling enough food. My intent to sell everything I own some day or my estate will be.

The problem we have is downtown Scottsdale has been forgotten. We have SkySong. I have the only one with virtually 3 acres of parking. I have to improve the lighting. There's no construction permit, we have never taken out the bar, nor the restrooms or anything else there.

I'm not going to beg for it. I think I'm entitled to it, the conditional use permit, I think is taxation without representation. If I get approved by this Council and I go to the State, then I have to buy a conditional use permit, but I don't want to buy a permit for \$2,500 or whatever it is and find out it's not usable. I understand the rules that I would have to get it after the fact.

The name All Balls was turned down by this Council many, many years ago. I went to the State Liquor Board and any of you who have children or play golf, we just had the Super Bowl here, we just had the golf here. All Balls means basketballs, footballs, pool, ping pong and it's a sports bar. If it offends anybody, there's nothing I can say about it, but I believe it's a prime location because of the parking, because of what goes on in this valley. I think the City got wealthy from this last Super Bowl. I didn't like the end, by the way.

But I think to disapprove this would be an injustice for Scottsdale. I have got to comply with the other rules and I just don't want to go through it. A month now, another month, or two months, the revenues could start as soon as we get done. We have maybe 30 days to put in a new closets, toilets and the building inside is built. There's a bar. We don't need any construction. We don't have anything. We may have to bring the air conditioning up. We have been robbed there for over \$150,000 which we didn't have insurance there for the electric being stripped. We replaced that.

I own probably as a single individual as much property as anybody in Scottsdale. I own the Toyota property, not to remind you, if you don't know and Virginia knows that. And I just think it's time that the City Council moves to get downtown Scottsdale moving and I'm willing to invest down there. I'm not asking for a loan. We financed everything ourselves. We don't even put up our real estate signs. We are a company that's been in business since 1900, and we're a sizable factor.

But to give \$2,500 for a conditional use permit and find out I can't get it is like throwing money away and the City is worried about revenues. Well, I'm worried about the same thing. I'm not as big as the City but I think approvals should be given to me and I'm asking you for it. I have nothing else to

say. Now you can ask me whatever you want.

Councilwoman Klapp: Thank you.

[Time: 01:24:26]

Mayor Lane: I think you did answer the question. And I don't know, Elliott, whether this is a question to pose to you, but I would sort of like to gather just a bit of information. I mentioned the fact that if it was approved, is there an unintended consequence in sale and resale of the property or in how this is handled? Is there any statement we are making now if it were to be approved? Would we be endangering ourselves as a City in saying, okay, hey, there's a liquor license on that property. It was sold under that premise? So if somebody feels that they are entitled to it without going through the process, I sort of understand the staging the way you are talking about it, and if they have to meet the criteria now, if Mr. Glassman has to meet the -- has to meet the criterion now, it would be clear to anyone who may be purchasing it, but I just don't know the answer to that. But Randy, you look like you might be able to help me on that.

Planning and Development Director Randy Grant: Mayor Lane and members of the Council, Randy Grant, Planning and Development services. I think if I can put myself in the State's shoes, the reason that they have the criteria that they do is to get as much information and validation from the community as possible that this is an appropriate location for a series 6 liquor license. So I think it is entirely possible that we would be sending the message by applying a 6 in a location where we don't have Council approval. That's fairly presumptuous and may send a message to a future buyer of this property that a conditional use permit has been approved by the State and therefore there was an assumption by the City's approval. So that's our major concern, is making sure that the City's process is -- is ultimately being respected.

Mayor Lane: Thank you, Randy. I appreciate that. Councilman Smith.

Applicant Elliott Glasser: Excuse me one second. Let me cure that without a lot of rhetoric. If I sell the property, I will withdraw the liquor license and whoever buys it will have to reapply. The issue is gone. If you need me to write a deed restriction, they will start as virgins if they want a liquor license.

[Time: 01:26:57]

Mayor Lane: Thank you, Councilman Smith.

Councilman Smith: I think I'm in a camp of people that are concerned that we as the council are charged with controlling the business that occurs in the City and certainly one of the areas that the citizens are most concerned about are the proliferation of bars and we have a lot of discussion about how much taxpayer is spent controlling this -- this industry that's evolving in the city and I'm not trying to evoke that conversation. But what I am saying is that if we approve, put our stamp of approval on the granting of a class 6 liquor license, and don't even ask for a conditional use permit, don't ask for

the circumstances under which it will be used, don't ask for any reassurances or whatever, I personally would find that that would make us lax in our responsibilities.

I don't know where everybody else is on this, but Mr. Mayor, I will make a motion that we actually approve the recommendation of staff and forward a recommendation of disapproval to the Arizona Department of Liquor License and Control for a person transfer of the requested series 6 bar state liquor license.

Councilmember Korte: Second.

Mayor Lane: The motion has been made and seconded. Would the second like to speak to it?

Councilmember Korte: No.

Mayor Lane: Okay. We do have at least some remaining further comment on it, and did you remove yourself? Oh. Councilwoman Littlefield, if you have further comments.

[Time: 01:28:36]

Councilwoman Littlefield: Thank you, Mayor. I do not intend my comments to be targeted at you. But to the Council and we not only make laws up here, it's our duty to enforce our City laws as much as we can, by our actions here on the Council. If we don't do that, no one else is going to uphold them. And if we don't, we weaken our own rules and diminish the respect that anyone else will have for those ordinances and rules and laws that we do have for our City. Therefore, I will not be supporting this. I will agree with staff's recommendation to deny, not because of you, sir, but because if I did not do that, I would not be upholding my responsibility as a Councilmember to uphold the rules and regulations of Scottsdale.

Applicant Elliott Glasser: Excuse me, but I already said if I get approved, I will go for the conditional use permit. I just don't feel like laying out the money and find out it's rejected. It's strictly an economic thing and I think the City Council understands economics far better than I do. You have nothing to lose. I have to get a conditional use permit. By granting this --

Mayor Lane: I'm sorry, Elliott. This is out of order as far as this is concerned this dialogue is not appropriate. Councilwoman, the recommendation is to accept the recommendation to deny.

Councilwoman Littlefield: So if we vote yes, we are denying.

Mayor Lane: Okay. Yes. Mr., or rather Elliott, you can go ahead, please take your seat.

Applicant Elliott Glasser: Okay. Thank you. But I would like you to approve it in the interest of downtown Scottsdale being approved. It's not my intention to do anything. We will immediately start to improve it. I think it's in the City's best interest. It's something you should be doing for downtown Scottsdale. Everything south of Earl Drive needs some help.

Mayor Lane: Thank you. Thank you Mr. Glasser. Vice Mayor Milhaven.

[Time: 01:31:03]

Vice Mayor Milhaven: I have a brief question. Mr. Glasser, you said if you spent \$2,500 for a C.U.P. and you were not able to use it. I'm not clear on what would the circumstances be that you would not be able to use it?

Applicant Elliott Glasser: (Inaudible)

Vice Mayor Milhaven: You are saying if you made an application and you didn't get it?

Applicant Elliott Glasser: (Inaudible)

Vice Mayor Milhaven: Thank you, sir.

[Time: 01:31:42]

Mayor Lane: Councilwoman Klapp.

Councilwoman Klapp: I was going to follow the same line of reasoning of Vice Mayor Milhaven and that is I don't believe -- this is my personal opinion that if Mr. Glasser spent \$2,500 that he wouldn't get the conditional use permit. I don't see any reason why if we gave the liquor license we wouldn't be giving a conditional use permit, but because he refuses to apply for a conditional use permit, now we have to follow our own City laws and this was passed by a previous Council and I believe have to honor that. I cannot approve a liquor license for someone who refuses to apply for a conditional use permit. It sounds like the old chicken and the egg theory but nevertheless, that's the rules and we have to have a conditional use permit to get a license. So I will be voting to deny.

[Time: 00:32:39]

Mayor Lane: Thank you Councilwoman. And I too will be supporting the motion and it is something that certainly there's a lot of factors to consider here, but I'm very concerned about how this kind of thing looks and it was further emphasized by Councilwoman Littlefield when she says, you know, there's a matter of laws. It's not only the laws we produce, but also how we enforce them by our actions here, and I think to have an arbitrary and change of heart and to dismiss it on one count sends a bigger message than even the one I was originally concerned about on the property. So I will be supporting the motion as it's stated. Councilman Phillips.

[Time: 01:33:22]

Councilman Phillips: Thank you, Mayor. So then to staff, we are saying that it is an ordinance or a law that the applicant must get a C.U.P. first?

Current Planning Director Tim Curtis: Yes, Mayor and Councilman Phillips.

Councilman Phillips: Okay. Then it's a moot point. Thank you very much.

[Time: 01:33:42]

Mayor Lane: I think we are then -- there's no further comments seen here. No further testimony. We have the motion and the second on the table to accept the recommendation of the staff to deny it. All those in favor please indicate by aye and those opposed with a nay. Aye. It's unanimous then to deny. So thank you for the input and I appreciate your participation in the process.

ITEM NO. 25 – PUBLIC PARKING STRUCTURE AND RESTROOMS LEASE AND OPTION AGREEMENT

[Time: 01:34:12]

Mayor Lane: Okay the next item we have on our agenda is number 25, public parking structure and restrooms lease and option agreement. We have Mr. Daniel Worth to give us the presentation.

Public Works Director Dan Worth: Good evening Mayor and Council. I'm here to present to you a lease and option agreement, the effect of this agreement is to allow a private developer, who has responded to our RFP to develop some City-owned parcels in the northeast corner of the downtown for structured parking of public restroom facility, and as well as meeting the public requirements to -- if they had some private developments of location. I was here about two and a half months ago with the same proposal and this is exactly the same proposed contract. We haven't changed it. I'm going to show you the same presentation until we get to the last couple of slides. I'm going to move through it very quickly.

But the proposal when we brought it to you in November generated a lot of discussion, a lot of public input. It made it evident that we had a broader range of parking issues that we needed to consider and that this proposal might, in fact, have some unintended consequences that we needed to take into account. Your direction at that time was to have us go back and look at the broader issues and develop some alternatives and come back to you in 60 to 90 days and that's the purpose of this meeting tonight. That is the request.

By way of orientation, these are the two City lots in the lower right-hand corner of the picture on either side of 6th Avenue between Wells Fargo and Civic Center. If you remember in November, a lot of concern was over impacts to employee parking, particularly tenants in the Galleria, which was very successful in attracting and housing business in downtown Scottsdale. The Galleria is located to the north and the west of the two surface parking lots.

Briefly, the history that brought us to this point, we recognized the need for increased parking for several years. We issued an RFP in 2012 to try to attract private money to help us add to the parking stock in the northeast downtown. We got no responses when we issued that RFP. We tried to do it

without private money, actually public money in 2013. It was a project on the proposed bond list. The citizens did not approve that.

Following that, we reissued and similar RFP in 2014. The requirements of that RFP were to lease at least 150 parking spaces to -- it was an optional ability to add a rest room for which the respondent would get good credit and then they were able to bid an amount of money to buy the site following the completion of the project. That's the option exercise. We got one response. The details of the response, they bid 175 public parking spaces. They would have the opportunity, subject to zoning approvals, subject to any additional property rights they would need to build private development in conjunction with the public improvements they would be required for this agreement to build parking to meet their parking demand without counting in any of the 175 public parking spaces.

Key elements of the agreement, there are a series of milestones and deadlines to ensure that it progresses on a reasonable time line. The rent payments and at the bottom, an option to buy following construction, completion of construction of the project. I will point out a couple of key business points here, the first one, the respondent the proposer would take full risk of assignments, on top of or in conjunction with public parking. They would be responsible to get the appropriate zoning, separate action if their proposed private development required additional property rights from the City. They would be required separate action to get that approval and they assume the full risk of getting those entitlements and approvals. If they did not do that, they would forgo their \$100,000 application fee.

The fourth bullet, I think is also important. The City retains the right to regulate the parking spaces, the public parking spaces and the agreement itself contains some pretty strong language in favor of the City to include things like preventing the tenants of any private development from using those spaces. The intent is to make these spaces available to the public.

And here is the first two new slides since November, when we brought this to you. We have taken some short-term actions to try to address the concerns that you heard in November. Three of them I highlighted. In the November meeting, it's the same meeting we had a separate group who came to you with a petition that was largely concerning parking in the vicinity of a structure that we have in between 3rd and 5th Avenue on the west side of Scottsdale Road. They felt they were also being affected by employee parking in the downtown area.

We implemented an expansion of some restrictions that we had in place already in the 3rd Avenue parking garage, about two-thirds of that structure now has a three-hour parking restriction that precludes people from parking there for an eight-hour work day -- eight-hour work day and then avoid -- it precludes people from parking there for an eight-hour work day. It's for use to frequent the businesses. It imposes a restriction on one of the two surface lots. The smaller of those two surface lots already had a restriction that closed the lot during the early morning hours. Somebody is showing up for an eight to nine hour work day would not be able to legally park in that lot. The lot would be available for people coming later in the day, especially patrons of businesses. We felt it was smaller. We added that restriction to the larger of the two lots. Both of those became

effective in the middle of January, we're monitoring those as they seem to be helping.

The third point is a voluntary program that one of the tenants in the Galleria has implemented. They actually take use of the City parking structure, in particular the Civic Center, the Library parking structure that is historically not full and they encourage people to park in that structure and shuttling them at the tenant's expense to the Galleria to work. All short-term measures that seem to be making a positive impact on the availability of parking for other users in the downtown area.

A long term, there are a range of options that we would like to consider, some might even involve taking a look at the restrictions that are currently in our parking ordinance, changing some of the long held tenants that have governed parking and potentially paid parking and other solutions that we heard about in November, parking districts along the model that Tempe uses, could it be an option? These are all fairly complex options. They have any one of these options would have a multitude of effect.

We feel that before we make a recommendation to do any or all of these, we need to actually get some help analyzing a whole range of possible options, alternative funding options, how much additional parking, additional parking structure we need, additional restrictions and how we pay for it. In order to do that, what we are proposing is a parking study. We are in the process of contracting with a parking firm. We have been through a parking engineering firm. We have been through a selection process. We are drafting a contract, if we were to do this, we propose having a contract to you within the next few months for your approval and then the results of the study would be brought back in the fall for your consideration.

So that leaves me with the last slide three options, in short Option A is to approve the agreement as written, Option B is to disapprove it. Option C is none of the above but it would allow us to go back and do that study and develop some alternatives that address the broader parking issues in the downtown. Just a couple of caveats on each of these. If you chose Option A, the agreement is still on the table. The respondent has indicated to us that they would still honor their proposal and they would begin immediately with the process so that whatever entitlement approvals they need to move forward with their project. If Option B to deny the current agreement is what you select, then that agreement comes off the table. If the study comes back and recommends something similar to the agreement, and a mixed private/public invest in a shared facility if we want to do the exact same thing in the agreement, then we have to go through another contracting process and we may or may not be able to get a similar agreement. And Option C, largely the same thing. We continue with the parking study. We are working with the proposer to keep his option on the table. It may or may not be available come October/November when we come back with recommendations. So with that, I would be happy to answer any of your questions.

[Time: 01:44:48]

Mayor Lane: Thank you Mr. Worth for a good presentation. We will start with Councilmember Korte.

Councilmember Korte: Thank you, Mayor. Parking study to take 8 to 9 months. Why so long?

Public Works Director Dan Worth: I might be getting into really a Transportation Department issue but we haven't gotten a contract in place is the first part of that. We believe we will have a contract written, a scope identified and have that in front of you for approval probably in April but beyond that, I think Mr. Basha might be able to better explain the complexity and the timeline associated with the study.

Transportation Director Paul Basha: Mayor Lane, Councilmember Korte, as Dan just said this would be a very complex analysis. There's much that needs to be considered. Our land -- the parking demand for land uses has changed pretty substantially in the last few years. Specifically our office land uses, our ordinance is very similar to most ordinances throughout the country, requiring three parking spaces per thousand square feet of office. Unfortunately, the land uses that currently exist in the Galleria require more than double that parking. And we need to understand how to resolve that very large discrepancy.

As we are all keenly aware, downtown Scottsdale defined as the area between Indian School Road and Chaparral Road, both east and west of Scottsdale Road have changed dramatically over the last several decades. We have some parts of that area that are very new industries and very new businesses and very new buildings and we have a number of 30-year-old buildings and uses and businesses. And frankly, they are in conflict. We need to understand those types of land use difficulties and their ramifications with parking.

Also what we have discovered throughout the country is there are a variety of different parking solutions that have been implemented in a number of different -- both medium-sized and large-sized cities. And we want to understand the successes and the failures in those other municipalities before we make some decisions on what we should do in Scottsdale.

As many of us recall, parking meters left downtown Scottsdale in the early 1980s and we have never had paid public parking in the City since then. We would like to explore the possibilities of paid public parking and there's a variety of types of paid public parking. Simply put, we need a parking consultant knowledge and expertise to help guide us in our recommendations to the Mayor and the City Council on this topic.

Councilmember Korte: Thank you, Paul. I'm glad to hear that you are going to include the parking meter conversation in that study. Second, what impact have the new parking initiatives had, if any?

Public Works Director Dan Worth: I can -- Councilmember Korte, I can give you some anecdotal observations from driving around the parking structures and surface lots in the early business hours of the morning it seems to be working but I will defer to Mr. Basha as far as the more quantitative appraisal.

Transportation Director Paul Basha: Mayor Lane, Councilwoman Korte, Dan is exactly correct. The

parking restrictions that we implemented last month have been quite successful. Our goal was to provide more parking availability for employees and customers of some of our smaller merchants and businesses, both in the northeast quadrant of Scottsdale and Indian school and the northwest quadrant of Scottsdale and Indian School and that has been -- we have not solved the problem but we have responded to the problem with very acceptable, at least temporary solutions.

Councilmember Korte: Thank you. So where are those cars parking now? You alluded to -- you alluded to the Galleria providing a shuttle from the Civic Center Library parking lot -- or parking garage. What impact -- so is that where they are going? Is that garage full? What impact is that going to have on spring training? Because we know that that is a very likable spot for our visitors to park for games. But also there's a lot of activities in the Civic Center Mall during the week, and how is that impacting our visitors in the downtown?

Public Works Director Dan Worth: Councilmember Korte, some of it has obviously gone to the Civic Center Library garage and there's still a lot of vacant spaces in the Civic Center Library garage during most of the day. Spring training would potentially be problematic. I think a lot of it has dispersed to other on street parking and I would venture to say some of it has moved into the Galleria parking garage. I think the manager of that facility and the tenants have taken some pretty important efforts to better utilize the spaces that they have in the building. They have indicated to us that they intended to do that and I believe that that is where some of the cars are going.

Councilmember Korte: And last question. We know that the Galleria is under parked, and that is one of the primary problems with parking. What conversations would the owner of the Galleria or owners to solve this problem on their own?

Public Works Director Dan Worth: Councilmember Korte, I think that we have indicated their concern, clearly, and we have not chosen to take any drastic enforcement measures at this point in time, but they are showing a willingness to try to solve the problem voluntarily at this point in time with the shuttle and getting more cars -- getting better utilization of the spots in the garage. They also have indicated plans and are going to go to the entitlement process to add parking capacity to that structure and there is other parking improvements associated that they are proposing in the same area that could have a positive benefit long term.

Councilmember Korte: Thank you.

Transportation Director Paul Basha: Mayor Lane, if I may, I do want to clarify the Galleria parking structure does satisfy our parking criteria and our parking ordinance. It's under parked by demand but not by law or ordinance. It's properly parked by ordinance.

Councilmember Korte: Then my question is the way office space has shifted today versus 10 years ago we know that our ordinance is dated. Is there some effort within to look at that ordinance?

[Time: 01:52:33]

Mayor Lane: Let me interrupt this, just in case we are crossing a line here. The City Attorney has asked to chime in.

City Attorney Bruce Washburn: Thank you. I have no desire to inhibit the Council's full discussion of a matter on the agenda and I realize there are a lot of things that go into that consideration but I'm concerned that we are -- we not get beyond the item that's on the agenda for a full blown discussion. Well-deserved and needed but a full blown discussion of parking issues downtown.

Mayor Lane: Understood Mr. Washburn. Thank you very much for that advice. We will hold it at that.

Councilmember Korte: Thank you.

[Time: 00:53:09]

Mayor Lane: Thank you, Councilwoman. Councilman Smith.

Councilman Smith: Thank you, Mr. Mayor. Question, and maybe you had this, but I missed it, did we have an estimate of the cost of what this parking consultant study would be? How much it would cost some are we talking tens of thousands or hundreds of thousands or --

Transportation Director Paul Basha: Mayor Lane, Councilman Smith, we don't have an exact cost. I would estimate it to be between \$25,000 and \$60,000.

Councilman Smith: Second question. Suppose we approve this response that we have here, the RFP response, but then ultimately look at the design of what is in mind for commercial building and so on and so forth and decide, no, we don't want to approve that. Is there an obligation for the respondent to build 175 parking spaces regardless of what is approved for the building or are we intimidated into approving that at the same time? I want to figure out if the two are genuinely separate decisions.

Public Works Director Dan Worth: Mayor, Councilman Smith, the developer is not allowed to start construction until he's got the development entitlements to build the whole project. If he doesn't get those entitlements, then he forfeits his deposit and the contract goes away. And that way we ensure that we have the 105 spots that we currently have, the surface parking is available through that whole time. It doesn't go away until we have a project that the developer has gotten the zoning entitlements and any additional property entitlements, he has all the approvals that he needs at that point in time, the 105 surface parking spots can go away as he commences construction. But we are not allowing him to commence construction until he's got everything he needs to get the whole project done.

Councilman Smith: So we would not -- if we approve this tonight, we don't have any certainty that we will end up with 175 parking spots until many months down the road when we approve the totality of the project; is that correct?

Public Works Director Dan Worth: That is correct.

Councilman Smith: An unrelated question, is there any restriction on what can be charged for the 70 parking spaces that are paid parking spaces? I understand 105, like we now have must be free, but the next 70 can be a charge for those is that correct?

Public Works Director Dan worth: Councilman Smith, that's not quite the way it's structured. You have to maintain the 105. We required in the bid that they provide at least 150 free without any payment required available to the public not used by tenants, because we wanted more than we started with. And then we gave them the opportunity to bid that number higher. They bid 175 spaces. So all 175 spaces would be free and available to the public. And their proposal, if they put any other uses on that site, they would have to bill additional -- build additional parking spots on top of the 175 public parking spots to meet whatever parking requirement is associated with that other use that they put on the site.

Councilman Smith: Did I misread -- I must have misread, the parking structure provisions. It says it will include 175 parking spaces consisting of 105, the free public use spaces and at least 70 paid public use spaces. Is that -- what am I missing?

Public Works Director Dan Worth: I may have gotten that wrong in the report. It's 175 public parking spaces.

Councilman Smith: I guess to me, it seems like we are just deciding between B and C. I don't see any possibility that we will approve the project tonight or maybe I'm only speaking for myself. But because of the success that you have had with some of the short term measures and addressing it parking dilemma, I would like to see those played out over time. And I would also like to see the results of professional parking study.

In my mind, the only thing I'm questioning is whether we continue to entertain this response for another -- what do you say, 6 or 9 months or whatever it takes and I just don't think that -- I don't think this is going to be one that's eventually going to make sense to us with all the uncertainties and what I think is a fairly modest increase in the number of parking spaces. And I interpreted from this that the 70 parking spaces were going to be at a charge, anyway, since that's what it seemed to imply but maybe not. I think we will be looking for a more robust parking solution than what this provides. Thank you, Mr. Mayor.

[Time: 01:58:50]

Mayor Lane: Thank you, Councilman. Councilman Phillips.

Councilman Phillips: Thank you, Mayor. Mr. Worth or staff, are you -- did you know about this email that we got from this attorney in the Winfield Scott Plaza Property Association, basically saying if we allow anybody to build on that property they are going to sue us?

Public Works Director Dan Worth: Mayor, Councilmember Phillips I am aware of the communication from attorneys representing a group of the property owners that conveys a message similar to that. I would assume it's the same one you got.

Councilman Phillips: Maybe I should ask our esteemed attorney if this is a credible threat for us.

City Attorney Bruce Washburn: Mayor, members of Council, Councilmember Phillips, I had this discussion with the -- with a different attorney representing some of the same people and the position that I took at that time is that the deed restrictions are not effective for a variety of reasons that I could discuss. But the -- under the agreement that we have, the responsibility for making sure that the property is billable falls on the lessee and not purchaser. In this agreement that would not be our concern but I have previously opined that these are no longer enforceable restrictions.

Councilman Phillips: Okay. I see what you are saying. So I'm inclined to go along with Councilmember Smith here. It seems like if we had Option B and disapprove it, couldn't we still go along with Option C and do the study?

Public Works Director Dan Worth: That's absolutely true.

Councilman Phillips: it's not just one of the three. It could be two.

Public Works Director Dan Worth: If you chose Option C, we could still do the study and if the study as part of its recommendations recommended something similar to this agreement, we could do another solicitation and get a similar agreement.

Councilman Phillips: So if we chose Option C, would this particular agreement carry on for nine months.

Public Works Director Dan Worth: if you chose Option C, in order to consider this exact same agreement, it would require the proposer to respond to extend the deadline. The RFP reportedly holds their deadline for a period of time after they submitted the proposal. That period of time expired at the end of December. They indicated to us that they were willing to extend it to be able to consider it tonight. We would have to have further conversations with them to determine whether they would be willing to consider extending it to the fall so that it's still available when the recommendations come back.

Councilman Phillips: I can understand that too. We don't want to get off point, the parking situation and all of that, all the businesses that have done the in lieu parking and paid to take away parking spaces has really caused this problem. So I would like to see them solve and not the City have to pay to solve it but we would have to see what we can do about it. Thank you.

[Time: 02:02:05]

Mayor Lane: I think it's time maybe to have the applicants speak towards this issue and maybe field some questions in view of the fact that I -- Option C is only contingent upon their willingness to either extend the to the fall or whatever period of time it is that we are looking at right now if, in fact that's the case. I just want to say one thing before we do that, that's the one thing that has been -- and it's not that it's exclusive, but it is one of the important points of working with the present applicant is that they are adjacent landowners. They have control over the situation and they frankly have brought to the table something that more than responded to our RFP, at least as it related to replacing the existing surface parking and then adding to it the 70 spaces for free parking.

I'm interested as to, and maybe it would have been nice to, if we would have been able to do something more than anecdotal, if we would have been doing something independent. Not independent, but our own study as to how the interim steps have improved things. I can speak anecdotally that there are -- that there are business people downtown who have said it has improved. And if, in fact, those kind of interim steps could be taken to further improve the current condition, that some of those might be applied to what's being proposed in response on the proposal in response to the RFP. With that being said, I would ask if the applicants would like to come forward and speak toward that.

[Time: 02:03:57]

Applicant Representative Jason Morris: Thank you, Mayor. Councilmembers for the record Jason Morris, Withey Morris, 2525 East Biltmore Circle. It's a pleasure to be here tonight on behalf of the RPF. Again, speaking about the parking situation, staff correctly pointed out that in this instance, the respondent has shown a willingness to continue working with the City. I think there's a desire at least from staff's part, as was expressed tonight to take a look at a more comprehensive parking situation for the downtown. Recognizing that frankly, that it has potential benefits not only for the City but also for the respondent, to see what the appropriate solution will be. We are interested in working with staff and working with the City to see if the response that we provided several months ago is the appropriate response, ultimately for that site.

As we have discussed before, and as staff alluded to this evening, there's either a public solution for additional parking on these lots, which has previously been rejected but certainly within your purview to bring back up a purely public solution to build a structure or an opportunity to seek a public/private partnership to see if there's an opportunity to provide parking spaces in addition to what's there now at little or no cost to the City. That is what we responded to.

I would point out that that RFP as staff indicated tonight, has gone out twice over a series of years and there's only ever been one respondent, which has been my client, because of the adjacency of the property. The lots themselves are disconnected. They are very difficult to develop as a parking solution without having the property that my client controls immediately adjacent to it. So we still believe there's an opportunity to work with the City, to resolve this issue and to provide more parking. We are willing to step back and see how the parking study resolves itself, obviously the sooner the better. We hope at then of that process, it would justify moving forward with this RFP.

Mayor Lane: Thank you, Jason.

Applicant Representative Jason Morris: Thank you.

Mayor Lane: If you could stand by, we may have some questions for you.

Applicant Representative Jason Morris: Certainly.

[Time: 02:06:21]

Mayor Lane: Vice Mayor Milhaven.

Vice Mayor Milhaven: Thank you Mr. Morris for your willingness to be flexible. And we started down this road because the small business operators and the folks that these small businesses operate, they were concerned about their employees and customers not having a place to park. I heard from citizens about not being able to get to some of those local businesses. As we reflect on the RFP, as we hear those people saying, this is not solving our problem. I think stepping back and taking a broader view, I think makes all the sense in the world.

I completely understand what Mr. Washburn is saying, is that they may sue, but there may not be support for their argument. But I think the point still stands that the property owners and the business people we were trying to benefit are saying this solution will not help them. I think stepping back and taking another look is best for all of us and to know that the respondent is willing to be flexible, we are very grateful for that.

[Time: 02:07:27]

Vice Mayor Milhaven: So I will make the motion that we move forward with Option C, continue with the parking study and continue the response to doing anything in response to the RFP.

Mayor Lane: I will second that. If you want to take the second.

Councilwoman Klapp: I will take the second.

Mayor Lane: The second is Councilwoman Klapp. I jumped in too quickly.

[Time: 02:07:59]

Councilwoman Klapp: That's all right. I just feel that this is the best option of the three. I appreciate the applicant being willing to wait another 8 or 9 months to complete a parking study. The parking study is needed. I appreciate the fact that we could have a public/private solution to this problem. So I think Option C is the best for us to hope for right now and I look forward to the study coming back to us sooner and not later.

[Time: 02:08:35]

Mayor Lane: Thank you, Councilwoman. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, Mayor. I just had a question for Mr. Worth. If we go with Option c, to continue pending results and then do the study, does that have any effect on options that we might be able to consider? Does it limit our options should the study come back and say that this parking solution is not appropriate or not the best solution to this area and to these lots.

Public Works Director Dan Worth: Mayor, Councilwoman Littlefield, this study will give us a set of recommendations and that's all they are. They are recommendations. There's nothing that is going to preclude us from doing anything, whether it is included or not included in the study's recommendations, all of our options will continue to be available. As we guide the consultant, we hope to identify the broadest possible range of options. Want them to consider everything in the only universe of solutions that as they come back with a good solid set of recommendations but it shouldn't preclude us from doing anything that we see fit to do.

Councilwoman Littlefield: Thank you.

[Time: 02:09:46]

Mayor Lane: Thank you, Councilwoman. I would just want to add a bit of thanks for having the willingness to hold with us on this. I do believe in this project and I frankly believe in this response as a very good public/private approach to this. Now, there may be some fine tuning to how we maintain the public parking spaces that are promised through this approach, but when you consider some of the alternatives that may be proposed and maybe not, and maybe there's something that's outside the box that I haven't really thought about. But if it goes to whether we transform all of downtown to paid parking, which we would have to do otherwise, we would put those areas of paid parking rather at disadvantage. I think some of our smaller shops would be put at an immediate disadvantage to those others that have the parking at their choice. And that they own themselves. So it's -- that's a difficult option which would take a lot of time.

We have already considered the option of trying to get the public to build this parking structure for this area of town and it's been rejected. So it's also a matter of funding. So I personally feel that this -- working out some fine tuning of some of the issues and how we address this is really what we need to be shooting for and I think this will be the best answer for us. As I said before, we also have the parties that are already invested in the land adjacent and have a plan that could certainly meet the needs and then some.

[Time 02:11:24]

Mayor Lane: So with that, we do have the Option C, motion for Option C on the table with a second by Councilwoman Klapp and we are ready then to vote. All those in favor with an aye, all opposed with a nay. It's unanimous then to accept Option C. Thank you very much to staff and Mr. Morris

and your team. Thank you.

ITEM NO. 26 – DROUGHT MANAGEMENT PLAN CODE AMENDMENT

[Time: 02:11:56]

Mayor Lane: Alright, next item is item 26 on our agenda and it's the drought management plan code amendment. We have Mr. Biesemeyer here, our Water Resources Director to explain the details of this subject to us so that we can approve.

Water Resources Director Brian Beisemeyer: Mayor and Council, thank you. I've got a short presentation for you and then I welcome your questions. I welcome your questions as we go through this as well.

What is the drought management plan? It's to help us manage a water shortage, whether it comes from a shortage of supply to us or an interruption of that supply. Is this a good time for the drought management plan? I think so, albeit the rain last week probably doesn't have many people thinking about that. You can see, however, these are a couple of maps of drought in the west and drought in Arizona. The drought in Arizona one is dated in November. Brian, I have on the Elmo, if you can bring it up, the most recent Arizona map. We will see if we can get that up. You can see from the difference, there's really not a significant amount of change due to the recent rainfall events. We still are in a moderate to severe drought through most of the state. Thanks, Brian.

The purpose of the drought management plan enables a water supplier to assess the risks and reduce the vulnerabilities to our community, establish priorities to ensure water for public health and safety and minimizes the impacts on economic activity, the environment, and on lifestyle. It allows for selection of appropriate responses, consistent with the severity of shortages. The goal, the goal of our drought management plan is to maintain the health, safety and economic wellbeing of the community, to the maximum extent possible during an episode of reduced water supply availability.

The drought management plan, the current drought management plan was adopted by Council in 2003. This revised man is designed to be reviewed at least every five years and this coincides with our Water Resource Master Plan, in which we do a lot of an evaluation on supply and demand issues and then it's not -- it shouldn't be a static plan and we don't envision it being as we go forward. The revised plan links the stages to different responses as far as the supply and offers some flexibility. Additionally it elevates approval of the more severe stages of the plan from City Manager approval to Council approval. And I will speak a little more on that later.

The drought management plan has three parts. The supply and demand, the drought management team and then stages and responses. Sources of supply, our three major sources of supply are the Central Arizona Project or the Colorado River water in which we have an allocation of 81,000-acre feet. Acre feet is not a common measurement for most people, but it's really one acre, one foot deep in water and that equivalent volume. In putting it in the gallons basis that's 72 million gallons per day of water.

The Salt River Project, our allocation there is 18,000-acre feet per year or roughly 16 million gallons per day and then groundwater, we have a sustainable supply of groundwater through our recharge efforts and natural recharge of roughly 12,000-acre feet per year or 12 million gallons per day. Our demand is roughly 76,000-acre feet and it's been relatively flat the last couple of years. That equates to roughly 68 million gallons per day. And this graph kind of shows supply and demand graphically. The green bars are projected demand for 2015 and then 2020.

I have to define the off project and the on project for you. That is defined as far as the Salt River Project and our allocation -- in our allocation, we are allowed to serve Salt River Project only to our citizens in the Salt River Project area. That area roughly is southern Scottsdale, south of the Arizona Canal. So we are constrained by the volume that we are provided by the demand in that area. And so you will see an on project demand and an off project demand, which we track. But you measure those through supply. You can see we have ample supply to meet our current demand and our projected demand.

The drought management team, I think this is a critical part of the drought management plan. The team's responsibilities include evaluating severity of the drought and its impact to Scottsdale, coordination and communication of information internally and externally and then recommendations of action to the City Manager and ultimately to the City Council. And oversight of those approved acts and their effectiveness.

The team members involved the water resources staff, the communications staff, legal staff, community service staff, public works staff and I must say implied in there is finance staff. And I apologize to the Treasurer, I just think of the finance staff as part of the water resources team and that's my story. And so I apologize for leaving them out but finance is an important part of our team.

The stages. They are in the plan. They are dependent on trigger levels of supply and the availability. Stage one is 0 to 5 million gallons per day of restricted supply or reduction in supply. Stage 2 is 5 to 15, stage 3 is 15 to 30 and stage 4 is greater than 3. Declaring these stages at stage 1 is the City Manager and stages 2 through 4 is the City Council as we go through the more severe stages of the drought. We think it's important to get Council's advice and guidance.

This is more graphical representation of the first two stages, stages 1 and 2 and the reduction in our supply. As you can see, current projections on demand, these two reductions do not affect our current demand as we project for 2015 or 2020. Stage 1, the most likely scenario of stage 1 would be that a water shortage is declared on the Colorado River. And that is likely to occur in either 2016 or 2017. Should that occur --

[Time: 02:19:30]

Mayor Lane: Excuse me, Mr. Biesemeyer. We have a question or a comment from Councilmember Phillips.

Councilman Phillips: I know the stage 1 and stage 2 is in the C.A.P. where we have ample demand. Isn't that affected by other states as well? Couldn't that change if they decide to take more water away and putting us into that?

Water Resources Director Brian Biesemeyer: It is, Councilmember Phillips, you are correct. It looks like it's in the C.A.P. We changed this graph and it only says supply. It doesn't say C.A.P so it doesn't delegate that up. It could be another supply that we could have a shortage of. Does that answer your question?

[Time: 02:20:14]

Water Resources Director Brian Biesemeyer: Again, going back to the most likely scenario for stage 1 would be a declared shortage on the Colorado River. The first stage of that declared shortage occurs when Lake Mead elevation below 1075. The most likely scenario projected currently is probably in the year 2017, but possibly as early as next year or 2016. If that would occur, then Arizona would have to reduce its allocation of pulling from the Colorado River by roughly over 300,000-acre feet. The City of Scottsdale's portion of that is only 3,000-acre feet. The majority of that will be agricultural waters. The City's is only 3,000, which is roughly about 2.6 million gallons a day reduction on our supply capability. As you can see, that doesn't impact what we can supply for demand as projected.

Stage 2 would be a Colorado River shortage, the most likely scenario could be a Colorado River shortage as well as a restriction on the SRP allocation. Currently 3-acre feet per acre of project land. It's not unheard for them to go down to 2-acre feet. That has occurred when shortages on the Salt and Verde rivers. So stage 2 would be a combination of those two. But still in that scenario, we still have enough demand -- supply to meet demand.

Stage 3, shown here, would be something more serious. It would be a combination of those first two events I mentioned for stage 2, and potentially a canal outage either of the SRP system or a canal -- a partial outage of the C.A.P. system but it would be a significant outage of our ability to provide supply such that it would impact -- potentially impact demand. And then stage 4, obviously very serious and this would be -- most likely would be an outage of the Central Arizona Project Canal and delivery to the City.

Our drought responses are threefold. Public outreach and at any stage of the drought management plan, public outreach is important, through direct mailings, public announcements and other means to talk to the public and our businesses. Supply side, we have been working for this for a while, but supply side, we have a substantial number of groundwater credits that we have been recharging over the last several years and are recharging this year our full allocation of C.A.P. water, not just what we use for our customers, but that full allocation I showed you graphically, we are recharging to secure groundwater credits that we can then use in a drought scenario to boost our supply.

[Time: 02:23:24]

Mayor Lane: Excuse me.

Water Resources Director Brian Biesemeyer: Yes, Mayor.

Mayor Lane: One thing, just a question on that and it's maybe just a curiosity. Obviously when we talk about credits and I don't know to what extent we might have credits but credits are sort of a legal designation of something that we have done in getting credit for. In actual fact if we can recharge our aquifer, it can be drawn down by those outside of our political boundary because those aquifers do not abide by political boundaries. When we talk about this, and we talked about it being sustainable, are we at a level -- a constant level by virtue of use and recharge in our aquifer?

Are we maintaining something? This is aside from what we might be willing or able to draw legally from it, by virtue of credits. Are we in a position that our aquifers actually have the capacity to respond to those credits?

Water Resources Director Brian Biesemeyer: We do have -- the aquifer does have the ability to respond to those credits. Now the aquifer is not a stable unit and in some areas, like around our water campus, we have created a mound of water as we recharged and so that we have actually created a mound of water there that would allow us to withdraw a significant amount of water from that area. Similarly, up in the north part of the City, in the Carefree-Cave Creek area, we have a mounding for some of our northern wells. So in some areas, yes substantially, and in other areas, not quite as substantially. But I'm confident we can use the credits that we have gotten so far we can withdraw groundwater. And so it -- it could depend on particular wells and the scenarios where those are, but within the numbers we have, which is substantial, 150,000-acre feet of groundwater has been recharged we have the ability to withdraw that.

Mayor Lane: But eventually those mounds do draw down from any organization of the aquifer. They will settle down into the aquifer.

Water Resources Director Brian Biesemeyer: Yes, Mayor, they do and over the long term, it's a short-term drought. We are talking about a short term drought for one, two, three years that we can pull from that. It doesn't last forever, actually.

Mayor Lane: Thank you.

[Time: 02:25:51]

Water Resources Director Brian Biesemeyer: And then on the demand side, stages 3 and 4, there's a possibility we could impose usage from our customers. There's a table in the drought management plan, a table that shows some examples of some of those, and that's the important of the drought management team to evaluate the situation and come and make recommendations of those particular measures. They are some recommendations of which stage those measures would be enacted on. But, again, it goes to the drought management team to assess those and then recommend those to the City Manager and Council.

That's kind of another way to look at the different stages, their names or how we designated them and then the supply reductions or the actual reductions in demand that might be required. And, again, the goal of this plan is to maintain, the health, safety and economic wellbeing of the community to the maximum extent possible. And staff's recommendation is before you. And that concludes my presentation pending your questions.

[Time: 02:27:10]

Mayor Lane: Thank you Mr. Biesemeyer, thank you. We do not have any requests to speak on this, nor do we have any comments from the dais at this point in time. I would entertain a motion to adopt resolution 10025, an ordinance 4189 as indicated.

Councilwoman Klapp: So moved.

Councilwoman Littlefield: Second.

Mayor Lane: The motion has been made and seconded.

Councilmember Korte: Mayor, there was a third ordinance, 4190.

Mayor Lane: Okay. Thanks for pointing that out. Do the first and the second want to include that?

Councilwomen Klapp and Littlefield: Yes.

Mayor Lane: Thank you very much. Then we have got it complete and we are ready then to vote. All of those in favor, please register your vote. Aye. Okay. It's unanimous. Thanks very much, Brian.

MAYOR AND COUNCIL ITEMS

[Time: 02:28:23]

Mayor Lane: Alright, that completes our regular agenda items. And I have no Mayor and Council items at this point in time. Oh, I'm sorry, we do. And it's called the boards and commissions and task force nominations. And so for that purpose, I will turn it over for the first time effort by our new Vice Mayor, Vice Mayor Milhaven.

BOARDS, COMMISSION, AND TASK FORCE NOMINATIONS

Vice Mayor Milhaven: Thank you, Mayor. So this evening the City Council will be nominating Scottsdale residents interested on serving on 12 advisory boards and commissions. The 12 vacancies are the Airport Advisory Commission, Board of Adjustment, Building Advisory Board of Appeals,

Environmental Quality Advisory Board, Historic Preservation Commission, Human Relations Commission, Judicial Appointments Advisory Board, Loss Trust Fund Board, McDowell Sonoran Preserve Commission, Parks and Recreation Commission, Personnel Board and Tourism Development Commission. Those nominated will be interviewed by the council on the meeting Tuesday, February 17th and appointments will follow each set of interviews.

[Time: 02:29:13]

Vice Mayor Milhaven: So for the first one, Airport Advisory Commission, we have one opening. The Airport Advisory Commission advises city council on policy matters related to the operation of the airport, proposals for development, airport area land use, fees and safety concerns. Robert Hobbi is eligible for reappointment and has submitted an application. There is one vacancy and three applicants. I will entertain nominations beginning with Councilmember Phillips.

Councilman Phillips: Hobbi.

Vice Mayor Milhaven: Councilmember Smith?

Councilman Smith: No additional.

Councilmember Korte: No additional.

Mayor Lane: No additional.

Councilwoman Klapp: No additional.

Councilwoman Littlefield: No additional.

Vice Mayor Milhaven: Mr. Hobbi has been nominated.

[Time: 02:30:02]

Vice Mayor Milhaven: Next is the Board of Adjustment. The Board of Adjustment has the power to hear and decide on appeals from administrative decisions and variances from the provisions of the zoning requirements. There is one vacancy and three applicants. And we'll begin nominations with Councilman Smith.

Councilman Smith: Mr. Donahoe.

Vice Mayor Milhaven: Councilmember Korte.

Councilmember Korte: Yes. Terry Mika, please.

Vice Mayor Milhaven: Mayor?

Mayor Lane: Mr. Donahoe.

Vice Mayor Milhaven: Councilmember Llapp.

Councilwoman Klapp: Greg Mona

Vice Mayor Milhaven: All applicants have been nominated.

[Time: 02:30:56]

Vice Mayor Milhaven: Building Advisory Board of Appeals. They have the jurisdiction to recommend minor variances in the electrical, plumbing and mechanical application of the building code and be granted or that alternative construction methods or materials be allowed. Special qualifications are -- none are required by the City Code, but members appointed to this board should be qualified by experience and training, decide on matters pertaining to building construction. There are three vacancies and one applicant. We will begin the nominations with Councilmember Korte.

Councilmember Korte: Mr. Neiman, please.

Vice Mayor Milhaven: All the applicants have been dominated.

[02:31:33]

Vice Mayor Milhaven: The Environmental Quality Advisory Board provides guidance on the prioritization of future environmental activities and recommends environmental policies to the city council. As specified in City Code, this opening should reflect a scientific interest with a professional background in engineering, planning or earth science. Both candidates have a science background. There's one vacancy and two applicants and we will begin with the Mayor.

Mayor Lane: Aliza Sabin.

Councilwoman Klapp: Bruce Travers.

Vice Mayor Milhaven: All applicants have been nominated.

[Time: 02:32:06]

Vice Mayor Milhaven: The Historic Preservation Commission. The Historic Preservation Commission oversees the development and management of Scottsdale's historic preservation program. As specified in City Code, one opening shall reflect interest or experience in building construction, history, architectural history, real estate, historic preservation law or other historic preservation fields. In order to increase funding opportunities from the heritage funds and other grants, the state recommends that one opening be filled by an archaeologist. Mark Hackbarth is

eligible for reappointment, represents an archaeologist position, and has submitted an application. There are two vacancies. Each member may nominate two memories and there are four applicants. Beginning with Councilmember Klapp.

Councilwoman Klapp: Mark Hackbarth.

Vice Mayor Milhaven: You are entitled to two.

Councilwoman Klapp: And John Bamberi.

Vice Mayor Milhaven: Bamberl. Close enough. At least we know who you are talking about. I have no additional.

Councilwoman Littlefield: No additional.

Councilman Phillips: No additional.

Councilman Smith: No additional.

Councilmember Korte: Laura Delahanty.

Mayor Lane: No additional.

Vice Mayor Milhaven: So we have Bamberl, Delahanty and Hackbarth.

[Time: 02:33:29]

Vice Mayor Milhaven: And the next is Human Relations. The Human Relations Commission advocates and promotes all dimensions of diversity. I am beginning by nominating Mr. Danielson and Mr. Reed. Councilmember Littlefield.

Councilwoman Littlefield: No additional.

Councilman Phillips: No additional.

Councilman Smith: No additional.

>> Councilmember Korte: no additional.

Mayor Lane: No additional.

Councilwoman Klapp: Lonny Ruben.

Vice Mayor Milhaven: All the applicants have been nominated.

[Time: 02:34:05]

Vice Mayor Milhaven: Judicial Appointments Advisory Board. The Judiciary Appointments Advisory Board makes advisory recommendations to the City Council regarding the appointment and reappointment of full-time City judges. This opening is for a citizen representative who is not a judge in any official capacity, nor a retired judge, nor a member of the State Bar of Arizona. There is one vacancy and three applicants. We will begin the nominations with Councilwoman Littlefield.

Councilwoman Littlefield: Allen Reed.

Councilman Phillips: No additional.

Councilman Smith: Bill Crawford.

Councilmember Korte: Stanley Morganstern.

Vice Mayor Milhaven: All the applicants have been nominated.

[Time: 02:34:05]

Vice Mayor Milhaven: Loss Trust Fund Board. The Loss Trust Fund Board is responsible for recommendations to the City Council regarding the administration of the Loss Trust Fund. Jim Stabilito, sorry, Jim. He's eligible for reappointment and submitted an application. There are three vacancies and one applicant. We will begin with Councilmember Phillips.

Councilman Phillips: Mr. Stabilito.

Vice Mayor Milhaven: All the applicants have been appointed.

[Time: 02:35:17]

Vice Mayor Milhaven: McDowell Sonoran Preserve Commission. The Commission, with the assistance of City staff, makes recommendations to the City Council on such items as: preservation strategy, funding, land acquisition, educational/promotional programs, master planning and other preserve-related issues. Robert Frost and Con Englehorn are eligible for reappointment and have submitted applications. There are two vacancies and five applicants each Councilmember may nominate two and we will begin with Councilman Smith.

Councilman Smith: Con Englehorn and Robert Frost.

Councilmember Korte: No additional.

Mayor Lane: No additional.

Councilwoman Klapp: No additional.

Vice Mayor Milhaven: I have no additional.

Councilwoman Littlefield: No additional.

Councilman Phillips: And no additional.

Vice Mayor Milhaven: Thank you.

[Time: 02:36:00]

Vice Mayor Milhaven: Parks and Recreation. The Parks and Recreation Commission is a citizen advisory committee that advises the City Council on the acquisition of lands and facilities for use as of park or recreation center. It also advises on the operation used in the care and maintenance of these parks and recreation area. We will begin the nominations with Councilmember Korte.

Councilmember Korte: Todd Davis, please.

Mayor Lane: No additional.

Councilwoman Klapp: One open, correct?

Vice Mayor Milhaven: One vacancy, yes.

Councilwoman Klapp: Alper Adli.

Vice Mayor Milhaven: I have no additional.

Councilwoman Littlefield: Paul Jasa.

Vice Mayor Milhaven: Councilmember Phillips.

Councilman Phillips: Miguel Medrano.

Councilman Smith: No additional.

Vice Mayor Milhaven: So that means Alper Adli, Todd Davis, Paul Jasa and Miguel Medrano have been nominated.

[Time: 02:37:09]

Vice Mayor Milhaven: Personnel Board. The Personnel Board hears appeals submitted by City

employees relating to dismissal, demotion or suspensions, and submits its recommendations to the City Manager. Stacy Gabriel has withdrawn her application. There is one vacancy and seven applicants and we will begin the nominations with the Mayor.

Mayor Lane: Eddie Smith.

Councilwoman Klapp: Christopher McDermott.

Vice Mayor Milhaven: Gary Donahoe.

Councilwoman Littlefield: No additional.

Councilman Phillips: No additional.

Councilman Smith: No additional.

Councilmember Korte: No additional.

[Time: 02:37:48]

Vice Mayor Milhaven: Tourism Development Commission advises the City Council on matters concerning the tourism industry in Scottsdale as well as the expenditure from the transaction privilege tax designated for tourism development. As specified in City Code, this opening shall reflect a Scottsdale hotelier. David Scholefield represents a hotelier position and has submitted an application. Mr. Auerbach and Julie Kercher are not hoteliers. There's one vacancy and three applicants.

Councilwoman Klapp: David Scholefield.

Vice Mayor Milhaven: No additional.

Councilman Phillips: No additional.

Councilman Smith: No additional.

Councilmember Korte: No additional.

Mayor Lane: No additional.

Vice Mayor Milhaven: Mr. Scholefield has been nominated.

This concludes our nomination process this evening. City staff will contact those who were nominated and provide them with additional information about the interview process. I would like to take this opportunity to sincerely thank all of those who -- your application will remain on file for

one year for consideration at a future date if there are additional vacancies. I will turn the meeting back to the Mayor.

PUBLIC COMMENT

[Time: 02:39:06]

Mayor Lane: Thank you, Vice Mayor. At this point, we have no additional public comment.

CITIZEN PETITIONS

[Time: 02:39:15]

Mayor Lane: And we have one petition that was received and spoken toward earlier. That we need to consider for action or no action or refer to the city manager for review and respond. Do I have a motion? Councilman Phillips?

Councilman Phillips: I move that we accept this petition from Mr. Ryan McDonald.

Councilmember Korte: To do what?

Councilman Phillips: to direct staff to draft an ordinance prohibiting the erection and the construction of any new cell towers type one or type two antennas within any city park or k-12 school.

Councilwoman Littlefield: I will second that.

Mayor Lane: Motion made and seconded. Mr. Washburn.

City Attorney Bruce Washburn: I'm sorry it's not agendized to actually take the action of requesting the petition at this point.

Mayor Lane: So it's to refer it to staff.

City Attorney Bruce Washburn: I'm sorry I didn't have my microphone on. It's not agendized. There are three choices: do nothing, have it put on a future agenda or get a report from the City Manager.

Mayor Lane: Okay. Alright then --

Councilman Phillips: I guess we will get a report from the City Manager. Make that motion.

Mayor Lane: Alright, that's the motion then. It's been amended to --

Councilwoman Littlefield: I will second it.

Mayor Lane: And then seconded. Okay. No further comment on that. Those in favor of that, please indicate by aye. Those opposed with a nay. Nay. The motion does pass, 4-3 for the City Manager to report back to us on this. Mayor Lane: so that takes care of that item of business.

ADJOURN

Mayor Lane: We have no further Mayor and Council items and so then I would accept a motion to adjourn.

Councilmember Korte, Councilwoman Klapp: So moved.

Mayor Lane: I got at least a couple and I will take one of them as a second and all of those in favor of adjourning please say aye. We are adjourned.