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CALL TO ORDER

[Time: 00:00:03]

Mayor Lane: Good evening, everyone. It is October 20th, 2020, and it's approximately 5:15. I would like to call the meeting to order. And I would ask the city clerk, City Clerk Carolyn Jagger to please conduct a roll call, please.

ROLL CALL

[Time: 00:00:20]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Solange Whitehead.

Vice Mayor Whitehead: Present.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: City Manager Jim Thompson.

City Manager Jim Thompson: Here.

City Clerk Carolyn Jagger: City Attorney Sherry Scott.

City Attorney Sherry Scott: Here.

City Clerk Carolyn Jagger: Acting City Treasurer Judy Doyle.

Acting City Treasurer Judy Doyle: 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. I would like to let earn know we have Scottsdale police officer, Ray Powell up here in front of me on the mezzanine and Noah Scott. Noah, welcome as well. Thank you, gentlemen.

MINUTES

[Time: 00:01:14]

Mayor Lane: First order of business is a request to approve the regular meeting minutes of

September 22nd, 2020, and a work study session minutes of September 22nd, 2020. These minutes have been provided to us and are a matter of record. If there's not any questions, adds or deletes, then I would ask for a motion to accept those minutes.

Councilman Phillips: So moved.

Mayor Lane: The motion has been --

Councilwoman Milhaven: Second.

Mayor Lane: To approve by Councilman Phillips and seconded by Councilwoman Milhaven. We are then ready to vote. All of those in favor, please indicate aye. And register your vote aye.

Councilmember Korte: Aye.

Mayor Lane: I'm sorry, Councilwoman Korte? I'm not sure whether she did -- did anybody hear whether she voted or not? Councilwoman Korte?

[Off microphone comment]

Mayor Lane: Okay. Are we going to be able to hear her? Okay. Well, we'll record her then as a yes and -- yes. Okay. Very good. Thank you, Brent. Okay. So the meeting minutes have been approved.

[Time: 00:03:03]

Mayor Lane: Oh, public comment announcement. Spoken comment is being spoken on the consent and the regular agenda items. If you are watching meeting on channel 11 or livestream on your television or other device, mute your device while you are live in the meeting. And speaking. This will help to eliminate any kind of audio feedback. Begin, please, by stating your name and address for the record and then proceed with your comment. You will be given one opportunity to speak on any or all consent items listed on the agenda. Please limit your remarks to the council agenda items you wish to speak to, and stay within the allotted three-minute time frame. The city clerk will orally alert you when you have one minute remaining and again when your time is up at which time you must conclude your remarks. Staff will mute you once again and you may either stay in the meeting to listen or leave by hanging up the phone. Citizens remotely attending council meetings shall observe the same rules of order and decorum, as if they were physically in attendance inside city hall. Okay.

CONSENT AGENDA

[Time: 00:02:56]

Mayor Lane: We have -- we'll begin the next order of business is our consent item agendas, 1 through 19 and it's my understanding we have requests to speak on the consent agenda. Megan, are you monitoring those requests?

Senior Management Associate Megan Lynn: Mayor Lane, I am here. Can you hear me in the Kiva?

Mayor Lane: I can now, yes.

Senior Management Associate Megan Lynn: Our first request to speak for item 19 is going to be Benjamin and I will unmute him now.

Mayor Lane: Thank you.

[Time: 00:05:08]

Benjamin Benulis: Do I speak it now or when --

Mayor Lane: No, Benjamin, identify the agenda item that you are speaking toward, and you can begin.

Benjamin Benulis: Thank you. So the statements of fact, matters of law, so the budget should consider the fact that there will be liability for the 5g towers going up all over the city of Scottsdale. And oftentimes the wireless provider, T-Mobile, Verizon, companies like that, will not grant indemnity to the city of Scottsdale for damages because these towers are a health hazard from the microwave radiation emitted. So unless --

Mayor Lane: Pardon me, Benjamin, are we talking toward the financial report, our update information as of August 2020? That's the --

Benjamin Benulis: I'm sorry, what was the question?

Mayor Lane: That was the agenda item you asked to speak toward?

Benjamin Benulis: Well, I'm -- I'm wanting to talk about -- I understand this is the budget and I'm saying that there's a financial liability that the city has not considered.

Mayor Lane: This is not even a budget issue. This is a financial report that's given to us, and to the community letting us know where we are within the year.

Benjamin Benulis: Okay. Well, when I went on the website, it said the list of agenda items to speak about it, and it was the budget. So that's the most relevant. That was my understanding of what the agenda item was and that's why I was surprised when I was given public comment --

Mayor Lane: It's what our performance is and if you have some comments, I would appreciate if you would go ahead and speak toward that.

Benjamin Benulis: Okay, well, I would still like to speak about my issue.

Mayor Lane: I'm sorry, would you like to speak about what?

Benjamin Benulis: I would still like to speak about my issue and the financial interest on the city of Scottsdale of the 5g towers.

Mayor Lane: That's not what the agenda item is about. So I would appreciate if you would talk towards the performance of us financially within the city as it is right now.

City Clerk Carolyn Jagger: Mayor, we are at one minute remaining.

Benjamin Benulis: Okay, well, how -- how do I get an opportunity to speak about the issue that I want to talk about and how it financially affects us.

Mayor Lane: Right now, it's a matter of public comment on the open public comment and that right now is being handled by written comments to, and you can always report and frankly ask councilmembers to entertain various items, but this is not the point of instruction here.

Benjamin Benulis: I have not been given an opportunity to speak to them. So this is my opportunity to speak. It's --

Mayor Lane: No, I -- well, actually, if you want to talk about the financial reporting issue, yes, it is. I think we're out of time right now and I apologize for that, but this was not the commentary that you were mentioning did not address consent item 19. So thank you very much for working with us, and we'll go ahead and move on to the next speaker.

[Time: 00:08:54]

Senior Management Associate Megan Lynn: Mayor Lane, this is Megan. Our next speaker for item 19 her name is Valeri Marsh and I will unmute her now.

Mayor Lane: All right.

Valeri Marsh: Good evening. I am Valeri Marsh, a resident of Scottsdale and I'm speaking tonight on the financial statement and the need to consider the likely financial impact of overpowered wireless telecom systems, the W.T.S. There are four items that need to be considered. Number one, contrary to what was reported on September 22nd, the local companies installing the W.T.S. do not have adequate asset for self-insurance or sufficient general liability insurance to cover claims for injury, illness or death from radiation exposure on our public right-of-way. The second financial issue is that these claims --

Mayor Lane: Ms. Marsh. I'm sorry, but we are -- we're not talking about a budget issue. We are not talking about future or past issues of cost to the city. We're talking about our financial presentation as it's represented in 19, and our performance within our resources right now. So I would ask that you stay on that and how if there's some immediate impact what you are talking about to that end, please express that.

Valeri Marsh: Yes, the impact is that the financial statement is not at all adequate to deal with the four categories of liability that are going to become -- be coming to the city of Scottsdale. And the time to prepare is now. It's extremely relevant to the financial statement. For example, the need to accommodate residents, there are up to 75 in Scottsdale through the A.D.A. and the Fair Housing Act? I'm sorry?

Mayor Lane: Ms. Marsh. I'm sorry, Ms. Marsh, we have an area of protocol, when we speak toward consent items, and that goes specifically to the item on the agenda. I'm not sure what the connection is, and if I end up varying from that, I end up causing our protocols to be challenged in other ways each time. I'm -- I think this is an item for public comment -- public comment to the -- or I should say -- yeah, public comment, but not open public comment. And not to the item 19. So it's -- it's a bit of a stretch. If you can bring this down to where it relates to our present financial position, and how we are using our resources presently, our budget process is something where this might be an item that could be talked, about but that's not what we are talking about here.

Valeri Marsh: Sure. And the relation is that there needs to be presently and currently monies that are allocated for the anticipated huge liabilities.

City Clerk Carolyn Jagger: Mayor, time is up.

Valeri Marsh: You are not preparing for it now in our current statements, then Scottsdale faces a huge financial risk.

Mayor Lane: Item 19 is not something that we are preparing for, but reflecting how we have used our resources locally. So the time has expired in any case. I thank you for joining us. Megan, if you would move to the next.

[Time: 00:13:05]

Senior Management Associate Megan Lynn: Yes, Mayor Lane. Next on our list, we have Anne Pogue. I will unmute her now, if you give me just one moment.

Anne Pogue: Hello? Can you hear me?

Mayor Lane: Yes, Ms. Pogue.

Anne Pogue: I'm Anne Pogue. I'm a resident of Scottsdale and I would like to speak on agenda item 19 regarding the city of Scottsdale financial statement. The city budget needs to reflect the costs that we'll likely incur as a result of the additional cell towers. I know that we have a smart -- what is it called, smart city something roadmap, strategic roadmap coming up. I don't know how much we paid for that to be written but nowhere in it does it have any place for experts or studies to be done on the safety of the levels of radio frequencies coming off these towers. I am electromagnetic sensitive and I take it seriously. I have been trying to sell my house that sits underneath a tower that is for sale for 90 days and it won't sell.

Mayor Lane: This item 19 is reflective of how our resources have been used within our current financial structure. This is not planning for the future. There may be another way for you to communicate this tot council and the staff -- to the council and the staff and the city manager, but this does not respond to item 19. So I'm afraid that it does not fit into the agenda. I apologize for the fact that you are looking to talk on that subject, but that's -- it does not fit into item 19 and if I were to allow it, I would end up damaging the integrity of our protocols and what we call out for in the structure of our meetings. Your time has expired in any case and I don't believe it -- has the time expired? Oh, all right. You have one minute, Ms. Pogue if I have that item, if you would like to speak toward item 19, as it specifically relates to our current situation and the use of our resources.

Anne Pogue: I would like that. I think you spent money on getting the think big people to do that study. And nowhere in it did they come up with anything about safety for the staff, and so I think it's relevant to budget number 19.

Mayor Lane: All right. Thank you for joining us.

Senior Management Associate Megan Lynn: Mayor Lane, this is Megan. Those are all the callers that I see on my end for item 19.

Mayor Lane: Okay. All right. Are there any other consent items that have comments? Okay. Then we have none. Then we are finished with the commentary on agenda item 19 and all of the agenda items 1 through 19. Unless there are any questions of the council, any of the items. Yes, Councilwoman Littlefield?

[Time: 00:16:54]

Councilwoman Littlefield: I don't really -- I just have a comment. I don't have a question, but I would like to say I thought it was very good work on the general obligation refunding of our bonds to save the city interest and payments on it. I thought that was a very good thing to do at this time, when interest rates are so low. Thank you.

Mayor Lane: Thank you, Councilwoman Littlefield. I would have a much better view of you if those flowers were on the other side of the table. But they are beautiful. They are beautiful. Yes, Councilman Phillips?

Councilman Phillips: I move to accept consent agenda items 1 through 19.

Mayor Lane: Motion made by Councilman Phillips to accept consent items 1 through 19. And seconded by Councilwoman Klapp. Any further comment on any of those items? Hearing none then, we're then ready to vote. All of those in favor, please indicate by aye. Those opposed with a nay and register your vote. Have we connected with Councilmember Korte?

Councilmember Korte: Mayor?

Mayor Lane: Yes.

Councilmember Korte: I vote yes. Thank you.

Mayor Lane: Very good. Thank you. Okay.

[Off microphone comment]

Mayor Lane: Okay. So only when she votes, you will have to switch, otherwise she's working with the system that we are looking and listening to? Okay. Very good. All right. The consent items 1 through 19 have been approved unanimously.

ITEM 20 – SOUTHDALE (5-ZN-2020)

[Time: 00:18:46]

Mayor Lane: Moving on to our next order of business, as our regular agenda items 20 and 21, we'll start with item 20 which is Southdale and it's 5-ZN-2020 and the presenter is Greg Bloemberg our senior planner. Mr. Bloemberg?

Senior Planner Greg Bloemberg: Yes, Mayor Lane, members of council. Greg Bloemberg, senior planner. Here to give you a brief presentation on item number 20, 5-ZN-2020 Southdale. Just waiting for my -- there it is! Next slide, please.

So the site is located at the northeast corner of McDowell. The United States post office is to the east and there's also an auto dealer to the east. To the north and west, is some multifamily residential. There's a single family residential community northwest of the site, and to the west I believe is another auto dealer. And then south of that, southeast of that is Papago Plaza. Next slide, please.

Just a close-up view of the location. Again, the dealer -- the auto dealers on both sides along McDowell Road. The multifamily community to north and the west, and then the single family community northwest of this location. Next slide, please.

The general plan, identifies this site as a mixed use neighborhood, which the proposal is consistent with that designation. Next slide, please. Current zoning on the site is highway commercial, C-3. Next slide, please. If this request is approved, it will be switched to PUD or planned unit development. There you can see the R1 to the north of site. The request before you is a request by the applicant to rezone the property from highway commercial to planned unit development, with a development plan and amended PUD development standards for a new mixed use project. Next slide, please.

As part of a planned unit development application, an applicant can request amendments to development standards. The applicant has taken advantage of that opportunity here to better being -- or better allow for their project. I will go through these quickly. There's a clarification requested for the average setback that it be a minimum setback, as opposed to an average setback.

The building envelope, which is the step back is proposed to be amended. The ordinance requires 1 to 2 step backs starting on the residential district boundary. There's a transition plan in the packet before you that shows what the proposed exceptions are to that step back. The third request for amendment is an encroachment beyond the building envelope which is beyond the stepback plane. Encroachments up to 15 feet are permitted for architectural features and the applicant just wants to clarify that those encroachments would include walls associated with the building design.

And then finally, outdoor living space, a minimum of 5% or larger of the unit floor area must be located adjacent to the unit. To are this project, because there was a concern with some service and emergency vehicle circulation, the applicant is looking to allow for what are called Juliet style balconies. I will let them get into that if there's a question on that, but they are balconies that are not necessarily adjacent to the units themselves. No more than 10% of the unit cap would have those types of balconies. There's no amendments to height or density proposed with this application. Next slide, please.

So here's a look at the site plan, a colored version of the site plan. A few things to note on this. At the -- and, of course, north on this particular slide is the left-hand portion of the slide. McDowell Road is the right-hand intersection. Right at the intersection, there is a proposal for some office space for the developer Hawkins. That would be their headquarter space and the applicant will get into more detail. Number four on the site plan is a public pocket park which is being proposed that would be publicly accessible. So available for the community and for residents in the area. Another feature is neighborhood market. That's number two on the screen in front of you. That would also be obviously available to the community and to members of the public.

There is -- there was a request by the fire department for a fire lane around the project to the north which is the reason why you see just that -- that long strip of green that goes around the project. So we are not able to get a lot of landscaping in this area but there will be grass creep, as opposed to just pavement for that fire lane. So there will be some aesthetic. This is just a circulation plan. Primary circulation will be off of 70th Street. The secondary circulation would come in and out at McDowell Road, at the southeast corner of the site. As I mentioned there's a fire lane that goes around the northern edge of the property and all parking for this project with the exception of a few spaces right off of 70th Street is provided in a parking garage. Next slide, please.

So here's just a look at the perspectives of the proposed building. It's rather responsive to our sense of design principles and shading and visual interest and the colors are consistent also with the sensitive design principles. Next slide, please. Just another view of the building. Next slide, please.

So some things for you to consider as you are mulling this case over. There are 20 additional parking spaces provided on site for guests and visitors above and beyond what the ordinance requires. The publicly accessible pocket park along north 70th Street is an asset not only for the community but the neighborhood as well. The use mix includes a neighborhood market. Development review board considered this case and recommended approval, 6-0. And the planning commission recommended approval 5-0. Next slide, please. That concludes staff's presentation. I'm happy to answer any questions anyone may have, otherwise I will turn it over to the applicant for their presentation.

[Time: 00:25:49]

Mayor Lane: Mr. Bloemberg, if you wouldn't mind, just for point of clarification, you said 20 additional and that's above and beyond what is called out for in the -- in code?

Senior Planner Greg Bloemberg: Mayor Lane, that is correct.

Mayor Lane: Can you give me an idea of how many spaces are in total for guest and visitors?

Senior Planner Greg Bloemberg: I can find that out, if you want to give me a moment, I can look that up for you. You want to know -- Mayor Lane, you want to know how many total spaces are being provided; is that right?

Mayor Lane: Yeah. Well no, I said for guests and visitors.

Senior Planner Greg Bloemberg: You know, probably the applicant can step in on that. I know there are 20 additional spaces provided. The guest spaces, I believe are being provided in the parking garage. Perhaps Mr. Berry can elaborate a little bit on that.

Mayor Lane: All right. We'll listen to the presentation and maybe it comes out in there as well. So thank you, Mr. Bloemberg, unless there's any other questions of Mr. Bloemberg at this time? Okay. So move on. Is it Mr. Berry who is making the presentation on the part of the owner?

Applicant Representative John Berry: Yes, Mayor.

[Time: 00:27:05]

Mayor Lane: Well, welcome.

Applicant Representative John Berry: Thank you. Mayor, members of the council for your record, John Berry, 6750 East Camelback Road in Scottsdale. And Mayor, this is a unique site on McDowell Road corridor. Unlike Papago Plaza across the street to the south, we have a challenge with the PowerPoint. It's not moving. If could you hold the clock for me. For some reason -- oops. This is obviously operator error on my part. I apologize. They didn't teach this in law school.

But this is a unique site on McDowell Road. Unlike like Papago Plaza or the existing auto dealer to the west of our site. Or the existing automobile dealer to the east of our site or existing two-story apartments which are directly adjacent to our site, there are no single family homes that back up to this project. You know the typical condition along McDowell Road, for example, like Papago Plaza or the other projects is an alley way and then a row of one-story single family homes. That's not the case here.

Additionally, this project has some existing uses. They are not exactly postcard material and

Instagramable for McDowell Road. It includes landscaping and the maintenance yard with about 150 trucks a day, and over 300 employees going in and out of the site. The staff talked about the site plan, it's a unique site plan as well as being a unique site and staff highlighted several of those things. To build on that, immediately to the east of our property, to the right side of that graphic is the existing automobile dealership. To the left side, across 70th Street is an automobile dealership and wrapping the parcel to the north at the top of the screen are existing apartments.

As part of this proposal, we do have a neighborhood marketing cafe and a public pocket park and the headquarters for Hawkins builders, at the corner of the site as well. One of the most exciting things and something that we have not seen before and I would like to think this first for us is this public pocket park. It is a great amenity for the area and while they are conceptual images, we hope that this will evoke the quality of the public space that will be available for the use by the neighborhood. Interestingly at the request of the neighbors we more than doubled the size of this pocket park to 3600 square feet. And they talked about the motor mile community room and these are conceptual images and this thing like SkySong and some of the spaces they provide to the public will be available for public use and it will be replete with images and history and memorabilia to memorialize the importance of modern mile in our city's history.

One of the exciting things of the public pocket park is this cafe. These are conceptual images. This is a place for the residents and the neighbors to enjoy a cup of coffee in the morning and pick up some minor sundries and get prepackaged food to go and perhaps enjoy a beverage in the evening and go out to the public park and enjoy that convenience.

I want to talk about how they are treating the 70th Street frontage. You will see a graphic under the current C-3 zoning what the building setback would be from 70th Street and you will note that it's 20 feet. What are we proposing along that important edge into the neighborhood is a 50% increase in that setback to 30 feet and obviously, as staff pointed out, we are not asking for any amending development standards on 70th Street or McDowell Road. Now 70th Street, some of the important things we are doing for the neighborhood and one of the reasons I didn't think we have support -- a significant amount of support from the neighborhood is the difference we are making to the pedestrian environment. The existing condition includes two large driveways and cars lining the street. We replace it with 8-foot detached sidewalk and the public pocket park and the cafe and we eliminated and narrowed the one remaining driveway, in much better condition for the neighbors. You can see on the top, existing condition and on the bottom the proposed condition.

Now, what about McDowell Road. How do we compare on what is going on in the area. On left side, you see the existing C-3 zoning, what is permitted this without zoning action and that would be a three-story building 20 feet away, with a setback. Directly across the street, that was approved with a 34-foot setback for buildings and amended standards that allowed an apartment project to go 6 stories across the street from us. We are proposing large. We are at a 40-foot setbacks and we go up three stories and step back one with no amended street frontage on McDowell Road.

As far as the architecture, the staff highlighted some of the components of that. Jeff Brand, an area resident, did a great job on this, and paying homage to the mid-century modern roots to this area and

shade for pedestrians and creating context appropriate project for the area. As staff noted, this case comes before you with unanimous recommendations for approval from both your D.R. board and your planning commission it is consistent with the goals and policies have you established in this area. We listened to the residents as I highlighted to more than double the size of that public park, the public pocket park.

This is a re-investment of McDowell Road, replacing rundown buildings and underutilized building, a \$70 million re-investment in the area and, again, no amended development standards on McDowell Road or 70th Street. We have additional community benefits including the motor mile community room for public use and the neighborhood calf take, which we identified and importantly that enhanced pedestrian area on 70th Street and in terms of traffic, this is a reduction, certainly from the existing C-3 zoning uses which could go there, which include things such as a pawn shop, fast food restaurants, et cetera. This project is over the park. There's a 75% increase in open space over what's required and in your packet, you will see 97 to 98 letters of support in conjunction with this project, including the single family home closest to this project.

Mayor and members of council, I'm happy to answer any questions and Mayor, I would like to reserve a little bit of time. I understand we have one speaker who wishes to comment on the case. Thank you very much.

[Time: 00:35:15]

Mayor Lane: Very good. Thank you, Mr. Berry. Okay. So we have a speaker. So if you would, Megan, if you would take over as far as -- is it just one speaker? Maybe I should ask that first.

Senior Management Associate Megan Lynn: Mayor Lane, this is Megan. We have one speaker for item 20 and his name is Daniel King. I can unmute him now.

Mayor Lane: Very good. Thank you.

Daniel King: My name is Daniel King and I live at 6899 East McDowell Road at the Sky on McDowell, kitty corner to the proposed Southdale development. I would like to bring to your attention several items before you vote to adopt ordinance 4472 in support to keep the current C-3 zoning. You have been presented with the development and planning commission's report for the proposed development that lists the amended standards and community impacts but the report does not clearly address the adverse impact of building height on the neighbors and the community. It will be 48 feet tall with an additional 10 feet for roof apparatuses. If you look at the street views of the Nelson partners rendering, the apparatuses are solid concrete. So the building the essentially be 58 feet tall. The current C-3 zoning allows for a maximum height of 36 feet. This is uncharacteristic for a residential neighborhood.

There are single family homes on 70th Street, contrary to what Mr. Berry said. Contrary to what the planner said, the planning commission report knows that there's a single family neighborhood adjacent

to the site and guest and visitor parking will encroach on to the neighboring streets. The Sky on McDowell developments, where I live, no one in there really knew about this and I don't think people in my community supports -- anyone in my community supports this. There's no building structures over two stories tall. The towering building will cast a shadow over all the surrounding residential buildings. The height is uncharacteristic with the current land use map referenced in the general plan of the report, and the 2010 southern Scottsdale character area plan. The additional 22 feet only benefits the developer, so they can squeeze additional apartments which has little impact to the tax base and adds additional constraint to the already constrained school.

Further the neighborhood communication regarding this project is not up to the level that would have been acceptable prior to the pandemic. It did not properly alert the community, and the excuse was made that it was made according to COVID guidelines. We had no idea that this was occurring until I read the news this morning and I alerted my neighbors. The report reflects a person supporting on Nextdoor. That's not the consensus of the community. I don't know what Nextdoor is. A video presentation was made and there were 93 views in an area that has 4,000 residents within a quarter mile. That's poor communication.

So the report hid the proposed building heights and the communication with the neighborhood neglected to inform the community of this and inform the community. The planning and development department worked for the residents, not the developer, pane should -- and should have communicated everything to us, including the height. I urge you to protect the interests of us and I would like to please vote no on this ordinance.

Mayor Lane: Thank you, Mr. King. With that speaker and opposing the Southdale 5-ZN-2020. Mr. Berry, if you would like to take the remainder of your time even.

[Time: 00:38:43]

Applicant Representative John Berry: Sure. I didn't know I was under ten minutes. Wow! Mayor and members of council, again John Berry. Before I specifically answer a couple plaintiff King's points, I want to say, I didn't get a chance to in my presentation that, you know, the revitalization of McDowell Road has been one of the top three strategic goals of this city council in prior city councils for a very long time. And what you are seeing with this potentially \$70 million additional investment in McDowell Road corridor combined with SkySong, Papago Plaza and dozens of other re-investments that occurred on McDowell Road is this is really a success story for this city council, prior city councils and your city staff.

The fact that Mr. King lives in residential kitty corner to this site, is another testament to the revitalization of this area and the attractiveness of this area. And I was on the development team that was involved in the approval of that project. And I would note the single family homes where you have the typical condition of an alleyway and then single family one-story homes had similar concerns to Mr. King about that project where he now lives given the proximity of that project to their single family homes across the alleyway.

Certainly change is difficult and the results speak in terms of the quality of the revitalization and the impact of the fiscal health of the city with what is happening on the McDowell Road corridor. It's a long way of saying a significant pat on the back from citizens and businesses for doing such an incredible job of continuing to revitalize the McDowell Road corridor. The reason this graphic is up is to point out that there are, indeed additional height that's been approved in the area, including across the street with six-stories directly across the street. And really, the question for all of us, but most importantly for you is the additional height is one story. One additional floor above what you could build with the current C-3 zoning. That's the tradeoff.

Is the list of community benefits that I went through, is it worth that additional one floor in terms of height? Now, that's not my decision. That's your decision. Obviously, we strongly believe that the answer is yes. And we respectfully request your support on this application and, again, I'm happy to answer any additional questions.

Mayor Lane: Thank you, Mr. Berry. We have some requests to -- questions or comments and I will start with Vice Mayor Whitehead.

[Time: 00:41:38]

Vice Mayor Whitehead: Thank you, Mayor. I want to thank everybody, including Mr. King, the applicant, Mr. Berry and certainly staff. Mr. King did a really good job, obviously, if he just found out about this and put together his remarks, I really appreciate how concise and did you expand on all the problems or all of your concerns. And I'm sorry -- I'm sorry that somehow you weren't aware of this project until now.

I will be supporting the project. I have watched the project evolve. I really appreciated that the applicant team has kept me in the loop and I watched it go from what I thought was a good project to one that I think is exceptionally good. And I think that that a lot of times as someone remarked, change is hard. I think that once this is built, I think it will be a little bit tortuous -- any time there's construction, it's a little bit of a pain for the residents, but once it's built, I hope and think that you might change your mind.

One the conditions I always look at for approving any additional height is that the height is traded off with open space. Open space is just -- it just makes an area so much more valuable and so much more friendly too. So I think the applicant did a great job. I'm excited about the mark and the open space. So I'm pretty pleased with this project and again, I appreciate being kept in the loop but I also appreciate Mr. King's remarks. Thank you.

Mayor Lane: Thank you, Vice Mayor. Any other comments or questions on the project that has been presented? Hearing none, a motion? Yes, Councilwoman Milhaven.

[Time: 00:43:27]

Councilwoman Milhaven: I move that we adopt ordinance number 4472 and resolution 11936.

Councilmember Korte: And Mayor, this is Virginia. I would like to second that.

Mayor Lane: Okay. I will go ahead and the motion is made by Councilwoman Milhaven and seconded by Councilmember Virginia Korte. Yes Ms. Scott.

City Attorney Sherry Scott: Yes, thank you. If I may, on these types of PUD cases, we also need to make sure that the motion includes a finding that the council has made a finding that the PUD approval criteria have been met. And so I'm just wondering if the motion could be amended so include the PUD criteria findings.

Councilwoman Milhaven: Yes. Thank you.

Mayor Lane: Okay. That's now the intended language to include. And I would ask Councilmember Korte to confirm that on the second.

Councilmember Korte: Yes, I confirm that.

Mayor Lane: Okay. Very good. Thank you, Ms. Scott. Okay. Then I think we're then ready to vote. All those in favor, please indicate by aye. Those opposed with a nay. Councilmember Korte?

Councilmember Korte: Aye.

Mayor Lane: Okay. Very good. It's unanimous then on that item. So that item 20 is approved.

ITEM 21 – ACOYA SCOTTSDALE AT SHEA (6ZN-2020)

[Time: 00:45:10]

Mayor Lane: Moving on to our next item, and item 21. The Acoya Scottsdale at Shea. 6-ZN-2020 and the presenter is Mr. Jeff Barnes our senior planner. Mr. Barnes?

Senior Planner Jeff Barnes: Thank you, Mayor, members of the council. I am Jeff Barnes with the city's planning department and presenting before you case 6-ZN-2020. If I could get the next slide, please. Thank you.

So this gives you a little context. The site is located at the southwest corner of the intersection of Shea and 74th Street. You can see generally around there, we have got some commercial shopping center development across to the north side of Shea also similar activities to the west of the site, to the south and to the east are more office and commercial-type uses. We have got multifamily residential diagonally to the northeast across the Shea and 74th intersection and there's a single family residential neighborhood to the southeast beyond the office building directly on the other side of 74th. Next slide, please.

So this aerial just brings you in a little closer view to show you the existing development on the site,

which is presently car wash service station set up there. You can also see a little better some of those surrounding uses as they currently exist. Next slide. So the request before you tonight is for a zoning district map amendment from the existing central business district C-2 zoning to the commercial office C-O zoning district. Next slide.

A little bit of context under the general plan. This shows the general plan's conceptual land use map, which designated this area as commercial, along with the majority of the other area within that Shea and Scottsdale Road intersection within the 74th Street and Mescal Street loop there. And C-2, that's also the case for the properties to the north and south, with C-3 zoned properties to the west and SR zoned to the east. Next slide just shows you the proposed C-O zoning from the C-2 on this site. Next slide, please.

So the rezoning request comes with an intent to -- to redevelop the existing car wash site to a four-story residential healthcare facility. Also included in that request is an associated parking reduction from what would be the typical requirement from the zoning ordinance to something that the applicant is identifying to be more appropriate to the practical application as it would be for residents of a residential healthcare facility. Next slide, please. So bringing up then a site plan of what's proposed shows the building on the site, which includes an entry focus towards Shea Boulevard as the primary entrance that has a surface parking lot to it, and a little kind of porte-cochere area. This would access one of Shea Boulevard and another off 74th Street that are currently out there and currently serve multiple properties in that general configuration there. Also included with the site design is an underground parking garage to contain the rest of the parking for the site. That is accessed off of the west side of the building and that access drive coming off of Shea. Next slide, please.

This is just giving you the conceptual building elevations that go along with that. What you are seeing at the top is the east elevation, and the north elevation below it. Those would be the ones visible, the north from Shea Boulevard, the east from 74th Street. The next slide. We catch the west and the south elevations in their concept as well. -- as well. To capture a few elements of the elevation on this slide, the current building height under the C-2 zoning out there would be a maximum of 36 feet. That would exclude roof top mechanical screening and such. The proposed C-O zoning would allow up to 48-foot maximum building height also excluding roof top appurtenances as would be the same under the C-2.

I mentioned the parking reconstruction request. The standard parking requirement per the -- per the zoning ordinance would have resulted in 179 spaces for the project, what is proposed is a reduction down to 130. Again, relative to the specific use of the residential healthcare facility. Next slide, please.

The planning commission heard this case last month, and part of that hearing included a question of context and so I have included this slide for you just relative to that -- that action by them. This is just to represent a quick visual of other two and three-story special developments out there in the area at least as shown on the map here. So the red indicating two stories and the green indicating three stories just to provide some context to what is out there. Next slide, please. So I mentioned planning commission heard this case. They did recommend approval with a vote of 4-1.

With their action, they did specifically identify that they would have liked to have been able to have live public comment as part of that meeting as there have been several written comments provided to them but unfortunately, at the time, we were not there with our meeting technology. They were hoping that by the time this came before you, that that -- that would be rectified and our technology would allow that and it seems that we have and so that was just specific to their action. They wanted to make sure that that information was carried forward. Next slide, please.

And so just circling back to the request tonight, this wraps up staff's presentation. The applicant is queued up and ready to give a presentation as well.

Mayor Lane: Thank you, Mr. Barnes. It's my understanding we have a request to speak on item 21. We'll go to that at this point.

Senior Management Associate Megan Lynn: Mayor Lane, this is Megan. Just to confirm, if you would like to move on to the spoken public comment request to speak, we do have three callers on the line.

Mayor Lane: Yes. Let's go ahead and do that.

Senior Management Associate Megan Lynn: Okay. And we do have the applicant on the line as well, if you would like to do that presentation first, just let me know.

Mayor Lane: Is it Mr. Jones?

Applicant Representative Kurt Jones: Mayor Lane, this is Kurt Jones. Can you hear me?

Mayor Lane: Yes. Kurt if you would like to go ahead and make a presentation and then come back, then we can do that too. So why don't you go ahead and --

Applicant Representative Kurt Jones: Mr. Mayor, I'm fine with the neighbors going ahead and then I will address their issues through my presentation, if that's okay.

Mayor Lane: That's fine. Okay. Very good. Thank you. Then go ahead, Megan. We'll start first speaker.

[Time: 00:55:47]

Senior Management Associate Megan Lynn: We have three speakers. They are all joining from the same phone. First speaker's name is Mike lacrosse, and I'm unmuting him now.

Mayor Lane: Okay. Thank you. Mr. Lacrosse.

Mike Lacrosse: Good evening Mayor Lane and councilmembers.

Mayor Lane: Good evening.

Mike Lacrosse: Thank you for allowing us -- thank you for allowing us to participate and voice our concerns regarding this specific project. A 48-foot building on this site would irrevocably demean our existing neighborhood. The existing zoning is C-2, has served our area very well with many lately, you know, coming improvements. All of which enhance the vision for a growing healthy community. Couple of encompassing 74th Street south of Shea curving too gold dust is a tightly bonded defined neighborhood. We have 338 residential units along this four-block area. Along with that, there's also 123-room hotel and two large storage facilities and 110 unit senior residential home as well as two large office buildings. Across 74th Street from the proposed project, is a 42,000 square foot medical plaza with an urgent care center. Every single one of these facilities has remained within the standards of the C-2 zoning which established our vital community. We are a desirable neighborhood, and it would loom 50 feet higher. There's none that exceed a mile and a half in any direction from Scottsdale Road and Shea Boulevard. Thank you.

Senior Management Assistant Megan Lynn: Mayor Lane, this is Megan. The next speaker is Linda Kelling. Also on the same phone line.

Mayor Lane: Very good. Ms. Kelling.

[Time: 00:57:38]

Linda Kelling: Good evening. Good evening Mayor Lane and council members. And also, I would like to mention the city clerk Carolyn. We do acknowledge that Ryan development has a reputation for building high quality facilities. However, they do have two similar facilities which are established in north Scottsdale that are three story, not four-stories as proposed for our neighborhood. If this project would fit within the C-2 height, as they have in their other facilities, it would likely compliment the livability of our neighborhood.

In marketing the proposed project, they cited the densification of our area. They didn't include a pertinent statement from the general plan that clearly states and I quote, land use decisions must take into consideration the relationship of adjacent land uses to the sensitively integrated proposed land uses with existing natural and physical environment. This would, of course, point to the objection of a lone building towering above all existing structures. Further, Ryan did not include an important statement when referring to the streetscape design which emphasizes again and I quote, the segment requires a unifying design style to give it a sense of place. By stressing these statements, it's consistent that our environment. Progress can be made and updates are very welcomed but we would like to include the C-2 standard as in our surrounding neighborhood. Thank you.

Mayor Lane: Thank you, Ms. Kelling.

Senior Management Assistant Megan Lane: Mayor Lane, this is Megan. We have one final speaker. Stephen Greer.

Mayor Lane: Very good.

[Time: 00:59:41]

Stephen Greer: My name is Steven Greer. I live at 7489 East Cochise Road in Monterey Mountainview Two, I'm a resident there. Good evening and thanks again for letting us weigh in. We believe this proposed development would significantly impact our residential and missed use development in this tightly defined area. It's four blocks long a.m. we are certainly not anti-development. We appreciate a healthy approach to development, but, please, deny this request to rezone from C-2, to C-O this zoning has very crucial meaning. It's developed a healthy neighborhood to this point.

And it's been discussed and described how a looming 48-foot structure would overwhelm the ambience of this as people move through it and you will see if you were in our neighborhood, would you see people before dawn, after sunset, on weekends going to synagogue and church and back and forth up to the grocery store. This would actually be an overwhelming structure looms over them.

What we would like to do is also state that we are highly concerned about the C-O designation. There's a roadmap laid out in the developer's narrative in pages 17 and 18, where they could look to abandon this proposal in the future bull they would have -- but they would have in hand the trump card of a C-O designation. They would have to go for hearings but then the threshold would be much lower than C-2. We are highly concerned about that.

We believe that a healthy review and potential restatement of the general plan would be good. But what this amounts to is a one off, back door approaching to addressing a general plan issue and that can and should involve the entire area and a comprehensive way rather than allowing a C-O zoning in the middle of a neighborhood that is essentially thriving in a C-2 designation. Where we already have a senior living facility, hotel that meets the needs of visitors and businesses and we have graceful office buildings and they have all thrived with the C-2 zoning. We ask that you please deny this application in the context of the move -- moving it from C-2 to a C-O. Thank you so much, again for your time to take our input. Similar to a prior caller, we really did not get -- because of COVID-19 -- we understand that -- we did not get all the notices and input that we would have wanted in terms of community input early on. So thank you very much for making this available for us to address our concerns really to save the quality of our neighborhood. Thank you.

Mayor Lane: Thank you, Mr. Greer.

Senior Management Assistant Megan Lynn: Mayor Lane, this is Megan. That's the final caller for item 21.

Mayor Lane: Thank you, Mayor. So now, Mr. Jones if you would like to speak cord -- give your own presentation on behalf of the owner.

[Time: 01:03:04]

Applicant Representative Kurt Jones: Mayor Lane and members of city council, can you hear me?

Mayor Lane: Yes.

Applicant Representative Kurt Jones: Okay. Great. Kurt Jones with Tiffany and Bosco at 2525 East Camelback Road in Phoenix, Arizona, 85016, tonight representing the Ryan companies whom you know have developed several of these quality assisted living communities in Scottsdale and what they are looking to do is rezone the parcel in discussion tonight from C-2 to a C-O. This is a map that demonstrates that there are other assisted living communities in this couplet area. There's Pueblo, norte, north and west of the couplet. You have our request and a three-story existing facility south of us, and adjacent to the community that the residents were speaking from and then a single story facility over here next to the high school. The couplet has been evolving over time and this graphic is showing you sort of all the changes of uses in the past 20 years.

The site we are speaking about tonight was originally planned as part of the Fry's center. There were two standalone sit-down restaurants with a Fry's center and today, neither of those uses are there. We have the existing gas station and the self-steward facility and the parking lot for the Fry's were developed for two, two-story office buildings again across from the entrance of neighborhood. The general plan -- from a general plan standpoint, our land use changed from C-O to C-2 is consistent with the general plan and consistent with the growth areas map. The blue areas on this map are showing where the city is anticipating greater growth. The activity areas where these circles are throughout the community are where anticipated growth is also anticipated. This red dot here is signifying our site on the growth area in and around Shea Boulevard and Scottsdale Road.

Furthermore, on the general plan, the streetscapes plan has a couplet area for Shea and Scottsdale and it states where design intensifies. We are consistent with the general plan aspects of this proposal, to get to the neighbor's concerns. So this is a graphic I created. This neighborhood was existing when this assisted live community was built in late 1990s and early 2000s. This is a three-story inside the couplet, you have multifamily all along the west side of the continuing second part of the Monterey subdivision. And some of the letters you received in your packet yesterday and today, are from folks down here that over 1,000 to 2,000 feet away from our parcel. The closest neighbors to a three-story facility are about 180 to 190 feet and that is sort of a Litmus test of where three story is appropriate next door to single story residential homes. The closest property to us is this lot here. It's Mr. Grossman's lot. I believe you have communication from him, from the planning commission, and the recent packet. They are at 350 feet away from where approximately the south end of our east wing will be.

The four-story building being proposed is built in wings. You will never see this building in that two-dimensional elevations. You will not see the entire building. But at 350 feet, to the previous example, we're over 100 feet at this 250 designation and 180 feet at these other designation. We felt the one additional story where we are not even adjacent to any single family zoning was an acceptable location. Ryan is seeking an infill location and picked a growth area within the city's general plan to develop an infill parcel. And develop this extra story with the C-O zoning. These two closest homes their backyards are angled to the southwest. So their views are not even to our project. And if the person was to go around to this side of their property, and look northwest, there's no mountainviews that we are blocking.

Furthermore, there's a parking garage that's designed that comes out of this office building to that person's yard. Our parking garage is designed on the west side of our property, away from this

residential community. And furthermore, this is from a Realtor's website, but this is that backyard of this person here. This roof here is the Ramada of the amenity area. This building here is this single family neighbor to them. Very beautiful backyard with a very lush landscaping. I believe our building would be somewhere 350 feet back off of these trees, which are the trees in this area. So we don't even have a view from this backyard of our proposed building.

Mr. Lacrosse, who is on the call tonight. He's this property here. He's approximately 450 feet away from our property. We attempted to do a line of sight not being able to get into the gated community, from his property and this would be his back wall, across the street, to landscaping. Again, the eastern property of -- of this office building has the same tall trees that are -- that have grown over the years on the east part of the office building. Then the office building which is sort of tannish orange color building and then with we tried to incorporate is the top level of that east wing of our building. We're not even sure if that's an accurate prediction of what he would see. This what he would see.

Mrs. Killing is in this property over here, she's 630ish feet away from the property line, from the backyard, probably 650 feet away. Her backyard orientates to the south. Again, there's really no view corridors for manufacture these lots to our -- for many of these lots to our property. And if there are, you lose the line of sight.

There's a potential when you drive down the street, you may see the tops of the top of our east wing but I just don't know with not being able to get into that neighborhood. I think the most impactful view from any of these neighbors is when they come out of their gated community, and turn on to 74th Street and look north and this is the view here. This is the four-story building and this is the two-story existing building that's directly across and there's another two-story building south of this building. What we are going to attempt to do and this is what the inset photo is here is create the same evergreen hedge along eastern boundary and we have some distance from our curblines. We have approximately 40 to 50 feet of setback to put a significant treeline along this eastern boundary. Now, it won't be this tall when they go in, but with this building, at the east corner of -- and let me zoom into that picture. This building has been there for 20 years or so. These are the hedges that they create and they create a great pedestrian walkway and under story for folks to walk and go to the services that the neighbors suggests that people are walking everywhere. And this building here is probably 20 to 25 feet off the back of the curb where our building is twice that amount.

With regards to some of the other comments, again this is not a drastic change that I think one of the neighbors used as a -- as a description of what we are proposing. We are adding one story to an already allowed three-story zoning category. What we are doing is removing a -- what I think is a non-friendly residential use which is a car wash with the loud blowers and operations of auto repair, auto detailer, blowers and dryers and hours of operation that can start early in the morning and go into the evening hours. And then we have the landscaping adjacent to or closest to these neighbors, providing that tree lined streets for folks to walk within the couplet, providing a large break in the building, for the courtyard for the residents and then maintaining the access points and making sure all the parking and underground parking is orientated away from that neighborhood.

City Clerk Carolyn Jagger: One minute remaining.

Applicant Representative Kurt Jones: Thank you. With that, I will close. Again, the C-O zoning district removes any obnoxious C-2 zoning districts. I think if you were to reverse the request, if this four-story building was there currently and someone was coming in to rezone to C-2 for ail car wash, gas station, auto repair and auto detailing use, I think the reactions would be much worse to what's being proposed this evening. Ryan is one of the top developer of these facilities in the nation. And they are going to make, you know, a \$45 million investment here and the design of this building is going to be wonderful for the neighborhood and set the design standard for inside the couplet. With that, I will close my remarks Mr. Mayor and members of the council and I will be happy to answer any questions.

Mayor Lane: Thank you, Mr. Jones. We'll look to see if we have any questions here for you. I will start with Vice Mayor Whitehead.

[Time: 01:13:40]

Vice Mayor Whitehead: This might be a question for the planner. I think Mr. Barnes. The concern about the C-O designation, if this facility was not built, I didn't quite catch the concern. I do again want to thank the residents, very concise and very good remarks. I appreciate that. What was the concern? What could be built if this is approved and the Ryan company does not want to go for, what are the options? What is the difference with the C-O.

Senior Planner Jeff Barnes: Mayor and Vice Mayor and members of the council, if I'm understanding -- I understood the statement correctly, it was concern that if the C-O zoning is approved and this project doesn't get built, something else could come through and I guess to clarify that component of it, as with most zoning requests this would be tipped to the site plan that is part of the proposal before you and so any -- any scenario like that would require then the next person coming forward to come back to you, to modify that part of the stipulation and so there would be that protection, if you will. You will be seeing that again and the opportunity to go through this again would be there.

To touch on -- the other element of that, which is something Mr. Jones mentioned, the C-O zoning district allows some of the same uses as C-2, but does remove some and one of them being the one that's out there today which is the car wash use is not -- is no longer an allowable use if the C-O zoning is adopted, there are some other -- some other land uses out there. I don't have a comprehensive comparison list in front of me prepared, but I believe there are some service uses and other things that -- that appear in C-2 that would no longer be allowed under the C-O use.

Vice Mayor Whitehead: Thank you. I do -- I do think that the applicant did a nice job -- I'm glad that the project and that I actually knew that it would have to come back if they chose not to build it. I appreciate the extra -- I prefer the extra width between the street and the facilities so that there's ample room for trees and pedestrian access. I appreciate the -- the less traffic. I appreciate the traffic study and I do think that that's accurate. And again, I'm sorry that it seems that this community did not -- I don't know what the circumstances were, why they didn't seem to -- didn't see this coming. I had heard from residents possibly six months ago, in fact, in support of the project that they had attended at a community meeting. I'm not sure what went wrong there. So, again, I appreciate the

comments, but I think we received a lot of letters of support for the project too. So, you know, I hope that at the end of the day everybody will be happy.

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

[Time: 01:17:47]

Councilwoman Littlefield: Thank you. Excuse me. Thank you, Mayor. I just have a couple of comments to make. First of all, I listened to the planning commission meeting when this came forward to them, and for the first time in a long time I had to agree with commissioner Kush. He was right on target when he said, we are not listening to the residents at the planning commission. They did not listen to them physically. I have a problem with that, because when people want to talk and present their ideas, they should be listened to. You don't have to agree with them, but they should be listened to. And so I just want to make a note that I did agree with Commissioner Kush when they made the comment. And it was unusual so I thought it worth noting.

The other thing that I have a concern with this project -- I like the project, and I will probably be voting for this project, because I think it's a good use of this land. But I have a big concern with putting the only four-story building in this entire area up and then later having that used as an excuse for another building, four or five stories that is not as nice as this and we seem to do that a lot as a justification for higher height and to me, that is a concern going forward that we need to be very careful of as a council and as a planning commission that we don't use this just -- well, we have one already. We can put another one in too, even if it's not as nice a project as this one. So I would -- I would ask that planning -- planning department and planning commission and the city council be aware of that concern. I think it's a real one and we listened to it twice tonight. It's all around them. So it's okay. You know, they can't see it. So it's okay. But now they have one there already. And so the next one is okay. I really think that's a -- that's a bad precedent to set.

This particular project, I do like. I think they took adequate concern for the neighbors and it will be a lot better than what's there now. I think it's something that's needed in the future of Scottsdale because we have a lot of people who can use these kinds of facilities. But I do think that that is something that we should be leery of, and use a current building as a justification for another building just because we have one already at that height. So that's just what I wanted to say. Thank you.

Mayor Lane: Thank you, Councilwoman Littlefield. Councilman Phillips.

[Time: 01:20:34]

Councilman Phillips: Thank you, Mayor. Well, I just want to parrot what Councilwoman Littlefield said. And, in fact, I'm not really thrilled with the four story either, and I think I have made that known to the applicant. However, they worked hard to get some very sizable setbacks and I feel like that's enough to compensate for that. I think if it would have been a 10-foot setback and a wall off the street, there's no way I would have voted for it. I think we have pushed it back far enough and got the trees and almost a park-like setting along 74th that I feel like it kind of mitigated the height. So I'm going to go ahead and

vote for this also. Thank you.

Mayor Lane: Thank you, Councilman Phillips. Any other comments or questions on this project?
Councilwoman Klapp?

Councilwoman Klapp: I would like to make a motion to adopt ordinance number 4473.

Councilwoman Milhaven: Second.

Mayor Lane: The motion made by Councilwoman Klapp and seconded by Councilwoman Milhaven. Would you like to speak toward it? Very good. Just some comments from my position here, I think that a lot of the comments that were made by the residents in the area, I think were well spoken and well said and well documented in their concerns and I think it led us all to make sure that we had a full understanding of this builder and some of the mitigating factors to some of their concerns.

I do think it's a good use of the property, and at the same time, I do share a similar concern. At any time we end up making a change, what kind of precedent we set. I think there's a number of factors that lead to it being okay in this position for a good long time and I think we probably should be able to stand guard against that and I do also agree with Councilman Phillips that the setbacks were a big issue, as far as I'm concerned when you are talking about this kind of adjustment. So I do support it as well.

And with that I think we are ready to vote. All of those in favor, please indicate by an aye. Those opposed with a nay.

Councilmember Korte: And Mayor?

Mayor Lane: Yes?

Councilmember Korte: Aye for me.

Mayor Lane: Very good. Thank you, Councilwoman Korte. Okay. The motion is passed unanimously and approved.

BOARDS, COMMISSIONS AND TASK FORCES APPOINTMENTS

[Time: 01:23:16]

Mayor Lane: That brings us -- and thank you to the applicant and to the staff on the presentations here on that item. That takes us to Mayor and council item. And one of those items can be, if there's not anything brought from the floor is we will move on to our boards and commissions and task force appointments. And for that purpose, I turn it over to Vice Mayor Whitehead. Take her away!

Vice Mayor Whitehead: Thank you. All right. The Scottsdale City Council is responsible for establishing City policies and enacting laws in support of those policies. The Council relies on volunteer,

citizen-based boards and commissions to research issues and make recommendations in support of the Council's mission and goals. The information and recommendations provided by Council-appointed advisory boards is a valuable tool in helping Councilmembers in their deliberations. This evening, the City Council will be appointing Scottsdale residents interested in serving on citizen advisory boards and commissions. Each nominee was asked to submit written responses for Council review and consideration and was asked to note the following: Their name, address and how long they have lived in Scottsdale. Their education, employment, or volunteer experience and how it relates to the board or commission for which they have been nominated. And what they view as the top issue facing the board or commission for which they have been nominated. Additionally, nominees had the option in submitting a brief supplemental video highlighting their background and experience. Submitted materials were included as part of tonight's Council meeting agenda packet and were provided to the Council for review and consideration prior to this meeting. I will review each board and commission and note the nominees for consideration. Following the review, I will entertain a vote for appointment. And we'll start with the building advisory board of appeals.

Mayor Lane: Can I -- pardon me for just one moment. Because I -- I absolutely led us down the wrong road and we struggle with. This appointments versus nominations. This is nominations. I used the word appointments. I don't want anyone else in the room to think that we are on that track. These are appointments. Okay. Then I take back my apology.

Vice Mayor Whitehead: I have to say, I was very confused. We have done a lot of --

Mayor Lane: I thought you mentioned nominations.

Vice Mayor Whitehead: We have done so many nominations and so many appointments the last few meetings because we were making up for the lost time. So I too am confused. Thank you, Mayor.

BUILDING ADVISORY BOARD OF APPEALS

[Time: 01:26:21]

Vice Mayor Whitehead: Well, with that, we will go to the Building Advisory Board of Appeals. The Building Advisory Board of Appeals has the jurisdiction to recommend that minor variances in the electric, plumbing and mechanical application of the building code be granted and that alternative construction methods or materials be allowed.

There's one vacancy and one nominee. The nominee is Randall Lukas. I will now entertain a vote for the Building Advisory Board of Appeals.

Councilwoman Klapp: Mr. Lukas.

Councilwoman Milhaven: Mr. Lukas.

Vice Mayor Whitehead: Mr. Lukas

Councilwoman Littlefield: Mr. Lukas.

Councilman Phillips: Mr. Lukas

Councilmember Korte: Mr. Lukas.

Mayor Lane: Mr. Lukas.

HISTORIC PRESERVATION COMMISSION

[Time: 01:27:17]

Vice Mayor Whitehead: We'll now move on to the Historic Preservation Commission. The Historic Preservation Commission oversees the development and management of Scottsdale's Historic Preservation Program. There is one vacancy and one nominee. The nominee is Larry Edmonds. I will now entertain a vote for the Historic Preservation Commission. I will start with Councilwoman Milhaven.

Councilwoman Milhaven: Mr. Edmonds.

Vice Mayor Whitehead: Mr. Edmonds. Councilwoman Littlefield.

Councilwoman Littlefield: Mr. Edmonds.

Councilman Phillips: Mr. Edmonds.

Councilmember Korte: Mr. Edmonds.

Mayor Lane: Mr. Edmonds.

Councilwoman Klapp: Larry Edmonds.

HUMAN SERVICES COMMISSION

[Time: 01:27:58]

Vice Mayor Whitehead: Human Services Commission. The Human Services Commission provides advisory recommendations to staff and the City Council on human services priorities, programs, and funding allocations. There are two vacancies and two nominees. Fadumo Malow has withdrawn her application from consideration. The nominees are Cambria Bowman and James Campbell. Mr. Campbell's term has expired and is eligible for reappointment. I will now entertain a vote for the Human Services Commission. Each Councilmember can vote for two nominees. I will start with myself. I will vote for Cambria Bowman and James Campbell. Councilwoman Littlefield.

Councilwoman Littlefield: No additional.

Councilman Phillips: Bowman and Campbell.

Councilmember Korte: Ms. Bowman and Mr. Campbell.

Mayor Lane: Cambria Bowman and James Campbell.

Councilwoman Klapp: Cambria Bowman and James Campbell.

Councilwoman Milhaven: Cambria Bowman and James Campbell.

Councilwoman Littlefield: Sure, Cambria Bowman and James Campbell.

Vice Mayor Whitehead: I didn't catch that. Thank you.

LIBRARY BOARD

[Time: 01:29:29]

Vice Mayor Whitehead: The Library Board. The Library Board advises the City Council on general policy relating to the programs, services, and future development of the Scottsdale Public Libraries. There are two vacancies and three nominees. The nominees are Sam Campana, Brian Kelley, Fred Klein. I will now entertain a vote for the Library Board. Each Councilmember can vote for two nominees. I will start with Councilwoman Littlefield.

Councilwoman Littlefield: Brian Kelley and Sam Campana.

Councilman Phillips: Brian Kelley and Fred Klein.

Councilmember Korte: Sam Campana and Brian Kelley.

Mayor Lane: Sam Campana and Fred Klein.

Councilwoman Klapp: Sam Campana and Fred Klein.

Councilwoman Milhaven: Sam Campana and Fred Klein.

Vice Mayor Whitehead: And I will vote for Sam Campana and Brian Kelley. Do we have a tie?

[Off microphone comment]

City Clerk Supervisor Rommel Cordova: For that position.

Vice Mayor Whitehead: Okay. So we will conduct another vote between the two that have tied, which are Brian Kelley and Fred Klein, each councilmember can vote for one and we'll start with Councilman Phillips.

Councilman Phillips: Fred Klein.

Councilmember Korte: Brian Kelley.

Mayor Lane: Fred Klein.

Councilwoman Klapp: Fred Klein.

Councilwoman Milhaven: Fred Klein.

Vice Mayor Whitehead: And I will vote for Brian Kelley.

Councilwoman Littlefield: Brian Kelley.

City Clerk Supervisor Rommel Cordova: Mr. Klein is appointed.

LOSS TRUST FUND BOARD

[Time: 01:31:31]

Vice Mayor Whitehead: Okay. Thank you. 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. As specified in the Scottsdale City Code, the City Council shall appoint five joint trustees, of whom no more than one shall be a member of the City Council and no more than one trustee may be a City employee. There is one vacancy and one nominee. The nominee is Brandon Perlow. Mr. Perlow's term has expired and is eligible for reappointment. I will now entertain a vote for the Loss Trust Fund Board. And I will start with Councilmember Korte.

Councilmember Korte: Mr. Perlow.

Mayor Lane: Mr. Perlow.

Councilwoman Klapp: Brandon Perlow.

Councilwoman Milhaven: Mr. Perlow.

Vice Mayor Whitehead: Mr. Perlow.

Councilwoman Littlefield: Brandon Perlow.

Councilman Phillips: Mr. Perlow.

PARKS AND RECREATION COMMISSION

[Time: 01:32:47]

Vice Mayor Whitehead: Parks and Recreation Commission. The Parks and Recreation Commission advises the City Council on the acquisitions of lands and facilities for use as parks or recreation centers; and on the operation, use, care and maintenance of these parks and recreation areas. There is one vacancy and one nominee. The nominee is Ronald Lehman. I will now entertain a vote for the Parks and Recreation Commission. And I will start with Mayor Lane.

Mayor Lane: Mr. Lehman.

Councilwoman Klapp: Ronald Lehman.

Councilwoman Milhaven: Mr. Lehman.

Vice Mayor Whitehead: Mr. Lehman.

Councilwoman Littlefield: Ronald Lehman.

Councilman Phillips: Mr. Lehman.

Councilmember Korte: Ronald Lehman.

PATHS & TRAILS SUBCOMMITTEE

[Time: 01:33:37]

Vice Mayor Whitehead: The Paths and Trails Subcommittee. One non-commission member opening. The Paths and Trails Subcommittee advises the Transportation Commission and provides a public forum for issues surrounding paths and trails. Special qualifications: The subcommittee shall consist of five members, two Transportation Commissioners, one Parks and Recreation Commissioner, and two non-commission members. Non-commission members are appointed by the City Council for terms of three years with a maximum of two terms.

There is one vacancy and three nominees. The nominees are Ted Levie. Mr. Levie's term has expired and is eligible for reappointment. Nicholas Mazur, Carl Stein. I will now entertain a vote for the Paths and Trails Subcommittee. Each Councilmember can vote for One and I will start with Councilwoman Klapp.

Councilwoman Klapp: Ted Levie.

Councilwoman Milhaven: Mr. Levie.

Vice Mayor Whitehead: Mr. Levie.

Councilwoman Littlefield: Ted Levie.

Councilman Phillips: Ted Levie.

Councilmember Korte: Ted Levie.

Mayor Lane: Ted Levie.

TRANSPORTATION COMMISSION

[Time: 01:35:04]

Vice Mayor Whitehead: The Transportation Commission. The Transportation Commission advises the City Council on matters relating to the safe and efficient movement of vehicles, transit, pedestrians, and bicycles. The commission provides a public forum to hear citizen complaints and requests regarding transportation matters.

There are three vacancies and four nominees. Michael Kuzel has withdrawn his application from consideration. The nominees are Karen Kowal, Donald Pochowski, Jay Rosenthal, Andy Yates. I will now entertain a vote for the Transportation Commission. Each Councilmember can vote for three nominees. We will start with Councilwoman Milhaven.

Councilwoman Milhaven: Kowal, Pochowski and Yates.

Vice Mayor Whitehead: Kowal, Pochowski and Yates.

Councilwoman Littlefield: Kowal, Pochowski and Yates.

Councilman Phillips: It sounds like a law firm, Kowal, Pochowski and Yates.

Councilmember Korte: Kowal, Pochowski and Yates.

Mayor Lane: Kowal, Pochowski and Yates.

Councilwoman Klapp: Kowal, Pochowski and Rosenthal.

Vice Mayor Whitehead: Well, that concludes our appointment process for today. I would like to thank all our nominees for their interest in serving on a city board or commission. We are fortunate to continue to receive qualified applicants for the positions on our Boards and Commissions. City staff will contact the individuals appointed this evening and provide them information regarding their

appointment. The City of Scottsdale is very lucky to have such dedicated and talented individuals who are willing and ready to serve for our city. And I will turn it back over to the Mayor.

Mayor Lane: Thank you, Vice Mayor. Great process and great appointments. I thank everyone for participating. So I would ask for me adjourn our regular meeting and to convene into our work study session. So I will ask for a motion to adjourn our regular meeting.

Councilwoman Klapp: Move to adjourn.

[Time: 01:37:41]

Councilman Phillips: Can we have a Mayor council item?

Mayor Lane: I thought I mentioned that before.

Councilman Phillips: Yeah, I had my button pressed down. It got bypassed, if that's okay.

Mayor Lane: I missed your name as it sits over here on my right. Yes, in any case. We may. Sorry councilman for that oversight.

Councilman Phillips: Again, I would like to direct staff into finding a way to use the performing arts theater for physical public comment or to utilize the Kiva for the same purpose.

Councilwoman Littlefield: I will second that.

Mayor Lane: Okay. Motion has been made by Councilman Phillips to pursue the performing arts center or the Kiva for open meetings. And seconded by Councilwoman Littlefield.

[Off microphone comments]

City Attorney Sherry Scott: I want to clarify that on the Mayor and council item motions, the motion is actually then to put something on the next agenda for that item. And so I just wanted to make that clarification.

Mayor Lane: Okay, Councilman Phillips then, understand this is to agendize. So there's no discussion about it right now. It's to agendize it to another meeting. Under a Mayor and council item.

Councilman Phillips: So we would have to direct staff to agendize this discussion?

Mayor Lane: Yes.

Councilman Phillips: Okay.

Mayor Lane: The seconder understands that too? Okay. The motion has been made and seconded.

Okay. I think we're -- Vice Mayor Whitehead.

Vice Mayor Whitehead: I just wondered if staff has -- if the city manager -- is it appropriate to have any comments from the city manager. I would say I'm really thrilled to have the public back via the Zoom today, but is it appropriate for the city manager to make comments about whether they feel that they can accommodate that?

Mayor Lane: Actually, this is just to agendize it. So we really can't --

Vice Mayor Whitehead: Okay. Then I take that back.

Mayor Lane: Okay. No further comments or otherwise. I think we are then ready to vote on the motion. All those in favor indicate by aye, those opposed with a nay.

Councilmember Korte: Mayor?

Mayor Lane: Yes. I'm sorry?

Councilmember Korte: This is Virginia. I vote nay.

Mayor Lane: Okay. Nay? I'm sorry, Virginia.

Councilmember Korte: Yes, it was a nay.

Mayor Lane: That was a nay. The motion is 5-2 and fails. That takes okay of the Mayor and the council items.

Councilman Phillips: Mayor, may I ask one more? I'm on a roll here.

Mayor Lane: Sure, okay.

Councilman Phillips: No, I think somebody might have called in a petition, and I'm not sure if they did it properly. I want to ask the clerk. So we don't have a petition?

Clerk Jagger: There was a petition submitted. It was not a citizen petition. It was not properly submitted, but we still looked at it. What it asked the council to do was make a motion at tonight's meeting. That was the request. That would not have been an appropriate motion for you to make because the best you could do is to agendize what they were asking for. So we did look at it, but it wasn't -- it wasn't appropriate for this meeting.

Councilman Phillips: All right. Thank you. Thank you, Mayor.

Mayor Lane: Certainly. Okay. With that then, I would like to --

Councilwoman Klapp: I move to adjourn the meeting.

Councilman Phillips: I will second it.

Councilmember Korte: Second.

Mayor Lane: The motion has been made and seconded to adjourn the regular meeting. All those in favor, please indicate by aye. Opposed? We are adjourned on the regular meeting.

WORK STUDY ITEM 1 – MONTHLY FINANCIAL UPDATE AND QUARTERLY CIP UPDATE

[Time: 01:42:00]

Mayor Lane: We will move directly to our work study. We will convene our work study session. The same participants in presence. I would like to call to order the October 20th, 2020 work study session. And this session is to provide a less formal setting for the Mayor and the council to discuss specific topics with each other and the city staff. And provide staff the opportunity to receive direction from the council.

The one item -- the first item I should say is a monthly financial update and quarterly C.I.P. update and the presenter is Judy Doyle, our acting city treasurer. David Meinhart, the transportation planning manager and Dave Lipinski, the city engineer. So Ms. Doyle, if you want to go ahead and proceed.

Acting City Treasurer Judy Doyle: Yes, thank you, Mayor and councilmembers. Tonight is the monthly financial update through September which is our first quarter of the fiscal year. My presentation will be followed, as you know noted Mayor with the quarterly C.I.P. update, which will be given by Dave Lipinski our city engineer and then we will receive an update from Dave Meinhart on the arterial life cycle program. Next slide, please.

So looking at the fiscal year-to-date general fund sources, we are in total 9.8 million or 16% favorable when compared to the budget. So highlighting the categories with those significant variances, the majority of that overall increase is in the taxes local category at 5.3 million favorable or 20%, virtually all of which is sales tax which I will then cover on the next slide.

The state-shared revenues are favorable, 2.4 million, or 14%. State shared sales tax is the majority of this variance, which consistent with what we are seeing here at the city which is our local sales tax, which I will speak to on the next slide. Auto lieu, this is considered to be driven by aggressive sales on the part of car dealers offering steep discounts and incentives to maintain cash flow during the pandemic. This upswing is not seen as sustainable, and it is expected that the revenues in the auto lieu will eventually balance out over the long term. Charges for services is showing a favorable variance of 69% or 1.4 million. The majority of this is due to timing of receipts of payments out at WestWorld and for cell tower leases.

And then finally worth noting is the favorable variance in licenses, permits and fees at 49% favorable or

500,000, driving this favorable variance is recreation fees, due to more swimming lessons offered than expected, the pool drop in activity at aquatic activities was more than anticipated, and there was a higher than expected number of registrations received for and sessions offered at the city's summer camp programs. Next slide, please.

So this is a summary of the 1% sales tax by category through September. The big drivers of favorable variance are automotive, primarily due to those car dealers doing better than expected, again, presumably as a result of the promotions and incentives that the dealerships have been offering. Construction, primarily due to an increase in construction activity, and speculative sale activity. Dining and entertainment, restaurants are doing better than anticipated even with the reduced capacity as a result of the pandemic. Miscellaneous retail stores, this is primarily due to increased online shopping due to COVID. This classification did not suffer the hit one would have expected with the shutdown, since people seem to be replaced in-person shopping with online shopping. And then other activity due to an increase in computer software and hardware sales. We did have a couple of categories that did reflect an unfavorable variance. The utilities category and rentals. We are seeing less rents be collected by commercial and residential properties due to the pandemic. So while our revenues continue to trend favorably, we do remain cautious due to COVID-19 and the growing concern of a second wave. The slowing employment growth, the on again/off again COVID related stimulus negotiations, the elections, a vaccine, the Supreme Court nomination, et cetera. So, again, we remain cautious but we're cautiously optimistic. Next slide, please.

As you can see, we are running a favorable 1.4 million or 3% variance in the general fund uses. I will touch on that personnel services category on the next slide. But, the lion's share of this variance is in contractual services, with the majority being related to the timing of invoices. Next slide, please. The total personal services variance is at 1%, or 300,000 favorable. I only wanted to touch on the unfavorable variance that's noted here in the overtime, or 13% unfavorable. This is primarily due to 22 firefighters that are out of work as a result of COVID or workers comp, off-duty injuries and FMLA. Next slide, please. This slide summarizes the expenditure variances that I walked through but at a division level and the majority of which is timing. Next slide, please.

The change in the general fund fund balance through September is \$11.2 million favorable. As I mentioned about \$2.5 million of that is related to timing and the remainder we do stay cautiously optimistic. And with that, I can take any questions or I can turn it over to Dave Meinhart who will give an update on the arterial life cycle program.

Mayor Lane: Are there any questions specifically to Ms. Doyle? Let's go ahead and move on then.

[Time: 01:48:32]

Transportation Planning Manager Dave Meinhart: Good evening, Mayor, members of the council. Dave Meinhart transportation planning manager for the city. I'm here to give you an update about a year after your last one on our arterial life cycle program, the progress that we are making both with projects underway prior to the approval by the voters of question one for the temporary .1% sales tax increase and then they were related to the temporary sales tax increase. Next slide, please.

A couple of projects I recently completed on this map, we had a second bridge on Pima Road alignment at the Arizona canal that was accelerated ahead of the rest of the roadway improvements to time in with a dry up of the Arizona canal by SRP. And then we also completed the Drinkwater Boulevard project. I mentioned we worked with M.A.G. to move the Drinkwater Boulevard project into the arterial life cycle program in exchange for a couple of projects that were less feasible and obviously less critical in the near term. But that project is now completed. I'm happy to report that our capital project management team has brought that project in about \$2 million under the guaranteed maximum price from the contractor. So we do have some arterial life cycle and local savings that we'll be able to put towards other arterial projects. Next slide, please.

As far as projects currently under construction, one that's very close to being completed, is that primary phase of an underpass at -- on the -- under the loop 101 Pima freeway, on the Miller Road alignment, being constructed by Arizona department of transportation along with their widening of the freeway from the Pima Princess interchange all the way west to I-17. There will be some savings on that project which we are looking forward to make use of in other ways. Raintree drive, I believe Mr. Lipinski will touch on this up with. It's the squiggly line in the middle of the picture. That's first step on a project that we have been working on for quite a number of years to basically help create a new connection from the loop 101 Raintree interchange westward to the current intersection of Scottsdale Road and Thunderbird Road. Phase one will construct an initial roundabout open the Redfield alignment and then connect over west of Hayden Road. In concert with those improvements, we are also going to be doing some modifications to Redfield Road, which will intersect with the new roundabout I just mentioned which is basically the 76th place alignment. I carry those improvements over to Hayden Road, primarily this is a resurfacing project. We are then restriping to the planned minor collector cross-section approved in the past for this particular segment. We're going to be coordinating with our street operations team here as part of the transportation streets department to have their contractor do that resurfacing work and then do the restriping at a very reasonable cost to the city and to the M.A.G. program. Next slide, please.

As far as projects that are currently in design, we have some that are being funded on local match still by the 0.2% dedicated transportation sales tax. As you know, the local share for these projects is 30% of the total estimated cost for design right-of-way and construction. On the north end of the city, we have the Pima Road section from Pinnacle Peak to Happy Valley that's being planned from widen from four to six lanes and then Happy Valley Road heading east from Pima Road, over to the Alma School intersection about 2 miles of improvements and it will be a widening from two to four lanes. In the center of the map, we have the Raintree drive section from Hayden Road running east over to the edge of the loop 101 freeway interchange and that's another project where we will be doing some -- some of the work with our street operations contractor to redo the pavement and redo the striping on the road there, in order to maintain the same level of capacity we have for roadway users as well as add bike lanes to that section.

The key portion of that particular segment from Hayden to the 101 is a new roundabout at the intersection of Raintree and north site that's about 90% designed. And I think -- sorry down at the southern end we have a portion of Pima Road corridor, Chaparral Road to south and Via Linda on the

north. Portions of this corridor are already built to four lanes and the rest of it will be constructed four lanes in the future. This is part of the improvements that now have significant federal funding coming through a grant that was approved to the Salt River Pima Maricopa Indian Community back in the middle of 2019. That grant to be applied towards both roadway and future flood control improvements in the Pima Road corridor was for just under \$50 million. We are using arterial life cycle program money. There's about 24 -- 21, sorry -- million dollars in total available still in the Pima corridor as local match towards those improvements. Next slide, please.

Moving into projects that are using the temporary 0.1% transportation sales tax approved through question one on this first map, we have Scottsdale Road from Jomax to Dixileta that is now in design. We have Hayden Miller Road corridor from Pinnacle Peak to Happy Valley, which is a project that we were able to bring into the arterial program last year. We have a future bridge crossing of the rawhide wash moving into the final design. That's just now getting underway, as well as making the final connections just to the north and the south of that bridge that will tie into four-lane roadway improvements that have been previously built by the private developments in that corridor. Down towards the bottom of the map, the southern portion, we have three different freeway interchanges that have funding in the arterial life cycle program for the off ramps and the arterial crossings. And these projects are now being designed through Arizona Department of Transportation consultants. They are being timed to coincide with the upcoming widening of the Pima freeway, just a little north of the third dot on the map here. That improvement is funded for widening in fiscal year 2022-2023, and we have been working with ADOT's consultant at the concept design level of identifying exactly what improvements we think make sense at those three interchanges at Shea, it will be fairly minor improvements to the westbound right turn bay. At Raintree, we're looking at improvements to -- on right turn bays at three of the four legs of the intersection. And then at Frank Lloyd Wright, we are looking at converting that intersection from its current configuration into more typical diamond interchange configuration. Next slide, please.

Continuing in projects in design, on the southern part of the map, we have more of the Pima Road corridor, the southern portion of this corridor from McDowell to Chaparral has been identified through our prior budgets as having the matches coming from the 0.1% sales tax. But at the end of the day, because of the federal grant that's available as well as the arterial life cycle funding, the cost to the city out of local -- out of our normal funding source, be it 0.2% or 0.1% taxes may come out to be close to zero. So that's a very positive thing and we may possibly even have some arterial life cycle savings done on that particular project. But it is now in final design, because of the grant money that's involved. Salt River Pima Maricopa Indian is taking the lead with the transportation team members.

Up to the top of the map, we have the Shea Boulevard corridor. We have a series of intersection improvements being looked at from roughly 90th street on the west south to 136th Street on the east. Those -- about half of those intersections are already about 90% designed. Rest are just going into design. We are able to use some of the capital management in-house design team to do some of the more straightforward intersections and then using one of our on-call design consulting firms to do the more complicated intersections. Incorporated into that work, there is also going to be extension of the city's fiber optic network for intelligent transportation system, from 96th Street out east to the signalized intersection at 136th Street. Next slide, please.

Looking at a couple of projects that we have funding to get the design up and running this fiscal year and we are working on doing that, coordinating with Mr. Lipinski's team. We have the next section of Pima Road up to Jomax Road. And this section is one where based on approval that we got from the council recently to go back to the former four-lane minor arterial cross section for this segment of roadway, we will be designing that as a four-lane roadway with medians and improved bike lanes, path, trail and other amenities. And then Hualapai Drive, Hayden to Pima Road, towards the bottom of the picture, that's the preferred corridor that we just put into the transportation master plan amendment item that went to council last month. That's now our preferred east-west corridor connection between Hayden Road and Pima Road, to the north of the loop 101 freeway, rather than using the old alignment that ran along the power lines and between the portions of the city's water campus. Both of those projects we're working now on getting those out for consultants to move forward into the design on those. Next slide, please.

And this is a map I shared with you in the past. Just kind of color coding. It's kind of hard to read on the screen here. If you need an updated copy, let me know and I will be happy to email one to you. Just showing where we are and what will be coming forward, focusing on projects where the question one 0.1% sales tax funds are serving and the city's local match. All of those projects I talked to you about earlier that are already underway, they are a large portion of what is on this map, and what is still left to get started on is basically up in the northern end of the city, the northern reaches of Pima Road, Scottsdale Road and then as well, one east-west corridor, the Carefree highway.

In all, we are now to the point where we have all but eight of the identified ALCP projects either in design or soon to be moving into design. The projects that we are working on already account for over 50% of the funding that was identified for match using the 0.1% sales tax and that's two years in, and still five years to go. So we are making very steady and good progress, and I have nothing left to give you and I would be happy to answer questions. Thank you.

Mayor Lane: Thank you Mr. Meinhart for that comprehensive presentation on transportation. If we have any questions of Mr. Meinhart at this point? Hearing none, I then expect we would go on no Mr. Lipinski.

[Time: 02:01:53]

City Engineer Dave Lipinski: Good evening. Tonight, I will walk you through the quarter one C.I.P. update. This is July 1st through September 30th. I want to apologize. As I updated for the bond 2019 project adds, I omitted a lot of graphics and pictures. So it's a little text heavy. I apologize for that. Next slide.

First three graphics represent the same information in varying formats. This one here represents expenditures by program. The inception to date budget set in green and the actual spent to date are in the orangish color, being first quarter of the year, we do expect our spending to be quite a bit behind our actual budgeting. With three quarters remaining to go. Next slide, please. This is the same

information, just in a table format. You can see the expenditures by program through quarter one. Next slide. And this is the expenditures by funding course. This is same balance, and it breaks it down another level beyond the program level. Next slide.

We will walk through projects. The remainder of the 2015 projects and the bond 201 projects that have been funded as of July 1st and then we'll hit open two of the larger C.I.P. projects both rain-free drive and Thomas groundwater treatment facility. Next slide.

Starting with bond 2015, the pavement overlay project fire station 613 and 605 have been completed out of this program. We have two remaining projects, first one being fire station 603. They are hoping to get moved in at the end of October. We had the first punch list walk through. It will be the first week of November or so before we get it fully staffed. Next slide. Fire station 616, just west of 110th Street, the construction is ongoing. We are looking at a completion in early 2021. This will be the last bond 2015 project to be completed. Next slide, please.

Walking into the bond 2019 projects, I will go through these by question. It's the easiest way to keep track of them. First one is the replaced tennis courts at two facilities. The ten courts at Scottsdale ranch park were completed in September and we're on track to complete the Indian School park courts in late December. Next slide. Install high efficiency sports lighting at four facilities. Actually, since this slide was put together, the contract has come to counsel six horizon park is actually currently being installed. The Pima and Laguna school projects will be delayed until the winter break. We're trying to get them installed over the break. And then Scottsdale sports complex will be evaluated and brought forward after some public outreach and final design are complete. Next slide, please.

The Bell Road multiuse sports fields, was spoken earlier tonight and the two CMAR construction projects were approved tonight. This will be delivered in multiple phases. The first phase is the piece you can see highlighted in the middle of the screen here. The improvement plans for this and the offsite water delivery system are about 60% complete. We anticipate trying to break down in early 2021 to try to deliver water not fields by June of 2021 to begin the growing of the grass. The timing of phase two is contingent upon successful acquisition of property in the WestWorld area. Next slide.

This is the funding for the project. Obviously with the construction contracts, first phases just coming forward tonight. We do not have a lot of expenses yet, just some design costs. You will see these costs start to ramp up significantly in short order. Next slide.

The remainder of the question one projects that are currently funded splash pad at McCormick stillman is on hold due to COVID-19. This project is on hold along with two others that were either suspended or are on hold at McCormick stillman because of COVID-19 and they are all interrelated. This is the Del Camino lakes and irrigation system. We are in the process of selecting a design firm for that work, and also the 17-acre park the at Ashler Hills, we have -- expect the design contract to go to the council on November 10th. Are there any questions on the question one projects? If not, I will move forward to question two.

Mayor Lane: Continue.

City Engineer Dave Lipinski: Okay. Next slide, please. Question two, renovate an arena. There's a slurry seal in November. That goes over the new asphalt and provides a more equestrian friendly surface for the completed project. Next slide, please.

A lot of the other question two projects are just getting off the ground. The civic center mall project, we held the design kickoff on September 21st. The design team getting all the background information together. They are just starting to meet with Scottsdale Arts and some of the other stakeholders to get their hands around what the space needs to be and what we see as first phase of delivery for that. The renovated horse barns at WestWorld, we are selecting the person. And P.A. system and arena lights we met on sight to kick off both of those projects. The north hall restroom expansion is in design. We are anticipating construction there next summer. The solar system at the north corporation campus, this will be delivered in coordination with a new C.I.P. project that will come forward, I believe next month. For some new parking deck up there and there are several projects not off the ground and one is build parking structures in old town Scottsdale. That completes question two.

So if you can hit the next slide, we will go to question three. Public safety and technology, the to replace outdated emergency response for the fire department. We have everything -- everything has been delivered, and in service with the exception some of the ballistic equipment this was delayed at the onset of COVID-19 but we just received word that we anticipate delivery of the last pieces of this equipment in mid-December. Next slide. The fire utility truck, this has been ordered and expect delivery this summer.

There are 16 other projects within question three in varying states of just getting off the ground. Computer equipment room for city servers. The emergency power service for public safety radio year one of three has been completed. There will be -- each year we will have a successive portion of this project. A couple that will start later this year, website management, and also the document management system replacement. The 911 computer aided dispatch, I believe there was approval to begin that process. On the 15-year-old digital terrain model, we were actually waiting to see, there's some current county-wide mapping that is being done. We will might be able to utilize that or a portion of that to offset a part of the this project. And there's a couple of RFPs out for the software for projects 1 and 16. Next slide, please.

Projects 26, 27, and 38, these will come to the forefront very quickly. These three are traveling together. They are all being performed at the Tom hunts police and fire training facility. We have an architectural team on board and have just brought -- we are working to bring the construction manager at risk on board to get these moving. This facility is actually located in the city of Tempe and so our design team and my staff is working with Tempe to make sure we get it permitted and brought forward. Two other public safety projects we have just started the 911 communications dispatch technology upgrades, and we're just getting ready to solicit for bulletproof glass and target hardening at the police department facilities.

The WiFi at civic center plaza, that will actually move along with the civic center plaza improvements. We want to make sure that we do not install WiFi to have to relocate it later on. We would rather wait for the plaza to dictate where that needs to be installed at and then the control system has not been

started yet. A lot of these will be starting in the next couple of months. Any withs on the bond 2019 projects before I move into individuals?

Mayor Lane: No, I think we're ready to continue.

City Engineer Dave Lipinski: Good. Next slide, please. As Mr. Meinhart mentioned earlier, Raintree drive is moving to construction. It's been a long time coming. First phase of work is just at 71st place, up to but not including the Hayden Road intersection. We were hoping to break ground in November, however, due to private utility relocations, it looks like we will delay until just after the holidays and break ground on our portion of the work right after the first of the year. While we anticipate a 12 to 14-month construction window for this first phase. Next slide. We will highlight the Thomas groundwater treatment facility. This is the R.O. facility. This is well underway and we anticipate completion in mid-2021. Next slide.

The next few slides list projects that were completed or closed in first quarter. So these were closed due to funding removals due to COVID-19 and others were actually completed as anticipated. Next slide. And then final slide, if you would. And, again, these are the appropriations that revert back to funding balances due to the projects being completed or closed within the first quarter. That brings my presentation to a conclusion. If there's any questions, I will gladly take them.

Mayor Lane: Well, thank you, Mr. Lipinski for that presentation and we may have some questions or comments, but we'll start with the Vice Mayor Whitehead.

Vice Mayor Whitehead: The downtown splash pad is completed? I just went and looked at it. That's done? I assume that's the one by South Bridge One?

City Engineer Dave Lipinski: Mayor Lane, Councilwoman Whitehead, that is correct. We are working with Scottsdale public art actually to do art enhancements around that fountain to hopefully add a little more pop to it.

Vice Mayor Whitehead: Yeah, I will. I will submit some comments to staff. Thank you.

Mayor Lane: A ny other questions from council? Hearing none, thank you again for the presentation and for the information. Ms. Doyle, is there anything else that we, on this particular item that we need to attend to?

Acting City Treasurer Judy Doyle: No.

WORK STUDY ITEM NO. 2 – MONTHLY FINANCIAL STUDY SESSION

[Time: 02:14:05]

Mayor Lane: Okay. Well thank you very much. Appreciate it. Next item is monthly financial study session. And presentation discussion and possible council direction regarding the monitor of fiscal year

2020 through 2021 revenues and expenditures. And our illustrious city manager, Jim Thompson in the lead here.

City Manager Jim Thompson: I will keep it short, after our considered very complete financial updates. Most of it was covered there. In fact, next slide, if we would. First slide out is the last slide that Ms. Doyle covered which is where are we at in the general fund year-to-date. Actual budget and actual last year. You will see that we are actually to budget \$61.2 million on our sources. We are at \$71 million. So we are \$9.8 million or 16% ahead in our sources for the first three months of the year. Fiscal year same on uses, we're in the favorable position 1.4 and as covered as well, some of those are in particular one of the areas we are over in the general fund was in fire and a lot of that was associated with overtime because of four different factors which were discussed in the financial update. So, again, right total to date, we are \$11.2 million better than what we anticipated in the budget process. Next slide, please.

So right now, we are continuing to see positive numbers and obviously, in this year, we budgeted by the \$9.8 million on and we are down on the expenditure side, bringing us to the 11.2. We continue to be careful in feeling vacant positions. We started the year, we had 78 vacant ones that we froze. We are now up to 144 positions that are either froze or on hold or in the recruitment process. We were at 145 but we filled one today. So, again, we slowly are weighing each one of those to try to hold back as much as we can, but I'm starting to have to fill some of those positions. And so you will start to see that number come back down. Next slide, please.

Tourism development fund results. I thought we would pull out one of the funds other than just general fund which is our largest of all of our operating budgets and this one in particular is where anybody has been focused as noted during the financial update. We are lead in almost all areas except for the hospitality side and I figured this would be best to talk on. Tourism development fund results to date our sources, we did budget \$1.5 million. We brought in 2.3. And with the reckoning of both of those numbers, it's about a .9 or almost \$1 million to the good from when we budgeted. Granted, we are substantially behind where we were last year, but last year was a banner year in this area. And so we have to take that into account, but we are performing substantially higher and in this case, 67% above what we budgeted in hospitality. Because although we made some major reductions. Uses, right now, we're again in a favorable position. Our budget was 4.9. We spent 4.7. Again, down from last year considerably but we budgeted to be down even further. Next slide, please.

So, again, as we continue on, we look at the first few months of the year. This kind of towards our tail end of our summer season which is one of our slower seasons historically on revenue. We knew that our higher revenue streams are when we have a larger number of visitors come in the community which maybe with the pandemic may be very different in January, February and March. Even though we are performing extremely well and well above our budget, we have to be cautious of our high income stream months which tend to go January, February, and March, on sales tax, and make sure that we are prepared in case we see a reduction which we anticipate we will receive. -- receive a reduction in specific areas during those months.

Again, if you look at the number from previous slides to the general fund, those may not be as bad off because we are seeing such good numbers in other areas such as car sales and other areas that were

alluded in the financial update. We talked on the hospitality side, one is the occupancy rate. The other is the daily -- the average daily revenue and the average, and then the revenue per room available. You will note here that the occupancy is down and the revenue, what they call the rev par, but it's the revenue that is generated per available room, they are down from what they were last year. They have improved from the lowest point that we have seen when we shut down the economy and many of these individual hospitality hotel/motels were closed. But what we see is that the average daily revenue for the rooms is actually higher than it was last year. And we continue to see that.

So it's a supply and demand analysis sometimes when you look at, it that we're able to achieve a higher daily revenue rate than what we have seen traditionally. We were starting to see those -- although it looks fairly flat for last year, it was actually higher than the year before. And so, again, we're starting -- that's on the incline, which is a positive in an area that otherwise would not be that positive. So we're happy to start to see those results. We are happy to see the line go back up and now we have seen a flattening of it. So we'll see where we end up at the end. But what I didn't overlay this with is what we predicted it to be which would even about where the low point is. If you look at the trough that is in there, that's where we predicted the revenue dream to be so anything above -- stream to be. So anything above that is good.

Through the analysis on the financial side and I just wanted to give you a quick update on the budget. As noted, we're general funds is the largest one to monitor, we are \$11.2 million to the good than what we expected or budgeted. So thank you. If you have any questions, I'm happy to answer them.

Mayor Lane: Very good. Thank you, Mr. Thompson do we have any questions of the city manager on that report? Hearing none. Very nice. Very good. Thank you very much for that update all the way around. And with that, we have completed our work study session. We didn't have much to offer back to you, but it was a comprehensive review all the way around. So thank you again.

ADJOURNMENT

[Time: 02:21:24]

Mayor Lane: I would ask for a motion to adjourn our work study session.

Councilmembers: Move to adjourn.

Councilmembers: Motion to adjourn.

Councilwoman Milhaven: Second and third.

Councilwoman Littlefield: Mayor?

Mayor Lane: Yes.

Councilwoman Littlefield: I would like to say thank you very much to everyone for the flowers. That was very sweet. Thank you.

Mayor Lane: So in any case, we have the motion and the second to all of those in favor of adjournment, please indicate by aye. We are adjourned.