

---

This document was created from the closed caption transcript of the April 06, 2021 City Council Regular Meeting and has not been checked for completeness or accuracy of content.

A copy of the agenda for this meeting, including a summary of the action taken on each agenda item, is available online at:

<https://www.scottsdaleaz.gov/Assets/ScottsdaleAZ/Council/current-agendas-minutes/2021-agendas/04-06-21-regular-and-work-study-agenda.pdf>

An unedited digital video recording of the meeting, which can be used in conjunction with the transcript, is available online at:

<https://www.scottsdaleaz.gov/scottsdale-video-network/council-video-archives/2021-archives>

For ease of reference, included throughout the transcript are bracketed "time stamps" [Time: 00:00:00] that correspond to digital video recording time.

For more information about this transcript, please contact the City Clerk's Office at 480-312-2411.

---

#### **CALL TO ORDER**

[Time: 00:00:03]

Mayor Ortega: I call the April 6<sup>th</sup>, 2021 city council regular meeting to order. City clerk Ben Lane, please conduct the roll call.

#### **ROLL CALL**

[Time: 00:00:13]

City Clerk Ben Lane: Thank you, Mayor.

Mayor David Ortega.

Mayor Ortega: Present.

City Clerk Ben Lane: Vice Mayor Betty Janik.

Vice Mayor Janik: Here.

City Clerk Ben Lane: Councilmembers Tammy Caputi.

Councilmember Caputi: Here.

City Clerk Ben Lane: Tom Durham.

Councilmember Durham: Present.

City Clerk Ben Lane: Kathy Littlefield.

Councilmember Littlefield: Here.

City Clerk Ben Lane: Linda Milhaven.

Councilmember Milhaven: Here.

City Clerk Ben Lane: Solange Whitehead.

Councilmember Whitehead: Here.

City Clerk Ben Lane: City Manager Jim Thompson.

City Manager Jim Thompson: Here.

City Clerk Ben Lane: Acting City Attorney Joe Padilla.

Acting City Attorney Joe Padilla: Here.

City Clerk Ben Lane: Acting City Treasurer Judy Doyle.

Acting City Treasurer Judy Doyle: Here.

City Clerk Ben Lane: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Ben Lane: And the Clerk is present.

**MAYOR'S REPORT**

[Time: 00:00:48]

Mayor Ortega: We have a firefighter and a police officer here if anyone needs their assistance. I'm pleased to report that on April 22<sup>nd</sup>, the Arizona Department of Health services will open a vaccine site at WestWorld. They will be offering 3,000 to 4,000 shots, appointments per day. So I

encourage everyone to get a vaccine and continue to practice all recommended safety measures so we can defeat this virus.

Also, Saturday, April 10<sup>th</sup> is the start of western week in Scottsdale. Join us for Native American festivals, western art walks, live performances, arts and crafts and more. The historic Hashknife Pony Express arrives on Friday, April 16<sup>th</sup>. It will be held at the Scottsdale Stadium. For all date and the details of the event and information, please visit [Scottsdalewesternweek.com](http://Scottsdalewesternweek.com). And I hope to see you there.

This evening, we will begin with the presentation of the Scottsdale arts update. The presenter is Gerd Wuestemann, President and CEO.

[Time: 00:02:34]

Gerd Wuestemann: Good afternoon, Mayor Ortega, councilmembers, Vice Mayor. Thank you for your time today. I appreciate speaking to you today.

From time to time, about every six months or so, I give you a quick update on what is going on at Scottsdale arts. While this has been a very challenging time for us, it's also been a very exciting time and I'm here to share some wonderful and uplifting news with you. I entitled this presentation "A Bright Future." Next slide, please.

As a quick reminder, Scottsdale arts is a six-ring circus, made up of the SMOCA, Scottsdale public art, our arts festival, and canal convergence in November and the newest division, Scottsdale arts learning and innovation. Next slide.

I'm happy to say that Scottsdale arts has really been leading Arizona's arts organizations because we have been the only major arts organization in our state that has remained fully operational throughout this past year. Next slide.

Which includes that we remain fully staffed and fully open. I want to congratulate and thank the city, in supporting us so strongly throughout this very difficult time and I want to say a huge thanks to the board, staff and volunteers who have really helped us facilitate this entire period of time for us. Next slide.

Of course, we put safety first. We would never jeopardize the well-being of our staff or patrons. We developed extensive protocols to sanitization stations. We bought gallons and gallons of sanitizer. With the help, we have installed immunization filters and HEPA and other filters. We can guarantee that we are among the safest facilities in the country at this point. Next slide.

I'm really happy to say that Scottsdale arts has been able to glow in dark times. Throughout the course of this COVID year, we still managed to present more than 135 shows, events and exhibitions to our community and perhaps just as importantly, we were hard at work to book, rebook, and be organized shows for the coming season.

So I'm happy to tell you that for the 2021-22 season, Scottsdale arts will have the most star-studded and biggest presenting season ever, with more than 350 high-end shows in our galleries and museum spaces on our stages, indoors and outdoors and across our community. Next slide.

We also work very hard throughout this challenging time to achieve financial stability. For an arts nonprofit with an incredible partnership with the city, that's not an easy thing to balance and achieve but we managed to reduce our administrative expenses significantly throughout this time period.

And in addition, focus more on spending the majority of our budget, more than 85% on mission and service, rather than admin costs. So we are about as lean and mean as nonprofits can run these days. We also were able to through smart management and very conservative approach, recover more than \$2 million in our investments in endowed funds so that we have a very stable financial platform to look into the future from. And as I mentioned before, a big point of pride for us at Scottsdale arts is that we remained -- that all of our staff, 175 full-time and part-time staff members remained fully employed throughout this crisis. Next slide.

[Time: 00:06:03]

So what does it mean to date? We reopened our facilities fully this spring with a new spring season. We pushed the spring season further into the spring. At the center, we focused on local artists. The picture you see here is a local jazz ensemble but we opened with great national stars.

Just a couple of weeks ago, we hosted a very famous violinist, Gil Shaham who performs in places like Carnegie Hall and around the world. I had a chance to chat with him and he said, Gerd, I'm in near tears because I had my start in this mid in the mid-'80s here at Scottsdale arts and this is first concert I get to play since the pandemic started in March of last year. So it was a really touching moment for all of us. Our audience was truly moved by the performance. It was a very special moment to share. Next slide.

First, we built a beautiful outdoor stage and outdoor campus and moved a lot of performances outside. Three or four nights a week, you may have seen friends enjoy our live and local performances outside or come for Sunday affairs, free performance to our community. We created social distancing pods and managed to fill them for every single event we hosted out over these last weeks and months. Next slide.

And on the inside of our theater, we also returned to some of our annual mainstays. We saw capacity crowds and as I mentioned we extended our spring season to June. Normally we wrap up our presenting season in April. So far we see strong ticket sales throughout the entire time frame as well. So there's an eagerness among our community to return to great art experiences with us this spring and into the summer. Next slide.

At SMOCA, we received some national accolades from new exhibits we installed and we implemented a timed entry system that proved very valuable in keeping people distanced and yet allowed them to fully enjoy the wonderful installations in our gallery spaces. Next slide.

You know, installing a great art exhibit and a nationally accredited museum is difficult in normal times, and it is doubly as difficult in challenging times like these. To watch our curators and preparators while working together massed was really a feat to say, and I'm glad to say and again, I want to recognize what an amazing job our staff did throughout this time period. Next slide.

SMOCA has built over the years to attract a diverse crowd. And we built a reputation to present rising stars to attract rising stars in the art world right as they are about to crest. This is a fine example of this. The gentleman in the picture is Diedrick Brackens who we invited to design a show for our venue that opened this February. And the week or so before the opening, we learned he was selected as a Mellon fellow, one of the most prestigious art fellowships in the country. He's up to great and very, very famous things in the future and we are thrilled to have him here with us today. Next slide.

[Time: 00:09:23]

And, of course, this is a year in which how to virtually enact with our audiences and the entire world. So we invested in gear and camera equipment and streaming platforms and we realized that all that actually, if there was a silver lining in the crisis, it was that we realized we could actually connect to artists and have artist talks and edge gauge -- engage with our audiences anywhere in the world and we facilitated artist talks in Iran and other parts the world, on the other side of the globe, which really enriched our local arts experiences for our community. Next slide.

We also participated in Phoenix valley wide drive-by arts events and this one obviously was an event that we staged in conjunction with our recent presidential election. Our entire curatory staff participated and you would be very pleased as you can see from the signs every part of the political spectrum was represented in this particularly fun and wonderfully engaging artwork that was designed to inspire people to go out and exercise their voting privilege to -- their privilege to vote and cast their vote for their respective candidates. Next slide.

In addition to that, we were part of an international arts event at the border, in which we engaged Mexican artists and folklore dancers with muralists and poetry story tellers to create a wonderful event to show us how interconnected we are as human beings and especially given the location which we live and our proximity to the other side of the border. We felt this was very worthwhile and wonderful event and we received some great national recognition for this event. Canal convergence was an extraordinary experience for us, even in COVID times. Next slide.

We managed to actually create a re-invented reimagined distanced event which still drew more than 100,000 visitors in the downtown wide locations. Next slide.

And I'm also happy to share with you that for the upcoming canal convergence 2021, we were able to attract the corner works international public art conference here in an effort to bring more and more visitors to our city during this November shoulder season. Next slide.

Public art was very busy installing numerous new art works and you may have noticed the colorful recycling boxes along the waterfront on the canal, which are not only joyful and cheerful, but it allows us to be more responsible as citizens in our recycling efforts. One of the most magnificent works that we installed recently has been the new sun burst piece at SkySong, a ginormous sun dial. It's really a beautiful piece if you haven't seen it yet, please go by and enjoy it sometime during a sunny day which let's face it is almost every day in Arizona. Next slide.

One of the lesser known components of our work through public art are the free library exhibits across our community. Exhibits designed to inspire our community members to delve a little deeper into certain themes or artists' lives and to really have a great share in the artistic experience in their own neighborhoods just outside of their front doors. This is an exhibit that we recently staged in one of our public libraries and these typically make the rounds in the community. Next slide.

Our newest branch, the learning and innovation branch was extremely busy through a challenging year by completely pivoting and reaching their work with 40,000 kids in our school system by and large through virtual outlets. And in addition to, that we also started producing camps throughout the spring and this was one of my favorite events, Camp Dreamtree, a virtual arts engagement camp, incredibly fun and colorful. We saw regular assistance. We sold out every single session of this camp and if you go to the next slide, Camp Dreamtree produced a lot of happy campers. It was wonderful to see them inspired by the great staff and the great artists that we worked. With next slide.

[Time: 00:13:46]

As I mentioned, we pivoted to virtual classroom engagement and set up lots of engagement through our art teachers and our art staff here at Scottsdale arts to take these experiences into the classroom, work with kids to have these wonderful experiences. Next slide.

And in addition to that, we wanted to make sure that everybody in our community has access to realize their inner artist. So we also facilitated a lot of community engagement art classes online. So while you were on lockdown at home these last few months you could learn how to become a great portraiture artist. We had some fantastic outcomes throughout this year. Next slide.

And last but certainly not least, this program is one of our great prides and joy. It's a program that has long and deep roots with us. We have been producing this for over 20. It started at the wolf trap outside of Washington, D.C., on the East Coast. We are one of the only international

affiliates and we asked ourself, how can we make sure that kids still move around while they are sitting in a virtual classroom?

So we sent our teachers virtually, our movements teachers virtually into the classroom and made sure that still creative movement is part of their daily exercise routine. I just look at this picture and it makes me smile every time because it's so vivacious, full of movement and full of joy and I think it's just an amazing thing to watch these kids interact and engage with the artists. Next slide.

In closing, I think that the arts community is a community that connects people at the core to one another. But it's also community that's incredibly interconnected. We live in an artistic and cultural ecosystem. I would like to thank you for giving us cares money to give to 19 other organizations.

We ensure that those organizations continue to exist and thrive or at least manage throughout these very difficult times and I'm happy to say that the level of resilience and energy and enthusiasm, inspiration we found among our colleagues was just extraordinary throughout this time frame. So I believe Scottsdale is a city that cares. I believe that culture is instrumental to Scottsdale and I believe that's why we are such a great community.

So with that, I thank you for all you do for us, for the incredible work and support you do on behalf of the citizens and I'm happy to visit with you any time should you have any questions for me.

Mayor Ortega: Well, outstanding and thank you very much for that presentation. Our next item is public comment, where we call on -- allow the public to reach council and at this time, there are no -- no public comments. Those are comments not on the agenda. We have many people wishing to speak on item number 23, but that will come later in the program. So at this point, I will close public comment.

#### **MINUTES – MOTION AND VOTE**

[Time: 00:17:15]

Next, we will move to the minutes. That would be the approval of the minutes from the work study for March 9<sup>th</sup>, and the regular meeting on March 16<sup>th</sup>. Do I have a motion?

Vice Mayor Janik: I make a motion to approve the work study session minutes of March 9<sup>th</sup> and regular meeting minutes of March 16<sup>th</sup>.

Councilmember Littlefield: I second that.

Mayor Ortega: Thank you Vice Mayor Janik and Councilmember Littlefield. Any discussion? All in favor say aye.

[ Chorus of ayes ]

Mayor Ortega: And mark your vote. Thank you. Unanimous.

**CONSENT AGENDA – MOTION AND VOTE**

[Time: 00:18:00]

Well, we will now move to the consent agenda items, and those are items number 1 through 21. We did not receive any requests or comment for public comment, and on any of the consent agenda items. Do we have a motion to approve the consent agenda?

Councilmember Littlefield: So move.

Councilmember Caputi: Second.

Mayor Ortega: Thank you. I have a motion by council woman Littlefield and a second by Councilwoman Caputi. All in favor say aye.

[ Chorus of ayes ]

Mayor Ortega: Moving on, we will go to item number 22.

Councilmember Milhaven: Mayor, if I might. I see there are several citizens that want to speak on item 23. I wonder out of respect for their time, if we could do Kimsey first.

Mayor Ortega: Thank you. I should have marked our votes for the items 1 through 21. Did everyone mark your vote? Okay. Why don't we just continue this way so that the staff can finish their drought report and then move right into it. So let's continue with item number 22.

Presenter is Gretchen Baumgardner, water policy manager.

**ITEM 22 – DROUGHT MANAGEMENT PLAN UPDATE - PRESENTATION**

[Time: 00:19:34]

Water Policy Manager Gretchen Baumgardner: Hi. Thank you. Thank you very much. Yes, I'm Gretchen Baumgardner, I'm the water quality manager for Scottsdale water. I want to thank the council for having me here tonight to present on the drought management plan update.

The purpose of this item is to ask for adoption of the updated drought management plan 2021. Before I jump into the presentation, I want to mention that the current plan that's in place was adopted in 2015, and why this update of 2021 version follows a similar structure as the 2015 version.



This update is amended to correspond more strongly with the Bureau of Reclamation drought contingency plans and the conditions on the Colorado River, which I will speak to. Next slide.

So first, I want to talk about the legal background. The Arizona revised statute requires community water systems to have what is called in statute, a drought preparedness plan. Every community calls their own plan different, we call it the drought management plan. It requires the provider to keep up to date with the department of water resources a plan to management demand when supply is cut. And in that plan, defines stages and proportionate responses that are appropriate to the community that the provider serves.

The shortage occurs in case of supply reduction due to drought and declared shortage conditions but can be in case of infrastructural failure. Next slide.

So the purpose of the drought management plan is assessing the risk to the water supply and establishing priorities to the responses to better manage supply and demand. The different and increasing stages of the plan consider potential reductions to certain supplies and the risk that reductions to the resource hopefully will guide you how to respond.

Initial stage one response are prioritized increase that prepare our customers to consider and be more mindful of their water use. Examples of this are an initial stage of heightened awareness campaign for efficiently using irrigation. A midlevel stage would be a response of potentially requiring reduction in outdoor seasonal watering. Next slide.

So what's in the drought management plan in this update? I'm going to talk about the water demand assumptions and projections for this planning period. Our water portfolio characteristics, the makeup and the description of the drought management team, the delineations of different stages and the shortage in supply and the strategies and the potential responses to better manage demand. Next slide.

So let's dive into Scottsdale's water demand and customer makeup of that demand. This demand includes both potable and non-potable cep irrigation water and while we are talking water amounts, the water industry uses two common units. They are displayed here. One is acre feet which is what it sounds like. 1 acre of water a foot deep and 1 acre foot is enough to supply one Scottsdale family of four for a year. And the other millions of gallons per day and that's a common unit.

[Time: 00:22:42]

In this plan we use both of those interchangeably. In the water resource world, we have a tendency to use acre feet. So that's the one I'm most familiar with. So this is Scottsdale water demand in a nutshell. Our customer count breakdown when you look at just the sheer numbers of the count is overwhelmingly residential at 88%. This is an important point to consider when

we're talking about the efforts and the campaigns to communicate and the responses and how complex that communication effort needs to be. The official aspect of our story is the percent of water use per sector. Next slide.

So customer use trends are important to understand when developing the demands and the strategies. Single family resident use as I just talked about is different when you are looking at total water supply, and here in this graphic, you can see it's about half.

Again, it's really important to understand what our customer base looks like when we are talking about communicating efforts and strategies and tools. The difference between the two slides, this one and the one before, for example, is if we look at the commercial sector, the nonresidential sector, the last slide was only 6% of total count holders, but this one is 15% of water delivered. They have a complex business to run and complex resources and need to help to reduce their water footprint. Next slide.

So looking at the snapshot of what water we use, and what demand there is. This slide is a graphical representation of just a snapshot of 2020, last calendar year. This is the supply that we used on the left-hand side of the bar graph is the groundwater SRP and CAP water that we use and the demand is the orange graphic on the right. It's really important to note that water resources and our supply are really complex.

For instance, the Salt River supply. That's a dynamic supply, and year-to-year, it changes based on an allocation multiplier that's determined and published by SRP. Groundwater that we used in 2020 is based on operational making and pressure needs but that changes from year-to-year, based on our needs. This is not necessarily the full legal assured water level allocation.

The important point that this graphic is there to make is that doctor graphic that is there to make we have more supply than demand and that is by design. And that's for two reasons. As the population and the economy grows we plan for the future supply needs; and two so we can quote/unquote bank the extra water to recover in periods of prolonged and we recharge the water in the aquifers so we can recover in the underground water wells. What makes up the largest portion of our water supply. Next slide.

[Time: 00:25:43]

Colorado River. Although we have a diversification, the largest portion of our water portfolio is Colorado River. It makes up approximately 70% of our supply. Water priority is based on a complex system of governance, commonly referred to as the law of the river. The system is water rights and management is divided into the upper and the lower basin. The lower basin includes Arizona, California, and Nevada.

In simple terms those with priority get reduced first and Arizona has junior rights compared to California. The 2007 interim guidelines what are govern -- what triggers a shortage and

quantifies those amounts. On top of that, in 2019, the drought contingency plan was passed and added a higher level of cuts to the guidelines to further protect the reservoir and water system. Next slide.

So shortage declarations are made when lake Mead -- and like Mead is the largest reservoir in the system and you can see in this graphic is the star between Nevada and California. When lake Mead hits a certain level. Now, the DCP created a tier zero. You can see that there's a tier zero, 1, 2, 2b and 3 declared with lake levels.

The next level would be a tier one, which can be declared by the Bureau of Reclamation in their August 24-month study for the projections of January 1. With each progressive tier reduction amounts increase as seen with the increasing bubbles over our state in this graphic. Arizona along with the other basin states has been working hard to curtail this potential, however, with the system over allocated and in prolonged drought, there's a high likelihood that a tier one shortage could be declared in the near future. Next slide.

This is the graphic that the BOR put out in January of this year. This is the 24-month study of the projections for lake Mead. The yellow horizontal line that you will see there is the lake levels at lake Mead at tier one which is the 1085 feet of elevation. The vertical blue line is the current conditions when this came out. So it's the demarcation line between what has already occurred on the lake and the projections that are estimated to occur. In the projections for the lake levels, the green line is the representation for max probable hydrology effects on the lake and the orange is the Min. The blue is the most probable.

[Time: 00:28:15]

There is a strong likelihood that in August of this year a tier one shortage will be declared in 2022 starting in January 1. And while in the state and the city of Scottsdale have long been planning for this potential, it's still a critical point in our water management planning for messaging and conservation and future planning efforts. So what does this immediately mean for Scottsdale?

Next slide. This is a fun colorful slide. As mentioned before, surface water rights are a matter of priority and that's true externally and internally to the state. So the figure on the right is what's called the quote/unquote priority stack for CAP. And they are a bit different pools of water rights. There's junior priority.

Those on top of the stack and senior priority those on the bottom of the stack. Shortage cuts water from the top to the bottom. Now there's a lot of water resource folks use a lot of acronyms. And there's a decent amount in this slide.

I color-coded it on purpose so we don't necessarily have to dive into the actual acronyms and what the water rights talk about. What Scottsdale has in each different pool and they are color

coded based on the left-hand table of the rights that Scottsdale has in the CAP system and how they correspond to the actual rights of the stack of the water. You can see that what is called the NIA pool, the yellow is not very much water. That's the water that we'll get for us cut first.

The majority is the M&I and this is industrial priority. The important concept that needs to be considered here is that shortage declarations could and would last more than just one year. It's uncertain to the length of time of shortage and therefore, mindfulness and how we message our supplies and the efforts around conservation is important.

So before diving into stages, let's quickly talk about the other bucket of surface water we have available to us. And that's our SRP supply. Next slide.

So although a smaller portion of portfolio, the SRP supplies are important to providing diversity in our water portfolio. This is governed differently than the CAP. It's based on allocation multiplier 3.0-acre feet per acre which includes surface and groundwater supplies. The amount of each source changes from year to year and is determined by the SRP reservoir levels and the projected hydrology in that watershed.

Another important component of SRP water, some Verde water is that it's tied to the land. It can only be used on lands that have the rights to it and those lands in Scottsdale are in south Scottsdale, shaded in yellow in the figure in this slide. And although this supply is not vulnerable in the same manner as CAP supply, there's potential for years of poor hydrology and thereby reduced water allocation.

[Time: 00:31:19]

So before going to the drought stages reduction scenario that I will talk about, I would like to quickly talk about the drought management team in the drought management plan. Next slide.

In the current plan and the updated plan, there's a team that's called out that will come together when a drought -- when a drought scenario is triggered in this city. And this is comprised of several city divisions and it's meant to be holistically discussed. The city feeds and efforts.

The core efforts the team will engage in is to discuss messaging the drought and shortage conditions and best facilitate efficiently using water and thereby curtail demand in each -- curtailing demand in each declared stage. It's important as the shortage declaration will affect many aspects of the city operations and customer interactions. Next slide.

So this slide displays the city's water shortage stages as defined in the drought management update and the associated potential supply reductions. Each stage reflects a progressively deeper shortage measured by the reduction in the Scottsdale water supply on either or both the CAP and SRP system corresponding with stricter water use responses.

Stages 0 and 1 may be declared and authorized by the city manager. Stages 2, 3 and 4, must be declared by the city council. So let's talk about one of our -- each one of our stages and how they overlay with the shortages on the surface water systems we rely on. Next slide.

So CAP water shortage tiers. The association of cuts on the Colorado system with the DCP are in the stages and response. This demonstrates the relationship with lake Mead elevations, the CAP water shortage tiers and the potential reduction that can be felt by Scottsdale with each tier. The exact reductions are based on the priority stack. And the exact amount currently are not known until a shortage is declared. The numbers presented here are based on past orders and a good approximation until we know the numbers that can be cut.

As you can see from this table, the amount we approximate expecting to be reduced in the first tier is not great. However, heightened awareness and tools are important for long-term resiliency. Next slide.

As for the associated cuts to the SRP system, our city's drought management plan update, the stages correspond to the allocations and range from the full 3.0 multiplier to 1.0-acre feet per acre multiplier as earlier mentioned, this system is managed differently. And this was considered when developing these stages. Because how this watershed system responds to hydrologic events and how the reservoirs are operated, the stages are established at higher amounts and there are lower number of stages. Next slide.

[Time: 00:34:25]

This drought management plan update is to further tease out appropriate shortage stage delineations with the results of the 2019 DCP and the impending potential shortage declaration on the Colorado system. The city currently uses portions of its CAP supply as recharge in the aquifer to bank as a savings account to be withdrawn in times of prolonged shortage and potential deeper cuts.

This means that initial tier one declaration would not necessarily be drastic to the city nevertheless, the demand management during a shortage declaration is an important and purposeful tool to manage water supply and provide Scottsdale with the ability to utilize several options to effectively serve the citizens of the community in times the prolonged shortage now and into the future.

If and when a tier one shortage is declared, the drought management team will develop a heightened messaging campaign, consider options to increase conservation tools and develop a long-term plan to assist all customers to use water more efficiently. We as staff recommend that the council adopt resolution 12120, and ordinance 4496. I would be happy to answer any questions. Thank you.

Mayor Ortega: Thank you. Do we have any questions, first of all, about the presentation?  
Councilwoman Milhaven.

**ITEM 22 – DROUGHT MANAGEMENT PLAN UPDATE - MOTION AND VOTE**

[Time: 00:36:00]

Councilmember Milhaven: I will go ahead to make a motion to adopt resolution 12120, declaring the document titled drought management plan 2021 to be a public record and adopt ordinance number 4496 adopting the drought management plan 2021 and thank staff for a great job.

Councilmember Whitehead: I will second that motion.

Mayor Ortega: We have a motion and a second. I will add to the comment that this is consistent with all of the other partners in the armoire watershed. So with that, please register your vote. Thank you, unanimous.

**ITEM 23 – THE KIMSEY – TRIANGLE (10-ZN-2020 AND 4-DA-2020)**

[Time: 00:36:51]

Mayor Ortega: Next, we will move to item number 23 which is the Kimsey also known as triangle bidding and case number 10-ZN-2020, and 4-DA-2020. The presenter is Bryan Cluff, the principal planner.

Bryan Cluff, Planner: Thank you and good evening Mayor Ortega and city councilmembers. Think Bryan Cluff and I will give an overview of the Kimsey, case 10-ZN-2020. They are requesting a zones district map amendment, from multiple use type two with the planned block development overlay on a 3.87-acre site and it includes an historic property overlay on .4 acres of that overall 3.87-acre site.

Along with the development plan for a mixed use development, including 168-room hotel, 190 dwelling units and a restaurant. The components of the application include a development plan, site development standards for the plan block development, a parking master plan, the historic preservation plan and the development agreement. Next slide, please.

The subject site highlighted in yellow here extends from Indian School Road up to third avenue and sits west of Scottsdale Road and east of Marshall Way. Next slide, please.

Here is a closer look at the site which is currently occupied by the Howard Johnson hotel. The venue which is no longer building and the Kimsey building which is supposed to be used through the use of the historic property overlay. It consists of one and two-story service and

gallery shops that were constructed throughout the 1960s, '70s and '80s and there's a three-story office building that borders the site to the east. Next slide, please.

This is the zoning map showing the existing zoning on the property, in which the C-2 DO district. Next slide, please.

And the requested zoning designation with the downtown multiple use type two in the plan block development and the downtown overlay, and then you can see on the lower right-hand side of the site, there the portion that also includes the historic property overlay. Next slide, please.

[Time: 00:39:31]

Bryan Cluff, Planner: The subject site is within the old town character area plan, highlighted there, relative to that plan. Next slide. And within that plan, this is the old town land use map identifying it within the downtown multiple use area, shown in green and highlighted yellow. Next slide, please.

And then the site relative to the old town development types, showing it in the blue area which is a type two area and I will note you can see on the northwest and a portion of the south property, it does border against type one areas. Next slide, please.

This here is the proposed site plan for the development. The goal is to redevelop the property with a mixed use development, that included a six-story hotel with 168 guest rooms and a six-story residential building with 190 units. The building height and density was reduced by the applicant after planning commission recommendation from an initial proposal that was 7 stories and 230 dwelling units. Also a component of the development plan is preservation of the 1961 two-story Kimsey building designed by Ralph Haver. The Kimsey building sits on approximately .4 acres at the southeast corner of the development plan.

So you can see that existing building, which is proposed to remain there. The hotel building extends along northern portion of the site, fronting on third avenue with the residential building fronting on Indian School Road and wrapping around the Kimsey building north and the east.

A single parking structure with one level below grade and one level at grade runs across the majority of the site area, underneath portions of the new building. The building setbacks will be provided along street frontages consistent with the downtown ordinance requirements. And new shaded walks will be constructed along the Indian School Road and there is a new landscape public sidewalk that will be provided along the eastern boundary of the site that would extend from east Indian School Road all the way to the sidewalk on third avenue and this is a new mid-block connection from Indian School Road up to craftsman court north of the site. And to the right of the screen, you will notice some parking numbers there.

The applicant has provided a parking master plan for the development which proposes a reduction in the required parking for the hotel use. The 1.25 spaces per room has been shown to be more than what is needed for hotel developments and the applicants parking master plan demonstrates that a ratio of .8 spaces per room is more than enough to serve the hotel use. This is in line with industry trends and is consistent with recent approvals in the downtown area for other hotel developments.

Applicants proposing to meet and exceed the ordinance requirements for the residential unit while also providing guest parking for the residential units at a ratio of about one space per 4.6 units. Also included in these calculations is a 4,000 square foot restaurant space, which will be parked in accordance with the ordinance requirements for a mixed use development.

[Time: 00:42:53]

So the summary there generally 407 spaces required and 459 provided in accordance with the information provided in the parking master plan. -- parking master plan. Next slide, please. So here's a quick summary of some of the development standards and bonus development standards. So the building height allowed under the existing zoning is 36 feet.

The building height allowed in the proposed downtown district with the planned block development overlay is 66 feet without bonuses, as the base height. And up to 120 feet achievable with bonuses. The building height proposed is 76 feet. So that includes 10 feet of bonus building height.

The density there allow for the plan block development is 50 dwelling units an acre without bonuses, and the density proposed is just under that at 49.1 dwelling units per acre with no bonuses requested. Next slide, please. The next few slides here, I will show some of the building elevations. You will defer to the applicant to go into further detail regarding the materials and design concepts. A couple of items I want to point out are the building massing and some the proposed incline step back plains which as part of the site development standards associated with the plan block development do include some variation from the standard downtown requirements.

So what we're looking at here is the residential building, the east elevation on the top and the west elevation on the south. So if you look at the top elevation, this would be the frontage on Indian School Road and the red line is showing a building setback and inclined step back plain of a ratio of one to one. Which means one foot of building height for every one foot of setback. And this is consistent with the requirements of the downtown plan without modification: Next slide, please. Here is the south building elevation for the residential on the top and then the north building elevation on the bottom. So highlighted on the top are some of the incline step back plains. In red shows the typical downtown requirements.

On the left-hand side is adjacent to the type one area so that shows a 1:1 typical requirements



and the green light shows the proposed building step back plain of a 4:1 ratio and then the 2:1 required and the statement 4:1 ratio proposed there. And on the bottom are the similar ratios just not highlighted. Next slide, please.

And here is the hotel building elevations. So starting with the north elevation on the top, you can see the same lines shown on there. So that the left-hand side on the top would be adjacent to that three-story office building with the 4:1 ratio proposed. On the right-hand side is adjacent to the type one area and you can see there the -- just barely encroaching on the 1:1 ratio but within a 2:1 ratio and then to the far right-hand side would be the building frontage adjacent to third avenue with a proposed step back at a second level height and then moving up to a more vertical plain after that. Next slide, please.

[Time: 00:46:33]

This here is landscape plan for the proposed development. Showing the southern portion of the site on the Indian School Road frontage. This gives you an idea of some of the proposed landscaping that will be along that frontage along with the sidewalk construction there, and there are stipulations included in the plan that are geared towards the mature landscaping on Indian School Road. You can see on the right-hand side, the pedestrian connection that heads up north from Indian School up to third avenue. Next slide.

And then this is the northern half of the site. On the third avenue frontage and you can see some of the pedestrian and landscape improvements there and the pedestrian sidewalk continuing up on the eastern boundary of the property. Next slide.

So as part of the zoning district map amendment, there's an associated development agreement to take care of a few items that are required with the plan block development agreement, as well as some additional items that have been added. So just a really quick summary to touch on some of these points that are in the development agreement. First of all is the bonus development standards. So I mentioned there's 10 feet of bonus building height to achieve the total of 76 feet. To achieve the requested bonus, the owner will be contributing approximately \$131,000 into the city's downtown special improvement fund. And then high efficiency parking facility will be provided in the site, to maximize the number of stalls provided within the garage through application of an automated parking system.

That's the specific details of that are included within the development agreement. As well as some performance requirements there. So these are related to the timing of the development, if the developer does not commence construction within 5 years of the effective date of the contract, the developer agreed that the zoning on the property would revert back to the zoning that was previously on the property which is the c2do, however, the portion of the zoning that applies to the Kimsey building, including the historic property designation would remain in place.

Next you see the transfer of development rights. This is simply intended to allow future development of the hotel -- or future subdivision of the hotel parcel from the residential parcel and allows for development standards to be applied to the site as a whole rather than the individual parcels. And then the walkway license agreement, you see as related to -- so that eastern boundary pedestrian connection that I mentioned and this is simply to grant public access rights over that proposed pedestrian walkway along the east side of that development. And then lastly conservation easement.

So in addition to the historic property zoning designation, there would be an historic conservation easement that would be provided as an additional encumbrance upon the property with the intent of preservation of the Kimsey building. Next slide, please.

Some public participation. The city and the applicant did notify all property owners within 750 feet of the site. The applicant hosted open house meetings, two meetings, one in March of 2020, and then another one in January of 2021. And I do know the applicant has been continuing with public outreach extensively over the last several months based on the comments that have been coming in from the public. We have received several letters and emails of support as well as a petition of support, as well as several emails of opposition that we have received with concerns about building height, density and traffic. Next slide, please.

This has gone to a few other boards and commissions leading up to this point. So it went to our development review board for recommendation on January 21<sup>st</sup> of this year, and received a vote of 6-0 for approval. And the historic preservation recommended approval on the historic preserve plan on February 4<sup>th</sup> of this year by a vote of 6-0 and then planning commission recommended approval on February 10<sup>th</sup>, with a vote of 5-1. Next slide, please.

And that conclude staff's presentation. So here again is just a summary of the action items related to the request this evening. I'm happy to answer any questions and the applicant team is also available and has a presentation ready to go. Thank you.

[Time: 00:51:54]

John Berry: Mayor, members of the council, this is John berry at 6750 east Camelback Road in Scottsdale. In the past, new development bulldozed significant historic buildings but tonight, in a first for our city, you can change that. In this effort, we are privileged to work renowned Scottsdale architect, Doug Sydnor. He helped found the historic preservation commission and was first chair of the historic preservation commission. He has served us in nonprofit leadership roles. Doug.

Doug Sydnor: The story begins over 110 years ago with the Kimsey family. This is William and Elizabeth Kimsey. They came to Scottsdale by way of Indiana during some early winters back in 1906, 1907. They purchased property here, constructed three homes and planted a citrus orchard.

One of them is Bort who served on first city council in 1951 and also served as our second mayor. Now Bort along with his father William have many, many firsts here in Scottsdale and we continue to benefit from that today.

So in 1960, the family struck a long-term lease with the project property. They then hired architect Ralph Haver to design this commercial project and it was constructed in 1962. Over the last number of months, we have been setting the body of architecture in Scottsdale. We discovered he did 15 and unfortunately we lost five to demolition.

[Time: 00:53:41]

We have an opportunity to save this fine project done by Mr. Haver. This will influence some of our final recommendations on the exterior call it for the new architecture. So we just wanted to in summary note that the Kimsey architecture is mid-century modern architect designed by one of the Arizona most respected architects Ralph Haver. It's historic in character defining features are directly reflected in the new residential hotel architecture. These buildings are visually enhanced with many effective design strategies such as setbacks, step backs, terrace forms, broken roof lines and being visually softened with upper level landscaping.

This architecture is wrapped in the immediate area, such as masonry and warm columns, and it introduces natural daylighting to the interiors. Materials that require the peeling textures, patterns and a richness that's emblematic of Scottsdale's old town and the mid-century aesthetic. There's no chrome or reflective metals welcome. All buildings the need to return to the D.O.B. through the public hearing process.

John Berry: Mayor and council, we have continued to listen and collaborate with the community. We have reduced our density. We have reduced the heights of our buildings. We introduced new step backs along the third avenue and the west boundary of the hotel. We have added residential guest parking. One guest space for every three residences. With our hotel parking we are designating 25 employee parking spaces. In terms of pedestrian access, importantly we protected that very critical mid-block in perpetuity.

[Time: 00:56:03]

We are protecting existing trees along Indian School Road and we are required to have a construction mitigation plan to protect area businesses during construction. We must build as promised within five years or the zoning will revert. As staff pointed out and very importantly, the historic preservation designation for the Kimsey building remains to ensure that that building is protected in perpetuity. Additionally, we are required to put up \$1 million letter of credit in favor of the city to prevent the proverbial hole in the ground which occurred with another project that we were not involved with at the corner of Scottsdale Road and Camelback.

Also very importantly, no short-term rentals will be allowed in this project. Additionally, we

created a 1,000 Kimsey gallery that has public use. What does that look like? It will be located on the ground floor along Indian School with a very visible and accessible location. It will host events and activities for the community and for organizations.

Very high quality finishes lighting and acoustics and feature permanent and rotating exhibits of history of the Kimsey family in Scottsdale along with Haver architecture and rotating displays at the Scottsdale historic society's extensive and unfortunately infrequently seen archives. Now, what you see is an illustration of the height reduction in the hotel, when we last came before the planning commission.

You will note that the 96-foot height is delineated in red and today we are before you with a 76-foot request to top of mechanical. You will note that gray area is the area of the building mask that's been eliminated. Now, with the residential, you can see the reduction in heights of 96 feet and that gray Mating area below the red line is the area of the building that has been removed. The circulation has been critical for our site planning. 9 pedestrian experience is important all over our community, but particularly in downtown. We have improved it and the improve it immensely.

We embrace and invite the pedestrian into and through the project this is not a gated project. All the landscaping trees are required to be mature trees and as staff noted along Indian School and along third. There will be shade structures over this new and enhanced and shaded and landscaped-wide sidewalks: What are the benefits of this proposal? Well, obviously, most importantly the preservation of the former city hall for our community. It celebrates our heritage, the Kimsey family who has been involved in the town for over 112 years and it memorial Mort Kimsey who served as our second mayor in 1958. It's an investment of \$150 million. A shot in the arm for this area. It supports our critical tourism industry.

With 168 room boutique hotel that helps to keep our taxes low and the quality of life high by supporting our tourism industry. It supports the small businesses in the area. It brings tourists year round high-income residents to literally their front doors. Now in terms of traffic, it will reduce the amount of traffic compared to the development that could occur under the existing zoning on these three parcels simply by going to the development review board. No need to go to city council.

It also generates new direct revenue to the city this is an indirect amount of revenue. This is for example, during the construction process over 1 million and a half hours in direct revenue in the city's coffers and annually, it will generate almost \$1.3 million in taxes. This' significant open space on the site when none is required under downtown ordinance and there's a public art contribution of \$870,000.

In conclusion, while much has changed for our elected officials in Scottsdale since 1951, when Mort Kimsey served on the first city council, some things remain the same. The mayor and council work hard finding that balance between the aspirations of our citizens, while

encouraging tourism and a healthy environment for our businesses to succeed. We hope you believe this proposal honored that balance and we are happy to answer questions now or wait until after public company thank you very much for your time.

Mayor Ortega: Well, thank you. Before we start the public comment while the presentation and the applicant information is very fresh, does the council have any questions for staff or the applicant? Okay. I see one from Vice Mayor Janik.

Vice Mayor Janik: And this can be either answered by staff or Mr. Berry. I noticed when I went through all the plans that the requirement for no more than 20% of the roof top appurtenances. No more than 20% of the area be used for roof top appurtenances and I was curious if that's still in the plan that you will keep it at 20%. And then my second question is how much of the structure will actually go up to the 76 feet? And how much of it will be between the 72 feet and the 76 feet? Thank you.

John Berry: Mayor, Councilmember Janik, this is John Berry. I'm happy to answer those questions because I think we have some updated information. If this project is approved we want to move quickly. We have been spending time better engineering and understanding the details of the project, particularly the roof top and the solar and the mechanical equip. Some of the numbers may change. This is the most current. We are willing to accept these as the new numbers.

[Time: 01:02:47]

We will do better than limiting the amount of the mechanical on the roof top to 20%. Based on the latest calculations, we can lower that to 18% of the roof top. In other words 82% of the roof will be at 72 feet in height. So we can lower the 20% to 18%. You asked how much of that roof top will be at 76 feet in height? I will note on the latest calculations, none will be at 76 feet in height. We have been able to lop one foot off of that based open the latest engineering and we would be at 75 feet in height and not 76.

Additionally, only 1.5% -- let me say that again. Only 1.5% of the entire roof top will be at that 75 feet in height. So 98.5% of the roof will not be at the 75 feet. The balance of that 18% of the roof top for mechanical will be predominantly solar, and that will be at a maximum height of 73 feet where the top of the roof is at 72 feet. I know I threw out a lot of numbers. I'm happy to go through that again but I hope that answered your question.

[Time: 01:04:15]

Vice Mayor Janik: Thank you very much.

Mayor Ortega: Thank you. I have several questions and perhaps I can get a slide up on one of them. While we wait for, that I will commend the group on the work on the original Kimsey

building and also note that it will be fire sprinkler protected. So that will be a wonderful assurance. Leading into my questions of the development agreement calls for 25 dedicated employee parking spaces. They did not show up on your parking count. That's 25 spaces. And also, there's a concession of 76 spaces with the study or so forth.

So by the time you reconcile the so-called 17 extra spaces, it looks like there's a -- a need for 84 spaces for this project. Can you help us how to mitigate that and how does that not put pressure on the parking garage in that area?

John Berry: Mayor and council, of course. If we could go back to sharing the screen for a moment. If we could go to slide number 80, please, Michelle. So I think this is the graphic that you all have been looking at in terms of the parking counts. At the bottom, I think you see the excess stalls of 17 that you noted, and we are required by the stipulation to provide 25 designated spots for the employees of the hotel.

One the reasons why this is a bit confusing and I apologize. It was prepared by engineers. If it was prepared by attorneys, it would be much more confusing. You see it says travel accommodations? The excess stalls 17 is really just the residential stalls. So off the top, Title is proposed downtown parking code which is not the current parking code that's in place today, but the one that staff is vetting with the public currently.

So we are looking at the proposed downtown parking code if the council adopts it in the form that staff is proposing and this is just the residential numbers. So the residential numbers we do have in excess of 17 and we are providing the proposed guest spaces at the rate of 1 per every 8 residents.

We are providing one for every eight residents and excess stalls of 17, which means we are at one space for 4.6 residences. So where it says traffic accommodations those numbered spots are not included in that calculation. The travel accommodations of 134 parking stalls is a separate number, not including the guest parking for the residential and 134 spaces are the 25 spaces for the employees.

So those are separate buckets and I can understand why the graphic is confusing to the public, and I apologize for that, but those 25 public spaces -- or parking spaces for employees for the hotel are already taken into account and accounted for in that line called travel accommodations.

[Time: 01:07:56]

Mayor Ortega: Thank you. When I looked at the travel accommodation, I thought the current called for 210 and then that got reduced to .8 per your consultant. So there was 210 required but, again, I was looking at what the staff report indicates that 210 was required for the travel accommodations. Is that correct or was that a staff.

John Berry: Mayor and members of the council, I'm happy to go through in some detail the parking master plan which was submitted to staff. So applicants are permitted pursuant to the zoning ordinance and the parking code to submit a master plan that based on data and studies justifies a potential reduction in the amount of, quote, required hotel parking.

So the transportation staffer and the plan -- staff and the planning staff reviewed that analysis carefully and although we believe that our data shows that a .65 is, in fact, more than enough to cover all of the requirements of the hotel, including employee parking, staff required us to move forward at a point -- [ No audio ]

Through some of the data that justifies that number, if you would like me to do so, but I can also show you that if -- if we could go up to slide 89, please, Michelle. So this is a quote out of the city council staff report dealing with this issue. -- and they have had a significant impact on hotel parking demand reduction.

The parking demands required by the zoning ordinance reflect shift in parking demand. I'm happy to go through and I'm looking to go through the analysis if it's the pleasure and/or the council.

Mayor Ortega: Thank you. The last thing -- well, I could point out is that the parking on site normally with the hotel, ranges from \$18 to \$35 a night. So that's what is charged. The other Marriott charges \$18. So that sends to drive the guests or the users to surface parking and, of course, the parking garage. That's part of my point about how we can mitigate. If it's totally a standalone.

The other question I have, and it relates to the development agreement where it points out that the prop 207 is waived by the applicant with regards to density and those provisions in the -- with the taking or possible taking, and that's correct, I read that. However, there's another issue with the conditional use permit at the venue property, the former cajun house, right? And there's no mention of that as far as waiving the possible C.U.P. prop 207 as a possible taking and a possible ask by this applicant or a subsequent applicant.

Could --

[Time: 01:11:50]

John Berry: Well, the prop 207 only becomes effect five this case is approved tonight. If this is not approved tonight and the use permit associated with the current venue is still in force. Although interestingly, I would note that that use permit may or may not be valid since the required parking to be provided under the use permit for the venue, their parking agreement has terminated so they don't have sufficient parking to park the use if this project were to not be approved this evening. We cannot exercise a prop 207 waiver --

[ No audio ]

Which is highly unlikely to be in. Prop 207 would covered that issue.

Mayor Ortega: I wonder if that's covered in the development agreement at the present time. I know that it covers the temporary construction period or the enact and I think we should look at that a little closer. And then finally on the north-south pedestrian way on the east side, normally, we would be requiring a 20-foot fire lane around the property, which you have at the alley way on the west end.

It's constricted because of where the Kimsey building, is but beyond that, it seems like there would need to be a -- you know, a fire lane there but that's a minor issue. We are looking at the fire lane. That concludes my questions.

John Berry: Mayor, if I could address the fire lane issue briefly. And that is that your staff has looked at that, all fire and safety issues. They start early with this process and they are very tenacious and cognizant that all the life safety codes are complied with and interestingly, this project has received the full approval and blessing of the tech department for its firefighting capabilities and its life safety issues.

So it not only complies with all of the fire code and the building code requirements but actually exceeds those. I would also just note that we have been working with your staff the first fire review on this took place back in June of last year, and Michelle, on the code, could you hand me that connection on the code, on the fire code.

So the fire code requires that if you have a sprinkler building and you noted that early on in your comments. If you have a sprinkler building, which this would be, you have the ability to have a 300-foot hose run to fight a fire and this particular site has a dimension of 415 feet which means you have access for a 300-foot hose run from third avenue and Indian School Road for a total of 600 feet in length.

So in addition to the access from all three sides of the property, on that side, we more than exceed the requirements of the city's fire code and the fire department has signed off on our fire and life safety plans and they never -- I don't know if they could or would cut a corner when it comes to fire and life safety.

[Time: 01:15:52]

Mayor Ortega: Thank you, Mr. Berry. At this point, we will move on to public comment. There are 20 requests to speak and staff will be managing the calls in. I would ask if we could please limit your comments as close to two minutes as possible. I will turn it over to staff.

Shane Stone: Thank you, Mayor Ortega, this is Shane Stone with the city manager's office. The



first comment is coming from Ms. Kinchen. You may begin your comment.

Christie Lee Kinchen: Good afternoon and good evening, mayor. My name is Christie Lee Kinchen: and I live at 8701 Valley Vista Drive, and I'm here tonight to ask for your support of the Kimsey project. I am a native to Arizona. I grew up in Scottsdale.

I attended many of our great public schools and I'm currently a second term city of Scottsdale historic preservation commissioner and with the mention I'm here today not in that official role but as a resident of Scottsdale who is passionate about our city and preservation. I don't get paid by developers, despite what you see some anonymous meetings on the subject. Scottsdale is a dynamic city. It doesn't need to be reimaged or changed to succeed.

And as a city we must establish the highest possible development standards and only deviations allowed you are in current zoning if there's a rare circumstance that warrants it. This Ralph Haver triangle building feels like one of those instances. We have an opportunity to grow into the future while simultaneously respecting our past. I have called this project mid-century modern.

This is first time ever in our city's history to have a building up for historic building preservation with an adapt reuse with a redevelopment project. And I think back to why I wanted to become a historic preservation commissioner in the first place and it was because I was watching iconic places around Scottsdale that are part of my own life's story and many others, constantly torn down only to be replaced by uninspired vanilla boxes.

If you erase our past, we are just like any other city and I want to educate our leadership on why historic preservation is great for our local economy in particular, adaptive reuse and here we are.

We only have to look west to the city of Phoenix to see how they handle historic preservation and adaptive reduce. They take an old abandoned church and see a new it taco and residents and tourists celebrate these projects and I love this quote from saving place. More than ever, cultural and natural assets form the basis for economic development in small communities.

The greatest attraction from an economic growth and many of these towns are the quality of life, natural environment, and historic legacy and cultural context. Protecting need not be a limitation rather it be the basis for it. And cities are ignoring the his tore preservations do not pay attention, almost certain to suffer financial losses. Preserving the historic character is vital to have an economic edge over other cities. I love what I do for a living and how it ties me to the historic preservation.

Mayor Ortega: Thank you. Wrap up.

Christie Lee Kinchen: Oh, okay. Thank you. Sorry.

Mayor Ortega: Next.

Shane Stone: Our next public comment will be coming from Mr. Free. Mr. Free, you should now be able to press star six on your device and begin your comment.

[Time: 01:20:03]

David Free: Hello, thank you and hello mayor and city councilmembers. My name is David free and I'm at 4237 north craftsman court. I have been a resident of old town Scottsdale for 23 years. I have owned multiple businesses in old town and I have owned a building on craftsman court for the past 15 years and I live less than a mile from the Kimsey project. To say I'm vested in this neighborhood would be an understatement.

Our neighborhood has spoken loudly with hundreds of email to the city council over 100 signatures on the petition supporting the Kimsey project, and we have made it clear that almost every surrounding property owner, business owner, and resident in our neighborhood favored this project. This is not a building height discussion for us. Of which we have the luxury to g bait over 9 or 10 feet of -- debate over 9 or 10 feet of building height.

However the people who live, work and invest in this neighborhood, this is a building -- this is a business survival discussion. The people attending this meeting tonight need to realize that our neighborhood is in desperate need of a lifeline. Our businesses are barely surviving, and our neighborhood is a mess as a result. It is sad to see what's happening down here.

We have crime issues, homeless people moving in, and our neighborhood looks like a ghost town, not a western town during the non-tourist season. I can't believe I'm saying this about the center of old town Scottsdale but it's a reality. We have a lifeline being thrown to us and we can't miss our chance to grab it. If this project is lost, it's not just the loss of a hotel that will bring tens of thousands a people to our neighborhood who will be working and living and spending their money in our neighborhood during a non-tourist tonight but it could be a loss of a lifeline that could save the small businesses and the livelihood of the people who work in them.

Nobody loves this area more than the people from our neighborhood. We want good projects and we want to protect the history of Scottsdale. But pave a clear path for a positive future. This is why raised my hand to speak tonight. This is a good project that will help so many people thrive rather than just survive.

Mayor Ortega: Thank you, sir.

Shane Stone: And our next public comment will be coming from Mr. Henninger. Mr. Henninger,

you should now be able to press star six on your device and –

[ No audio ]

[Time: 01:22:33]

Don Henninger: Once in a while an opportunity occurs where two issues that seem to be on divergent tracks instead find themselves perfectly aligned. And the Kimsey project is exactly that. It's a project that respected the city's rich heritage and it bolsters the city's economy. A lot of hard work and study has gone into this project, and I hope you will move forward with this today without any more delays.

As you know, it's already been approved unanimously by the development and review board, and historic preservation commission, and cleared the planning commission on a 5-1 vote. Public open houses have been held in addition to individual stakeholder meetings, where design changes were made with their input. And perhaps most important, the majority of nearby property owners support it as well. The fact is downtown business owners need this.

Many of them are hoping the city will allow high-quality projects like this, that will bring more people downtown. A lot of business owners simply won't survive without this kind of activity. Like you just heard they need a lifeline. The time for more delays is over. It's been through just already. Many concessions have been made with the city's approval. To delay this project any longer very possibly could jeopardize it.

This is a unique chance for the city to revitalize this part of downtown with new housing and new hospitality while preserving an important part of Scottsdale's history. And I encourage you to approve this project today. Thank you for your time your service to our city.

Shane Stone: And our next public comment will be coming from Ms. Warfield. Ms. Warfield, you should now be able to press star six on your device and begin your public comment.

[Time: 01:24:35]

Mayor Ortega: And just a small reminder, you get two bells. So when you hear two bells, why we really appreciate the comments. Thank you.

Shane Stone: And Ms. Warfield, it's showing on my end that you are unmuted. But were not hearing anything. Ms. Warfield –

Amanda Warfield: Are you --

Shane Stone: Oh. I pressed the mute button on you, Ms. Warfield right as I began to hear you.

So please press star six again and begin your comment.

Amanda Warfield: Okay. Is that better?

Shane Stone: I can hear you.

Amanda Warfield: Can you hear me.

Shane Stone: Thank you.

Amanda Warfield: I'm so sorry. Good grief.

Hello, and thank you, city councilmembers. My name is Amanda Warfield. And I am the owner of Warfield's Hair Bar on 4161 North Marshall Way suite 105. As an old town business owner who works less than 100 yards from the Kimsey suite, I am a true stakeholder in this neighborhood.

Old town has the potential to become exponential and uniquely walkable place to live, work, stay and experience. That said, in order to reach its full potential, old town needs projects that create a reliable human presence. I personally have been doing air in the area for 11 years. I decided to open a shop in this specific area because I could see the potential for immense growth in foot traffic.

My small business relies on both pedestrian traffic and continual expansion of the area. We are a high-end barberry and nail that thrives on walk-in clientele. The potential of thousands of new projects that the Kimsey project would bring in and -- oh, excuse me. The potential thousands of new clients that the Kimsey project would bring in would heavily impact the heartbeat of my business.

Additionally, this new project will allow for stability in year round residents and visitors who have a major result on surrounding businesses. I'm aware that there are loud anti-development voices that oppose the Kimsey.

These are held in individuals who do not live in the area and do not employ hard-working Arizonans and are not part of the Scottsdale economic engine. They do not spend significant time in the neighborhood accordingly they fail to seat underutilized buildings like the venue create special dead zones and attract a criminal element.

We work on the significance to the project, however, their true motivation is a desire to maintain the status quo. They don't want my neighborhood to change even though they do not live or work in old town. While there is nothing inherently wrong with nostalgia, it's not a compelling reason to prevent the economic and aesthetic success of my neighborhood.

I really appreciate your time and I hope we don't listen to nay sayers and I hope we push forward this project because it helps and benefits everyone. Thank you for your time and I appreciate it.

[Time: 01:28:02]

Mayor Ortega: Thank you.

Shane Stone: And our next public comments from Mr. Norton. Mr. Norton, you should be able to press star six on your device and begin your public comment.

Mike Norton: Mayor Ortega and Vice Mayor Janik, and city council, thank you very much for allowing me to speak. The process of civil discussion about issues in our community is one of the most important things that keeps is Scottsdale as vibrant as it has always been.

It's the first major project before a mostly new city council. This project is watched with far more attention than any other new project ever deserves. Normally the project is the focus of attention and normally the project deserves all the discussion, but this time the real focus of attention is component our new mayor and our new city council and what message you are about to send to the rest of the community.

City council's decision, whether it's a aye or a nay will tell us loudly whether other property owners who want to move forward should do so or just pack up their tents and wait for a new city council to be elected. I really hope that the message sent is please go forward. Because the Kimsey project parcel.

It should be protected. It's a parcel that should be protected, that between which should be rebuilt. It's a block between the downtown area and the arts district and it could become a passage way and energizer for those two areas. We saved the best while we upgrade the worst.

We link the old town arts district to the best of the downtown area. We inject more consumers into the economy, and we make that area vibrant. We make the business owners excited and happy about what's going on. We do that with significantly lower profile than throughout the rest of this city. There are 8 to 12 story buildings all around this parcel. So the many good reasons to say yes. Are obvious.

The one good reason to say no is to send a message that Scottsdale is closed for business. That's a really bad reason to deny the approval inform project. Thank you for letting me speak.

Mayor Ortega: Thank you.

Shane Stone: And our next public comment will be coming from Ms. Haver. Ms. Haver, should you now be able to press star six on your device and begin your public comment.

[Time: 01:30:54]

Joyce Haver: Good evening mayor and city council. I'm Joyce Haver. I live at 6419 north 31<sup>st</sup> street in Phoenix. Although, I'm in Scottsdale on a regular basis, and I have lived here my entire life. And I'm here tonight representing the Haver family, the sons, daughters-in-law and grandchildren of Ralph Haver.

After listening to some of these comments -- I will be brief, but the economic development opportunities are vitally important for old town Scottsdale and it has enormous potential and the fact that you can mix in an project and preserving an historic project by a very well known architect.

I didn't know that this is a new city council. I'm so much in favor of this. I appreciate people taking the opportunity to try to preserve this historic building and also taking a new economic development project like this that is very important. Thank you very much for your time. I hope you will pass this this evening. Thank you.

Shane Stone: And our next public comment will be coming from Mr. Johnson. Mr. Johnson, you should now be able to press star six on your device and begin your public comment.

Steve Johnson: Hi, mayor and council. What we are looking at historic and progress. 100 years ago, this was desert. And then someone decided to farm it. And then shops were bill and I'm sure back then there were citizens that were saying they have to stop this crazy growth. More buildings were built and the downtown started to flourish.

That was 50 some odd years ago, but right now, it's about outgrown itself and those old building are out of date and considerably out of code and many of them are derelict. This describes 50% of this parcel that the Kimsey project son and I have been on craftsman court for 22 years. I own my business and my residence is here on craftsman court and there I have seen dozens of businesses go out of year at the south end of my street because nothing has been really occupied down there.

This project is unbelievable. The board -- the council has done a great job of pushing it and making it for everybody. This whole quadrant needs something that we haven't seen in 40 or 50 years. I think it's an amazing project I'm humbled by the way all of the building owners and the people have come together to voice their opinion so the mayor and the council know how strongly we stand together with all of this. And I hope that we are listened to and I hope you vote yes on this project. Thank you for your time.

Shane Stone: And our next public comment will be coming from Ms. Wilson. Ms. Wilson, you should now be able to press star six on your device to begin your public comment.

[Time: 01:34:34]

Jennifer Wilson: Hello. My name is Jennifer Wilson and I own a luxury furniture showroom in downtown Scottsdale at 4145 north Goldwater boulevard, less and 200 yards from the Kimsey site. I'm an Arizona native and very excited about this Kimsey project. It will allow Scottsdale to be a more walkable city and it will create meaningful energy that will materially improve my business and the surrounding businesses as well as appeal to the neighborhood. And that's it. Thank you.

Shane Stone: And our next public comment will come from Mr. Plato. Mr. Plato, you should be able to press star six on your device and begin your public comment.

Thomas Plato: My name is Tommy Plato and I'm a restaurant owner and property owner at 4166 north Scottsdale Road. I am one of the closest buildings to the Kimsey project and I'm here to voice my support and I appreciate everybody who has come so hard in support of this project and I'm also in support of this project. Due to a variety of factors but one of the most significant reasons is it's a conscious development.

The developers have done a good job in tying all things together with the landscaping, with the height, with everything that they have put forward, there's a real effort to actually preserve Scottsdale for what beauty it does bring and the architecture that is here and also at Val sue in a significant way with a mixed use of the apartments and also the hotel. I think it will add variety. If you vote no, you are voting no against small business. The small businesses in this area are significant. They are pry letter my maul business owners in quadrant which we like to consider the heart of Scottsdale and the last quadrant that connects everything that has not seen any development in the last 50 years. We need it.

And it's important that you vote this yes because they small business owners are hurting and we need some sort of shot in the arm and this will provide that for us. And I really appreciate the city council's time and the mayor and the Vice Mayor, and thank you so much.

Shane Stone: And the next public comment will come from Ms. Davis. Ms. Davis, you should be able to press star six on your device and begin your public comment.

Andrea Davis: Hi my name is Andrea Davis. Thank you so much for hearing my voice today. I reside at 9174 east conquistador drive. I live in old Scottsdale, middle Scottsdale and north Scottsdale and I'm very much in favor of this project. The reasons I support this is that it revitalized a tired, old neglected corner of old town Scottsdale. Most importantly, it supports and revitalizes many of the small businesses down there that desperately need the foot traffic, all year round.

And I'm absolutely awe struck with how the architect took the historic triangular Kimsey building and incorporated it into the project and this will be an icon for generations to come

architecturally it's a tuning project that's partially landscaped. And I think what impresses me most is how the developers actually, they really listens and heard what the local business owners had to say and what residents were looking for in that part of the area.

So again, I do hope that, you have heard all the voices in support of the project and that you vote yes on this. Thank you -- yes on this. Thank you so much.

Shane Stone: And our next public comment will be coming from Ms. King. Ms. King, you should now be able to press star six on your device and begin your public comment. Ms. King, on my end, it's showing up that you are still muted. Please press star six to unmute yourself and begin your public comment.

[Time: 01:39:42]

Alison King: Do you hear me now?

Shane Stone: I can hear you now. Thank you.

Alison King: Good evening. My name is Allison King, but I was born and raised in Scottsdale. And I'm a professor the design history and modernphoenix.com and I'm speaking to you in tonight in support of the Kimsey project.

I'm a product of the Scottsdale school system. Our churches and our schools and civic places have instilled in me a love for modern architecture and this city has molded who I am, because places have that power he spent the last years. But I can't take all the credit.

Because here is what gave me hope that the status on the national stage could be accomplished it was a presentation I attended 16 years ago by a former Scottsdale H.P. commissioner Debbie Abel and Grady Gammage, Jr., and they built a case for the Ralph Haver A.I.A. 16 years ago and I became Haver's biographer and digging deep into his work and authenticating the buildings like the Kimsey, so people can connect with the characters of history and as Gerd so eloquently shared in his update, arts and culture are central to Scottsdale's identity and that includes architecture and I can't wait to host my first event at the Kimsey.

Haver had award-master works like the Seneca theater, were ravaged and we have an opportunity to amend that with examine of the Kimsey property. This new development proposes a commercial and cultural hub that could serve as a modern how to do preservation right in harmony and respect to the people who live, work and play here.

And, you know, just two years ago, the Kimsey building was on the chopping block. Can you even imagine Indian School without it? They found a way to make things right with the compatible plan and some revisions that address many citizens' concerns. So I urge you to support historic preservation of this project and forge a way forward for the past and present



needs to inspire the new generation. Your people have spoken. I see a lot of support. Let's do something historic together. Thank you.

Shane Stone: And our next public comment will be coming from Ms. Diamond. Ms. Diamond, please press star six on your device and begin your public comment.

[Time: 01:42:36]

Susie Diamond: My name is Susie Diamond. I'm a small business owner on 7084 east 5<sup>th</sup> avenue. I wanted to voice my support for the Kimsey project, being a small business owner, I have a store in old town and also in north Scottsdale at the Scottsdale corridor.

I'm getting tired of all of my customers telling me that they don't go to old town and they won't even take their family and friends there when they visit because of the way that it's deteriorated. And there's so much potential year and the Kimsey project will bring us the year round foot traffic. I know the people opposing the project are uncomfortable with change.

Nobody understands that more than I as a 40 something who left my corporate job and put my whole self in my small business in the last couple of years. I get it that it's scary, but just like I thrived in the last three years, I know that old town will thrive with the Kimsey project. I just wanted to voice my support and hope we can make it happen.

Shane Stone: The next public comment will come from Mr. Hugus. Please press star six on your device and begin your public comment.

Brent Hugus: Hello city council, my name is Brent Hugus and I'm the president and owner of Eggerman's Studios located at 4161 north Marshall Way at the corner of third avenue and Marshall. And I'm in support of the proposed Kimsey project. We chose old town as our showroom location for about three years ago which is crazy to think that time as known by. -- flown by.

One the major reasons was because of the future developments we learned about at the time from our real estate broker. We were very excited about the only growth that old town has to offer and wanted to be a part of it. After experiencing the last couple of years and seeing the pushback these projects have had, it's making us second guess our decision. Projects like the Kimsey project will help old town reach its full potential to become exception, and uniquely walkable place to live, work stay and experience.

We need more projects like this. Vote yes. Bring a human presence to old town Scottsdale and deliver it to the true stakeholders like myself the opportunity to thrive. Thank you for your consideration.

Shane Stone: And our next public comment will be coming from Mr. Hainsworth.

Mr. Hainsworth, please press star six on your device and begin your public comment.

[Time: 01:45:31]

Eric Hainsworth: Good evening Mayor Ortega and city councilmembers. Thank you for your time. My name is Eric Hainsworth, I'm a Scottsdale resident at 1119 north 71<sup>st</sup> street. My wife and I own a small business calls Hainsworth and company salon. We are a full-service hair salon in business since 2017.

We have experienced amazing growth in our four years and we want to continue that growth. So we are in the process of offing our hair salon to the heart of old town Scottsdale at 4147 north Goldwater boulevard, just around the corner from the proposed Kimsey project. As I mentioned we are moving our hair salon to old town and I can't describe how massive of an impact this project would have on our business growth.

40,000 plus rooms a night a year and 230 condos would bring unimaginable growth to our walk-in business and blow dry concepts. The event that would take place at the proposed project would heavily increase our appointment-based business. My wife and I are investing the next ten plus years into the area and would love nothing more than to see this project approved to help our small business and the other small businesses around us succeed.

I urge you to think about the jobs and the financial security this project would bring to the business owners and employees of old town Scottsdale. Thank you for your time and your service.

Shane Stone: And our next public comment will be coming from Mr. Alexander. Mr. Alexander, please press star six to begin your public comment.

Jason Alexander: Hi, this is Jason Alexander. I'm an 11-year resident of the Scottsdale. My wife, my two daughters are also 11-year residents of Scottsdale. All four of us support the Kimsey development. Our goals and future as a family are premised on living in a vibrant city. We have no ties to development or real estate.

My wife and I are the quintessential 21<sup>st</sup> century knowledge workers who can work anywhere. We chose to move to Scottsdale 11 years ago because we wanted to be close to corporate headquarters and booming high tech companies and raises a small city that balances density with open spaces.

We want Scottsdale to grow and move forward so we continue to have jobs and amenities, shopping, arts, culture, parks and restaurant and our home values continue to appreciate. We love the tapestry of downtown.

My family and I rode our bikes for lunch at farm and craft near Scottsdale and Camelback Road.

The diverse bustling urban environment is unique to the valley and the Kimsey will support this. The economic security that all residents want is heavily invested in the success of our downtown.

The light should not concern residents of north Scottsdale. We can run to the top of pinnacle peak and not see it. I urge you all to vote yes. Thank you for your time.

Shane Stone: Mayor Ortega and members of council this concludes public comment on this item.

Mayor Ortega: Thank you very much for managing that. Do we have any questions at this time?

[Time: 01:49:15]

John Berry: Mr. -- I'm sorry, mayor this is John Berry. I think I'm entitled to five minutes based on the speakers?

Mayor Ortega: Oh, yes, go ahead and comment. I was going to ask the staff or the applicant.

John Berry: I apologize for the interruption, mayor. One additional public comment I would like to read into the record before I make the comments on the speakers. This is an email you received today and is dated yesterday.

I'm the area vice president of logic development for Marriott international. Marriott has a longstanding relationship with PEG Development, and I'm thrilled to be a part of another successful project with this company, I'm pleased to tell you that this boutique-like hotel will be an A.C. hotel by Marriott. A curated upscale hotel. The A.C. hotel brand is a classically designed locally influenced hotel that will bring both business and recreational travelers to the heart of old town Scottsdale. Signed Melissa Gonzalez vice president.

Mayor and members of the council we are gratified by the far reaching geographical support to save Kimsey building but I would like to focus my thoughts on the speakers and one group and they are the neighbors in the neighborhood most impacted by your decision tonight. As one speaker said, they live there.

They work there and for many, their life's savings and hope for the future are invested there. You heard their passion for the neighborhood, their pride in their neighborhood, and yes, their fear for the future of their neighborhood.

Now, the opposition and the emailed comments stressed they do not want the character of this neighborhood to change. Leave it the same or even go back in time. Now, is this proposal a positive or negative for the character of this area? It seems from the speakers that the answer is tied to whether you are a neighbor or not. The closest neighbors want change. They are

pleading for change.

No one better understands the character of this area than these neighbors who daily experience the changing character of their neighborhood. A few images provided by the neighbors highlight what they are dealing with. I think we need to share the screen if we could. I apologize. That would be number 24. Graffiti is intruding into the area. Here are just some examples of police activity. The Howard Johnson motel in the last six. And immediately behind the neighbors, in the city's third avenue parking garage is a homeless camp.

Now, these neighbors have provided to you and emails to you a map that shows the support around the area for the proposed project, there are 340 -- as of today, 340 emails and petition signatures submitted to the city. As you heard from these neighbors, these neighbors cannot wait for the character of this area to change.

They cannot wait longer to see if their dreams and life's saving and retirement are destroyed while they wait for even more city studies. Quite simply, these neighbors cannot pte for you to approve this \$150 million private sector economic lifeline. You heard them. They say the time for action is now. Tonight.

We thank you very much for your ascension and I'm happy to answer any questions you may have.

Mayor Ortega: Thank you. At this point, I would entertain a motion and then we can have a discussion on the motion to keep things going. I see Councilmember Milhaven and then Caputi.

**ITEM 23 – THE KIMSEY – TRIANGLE (10-ZN-2020 AND 4-DA-2020) - MOTION**

[Time: 01:53:55]

Councilmember Milhaven: I will make a motion to adopt, ordinance 4491 and resolution, 12090, declaring document titled the Kimsey development plan to be a public report and adopt resolution 12095 declaring the document titled the Kimsey building historic preservation plan and design guidelines a public record. And adopt resolution 12094, authorizing development agreement 2021-025-COS with PEG Phoenix Indian School LLC.

Councilmember Caputi: Second.

Mayor Ortega: Did you want to speak to your second.

Councilmember Caputi: Can you want to speak to your motion, Councilwoman Milhaven.

Councilmember Milhaven: Sure. I will open it up since I made the motion. As I was listening to the speakers, I was speaking about my family came here and we used to go to the Farrell's ice

cream parlor across the street from the Kimsey building in the early '70s. For those of you who were not there, it was an 1890s ice cream parlor where you had to go there for your birthday for free ice cream, right?

[Time: 01:55:10]

[ Laughter ]

Betty remembers. And a lot has changed since the early '70s when we all went there and our downtown was regional destination shop. But then Los Arcos mall peeled off business and then fashion square was built and took more business away from our downtown. And so what was once a vibrant and thriving no longer became a destination shop shopping center regionally, and then we built the resorts in the '70s and resorts became self-contained.

The goal was to keep tourists in their resorts and that then impacted the traffic downtown and we heard in recent years a lot of the small business owners talking about well, why don't the resorts send more businesses here?

And I think we heard from the folks who live nearby and I completely agree the impact on the neighbors, I think we need to listen to those voices, even more closely than others have said how important this is to the economic viability of this part of town.

And then I'm also thinking about my office has been in this part of our downtown for almost 30 years.

And I have seen and actually on third avenue on the other side of Scottsdale road and I know how challenged this part of our community is and so it's about having more people living and staying in downtown and I think this kind of resort that's integral to downtown is exactly what we need.

And so I'm excited about this project. I hope my colleagues are as well. It does sadden me a bit that we took some height off the project. I know some of my colleagues were uncomfortable with 96 feet.

What I would point out at the current 76 feet, it's about half the size of the waterfront towers and as I look at some of the development that we have Doppler radar in the downtown, I think something that we can be really proud of what those water towers did for developing the south side of Scottsdale Road that allowed for the extension of the mall and supports all of that beautiful development around the canal.

And looking at the waterfront towers at 150 feet, if we took two stories off of it, would it be aesthetically more pleasing, I don't think so but the impact would not be nearly as dramatic. At 76 feet, it's half of the side and 96 feet, it's only two more stories. I think at 96 feet, it would be even more impactful to our downtown than 76 feet. I'm sorry we took the 20 feet off.

I would love to put it back, but if my colleagues don't see the wisdom in that. I think it's just great for our downtown and a real shot in the arm. So thank you.

Mayor Ortega: Councilwoman Caputi.

[Time: 01:58:07]

Councilmember Caputi: Thank you. People are always saying they are not against growth. They want quality growth that respects our path while moving noose the future. We want projects that have a great amount of outreach, where we give the residents time for comment and we are able to make improvements and projects that have community benefit.

We want projects that are contextually appropriate for the neighborhoods that they are, in and balance the needs of all the stakeholders and are wanted my most of the immediate neighbors. Well, here is that project! We need this project and I think we need it now to help the struggling businesses downtown. I had that there be a slide put up. If not, he can talk around it. But no big deal.

Kelli Kuester: It's coming.

I had a really interesting slide kind of showing a map of hold town and it's I think most of have even this because it was emailed to us. It's showing dirt lots, closed businesses and empty buildings and projects on hold and hops that are month-to-month leases. Take a look at that dead space in the downtown. I can't get over it. We say we want to save the old town. We are not succeeding. This is a city that's not succeeding. It looks like it's failing to me. We had a long trend of business closures and lots scrapped to dirt.

If we actually do want to save the character of old town, and the special shops, which we all say we want to, then we need to bring people and activity and investment into our downtown. This Kimsey project is a lifeline as we heard from the people most impacted, the local merchants are literally begging us for it. I think council needs to fix our downtown. To the residents and tourists of tomorrow, want trinket shops and dentist offices and more dirt lots like this?

What is our plan to put new businesses into these empty buildings? What our plan to investors hasn't you to do we turn into success story. We can't drive away great projects that bring people and businesses to our downtown. If we say no to the Kimsey, we will lose the tax revenues from \$150 million project. These are taxes that fund our preserve, our amenities and the low property taxes and all the things that we love about our city.

As we have heard, the Kimsey will bring people to the historic area and the gallery nearby. It feeds the character. It doesn't destroy it. This project will save businesses and create jobs downtown. This area is dying.

If we want to save the downtown, we need to keep people coming in every day, residents and employees on a regular basis, not just during tourist season. People are looking at the Kimsey to decide whether they will move forward or if they are going to move elsewhere. This will affect the development for the next five years or more in our city. How many more dirt lots will we have added between now and then our downtown is not thriving as we heard. It's barely surviving. Let's built this project now and create a win for our city.

Mayor Ortega: Thank you. Councilwoman Littlefield?

[Time: 02:01:57]

Councilmember Littlefield: Thank you, mayor. This is a very difficult decision, but I will not be supporting this project tonight. This is exactly what citizens across the city would votes for us the new council majority want us to vote against.

The vast majority of citizens do not want our old downtown old town destroyed by replacing it with an out-of-code tall, dense building in the very heart of you are city. It was shameful on the previous council's part that the citizens had to force a referendum twice when inappropriate buildings were proposed.

Once was inside the preserve and once more recently was in downtown was south bridge two. Are we so deaf that we still cannot hear them. Within a very short time frame, 17,000 citizens signed the south bridge two referendum.

They signed only because they care about Scottsdale's old town and the character and the western flavor that is not something that our people in Scottsdale from those who live in old town don't care about. They do and they proved it.

Unlike speak those who received they had no personal monetary interest. In we pass this tonight, we will be telling them, our citizens once again we are not listening. A question. Why do we even have height limits in our code if we just ignore them every time a developer requests more?

Our codes have become nearly the lowest starting point from which developers can go up. And that is what has happened here. This project my friends is the camel's nose under the tent. If we pass this there's no stopping of the destruction of our historical old town that brings tourists here to visit.

The developers will be falling all over themselves to tear it down and build it up. Way up! To quote from one of the emails I received from the resident. The Kimsey is a test case that has wide ranging implications for the future. Including the new general plan.

This issue is much more important to Scottsdale voters than any other particular project proposal because in the November elections once again voters calls for a clear change in the direction of Scottsdale's city hall. This is our first test. By failing here tonight on something they believe with had we had promised why would they believe us when we say vote for the general plan, it's a great one and we have our best interests at heart. Would you believe us? I would not.

Now again we have an oversized tall building proposed for old town. It will cut the sidelines of Camelback Mountain in many places and further clog our narrow street and strain our old infrastructure. To quote from another email, please don't embarrass our city again by forcing us to have yet another referendum to reverse another zoning action like we had to do with south bridge two referendum recently.

[Time: 02:05:49]

To judge from past history, I would not take that threat too lightly, but while I don't take the possibility of a referendum too much at heart with this, I do believe our citizens will be watching tonight to see if we practice what we preach. And if we hold true to our promises to them. No one said in this campaign that this would be easy. It's not.

But we do know what we promised the citizens in our elections, and we also know what the citizens want and expect from us in return for their trust and their vote. To the developer, build this to 36 feet, the allowed height in our code. I will give you 4 feet mechanical, but I cannot agree to more than double the allowed height of this location.

It would not look, nor would it be appropriate with the surrounding areas. Putting aside everything else, I will not vote against the 17,000 Scottsdale citizens from all areas of the city, who told us loud and clear that they did not want high dense buildings in our downtown. They couldn't have been any clearer.

I promised to be their voice on council and against what we know from the south bridge two referendum, if nothing else, people across the entire city do not want this kind of additional height in old town. I won't betray them. I'm sorry.

Mayor Ortega: Next Vice Mayor Janik and then Councilmember Whitehead and Councilmember Durham.

[Time: 02:07:38]

Vice Mayor Janik: My position on the Kimsey is based on extensive input from the community from all sides of the spectrum. This project has undergone extensive negotiations to reduce height, density and incorporate our city goals of walkability and sustainability and design.

It is also truly the first project that adds a significant benefit with the preservation of the historic



Haver building. The Kimsey is not about the developers who profit from their projects nor the lawyers that represent them. It's about the heart of the city, which is on life support. And this was true even before COVID.

There are too many empty stores and too many revolving doors where tenants move in for six months and move out after spending their money for not there's too many empty sidewalks because residents are concerned about their safety. For me, it is about the fellow citizens who live and work in this part of town, and they love their city.

Many have been here, 10, 20, over 20 years. They have put in countless hours in financial support for their businesses and livelihood. Now it is time to revive the heart of the city before it's lost.

The Kimsey will be the lifeline that moves the neighborhood forward with much needed customers and bed traffic. It's where we need now to give us the draw for domestic and international travel. I believe this project is in the best interest of Scottsdale and I support it. Thank you.

Mayor Ortega: Councilwoman Whitehead.

Councilmember Whitehead: Thank you, mayor. I won't repeat a lot of what has been said. I want to talk just about what unites us. And what I have heard from everybody in this city is that they want to protect and preserve what is special about Scottsdale. And I will tell you what that is, it's the unique local stores and restaurants. That is what is -- that is what makes Scottsdale special. That is the allure of our city.

I think city councils across the country are all saying is that they absolutely want to champion local businesses because local businesses are what differentiate one city from another. So we have 110 local businesses that have come to us in support of this project and we're going to tell them no and we're going to tell them that we know better. Not me.

I will support my local businesses because I know that they are? They are the experts just as we had experts who help create the preserve or decide to build Mustang library. These businesses that have invested their lives in downtown know best and they support this project. They want to create a neighborhood.

Done we all as I think Councilwoman Janik said. We want to have a livable, walkable neighborhood that's in the general plan. Well, good he is what is missing -- well, guess what is missing folks, residents. There's no planned residence. There's nothing in the pipeline for this area.

These people, many of them who do live there need some neighbors and this project provides that and I want to talk about eight too. The time to discuss 36 feet of height was 2018. When

this city council which includes my friends and colleagues Councilwoman Littlefield and Milhaven. They unanimously voted to approve a height of 66 feet, not 36 feet in this quadrant and up to 150 feet. So the time to discuss height was then, not now.

We are not going to put that Genie back in the bottle, but what we can do is make sure that this area thrives so that the individual property owners of the unique narrow lots along craftsman courts and other streets in the quadrant are confident in their profitability and invest and actually protect those 36-foot and lower properties. So that's what I'm doing when I'm voting in favor of this project. First, I'm championing our local businesses. I'm investing in an area that is dying and I want it to be vibrant and walkable. And I know and I'm seeing the proposals, we are protecting many of the significant buildings that are low-rise by allowing the area to survive. I'm very enthusiastic about this and about the Kimsey proposal and I will support it. Thank you, mayor.

Mayor Ortega: Councilman Durham.

[Time: 02:13:31]

Councilmember Durham: I think we all recognize that this is a very important project. So I'm going to explain my reasons in some detail. I will be supporting this project and voting for this project. The principal reason for my support is that the old town area desperately needs more residents living there 24 hours a day and I believed this before the Kimsey project came to the fore in my conversations with local residents and business owners only intensified my belief. If you haven't walked this area lately, you should.

You will see many boarded up storefronts. Over the last six years, I have seen a marked decline in this area. One of our favorite stores on Marshall Way closed up several years ago and it was one of our favorite places to find gifts and it's no longer there. Many smaller merchants already left and those that remain are having a hard time hanging on.

There's a high turnover in leases and I spoken to many of the businesses in this area. And we have heard many of them on the comments tonight. While we have many tourists in the area around 5<sup>th</sup> avenue and the canal, my observes tell me that much of this foot traffic doesn't move south beyond 5<sup>th</sup> avenue or west beyond Scottsdale. It simply doesn't penetrate to the interior of this quadrant.

If you find yourself at the intersection of craftsman court and third avenue, you are probably a tourist who is lost, because there's no reason why anyone would want to go there. So the solution to this problem is to bring more residents to the area. It might not be the complete solution, but old town will not thrive and recover without more foot traffic and higher end shops that depend on permanent residents.

Now, as many people have reminded me, the current zoning for this spot is 36 feet. If my

history -- if my understanding is correct, I think it was given that zoning in 1951, which is 70 years ago. I take zoning restrictions very seriously. They represent the considered judgment of the city and its citizens at some point in time, about how the city ought to look and those zoning rules should not be thrown aside lightly and shouldn't be changes absent very good reasons.

[Time: 02:16:25]

But I think we have a good reason here. Zoning is for a planned block development. And this creates a 24-hour community downtown. And I think this time of zoning is appropriate. The general plan and the character area plan both call for residence in this area but we don't have any right now or we don't have very many.

So I think this is completely consistent with the general plan and the character area plan. Now, during the recent campaign, I stated that I was in favor of smart growth or what I called thoughtful growth. What did I mean by that. Not all projects get automatically approved.

Tonight we heard from a number of people who have never seen a project they didn't like and frankly, I don't listen to their comments that much. The key to me in every case is what's in the best interest of Scottsdale? And that requires considering many factors. For me, they include what type of use is being offered. Is that use good for Scottsdale? Is the proposed location a good location for that type of use? Does the project meet Scottsdale's high standards of design? Does the project promote or detract from the character of Scottsdale? Are the citizens in favor of it?

In my view this project passes all of those tests. I have already explained my belief that this needs more residents. The projects are likely to create a pedestrian pathway up and down Marshall Way and bringing activity farther south. And the pedestrian pathway will bring more traffic down to Indian School. It's a good location for this use. And is in the right place for this type of project? I think it is.

As I just mentioned, it will bring traffic farther south from Fifth Avenue. And this area does not present the best of old town, to say the least. It's not quaint. It's not western. I would urge anyone concerned with this project to walk the area around the intersection of craftsman court and third avenue it's a dead zone and something I discovered over the last month or two, is there's always a lot of concern about parking in Scottsdale, but if you want to find parking, go to third avenue because no one ever goes there and you will find plenty of parking spaces.

In the billings on this site do not -- and the building on this site do not contract to the character of Scottsdale. They detract from it. The venue has been closed for some time and the Howard Johnson hotel does not show Scottsdale at its best. There's been a lot of talk about whether this is a reincarnation of some of the prior projects, and if it were, I would not be voting for it.

The design of this project is better than some of the recent proposals. It includes required step

backs along Indian School Road, so there won't be a vertical wall along Indian School Road. These step backs will provide better site lines. The zoning requires balconies and patios so there will be life and activity along the front of the building. And the building offers a mix of material to increase interest.

[Time: 02:20:08]

Some of the recent projects I have criticized for blocking access to the canal featuring long massed buildings with vertical walls devoid of the architectural interest and none of those problems are presented in this project. So next I want to talk about height.

The plan block development rules allow height up to 66 feet to the roofline. And the applicant here is requesting an application of bonus provisions. The bonus requested is, I believe 6 feet or about half a story up to 70 feet to the roofline. I have criticized the use of bonus provisions in the past and I have even claimed that they are handed out like Halloween candy. Everybody gets one. But I think for first time, the application of the bonus provisions is warranted here for two reasons.

First, the requested bonus is only 6 -- bonus is only 6 feet, less than 10% of the total height or half of a story. Second, this project actually does present important public benefits. Most notable is the protection of the Haver building and second is the pedestrian gateway from third avenue to Indian School road. Will this building obstruct views? Not really.

I walked up and down this area and for most of the length of Indian school road, you can't see Camelback Mountain. At the intersection of Scottsdale and Indian School, you can get a glimpse of the tip of Camelback Mountain, which will probably be lost if this project is built. And that's a fact that I have taken into consideration in thinking this over.

These buildings will have a maximum height of 72 feet to the roofline this is less than one half of the height of the marquee, one half the height of south bridge two, and half the height of the collection. Buildings can go up to 36 feet and the building adjacent to the west is 36 feet. I think 2:1 ratio is not out of line for the projects that will offer the benefits of this.

Now some people have suggested that the developers here asked for 96 feet hoping to get 72 feet, but that doesn't reflect the pattern of the past. In the past the developers have never been shy for asking about every inch of bonus height and until now, they have always revved it. Even when their projects did -- received it, even when their projects didn't provide any particular benefit. So the voters did vote for a change last November. And they are getting it.

We are not giving every inch of the bonus height, the way it's worked in the past what about the effect on the character of Scottsdale? This building is on the south edge of quadrant, bounded by Scottsdale, Indian bend, the canal and Goldwater. So it's outside on the outside rim of this area. Is it higher than I would like? Yes, it probably is.

It's not perfect, but it reflects a significant compromise from the original project and I don't get control of who offers projects and where they are. Nobody is lining up to build a 36-foot building here. And frankly if it was a 36-foot, another block of big apartments, I'm not sure I would really want. That I would like to emphasize one feature which has been negotiated by Councilmember Whitehead.

Some prior development agreements have very long terms and we have one development agreement that has absolutely no term at all. It extends into infinity as far as I can tell and that leaves the city at the mercy of developers who are subject to those development agreements. But Councilmember Whitehead has asked for a five-year term in this agreement and if the developers don't begin the construction within that term, the zoning reverts to the current zoning and the Kimsey building continues to receive protection.

On the issue of parking, this project provides more parking than the recently proposed revisions to the parking coat. Parking is probably more of an art than it is a science and I think the parking is adequate here. And also this project has agreed to prohibit short-term rentals of its units. Finally, I would like to speak on the role of public opinion.

[Time: 02:25:05]

Some of the people in this area have claimed that the residents of north Scottsdale or other people should have no say in what happens in this area and I think even one of the commenters said the same thing. That only the people who live down in that area get a say in what goes on. I fundamentally disagree with that.

Everyone in Scottsdale gets to have a say in maintain the character and that includes this area, which is -- it presents the definition of our unique character. But I believe the people who live in the immediate area of a project should have a strong voice. First, they have the best knowledge of what is needed in a particular area, and second, they have the most at stake in terms of their livelihood and investment. The people who live and work in this area have given compelling reasons why this is the right project.

Finally, some people have claimed that this building created a precedence for the future. It does not, at least in my view. It's a particular building that meets a particular need at a particular location and provides important public benefits. To not refer the project will replicate that combination, and for that reason, I will be supporting the project. Thank you, Mayor Ortega.

Mayor Ortega: Thank you. Scottsdale has always been is the intersection of talent and investment. So if you look at Ralph Haver, he was a very talented architect and the investment that came with it really put the Kimsey building from the Kimsey family in Scottsdale. What we are dealing with today is where talent and investment chooses to go to downtown, old town Scottsdale.

For me, always a balance. The balance when we can have a point of pride whatever development comes and the type of investment that is worthy of Scottsdale is certainly retaining part of its history. And if I told you one the speakers tonight was a babysitter of our children -- okay -- and she's a young person and she's really excited about Haver and that part of Scottsdale's history.

So what we can do is realize that even that building was on the verge of probably one electrical fire away from being destroyed. But the other area buildings also had a shelf life. And when I look at the need for investment, we're looking at a blighted building. We are looking at a blighted situation, where I do want -- we talked about the core of Scottsdale needing the connectivity from old town to Fifth Avenue. And some scale to go with it, that would reinforce that.

I think anyone walking towards that area and towards that building would kind of turn around and -- and wouldn't continue that pathway. So I think that's where architect and planning decisions have to improve our walkability and certainly the -- create a point of pride. So we do have a contrast and we always have to have a balance with our decisions. I think that the precedent that we're setting is that -- well, I push back on that height hitting 100 feet. I push back and told them stop with the bonuses.

[Time: 02:29:21]

It's not like candy and, you know, it's not something that just is given out and bartered away. That made them, I believe, pull back from excessive height that was the Achilles heel that we were way, way past pushing the envelope. If we say south bridge, that was best example of the worst thing to do. In many cases that project as 100 feet deep and they wanted 160 feet deep. And this one is 400 feet deep.

They have the ability to get the room without blocking the canal as well. The other point I would make is we do welcome investment. I believe I have pushed back and our council will push back on the excesses that would blot out and not respect some of the areas that I call the core of Scottsdale. One the situations is that when people do come here, with our reputation we don't want them to go away disappointed. Old town is not about large brand stores or box stores. You leave that to fashion square. They follow that corporate model.

That corporate model doesn't work in old town Scottsdale. Why aren't Foot Locker and all of these other national brands there? They are locked into deals on the corporate side. And probably people coming here would not speak of a fashion square as -- in the same way that they know of old town.

We can support a balance and that is important. I have been involved dozens of rebuilds in Scottsdale that were successful to go stories and they had a different clientele and a character

to them, which is part of the appreciation that people have discussed. The voices I heard of small business people is significant.

That's the character that's excluded, let's say from a brand store, a national account an account that could come or go or be sold on the stock mark. We do put stock in Scottsdale. We have that direct interest. I am -- I think the words should go out that bonuses are the exception. I think I heard the applicant say they will keep is at 75 and not 76 feet. And I believe the appurtenances.

I will hold the politics to that because that's the actual intent that drew me to come to the conclusion that the price we are paying by eliminating the nuisance buildings that are there, some of the buildings are pretty scary and tattered and I believe as we emerge from the COVID situation, that there will be more infill and more businesses coming back into the empty storefronts.

So I do not accuse those empty situations as being a lot of heart break over a long-time store owners that were crippled and lost their life's savings because of COVID and all the ramifications of that. This is an important investment and for that, I will support the motion but I expect nothing but quality and performance.

**ITEM 23 – THE KIMSEY – TRIANGLE (10-ZN-2020 AND 4-DA-2020) – VOTE ON MOTION**

[Time: 02:33:56]

With, that I see no other comments from council. I will call for a vote and so note. Thank you.

[ No audio ]

Excuse me. At this point, we have concluded with the agenda items but I will ask for -- if there are any council items tonight, and if not, then I would adjourn our regular council meeting and we will be taking ten minutes and coming back for our work study and continue with our work here at city hall.

**ADJOURNMENT – MOTION AND VOTE**

[Time: 02:34:53]

Councilmember Whitehead: Do you need a motion to adjourn? I make a motion to adjourn.

Mayor Ortega: Well, we will move to adjourn. And second all in favor say aye.

[ Chorus of ayes ]

Mayor Ortega: Thank you.