

SCOTTSDALE CITY COUNCIL
WORK STUDY MINUTES
TUESDAY, MAY 10, 2016



CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 6:35 P.M. on Tuesday, May 10, 2016, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor David N. Smith
Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield,
Linda Milhaven, and Guy Phillips

Also Present: Acting City Manager Brian Biesemeyer
City Attorney Bruce Washburn
City Treasurer Jeff Nichols
City Auditor Sharron Walker
City Clerk Carolyn Jagger

MAYOR'S REPORT

Mayor Lane honored Navy Seal Charles Keating IV, who died May 3, 2016, in Iraq.

PUBLIC COMMENT

- Nick Labadie spoke in support of the proposed parking solutions (Item 2), including additional signage and enforcement.
- Fred Unger stressed the importance of parking enforcement (Item 2).

1. **Preserve Endowment Concept Update**

Request: Presentation, discussion, and possible direction to staff regarding a ballot measure seeking voter approval to change the use permitted for the Preserve tax to include an endowment for future operating, maintenance, and research costs.

Presenter(s): Kroy Ekblaw, Preserve Director

Staff Contact(s): Kroy Ekblaw, Preserve Director, 480-312-7064,
kekblaw@scottsdaleaz.gov

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

McDowell Sonoran Preserve Chair Bob Frost gave a presentation on the McDowell Sonoran Preserve Commission's recommendations.

Preserve Director Kroy Ekblaw gave a PowerPoint presentation (attached) on the Preserve endowment concept.

Former McDowell Sonoran Preserve Chair Jim Heitel gave a presentation on the Preserve endowment concept.

Council requested further detailed analysis and refinement of the endowment concept, research to include Preserve staff and the offices of the City Attorney, City Treasurer, and City Clerk, with focus on the legal and financial considerations of existing bond obligations, investments, elections law, election language, and election timing.

Councilmembers offered the following suggestions:

- Schedule the endowment concept research discussion for the same Work Study Session as the May 3 citizen petition so that they can be considered together.
- Research and provide information on paying off the Preserve bonds early.
- Research and provide information on ending the food sales portion of the Preserve tax.

2. Northeast Downtown Parking Deficiency Solutions Update

Request: Presentation, discussion, and possible direction to staff regarding short-term and long-term solutions to daytime parking deficiencies in Downtown Scottsdale, east of Scottsdale Road and north of Third Avenue.

Presenter(s): Danielle Casey, Economic Development Director

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651, pbasha@scottsdaleaz.gov; Danielle Casey, Economic Development Director, 480-312-7601, dcasey@scottsdaleaz.gov

Economic Director Danielle Casey and Transportation Director Paul Basha gave a PowerPoint presentation (attached) on northeast Downtown parking deficiency solutions.

Council suggested:

- Expanding trolley service to include an "express route," and exploring funding options that would provide for contributions from employers and landlords who benefit from the expanded service to help offset the increase in the trolley operating costs.
- Implementing two-hour parking and P-3 permit parking.
- Adding an additional parking enforcement position without increasing the budget.
- Issuing a privately designed and funded parking structure Request for Proposal (RFP), and asking respondents to reply with the maximum number of parking spaces they can provide.
- Exploring costs for augmenting existing signage and quickly making improvements to signage using existing resources.
- Exploring costs associated with parking apps to include space sensing technology.

Mayor and Council Items – None

ADJOURNMENT

The Work Study Session adjourned at 8:06 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on

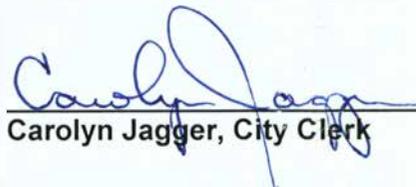
June 7, 2016

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study of the City Council of Scottsdale, Arizona held on the 10th day of May 2016.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 7th day of June 2016.



Carolyn Jagger, City Clerk

Item 1



May 10, 2016

Scottsdale's McDowell Sonoran Preserve City Council Work Study Session - Endowment Concept



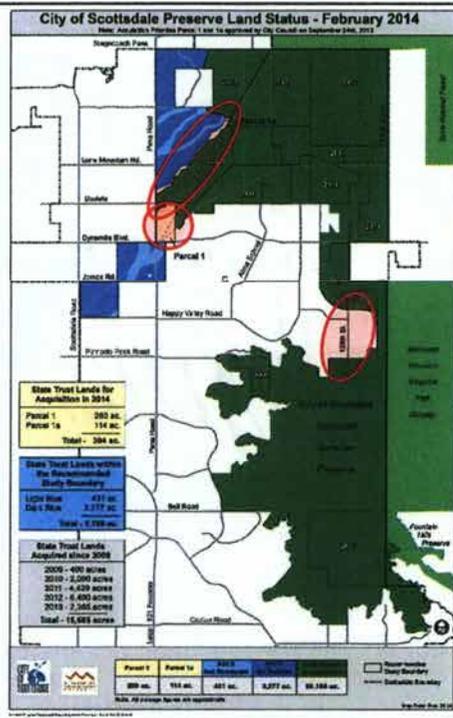
Bob Frost, Chair of the McDowell Sonoran Preserve Commission
Jim Heitel, Former Chair of the McDowell Sonoran Preserve Commission
Kroy S. Ekblaw, Preserve Director
City of Scottsdale

Preserve Status Update Overview

- Preserve Land Acquisition and Improvements
- Preserve Maintenance and Operations Costs
- Preserve Taxes - Projected Uncommitted Cash
- Preserve Commission - Endowment Concept Proposal
 - Possible use of Tax Funds for Maintenance and Operations

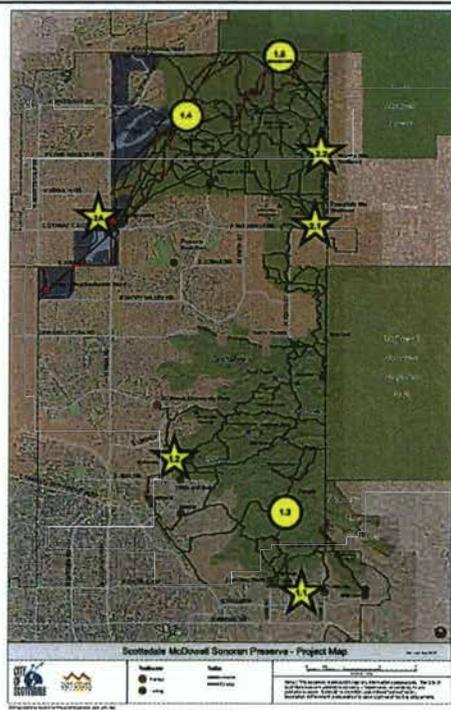
Land Acquisition Priorities for 2016

- Parcel 1
 - 294 acres
 - State Trust Land
- Parcel 1A
 - 121 acres
 - State Trust Land
- Remaining Private Properties
 - 10-12 acres
- Projected Cost for all ≈ **\$48M**



Preserve Improvements ≈ **\$17M**

- **Trailheads**
 - Gateway
 - Sunrise
 - Ringtail
 - Tom's Thumb
 - Brown's Ranch
 - Fraesfield
 - Granite Mountain
 - Pima/Dynamite
- **Trails**
 - South, Central, North
 - Boundary Control
 - Wildlife crossing



Preserve Costs – 15/16 budget

Community Services Division

| | | | |
|-------------------------------------------------------------|------------------|--|--|
| □ Direct Costs: | \$451,665 | | |
| ■ Staff, Contractual Services, Commodities | | | |
| □ Administration & Facilities | \$159,330 | | |
| ■ Utilities, custodial, maintenance, administrative support | | | |
| □ Indirect Costs: | \$60,916 | | |
| ■ City's Indirect Overhead Rate 9.97% | | | |
| TOTAL | \$671,911 | | |

| <u>Detail of Preserve Tax Funding and Endowment Concept Costs</u> | Current Projections | Early Bond Payoff | Early Bond Payoff & NO Tax on Food |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|------------------------------------|
| <small>*Dollar figures will vary based upon sales tax collections, bond interest rates and rates of returns and final costs of land acquisitions and improvements.</small> | | | |
| Current projected uncommitted cash from Preserve Taxes thru 2034 | \$178M* | | |
| Current projections for planned land acquisitions and improvements | -\$65M* | -\$65M* | -\$65M* |
| 1. Planned Land Acquisitions - \$48M* projected | | | |
| 2. Planned Preserve Improvements - \$17M* projected | | | |
| Projected uncommitted cash after planned land acquisitions and improvements | \$113M* | \$120M* | \$77M* |
| Projected Use of Remaining Uncommitted Cash from Preserve Taxes. | \$113M* | \$120M* | \$77M* |
| 1. Preserve operations & maintenance annual annuity (or similar) Estimated @ 3% = \$1M*/yr in perpetuity <i>If approved, concept anticipates fund expenditures to be reviewed through the yearly City budget process</i> | -\$34M* | -\$34M* | -\$34M* |
| 2. Research & education annual annuity (or similar) Estimated @ 3% = \$120K*/yr in perpetuity <i>If approved, concept anticipates a process for yearly award of funds to include:</i> | -\$4M* | -\$4M* | -\$4M* |
| a. <i>Projects to be based on Ecological Resource Management Plan</i> | | | |
| b. <i>Grant funding thru the yearly City budget process:</i> | | | |
| ✓ <i>Requires support from the Conservancy Field Institute</i> | | | |
| ✓ <i>Requires recommendation from: MSPC, Preserve Director, City Manager and City Treasurer</i> | | | |
| ✓ <i>Requires approval by City Council</i> | | | |
| Remaining Uncommitted Cash for Preserve Land and Improvement Uses | \$75M* | \$82M* | \$39M* |

Key Preserve Commission Goals for Endowment Concept

Bond Obligations – Must remain first priority for tax funds

- No new or additional tax obligation
- Insures sustainable resources for future Preserve Operations and Maintenance needs
- Dedicated source for promotion and education funding
 - Residents/users/tourists - protect/manage Preserve
- Remove \$750K-\$1.25M annual city budget obligation
 - General fund reduction estimated to start in 2032
- Limited uncommitted cash and high value of remaining lands, reduce likelihood of additional large acquisitions

Preserve Commission Recommendation

The McDowell Sonoran Preserve Commission recommends that the City Council forward a question to Scottsdale Voters to amend the allowed use of Preserve Tax Funds in order to establish two Endowment Funds

Council Direction

Requesting direction to proceed with further detailed analysis and refinement of this endowment concept:

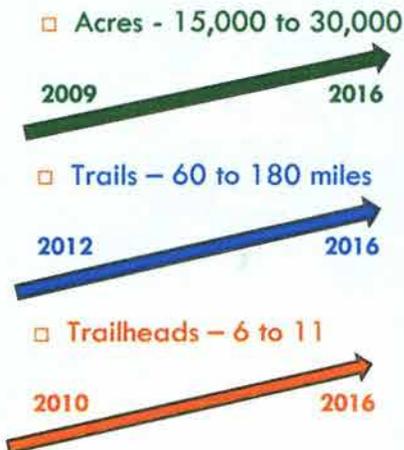
- **The research will include the City Attorney's office, City Treasure's office, City Clerk's office and Preserve staff and will focus on the legal and financial considerations of existing bond obligations, investments, elections law, election language, election timing, etc.**

Questions?

Back-up Slides for Questions

Preserve Progress Update

Preserve Increases



Conservancy Steward Hours:

- Citizen Science Program (+173%)
 - 2012 - 2,276 hours
 - 2015 - 6,226 hours
- Patrol Program (+104%)
 - 2012 - 7,898 hours
 - 2015 - 16,188 hours
- Pathfinder Program (+39%)
 - 2012 - 2,698 hours
 - 2015 - 3,740 hours
- All Programs (+100%)
 - 2011 - 26,281 hours
 - 2015 - 52,692 hours

Preserve Status Update

□ Preserve Taxes

- 1995 - 0.20% - Land Acquisition only
- 2004 - 0.15% - Land Acquisition and Improvements
- Both taxes do not allow for maintenance/operational costs
- To allow other uses of funds;
 - Voters would need to approve amendment

City Council- Study Session Direction Priorities for Preserve Commission:

May 2014:

- ✓ Continue pursuit of Parcels 1, 1A and remaining Private Properties
- ✓ Monitor projections for revenues and expenditures
- ✓ Evaluate and consider options for uses of any "extra" dollars not needed for land or improvements, such as:
 - Long term operations and maintenance costs
 - Education, research, promotion/awareness of Preserve
- June 2015 – CC Direction to assess impacts of alternatives
 - ❖ Early payoff of Preserve Bonds
 - ❖ End Food Sales portion of Sales Tax collection for Preserve

Item 2

**DOWNTOWN PARKING
SOLUTIONS: ADDITIONAL
ANALYSIS RESULTS**

City Council Work Study Session
May 10, 2016

NORTHEAST DOWNTOWN



OVERVIEW

- Prior Council Direction
- Survey Results
 - Trolley Expansion Analysis
 - Permit Parking for P-3 Analysis
 - Shortened Hourly Limits Analysis
 - Parking Structure Feedback and Analysis
- Next Steps

PRIOR DISCUSSION

- Downtown Parking History
- Current Challenges
- Parking Data
- Short-term Recommendations
 - Begin Downtown Trolley at 5 a.m.
 - Change 3-hour Parking Limit to 2-hour
 - Permit Parking for P-3 Properties
- Mid-term Recommendations
 - Parking Garage Development

PRIOR DISUCSSION – CONTINUED.

- Reviewed parking occupancy data
- Nationally businesses are using less sq. ft. per employee
- Competing cities have:
 - Lower parking requirements
 - Subsidized parking availability
 - Enforcement / paid parking
 - More transit options

MULTIPLE SOLUTIONS NECESSARY

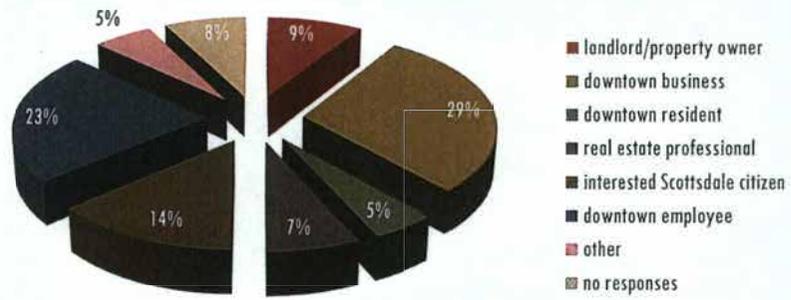
- Change parking behaviors
- Increase enforcement
- Increase transit
- Encourage businesses to promote and incent transit use
- Pursue new parking structures

SURVEY RESULTS OVERVIEW

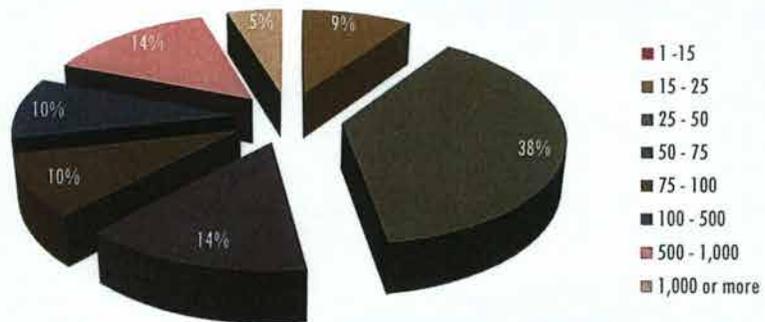
OUTREACH EFFORTS

- 144 online surveys completed
- Sent directly to businesses, merchant groups, commercial brokers
- Included in press release announcement
- Shared in various meetings with associations such as Chamber of Commerce, 5th Ave Merchants, gallery owners, SouthBridge
- Available on ScottsdaleAZ.gov website
- Included twice in economic development e-newsletter to more than 1,760 direct recipients each time

RESPONDENT MAKEUP



SIZE OF BUSINESSES RESPONDING



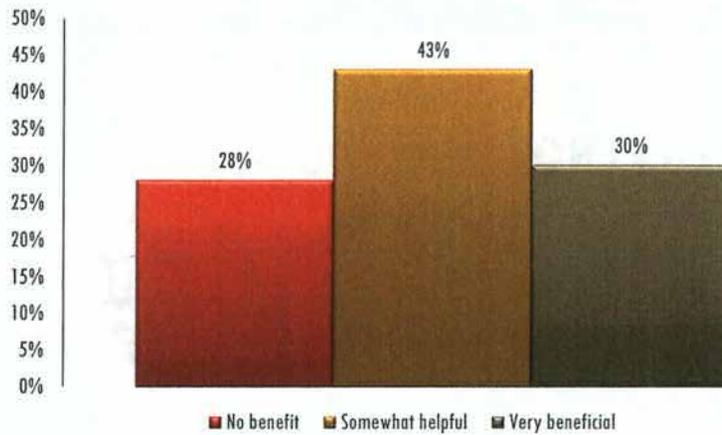
DOWNTOWN PUBLIC PARKING STRUCTURES



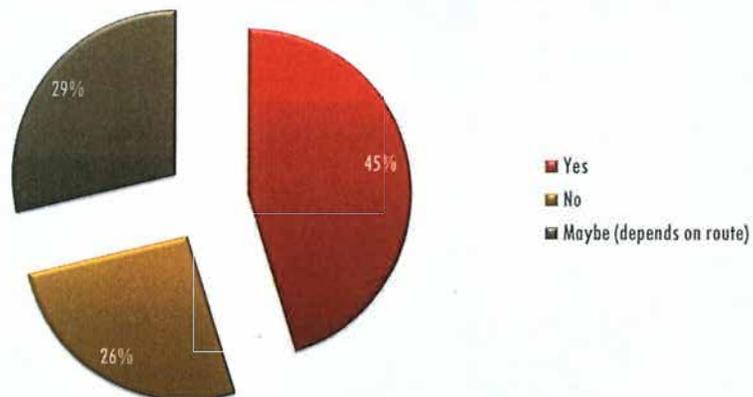
TROLLEY ROUTE EXPANSION

Analysis, Stakeholder Input, and Final Recommendations

SURVEY RESPONSE: Benefit of Trolley Hour Expansion

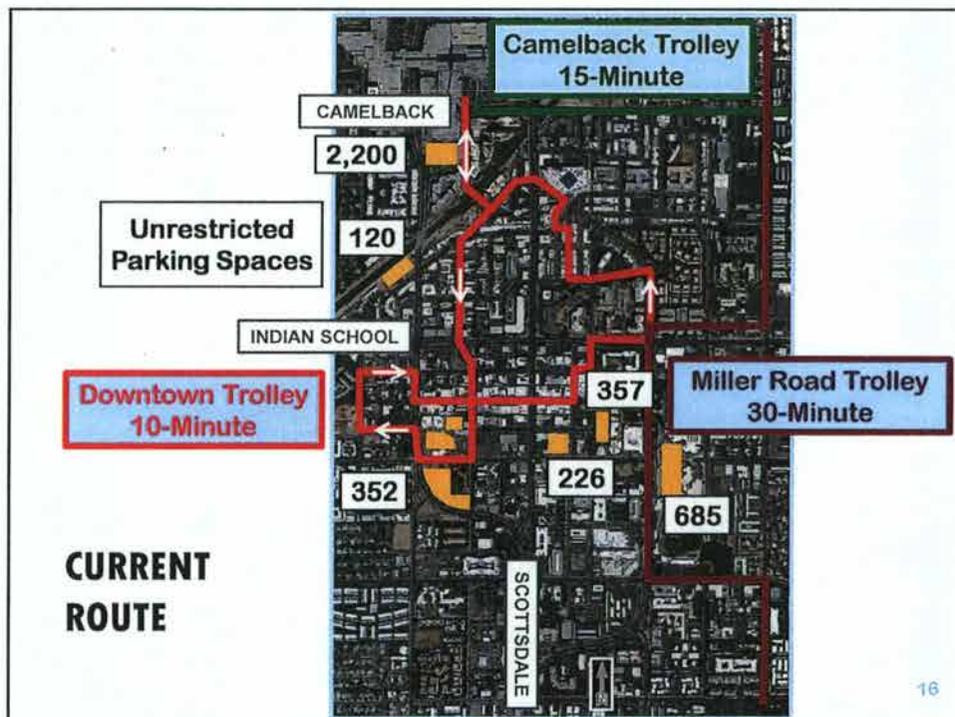


SURVEY RESPONSE: Would You Educate and Encourage Employee Use?



RECOMMENDATION / UPDATE

- Create an 'express route' to run from 5 a.m. to 10 a.m. Monday through Friday beginning July 2016
- Funds to be included in the FY 2016/17 Operating Budget
- Initiate outreach to educate employers/employees on route and unrestricted parking availability
- Provide update on ridership to City Council at mid-fiscal year



Downtown Trolley
10-minutes
5 to 10 AM

Unrestricted
Parking Spaces

**PROPOSED
EXPRESS ROUTE**



Downtown Trolley
3 to 5 PM
Alternate Trips

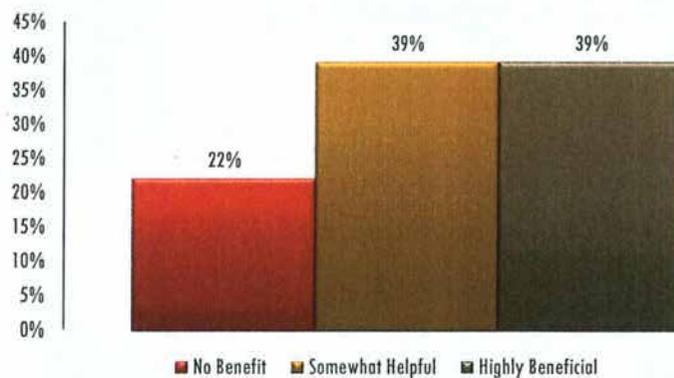
**OTHER POTENTIAL
REGULAR ROUTE
MODIFICATIONS**



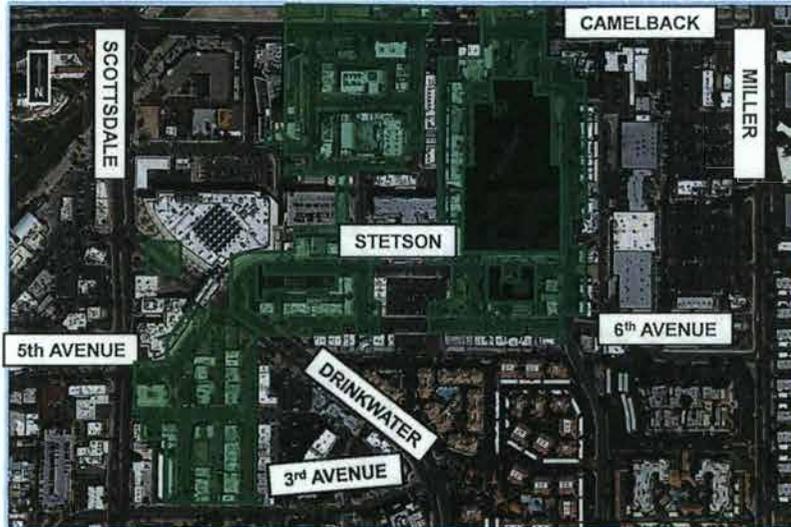
REDUCED PARKING TIME LIMITS & PERMITS FOR P3 ZONED PROPERTIES

Analysis, Stakeholder Input, and Final Recommendations

SURVEY RESPONSE: 2-Hour Limits and Permits for P-3 Zoned Properties



NE QUADRANT 3 HOUR SPACES REDUCED TO 2 HOUR



*Green overlay also indicates P-3 Zoned Properties

RECOMMENDATION / UPDATE FOR HOURLY LIMITS

- Re-sign public on-street parking in NE Quadrant to 2-hour limits
- Sign remaining unrestricted garage parking in NW Quadrant for 3-hour limits
- Provide for enforcement increase in FY 2016/17 Budget
- Evaluate impact of these changes at mid-fiscal year

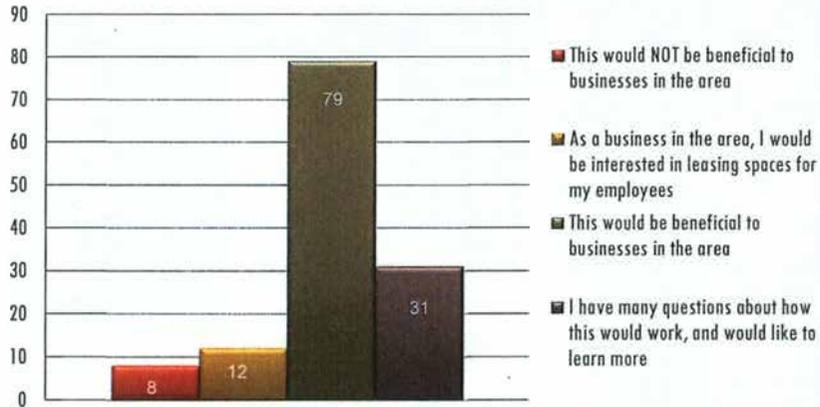
RECOMMENDATION / UPDATE ON P3 ZONING PERMITS

- Pilot program process and guidelines to be created
- If permits are free, no legislative action required
- Promotion of opportunity through direct outreach to P3 Zoned Properties
- Educate occupants about trolley express route option
- Evaluate impact of these changes at mid-fiscal year

PARKING GARAGE DEVELOPMENT

Analysis, Stakeholder Input, and Final Recommendations

SURVEY RESPONSE: 700+ Space Parking Garage on 6th Ave Lot Benefit



AVAILABLE PARKING SPACES – SURFACE LOT CONTEXT



OTHER NEARBY PARKING STRUCTURES



770+ SPACE STRUCTURE



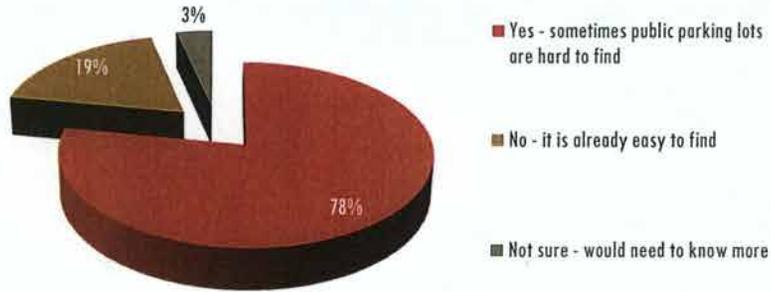
RECOMMENDATION / UPDATE

- Privately designed and constructed
- Request for Proposals under review by Walker Consultants
- Council review and approval of any contract would be required
- Development will likely include:
 - Abandon portion of 6th Avenue from Wells Fargo Avenue to Civic Center Plaza
 - Rezone of structure height from 36 feet to 66 feet

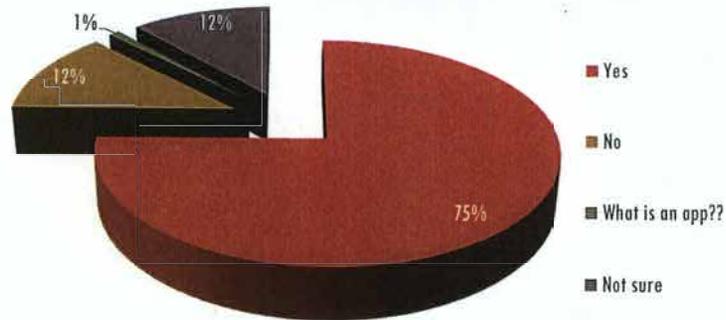
ADDITIONAL SUGGESTIONS: WAYFINDING AND PARKING APP

Analysis, Stakeholder Input, and Final Recommendations

**SURVEY RESPONSE:
Would Better Signage Help?**



**SURVEY RESPONSE:
Would a Mobile App to Find Parking Help?**



PARKING APP AND SENSOR EXAMPLES



Street level sensors can provide parking analytics while connectivity to apps to guide drivers to open spaces



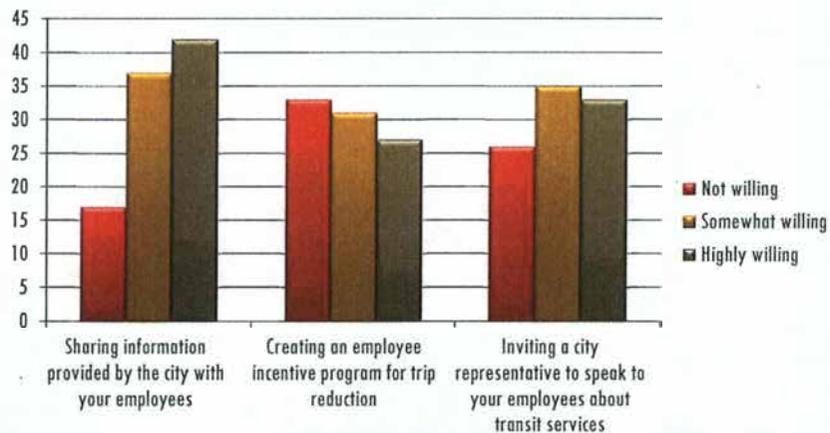
RECOMMENDATIONS / UPDATES

- SIGNAGE:
 - Staff exploring costs for augmenting existing signage
 - Comprehensive review and possible update to Downtown wayfinding to coincide with Downtown Scottsdale 2.0 Study
- PARKING APP:
 - Staff exploring costs and potential for app use similar to benchmark communities
 - Exploring usage of in space sensors and lot counters to offer in-app information on available spaces

ADDITIONAL QUESTION: MASS TRANSIT PARTICIPATION

Stakeholder Input, Recommendations

SURVEY RESPONSE: Participation Interest



SEEKING DIRECTION FOR ADVANCING:

- Downtown Trolley — \$200,000 for hours expansion in FY 2016/17 budget
- Two-hour and Permit Parking
 - Funding (for staff) and launch of additional enforcement in FY 2016/17
 - Begin free permits for P-3 Credits in fall 2016
- Privately funded parking structure RFP
 - Completing and advertising Request for Proposals
 - Beginning abandonment of 6th Avenue and rezoning
- Further exploration of costs associated with enhanced signage and parking app to include space sensing technology

QUESTIONS?

Thank you.

