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#### **CALL TO ORDER**

[Time: 00:00:04]

Mayor Lane: Good afternoon, everyone. Nice to have you here. We are about to begin with our June 21<sup>st</sup>, 2016 regular meeting. We all call it to order and it is approximately 5 after 5:00. Sorry for the delay on that. We'll start with a roll call, please.

#### **ROLL CALL**

[Time: 00:00:18]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you. Just some items of business. We have cards for public comment and the agenda items and also for written comments. They are as the city clerk is putting up over her head on my right to that table, if you need to fill those out. The yellow cards are for written comments and we will read those through the proceedings and the white cards are requests specifically to speak.

We have Scottsdale police officer Tom Cleary and Jason Glenn here to assist and they are almost directly here in front of me. If you have need of their assistance. The area behind the council dais are reserved for staff and council. We have rest rooms under that exit sign for your convenience for rest rooms.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:23]

Mayor Lane: We will start us off with the Daughters of the American Revolution Grand Canyon Chapter, and they'll lead us in the pledge. Ladies, please.

Daughters of the American Revolution: I pledge allegiance to the flag of the United States of America, and to the republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, ladies. Do you want to give us a little bit of background?

Katie Paulson: Hi, my name is Katie Paulson and I'm the honorary region director for the Daughters of the American Revolution. We're a chapter in Scottsdale and there are 41 chapters in the state of Arizona. We are all relatives of someone who served in the American Revolution. We support historic preservation and patriotism. We came back from Washington, D.C., for our national conference. If you have any questions or you think you may be related to someone who served and you are interested check out dar.org. There's a great feature where you can find a chapter near you. If you are a man, look into the Sons of the American Revolution. Thank you.

Mayor Lane: Thank you, ladies. Thank you very much.

**INVOCATION**

[Time: 00: 02: 59]

Mayor Lane: Next we have Pastor David Joynt of the Valley Presbyterian Church. If you would like, you go to the podium or there, if you like.

Pastor David Joynt: This will work. Thank you for the invitation, Mayor and council to open this meeting in prayer. Let's pray together. Heavenly Father, we thank you that at any moment in our lives we can stop from our busy schedules and we can open our hearts and minds to you in prayer. We know that you hear our pleas and our petitions and our praises. And so today we thank you for the joy of living in this area. We thank you for the artists who bless our lives a few blocks away from here and the wonderful chefs with their culinary skills, and the musicians. We thank you for those who not only enrich our lives but protect our lives as public servants, our first responders and our police and firefighters. We thank you for the teachers who after a long year, along with their students are getting a well-deserved rest this summer. We pray that you will recreate their energies for the fall, and we thank you for the gift in this heat of air conditioning and of shade. And tonight, we also thank you for the Mayor and the Council for the willingness to step into the public arena and to seek that always important but sometimes elusive thing that we call the public good.

Finally heavenly father, we ask you, for the defeat of our enemies, for those who have made themselves our enemies, who seek to destroy democracy and freedom. We pray that they will see the light of the truth and that they will be defeated and we pray for all of those who are engaged in that solemn and dangerous task on our behalf. We lift these prayers up in your great name and all of God's people said. Amen.

Mayor Lane: Thank you, pastor.

## **PRESENTATIONS**

[Time: 00:04:57]

Mayor Lane: Our next order of business, we have a presentation by the Scottsdale Cultural Council, their quarterly update. We have their president and C.E.O., Neale Perl here to make that presentation. Mr. Perl, welcome.

SCC President & CEO Neale Perl: Thank you. Good evening Mayor Lane and city councilmembers. As president of the Scottsdale Cultural Council, I always look in order to bringing you the latest news on great cultural experiences we provide to our community. Thank you for this opportunity.

I would like to provide some highlights of this past fiscal year, and our plans for the new season. We have accomplished so much this past year, as we focused on our strategic plan. It's been our first full year of bringing a new unity to our organization and leveraging the creativity and the experience of our division directors and department heads no yield even better programming, more effective planning and efficiencies and operations. Quite frankly, the results over the past year have been remarkable. The degree of collaboration and innovation behind the scenes has produced some significant new milestones and accomplishments. I would like to walk you through a few of them.

You have recently heard directly from teachers, artists and docents who work with us to bring outstanding art education programs to our community. In addition to our public art program, education is the single most important outreach we do beyond our civic center mall canvas. Arts education brings out the best in our youth and fosters the next generation of leaders, supporters and, of course, audience members. I'm very proud of our six full-time educators on staff who work with schools and teachers to develop educational opportunities for 158,000 individuals annually. From pre-k to high school and college, as well as seniors and lifelong learners. Experiences range from master classes with visiting artists and having students art work Exhibited at SMOCA's young at art gallery.

Here's the photo of a feel trip where the students receive a guided trip of SMOCA's exhibitions and the students also participate in master classes by artists who visit the center. This year we have provided teachers and students more than 700 free tickets to performances, generously underwritten by our corporate partners Tiffany and Bosco and great American title agency. This same corporate sponsorship has also allowed us to honor our veterans by making available to them more than 2200 free tickets. All told, this combined program offered almost 3,000 free tickets to these special

audiences last season. Over the past three years, the value of these tickets is approximately \$300,000.

This past season, all of the Cultural Council's divisions experience strong attendance and community engagement. Public arts celebrated its 30<sup>th</sup> anniversary, with more than 100,000 people, residents and visitors alike, experiencing public art through the city. Celebrating the 40<sup>th</sup> anniversary, the center presented 19 sold out performances. More than 51,000 tickets were sold, representing \$2.1 million in earned revenue, an increase of more than \$200,000 in a single season. The 46<sup>th</sup> annual Scottsdale arts festival welcomes 26,000 people, the second highest attendance in a decade and the center presented 26 free community festivals. Together these events had attendance of more than 55,000.

This year SMOCA's annual attendance is expect to surpass 43,000, above the benchmark goal of 40,000. One of the highlights of the season was SMOCA's timely, Betty Saar retrospective. It received wide spread acclaim and media coverage, including a three-page Sunday feature story in the "Los Angeles Times" which has a readership of 2.4 million and 32 million monthly online visitors. This kind of attention not only speaks to the high quality of SMOCA's programming but it plays a vital role in advancing Scottsdale's reputation as an arts destination, regionally, nationally and internationally.

Our close ties with the folks at the CVB help to maximize the extraordinary press to always drive tourism. The city's investment and commitment to maintaining the arts venues and supporting the Cultural Council's operations have enabled our team to generate close to 6.2 million in earned and contributed revenue. We thank you again on behalf of the diverse audiences for your support.

Looking ahead, we will build an even stronger program with the addition of a new director of education and working closely with our director of development, we envision an expansion of our fund-raising efforts to support future growth in programming and education outreach. Rebranding in tandem with our strong numbers has ushered in an opportunity. Later this summer, we will be unveiling a new name for our organization, and we will launch a comprehensive branding campaign. This will further unify our many exceptional cultural offerings, education programs, and funding opportunities. However, this exuberant drawing is not the prototype of our new logo.

Our plans for the upcoming season are ambitious and diverse, showcasing virtually every genre, in the visual and performing arts. Highlights include nearly 270 live performances, spanning dance, music, theater and comedy, including Roseanne Cash, Roberta Flack, and Patty Lupone, and Chef Jacques Pappen. We explore the advancement of women and even the bicentennial of Mary Shelly's novel "Frankenstein."

There are eight capital projects in design along with temporary installation such as influx in our platform series. We also have cool things to experience during the summer. Our offerings include the center's live and local Friday concert series in July and August, showcasing Arizona bands. Each year, public art presents three library exhibitions with free workshops and activities. Last summer's summer exhibition was enjoyed by more than 25,000 visitors. And four exhibitions at SMOCA this summer featured two Arizona artists, as well as a behind-the-scenes look at the working of a museum

as featured in Sunday's Arizona republic.

Our staff has been working closely our city colleagues on equipment and facility upgrades for enhancements. It will enable us to provide world-class arts experiences for the entire community. These improvements range from a new scissors lift to video equipment, which you see projections here that our visitors are now enjoying at SMOCA for our new exhibition.

In closing, I wish to thank the city council for its support of our canal convergence event. This free celebration along the Arizona canal has grope to become a major tourist draw and signature event for Arizona -- sorry, for Scottsdale -- hopefully Arizona -- and the downtown waterfront. This year's canal convergence reached a record number of participants with more than 56,000 visitations, an 84% increase in a single year. We are also pleased to report that we have successfully leveraged the city council's \$100,000 investment in canal convergence by raising an additional \$100,000 in matching donations from a broad cross section of the community. Among the contributions received, was a generous grant of \$30,000 from the national endowment of the arts.

On behalf of the entire Cultural Council, I want to thank you for your time this evening, and for the opportunity to serve the city of Scottsdale. To excerpt a quote from one of the thank you letters our school children recently wrote to you, "none of this would be possible without the support of fine people like you". We couldn't agree more. Thank you.

#### **PUBLIC COMMENT**

[Time: 00:13:50]

Mayor Lane: Thank you, Mr. Perl. That is the one and only public comment we have at this point. So that's the extent of that. There will be an opportunity for public comment at the end of our agenda if it's needed. I'm sorry. That was not public comment. So forget that. That was just a presentation.

And to that point, we do have a public comment, but just one. And I think Michael Fernandez was probably a little concerned when I started to talk about the fact that we had just completed it. So Michael, please. Reserved for citizen comments regarding non-agendized action, with no official action taken. Three minutes. Thank you, Mike.

Michael Fernandez: My name is Michael Fernandez. In light of the fact the majority on the city council asked that fixed rail transit be removed from the Scottsdale master transportation plan, the pro fixed rail transit Scottsdale, also known as the Scottsdale area chamber continues no move forward with the unrelenting request to usurp the decision of the council majority and thwart the will of the people. Make no mistake about it, the chamber along with its Councilmembers Milhaven and Korte are the architects behind this ideology of deceit. Unfortunately, this fosters a credibility gap for the rest of you on the council.

I just exposed Scottsdale's shadow government chamber-backed councilmembers Korte and Milhaven

and their representatives. Their arrogance and total disregard for the truth is reprehensible. Korte and Milhaven like to invoke the names of the Scottsdale area chamber and the Scottsdale association of Realtors and honor health every time there's a vote being formulated by the council. Have you ever wondered how many businesses make up the Scottsdale area chamber? I have the figures and I'm here to tell you their membership represents less than 4% of the Scottsdale business community. Actually, it's 3.8%. Let that sink in for a moment. Yes. 3.8%.

Now, let's talk about the Scottsdale Area Association of Realtors. The C.E.O. and chamber puppet Rebecca Grossman does not speak for the membership at S.A.R. Her extracurricular activities are hers and hers alone. Evidently she too adheres to the ideology of deceit. The Realtor members are independent agents whose real estate license hangs with the realty firm of their own choosing. Most, if not all, belong to a Realtor association in order to have access to the MLS.

Now for Honor Health. Over the years, Honor Health formerly Scottsdale Healthcare and Scottsdale Memorial Hospital, has been given plenty by the Scottsdale city councils. Let me ask you a question, do you really believe that the C.E.O. Tom Savadry suggested to the board of directors that they should move their hospitals out of Scottsdale because Savadry's decision at the city council did not like. You are delusional. Tom is retiring this next year. One can only hope that he honors the chamber's business.

So here we are, folks. Those of you on the council who are working together for the betterment of our community should ignore the pleas from the chamber open the council when they start their absurd whining while invoking the names of the Scottsdale area chamber, Scottsdale association of Realtors and Honor Health.

Mayor Lane: Thank you, Mr. Fernandez. That completes the public comment and there is another opportunity at the end of the meeting if, in fact, it's needed.

#### **ADDED ITEMS**

[Time: 00:18:06]

Mayor Lane: We do have one adjustment, and that -- we have a request for an added item, at least two items, item 35, which is the WaterView mixed use development rezoning 19-ZN-2015. Can we have a motion to add it are or move it to the July 5<sup>th</sup> meeting.

Councilmember Korte: So moved.

Mayor Lane: Well, there was an either or to accept the agenda item.

Councilmember Korte: Yes, I move to accept the agenda item, number 35.

Councilwoman Milhaven: Second.

Mayor Lane: I think we are ready to vote. All those in favor, register your vote. Aye. That's unanimous. It's been accepted to stay open the agenda as has been presented.

**CONSENT AGENDA**

[Time: 00:19:06]

Mayor Lane: Moving forward, we go to the consent items at this point which are items 1 through 31. There's been a request to remove item 24 which is the sale of the reclamation plan biogas. It's removed by staff presumably because there was an odor related to it. It will be put back on, whenever they get that cleared up.

So next, we would just consider the consent items. We do have some requests to speak on that. So we have some cards to speak on two items within the consent items and I will start with item 12. Oh, I'm sorry. Yes, Vice Mayor?

Vice Mayor Littlefield: I would like to -- I would like to pull a couple of items off consent, if I could.

Mayor Lane: All right. What would they be?

Vice Mayor Littlefield: Item number 6. Item number 13, and item number 31, which is related to 13.

Mayor Lane: Okay. Those items would then be pulled from the consent to the regular agenda.

Vice Mayor Littlefield: Thank you.

Mayor Lane: Thank you, Vice Mayor. Then I will hold off on the request to speak on item 13 until we get to that -- those items in the regular agenda.

We do have a request to speak on item 12 on the consent agenda which is the Shea tunnel access shared use pathway project construction bid award. And I believe it's Lily Artounian. Is that correct? Okay. If you want to come forward then, please.

Lily Artounian: Well, English is my third language, and I get nervous talking in front of these people, but I try my best. I'm the owner of the house that the trail goes through the driveway and recently we hired a professional to see what is going to be the impact of that project to our house. He brought up a lot -- he brought up a lot of issues. The main issue was the safety issue and, according to him, if this trail goes through our driveway, there is a big -- there are disasters waiting to happen.

My question is: How come before even doing this, the city didn't send anybody to consider the safety of this trail. And then my second question is if it's too late to do that now.

Mayor Lane: Well, Ms. Artounian, at this point, this is just a comment on this, unless one of the



members of council has a question of this, and the process, we are just accepting comments open that. So we -- we can address your questions to staff, but that's separate from the testimony you have just given. So thank you for that.

Lily Artounian: Thank you.

Mayor Lane: All right. I'm going to -- I'm going to go ahead on that item, and I'm not going to ask to pull it, but if there's a staff member who can address that question on 12, I certainly would appreciate if we could get an answer on that. I waited until you sat down, Dan.

Public Works Director Dan Worth: I appreciate that, Mayor. Dan Worth, public works director. Sounds like a question regarding the detail of a project that we're in the planning process on, and I was sitting down with the intent to provide contact information so we can talk directly to the citizen to resolve it.

Mayor Lane: Very good. Thank you very much.

Mayor Lane: Okay. As it is with the current consent, that's the only request to speak on consent items and hopefully that gets that item resolved. So I do have the remaining consent items with no further comment and looking for no further item of content. Items 1 through 31, absent items 6, 13 and 31.

Councilmember Korte: So moved.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded to accept the 1 through 31, absent, 6, 13 and 31, which will be moved to regular. Motion has been made and seconded. Seeing there's no further comment, I think we are then --

Vice Mayor Littlefield: Did you say 24?

Mayor Lane: No. 6, 13 and 31. Did you have another that you wanted? Yes, it was removed by staff but that was previously announced, it's removed. You know, I tell you what, is it listed out there? Yeah. And it says it's removed. So we're good.

Okay. So then the motion has been made and seconded as has been announced. So we are ready to vote. All those in favor, please indicate by aye and register your vote. Aye. Those items have been approved unanimously. And so if you are here for any one of those items, you certainly -- we are happy to have you stay or otherwise, please just leave quietly.

**ITEM 6 – REATA RANCH GUEST RANCH FINAL PLAT (2-PP-2014)**

[Time: 00:25:29]

Mayor Lane: That completes the consent items but we have a revised regular agenda which now includes, items 6, 13 and 31 and in the order of things, we will go ahead and accept a presentation from staff on item 6.

Planner Doris McClay: Mayor and Councilmembers, this is Doris McClay with the planning team here to present the Reata Ranch Guest Ranch final plat and development agreement, 2-pp-2014. Reata Ranch is on the east side of Rio Verde Drive, between North 128<sup>th</sup> Street and 136<sup>th</sup> Street. It's zoned environmentally sensitive land. The final plat creates 326 lots and tracts. It conforms to the preliminary plat that was approved by the Development Review Board.

The approved -- the development agreement establishes and clarifies the property as a resort development with a minimum of 110 resort units. On the final plat, there's 106 lots that are designated as resort units. The remaining four units of the minimum 110 are within a tract that was on the approved site plan under the development review board case. That concludes staff's presentation. The applicant is here to make a presentation and answer any questions. Thank you.

Mayor Lane: Very good. Thank you very much. Vice Mayor, if you have any questions of staff or would you like the applicant to make a presentation?

Vice Mayor Littlefield: I will listen to the applicant first.

Mayor Lane: Okay. The applicant can come forward then. Thank you.

Applicant Representative David Gulino: Good evening, I'm Dave Gulino with Land Development Services here in Scottsdale, at 7525 East Camelback Road. I don't have a presentation, quite frankly, but I'm happy to answer any questions. This is the final plat. I'm surprised it got pulled. If there are some concerns, I'm happy to address those.

[Time: 00:27:40]

Mayor Lane: Okay. Very good. Then Vice Mayor.

Vice Mayor Littlefield: Yes, thank you. I received this from a citizen here in Scottsdale and she had some concerns which I would like to have the answers to because I looked at that very same plat and she wanted to know -- there was no presentation of the resort facilities or the amenities.

Applicant Representative David Gulino: Is this the email from Copper Phillips that I saw earlier this afternoon?

Vice Mayor Littlefield: Yes.

Applicant Representative David Gulino: Staff -- did respond to her and I saw their response and I thought it was right on and I will just repeat what they said.

Vice Mayor Littlefield: I would appreciate it.

Applicant Representative David Gulino: This case, as you know, it goes back all the way, I think four or five years now when it first got its entitlements. Now essentially those entitlements required 110 resort units and total of 330 and 110 resort units and 220 had to be -- or could be other than resort units. The stipulations were clear on that and the stipulations were clear on the fact that c of os, certificate of occupancies for the building needed to be issued concurrently -- or I think what it said, no c of o for a non-resort would be issued until there was a c of o for the resort unit.

Now as we went through this with staff, there was some concern. There was some ambiguity in those stipulations and so that's why there's a development agreement also included with this. That development agreement, basically goes further in establishing and defining how this thing will operate. We also received development review board approval back, I want to say maybe a year and a half ago or two years ago on what we call parcels f, g and h, which is the northeast corner. And that's essentially our resort units and we'll call it an amenity or the equestrian facilities. So that's all been established. That was shared with Ms. Phillips this afternoon.

Vice Mayor Littlefield: Okay. So you answered all of her questions to her satisfaction.

Applicant Representative David Gulino: I don't know to her satisfactions, but in my opinion, it answered all of her questions.

Vice Mayor Littlefield: Answered all of her questions, thank you.

Mayor Lane: Any other questions? Any other members of council? Vice Mayor? Okay. Then --

Councilwoman Milhaven: Mayor, I move approval for the final plat for 236-lot residential/resort subdivision, on approximately 220-acre site on the east side of Rio Verde Drive, between 128<sup>th</sup> Street and 136<sup>th</sup> Street and adoption resolution 1 484, authorizing development agreement, 106-083-COS.

Mayor Lane: Very good.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. Would the second like to speak? All of those in favor, please indicate by aye and register your vote. Aye. The motion passes unanimously. Thank you, David. All right.

**ITEM 13 – ACQUISITION OF PROPERTY FOR FIRE STATION 603  
ITEM 31 – LEGAL SERVICES CONTRACT FOR ACQUISITION OF PROPERTY**

[Time: 00:31:00]

Mayor Lane: Then the next item that -- is now on consent is item 13. Start with -- it's the acquisition for property of fire station 602, adopt resolution 10475, authorizing the acquisition of 1.5 acres of vacant land for the construction of fire station 603, as well as the purchase of the adjacent ownership interest on Indian Bend Road. Mr. Worth?

Public Works Director Dan Worth: Good evening Mayor and members of Council. That's what the Mayor just read. This action proposes the authorization for staff to go and acquire 1.5 acres of vacant land on Indian bend road for the purpose of constructing a new fire station to replace fire station 603 currently on McDowell.

This is the current situation. The fire station is on the south side of McDonald, just east of Scottsdale Road. I will show that on the larger map on the next slide. It's a small, old fire station. By old, it's 45 years old. It's the oldest fire station in our inventory, built in 1971. 4900 square feet. The fire stations that we have been building since our fire department was established in 2005, are roughly twice that size. The last two were close to 11,000 square feet, fire station 601 and fire station 608. The size limits the ability of the fire department to meet operational needs to meet A.D.A. requirements to accommodate the -- to accommodate firefighters, male and female firefighters in the same facility.

It poses a number of shortcomings but more significant than the shortcomings in the building itself are negative aspects of location on McDonald Drive just east of Scottsdale Road. The fire department had a study done, an update of their standards of coverage study, resulted presented to you about a year ago, June of last year. One of the findings of that study was that there was significant gaps in the fire department's ability to respond within a four-minute time frame to residents and businesses in the city. Significant gaps in that ability could be addressed by relocating some fire stations.

This chart this map is part of that analysis. What you are looking at is the central part of Scottsdale. This dot down here is current location of fire station 603. We can see other fire stations in the area, 605, up on Shea, and 604 at Via Linda, and 602 is the downtown fire station at Indian school and 75<sup>th</sup>.

This chart shows a polygon for each fire station of the area that they can get into in four minutes. The four minute coverage area associated with each fire station. The area in blue, both the dark blue and the light blue is that four minute coverage area for the current location of fire station 603. The difference between the dark blue and the light blue, the dark blue is the area that is only within fire station 603's coverage area. The light blue is overlap. It's also within the coverage area for fire station 602, the downtown fire station. Significant amount of overlap. The pink area is area that is outside of anybody's coverage polygon. So we have a lot of overlap between two fire stations located fairly close together and you have a lot of gaps in coverage. And the recommendation of the standards of coverage study that was presented to you a year ago was that one of the things that we can do to resolve this situation and provide that four minute response time to a greater portion of our city, was to relocate and the target they gave us was to relocate fire station 603 closer to the general vicinity of Indian Bend Road and Hayden Road in the middle of this graphic.

[Time: 00:35:25]

This is the site that we are talking about tonight, the possibility of acquiring. Very close to that -- of acquiring. Very close to Hayden Road and Indian Bend Road. Meets our requirement, as far as size. In 2005 -- actually since the incorporation of the fire department, the average site for the new fire stations, for the lands that we have acquired for new fire stations has been about 1.7 acres, a little bit smaller in the southern part of the city and the bigger in northern part. Even the three most southerly locations that we bought in the last ten years, they were 1.2, 1.2, and 1.7 acres. This is 1.5 acres. Comfortable fit fire station of the size and the configuration that we need to meet the operational requirements similar to the last stations that we built 601, 608, located with direct access on to a major arterial. Not surrounded by residential properties in a commercial corridor and most importantly, located close to the area that that standards of coverage study told us we should be focusing on.

This is the same graphic I showed you, but for the new proposed location. And you can see we have all but eliminated the overlap with the 602, slight overlap with station 602 on Via Linda, but the amount of area that's covered by two fire stations is much smaller. The amount of area that's not within anybody's four-minute polygon is much smaller. With this location, we can actually reduce the size of that gap, the pink polygon, it's reduced 30% from the current location. The area is 30% less. That's not within four minute coverage. The population is 31% less than what is now within the 4% coverage. That is the optimal improvement that we could find for decreasing those portions of the city and those residents of the city that are outside of four minute coverage.

After we identified that that was the ideal location, this is the process that we went through briefly. I mentioned that standards of coverage agreement, they gave us the target and we identified that start. In 2015 our real estate staff emailed the owner to let them know that the city was interested in purchasing the vacant portion of his land on Indian Bend Road. We got a return phone call from the owner in response to the email. The owner indicated he was not willing to sell the property to the city for use as a fire station. Our real estate staff informed the owner that the city would be completing an appraisal and sending a purchase offer.

In January, we had the appraisal done. The appraised value is \$1.25 million. That's in line with what we budgeted and the project to relocate this fire station is one of the projects approved by the citizens in November of 2015, and the bond election, the \$1.25 million purchase price was budgeted in that request that we put in front of the voters that's well within the project's ability to pay for it. We received that appraisal report with that value. We emailed and offered to the owner in February. We didn't get a response. We took that as a declination of our offer.

Rather than pursuing it immediately at that time, we thought it would be prudent to take a look at some other locations. We did. We took a look at other sites within the area, marked by the red stars within that area of coverage. Our criteria for looking at those locations most important criteria is operational requirements. Primary is to improve the coverage for the city. Proximity to that area and the Hayden and Indian Bend location was most important. Access to arterial roadways, they can get quicker to wherever they are going if they can get right on to an arterial roadway is an important

operational need.

We looked at costs, several components of cost, either April appraisal or systemed value of the property. In some cases there's existing structures. We looked at situations that involved residential structures. There are relocation costs involved if we acquired one of those residential properties, and if any structures were on one of the parcels that we eventually acquired, there would be demolition costs. So obviously the lowest cost option would be something that would not require relocation or demolition and had a modest appraised value and finally land use. We didn't want to pick a site that was surrounded by residential development. It's a very heavy residential area. That's why the need is great. We had large residential areas that weren't covered.

But we preferred to have a site and it works, generally well anyway, if we are looking for access to an arterial. You are generally going to have commercial development along the arterials not a lot of residential development. The site we picked has residential on the far side of Indian bend road but not on the same side, not adjacent to the parcel. Those were the criteria we looked and the result was that we revalidated what we initially thought that the site that I'm presenting you to this evening, the location on Indian Bend road was clearly the best choice for the relocation of fire station 603 and I have just highlighted some of the numbers that were on those previous map slides that I showed you.

The area that's outside of the four minute polygon is 6.3 square miles. We reduced that by 30% with this location. 11,466 residents outside of the four minute coverage, we reduced that by 31%. The next best location that we analyzed on Hayden road, achieved reductions of 17 and 2.4% in those same two criteria. So just moving a short distance away from this location resulted in a pretty substantial drop off in the operational gains that we received. So, again, it clearly pointed to this location as the optimum location. And we are here to -- to determine whether or not we are going to go forward with that acquisition. I would happy to entertain any questions or discussions.

[Time: 00:43:10]

Mayor Lane: Thank you, Mr. Worth and thank you for that presentation. We do have some requests to speak on this item from public testimony. So we'll go there first. And I will start with Robert Hing.

Robert Hing: Good evening, Mayor and members of the Council. I'm Robert hang. I'm the owner of the subject property. I would like to make a comment, first, on the procedure that has been followed. I was very disturbed. Oh, incidentally, I assumed you all received materials that I sent earlier today. And if you did, I'm not going to repeat a lot of it. Actually, I won't have time to repeat much of it. I wanted to comment on the procedural aspect of this.

I was very shocked because I was trying to get in touch with every member of the city council, and I had asked Kathy Cross to contact all of you and so forth and indicate my interest to meet either in person or by telephone. I got no response, except I did get a response for -- from Councilwoman Virginia Korte who was polite enough to tell me that, well, the city attorney had advised her that it wouldn't be in the best interest of the city to talk to me. Now, that was a shocker! Because to me, I

have been dealing with the city for 45 years, since 1971, when I built a tennis club on that location. And over the years, I had many matters before the city, some of them quite controversial, but I never had anybody tell me, no, you can't -- you can't speak to the council. I find that really a violation of the democratic process.

I did send you a copy of a list of alternative sites and I believe there were 11 alternative sites. Two of them were actually located right in the center of the service area, and they constituted parts of two parks which would not disturb the overall use. One was taking whatever, one acre or whatever is required from two of the parks that are actually right in the center of McCormick Ranch, which is your primary service area, and that -- one is Mountain View Park on Mountain View Road and the other one was Rotary Park on Double Tree Ranch Road. Those are right in the center of the service area and I sure -- I'm certain would improve the response time.

I also would like to comment on whether you have actually provided the basis for adopting this resolution that you proposed to adopt because the resolution that is proposed that you adopt says that you have considered and balanced the public good and the private injury resulting from the taking. Now, how can you weighing the public good as opposed to the private injury without even meeting with me or talking to me? And how would you even accomplish the public good, for example, without meeting with the purchaser of this site? This site is under contract to a purchaser who is going to develop the property. How could you make any such conclusion without meeting with them? What public good is going to result from the project as opposed to the fire station being at that location? I find that disturbing, to say the least.

Mayor Lane: I'm sorry, Mr. Hing, the time has expired. If you could wrap it up, I would appreciate it.

Robert Hing: Well, Mr. Mayor, I understood that Mr. Kyle Moyer gave me his time that was left.

Mayor Lane: I have no indication of that.

Robert Hing: Well, he told the girl there at the desk.

Mayor Lane: All right, well, that would actually give you in normal circumstances, I will give you another half a minute but in any case, you are already almost two minutes past.

Robert Hing: You got nothing from Mr. Moyer?

Mayor Lane: I understand we have no such request from Mr. Moyer.

Robert Hing: Well, then in that case, all I can say to you, Mr. Mayor and members of the council, if you proceed with this condemnation, you will be engaged in a very long and extensive litigation process. I can assure you that we are prepared to take it all the way up to the U.S. Supreme Court if necessary. So if you want to proceed, this will probably become the most expensive fire station that you could imagine the city ever building. Thank you.

[Time: 00:49:30]

Mayor Lane: Thank you, Mr. Hing. Next on this would be Jean Constantine.

Jean Constantine: Mr. Mayor, members of city council. Thank you for entertaining my comment. My name is Jean Constantine and I'm the director of development with property development associates. I represent the buyer of the site that Mr. Hing just referred to. I just wanted to share with you a little what our timeline has been, and be forthcoming with you about our intent and what you may see come forward and we hope that you are in support of in eventuality. Just last evening, we had a neighborhood meeting for the first time with the people who live across the street and the people who live on the east boundary of the subject site, including the tennis court. Our intent is to put senior housing on that property. In fact, we filed a rezoning application to do so. That's within your system right now. We went into escrow with Mr. Hing in March, early March. I was surprised to see the timeline that was put forth by Mr. Worth that showed very much a parallel path of the one that we were on without knowledge of what was going on at the city level with acquisition efforts.

And first, I will stop myself and say I.P.A. is first and foremost mission oriented. And we love our firefighters. We respect wholeheartedly the appropriateness of the location for the coverage area. What we recognized last night with the neighbors was that we do believe that senior housing is an appropriate use for this site, and if the vacant piece of land is taken from Mr. Hing and then in turn taken from us, I don't really see how we can develop the balance of the land with the use that we think is most appropriate there. I don't see how senior housing can fit on to the remainder land. So we want to share that with you openly. We want to avail ourselves to any questions that you have of us as the property buyer. But we have been moving forward for roughly six months, I would say with Mr. Hing in good mutual faith this that this property was available for purchase. And that's the process we have been moving forward. I'm here to answer any questions. We look forward to developing in your communications.

You may or may not know I.P.A. We finished building in Greenway and Hayden. We also own a piece up on Pinnacle Peak so at the north -- the north bounds of Scottsdale, we intend to put senior housing up there. Showcasing we are committed to Scottsdale. We own part of Optima, we love Scottsdale and we want to be a member here and we true highlight think that senior housing on Mr. Hing's site is the appropriate use for that piece of property. Thank you.

[Time: 00:52:57]

Mayor Lane: Thank you, Ms. Constantine. Next is Cylee Gutting.

Cylee Gutting: Mayor, members of the council, my name is Cylee Gutting and my address is 7525 East Camelback. I am a member of the ORANGE Coalition, and I have been asked by the board of directors to read the following letter on behalf of the organization. Mayor Lane and members of the Scottsdale city council, founded in 2010, the ORANGE Coalition organized residents against needless government encroachment. It's a Scottsdale based non-profit organization, guarding against abusive



government overreach. It's dedicated to pushing back against the excessive and unfair use of eminent domain. The ORANGE Coalition represents over 2,000 local residents who share a common belief in our nation's most important constitutional provisions, the right to own and maintain private property. You may recall the involvement of the ORANGE Coalition several years ago here in Scottsdale when there was an attempt by former members of this council to pursue American Water and acquire their assets, as a -- as part of Scottsdale municipal water services. If so, you will recall that the ORANGE Coalition filled this entire chamber on more than one occasion with individuals passionate about the protection of private property rights. We are prepared to do it again. As it relates to matter before you this evening, the orange coalition strongly opposes and is prepared to mobilize our network in opposition to any aggressive overreach as it relates to this property. While the argument can be made that the potential taking satisfies the public purpose provision in federal and state statute it clearly fails to address the lost opportunity that Mr. Hing will sustain. If the city of Scottsdale pursues this grossly unfair taking, the remaining 8.5 acres of Mr. Hing's property become virtually undevelopable at the very worst or significantly undervalued at the very least. This would unfairly penalize and very directly harm the property owner. The ORANGE Coalition asks that the Scottsdale city council abandon any plans or ideas of using eminent domain to unfairly take this. Sincerely, members of the ORANGE Coalition board of directors.

I would like to yield the rest of my time to Mr. Hing. Thank you.

Mayor Lane: Thank you, Mr. Gutting. All right. That completes the public testimony on this item. We will start with Vice Mayor Littlefield.

[Time: 00:55:25]

Vice Mayor Littlefield: Thank you, Mayor. Mr. Worth, I have a question for you. On the list, which I'm sure you received from Mr. Hing of all the various alternate sites that he thinks are available for the city and he mentioned Mountain View Park and Rotary Park. Were those considered as possible sites for the station?

Public Works Director Dan Worth: Vice Mayor, I have a graphic of those alternative suggested locations and I will walk up to the podium, show that graphic and I can address those two and any others that you wish to address.

Vice Mayor Littlefield: Thank you.

Public Works Director Dan Worth: Mayor, Vice Mayor, this is the slide from the presentation that I just gave you, that showed the alternative locations that staff looked at. This is the same slide, the red dots are the same -- or the red stars are the same red stars that staff looked at, the green stars are the ones on list that Mr. Hing presented to you. The two he mentioned are those on the edge off the map.

While McCormick Ranch is a big portion of the area that we need to serve with station 603, there are also large parts of McCormick Ranch that are served by station 604 and 605. We don't need a site in

the middle of McCormick Ranch. We need a site in the middle of the area that lies between those areas and 602. That's this point, Hayden and Indian Bend. So the locations of Rotary Park and Mountain View Park are off the map, literally.

The other locations that Mr. Hing suggested are generally very peripheral to the center of the polygon that we need to be concerned with. He suggested two locations down by McDonald and Cattletrack. Very little improvement. He suggested McCormick Ranch and Hayden. We looked at a parcel adjacent to those and that's the one I mentioned to you achieved some reductions in that area that's not covered. That was our number two location. Instead of a 30% reduction in area, that's not covered. It was a 17% reduction, instead of a 31% reduction in population that's not covered by a four-minute response time, it was 2.4% reduction. Just moving it a little bit away from the location that we are looking at on Indian bend, takes a lot away from the operational improvements that we're looking to achieve with the relocation.

Vice Mayor Littlefield: So basically you are saying that the site that we are currently thinking about having is -- is really the best and only site that really handles this area of town as well as we could possibly do it?

Public Works Director Dan Worth: That is correct. It's the one that's centrally located between those other polygons. 602 to the south and 604 and 605 to the north.

[Time: 00:59:10]

Vice Mayor Littlefield: Okay. I would just like to make a comment at this point as to why I pulled this. Mr. Hing did call me and talk to me about it. And I found it, he called me. I'm probably one of the most avid defenders the fire department in the city. I support it and I think it's part of the city governmental structure that is vital to the wellbeing and the safety of our people. But I'm also a very avid defender and believer in the rights of the citizens of Scottsdale and the rights of private people.

He told me that we couldn't listen to him, a private landowner in Scottsdale when we were considering condemning his property. I can't go with that, and I felt he needed to have a day in court here. He needed to be able to talk to the council and explain his position. People may not agree with me on that, but I thought that was only fair and just and I thought that was the way we do things here in America. So that's why I pulled this. I believe that the studies that were presented up here tonight are accurate and for the good of the city and the fire department and the people that would be covered by this location, I will be supporting this, but I did feel that we needed to give time to Mr. Hing and to I.P.A. and the other areas, people that had legitimate concerns and should be heard. Thank you.

Mayor Lane: Thank you, Vice Mayor. Councilman Phillips.

[Time: 01:01:00]

Councilman Phillips: So I'm a little confused on the entire property that we are purchasing. Is it one

property or multiple properties that we are getting to do this fire station? And the reason I'm asking that question is because was it I.P.A., this other company, I think that was trying to bundle these properties for an assisted living facility. If they were actively engaged in doing that? Did the city know about that? Did we have discussions with them on that? Did we understand that that was what was going on at the time? Or did that only happen after the fact that the city approached Mr. Hing for the property? That's a lot of questions.

Public Works Director Dan Worth: Mayor, Councilman Phillips. Two things, the timing of the discussion and the areas that are involved. I will address the areas first. The red polygon is the area that we are proposing to acquire. The property owned by Mr. Hing and the property that is included in his development application includes the red polygon, plus it includes this larger parcel with the tennis courts to the east. This entire area, two parcels -- two-thirds of this is one parcel. The eastern edge of it is part of this larger parcel, but we are looking at the dirt. We are looking at the vacant land. We are not looking at the park, the tennis courts and the club house facility on this larger parcel. That -- when Mr. Hing referred what he would be left with, or what I.P.A. referred to, that's what they are talking about. This is the acquisition that we are trying to pursue. That's the area.

The second question was timing. You can see the contact we made beginning in late December of 2015, to let him know that we were interested and the purpose for what we were interested to buy a fire station. He told us clearly that he wasn't interested in selling, but we told him clearly we were still interested in pursuing it and, in fact, we would get an appraisal and send an offer letter. In February, we sent the appraisal and the offer letter. The first we heard of any interest in developing -- and I understand the owner is most likely talking about I.P.A. for some period of time before this happened, but the first that we became aware of it at the city was with a preapplication in March. So we had already made or offer when we first heard about the proposed development for the superior living facility.

Councilman Phillips: So is there any kind of legality involved in disclosure as far as Mr. Hing's property to I.P.A., telling them that the city is actively pursuing that property?

City Attorney Bruce Washburn: Councilmember, what legal ramifications if any for Mr. Hing's failure to inform I.P.A. of the city's interest in the property would be between him and I.P.A. It would not affect the city.

Councilman Phillips: Okay, for me, this is disconcerting that we are doing this, but it sounds like Mr. Hing knew that the city was pursuing this property, and failure to disclose to this other company is --

Robert Hing: Can I be heard?

Mayor Lane: No, I'm sorry, sir, you cannot.

[Off microphone comments]

Mayor Lane: I'm sorry, sir. Mr. Hing, I understand, but you are out of

[Off microphone comments]

Mayor Lane: Sir, you are out of order.

Councilman Phillips: So this was voter approved and the voters approved as far as the best place to go. It sounds like the city did everything within our legal boundaries to do it. So I guess I will be approving it.

[Time: 01:05:19]

Mayor Lane: Thank you, Councilman. You know, I think this is always a tough situation and certainly I'm a large advocate for the ORANGE Coalition and all it stands for with regard to private property rights and there's a requirement on the part of the city when it comes to public safety of the community and this is what it really comes down to. It's not a matter of the quality of the station. It's not a matter of anything other than response time.

Many years ago, I sat on actually a Mayor's advisory board for setting standards for fire and E.M.S. protection and this is one of the standards that we have been trying to make sure that we maintain the highest standards for the citizens here in Scottsdale. This really comes down to a matter and I'm not trying to be overly dramatic when I say this, life and death. There's not anyone on this council that doesn't support the firefighters and the job that they do and we are certainly very, very concerned about our community and our citizens. So I think this comes to a point where we do have to make some tough decisions on this.

I will say that we have seen and considered with staff some of these things and Mr. Hing, I actually spoke with you as well and I tried to explain the situation as best I could see it at the time. I really very much respect the Vice Mayor's position to have a hearing and have you be heard, and certainly to discuss some of this in the open because that's a matter of transparency and we need to be held accountable for the kind of judgments we make on this, but this is where I think this settles out and unfortunately -- and I know the not so veiled threat that this may be an expensive purchase for a spot, otherwise, however that may work out, but that's why we have a staff of folks who work here for the city to evaluate these costs and these considerations are the best we possibly can. And we do weigh them against the public benefit of what we have in the way of safety for our community.

And incidentally, if it makes any difference to anyone here, and four minutes is the designated period of time that someone can stop breathing and still be saved without damage to their brains. So that's one of the reasons why that criteria has been set. So I would be supporting it as well.

But Councilman Smith?

[Time: 01:07:45]

Councilman Smith: Thank you, Mr. Mayor. I just want to make a motion that we adopt resolution 10475 authorizing the acquisition of 1.5 acres of vacant land for the construction of fire station 603, as well as the purchase of the adjacent ownership interest on Indian bend road, and further that we adopt resolution 10494 authorizing city contract number 2016-90-COS, for the construction of a fire station.

Mayor Lane: Thank you, Councilman.

Councilwoman Milhaven: Second.

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

Councilwoman Milhaven: Yes, briefly. It always saddens us if we have to use eminent domain but it's about the health and the safety of our community and the medical services, as the Mayor mentioned four minutes is critical to survival in a medical emergency.

I heard Mr. Hing's concern about the value and receiving fair value. And if we can't agree, the city and Mr. Hing on a value, then the courts will decide what is fair and just. And so I am confident at the end of the day, he will be justly compensated for the property that we may wind up taking. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Klapp.

Councilwoman Klapp: I feel much the same way. I'm very much an advocate for property rights. In this instance, though, the public benefit is far greater weight, in my estimation because the public safety is so critical, particularly the safety of people that are undergoing medical problems, in particular. So I have to say that weighs more heavily on my mind than even property rights.

And I'm hoping -- and this is probably just a wish on my part, but I can at least voice it, that I would like to see these property owners find some way to coexist on these properties, since it would be a fire station.

I don't know if the purchaser of the rest of the land has to have all the land or not, but I would hope that that would be a consideration. Of course, it's not my decision. Just a suggestion. Thank you.

Mayor Lane: Thank you, Councilwoman. Thank you Mr. Worth. I very much appreciate your presentation and your answering of the questions. I see no further questions at this time. We are then ready to vote. All those in favor please indicate by aye. Those opposed with a nay. Aye. Motion is accepted unanimously. Thank you very much, and thank you, everyone, for participating.

We move on to the next item, move to regular agenda and it's item 31.

Councilman Smith: Actually, Mayor, I included 31 in the motion.

Mayor Lane: Okay. Sorry. All right. Very good.

**ITEM 32 – ONE SCOTTSDALE REZONING (20-ZN-2002#3)**

[Time: 01:10:52]

Mayor Lane: Then we move on to our regular regular agenda items and starting with item 32. And item 32 is the one Scottsdale rezoning 20-ZN-2002 number 3 and its request to adopt resolution 10408.

Senior Planner Keith Niederer: Thank you Mayor, members of the city council. Again, this is case 20-ZN-2002 number 3 and I'm Keith Niederer the planning department. This project was heard a couple of weeks ago on the 7<sup>th</sup> of June, when the city council voted to approve this project with the exception of bringing back some revised exhibits as well as the development agreement.

Again the site is located near the northwest -- sorry the northeast corner of the loop 101 freeway and Scottsdale Road. Again, on June 7<sup>th</sup>, the city council amended the original 2002 zoning entitlements with some modifications. Those modifications included reducing the additional number of residential units from 1,366 down to 900. Along with modifying the corresponding Scottsdale Road street improvement.

Also as part of that motion, there was a requirement for 20% of the density to be offered as for sale units and a condo plat for all residential development. That, a requirement has been added to the development agreement, which is up before you for vote this evening. Also amendments that were included in the approval two weeks ago was to reduce the building height, down from 90 feet to 60 feet along the Scottsdale Road frontage and there an exhibit on the next slide, and that slide has been included in the updated development plan.

And finally, there was a requirement to add some development style Exhibits and those have also been added to the development plan. Here's the revised building height exhibit, and the two changes have been made to it, and that's these two letter a's along Scottsdale Road. They have been reduced from maximum 90 feet down to 60 feet. And these are some of the exhibits that have been added to the development plan and it will also be added to a future updated midcap environmental design concept plan for one Scottsdale.

So, again, the request for you this evening is to adopt resolution 10408 authorizing the updated development agreement as well as update the amended related documents such as the development plan that I mentioned previously. The applicant is here to answer any questions you may have. Thank you.

Mayor Lane: Thank you, Keith. Would the applicant like to come forward and make a comment or –

Applicant Representative Karen Taylor: Mayor, members of council, my name is Karen Taylor with Arizona Strategies representing the applicant. I'm happy to answer any questions or attempt to answer any questions you might have.

Mayor Lane: All right. Very good. At this time, I'm just going to have -- we had one request to speak on it. I will go to that first and if we have any requests we will certainly call you. So Valerie Pochron.

[Time: 01:14:26]

Valerie Pochron: Hi, my name is Valerie Pochron and I represent Henkel corporation which is the billing within the property for the proposal, and please be a little lenient on me, I'm filling in for one of my colleagues, real estate is not my area of expertise but I wanted to go on record to say that Henkel has some concerns over the proposed traffic and the -- the traffic-related studies. They were not done at a period of time where there's the highest level of ingress and egress into the billing and we have concerns over the revised plans as part of the development plan, which we have not had the opportunity to review or analyze at this juncture. So we don't know if there's going to be any safety-related issues or other untenable issues related to traffic in this area, due to the addition of the 1300 residential units and over 1 million additional square feet of nonresidential area. So Henkel would like to represent its concerns.

Mayor Lane: Thank you, very much, Ms. Pochron. That's the only comment on this particular item. Councilman Smith?

[Time: 01:16:00]

Councilman Smith: Thank you, Mr. Mayor. And I appreciate the comments from the Henkel neighbor, although I think maybe the -- the program that they were referring to is the earlier program 1300 units or whatever and as you may know, that number was reduced to 900 units in our June 7<sup>th</sup> meeting, as well as several other modifications. As far as I can tell, the modifications that were presented on the screen are, indeed, those that we agreed to as the stipulations on June 7, and I will certainly be supporting this.

In fact, I will make a motion that we simply adopt resolution 10408 authorizing development agreement number 2002-142-COS-a2 with RKCCLL Investments LLC -- do I have to keep going on those Mr. Attorney?

City Attorney Bruce Washburn: You do not have to read all the individuals with whom the agreement is named.

Councilwoman Klapp: I will second the motion.

Councilman Smith: Obviously just making a motion to adopt the agenda item number 32, the resolution number 10408.

Councilwoman Klapp: Second.

Mayor Lane: I think Councilwoman Klapp had already seconded it, but would the second like to speak it?

Councilwoman Klapp: Just that the various --

Mayor Lane: I'm sorry, one second.

City Attorney Bruce Washburn: I'm sorry. It wasn't that urgent but I wanted to make sure that the motion also includes accepting the amended related documents. Thank you. I believe that was the intention.

Councilman Smith: It does, indeed, Mayor.

Councilwoman Klapp: And the amended related documents include all the stipulations that we brought out in the previous meeting. They are acceptable to me. And that's why I seconded the motion.

[Time: 01:18:00]

Mayor Lane: All right. Thank you, Councilwoman. Councilman Phillips?

Councilman Phillips: Thank you, Mayor. Although I'm not, you know, real thrilled with the nine story buildings and even somebody from the airport advisory committee is not real thrilled with the 90 feet, I would think that when you sell properties, isn't there full disclosure, you have to tell the people this is what you are going to be putting up with? So hopefully they understand that because they already get enough complaints as it is. But this Henkel letter, did the applicant receive that letter also?

Applicant Representative Karen Taylor: Mayor, Councilman Phillips, sorry, I just broke the microphone.

Councilman Phillips: Now you have to buy it.

Applicant Representative Karen Taylor: Yes, we became aware of the letter about 4:00 this afternoon, which is unfortunate because we have been working with Henkel since October of last year. We had no less than 10 opportunities between meetings, open houses, letters, and telephone conversations. The most recent week before our city council hearing.

But I will tell you that I did inform the representative from Henkel that we did agree to the 30% reduction in residential density. We did agree to the reduction in height and our traffic studies do include analysis of the peaking characteristics of the traffic and that they -- and that the staff had



agreed with the traffic analysis and it's only improved now because of the reduction in density. One of the other items in the letter relates to parking and the author of the letter, who is a speaker tonight, indicated there was a verbal commitment by D.M.B. to consider additional parking for Henkel at some point in the future. In fact, it's a contractual obligation of D.M.B. and our purchase and sale contract with Henkel back in 2008, we agreed to offer to them additional parking in the event they needed it. At the time they purchased the property, they didn't know what -- fully what their operational characteristics would be. And so we agreed in our contract to offer them additional parking.

Councilman Phillips: Okay. Well, thank you for that explanation, because, yeah, this is first I heard of it too. I guess I would just say, you know, we hope that you will be good neighbors.

Applicant Representative Karen Taylor: Yes, we intend to be.

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

[Time: 01:20:33]

Vice Mayor Littlefield: Well, I cannot support this project and I'm very sorry. It's still just another massive up zoning where builders want to create value for themselves at the expense of the residents. It allows heights of 90 feet on the property, blocking off views of the current residents. It adds additional 900 residential units. That's additional 900 residential units. Better than previously, but still no cigar. I'm sorry. And it has over 1.79 million additional square foot of nonresidential building area on this 76-acre site. This kind of development is what is planned for the entire area up there in Scottsdale. And it is a precedent setting vote. You won't recognize Scottsdale once this is all built out. It will just be a continuation of Phoenix on the other side moving forward.

But the immediate reason that I object to this is the traffic. These problems have still not been adequately addressed. First, this is an increase in traffic on Scottsdale Road. Adding an additional 900 residential units, plus over 1.79 million -- think about it -- million square feet of office space, common sense tells you that this traffic count is going to skyrocket, especially at the peak hours when everyone is trying to get to and from work. We are still not demanding that the developers widen Scottsdale Road to accommodate that traffic, which will occur with the increase usage, until after over 900 of these units are built and after -- 900 of these units are built or 1.79 million square feet of nonresidential commercial retail and office is built. We will not only have all of these people trying to get in and out of the development, but we'll have the people that are currently using Scottsdale Road, plus we'll have all the construction traffic, which will be going on during the construction phase of this development. In the meantime, the road just becomes more and more blocked and people can't move. I still think even eight lanes will probably not be enough.

And there are many other issues of this development that haven't been addressed. I won't go into them again but I still agree this should not just be a major retail location. Times have changed and a combination of retail and residential is a good fit. And it is high and too high out of character for north Scottsdale cultural. It diminishes Scottsdale and its cache. North Scottsdale cultural is known for its open space and the views. Low density, a unique western flavor. None of this is in this. It

adds costs and the possibility liabilities to the city.

I will not be supporting this project as it's currently presented. Thank you.

[Time: 01:24:07]

Mayor Lane: Thank you Vice Mayor. I too, as I said last time, this hasn't really changed anything from my perspective. You know, some eight or nine years ago when we actually and formally discussed this and significant increase at that time. The project had been up zoned at that point one time and came back for another up zoning and at one point in time, a request for 120 feet but it never came to an official vote. It frankly was passed upon at that point in time, probably to the great fortune of the applicant because it simply was within months, we ended up with a great recession and, of course, it laid idle ever since. But in any case, even with the modifications that have been made to adjust to this, I'm still not in support of this. Thank you.

Council member Korte.

Councilmember Korte: Thank you, Mayor. I for one am proud to support this project. It's been a long time coming. I think the zoning case is 2002. So we are looking at 14 years of undeveloped potential and with the freeway access to this, that area is prime for not only residential, but to create and augment our center of commerce that already exists in this -- in the Scottsdale airport area. So I fully support this and I'm glad to see this dust bowl on the north side of 101 finally be developed and utilized. Thank you.

Mayor Lane: Thank you, Councilwoman. That completes the conversation from the council, as I see it at this moment. And we have the motion on the table and the second. So I think we are then prepared to vote. All those in favor, please indicate by aye. Those opposed with a nay. Nay. The motion passes 5-2, with Vice Mayor Littlefield and myself opposing. Thank you very much for the presentation and continued work on this.

### **ITEM 33 – FISCAL YEAR 2016/17 PROPERTY TAX LEVIES**

[Time: 01:26:29]

Mayor Lane: And we'll move on to the next item. The next item is item 33, fiscal year 2016/17 property tax levies and with the request to adopt ordinance number 4258 assessing the fiscal year 2016/17 primary and secondary property tax levies.

Finance Director Lee Guillory: Mayor Lane and members of council.

Mayor Lane: Yes?

Finance Director Lee Guillory: Lee Guillory of the finance department. I have a brief presentation on the tax levies. On June 7<sup>th</sup>, the city held a public hearing on the proposed fiscal year '16/17

property tax levies and by a motion of 7-0, the council approved a motion to actually do the levies tonight by passing ordinance. The slide before you shows you the proposed fiscal year '16/17 levies and as you can see, the primary levy is pretty much flat from the prior year. That is due to the fact that we do have an increase in growth that was almost entirely offset by a decrease in the tort recovery for the risk fund. On the secondary levy, which is used for the general obligation debt service payments, there is a substantial increase there of about \$1.3 million and that is due to the fact that in fiscal year '15/16 we did a refinancing that caused a reduction to that debt service payment. So overall, the levy is increasing, but due to the increasing in the assessed valuations you see that the property tax rates are decreasing. So I'm open for any questions or if this is the actual request for action tonight.

Mayor Lane: Thank you, Ms. Guillory. I don't see any questions at the moment. Yes, I do now, but nevertheless, no requests to speak open this. We'll start with Councilwoman Milhaven or a motion.

Councilwoman Milhaven: I move to adopt ordinance 4258, assessing the 2016/17 primary and secondary property tax levies.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded by Councilwoman Klapp. Seeing that there's no further request for comment, I thank you, Ms. Guillory again, and we are then ready to vote. All those in favor, please indicate by aye and register your vote. Aye. Okay. It's unanimous then. 7-0.

#### **ITEM 34 – FISCAL YEAR 2016/17 STREETLIGHT PROPERTY TAX LEVY**

[Time: 01:29:22]

Mayor Lane: Again standing in place, we have the fiscal year 2016/17 street light property tax levy, and a request to adopt ordinance 4259, assessing the fiscal year 2016/17 street light district property tax levy by district in accordance with the Arizona revised statutes and the city charter. Ms. Guillory, you are still at the podium for obvious reasons. If you have a presentation, please proceed.

Finance Director Lee Guillory: Similar to the prior. The city has held a public hearing on the street light district proposed levies for fiscal year '16/17. These are shown on the screen with a comparison to the prior year of '15/16 and there is, again, a slight increase in the total levy and that's due to the -- these are the electrical costs of operating the street lights. So the 355 districts within the city boundaries that are subject to the street light district levies, some of the districts would have an increase, some will have a decrease and some will remain flat, but overall, it's an increase.

So the action -- again, that motion passed on June 7<sup>th</sup>, 7-0 to adopt the actual levies at tonight's meeting and the action is before you.

Mayor Lane: Thank you. So we do have the request to adopt ordinance 4259 as indicated on your agenda. Yes?

Councilmember Korte: And Mayor, I move to adopt ordinance 4259, assessing fiscal year 2016/17 street light district property tax levy by district.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been seconded by Councilwoman Klapp. Any further comment? Then I think we are ready to vote. No further comment indicated. All those in favor please indicate by aye. Those opposed with a nay. It's unanimous then. It carries 7-0. Thank you again Ms. Guillory.

**ITEM 35 – WATERVIEW MIXED USE DEVELOPMENT REZONING (19-ZN-2015)**

[Time: 01:31:22]

Mayor Lane: All right. Moving on to the next item.

We have the WaterView mixed use development rezoning, 19-ZN-2015 and this is a request to adopt ordinance 4261 approving a zoning district map amendment from downtown office/residential type two to planned block development, downtown overlay. And to adopt resolution 10450 and adopt resolution 10451. We have Mr. Carr with us.

Senior Planner Brad Carr: Case 19-ZN-2015, item 35 on your agenda is the WaterView mixed use development. That site as you can see here on the context aerial is located at the northwest and the northeast corners of Camelback Road and 73<sup>rd</sup> street. Site extends north along the Arizona canal, along that southeastern portion of the canal for quite a distance. Overall distance along this canal frontage is about 1,000 feet.

Closer aerial you can see here to the -- existing to the east is existing multifamily residential. Further single family residential. Existing the Sun Dial hotel here and the Best Western Hotel it will and the W Hotel and the Scottsdale SRP substation is located adjacent to the site on the western edge. The current zoning on the site, downtown office residential type two with the proposed change to downtown mixed use -- I'm sorry, multiple use type two with the planned block development and the downtown overlays. As you can see on the site, it's within the downtown area general plan. Further noted as, again, the downtown multiple use type 2 designation in the downtown plan.

As you mentioned the three items in front of you tonight are for a rezoning to that downtown multiple use type 2 designation, as well as some associated documents the first being the development plan for the project and the second being a development agreement with the -- between the city and the owner of the property.

Quickly, just some of the highlights of the proposal, there are two alternative for the proposals,

alternative A is residential and hotel on the site and alternative B is residential only. There's special space along Camelback Road on both. They would use the bonus provisions of the PBD overlay for the hotel. Alternative B would include a maximum development units for the residential only when which is alternative b utilizing those bonus provisions as well.

A development plan was recommended by the DRB and the planning commission recommended approval of the rezoning. Alternative A, what the hotel rooms and alternative B without, and the associated commercial space and the residential communities as a result of those two alternatives. The site plan for the project, as you can see here, consists primarily residential component on the northern portion of that project site, and the hotel or additional residential space on this southern portion near Camelback and 73<sup>rd</sup>.

A large open space is along the northern boundary of project and 73<sup>rd</sup> street which is offset from Buck Board to camelback will be realigned with that street. As you can see here, circulation, again primarily access to the site for commercial -- I'm sorry, for vehicle access is strictly off the 73<sup>rd</sup> Street here for the residential and two points here for the hotel or residential, whatever develops on the southern portion. Pedestrian access will be allowed through connection here, through the middle of the sight in addition to another commercial -- or, I'm sorry, pedestrian access along this northern organization. Open space as you can see here, everything that's in green is open space on the site. So although the downtown does not require an open space for the project, the applicant in the project will be providing quite a bit of open space on the site.

The site will consist as we mentioned two phases. Phase one will be the northern portion of the site to be residential. Phase two will be the southern portion of the site to be either hotel or residential. Again, so a component of this project, there's significant public improvements both with -- including public art, and some other public improvements that are not art.

This slide will show there are -- the public booths not including art include the 69kv along the Arizona canal. That consists all the way from the SRP substation to the northern extent of the project boundary. In addition the applicant as we mentioned is providing a public walkway from 73<sup>rd</sup> Street to the canal bank. And also there's another public walkway along this edge of the property.

And then finally -- I'm sorry. Just going back. The area in red is actually access for maintenance for the canal, and this blue area is for public pedestrian access to the site. Those improvements related to the public -- the public improvements related to art include the canal bridge that's being proposed across the Arizona canal at this location, some canal bank improvements to include pathway landscaping and lighting, and SRP substation enhancement to a substation wall that's going to be added to the site, and some additional improvements for pedestrian and landscaping along the canal -- along the camelback frontage with the substation.

Again, real quickly some of the building elevations, excuse me, with the project this is a residential component of the project. And this will be the hotel component. Again, you can see the maximum height for the project is at the very top with the elevator bulkheads and screening of those of elevator equipment at that 90 feet. Majority of the project is actually at a lesser height.

The proposal for the hotel also includes the ability to rim the realigned 73<sup>rd</sup> Street with a skyway for additional hotel rooms. Some additional views of those and some renderings of proposal from the hotel's perspective and some of the residential components.

There is some requirements -- or there are some proposals for amendments to the development standards that are typical in the downtown. This graphic here shows some of those amendments and how the projects -- the buildings fit within the envelopes that are required for setback and set back in the downtown. This, again, showing the hotel and some of the landscape plans here showing as you can see with those open space areas being rather lushly landscaped throughout the site. The large open space at the northern portion of the site -- oops, as we mentioned is private open space available to the residents and I believe the applicant is also working with some of the residents -- single family residents to the east to allow access to that as well.

Again, some improvements along Camelback Road consistent with the city's guidelines for development along Camelback Road. These development standards here are highlighting those that have been changed by the applicant's propose -- applicant's proposal. The maximum density increase to 54.2 dwelling units from the normal standard of 50. Again achieved through bonus. Minimum setback for 9 project is normally 40 feet along Camelback Road. The request is to reduce that to 23 feet along Camelback Road.

Other streets in the project, 73<sup>rd</sup> Street would be 20 feet normally. That would be maintained on the residential portion of the site with the hotel being reduced to zero. Again, the prevailing setback, the applicant is generally changing the requirement to allow the buildings to encroach closer to the street and the setbacks are changed to allow the hotel to get -- comply with the step backs a little easier along 73<sup>rd</sup> street and Camelback Road, as well as exceptions.

Real quickly, this is hotel and multifamily development proposal, alternative A, and alternative B would be a multifamily only proposal. The height, again, maximum 90 feet under alternative A, was 66 feet maximum under alternative B. Parking for the site, this is more than sufficient as you can see here, the maximum required of 772 with a maximum provided of 841. Dwelling units, again allowed by code would be 383. Alternative A would have 204 units, 240 units, alternative B, 416.

That concludes the staff presentation. I'm happy to answer any questions and the applicant is here as well to present.

Mayor Lane: Thank you, Mr. Carr. All right. I will tell you, with -- let's go ahead and listen to the applicant's presentation and then we have some requests to speak on this.

[Time: 01:40:39]

Applicant Representative John Berry: I think one of the prior speakers lost the piece on the microphone here which will cause it to reverberate a little bit more. I apologize. My already difficult voice to listen to is about to get worse. I apologize for that in advance.

Mayor, members of the council, John berry, 6750 East Camelback Road. It's near our signature intersection of Scottsdale Road and Camelback and the condition of this vacant site is an eye sore and embarrassment. It's an eye sore and an embarrassment to our visitors that travel through this intersection. Where our residents and visitors who want to use the canal to walk, walk their dog or exercise on the canal.

Mayor, members of the council, this property was rezoned back in the day of the last great boom, before the great recession hit. And you know what? That great recession caused not only cities but lenders and builders to become more reasonable. Now that property that was rezoned back in that day was a request for both hotel and residential. And that includes that request tonight, hotel and residential.

But this is a much different and more reasonable request than back in the day when this property was rezoned. This is a request that includes less height than currently is allowed on the property. It's a request that includes almost one-third less building on the site. It's a request that includes less traffic than the approved zoning. It also includes a request for more hotel rooms to support our tourism industry.

In this graphic, this is the proposed hotel. Camelback Road, the W, substation, the residential, the open space at the end. If you take a look at this and I know you have looked at your packets and listened carefully to staff but this residential is a project that embraces and celebrates our canal. It doesn't turn its back on it. Included undergrounding the power lines. It includes buildings that are set way back on the canal, not right up on the canal and it's putting the recreation amenities along the canal to compliment what is going to happen along the canal for the residents and visitors.

As to the hotel, this proposal -- this proposal for 269 rooms supports our critical tourism industry. It generates that bed tax, and that sales tax that is so critical for our economy. And we have heard these numbers that this tourism industry in our community helps to keep our residents property tax burdens, which you just kind of dealt with this evening, the number I heard is almost 40% lower than it otherwise would be for our residents. This is a hotel that will not be the W. There's a W across the street. This is a hotel that is looking for a different demographic than that which is served by the W, which already exists, literally across the road. This request is brought forward by a developer who has a proven track record whose company owns and operates hotels around the country, who owns and operates two hotels. One across the industry and one within 600 feet of this hotel, the Aloft hotel.

This is a hotel developer and owner in the area that has over a half a billion dollars in investment in our downtown. The applicant this evening is the next largest property owner in our downtown. He has an incentive to ensure that this project is very, very high quality.

I mention that this is a project that has additional -- or less height than was originally approved in the prior zoning case. Here's Camelback Road, the substation and the canal. Across the street you have Blue Sky at 135 and Safari Drive too at 115. The W hotel across the street is 72 feet and this red area

is a large area at 90 feet. Please note that the hotel request includes these two little red dots right here. Those are the only two places that we are asking for 90 feet. Not 96 feet. We are asking for 90 feet. It's less than 1% of the roof area of the hotel. Otherwise, along Camelback Road, it's 68 feet and 62 feet this portion of it is 10 feet lower than the W hotel across the street. Who is coming in asking for less height these days. Don't hold it against me in the future. This portion is 68 feet. Again, less height than originally approved at 90 feet for the property and 72 feet across the street.

As to the residential piece, approved previously at 83 feet. What are we asking for? 45 and 55 feet in height. Now, that's a little deceptive. I know you expect that from me. There's a small portion that has 60 to 65 feet. There will be two staircases on that whole residential run that will go between 60 and 66 feet with those stairwell overruns up to the top of the floor.

We talked about open space. Staff talked a little bit about open space. This project will have 50% open space. 50%! That's more than you see in many projects in north Scottsdale and the requirement in downtown is zero perfect. This is not a case of someone coming in and trying to put 10 pounds in a 5-pound bag.

Mayor, members of council, in conclusion, this is a realistic proposal, brought forward by a developer with a proven track record and a \$500 million commitment to our downtown with an incentive to do things the right way. Both of the alternatives presented to you tonight by staff, the alternative A and B were vetted by your Development Review Board and your Planning Commission. Both of them are recommending to you unanimously their recommendation to you, to adopt these proposals.

Additionally, this proposal is replete with community benefits. The developer, not a penny of sales tax dollar or city taxpayer dollar is going into undergrounding of these kv lines not on his property but offsite for the benefit of the community. We are doing a pedestrian art bridge which I like to call Soleri, Jr. We will work with SRP to create the substation aesthetic improvements. We are working to ensure the canal bank improvements are completed. We are providing the hotel and tourism component. We will have lower heights than the previous approval. Less building square footage than the previous approval. Our percent for the arts requirement, we are not using on our site, within the four corners of our project. My client is contributing that approximately \$1 million to the benefit of the community, to the downtown trust fund in partnership with the Cultural Council to create an art bridge and other potential art enhancements at this intersection. We are going to open space 50% and zero required. We will pay to realign 73<sup>rd</sup> Street with Buckboard. Really shouldn't be our requirement, but we are going to make that happen. Two pedestrian plazas and two A.D.A. access points to the canal and less traffic than the previous approval and we are providing up to \$75,000 in the stipulations as a requirement that my client has to put up so that we can work with the neighbors and the city staff to come up with traffic calming measures for the neighborhood and my client pays for those up to \$75,000 in cost.

Mayor and members of the council, some would say that Scottsdale Road and Camelback is our signature intersection in our city. This is what it looks like today to our visitors, to our residents. This is what they experience every day on foot, on bike, or by car.



This is what they are experiencing. How long -- how long do our residents and visitors have to put up with this? You have in your hands the power tonight to change this, to make this go away and create something much better for our community and our visitors we would respectfully request that you take that very important step tonight. We're happy to answer any questions.

[Time: 01:50:38]

Mayor Lane: We will go to the public testimony first and if there's any need we may have some questions on that from you -- for you after that. So we will start with Mr. Bill Crawford. He has four additional cards donated by Robert Cox, Debbie Crawford, Janet Shaw, and Mike Burkfeld. Mr. Crawford with that time, you have about five minutes if that works.

Bill Crawford: Thank you for your generous contribution of the extra time. I really appreciate. My name is Bill Crawford. I live on north 73<sup>rd</sup> Street, that's exactly right across the street from this proposed development. I lived there for about ten years. My wife and I bought two units shortly after the lot was scraped from the shantytown that was there, and so we have had a front row seat to this 80 acres of dirt for much longer than we ever anticipated. I'm also the president of the homeowners association for all Olive View Manor which is a 14 unit complex across street and I own a business right in the neighborhood.

I know a lot of the history. I know a lot of the neighbors' feelings about this project and I'm here to tell you about it. First of all, let's go back and do a little history. 10, 12 years ago it was a slum. It was one of the most frequently visited law enforcement problems in the city. One call per day. There were drug dealers -- excuse me that microphone is really touchy.

So after -- so after a while, Jeff done, when he did the assemblage of these properties, he put all of these properties to go. Shortly after that all the residential components were boarded up, then we had other problems. We had feral cats, we had rats and homeless people and we had crime and there were fire dangers because people were lighting fires in there to keep warm. So John Berry, myself, and Tony Nelson worked to persuade the property owner to scrape the lot. And they did at a cost of about \$1 million.

And we didn't have any problem with this because we knew that Mark Madcor was in the process of going through the development phase and we were going to have this beautiful solace project built across the street, sooner rather than later. Well, we all know what happened. As soon as mark got the approval, then came the great recession. And the bottom fell out of everything. Mark lost his financing. And he tried to revive it a couple of times. It didn't happen.

And so we have been watching this dirt lot now for the last ten years. We know that something is going to be built there, but it won't be single family homes because the land price, the value of the price, and the builder financing, it's just not going to happen. So something high density will be built there sooner or later.

Now the sun, the moon and the stars have all lined up. We have a developer in front of us, ready to take this project on. He doesn't need any outside money and he's got the funding it's like this. He's knocking on the door, when the development review councils across the country would do anything to have this type of project in their city. We have somebody that can take on this massive project and build it and make it happen.

So I would like to point out that I don't know of any opposition to this. The board -- this' broad community support and we brought in signatures and letters of over 90 people. Janet Shaw and Mike Burkfeld who are property owners in the neighborhood asked me to convey their support and it had unanimous approval with the development review board, and it's unanimous approval by the planning commission.

The structure itself also helps to block noise coming from the entertainment district into the neighborhood. And this bridge over the top of 73<sup>rd</sup> street kind of works as a barrier to give the neighborhood some privacy and then there is the pedestrian bridge. This is a wonderful thing that will give access to fashion square to almost 2,000 people that live in our neighborhood and villa monte ray.

The developer has gone out of his way to make concessions with the neighbors, including having the delivery of commercial vehicles on camelback so that those trucks don't go into the neighborhood. The developer and I, as you might remember, have some history. And there was a time when I was very opposed to some of these developments, especially in the bar district and let me tell you, if I didn't like this project, and if my neighbors didn't like it, you would know about it. This developer has bend over backwards to accommodate us, on traffic, open space, access to the bridge, you name it. And if he wasn't, you would know about it. If we didn't want this project, I wouldn't be up here advocating for it.

Downtown Scottsdale needs this missing link. It's a huge piece of a missing puzzle that we have waited a decade for completion. So I ask you to support this without delays and I hope that you will do that tonight and then downtown Scottsdale will be complete. Thank you for your time.

[Time: 01:56:30]

Mayor Lane: Thank you, Mr. Crawford. Next we will hear from Bert te Velde.

Bert te Velde: Thank you very much. I would like to start with apologizing for my attire this is not professional way I would like to present myself, but I came by bike. That's what I like to do. That's how I commute. That allows my son to safely with this horrendous temperature, visit a friend by car.

Mayor Lane: If you could just for the record, could you give your address.

Bert te Velde: I will do that too. Yes. I live, actually, on Minnezona Avenue. I'm a science teacher and robotics coach at Mojave middle school and I'm blessed to live where I teach in my community. Quality of life, as I stated earlier, means I can walk, I can ride my bike and I'm very

excited to see the plans being developed at this time and have been developed over the last couple of years in Scottsdale, particularly the downtown plan calls for this kind of movement.

We have met with the developer. We is a number of neighbors and I have to say that that was a most pleasant and constructive meeting. That doesn't always happen in these kind of settings. I'm well aware of that.

Still there are some concerns. I personally support the residential development as it is proposed right now. But there are some concerns that we have expressed as a neighborhood and we met with the developers and his team and also with the traffic staff here in Scottsdale to try to address those concerns. They are mainly about traffic. As we noticed, the alignment of Buckboard and 73<sup>rd</sup> Street may cause additional traffic into the neighborhood. We believe that it's important that that will be addressed.

The developer pointed out already that it is not an idea from the developer but something that the city of Scottsdale wanted to see happen. So I would like to encourage you as a council -- as you decide on this project, and the further phases of this project, to explicitly take the traffic concerns into being. When we met with the developer, one of our neighbors or a couple of our neighbors expressed what is actually happening right now, way too much parking, people peeing in yards and stuff like that. The developer was shocked to hear those kinds of things. This is not what he tries to instigate by developing the downtown district. We talked about a couple of solutions. \$75,000 is made available. Whether that will be enough, that's up to you to decide.

I want to encourage you as we go forward in this project, I'm guessing, to keep this longer term impact on the residential neighborhood in the back of your minds. Traffic is an issue. We do not know exactly how it will play out, but I encourage you to make it part of your decision making. Thank you very much.

[Time: 01:59:31]

Mayor Lane: Thank you Mr. te Vilde. Next is Sonnie Kirtley.

Sonnie Kirtley: Good evening or afternoon, I didn't see a clock. Sonnie Kirtley, Coalition of Greater Scottsdale. Burt is excellent as a representative of Scottsdale Terrace. That was a dynamic neighborhood group. The project can certainly be supported by C.O.G.S. We are looking forward to seeing no dirt, like Bill says, and this project looks very interesting.

The concern is, of course, that with the realignment of 73<sup>rd</sup> Street, now we are talking about drivers coming out of the entertainment district and seeing that straight ahead direct route and if they are on their little apps and all of that, they will see that the quickest way to 101 is to shoot right straight across Camelback and go over to Villa Monterrey or go east on to Minnezona. So you immediately get out of an area of danger if you have been drinking a bit much.

Also we would like to thank the Yari team because they have been wonderful in the time that they

have given to the neighbors. We had very constructive meeting with villa Monterey, and Bill's group and with Shawn. At that time, they discussed how can we mitigate the potential traffic problem? We followed that with a meeting with transportation director Paul Basha hosted by C.O.G.S. with the Scottsdale terrace people to look at those options and have them vet them. What would work? What would not work? What would tweak? What could be in the future? And so we had a complete summary of that. It was very constructive.

So I think that the traffic problem, the anticipated problem of traffic through the neighborhoods can be mitigated. So we think they are just doing a great job. It's a joy to work with a team like this.

[Time: 02:01:55]

Mayor Lane: Thank you, Ms. Kirtley. Next and final one is Tom Prombo.

Tom Prombo: Yes, Tom Prombo on north 75<sup>th</sup> Place. Sorry about that. At the Planning Commission meeting and here, the concerns I have heard so far, are one, whether we have the two parking spaces per unit. They didn't have that answer, and I couldn't see the graphic fast enough. I would hope that this would be two parking spaces and this would not be passed without that minimum.

The other thing is I hear them talk about more hotel rooms supporting the city and everything, but they are -- supporting the city and everything, but they are still coming to you with two plans. I would like to see the city council approve plan a, which during the planning meeting and this meeting, they project out as their primary plan. But they are still keeping b there, and when b has 400 some multifamily residences, that will really increase the traffic way more than the hotel would. The hotel offers a lot of other things where it's going to block sound for the neighborhoods better. So I really just like -- the one thing I dislike is the fact that they have the able to go back a couple of years from now and not come forward with the plan that they are saying is good for the city.

The last concern, I think I had, well, I talked to -- they said about the park assess was going to be for the people in the property and east of them. And, of course, Villa Monterey is north of them. So we were told that we would have access to the park also. I would like to just hear that it's both east and north. Thank you very much.

Mayor Lane: Thank you that. That completes the public comment on this. Mr. Berry, if you have any comments. I can't imagine why you might. If you do, you have a couple of minutes, and then we may have some questions for you.

[Time: 02:04:10]

Applicant Representative John Berry: Mayor, members of council, I want to thank the neighbors and all of them for their efforts. It's not often that neighbors are willing to come out and speak in support and to applaud the efforts for the team, and the concerns for neighborhood and their attempts to mitigate them. If you watch the Planning Commission hearing or if you were aware of the Planning

Commission hearing or saw the minutes, you know that there were 25 or 30 people here from the planning commission.

I want to thank the city staff, the engineering department and Mr. Basha for taking the time to meet with the neighbors and for Sonnie Kirtley for arranging that meeting with transportation staff. And I think your transportation department has really helped to allay the fears of neighborhood and helped the neighbors better understand the level of involvement of the city and their professionalism in addressing these transportation issues.

To address a couple of other specific issues, if there are parking concerns, Mr. Basha noted they can work with the neighbors to invoke that parking permit and to help address that. I would also note that as to the parking, we exceed the ordinance for parking for this project. The requirement for residential is if you have a studio or a one bedroom, you are required to have one car -- one parking space for that unit. If you have a two bedroom, or greater, you are required to have two spaces. So I think it would be unusual for a three bedroom unit to have three people that are drivers. Many people use that as an office. That third bedroom or they may have a younger child who doesn't drive, but we meet that parking ordinance and we exceed it in the case by about a 69 or 70 parking spaces for the residential piece of this. So we well exceed that.

Mayor, members of the council, I will be happy to answer any additional questions that you may have at this time, but, again, I want to thank the neighbors and also SRP for their efforts and time in conjunction with addressing the opportunity to make this eye sore go away. Thank you.

[Time: 02:06:24]

Mayor Lane: Thank you, Mr. Berry. I would like to thank all the respondents all of those who spoke on the project and on this. I guess I would just start off by saying, I frankly echoing some of the comments made by public testimony, and that is it's been a long time in coming for a project like this, and this is really a great project.

And it is being put together in a very cooperative and collaborative way, I think with the city and with all the participants as far as certainly the Salt River project is involved with their substation and their arts and culture, our Cultural Council. A lot of great players in this working together to make sure just that intersection that Mr. Berry portrayed as it is today and what it can become for this entire neighborhood.

You know, it's been a long time since we looked at this neighborhood and seen the scene that Mr. Crawford painted. It wasn't that long ago, but it was quite a different picture all the way around and it was a trouble spot. It's really been a fantastic effort through a major downturn in the economy, which had some impact on the extended time on this and to come back and I think this is a very good project and it's been well handled all the way around as we heard from the testimony from the public.

I did have just one question about that and I suppose it is whether or not the resolutions and the

ordinances consider both options or do we vote on one option?

Applicant Representative John Berry: Mayor Lane, members of Council, the DRB consideration, the planning commission consideration and the staff report and resolutions are all drafted and intended that the one vote would approve both alternative A and B.

Mayor Lane: Okay. So that alternative B then is certainly a -- voted upon and approved upon use with this development agreement?

Applicant Representative John Berry: Mayor Lane, members of the council, that's correct.

Mayor Lane: Okay. All right. Well, with that said, I don't know if we have any further comments on it, but that's some clarity on that. I don't see any other comments from the Council. As I say those words, they undoubtedly always appear. Councilman Smith, we will start with you.

[Time: 02:08:52]

Councilman Smith: I don't want to disappoint you, Mayor. I think my questions are actually for staff. The statement was made in the staff report that the setbacks from camelback are less than the standard of -- and I'm trying to recall, 40 feet was it and the setback here is 23 feet if we are in the hotel option? And maybe that's true for the other residential option as well. But I'm talking about the setbacks from street. What will be this project's setback?

Senior Planner Brad Carr: Yes, Mr. Mayor and Councilman Smith, the setback would be 23 feet minimum from the curb line, which is how setbacks are measured in the downtown. The normal standard as you note, so the applicant is requesting that 17 feet amendment.

Councilman Smith: Is staff at all concerned about that?

Senior Planner Brad Carr: We vetted that through multiple departments, including our transportation department for sidewalk access, and it's not atypical, it's certainly for a project like this to be located closer to the curb line.

Councilman Smith: The statement was also made in the development standards that step backs and for the public, that's not the distance from the curb but that's wedding cake effect. The step backs do not apply to hotel buildings along Camelback Road. Is that the city's statement or is that the applicant's request?

Senior Planner Brad Carr: Again, Mr. Smith, that's the applicant's request as part of their property development standards this evening.

Councilman Smith: So normally one would have stepbacks, the wedding cake effect?

Senior Planner Brad Carr: That is correct.

Applicant Representative John Berry: Mayor, Councilman Smith, can I further elucidate on that?

Councilman Smith: Good right ahead.

Applicant Representative John Berry: Thank you very much, Mayor, members of the Council.

Councilmember Smith, I would like to you keep in mind that the reason we are asking for amended development standards. Every downtown project that has a planned block asks for amended standards and the reason for that is that one size does not fit all. But in this particular instance, the shape and the constraints on this parcel, I have never seen before. You've got Camelback Road, the substation, the canal, and the street. Along Camelback Road the depth of this property is 97 feet. So if you were to apply a 40-foot setback, you have 57 feet left to put a hotel in. It doesn't work.

Most importantly, in Scottsdale, it's not about the number or the quantity. It's about the quality of that environment. What have we done? This is Camelback Road and by the way, across the industry at the W hotel on Camelback, the setback is 10-foot average. We will be at an average of 32 with some pieces 52 and 47. But this area along Camelback Road is not linear a row, it has covered shaded parkway for pedestrians and outdoor areas for the restaurants and the retail that you see in red and in pink is a day spa. So the quality of this environment along camelback will be delightful. It will not be anything other than that, and it certainly is in keeping with the area.

As to the amended standards for the hotel this area in green is the so-called wedding cake. And on this property, which you can see is this is the covered sidewalk, the covered walkway outside on Camelback Road. This is Camelback. Here is the one story. Let me say that again. Along Camelback, this is all one story, 14-foot high element. We have the right under the wedding cake to build in this area along Camelback. And we are not doing it. So we are doing all one story where we have the right to build taller this close to Camelback Road. We are going one story all the way back to here and then we go up and then it's this small area that we are asking for that amended standard.

The other piece of it, and please note that we are not using the available height above that within the wedding cake. So I think this is a fair tradeoff for our community by ensuring we have a one-story element along Camelback Road. It then goes up and only in a small area does it need an amended standard and we go no faller than we otherwise could go.

Councilman Smith: For the record, I will note that staff's answer was shorter.

Applicant Representative John Berry: They want to go home more than I do. I get paid by the hour.

[Time: 02:14:16]

Councilman Smith: I appreciate the explanation and probably the public does as well, Mr. Berry. I was trying to make the point that this project in terms of its setback from Camelback Road is less than

the standard and the setbacks, the wedding cake effect is not in that application here. The statement is made in the staff write-up that option a, which is the one that would include the hotel -- I forget what your exact words were. Something to the effect that it more nearly patches the definition of the -- matches the definition of the zoning that's sought.

Alternative A provides for a greater mix of uses for site than alternative b, obviously by including a hotel with associated amenities and we heard that under option b, the commercial square footage would reduce by a third. And I think my question to staff is since the zoning is one that's supposed to provide for a mix of uses as opposed to the commercial zoning that currently exists on this, are you still comfortable that both Aa and B with the appropriate rezoning, period?

Planning and Development Services Director Randy Grant: Mayor Lane, Councilmember Smith, the short answer is yes, we are. We unabashedly prefer the hotel, simply because of the revenue potential and the long-term economic development potential that it provides. We recognize that that is highly competitive and this marketplace the multifamily option may be one that is more immediately marketable. We are comfortable with both options.

Councilman Smith: I really wasn't talking to the marketability. I was just talking to the requests change in zoning which requires for a mixed use characterization, and the statement was made by your staff that option A has more mix than option B. Can you tell me, has staff determined if option A is the option pursued? There is reference here that if they go that way, there will be payment for the city's air rights over 73<sup>rd</sup> Street. Is that a determined number? Is that something we are deciding tonight? Voting on tonight? How are we dealing with that?

Senior Planner Brad Carr: Yes, Mayor Lane, Councilmember Smith, that number has been determined based on some prior work that the city has done for similar efforts and mostly in downtown. And so that consideration nor the air rights are provided in the development agreement by some payments, most notably the developers payment to underground the power lines offsite for those -- that consideration for those air rights and as well as other considerations. They are building underneath an alley the city owns. So those easement rights are also part of that consideration.

Councilman Smith: So there is no further consideration for the air rights if they go with option a, is that correct?

Senior Planner Brad Carr: Correct.

Councilman Smith: So I'm not sure that since they are going to do that any way, then I'm not sure whether there's any payment -- there's clearly no payment that there will be for the air rights.

Senior Planner Brad Carr: I will caveat that on the one premises that if the undergrounding does not occur and the developer does not pay for undergrounding, the developer would then be paying the city, just writing a check basically to the city for \$700,000 to cover those rights at a future date.

Councilman Smith: And I appreciate the longer answer. It almost sounded like one Mr. Berry would



give me. What is the \$700,000 number? I lost that.

Senior Planner Brad Carr: So as the development agreement is structured currently, the developer is required to pay \$1.5 million to underground the power lines in consideration of the air rights and other rights that the city owns that they will be encroaching on. Should that power line undergrounding not occur, the developer would pay \$700,000 to the city to cover those rights that they will be using as part of their project.

Councilman Smith: And those rights include the air rights over 73<sup>rd</sup> Street?

Senior Planner Brad Carr: Correct.

[Time: 02:19:04]

Councilman Smith: Well, I do agree that this project solves an eye sore and an embarrassment that Mr. Berry said at the outset of his comments. I'm not sure that justifies a chain just because you have an eye sore. It's not equally difficult. I agree it has lower height than previously approved. It has 50% open space. That's certainly a plus.

It has less building square foot, although that's because we are building -- we talked about what the size of the unit will be.

Applicant Representative John Berry: Councilman Smith, just to go back, the question about the undergrounding the power lines it made it sound like that may not happen. The agreement is absolutely iron glad that the developer and the city make that -- there's no city dollars. It's all developer dollars that make that happen. And in spite of the city's, for SRP, if they do not allow the undergrounding to occur and our relationship with SRP has been phenomenal, the city has a decade's old relationship with SRP, they are the best of corporate citizens and there's no other place in their system that they have allowed a Soleri bridge to be built. There's no other place where they worked no have a canal convergence. There's no other place to allow the waterfront development improvements to be made in that area. So -- made in that area. We are confident that SRP will continue to be that great citizen.

But as lawyers are wanting to do, we have game planned every possible contingency. And if the undergrounding did not occur because -- then there is a payment made to the city for \$700,000 for undergrounding. No way is there an attempt to sell the city for what they are getting compensation for. It includes the air rights as does the million and a half if undergrounding occurs.

As to the size of the units and the --

Councilman Smith: That was my question, wasn't it?

Applicant Representative John Berry: Yes. I couldn't help myself, sorry. As to the size of the units in phase one, the average size of those communities would be approximately 950 square feet, which I

would note is a little bit larger than some of the more recent projects in downtown. I would also like to know your question was prefaced by a comment that the one-third reduction in building square footage on site may have been precipitated by making the units smaller. Keep in mind that developers rarely reduce the size of their entitlements. I'm usually here asking for more. In this instance, the developer could have kept the same size buildings and put a lot more residential inside it. He didn't. Environment reduced the size of the buildings and asked for some more residential but did not use all of that already approved building space on the site. Instead, less building site, and much more open space adjacent to the canal, moving buildings away from the canal and moving buildings away from 73<sup>rd</sup> Street. Long answer. I apologize. Thank you.

Councilman Smith: Thank you very much, Mr. Berry. I think the other comments that I will make and some people can, perhaps, decipher them from what -- the questions I will ask, but -- but this project is not -- I mean, I feel like an outsider here with this celebration where we are celebrating something being Doppler radar on this property. I just -- done on this property.

I have just want to remind people that we are making a lot of concessions here. We are allowing the development to be built close to the road. How contrasted to the development that we talked about a little earlier tonight, up in the northern part of the city by the 101. The setbacks from the major street in that case, Scottsdale Road are substantial. They are not moving in closer to Scottsdale Road. They are respecting the setback. They are respecting the request for a shorter building on the -- open our major streets Scottsdale Road. They are respecting the height be limited to 60 rather than the allowed 90. Theirs is genuinely a mixed use development. It has residential but it also has hotel, commercial space and whatever. They made a significant commitment to -- that they are building the residential buildings if they were not condo, they would at least be condo platted so they could be converted to condo one day should the mark change in that direction, and, in fact, they went further and committed that at least 20% of the communities would be condo units as they built the development.

So here we are talking about putting a building right on one of our major roads. Closer to the street than we normally have it, asking us to eliminate the step back or the wedding cake effect, it may be cause for celebration, but I don't know that I would buy the vintage celebration for this one.

I don't know what my colleagues up here may think. I guess I would prefer as was alluded to by one other speaker tonight, I would prefer that if we approve this project, or do something with it, we delay the project until somebody figures out what they want to do. I'm uncomfortable saying that I'm going to approve the project with two options, one of which will be a hotel and a genuine mixed use, which admittedly I have issues with, considering how high and close to Camelback Road is, but I don't even know that I will see that. I may see -- I may see residential units. I'm uncomfortable approving a project that is essentially a blank piece of paper.

I know that the neighbors want something done. I'm sensitive to that. It is an eye sore. But I for one would be more comfortable delaying the project until suburb has some definition of what they are asking for. I can't approve a blank piece of paper quite like this. Thank you, Mayor.

[Time: 02:26:30]

Mayor Lane: Thank you, Councilman. Councilwoman Klapp.

Councilwoman Klapp: I believe the outreach in the discussions with the neighbors has been excellent and I think this is a great project. Probably I'm not in agreement with councilman Smith on this -- in this regard, and I think the people who spoke, I can't really improve upon the things that were said about this project. There are all kinds of improvements, amenities, public benefits that are being provided that make this a great project.

I have -- I have no concerns about not having a wedding cake effect design of this building. I think that the design of the building works properly with the -- with the type of configuration of the land. And so I don't have any concerns at all about this project. I think it's a good one. The neighbors like it. We don't have people against it. The Planning Commission, the D.R.B. all agreed that there could be two options in the plan, and I agree with that as well.

So with that, I would like to make a motion. I move that we adopt ordinance number 4261 approving a zoning district map amendment from downtown office/residential type 2 planned black development, downtown overlay, d/or-2 P.B.D. D.O. to downtown/downtown multiple use, type 2 and to adapt resolution number 10450 declaring the water view mixed use development plan as a public record and to also adopt resolution number 10451 authorizing the development agreement 2016-064-COS.

Councilmember Korte: Second.

[Time: 02:28:29]

Mayor Lane: The motion has been made and seconded. Councilwoman Korte, would you like to speak towards this?

Councilmember Korte: Yes, I would. You know, this is a pretty simple decision for me. Because it does solve an eye sore, a dust bowl near our iconic signature intersection. It is an embarrassment. It reduces the size of the current entitlement, lower heights and less density, open space is great, it's something that we have been talking about as an amenity. And it improves off site areas such as the pedestrian walkways along Camelback Road. I don't know if you walked Camelback Road on that north side from the Sun Dial to the corner, but you are putting your life in danger because of the poor access and lack of sidewalk.

This is a true infill project. It is a true infill project and can't be compared to new development of raw land. It is not comparable. You cannot compare this to One Scottsdale. Redevelopment does not compare as a cookie cutter and you've got to be more flexible. You've got to be more fluid to make things happen and not only what is good for the city but good for the investor.

There's been great outreach to the neighborhood. Mr. Crawford, I appreciate your voice, representing many. And I think this is a great project. So I will be supporting it.

[Time: 02:30:14]

Mayor Lane: Thank you, Councilwoman. Councilman Phillips.

Councilman Phillips: Thank you, Mr. Mayor. Mr. Berry, if I understand this -- and we made the motion already -- that if this passes, the applicant will get his choice of option A or B, depending on the mark movement or whatever. It could be today or five years from now?

Applicant Representative John Berry: The short answer to that is yes. The longer answer is my client is in the hotel business. He wants to build a hotel, and he intends to build a hotel but there are still innumerable community benefits. I can go through the community benefits list. Every one of those community benefits would continue to be met except for the hotel. The short answer is yes.

The planning staff and DRB and the Planning Commission all recognize and as staff presentations and otherwise, that there would be two choices here. The neighbors also spoke to that at planning commission and this evening that they actually prefer the all residential to the hotel. So everybody has understood that that's the case. There's no surprises. It's total transparency but all of those who have considered it, are recommending to you that you adopt the motion as made by the maker and the seconder. Thank you.

Councilman Phillips: I would like to make an alternate motion then, that the option a, the hotel be the plan of choice, and that option b the multi family would have to come back to council for approval.

Councilman Smith: I second that.

Mayor Lane: Motion has been made and seconded. Any further comment on that motion?

Councilman Smith: I'm never missing a chance to comment.

Mayor Lane: I will withdraw that if I'm initiating it with you. We do have some other folks who want to speak on it, but nevertheless, on the alternative motion.

Councilman Smith: Well as the seconder of the motion, I will just say my reasons for saying it and it may be apparent from the earlier comments. I have think we need definition to what we are voting on and I'm not saying we wouldn't approve a residential development, but I prefer to vote for a defined alternative rather than whatever the -- whatever the developer chooses in the future.

[Time: 02:32:48]

Mayor Lane: Thank you, Councilman. Mr. Washburn?

City Attorney Bruce Washburn: Thank you, Mayor. Just as a procedural matter, if this motion is adopted, some substantial changes would have to be made to the agreements. So we would have

to -- we would have to bring it back to council for subsequent approval after we had made the changes. So if this motion should, I think, be done as direction to staff to -- because we would have to renegotiate the agreement basically to renegotiate the agreement consistent with the direction and then bring it back for consideration and approval. Nothing would be approved tonight.

Mayor Lane: Thank you, Mr. Washburn.

Applicant Representative John Berry: Mayor, is it possible for applicant to address the motion?

Mayor Lane: Yes, that would be all right. Yes.

Applicant Representative John Berry: Mayor, members of Council, first off, we would strongly in the most strong as possible terms oppose the requested alternative motion. Let me just kind of go through -- this isn't about market or not about market. It's about do both of the alternatives provide substantial community benefits to the citizens and visitors of our community?

Let me go through this with you. With the residential option, you still get \$1.5 million of undergrounding of 69kvs and the pedestrian bridge and the substation aesthetics. You don't get a hotel. What do you get more high-income residents to generate sales tax for our community and to support the businesses in the area. You would end up with even lower heights than the previous approval because the hotel is at 68 and 66, the residential is at lower heights. It has less zoning than back in the day. You still get a contribution to the arts and you still have 40% open space. You get a realignment of 71 of the street but no bridge. You still have two pedestrian plazas and two A.D.A. access points but you end up with less traffic an the previous approval that was approved on the site. And the neighborhood will still get \$75,000 for traffic calming.

Under either A or B, the citizens of Scottsdale ensure that this goes away now and all of those community benefits are obtained our residents and visitors. That's why staff, A or B, the planning commission, DRB and others recognize that these are great alternatives. It's not the lesser of evils. It's which one is cause for more celebration than the other.

So Mayor, members council, again in the strongest terms possible from somebody who is moving this case forward and has the ability to deliver, please don't impair our ability to do that. Thank you.

[Time: 02:36:10]

Councilman Phillips: Mayor, may I respond to that?

Mayor Lane: Yes, go ahead Councilman.

Councilman Phillips: Mr. Berry, you said earlier that pretty much the idea of the applicant is -- he has hotels across the country. It's pretty much going to be a hotel, you just want to have that option. All I'm asking for is that if you decide to do the multifamily, comes back to council for approval. You will most likely get it but at least we're in that process to allow applicant to pick either or -- I don't

know, it's unprecedented. You know, if he's a hotel builder and he wants to build a hotel, I don't see any reason not to agree to this.

Applicant Representative John Berry: Mayor, members of the Council, Councilman Phillips, we would have to go through a year-long process to get to the same place we are today. This process includes all the outreach, all of the collaboration. We have -- we have designed the buildings for this. DRB has reviewed those. There would be nothing that changed but it would incur a substantial cost and a substantial delay in the ability to --

Councilman Phillips: It wouldn't do that if it's going to be a hotel.

Applicant Representative John Berry: Absolutely. If it's a hotel, it moves forward as a hotel. If for whatever reason the hotel, then option B is available. And it ensures all of those benefits and this can occur.

Councilman Phillips: So my motion is basically ensuring it will be a hotel and if not it has to come back to council. So by your argument you are basically saying, well, we are kind of thinking apartments, otherwise if you are 90% sure it will be a hotel, there's no problem with this.

Applicant Representative John Berry: Mayor, members of Council, there's always a problem when we don't know what the market will do to the economy. There may come a time if hotels are not viable that the only available option other than leaving the property like this, is to build a very high-end residential project that has all of those community benefits that I just went through. Things can change over time.

Councilman Phillips: Well, things change over time. You say you are not planning to building right away. If you start right away, you don't have a choice to build something else later on. So what's the plan? Are you going to let it sit for three or five years and see what the market conditions are then or are you going to build the hotel right away?

Applicant Representative John Berry: Mayor, members of council, the plan is to proceed as quickly as possible with the hotel.

Councilman Phillips: Well there you go then. So this should work very well then. Thank you.

[Time: 02:38:56]

Mayor Lane: Thank you, Councilman. Mr. Nichols did you hit the button or did someone use your button.

Planning and Development Services Director Randy Grant: I wanted to clarify, the One Scottsdale application that you also heard tonight, everything south of Legacy has and or to it in terms of the land use category. So it can be office, it can be residential, it can be a hotel, it can be a retail. The limitations are only on the number of units and the amount of office square footage. So it's a similar

case in terms of approving that flexibility.

Mayor Lane: Very good. Thank you Mr. Grant. Thank you. Vice Mayor Littlefield.

Vice Mayor Littlefield: Thank you, Mayor. I had a question regarding the alternate motion. You have stated both here and when I talked to you earlier that Mr. Yari is in the hotel business. And if this comes to fruition, he would be building the hotel; is that correct?

Applicant Representative John Berry: Mayor, Vice Mayor, yes.

Vice Mayor Littlefield: What about the condo and the apartments who will be building those?

Applicant Representative John Berry: Mayor, Vice Mayor, members of council, it -- we don't know at this point.

Vice Mayor Littlefield: Okay. So it might be someone else?

Applicant Representative John Berry: Mayor, Council, Vice Mayor, yes, but whomever would step forward is bound by all of the requirements of this zoning case, the elevations, the development plan and no matter what we develop open this property, it has to go back to the development review board for all site planning and elevations which is a neighborhood process and a public hearing process. All of these requirements, the list of computer benefits for both options A and B run with the land and are binding on anybody that moves forward with the development of any piece of this property.

Vice Mayor Littlefield: Thank you.

[Time: 02:40:53]

Mayor Lane: I would have to say, in listening to Councilwoman Korte, I think that was a great summation of an infill versus the new development side of thing. I don't know that the comparison really fits there.

Something, Randy that you mentioned too. I think this is important for us to remember too, that if we -- this is not an unprecedented situation. I think I would stand probably with most of the folks on this council that we prefer to have the hotel and that's what more or less the primary intent is. But that we do have those kind of situations. And I don't think we are desperate and I think the celebration is a -- is a good one, because I think we do have a situation that we have some answers for it.

One way with the hotel certainly. I think is a brighter spot. But I like the idea of being able to provide at least this level of flexibility, because I would like to see something happen there and I think it's a good thing for our downtown and infill position.

And I think the concern about our project in downtown did, I don't know if we have lost our

sensibilities. I suppose to heighten density, we are talking about a piece of property that's over ten miles north of where we are now and we used to think of ourselves as having an infill project like this, greater latitude and greater conversation for height and densities. I do know that certainly the vote has gone to increase by 50% the height there. Here we are talking about reducing it from what the entitlement is. I don't know that there's really a comparison when you think about the tradeoffs here.

So I am certainly not in favor of the alternative motion, even though I have sensitivity to what has been offered, but with that, we do have an opportunity to vote on that alternative motion made by Councilman Phillips.

And unless there's any other questions which I don't see any right now, I think we are ready to vote on that alternative motion. Those in favor of that motion, please indicate by aye. Those opposed with a nay. Nay. Okay. We'll do it again. Okay. The motion fails this time, if we got it right. 4-3, as vice Mayor Littlefield and councilman Smith and Phillips voting for the alternative motion.

Now, unless there are any further questions, we already have the motion for the original -- the original motion, I should say. I think we are ready to vote. All those in favor of the original motion --

[off microphone comment]

Councilwoman Milhaven: I would like to call the question. I would like to call the question.

Mayor Lane: Okay. Anyone want to second the call the question. We are then ready to speak on the second motion. Then all those in favor please indicate by aye. Those opposed with a nay. Aye. Okay. That motion passes 5-2, with Councilman Smith and Councilman Phillips opposing it.

Thank you very much to the applicant and to Mr. Berry. And to all who discussed this with us here tonight with their comments. Thank you very much and thank you very much, staff.

Applicant Representative John Berry: Thank you.

Mayor Lane: Okay. If you could dismiss quietly, we still have some business to attend to. Thank you. It won't be much, but we definitely do have some.

We don't have any further public comment. We don't have any citizen petition but we do have a request on behalf of the Vice Mayor Littlefield for Mayor and council item. Vice Mayor.

[Time: 02:45:40]

Vice Mayor Littlefield: Thank you. I would like to direct staff to agendize for future presentation discussion, and possible direction the proposed first edition of the special events users guide prior to its release.



Mayor Lane: Okay. That's obviously in the form of a motion.

Vice Mayor Littlefield: Yes.

Inaudible: Second.

Mayor Lane: A motion and a second. There's no further comment on that. Then I would say, let's -- I think we are then ready for a vote on that motion to agendaize as has been indicated. Okay. All those in favor please indicate by aye. Those opposed with a nay. Aye. The motion is accepted unanimously.

City Clerk Carolyn Jagger: Your Honor, could we clarify the second on that motion, please?

Mayor Lane: Oh. (Councilwoman Klapp)

Clerk Jagger: Thank you.

**ADJOURN**

[Time: 02:46:27]

Mayor Lane: It's been a little muffled tonight, but, yeah. Okay. So that is the Mayor and council item. I would accept a motion to adjourn.

Councilwoman Klapp: Move to adjourn.

Councilmember Korte: Second.

Mayor Lane: All of those in favor of adjournment, please indicate by aye. We are adjourned.