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#### **CALL TO ORDER**

[Time: 00:00:03]

Mayor Lane: Good evening, everyone. Nice to have you here with us. I would like to call to order our December 4, 2019 Regular Meeting.

#### **ROLL CALL**

[Time: 00:00:14]

Mayor Lane: Let's start with a roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Present.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: And Solange Whitehead.

Councilwoman Whitehead: Here.

Carolyn Jagger: City Manager Jim Thompson.

Jim Thompson: Here.

Carolyn Jagger: City Attorney Sherry Scott.

Sherry Scott: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharon Walker: Here.

Carolyn Jagger: And the clerk is present.

[Time: 00:00:38]

Mayor Lane: Just a couple of items of business. If you would like to speak on any of the subjects or for public comment, the white cards that the Clerk is holding up over her head over here on my right are here for that purpose. If you have any written comments on any agenda items, those are the yellow cards that she is holding over her head right now. Those are written comments that we will read during the course of the proceedings. This evening we have Scottsdale police officers Ray Powell and Tony Wells right up here directly front of me at the median. And we have the Scottsdale Fire Department here to assist if needed. Their representative is right here. The areas behind the Council dais are reserved for Council and staff. There are restrooms over here on the south side under that Exit sign. If you are having any difficulty hearing the proceedings, we have hearing assist headsets available. They

are over here at the Clerk's table. You can check with the Clerk if you need one.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:52]

Mayor Lane: If you are able, please stand for the pledge. I'm going to ask Councilmember Whitehead to lead us in the pledge.

Councilwoman Whitehead: 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, Councilwoman.

**INVOCATION**

[Time: 00:02:19]

Mayor Lane: The invocation this evening is Pastor David Joynt of the Valley Presbyterian. He's at the podium and ready to go. Welcome, Pastor.

Pastor David Joynt: Let's take a moment to pray. Let us pray. Heavenly Father, we thank you for the dark clouds that help us enjoy the bright sun with its special warmth. We thank you for the visitors that grace our streets and bless our businesses in this season. We thank you that you give us a time of year to celebrate living faith and sacred tradition, for families to reunite around tables and generations to connect. We thank you for the lights that lend a magic to our homes and our hearts. We ask you now tonight to bless all those who create, defend and administer our laws and statutes. Let tonight's meeting advance our common life. We ask in your great name, and all God's people said Amen.

Mayor Lane: Amen. Thank you, Pastor.

**MAYOR'S REPORT**

[Time: 00:03:12]

Mayor Lane: We have an announcement here that I'm proud to be able to announce. The League of American Bicyclists certified Scottsdale as a Gold Level Bicycle Friendly Community. and I want to thank everyone who provided comments and feedback during the application process and who worked to make Scottsdale more bike friendly. The award recognizes Scottsdale for its commitment to creating transportation and recreational resources that benefit its residents of all ages and abilities while encouraging healthier and more sustainable transportation choices. Thank you for all that participated, and it is nice to have that kind of indication for our great city, so.

**PUBLIC COMMENT**

[Time: 00:04:05]

Mayor Lane: Now is the time for Public Comment, which is reserved for citizens comments regarding non-agendized items with no official action taken on these items. Comments are limited to three minutes each with a maximum of three speakers and there will be another opportunity for Public Comment at the end of the meeting if it's needed. We have one request for Public Comment, and it is Norwood Sisson. Mr. Sisson, if you would.

[Time: 00:04:38]

Norwood Sisson: Norwood Sisson, East Portland, where I have lived since 1970. I got a call where a woman identified herself as a Scottsdale police officer and she wanted me to come home, so I could talk to her. When I got home, there were three Scottsdale police officers and three Scottsdale police cars. She told me an anonymous caller had called in and said, an anonymous caller on a restricted phone number had called in and said that I had been carrying a dog or a cat on a leash that could hardly walk. She wanted me to explain that to her, oh she also wanted to search my house, which I declined. She was very insistent that I tell her about the dog. I told her I didn't know anything about that story, that it was her story and she should write it.

She asked me, what if I told you there was a video of this. I said, let's look at the video. Maybe I can make sense out of the video. I can't make any sense out of what you are talking about. And she said, well, there isn't any video. I think she was trying to intimidate me and who knows what? Anyway, later on I decided I would like to read her story, so I went down to the Scottsdale police records office and asked for the records and the Scottsdale records office says they have no record of my name, address, or phone number on it. Although, she called me on my phone number.

I realize that all you legislative bodies pass laws that the government can lie to the public, but the public can't lie to the government. So, I understand why they lied to me. But I don't like it. I also understand why they don't keep records of what they do because if I acted like they do; I wouldn't want any records of it kept either. So, I think the City Clerk's office I've always to be reasonable, but the whole rest of this government bureaucracy is worthless.

Mayor Lane: Thank you, Mr. Sisson. We will move on with the next order of business. That completes the Public Comment period.

## **MINUTES**

[Time: 00:07:38]

Mayor Lane: I would like to request the approval of the Special Meeting Minutes of November 12, 2019, Regular Meeting Minutes of November 12, 2019, and Executive Session Minutes of November 12, 2019. If there are no changes to those meetings, I will accept a motion to accept.

Councilman Phillips: So moved.

Councilwoman Klapp: Second.

Mayor Lane: Motion's made by Councilman Phillips and seconded by Councilwoman Klapp. We are ready to vote. All those in favor, please indicate by 'aye' and register your votes. It is unanimous then. We do have acceptance of the minutes. Thank you very much.

**CONSENT AGENDA**

[Time: 00:08:27]

Mayor Lane: Moving on to Consent Items 1 through 18. I don't have any cards or any discussion on those items or comments from the Council. I would accept a motion to accept the Consent Agenda Items 1 through 18.

Councilmember Korte: Mayor, I move to accept Consent Agenda Items 1-18.

Councilman Phillips: Second.

Mayor Lane: Okay I don't have updated here, so it is to Item 18A. So for the record I'm sure that's not a problem.

Councilmember Korte: 18A.

Mayor Lane: And the second accepts that as well. We are ready to vote. All those in favor, please indicate by 'aye' and register your votes. Those Consent items as indicated are approved unanimously, so they are accepted. If you are here for the Consent items, you are certainly welcome to stay. If not, please leave quietly.

**REGULAR AGENDA**

**ITEM 19 - ROSE GARDEN TERMINATION AGREEMENT  
ITEM 20 - SOUTHBRIDGE TWO (22-ZN-2018, 19-AB-2018, AND 4-DA-2019)**

[Time: 00:09:43]

Mayor Lane: Moving right along to our Regular Agenda items. We will start with Item 19, which is the Rose Garden Termination Agreement and request to adopt Resolution No. 11660. We have Dan Worth here to make a presentation on that item, welcome.

[Time: 00:09:59]

Public Works Director Dan Worth: This item pertains to some land that actually is central to the next item on the Regular agenda, the zoning and development agreement case, which you are going to be considering for Southbridge Two. As you may be aware some of this land is shown on the diagram and subject to a previous development agreement that the City entered into with Rose Garden Development, LLC in 2005. Pursuant to that development agreement, we have had a total of 16 documents that have been executed and recorded against these properties since 2005. Out of those sixteen documents, six of those were the development agreement and various amendments

themselves.

There is also some easements, a covenant to convey, a notice that we would convey land at a certain development milestone was achieved. There was some memos describing new legal descriptions and a declaration of use restrictions. These were all pursuant to that 2005 development agreement. The development agreement effectively expired in 2015, 4 years ago because the developer failed to meet development timelines, development milestones which were in the agreement. Yet these documents are still recorded against the properties in an effort to clear that up and eliminate any confusion whatsoever. We are asking you to consider approving the contract that is before you which by mutual consent of the City and the successors Rose Garden Development LLC will terminate and allow these 16 different documents to be removed from the title reports for these parcels of land. With that, I would be happy to answer any questions.

Mayor Lane: Thank you, Mr. Worth. Seeing no questions asked on this individually, I think that we have a request to speak on just this item. I'm not sure. Are they all together on nineteen-twenty? There's no separate on 19? OK. There are some separates on 20 as indicated. Yes, Vice Mayor Littlefield?

Vice Mayor Littlefield: I just had a question for you, if this is approved tonight, does the title stay with the City?

Dan Worth: This doesn't affect any ownership. The title stays with whoever the title stays with, and I think they are all city parcels.

Vice Mayor Littlefield: Thank you.

Mayor Lane: Councilmember Korte?

[Time: 00:12:48]

Councilmember Korte: Mayor, I would like to make a motion to adopt Resolution No. 11660.

Councilwoman Milhaven: Second.

Mayor Lane: Motion is made by Councilwoman Korte....

City Clerk Carolyn Jagger: Your Honor excuse me. The whole two items need to be presented and there needs to be Public Comment and then the votes will come separate on the two items. That's the way that we have it agendized.

Mayor Lane: Alright, I see. We don't have that indicated here, but as far as the cards are concerned, it is for the two items.

Carolyn Jagger: That is correct. It's noted on the agenda that the items will be considered together.

Mayor Lane: Do we want the presentation on 20 at the same time?

Carolyn Jagger: Yes, your honor.

Mayor Lane: Okay, very good. Thank you. You are replaced for now, Mr. Worth. Mr. Carr, welcome.

[Time: 00:13:435

Principal Planner Brad Carr: Yes, as Dan Worth eluded to, this is the second item of two things and the culmination of a lot of effort on both parts of the applicant and City staff to bring forward a project in our downtown before you tonight for your consideration. The project as you can see is called Southbridge Two. The general location here is south of the Arizona Canal, southeast of the Arizona Canal and west of Scottsdale Road. A portion of the site as you can see Site D. I'm going to go ahead and refer to these sites individually throughout the presentation so I'll just make a note here. Site A is here. Site B is adjoining, but a separate parcel here. Site C is the parcel directly southeast of the canal and east of Goldwater and Site D is west of Goldwater, south of the Canal and comprised currently of the City's Rose Garden parking lot and some of the applicant's property here. As you can see, this property is located in the heart of our downtown.

The site here, Site A is comprised of mostly 1 to 2-story buildings the applicant is calling the Hotel Triangle. It's going to be comprised of three different uses on that site that I'll get into along 6th Avenue and Stetson. Site B, here you can see again Stetson and 6th Avenue. Site C and D, a little bit closer view of those locations here. Primarily one-story buildings on Site C with some parking located along the back. Site D is the Rose Garden parcel for City parking and the applicant's parcel on the west side. This presentation again, tonight, the applicant is requesting basically four items for your consideration. Those four items are comprised of many resolutions and ordinances and the rezoning from the current C-2 downtown residential specialty districts to the downtown core, downtown mixed use, and downtown mixed-use Type 3 areas, which include a Planned Block Development Overlay.

In addition the applicant is requesting abandonment of several alleys that run throughout the site which I'll show later in the presentation. There are four resolutions related to that and another resolution related to the associated development agreement for the project. And finally there is a resolution that is authorizing the purchase and the sale agreement for that Rose Garden parcel located on the western side of the property. You can see here that the applicant's proposal straddles many different land use designations, or several different land use designations, the downtown core, which is in blue and the Downtown Multiple Use. The Downtown Regional Use is just on the other side of the canal, the most intensive use in the downtown. Real quick the existing zoning, you can see are mostly C-2 DO and in the location of this area and it will be again transitioning to our downtown core as well as downtown mixed-use zoning designations as shown on the map here. The overall site plan as you can see here again, an area where the largest concentration of development will be here on Site A west of Scottsdale Road. Three buildings here with an office building on the northern component. A hotel on the southeastern component and a residential component on the southwest. Site B is the location of a market, planned market and also some residential units there.

Site C is primarily residential, two large residential towers and with ground floor retail. And Site D, occupying the current Rose Garden site would be a residential site with a little bit of retail on the corner of Goldwater and 5th Avenue. This project straddles two different types of , I'm sorry three different types of downtown typology. The first is Type One which is our low scale typology, you can see that in green. That's primarily our Old Town area and our Craftsman Court/Marshall Way area, our gallery

spaces and the portion of the project is located within that. That's the portion that directly fronts 5<sup>th</sup> Avenue. Another portion is within our Type-Two, which is our next intensive district, and that's located along the canal and on Site D. And then the remainder of the portion of the site is within our newly adopted Type 3. It was adopted about two years by the Council and that's our most intensive typology within the downtown. That would have a base height of 84-feet with allowance of up to 150 feet with approved bonuses. The applicant's proposal here seen tonight does take advantage of the bonuses for height on several portions of the site. You can see again this area here and this triangle area, the residential portion of the site is maxing out at a total of 150-feet and the office space would max out at 128-feet and the hotel would also max out at 150 feet. Site B, because it is going to straddle a portion of the Type One area, is going to stay at the maximum height of 48-feet. Site C is doing a little bit of both. It's going to max that area that's within the Type One area at 48 feet, while the remainder is going to exceed that up to a height of 139-feet.

[Time: 00:19:06]

The applicant has made a recent change to their proposal to limit this building height, as you may have seen in your packets. The original proposal was for 150 feet maximum on this site and it has been limited to 139-feet on one of the portions of the two towers, with the other tower being 129 feet. Finally the areas within Type Two, the Rose Garden site will be limited to a maximum of 65-feet as shown here. Getting a little bit closer into the site plan and describing what is going on with these different areas starting with Site A and this is similar to a lot of the different projects with the proposal. There's a retail component on the ground floor to the buildings to keep that activation that is currently there going by continuing to have retail that attracts visitors, attracts residents to utilize downtown. That retail component has been maintained. The hotel lobby is also located on the ground floor. And you have the office component above this reaching 128-feet, the hotel reaching 150 feet, and the residential above this reaching 150-feet.

This graphic shows it pretty well and two areas that the applicant is utilizing for compensation for the abandonment of right-of-ways is the dedication of a plaza area here, Site B plaza, as well as Site B access way, that runs between 5<sup>th</sup> and 6<sup>th</sup> Avenue here, which provides vehicle and pedestrian access between those two roadways. This is a diagram showing how these buildings are going to look in the section at the bottom. There is an elevation of that market building on Site B and the section of Site B as well. Things to note here are the maximum height, as well as the applicant's revisions to the downtown standards for setback. This line in blue is the City's typical requirements of building setbacks for the downtown for this type of building. The applicant's proposal is shown in green here. Similarly, on this side, the applicant's proposal is to take that straight up. This section is taken through the middle of this building, so it is harder to see this lower component of the residential building. It is going to be in front of that. Generally speaking, they needed an amendment to the setback to accommodate the taller buildings.

These are some elevations of those buildings on that site again a little closer up. You can see the hotel building on the left side of the screen. This would be looking from Scottsdale Road looking west. These are the buildings that front directly on to Scottsdale Road. Office building 128 feet, hotel building maximum 150-feet. Looking from Stetson Drive and looking south on the northern side of that triangle and the office component and the residential building. From 6th Avenue, you can see looking north, the residential building and the hotel both reaching 150-feet maximum.



Moving on to Site C of the proposal. This is adjacent to the Arizona Canal and another component of retail being re-introduced into the site. That retail shown here is roughly equivalent to what is existing on the site currently, all those different parcels. The applicant is showing that the amount of retail is retained with the proposal and then, there are residential units located above this. This is the proposed location of the relocation of the Bob Parks's horse fountain. If you remember, that's currently located in this intersection and roundabout and the applicant is proposing to relocate that at their cost to a location here at the corner to help strengthen that connection a little bit better and make it a little bit safer for those who want to visit the fountain. Some building elevations of that site. This is from the canal side looking to the southeast. This shows 150 feet in this graphic but the applicant has agreed to restrict themselves to 139-feet on this building and 129 feet on this building. That effectively takes one floor off of the building as shown. These are elevations from the side. This side being long and linear, you can see the building is kind of long and narrow and these are two different views. One from Goldwater, as you will be looking towards the northeast of the side of the building here and the other one at the opposite direction.

And finally, from 5th Avenue looking northwest and the restriction of height and the ability with that typology to limit the building height adjacent to 5th Avenue at 48-feet. This is a graphic, a section of that Site C. As you can see here, the applicant's proposal is shown in this dotted line with the requirement for the downtown along the canal being shown here. This graphic was not modified prior to the hearing, but again the height restrictions the applicant is proposing, effectively, removing this top floor from this building. Along 5<sup>th</sup> Avenue you can see here they are maintaining that 48-foot maximum height as is dictated by the Downtown Plan zoning ordinance and those buildings that front onto our Old Town and gallery spaces along 5th Avenue.

[Time: 00:24:25]

Finally, with Site D here. The small component of retail space that is going to be provided at the corner of Goldwater and 5th Avenue. This will primarily be a residential building above, 102 units. The first floor is parking that is provided, private parking with an underground parking garage provided. This building shows the elevations along 5<sup>th</sup> Avenue and again, limited to 65, 66-feet in height. And how that amendment by the applicant, shown in green, is different from the typical of our requirement shown on these dashed lines. There are right-of-ways primarily abandonment for the alleyways located throughout the site. Those areas are highlighted here in yellow, needed to unify development parcels within the apartment spaces in those three areas. The sites A, C, and D require those abandonments.

As compensation for those abandonments is providing those things listed on the screen right here. The first is relocation of neighborhood utilities and it is going to affect all of the abandonment sites. There will also be some Canal Bank improvements along Site C as well as the aforementioned Bob Parks fountain relocation at Site C. Site B, the access dedication and I mentioned that earlier. And Site B is being proposed as consideration. The area B plaza, as I mentioned before. And two access ways. One under the building at Site C and one at Site A provided as direct compensation for the abandonment of the right-of-ways. In addition to those compensations for the abandonment of the right-of-ways, the applicant is providing community benefits as a whole from the site including an event deck located at Site A. The City is going to have access to, to utilize.

Seventy-eight spaces of public parking which are going to be provided, actually that's Site D with the Rose Garden parcel. It is going to be provided under that structure that is going to be built there. And in addition, 397 parking spaces for nighttime and evening and weekend uses at Site A for the public use. I have highlighted those locations on this map just to kind of orientate you again. Relocation of utilities throughout the project. Canal Bank improvements located here. The Bob Parks fountain is going to be relocated to here. The Unger Way, the Site B access way here, Site B plaza is this triangular piece adjacent to the marketplace here. The accessway under Building C goes here then exits under the building and exits here. That's a public access way being provided. A similar public access way is being provided at Site A. And those three community benefits that are not part of the direct compensation again are shown in green. The event deck space is located between the three towers here at Site A. Seventy-eight spaces of public parking here underneath the Rose Garden building, or the new building at the Rose Garden site. And finally those 397 spaces of nighttime and weekend uses are located under this building for use.

I want to get into the parking for the project, so everyone is on the same page of what the applicant is presenting as far as their parking for the site. Site A and B are combined, and those sites are parked collectively under one parking structure. So with the uses at each of the sites, you can see the gross parking required and the next column is the net parking required after reductions. It could include shared use reductions and outside patios. The column on the far right shows the physical number of spaces that the applicant is proposing for each of those sites. The totals again, you can see about 1,600 gross would be required. With all the reductions, that number drops to about 1415, and the applicant is total physical spaces provided at the project.

And I wanted to show this graphic just to provide a little bit of context as to where public parking is located in the downtown and some of those spaces. Again, the project is located here in red and also, this area in blue. Directly adjacent is the existing spaces under the original Southbridge project at 284 spaces. Across the canal on Marshall Way you have 300 spaces at the Waterfront. 2,200 spaces at the Nordstrom parking spaces and you also have the large amount of spaces at the 5th Avenue parking garage here, 409 spaces. There are smaller parking lots located throughout also, east of Scottsdale Road near the Galleria. That concludes my presentation for this evening. The applicant is also here to present. I would be happy to answer any questions you might have.

Mayor Lane: Thank you. We will address all of the questions after the applicant has made a presentation.

[Time: 00:29:59]

Applicant Representative Jordan Rose: Thank you. Mayor, Vice Mayor, members of the Council, for the record, I'm with Rose Law Group. With me today, I'm really honored to be here with Jennifer Unger, Carter Unger, Randy Brown, Jose Ramirez, Durrell Wilson, Don Cartier, Cameron Carter my law partner, and Jennifer Hall from our offices. . This is a really local team and we're creating a project, they're creating a project for Scottsdale by Scottsdale. I'm going to talk to you, and you have talked about this for 25 years and you have read thousands of pages I'm sure by now and had lots of phone calls. Brad did an incredibly complete job in his presentation. Thank you so much to staff, management and the City Attorney's office for working with us so hard.

I'm going to be brief and focus on the things that we have done since Planning Commission and since we started talking with the, hold on a second. Since we started working with management, staff, your attorneys, yourselves and the community. Let me just run through those things and then I'll have Carter come up and address you. First of all, we have improved the elevation along the canal with a 10-foot stepback. That's very meaningful and allows us to have a diversity with the look and feel along the canal. Thank you for those suggestions. We have added 33% public space. And I'll walk you through some of these.

The public lawn that Brad referred to, and there's all these public connections, pedestrian connections throughout the space everywhere. An urban grocery/public recreation area and the public open market area. We've expanded the horse fountain and put it in a place that's more accessible and safe. Improved public spaces here and then improved the canal. This is a hammock garden and it's going to be an original thing that Scottsdale only has. A real signature approach. On the north side of the canal, which this team is not building on, we have agreed in the stipulations to improve that side of the canal. This should be a fantastic place for pedestrians and, tourists, and residents, and property owners. Spring Creek has bonded, is being required to bond for the improvements, so the public and the city is protected. That's something that the Mayor asked for and we are happy to give and your City Attorney has documented that.

Spring Creek has developed a tenant relocation and support plan and you all received a copy of that. So thank you for that suggestion. We are providing excess parking. \$3.4 million of public parking. I can walk you through this, but the total spaces here on Site A are 860 spaces with 397 available on nights and weekends to the public. And here on Site C is the total parking is 493 and then at the Rose Garden, the total parking spaces are 252, with 78 as exclusive public parking, so we are definitely providing a real benefit. Thank you to the community for suggesting that.

[Time: 00:33:16]

The construction access management plan. This was a question from merchants and many Council people about our access management. I personally and Cameron, we live and work there. Our biggest investment is there, and our building at Southbridge and we were the first to make sure that our traffic management, and the construction management access plan was really solid. And so we've stipulated, and Don Cartier's here to talk to this if you have specific questions, but access, and this is in the development agreement, access to all properties affected by construction at all times will be guaranteed. Period. And we are allowing for two lanes to be accessible during construction. The reason that works is because this is not a piecemeal development. I can walk you through these or the traffic engineer can. These are our documented plans and I just wanted to point out, when we have a temporary disruption like the horse fountain moving, and we have to have some sort of closure, those are stipulated to happen prior to work hours or after work hours. We have widespread support from those closest to the site. And thank you to all of the people in the audience today who showed up to talk and who have written in.

These green dots represent property owners that express support for Southbridge and the red dots, there's four of them, are the property owners that oppose. I want to point out, there are only two property owners and they own four spaces. So thank you to our supporters. The list goes on and on. It is really a diverse group of people. People, who I don't think but with the exception of the bond

campaign have come together and supported anything maybe in their lifetime, so that's a credit to the community coming together, and thank you. So the last thing that we did, and thank you Councilwoman Klapp for the suggestion and working with your management to make this work. We are lowering two buildings on the canal. And that's dramatic, that's 129 and 139 feet from 150. Finally, before I bring Carter up, I wanted to say the Unger family and the team have worked for 25 years on this project. It's an assemblage. That's become they could have come forward with a piecemeal projects one after another, but the City would not have benefited. They have stayed true to their vision. They have been the team that's brought literally the most, the best projects in our state. The Royal Palms. This team, the same team did the Royal Palms, winner of Conde Nast awards and U.S. News awards, and Forbes awards and Formosa Inn, winning Food and Wine and Zagat, I mean these are amazing properties in Southbridge with the Canal Convergence and the award-winning projects there.

These three projects are arguably the most iconic projects in our valley. They are known around the world as a real there there. And these are the guys right there that are sitting there who made it happen. That's just amazing, they're local and they're amazing. Though Paradise Valley and Phoenix and Scottsdale have all taken a chance on this Unger family, Spring Creek Development, Allen and Phelps, Ox Urban Team to fulfill this unique vision. Now they're partnered with a well-regarded international developer, with extensive experience, who is known for place making around the world. And this local team with character and wanting to build this vision and they have never disappointed before. The Unger family is a visionary one that has built the most iconic projects in this state and they are here in Scottsdale. And they spent 25 years doing the right thing in assembling this project to complete the vision and this is the same here to complete this vision for Scottsdale. With that, I bring Carter up to talk a little bit and we will answer questions at the end or whenever you prefer. Thank you, Council.

Mayor Lane: Thank you.

[Time: 00:37:27]

Applicant Carter Unger: Carter Unger with Spring Creek Development. I wanted to thank City Council, City Staff, and the community members who are here to support and express their concerns. No project will ever become a truly amazing location that feels local without the local input. We have tried very hard to listen to as many people as we can to make the project possible. I hope that all of you know that this project has been enhanced and made better because of every single one of you up there and I thank you for that.

There are a lot of benefit to this project, but the main one is about people. Life is about people, relationships, our brothers, sisters, friends. We want to create an area where everybody can thrive. There are a lot of people doing great right now. But there are also a lot that don't do as well because of the reliance on a tourism season that doesn't last as long as all of us would love. If I can use this projector, I want to put a couple things up from Elliott Pollack's firm. Sorry if it is shaking, it is not an earthquake, it is just my nerves. It is wonderful that the City of Scottsdale will be estimated to receive \$115 million in direct tax from the construction and then an ongoing annual direct tax in the form of property sales, and bed tax of just over \$4 million. Currently, all of our land holdings in the project that you saw before brings in \$350,000 total of sales and property tax. This means more repair for roads, things that can go to public safety, go fire department and police.

That's great. And I'm really excited about that. But what I'm really excited about is the estimate for during construction. It is over a billion dollars of economic output and then, once the project is complete. I apologize, I'm not good with the zooming. We are looking at \$290 million of ongoing annual economic impact and economic output. This is not just a spreadsheet. It's not about profit it's about people. What these numbers represent are represent birthday presents, anniversaries, vacations, groceries, electric bills. This number of \$290 million a year will improve the lives of our citizens. I'm very excited to be here today. I know that we have a packed house, so I will relinquish. I don't have anything left to relinquish, so I'll answer any of your questions.

Mayor Lane: Thank you. I think what we'll do if it's alright with you we're going to go ahead and hear Public Comment which is quite extensive but nevertheless, come back to you for questions. As I just mentioned it is quite extensive. We have over 30 cards and the normal three-minute allowance is going to be reduced to six minutes. We have a number of people who have combined.....

Councilwoman Klapp: Six?

Mayor Lane: I'm sorry. We just want to make this as long an evening as possible. Anyway, to reduce it down to two minutes. In those cases, where they have additional cards, they will get additional time commensurate to the number of cards donated to. A single card will be 2, On the basis cards that may be donated time will be 3, 4, or 5. Depending on what is on there. We are going to go ahead and start with that. I'd ask in order to expedite that and even with the time change, it is going to take a while to get through. So I would ask for everybody to try to assist, and be as concise and precise in their concerns, their position otherwise, so we as much enough time to listen to substantive conversations as they come. So, if you don't need the two minutes or whatever time, pass it on. I'm going to start with Patty Badenoch followed by Mike Norton. I would ask that the second party is ready to move into position to go to the podium. That will help us. Ms. Badenoch, welcome.

[Time: 00:42:40]

Patty Badenoch: Good evening, Mayor and Council. 45-year resident here in Scottsdale. I hate to say something in opposition. It is like saying something against Santa Claus, however, I have to keep my passion and heart intact. The traffic and parking issues will further produce compromise to drive and shut many shoppers out. How does this height and density maintain the insurance relative to being sensitive to the surrounding businesses? You talk a good game. The reality is evident. I object to this being in compliance to Cityshape 2020. This project defies one of the six guiding principles, which states "to value Scottsdale's unique lifestyle and character." The preservation of our unique lifestyle and character is systemically being destroyed. Some of us are the old native Scottsdalians and many of us moved here in appreciation and love of the ambience and character this town is supposed to represent. Now we're like the native Indians before, we are being systematically destroyed and replaced. The means are different, but the outcome is the same. The freedom to improve one's property should not come at the expense of neighboring businesses. A special care must be taken in land use decisions to avoid the negative impact on existing properties. Compromising with glittery generalities of interpretations of monetary gain of a few is not in good faith. In the end, it destroys excellence as possibilities. How does adding all of these people going to add to the quality of life in terms of impacting infrastructure issues? Pretty soon you reach the tipping point of a population that creates

unintended consequences no one will be able to afford or maintain. Protect our lifestyle before it is gone. Thank you.

Mayor Lane: Mike Norton and followed by, never stops on this. Sonnie Kirtley.

[Time: 00:45:02]

Mike Norton: Mayor Lane and Councilmembers, thank you very much for the opportunity to speak. I very carefully drafted a speech, so that I can stay within three minutes and now, I think that I should throw this away. Over the last 3 or 4 years, we have learned a lot of lessons about how we should govern the City of Scottsdale. We became very active in opposing actions that we disapproved and very active in insisting that the city follow its own charter and protect preserve. One of the lessons that we learned is when the City follows its own rules and observes its own laws and honors its own guidelines, the citizens respect the city and the citizens support city government. That lesson was told very loudly over the last few months as people who deeply opposed each other's position in the past three years came together to support the bond program. Today the question is, will our City Council govern in respect for its own laws, its own guidelines, its own policies, and its own code or will we fall apart and go back to subjective reasoning in lieu of objective reasoning and careful application of our own laws.

In 2009 through 2019 there have been seven steps taken by this city that would lead you to the conclusion that Southbridge Two would be a slam dunk. In 2009, we adopted the new standards for the Old Town, the architectural plan. In 2010, we approved the Infill Incentives, including the stated objective that the projects that were built would be concentrated urban core projects. That's Objective 2.1 of the infill. 2017, we talked about architectural guidelines and 2018, we talked about the new plan. And now if we apply those standards, I don't understand how you do anything but approve Southbridge Two. And if you refuse to follow those standards, you are telling us that you don't respect the laws that we have already adopted. That's where voters and citizens begin to check out. Maintain the momentum that we have already established, please. And follow our own principles objectively and rather than subjectively, and citizens and community will continue to support this City Council. Thank you.

Mayor Lane: Thank you.

[Time: 00:47:35]

Sonnie Kirtley: Almost got it right. Good evening, Mayor and City Council. My name is Sonnie Kirtley. Fifty-two year resident of Scottsdale. Our City is really fortunate to have a local developer who is putting his heart and soul into the projects on land that their family owns. For more than a year and a half, Carter has been totally available for individuals, small groups, large groups, odd times of the day to do his presentation, answer questions and call back. The transparency on this was so incredible that to a person, that the Planning Commission, the support was there from the public as well as the commission. They say they have never seen a project come in as transparent as this. So, here we are. A week and a half before the Council's final hearing and there is opposition. Where were they before?

The concern is that unfortunately the recently formed committee on preservation of Old Town focuses on existing, as Mike pointed out, ordinances, decisions that were made some time ago on Type 3 higher

buildings and our existing parking requirements. It is unreasonable for us to select one developer and say, wait a minute, we are going to require you to do something that is different than what is written in our rules. They have shared on Facebook and the Internet inaccurate information. The building is 16 stories high, they're digging and putting in illegal parking under the street and so on. And this is unfortunate, something that COGS fights all the time, is to be sure the facts are out in the public. In the spirit of inviting even more public input, attorney Jordan pointed out the changes that have been made since the Planning Commission where there was a 7/0 vote. I'm offering in the spirit of goodwill to this new pack group, since you are coming to the play lately, to take a look at, would you go with a continuance to remove your opposition? Or are the additions here sufficient to say sit back, let's let this fabulous local team do their work. Thank you.

Mayor Lane: Thank you. Chuck Vivian. Followed by Debby Crawford.

[Time: 00:50:19]

Chuck Vivian: Well, I don't have a speech prepared, but I wanted to come here to speak tonight. I live directly across from the D section of the project. I have been a resident here in Scottsdale for 16 years. That makes me an honorary local, a native as you say. I'm excited about this project. I'm excited about what's going to happen in Scottsdale, I'm excited about everything going on down here. When we first moved here from Rancho Santa Fe, California we moved to North Scottsdale and I had the audacity to move, back up to a golf course and no one has ever accused me of being a golfer, but I attempt. When I saw the excitement going on in downtown Scottsdale my wife and I decided to downsize and move downtown. The reason we did is because of the City Council, the decision, the planning, I followed the Planning Commission, I was at the Planning Commission meeting and I have tracked what's going on with parking. Everything has been very transparent. Every time I turn around, it seems there is confusion about what is going on.

There isn't. It's almost as if we are feigning confusion. Everything that is going on is pretty plain, it's pretty much up front and I'm excited about it. My neighbors asked me, I live in Via de Este, and I was volunteered to come here to represent our neighborhood tonight and I wanted to make sure that everyone understood that we are very much in favor of the project. I don't want to go negative. I know that no member of the PAC wrote this Article or some of the articles that have been popping up in the paper, but it almost reads as a threat to the politicians in this area, who are doing a great job and I don't like that. And they're not the only people who can form a PAC in this community. Thank you very much for the time.

Mayor Lane: Thank you. Next is Debby Crawford and she has dedicated time from Randy Brown. Oh, right, it should have been read with yours. That's fine. There's not another card in here for you, Mr. Crawford, is there? Yours just happened to be on the backside of this. Okay. Mr. Bill Crawford has dedicated time from Debby Crawford and Randall Brown. Let me start by saying I will give four minutes.

[Time: 00:52:48]

Bill Crawford: I appreciate that. Thank you very much. There are a lot of reasons why I'm here tonight and a lot that can be said about this project. But you're going to hear about this project, both the pros and the cons from the people in this audience tonight. I obviously support this project wholeheartedly.

I have a long history in Downtown Scottsdale. My wife, Debby and I have a long history with the whole Unger family. We all know that Fred has brought forth some great projects to the city, monumental projects like the Royal Palms, the Hermosa Inn, Southbridge. No one has ever regretted these projects were built. We all benefit because they contribute to our quality of life.

Fred was a detailed guy and passionate and he wanted every single one of his projects to be perfect. Southbridge was his biggest dream and he wanted this to be built with his whole heart and soul. Unfortunately, he's not here to do it, but I think that he's chosen someone quite capable of doing this. It is sad and disappointing to see the inaccuracies that have been stated in social media, in letters, in the press, not only about the Unger family, but Carter, who has taken over this project. When I first came here in 1996, Fred was my first landlord. I was a tenant in their project, and they helped me a lot getting started in this community. I watched them help other tenants get through the recession. It is disappointing to see some of those people in opposition to this project, but that's the way it is. I met my wife through Fred and Jenny. Fred was the best man at our wedding, and I spent three hours a week for 20 years working with Fred at my gym. You get to know people when you have that kind of relationship.

Now, I want to talk about Carter, his son. I'm going to tell you something about Carter that he will never tell you. Why? Because he's modest. Carter grew up in a privileged family. He went to the international school in Switzerland where he left with a degree in international relations. He could have gone into the private sector, state department, you know what he did? He joined the army. As a captain, an officer. He was embedded behind enemy lines in Afghanistan. He spent 6 years in the Army. There's one instance that speaks volumes about his character. His men were pinned down in heavy fire and they couldn't get to the top of the vehicle to recharge their weapons. Carter ran across the field drawing fire, so they could reload and reengage the enemy. He was wounded when an RPG landed nearby. He picked up shrapnel. For this he received the Bronze Star. This is the character of the man who is going to be leading this project.

When he got home, he was assigned to an operation in Haiti right after the big earthquake where he put in a water treatment plant by himself and donated his time so that they could drink. Then, he joined the fire department in Chandler for six years. When it became evident that his father was terminal, Fred asked Carter to come and take over this project and shepherd his dream. We all know that Fred had a lot of connections, he could have asked anybody to do this lift. He asked Carter because he knew that Carter had the integrity and the tenacity to protect his family's vision and do the right thing for Scottsdale. So, I support the project, support this family, and I support this man. And I hope you do the same. Thank you.

Mayor Lane: Thank you. Alex McLaren followed by Don Henninger.

[Time: 00:57:24]

Alex McLaren: Good evening, Mr. Mayor, members of the Council. Alex McLaren. It was in July 2018, that the City Council unanimously approved the Old Town character plan, which I supported, I wasn't here. I remember going to a previous hearing and it includes arts and culture and economic vitality. Southbridge Two conforms to all of the elements of the Old Town plan. There are significant infrastructure improvements which need to be installed, which are stipulated for the developer to install. Specifically, sewer lines and the developer is going to pay for those. No city money is going into



paying for those.

There is a lot of talk about parking in the Old Town area and the City did a parking study in 2015. I would highly recommend that the City update that plan. I think that Carter mentioned the economic impact of the project. In the Council report, there is discussion of that, and the City hired an independent, a third-party to do the economic impact analysis for the project. And it is significant. Old Town is the economic engine for this area of Scottsdale and I highly support this project. I hope you do too. Thank you.

Mayor Lane: Thank you, Mr. McLaren. Don Henninger.

[Time: 00:59:43]

Don Henninger: Mayor, Vice Mayor, thank you for your time tonight. As a longtime newspaper man, and a journalist, I value the facts and appreciate it when the facts and not the emotions or the opinions tell the story. We're hearing from a lot of people tonight. There is a lot of emotional testimony here as well and that's to be expected. I will be brief and let the facts tell the story from what I see about Southbridge Two. Fact: It is the brainchild of a local family with deep roots in our City, the Ungers, who have been planning this project for many years. It is a family with a proven track record of building iconic developments that are among the strongest properties in all of Arizona. Fact, Carter Unger has done his homework. He's transparent in the process, meeting with anyone who has had questions or concerns, including the tenants who will be affected in the project, receiving overwhelming support from them for what he is planning. Fact: Carter Unger has assembled a solid team of investors and partners, that are sure he has the means and the support to get the job done right. Fact: The project conforms with the guidelines for development that the city has required. It's clear with the Design Review process and the Planning Commission, both with unanimous approvals. Fact: It has wide-ranging support from leaders in the business, community and civic sectors. If you base your decision on the facts in this case, then it becomes very clear that Southbridge Two is most deserving of your approval tonight. Thank you for your time.

Mayor Lane: Thank you. Laraine Rodgers followed by Thamarit Suchart. I hope I've got that right.

[Time: 01:01:27]

Laraine Rodgers: Good evening, Mayor and Council. My name is Laraine Rodgers. I have been a long-time resident of Scottsdale. I have lived in five ZIP Codes and I love the City. I especially am fond of downtown Old Town. It's the heart of our city and I appreciate its amenities and it's roll in economic vitality of the quality of life that we enjoy. For the last seven years, I have served on boards and commissions and the General Plan 2035 Task Force. I believe in, and continue to support, the integrity of the process in our city's government. Southbridge Two is the right project at the right time. The project is well architected, fits the requirements and guidelines as Alex McLaren mentioned before, it definitely conforms to the Old Town plan that you had a lot of outreach on and people understood what it is going to look like. It is amazing. I think it's a role model for the city. The Unger family, first Fred and Carter, definitely had such amazing outreach. They made changes appropriately and worked with all stakeholders. I support Southbridge Two and I encourage you to do the same. Thank you.

Mayor Lane: Thank you, Ms. Rogers. I will try it again. Thamarit Suchart. Please correct me if I got that wrong.

[Time: 01:03:08]

Thamarit Suchart: It is Thamarit Suchart, I go by Tommy, so it makes it easier. Thank you, Mayor, Councilmembers, and fellow citizens, for the opportunity to talk about this development. I was raised in Arizona and left for college and graduate school and never thinking that I would come back here. I thought there were other environments to live and raise a family. Eventually, my wife and business partner decided to move to Arizona where we could make an impact. When it was time to open our own architectural office, we purchased a building in Old Town Scottsdale because we could see and continue to see this part of Scottsdale as a quiet area. It is a sleepy and quiet area that doesn't thrive. It could be so much more.

Southbridge's extension has a huge reach and I fully support this project and all that it intends because we can see the potential of how such a significant investment can create the vitality of this area. There is the minority out there that has expressed they don't want it to change from what it is now. They don't want change because they feel they are going to be left out and they have no vision and fail to fathom a vision of what it can be. Old Town cannot remain as a myopic vision and Old Town needs this project to make a lasting impact for the City of Scottsdale. Be the Council that creates a positive impact for generations to come and not be remembered for holding on to some outdated vision of the past.

Mayor Lane: Thank you. Next is Elizabeth Challinor, and followed by Eric Marvin.

[Time: 01:05:50]

Elizabeth Challinor: Good evening, Mayor. The Unger family has been my landlord for the past nine years and they have treated me fairly and kindly and I appreciate all they have done. If this project moves forward, it is going to impact me financially in a negative way. I think that's probably true for all of the tenants, however, I'm here to tell you that I support the project. The buildings on 5th Avenue are deteriorating and as the daughter of a real estate developer myself I can tell you that bringing these buildings up to code would be cost prohibitive. Additionally, I believe the drawings, the renderings are beautiful and will improve our already charming little town and make it even better than it is right now. So, I want to say thank you to the Unger family. Thank you, members of Council. I hope you will approve the project.

Mayor Lane: Thank you. Mr. Eric Marvin. Followed by Tim Klug.

[Time: 01:07:04]

Eric Marvin: Thank you, Mayor and Councilmembers. I will keep it brief. My family owns several properties on Marshall Way. In the past year, we have purchased three commercial properties in Old Town. It is because Old Town is great. It has a lot of potential. It is great. It is interesting. I think that everybody else has really articulated the benefits of this project. I agree with them. Let me tell you what I have heard from my tenants and potential tenants, they want this development. They want Scottsdale to be something more. They want it to be more intriguing and welcoming. And I think this

project does that. Please give it the consideration that is due and approve this project. Thank you.

Mayor Lane: Thank you. Tim Klug, to be followed by Janet Wilson.

[Time: 01:09:07]

Tim Klug: First off, I would like to thank the Mayor and the rest of the Council for allowing me to speak tonight. My name is Tim Klug. I'm a captain paramedic for the Chandler fire department and have been for the last 22 years. I have had the honor and privilege of being Mr. Unger's direct supervisor for almost two years. He was with me shortly before he departed to care for his ill father. I felt compelled to speak tonight on behalf of Mr. Unger and on behalf of the truth. When I read the things that were being written online and posted on social media regarding Mr. Unger's character. Things like he's in it only for the money, only wants to maximize profits. Cold, heartless, disgusting. Let me assure you. None of these are true.

In addition to working for the fire department for the past 22 years, I also taught customer service for Mesa Community College. In the short time that Mr. Unger was with me, he completely and utterly redefined customer service. I watched him build a wheelchair ramp for an elderly patient of ours that was a frequent caller. There was no money. No maximizing profit. No glory. Just simple human kindness. I have watched him spend several hundreds of his own money to buy three young children groceries after their mother had abandoned them. Again, no money. No maximizing profit. No glory. Just simple human kindness. I watched as he ceremoniously lowered a tattered American flag in front of a World War II veteran's home and raised a new one. That simple act brought that veteran to tears and he died two days later. Many times these things such as simple human kindness are reduced to a cliché like so and so is so generous, he will give you the shirt off of his back. Well, Mr. Unger actually did that. We had a call for an elderly female who was out to lunch with her friends. She experienced an episode, she lost consciousness and unfortunately soiled herself and when she came to and realized what had happened, she was mortified. We tried to the best of our ability to accommodate her. We didn't have any clothes for her. Mr. Unger took the shirt off of his back and gave it to her. He didn't just give back a shirt, but her dignity back. If you want simply better service in a truly world-class community, I recommend Carter Unger. Thank you.

Mayor Lane: Thank you. Next is Janet Wilson, followed by Marilyn Atkinson.

[Time: 01:12:35]

Janet Wilson: Hi, my name is Janet Wilson. My family's been here since the 1950s when my mom and my dad bought some buildings there, or bought the land. It was all dirt. So I go way back and 5<sup>th</sup> Avenue means so much to me. Carter, hey, we're friends. I loved his Dad. It is not about personalities. I have been called a slum landlord because I'm next to a hotel. The back-and-forths go both ways, guys. We are getting clobbered and you are getting clobbered. It is not about personalities. I loved Fred. Many, many meetings I went to with him. My property is across the street from the Rose Garden and then, we have another building where Evo is. They will be directly affected by this.

My mom and Dad and another couple started the Rose Garden, so I have deep roots here. It breaks my heart what is going to happen. The mass is so huge. You made a stipulation and last night, we got it last night, to go down one story. Do you think that will even make a difference? Going down one story?

The mass is so huge, I just can't even believe it. I want to talk about my tenants, and everybody says that the tenants are only there five years. We have huge turnover. No, my tenants have been there for 40 years and they say to me, what are we going to do, Janet? I get people every day, not every day, several times a month, I will buy all your buildings. Our buildings are going to be worth a lot more if this project is voted for, but it is not about us. We could sell out and go on our merry way. It is about the tenants. These people have been there 40 years, twenty years. They come over from Chandler. They are no longer going to have businesses. Carter is going to lose seventy-some tenants. I don't know how many are on my side of the street. So let's say it's 150 altogether. You guys are putting them out of their businesses.

Mayor Lane: Ms. Wilson, if you can wrap it up?

Janet Wilson: I worry about our businesses and everything. The mass is just so huge. Thank you so much.

Mayor Lane: Thank you. Marilyn Atkinson followed by Betty Janik.

[Time: 01:15:43]

Marilynn Atkinson: Hi, Marilyn Atkinson. I have been a resident of Scottsdale for 45 years. The reason I'm here tonight is because I want to talk about the parking. What we see happening with the, with this project, because when we met with the developer, I will give you an example. In the Rose Garden parking lot, it has currently 125 parking spaces. They are going to put 100 units in there and 90 parking spaces in there and then, the balance, the 78 spaces are going to be for the public. Well, if you are adding 100 units, wouldn't you add 100 parking spaces? And then, they talk about the hotel. There are 200 units at the hotel. There are 160 parking spaces. Now, you are going to have employees. Where are they going to park? So, while we look at this and we see what's happening for example, with the Rose Garden, it's being sold off. It's not being turned into a parking structure, which is what it should be. Here in historic Old Town where my property is at, one of our parking lots was sold. So, the developer, of course, at some point is going to want to develop that. I'm not saying anything negative about Carter's project, but I'm saying that you need to take a look at that and increase the parking. You are going to have a big mess down there. We already have a mess. So, why add to it? That's all that I have to say. Thank you very much.

Mayor Lane: Next is Betty Janik.

[Time: 01:18:14]

Betty Janik: Good evening, Mayor and City Council. I speak on behalf of the Coalition of Greater Scottsdale which includes hundreds, thousands of members. We recommend that the Southbridge project be moved to a later date. Carter said that he would consider some changes to the plan. I heard there is a reduction in the height of the three buildings, increased walkability and increase in open space. It seems like many of that has been addressed very recently. It does bring a complex change to Downtown Scottsdale. What we ask is that you follow proper protocol. There's been what seem to be very accommodating changes that have been requested. It should be put in writing, reviewed by staff, and citizens and City Council. And then, we can make an informed decision. That's why we recommend

there be a continuance at this point in time. Thank you.

Mayor Lane: Thank you. Next is Alexandra In-Albon, please correct me if I've got that wrong. There is a hyphen in there, so I wasn't exactly sure what to emphasize.

[Time: 01:19:56]

Alexandra In-Albon: You got it pretty close.

Mayor Lane: Thank you.

Alexandra In-Albon: I'm going to be super brief. I was born and raised in Scottsdale. Went to Scottsdale school districts from elementary to high school. I went to ASU. So, like many of you I have seen the growth and evolution of the City and around Old Town. The area that they are developing could be a lot more. The live, work, play is something that is a revolutionary thing and they are going to bring that to Old Town. That's something that Scottsdale is definitely lacking and something that will bring residents to Scottsdale. So, I support the project.

Mayor Lane: Thank you. Next is Kelly Wolfe.

[Time: 01:21:06]

Kelly Wolfe: I'm reading a letter on behalf of my friend. I completely support the Southbridge project. It is imperative that Scottsdale undergo an upscale forward-thinking project. With the perfect mix of high-end residences and spaces to attract and protect retail and establishments will bring the revitalization that is overdue. It is a disappointment, if not a disgrace of the improvement in these properties, especially, 5th Avenue, which was at one time known for sophisticated retail shops before the cheap and tacky shops today that come and go. This is going to bring a necessary and transformative revitalization of Old Town. Spring Creek Development has an impressive record of development. And as a trusted company that is dedicated to the character of our community, it is sure to honor the character of our loved neighborhood. Thank you.

Mayor Lane: Thank you. Next is Nick Metzger followed by Ryan Smith.

[Time: 01:23:06]

Nick Metzger: Thank you for your time. First, I just wanted to say, I have the upmost respect for the Unger family and Carter. Jose was our broker on our first deal. I know they took a chance on us and I know they have definitely done that for so many others in the Scottsdale community and again, we can't express our gratitude there. The one concern that we have is the gym located on the far end of Site D, as that's where all of our customers use for parking. We have 460 using that parking lot per day. If that is removed, it is going to put us out of business. The concern is going to be how available are they going to be to us, businesses, that are there and how are we going to be able to function throughout this entire process? Again, I probably don't have the knowledge to know what is right or wrong with this project. I trust everything they have stood for from my knowledge of them. But as a business owner, that's my concern and I wanted to express that.

Mayor Lane: Thank you. Ryan Smith.

[Time: 01:24:39]

Ryan Smith: I support the project. I have lived in Scottsdale since a kid and through high school. And empty parking lots and under-served space and this project takes the momentum from the waterfront that has transitioned in the past few years and bring it to the canal and finish off the area and the residents that live across the street with the tech industry and this is a forward thinking project and this zone was designated as well by the economic improvement Council of Scottsdale and this is approved at a state level and a national level. There are a lot of people saying this area needs reinvestment and I'm one of them. I hope you vote tonight to improve the area. Thank you.

Mayor Lane: Thank you. Rod Schrengohst, please correct me on that.

[Time: 01:25:54]

Rod Schrengohst: I must be in the wrong meeting and I came to express some issues with the Southbridge project, but what I have heard is a love fest for Carter Unger.

Mayor Lane: Two minutes and we are already starting.

Rod Schrengohst: My interest is the waterfront and the canal.

Mayor Lane: I don't normally do this, but the City of Phoenix?

Rod Schrengohst: City of Scottsdale. I do live in Scottsdale.

Mayor Lane: Okay.

Rod Schrengohst: I just thought that the expectations for the canal was going to be different than a walled in channel of high-rise buildings, which I hoped the magnitude of this project, which I do support would have had more enhancements. There are some enhancements for the canal. 10 years ago, the City of Tempe voted to improve their waterfront and build a lake. The community supported it. To your surprise, the lake is there, but you can't see it anymore. It is walled off by the high-rise buildings. I was hoping there were lower buildings closer to the canal. That's my main concern. I bring my friends from out of town, we ride our bikes through downtown. You can see the town and canal from the train system the rail once this is built. You can see the people along the canal hiking and biking and walking their dogs. You won't be able to do that as well when this is built. From the city you can see the people along the canal, hiking, biking, walking their dogs. You won't see them anymore unless you are on one side of the high-rise buildings looking down on the canal. That's my concern. I wish the canal had been given more consideration.

Mayor Lane: Thank you. Next is John Little followed by David Henderson.

[Time: 01:28:37]

John Little: Thank you, Mayor and members of the City Council. John Little. The height issue. That battle really got lost years ago. As everybody has said, Scottsdale's changed. I think that you are going to see more height. I don't think that's necessarily a bad thing, that's just the way that it is going to be. Those aren't my words. Those are the prophetic words of Councilman Bob Littlefield at the time when he joined six of his colleagues on October 7, 2003 to approve with the City Council unanimous approval of the Scottsdale Waterfront project, doubling the height of downtown buildings at that time to 135 feet. Why did Councilmember Littlefield and others at the time, David Ortega and Tom Silverman who were on the Council at that time, vote yes for that project and increase the building height downtown? Because even they could see a good project when they saw it, one that would help downtown. They wanted to turn, perhaps, the most valuable Christmas tree lot and pumpkin selling lot in the entire world into something that would add value to downtown.

I have lived in Scottsdale and worked in Scottsdale nearly 40 years. I have not only had a direct front row seat but been able to be part of a team that has brought projects forward in this city including DC Ranch, Optima Camelview, the Hotel Valley Ho, Scottsdale Waterfront, Scottsdale Quarter, and end of course, Southbridge. And through it all, I have had the good fortune to have worked with Scottsdale's leading architects and urban planners and builders like David Hovey and Vernon Swaback and Ken Allen, Trevor Barger, Scott Lyon, Bill Nasikas. And Fred Unger. It is crystal clear to me that Southbridge stands shoulder to shoulder with any of those projects that I have just noted. Spring Creek has presented you a project that meets and exceeds city requirements in every respect. It is consistent with and respectful of the downtown character area, enhances pedestrian access, circulation and open space. And when I served the city as the Transportation General Manager.....

Mayor Lane: Mr. Little, your time has expired. If you could wrap it up, please?

John Little: I would say this is on par with the Legacy project in Scottsdale and I would encourage the Council's support. Thank you very much.

Mayor Lane: Thank you. David Henderson followed by Phillip Weddle.

[Time: 01:31:38]

David Henderson: Thank you, Mayor, members of the Council. My name is David Henderson. I moved to Scottsdale in 1995. Growing up in Scottsdale, it was always a treat when going to Downtown Scottsdale. As the most western town, there was much to see and do that was different from where we lived. Over the years and now that I work at a location near Old Town, I notice that not only have I aged, but so too has Old Town, Scottsdale. A stroll down 5th Avenue and nearby streets provides a glimpse of businesses in decline or perhaps, uninteresting to new generations or visitors to the areas. Recent revitalization pertaining to multi-family dwellings, high-end hotels, retail and office buildings surrounding Old Town serve as a stark reminder it is time for an urban renewal of its core. Preferring to live near workspaces and entertainment suggesting that there is no better time than now for Old Town renewal. At present, there doesn't seem to be enough residents or office workers or property owners to support the area. Their commitment to the community is widely known and valued. I have known the Unger family for over 25 years, and I believe they will honor the character and history of this once great neighborhood while bringing it up-to-date. Please support this project, so 5th Avenue can once again be

known for the amazing and unique experience it used to be known for.

Mayor Lane: Thank you, Mr. Henderson. Next Phillip Weddle followed by Jason Alexander.

[Time: 01:33:54]

Phillip Weddle: It is a pleasure to be here tonight. I would like to state that our office, Weddle Gilmore Architects, a property owner that is approximately 100-feet west of the Rose Garden property. We are intimately familiar with this property and walk it every day as we walk to restaurants and coffee shops in the area. We strongly support this project. We believe this type of density and mixed-use development is essential for the vibrancy of Downtown Scottsdale. I knew Fred Unger for many years while he was planning this project. 25 years in the making and you don't have an opportunity to make this type of transformative project happen very often. Now is that opportunity and I would urge you to strongly support this project. Thank you.

Mayor Lane: Thank you, Mr. Weddle. Next is Jason Alexander.

[Time: 01:35:03]

Jason Alexander: Jason Alexander and I support this project. I certainly have concerns just like everybody has about the scope and the size because even if everything is perfect, it is such a big change for downtown that we should be concerned about it going right. I have more concerns about what happens if we don't do this? What happens to Old Town? I have argued to you many times, let's not settle and I feel that way. We have a very good offer on the table from a local developer with local roots and many other reasons that many have attested to. I feel good about the offer on the table because I feel good about Carter Unger. We started our relationship by him trying to have me arrested by protesting the Discovery Center. But a couple of years later, we ran into each other and approached even other and decided to start over. He cares so much about this project and that's so obvious. That's going to be one of the X factors that helps this project get over the bumps. It can't possibly be perfect with it being so big and such a grand scope. There is too much good here to throw away. If we need to make some changes or stipulations and the folks from COGS have suggested a continuance. Let's make this project work. Thank you.

Mayor Lane: Thank you. Next is Andrea Alley. She has a dedicated timecard from Jennifer Hall.

[Time: 01:37:17]

Andrea Alley: Thank you, Jenn. We have heard a lot about the amazing history behind this project and its development team. I'm here to plead for the future of Scottsdale. Early this year I read an article about a young developer pursuing an ambitious project at the Waterfront that would change the fabric of Old Town. I was struck not only by his story but by his unconventional approach to community outreach, transparency and his sincere belief that he can create something great for the people of the city. I have spent the last year learning everything that I can about the world of development and the City's processes, and these projects are much more complex than simple community preferences. They can be made better when the community's requests are brought to the table. I've watched Carter achieve this with Southbridge over the past year despite what a few critics want you to believe.



Downtown Scottsdale is undeniably a tourist destination but it's also the city's second largest employment hub, second only to the Airpark. We are no longer the sleepy little western tourist town that we once were. Our western character is a part of our history and that should absolutely be protected in core areas, but it is not the entirety of Old Town nor is it the city's intention for it to remain that way. So my question to you now is this: If we say no to Southbridge, what exactly are we saying yes to? What does Scottsdale get by doing nothing? Mayor and Councilmembers, I ask you to say yes to Southbridge, because when we say yes to Southbridge we say no to stifling the future for my generation and that of my kids. This is a \$750,000,000 project, not some cheap profit-driven fast food-anchored iteration of Tempe Town Lake. This is a project of incredible future opportunity for the people of Scottsdale.

[Time: 01:38:58]

When we say yes to Southbridge, we are saying no to the prolonged delay of the completion of our City's waterfront. When we say yes to Southbridge, we say no to losing more than \$4 million in future annual tax revenue. When we say yes to Southbridge, we say no to the continued seasonal-only visitors and foot traffic. When we say yes to Southbridge we say no to the continued stagnation of Old Town's relevance to our city and years, potentially decades when economic forces considered of lost revenue progress and growth. When we say yes to Southbridge, we say no to turning away world-class brands that uphold our reputation as a luxury destination for tourists. When we say yes to Southbridge, we say no to an uncertain future and owner of this property. When we say yes to approving this project, we say no to hypocrisy on the dais. In July 2018, 6 out of seven of you voted unanimously to approve the Old Town area character plan which included the well-publicized height allowance of 150 feet and the knowledge that the City designated this area for exactly the type of development that is being proposed tonight. You did this with full knowledge that the land value skyrocketed to what 150 in height can bring to owners and buyers in these Type-three zones.

You are the reason we sit here tonight in an epic battle of preserving what was versus building for tomorrow. If height scares you, you should have voted no back then. This project is not political fodder to build a base or generate hysteria and it is shameful that it is treated as such. It is an amazing move forward for our City, exactly as you intended it to be. This multi-generational legacy project is 25 years in the making all leading to your vote tonight. Mayor and Council, nobody has to lose in order for us to win. I would not be supporting Southbridge Two if I didn't believe to my core that Scottsdale will win too when this project is finished. I don't underestimate the weight of this decision tonight and thank you for taking everything into consideration, as you do. I have no doubt that Spring Creek will continue to work with the city to improve upon what's proposed here tonight. And finally, Carter, I never knew your Dad, but most people in this room did so whatever happens tonight, I know that he's incredibly proud of how far you've taken his dream and his vision for the city we call home and where we are raising the next generation of leaders. Thank you for your time and consideration. Please vote in support of the best future for Scottsdale and say yes to Southbridge Two.

Mayor Lane: Thank you. Next is David Ortega. He has one additional card. So, three minutes then, David and welcome.

[Time: 01:41:27]

David Ortega: Thank you. Hello, Mayor and Council. I'm speaking mainly to Item 19. Item 19 calls for the termination of the agreement at Rose Garden. That action should have been taken four years and four months ago. The project started in '05 when the Unger group and Spring Creek pledged and signed a redevelopment agreement to provide 200 public parking spaces. Over the next ten years, everyone in that area expected fulfillment of that because it is city property. However, approximately 2006, two employees who helped to write that RFP went to work for Mr. Unger, or Spring Creek, directly as agents for him. In the next six years, they transacted extensions after extensions with the City. Both parties admit today that Spring Creek did default. However, no default notice was ever issued. It should have been issued four years and four months ago. I have met with Mr. Unger as well, Carter, and told him they have no dibs on the Rose Garden. Along the way, of those two employees, one of them went back to work for the City under the real estate department. She would have been obligated to write a notice of default. That's standard real estate practice.

You cannot have parties not perform for 10 years straight with zero down payment, zero carrying costs, of public property. If you lay that side-by-side with the procurement laws of Arizona and the sale of property, it's not right. I bet you, there are 20 or 30 realtors or brokers or bankers who will tell you this transaction cannot go forward. You are placing a time bomb in this whole thing. Unfortunately, by having an insider at the City, by not transacting that, what happened is, the property was held from public discussion for four years and four months. As far as we knew, there was going to be public parking there. It wasn't going to be sold. It wasn't given a chance in the public forum. It was also not shown, this is why I'm saying, if you do vote for the Rose Garden sale, you are just providing something that is going to sink the whole project. You cannot have a defective sale with the wrong transaction in a public property in this manner. I believe you should continue. I believe that you can do the forensic on it. I'm not making any accusations on it, but the proper paperwork was not done, and it places the entire project in jeopardy and frankly, it leads to questions about the competency of the City.

Mayor Lane: Mr. Ortega, if you can wrap it up. Your time has expired.

David Ortega: In the past, I have supported Fred and Jennifer on the original Southbank. I did so twice as a DR board member.

Mayor Lane: Thank you. Next is and I'm sorry, I cannot read this. Can you help me with that? Yes, I can see it now. Mr. Gonzalez followed by French Thompson.

[Time: 01:45:52]

Barney Gonzalez: Thank you for the privilege to talk on this topic. I have been a resident of Scottsdale for 40 years and own property on the south side of Scottsdale over in midtown. I have been a Realtor for over 40 years in this area. The only problem that I have is not with the project itself, but the area on Rose Garden. I was familiar with Rose Garden back in 2003 and 2005 and it has changed and evolved way beyond something that was reasonable during that time period. The project in 2003 is completely different than what is proposed now. I would like to see a little bit more time given to the sale of this property. Looking just at the values of it and given at the \$8 million sale, I would really kind of question if that's really a good value.

The thing is that I realize with government because I have served on commissions and boards in the City,

that the, not the actual sale, but the money that is generated for the coffers for the City of Scottsdale is going to be there, but the thing is that we need money. The City needs money. We have had these bond proposals and everything and finally got all that through. We need to make sure that we are accurate and going forward in a proper manner. This project could go without Rose Garden. It is not a necessary part of this piece. It could work without it if we had to. But who knows? I want a good forensic look at this. I'm just afraid of what might get past our hands. Thank you.

Mayor Lane: Thank you, Mr. Gonzalez. Next is French Thompson. He'll be followed by Jesse Westad.

[Time: 01:48:30]

French Thompson: Good evening, Mayor Lane, and Councilmembers. I will tell you what, I feel like I'm at a funeral. Carter just got a eulogy from some of the coolest people in town, I fell in love with him myself too. I'm not against this project, I'm against this project the way it is. I think it's way too big, I think the height is out of character with the rest of the downtown. I know these are legal bonuses but my understanding is to get these bonuses, money has to exchange hands or other things have to happen to get it. I think this is really out of character with the downtown. The buildings that are there that are going to be demolished have languished for years, but that's on purpose because it was going to be bulldozed in the first place. There was never any intent to upgrade those buildings. I totally understand it. They bought it to bulldoze it. I just think there are issues with this project still. There has been some compromises, I think that's awesome that Carter is doing that and the rest of the people are doing that, there is a huge amount of people working together to make this happen, City staff, City Councilmembers.

I request there be a continuance where you seriously consider; this really is under parked. If you are bringing that many people, you really need a whole lot more parking places. If you say in 10 or 15 years, people are not going to be driving cars. But I'm going to guess that every one of you Councilmembers drove here in a car. I'm going to guess everyone in this audience, none of them came here on a scooter. One guy, hey, I like that. I just think this still can be worked on. Those buildings need to be bulldozed. That was the intent when they were being purchased, I think that downtown can be improved, I think that there are some great things that can happen. I just think that the parking and the density of it is really out of character with what we can do in the City of Scottsdale. I know I'm not going to change anybody's mind, but I would just like to see this thought out even further. Thank you.

Mayor Lane: Thank you, Mr. Thompson. Next is TJ Clawson. I'm sorry. Jesse. Go ahead. Next in line was really Jesse. Do you want to wait for him? Go ahead, please. You have two additional cards, so I will give you four minutes.

[Time: 01:51:25]

T.J. Claassen: Thank you. Mayor and Councilmembers, I appreciate your time this evening. My name is TJ Claassen. I'm reading on behalf of Steve Johnson with Adalay. Steve owns a building at 4242 N. Craftsman Court and could not be here tonight. He asked me to read the following. I own property on Craftsman Court where I live and run my business since 1999. I've walked my dogs daily through these streets. I have met thousands of tourists, hundreds of merchants, many property owners and all levels of city employees around here over the past 20 years. I feel that I have listened to a good cross-section of opinions and experienced firsthand the pluses and minuses of the decisions the Mayor and City

Council has made over the years. This is what I do know. If you don't have a plan, things stay stagnant and have a high probability of failure. I'm proud of the fact that I have had my business over 20 years in the same location. Unfortunately, I'm one of only a handful of businesses in the entire downtown area who can say they have lasted that long. This is not a good statistic for the City to be proud of, and I feel the lack of planning on the city's part greatly contributes to the situation of high failures around the area. Scottsdale's General Plan was passed in 2001 and the amendment of 2019 still has not passed. At this point, we are dealing with a 20-year-old vision. The Old Town Scottsdale Character Area Plan was originally adopted in 1984, updated in 2009, and again in 2018. The lack of planning and not keeping current with the strong vision and trends leaves Old Town and downtown in the dust. This area of Scottsdale still struggles with what it should call itself.

On the city's very own website, the Old Town Scottsdale Character Area Plan literally states it was formerly called the Downtown plan. What is it? From a meeting I attended last week, put together by Councilmember Whitehead, this conflict became glaringly apparent. There were 30 people who voiced their opinion on the Southbridge Two project. It was an eye-opening for me to experience. Again, as my 20 years, boots-on-the-ground experience tells me, I can honestly say 99% of the people that I interact with support this project. I will call this group the downtown contingents. On the other side, the Old Town contingents oppose this project. I can say I did not recognize them as any of the business owners around here. I don't know how the group was pulled together or what the true cross-section of people was, what its preface was. I can also say that most of the people against the project prefaced it by saying they were against the City Council's decision on the 150-foot height allowance, so therefore, they are against the project.

The argument doesn't hold water for me since it is not what we are deciding here. In development design requirements, which were written by city staff and passed by the Mayor and City Council. I also heard that there is too much glass and concrete. Again, that's not what we are deciding on here. That portion of the project hasn't even begun to hit the drawing board. What we are deciding on is whether or the city will allow this development is going to be one of the first to follow the City's own new vision. I can understand how this doesn't sit well with people who don't want to change, but again, it is not what we are deciding here. I feel we can and should have both a Downtown Scottsdale and an Oldtown Scottsdale. It is important for our history and important for our future survival. Otherwise, we will continue to see shops around here open and close and people who have invested their life savings lose it all because our elected leaders didn't have a vision and did not give the downtown the attention it deserves. This core area of Scottsdale, whatever you want to call it, it is long overdue for attention and needs the support of the city to follow through with a new Character Area Plan that it has passed. Southbridge Two is vital to make this a reality. It is a small part of this area, but will have significantly positive impact for years to come. Please vote yes on Southbridge Two.

Mayor Lane: Thank you. Next is Jesse Westad followed by Paula Sturgeon.

[Time: 01:55:47]

Jesse Westad: Mayor, Councilmembers. Like Carter, I spent time in the army. 6½ years, but different than Carter. I had a job in the army and enlisted and he was an officer and they kind of signed our paperwork. When I got out, you kind of feel lost and don't know where you are going. I took some fire science classes and I had a teacher in the back who probably doesn't remember me. It was 2006 or

something. You end up finding yourself. I ended up going to grad school for landscape architecture and I worked on some amazing projects. No matter where I went or what project I worked on, change is kind of a dangerous thing and people fear it. And even with the belt line, there were a lot of people against it.

I ended up moving to Scottsdale and when the market went down, my parents forced us to buy houses and I bought my house on Indian School and Granite Reef. I love my area and neighborhood. Everybody is super personable. I have my buddies and many people have moved into the same area. Just being in the design world and this project is not going to be as cool as it could be because I'm not doing the landscape architecture on it, but it is still going to be an amazing project. We have more miles in canals, but we turn our backs to it. What this project does is put it as our front door and becomes a beacon and what it should be here in the valley. So, I'm excited for this project. That's it.

Mayor Lane: Thank you. And last, but not least, Paula Sturgeon.

[Time: 01:58:19]

Paula Sturgeon: Good evening, Mayor and members of the Council. I'm a 55-year resident of the City of Scottsdale. I have a very dear friend and upon hearing about another friend's architecture of their home said to me, girl, it is so ugly, I literally lit my hair. Well, lit my hair is my new favorite phrase. There is a lot of hair on fire in our City right now. Everything that could be possibly be wrong is wrong to somebody. I want to take you back to a time that many of you won't remember, but I bet that Councilwomen Littlefield and Korte will remember when Goldwater's and Fashion Square was an open-air mall. And then they came along with the idea to enclose it and hair went on fire throughout the land because it was destroying the character of Scottsdale. We had an open-air mall and we didn't want any darn roof, even when it is 115 degrees and then they built Los Arcos Mall. Oh my god, what's going to happen to downtown Scottsdale, everybody's gonna take their business, it's way down south. And you know, sun of a gun, we lived through that. And then, everything was going to die because we are going to build the waterfront. When I grew up, where the waterfront is located, my parents bought a car. It is the nature of this city to be ever evolving. The minute that we sit on the status quo, we lose every ounce of cachet that the previous leaders of this city worked diligently to create. The minute we start to buy the negativism and overlook what positive things we can make happen in this city, we then, then and only then, will we have lost the character of the city. Thank you.

Mayor Lane: Thank you. And that does complete the Public Comment. For now. And so, we will proceed with questions from the Council. And discussion. Oh, we do need to hear from the applicant. If you would like to respond. I know there has been some stuff on the front end. If you would like to respond to anything that has come up.

Carter Unger: There are a few things I think will be cleared up and certainly there's better suited people like your amazing new City Attorney and my attorney on those issues. But one I just wanted to quickly clear up was I truly believe a mis-statement. Patty suggested there was going to be 90 parking stalls on Site for the 100 units, and I just wanted to give a correction, I know her and it was purely accidental, but we are going to have 160 below-grade parking spaces and then the 78 at grade that will be for the public parking. And then I'm happy and excited to answer any and all questions you all may have.

Mayor Lane: Thank you. Do you want to add anything to that?

Jordan Rose: No Mayor, I just want to say thanks to the overwhelming support that came out tonight for the family and for the team and thank you Council for working with us because just as Carter said, every single suggestion that you all made, either for or against ultimately, was taken into account and made the project much better.

Mayor Lane: All right, so, we are to the Council for discussion and deliberations and ultimately a decision. Councilmember Phillips.

[Time: 02:02:44]

Councilman Phillips: Everybody is waiting for someone else to push first, so I will go first. Number one, Mr. Carter, you know you were passed a large baton by your father. And I don't think that many people would have wanted to take over that role. It is a huge responsibility. I believe that you and your team have done an amazing job and you have worked hard for it. I give you credit for it. You have really done an amazing job. The gentleman that brought up the Rose Garden, I agree with that. It should have been terminated it four years ago and I think that we need to put it up to bid. We are going to terminate it and give it to someone right away and I think that's a violation. Looking at this, to me, this is a long-standing argument, I guess, with people in Scottsdale, how do you want your downtown to go? I got involved in Council because of tourism and the more money we get, they pay the taxes and the other side of the coin is people would rather have business in here because business is more of a stable money flow and that's what they want to have.

When I see residential and business coming to our downtown, I see that is an encroachment of tourism. I see what is happening here, we are going to be a business and residential downtown like Phoenix, which is great for the City. You always get that money flow, but I feel like we are going to lose our tourism. Our downtown, it is what it is all about. When you lose one street, you lose the next one, and the next one, and then, it is all gone. We still call ourselves the most western town and we are going to end up with one little block and one corner with a cowboy and still say we are the west. I don't think it is going to enhance tourism and people are not going to come and see your building because it is for business and residential. You have shops along the bottom, but that's not what it is about.

And we are going to double the traffic. Downtown Scottsdale is not a square mile. We are going to double the traffic. If anyone has been around here 4 or 5 or 6 o'clock hitting North Scottsdale Road it is a nightmare. I can't imagine it being doubled. Where are they going to come in at? 5th Avenue? You are going to put a light at 5th Avenue and it is going to be backed up for a mile. I guess we could put a roundabout there and get it backed up that way. It is the density of it.

I love hotels and the hotel part of it, but we are bringing too many people downtown who are living and working there. They are not really playing there. It is not going to be helping tourism. The tourists are going to come and say we don't have anywhere to go. And then, they don't come here anymore. You see it all across the country and it starts off as a nice little place and then, they build the big buildings, and no one wants to go. You see that with Honolulu, and nobody goes there anymore. I won't be able to support this one because I think that the Rose Garden should go to bid and because I think this project is too massive. Thank you.

[Time: 02:07:32]

Jordan Rose: Mayor, and Council, if it's appropriate, I can respond to some of those questions.

Mayor Lane: It wasn't phrased as a question, but yes, you can go ahead.

Jordan Rose: I would mention that the way that the Rose Garden was characterized was inaccurate, you can certainly ask your legal counsel. That agreement expired in 2015 and they have gone through all appropriate city code, and legal processes to do what they are doing tonight. Secondly, I think the applicant feels very strongly about understanding the impact of tourism from this particular project. The entire ground floor is retail and restaurants and that hotel alone will support 52,000 nights a year which is 100,000 new tourists in this area that are going to be in those shops and be able to support that. Carter feels very strongly that his 72 tenants right now just don't have the traffic to stay long-term. They are turning over very quickly and that's unfortunate and this will allow that so we are hopeful the tourism will be improved. If the Council would like us to address the traffic, we have our traffic consultant here if that is helpful in any way.

Councilman Phillips: Well, thank you. But I still think that the Rose Garden should go out to bid and I do think that the traffic is going to be a nightmare.

Mayor Lane: Thank you Councilman. Since nobody is rushing to the button, I will do something that I normally do toward close. Okay, all right. Councilwoman Milhaven.

[Time: 02:19:18]

Councilwoman Milhaven: Wow. Thank you to everybody who has shown up. I'm inspired by everybody who has shown up tonight. All ages and everyone is a stakeholder in our community whether you own a business or property downtown. When I go out and speak to community groups and ask when they can get involved, I tell them, we hear from people when they don't like things, but rarely hear from people when they do like things. So, please, if you like it or don't like it, come out. 22 of you said this is going to be a good part of our community and talking about the kind of community that we are building for the next generation and your voices have been heard. Thank you, thank you, thank you. You all inspire me.

As you can tell, I'm very excited about this project. I had to laugh when Paula was speaking. When my family came here, it was a car lot, and then, I don't know if you can call it a disco, but I snuck in there and it wasn't a very nice place. And then, I watched them bulldoze the buildings there and the canal and I wondered if in my lifetime, what was going to be done there. I'm very proud to see what has happened there. I'm sad as many of the people to say those low, slung buildings, which now on the holidays with the lights going across on 5th Avenue are so charming, I'm sad to see them go. I go down there for lunch and the tourists want to know where everybody is. I think that we have to recognize that's gone and this is just an exciting project.

I'm sure my colleagues will have other comments to make, but since I'm enthusiastic, I would like to make a motion. Let me get to the front of my Council report. I want to make a motion for two items,

right? Or all of them? It's a lot of stuff here.

Mayor Lane: You know, one thing that we, pardon me, Councilwoman. I think that we need to consider both items. They're dependent on one another.

Councilwoman Milhaven: That's what I was looking at. We need 19 and 20 and name all the ordinances.

Mayor Lane: I thought that you were choosing between the items.

Councilwoman Milhaven: No, I found the second and was looking for the first.

Mayor Lane: City Attorney Sherry Scott?

City Attorney Sherry Scott: I believe that you already have a motion pending on Item 19. I believe that was seconded.

Councilmember Korte: It never received a second.

[Time: 02:13:10]

Sherry Scott: It never received a second? Okay. I do have one thing that I want to remind the Council about because the applicant had agreed to amend the project, if you are making a motion to approve the project, I would ask that you keep in mind, if you want to accept those amendments, the motion will have to include that. It can simply be as amended in the posted materials for this item in the memo dated December 3rd, 2019 from Tim Curtis to the Mayor and Council, including that memo's attachments. So that's just a housekeeping matter that I wanted to make sure about.

Councilwoman Milhaven: Alright, great. I think I found it, so I would like to make a motion to adopt Item 19 by adopting Resolution No. 11660, authorizing Contract No. 2019-203-COS, the termination and release of development agreements; and Approve Item 20 as amended in the posted materials for this item in the memo dated December 3, 2019, from Tim Curtis to the Mayor and Council, including that memo's attachments, by find that the planned block development overlay criteria have been met and determining that the proposed zoning district map amendment is consistent and conforms with the adopted General Plan; adopting Ordinance No. 4422 approving a zoning map amendment; adopting Resolution No. 15575 declaring "Southbridge Two Development Plan" to be a public record; adopting Resolution No. 11577, Resolution No. 15578, Resolution No. 11579, and Resolution No. 11646 to abandon multiple alley and other rights-of-way to allow development; adopting Resolution No. 15576 authorizing Development Agreement No. 2019-164-COS; and adopting Resolution No. 11649 authorizing Rose Garden Real Property Purchase and Sale Agreement Contract No. 2019-199-COS.

Mayor Lane: Ms. Scott, do we have the amended language associated with the appropriate resolution? Or do we just tag it on at the end?

Sherry Scott: You can just tag in on to the end because it dealt with a variety of resolutions. I may have mis-heard one of the numbers. I want to clarify for the record, that that motion included Resolution No.



11575.

Mayor Lane: Right, I think that might have been indicated as 11570, I think that's what I heard. It might be in there in error or simply missed.

Sherry Scott: Just to get that clarification.

Councilwoman Milhaven: Yeah, that's what I said. Thank you.

Sherry Scott: And then for the record, as amended in the posted materials for this item in the memo dated December 3, 2019 from Tim Curtis to the Mayor and Council and including those attachments. I think that does it.

[Time: 02:16:12]

Mayor Lane: I will second that, please. I have a couple of comments on this. I think some of the things that were said even though, although a lot of praising has been going on, I was not initially as enthusiastic certainly as Councilwoman Milhaven is, and maybe she's come to this to but nevertheless. There were certainly things I was concerned about. I know that Carter and his representatives know that. They didn't surround anything with regard to the personality or the emotions of the Unger family, it certainly it was simply the fact that there were elements that we have worked out. Just so the general population knows, we go through a series of what we call Executive Session and they are confidential sessions and we are sworn, frankly and advised every time we meet that we are not to discuss what is given in guidance by our City Manager and our charter officers with regard to negotiations and the founders on the state level founded this in a reasonable and appropriate way. This is the only time that we are not in open session in our discussions and deliberations. We don't take votes. It is a guidance issue.

And the reason for it is that we simply don't want to put the citizens and the taxpayer's money in jeopardy, but putting those parties, not that we are adversarial all of the time, but that those parties who maybe counter to our position, show the cards in our hand. We violate the law if we disclose what goes on in those sessions because we put the taxpayer's money at risk if we discuss those sessions. We have met no less than six times with guidance on this project with the City Manager and the department and others of what we felt issues that we needed to address. Some for out and out things that we were adverse to and some things we needed modification to. Through those six times and it wasn't always Kumbaya. But we were able to facilitate what you see today. We are secure in a number of areas that we weren't previously secure in.

One of them was the financial progress and the financial setting, the protection of the community overall, the roads, the traffic flow, the right-of-way, which would complicate traffic and shut down roads for a long period of time. Just a multitude of things. And we have done this over the last several months, probably a year now. I wanted to say during that process, we made great progress and we are at a place. Is there no risk of any problem with a project of this size and that's why we are so conscientious? Sure there is. I have been in this business and never dealt with a project of this size. That's why it is big business and we have a City Manager who is really cognizant of those pitfalls when you are working on something like this.

I don't want to go too much more, but to say, it is a good project and I'm in line with it. Is it a perfect project? Absolutely not. And just last week, an email went out with either old information or misinformation and it got the entire thing fired up into a quandary, whether it was otherwise moving along well. I'm disappointed that kind of thing happens, but not so naive to know that it doesn't happen. People are motivated by different things and sometimes, it is a mistake. I wanted to mention that I have not always been here, and I feel good, and I think that you all should and I'm hoping and praying that it is going to come to fruition in a timely manner and it is going to be for the better of Downtown Scottsdale and I enthusiastically endorse that. Councilmember Whitehead.

[Time: 02:21:38]

Councilwoman Whitehead: I have spent a month out in the community meeting with people. I will say that today, the majority of the people here today are supporters, but it is primarily people are in between. I have had the joy of working with Carter. I had the pleasure of meeting his father. At the end of the day, the Council has to review the contract. It is not about trust, the person, it is about the contract that we have. Because we represent the constituents' interest. The contract between the City and the developer, which is Carter Unger. That has been evolving rapidly to the developer's credit. The project today from last week is very much to my liking. He took the concerns that I listed publicly, but they are not all addressed. One is that we are obligated to give the public 10-days to review anything that we vote on. There are legal ways to do that. That's where we are at today. The building height changed in the last 48 hours.

I met with staff, 5 or 6 or 7 people from our staff last week and the information that I had from them based on the stipulations and the DA, and the information that I have from the developer, there is a lot of disagreement there. I'm not sure what I'm voting on. I will give you a couple of examples and a public right-of-way from Stetson Drive and to 6th Avenue. I have a commitment from the developer, it is going to turn into a nice pedestrian path. But that's not what we have on the staff side. I went back and watched the July 2nd meeting of 2019, where Southbridge Two voted to make 150-feet available, but it was stressed at that time, the developer would have to earn that. It was asked to be defined, but it wasn't. When we have on the development side talking about 30% plus open space but sitting down with staff and seeing 2%. This needs to be clarified. I can't vote on something until I know for sure what I'm voting on.

Let me tell you what some of the differences are. Some of it might be open space, but not protected open space meaning that it doesn't have an easement where you and I can go on it anytime that we want. Carter is offering to do a lot of upgrades and I don't consider that part of the open space. I do want some clarity. I do, definitely, again, I was at the meeting and we are going to have heights. I do support the investment and a lot of the concepts that Carter presented. I also share many of the concerns. I think that both sides have legitimate concerns. Both sides have legitimate concern for this town. It is hard when we are saying things about each other rather than focusing on the issues. I'm not ready to vote yes, but I would be supportive of a continuance.

Mayor Lane: Thank you, Councilwoman. Councilwoman Klapp.

[Time: 02:25:58]

Councilwoman Klapp: As the Mayor mentioned, there has been a lot of discussion about this case over the course of the last number of months including some Executive Sessions and the Planning Commission meeting took place in the summer. It's been quite a journey since then to try and resolve some concerns with the project Southbridge Two. My concerns are similar to some that I have heard from people in the immediate area. So, I have spoken to the applicant and the business owners in the area in the last week or so. It came up to three primary concerns that I was hearing.

The height of the building along the canal, particularly, in Site C. As well as parking and the impact on the merchants in the area. I have been a merchant myself, so I have good knowledge of how construction can impact the business owners in any area where there is a project of this size. I want to thank the applicant for taking the reduction of the two buildings along the canal to 129-feet and 139 feet. I think that was a good change. When they agreed to make that change, they agreed to not change the parking they were providing on the project. It could be easy enough to reduce the number of parking they are providing because they are taking out two units. It has freed up 65 more parking spaces that are available before they removed those floors.

Someone said, what does it mean to take those floors off? Not only does it reduce the visual of the building but provides more parking in the area. Those are good benefits. Also, they have had assurances that both lanes are going to be open. They have in writing said there will be two lanes of traffic at all times. They have also put in writing because we discussed the impact of small businesses trying to get their customers in the door and the driveway gets cut off or the parking space gets cut off. Their assurance is they will at all times, provide public access to the businesses that are going to be impacted on the other side of the street from the project.

And finally, I talked to them about the impact on their own tenants. I have been a business owner and every time it impacts the tenants. I believe with the assurance they are going to provide a plan to the tenants with relocation and communicate to the tenant and yes, it was only done in the last couple of days, but it is in our materials with all of the agreements that we have made. We could have made all of these statements at the dais tonight and write it into the documents. We have done that at the Council and at the dais and it is a bad idea. The way that they have done it tonight is the best way to do it and that's why we are voting on it. And after all of those items and what you need to do is talk about what you are concerned about and find out if you can come to resolution, that's our job and try and move the needle and get the best project that you can possibly get and not try and impede it. For that reason, I will be voting for the project.

Mayor Lane: Thanks, Councilwoman. I have an indication from Randy Grant and it indicates that you are now the City Treasurer.

[Time: 02:30:40]

Planning and Development Services Director Randy Grant: Thank you Mayor, members of the Council. I do want to address a couple of issues that Councilwoman Whitehead had raised for clarification. The first is the open space. You were correct in saying that the canal open space was going to be provided regardless because they can only build on their property. I believe what they were saying was that they were doing improvements to the canal open space that are above and beyond what would normally be

required for adjacent development. So it's not a lessened amount of open space but it is a change in the quality of the open space, an increase in the quality of open space. And the second issue was regarding what's referred to as Unger Way, which is the connection between 6<sup>th</sup> and Stetson. And that has been discussed very recently and the agreement that was made was that it would be provided for vehicular access because the traffic mitigation analysis that was done indicates it was necessary to do that in order to manage the traffic, particularly, for the office component of this development. It would be open for vehicular development. It could be closed off for pedestrian only particularly at those times when the office demand is lowered in the evenings or on the weekends when the traffic would not require that it be maintained for vehicular access. I wanted to make those clarifications as they were late changes in the negotiations.

Councilwoman Whitehead: Yeah so I have another question. The public right-of-way from Stetson through 6th, are we going to continue to have a public pedestrian path through there?

Randy Grant: There will certainly be a pedestrian path. It will not be exclusively a pedestrian, particularly during the time when the office component is active.

Councilwoman Whitehead: I'm not talking about Site B, I'm talking about the path through Site A.

Randy Grant: Yes, that will be maintained as public access.

Councilwoman Whitehead: Thank you for the clarification update.

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

[Time: 02:33:00]

Vice Mayor Littlefield: Thank you, Mayor. I will not be supporting this tonight. Old Town is a very small and compact area, only a few blocks in size. To cram this much density and height into this area will destroy its character. Our Old Town attracts thousands of visitors every year and they go to Old Town. I do not want to turn Old Town into any town U.S.A. Why would we want to? Why would anyone come here for that? To see a canal? I don't think so. This is exactly why people selected me for this Council. It is not in the best interest of the future of this city. They trust me to do that. I have heard from thousands of people who are granted not here tonight, but they have contacted me directly. And they do not want this.

Upgrading and renovating the area is one thing and that would be very beneficial, and I would approve of that. But to destroy the entire context of every building there is quite another thing. This is going to have a huge impact on the traffic down there. It is a problem for the surrounding businesses and the citizens of Scottsdale. They have made it clear they want to travel, especially, when they are shopping in their cars. If we make it difficult for shoppers to drive and park near the local businesses, those shoppers will go elsewhere.

For those who wish that Scottsdale citizens would drive less, and tourists would drive less, I would remind them, those of us on this Council work for those citizens and not the other way around. It is not our place to tell them that they should stop traveling in their cars. It is our place to provide adequate

parking and streets. I cannot support this project tonight. It is too massive, too tall, offers too little open space and too parked. Frankly, it is too much for this very small area of Old Town. We won't have an Old Town. If you want to quote someone, quote Laurie Roberts in her article, this is trading cachet for cash. I won't be the vote that destroys Old Town.

[Time: 02:36:26]

And I have a few things that came up in the conversations. The General Plan that was approved by this Council gives people the right to ask for 150-feet in some areas in our downtown. It doesn't give people an automatic right to have that 150-feet. That's something that the Council decides. Another thing and about selling the Rose Garden property along with improvement of this project. I'm not in favor of selling it, unless we have two totally independent appraisals and valuations for that property beforehand. That protects the City's benefit and property. And gives us an accurate value of that property on the market today. I think that needs to be done. These appraisals should not be done by either the City or Mr. Unger's corporation. Mr. Ortega is correct. The process by which the City has done this is tainted and can be used against us. And I don't want that.

I want to make it very clear, it is not about the Unger family, against Carter, who I personally like, it is about the City. Once we do this, it can't be changed back. We lose something and maybe that's what you want, but it is going to be lost and you need to recognize that. I had something else here. Somebody made the comment that this Council is afraid of change. I want to point out something, in the past couple of weeks we have made some major changes. Something that we did last night, Gentry on the Green. And one thing, I will address your comment about my husband and me. We have many disagreements about how I vote here. I'm not my husband's shadow. One of the major disagreements that we had is I supported the bonds. And that's all I have to say.

Mayor Lane: Thank you. Councilwoman Korte.

[Time: 02:39:34]

Councilmember Korte: Sincere thank you for everyone showing up tonight, it fills my heart. Because as a Councilwoman Milhaven stated, sometimes we don't get the support for good projects and tonight, what a good showing. Thank you to all of the people who stood up here and the 30 plus people who spoke and stood tall for your respective opinion and many of you those in this room tonight that stood silently in support. That does not go unnoticed. This project has been a living project. It has been a dynamic project for years. I remember Fred Unger talking about this 3, 4 years ago and saying we can really do some special stuff here. What happens? Well, the great recession happened, and things had to be put aside. But we can all agree this project has not been an easy one and the long-time dreams don't come easy and I believe this is a realization of a long-time dream and audacious goal. Yes, we all have issues and it is not perfect.

We are concerned about parking and massing, and tenant hardship. I have spoken with many of the businesses in downtown and many of the individuals who are impacted by this project. Everyone in Scottsdale is impacted by this project. Regarding tenant hardship, you know, I pedaled Chevys off of the corner of Scottsdale Road and there were two major construction projects that made our life miserable for 2½ years. It wasn't easy. But we made it through. We have an existing landlord that has shown

compassion for his tenants through good times and bad. And I know he'll continue to take care of his tenants in every way that he can because that's the way that Carter is. That's the way that Spring Creek Development is. It is a different project than it was a couple months ago. We talk about parking. I find it amazing that we can all look at the same facts and come up with different interpretations. It is over parked by over 100 spaces and that's how many millions of dollars out of the developer's pocket? We have a local developer, Spring Creek Development and we have seasoned talent working on this project, we have local passion to realize this long-time dream and I'm pleased to say yes tonight.

Mayor Lane: Thank you, Councilwoman. Councilwoman Milhaven?

[Time: 02:43:41]

Councilwoman Milhaven: I will be brief, I just have a couple of questions. I know that folks raised a couple of issues from the dais, I'm hoping staff can lend clarity around the complexity of the issue. The first think I will ask staff; can you help explain so folks can understand how the value was determined on the Rose Garden property and how is it that we are selling it without going to auction? How is that possible?

[Time: 02:44:02]

Dan Worth: Good evening. We have done two appraisals on the property, this was independent appraisals. One over a year ago and updated it several months ago to get more current valuation and we increased the sales price because of that, which the developer agreed to pay. The process that we're using to justify the sale without going through a competitive process, section 2-221 paragraph C of our code says that when we're disposing of city property we have to go through a competitive process except for..... and it lists about a half a dozen exceptions. One of the exceptions is if we are selling property to an adjacent property owner and the City Manager makes a determination that the greater public good is going to be served by combining the two adjacent parcels, and that's the situation that applies here, they are already a property owner for a property that's adjacent to the Rose Garden parcel.

Councilwoman Milhaven. Thank you. So, the City independently got two appraisals to determine the value. I think that sounds fair. And in my opinion, doing a large master plan makes more sense than doing smaller parcels that may or may not relate to each other. I just wanted to address the concerns that had been improper and, in my opinion, we certainly did it legally and prudently. Thank you staff for responding to the concerns from Councilwoman Whitehead about the open space along the canal and I was hoping you could elaborate a little bit about, the open space, how much open space, there seemed to be a big difference between 30 and 2 percent. speak to the open space in the project. How much is there? And can you speak to the public accessibility of that open space?

[Time: 02:46:01]

Randy Grant: The open space is not a requirement in downtown zoning. The open space that is provided is public benefit. The open space for example around the relocated Bob Park's fountain is considered a public benefit. We don't necessarily measure the open space the same way we would in other districts where it is a zoning requirement. I can't speak to the 33 percent that the applicant

indicated because it does include space along the canal and the spaces within the public right-of-way. The open space that is being provided exceeds the ordinance requirement fairly substantially in a number of areas including the public plaza in Area A, the parks, fountain and the improvements to the canal bank and the pedestrian component of Unger Way. So, there is more open space than what is required.

Councilwoman Milhaven: And it is all for the public.

Randy Grant: Yes.

Councilwoman Milhaven: Thank you.

Mayor Lane: Councilwoman Whitehead.

Councilwoman Whitehead: 150-foot is not flat out required and we are not obligated to give. When you look at the July 2nd meeting, it was made very clear and for clarity and the open space was not defined it was clearly stated that and in exchange for height, there would be equivalent public benefit and certainly, most people would consider public open space would be considered a public benefit. I just wanted to clarify that as well.

[Time: 02:47:57]

Mayor Lane: Thank you Councilwoman. Seeing no further requests I guess I just want to close it out and I'm certainly in support and before we go to a vote. And that is I think everybody has done an amazing job, the staff and the applicant, as well. I, too, want to thank everyone who is here to lend their opinions and their thoughts to this. When we have this kind of discourse, it is a positive reflex on our community. When we engage in personal attacks on anyone, that's when it becomes a problem. We have had enough of that frankly and it is time, whether it is in papers, emails or threats any other way, there is no place in Scottsdale. It is a great example of public discourse and there are going to be differences of opinion. There isn't a person on this Council that doesn't want the best for Scottsdale. We may see it all individually, but we are all looking for the best possible resolution. With that said, I think that we are ready for a vote. We have a motion and it has been seconded. All those in favor, please indicate by 'aye' and register your votes. Motion passes 4-3.

With that, our business on this item is complete. I normally try to gavel down any kind of applause because this isn't a theater, but I certainly appreciate the sentiments as it goes. We do have an additional agenda item, so if you want to stay for it, you are welcome to stay. But if not, please leave quietly. Please have conversations with reporters outside and otherwise. We are going to give you a few minutes to clear the room. We do have to continue our business, so if you can take the conversation outside, I would very much appreciate it.

**ITEM 21 – 2020 STATE LEGISLATIVE AGENDA**

Mayor Lane: We'll continue on to our Item 21 which is the 2020 State Legislative Agenda. And our presenter is Brad Lundahl.

[Time: 02:51:23]

Government Relations Director Brad Lundahl: I've often been accused of being able to clear a room with my presentations, glad to see that's working. I'm here to briefly go over our 2020 State Legislative Agenda. Due to the lateness of the hour, I'm sure we're all a little tired, I will move through this pretty quickly but feel free to stop me and ask questions along the way. The Legislature will be starting up again in January. I come to you each year with the legislative agenda and I get your approval on this and this provides me with direction as the legislation goes into action. This is background information on who's in leadership. We have three legislative districts for Scottsdale. LD23, nine total legislators. We have LD 24, and LD 28. Again, a total of nine legislators and they have been in place for some time. In developing the legislative agenda, I gather ideas from department heads, city leadership and I put it into this document and break it down with core principles and policy statements. I try and pull up my crystal ball and what issues are going to be occurring at the Legislature each year.

As many of you are very aware that short-term rentals is going to be a big issue this year. Just also to let you know, the legislature has been holding hearings on this during the interim. There will be another hearing next week on December 12<sup>th</sup> in the Senate at 5 p.m. I wanted to make sure you were all aware of that. We believe there's going to be something on speculative builder taxes, an attempt to eliminate that. Marijuana is something that I'm sure will be discussed. Vaping, a carryover from last year as well as education funding. We may not be involved in all of these but I think these are some of the big issues we're going to see this year. So when I meet with a Legislator they say OK, you've got two minutes, whatta ya got? What are your key issues? So I always try to break that down and have at least a one-pager for them of our key issues.

So our first one would be something to address the negative impacts of the short-term rentals and the impacts they are having on our residential neighborhoods. We would support legislation to give us more tools to manage and go after the bad actors. Since that's really a zoning issue that the Legislature has preempted in the past, I wanted to make sure there is a statement that says that we would oppose any further deterioration of our zoning authority. That is one of the major tools that a city does have.

[Time: 02:54:41]

As I mentioned before, we've heard there will be bills on eliminating or reducing the speculative builder tax and we would oppose that as well. Several years ago, there was an attempt to simplify the tax code and one of the remaining issues is construction sales tax in general. There's going to be an attempt to change the way that the building materials are taxed and that would not be as we see it, fair to the residents of Scottsdale as the building activity that occurs here and we would not see the revenues from those building material sales, so we would not support that.

We are supporting the U.S.-Mexico-Canada agreement. I actually put this in there several months ago. I was thinking by the time I got here I could pull it out saying it had been passed, Congress had done its job. Unfortunately, it is something that we are going to be asking the Legislature to support and some sort of resolution.

We are asking to run a bill this year, run legislation, and this is to amend the statutory requirement for posting zoning changes and General Plan amendments. We see it as some of an antiquated process in the digital age and there are issues where there have been mistakes made at the newspaper level and



those mistakes have put the public hearings and changed the dates for that because we couldn't hold the hearings because of the mistakes in the newspaper. We are asking to run a bill to simply say that if we have that information on our website, then that would suffice for notifying the public. This is still a work in progress. The general concept is that we still want to make sure that the public is very aware of any zoning or General Plan amendments and there is proper notification in publication in more than one medium, but we can't allow a simple mistake in the newspaper to stop these projects from going forward.

So, I'm going to run through, and you should all have a copy of the full legislative agenda. I'm just going to hit some of the highlights and again, feel free to ask questions. We are always asking for the state to help chip in for some of the major events like the Super Bowl to come to Arizona. They tend to agree that it is good for Arizona, so the state should help chip in for some of the costs that these major events cause. Arizona is becoming a home for medical tourism where people from out-of-state or out of country come to get medical treatments and stay here for a while and enjoy our beautiful climate.

[Time: 02:58:12]

Mayor Lane: Excuse me, Brad. On the last two, the tourism tax to assist state, and the method of calculation there, I think it is worth, I'm sorry, I was thinking that you were talking about something else. Are you talking about medical destination?

Brad Lundahl: Yes, medical tourism.

Mayor Lane: Okay, medical tourism and is this a new tax?

Brad Lundahl: No, there is no tax involved with this, Mayor. It would just be promoting Arizona as a place for this to occur.

Mayor Lane: Medical tourism.

Brad Lundahl: Yes.

Mayor Lane: Not the businesses that create it.

Brad Lundahl: Yeah, this is marketing there.

Mayor Lane: OK. Well, interestingly enough, something that has been out there for some time and there is renewed talk of it and that's the differential tax between what you did last year versus a year of a large event vis-a-vis, the Super Bowl. I didn't know if this had made this on to the final draft of this or not but something, just talking about today with, well yesterday I should say, with Experience Scottsdale and some other folks in the regional tourism side of things. So I don't know where that might be at, but when you mentioned the tourism word, I was thinking it was coming back to this. It isn't a new tax either. It is a delta between year to year. If that comes to our attention, we need to make sure that we are aware of it and how we might address it because there are critical components of how that revenue stream would be created, how it would be set aside on the state level, and how it would be allocated. All of those would have some pretty serious impacts on the way that we are structured.

Brad Lundahl: Yes Mayor, any of the major bills or issues, I always bring those back.

Mayor Lane: By virtue of this coming up, I just wanted to bring that up because it is something that is out there now.

Brad Lundahl: Yes, thank you for that.

Mayor Lane: Yes, I'm sorry. There's another Council, Councilmember Phillips.

[Time: 03:00:37]

Councilman Phillips: Yes the same with the top one, the support, oh you've switched it. Support a dedicated fund so yeah you wonder if the same thing is in play. Does somebody already have a bill out on that?

Brad Lundahl: Mayor Lane, Councilman Phillips, I have not seen any legislation on this. This has been a discussion in the past couple of years.

Mayor Lane: I'm sorry to interrupt on this, I'm sorry it's my mistake. That is the one that I'm referring to that is out there. Thank you, Councilmember Phillips. Yes, it is out there and the mechanisms on how it is put together. Pardon me for interrupting you, Councilmember Phillips.

Councilman Phillips: No, I think we just agree that we want to see how the dedicated fund is going to happen before we'd want to support it.

Brad Lundahl: If you're comfortable we could change it to support the concept. I will bring it back before we take any action on that.

Mayor Lane: I wouldn't mind personally if we changed it to support the concept because it is a wide-open field and it could be on our desk before we know it.

[Time: 03:01:56]

Brad Lundahl: All right. Got that. Okay. As you also know, there is a lot of autonomous vehicle testing going on in Arizona. A lot of states are losing their testing facilities and those companies are coming to Arizona because of our favorable regulatory climate. We're just saying we would like to continue that as long as these vehicles are safe. We would support those types of actions. Also, want to make sure that the state aviation fund taxes, the airport taxes, the fuel taxes do come back to the place where fuel is purchased.

As I mentioned before, short-term rentals, that's back in here. And then, one of the new concepts is the League of Arizona Cities and Towns passed a resolution to support the Equal Rights amendment. I'm asking you that we support that as well, we support the League's efforts to pass the ERA amendment. That will likely be a bill this year at the Legislature. With that, Mayor, and members of the Council, I'm happy to answer any more questions. Otherwise, I would ask for a vote to approve the 2020 State

Legislative Agenda.

Mayor Lane: All right. Councilmember Phillips?

Councilman Phillips: Move to approve the 2020 State Legislative Agenda.

Councilmember Korte: Second.

Mayor Lane: Motion's been made and seconded. No further comments on it. We are ready to vote. All those in favor, please indicate by 'aye' and register your votes. Those opposed with a nay. It is unanimous. Thanks for the presentation and thanks for clearing the room.

Brad Lundahl: Thank you, Mayor.

### **ADJOURNMENT**

[Time: 03:04:14]

Mayor Lane: That completes our business here today. We don't have any further Public Comments, we do not have any further petitions, Mayor and Council items and with that, I would ask for a motion to adjourn.

Councilwoman Whitehead: Motion to adjourn.

Councilmember Korte: Second.

Mayor Lane: A motion's been made and seconded. All those in favor, please indicate by aye. We are adjourned. Oh, and for those remaining people, Merry Christmas and happy holidays.