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CALL TO ORDER

[Time: 00:00:04]

Mayor Lane: A microphone would help. Thank you for welcoming us back from our summer hiatus. We will start with a roll call, please.

ROLL CALL

[Time: 00:00:21]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you very much. Just a couple of items of business. We do have cards if you would like to speak on any of the items.

They are the white cards that the city clerk is holding up over here head to my right and if you would like to give us any written comments any items on the agenda, that's the yellow card you would want to fill out. We will be reading them during the course of the proceedings on those agenda items.

We have Scottsdale police officers, Tom Cleary and Jason Glenn here. Tom and Jason are both here at 11:00 in front of me. They are here for your -- if you have any need for their assistance. The areas behind the council dais are for staff and council only but we do have facilities under that exit sign there, over here to my left, for your convenience.

PLEDGE OF ALLEGIANCE

[Time: 01:01:33]

Mayor Lane: But we are privileged to have the Scottsdale Bobcats here to lead us in the Pledge of Allegiance this afternoon. So if you can, please stand for the pledge.

Scottsdale Bobcats: 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 very much and if you would, please introduce yourselves.

Sara: My name is Sara and I'm signing up for the bowling team hopefully in October.

Brandon: My name is Brandon and I go to squaw high school.

INVOCATION

[Time: 03:03:03]

Mayor Lane: Thank you very much. We have an invocation this evening from Pastor Bryan McAnally of the Scottsdale Bible Church. Pastor?

Pastor Bryan McAnally: Thank you very much, Mayor. Will you please join me in prayer? Dear Lord, we thank you for this day. We receive it as a gift from you. We recognize that each day that you give us is a blessing and we appreciate you so much more for the gift of this day.

God, we do thank you for the Mayor and for the city council and I pray for blessings upon them. Lord, we also thank you for the city attorney or the city manager, the city treasurer, the city clerk and all of those who serve our city in various capacities, certainly including our law enforcement personnel, our fire department personnel and all of our civil servants would make this such a -- who make this such a wonderful place to live.

God, we ask that you be present. We ask for your presence in a way that would be helpful to us in all of the decisions that are going to be made. We do pray for you to give the council wisdom, understanding and discernment and agreement. God, we do pray that you would give them a goal of unity and a clear path on the decisions that they need to make to help them arrive there. Lord, for those of you who are going to be speaking today, we ask that you bless them with clear thoughts and the right words to convey their perspective. God, we do pray and ask that you would grant us favor in the efforts undertaken here that would allow peace amongst us as neighbors, success for us in our endeavors and prosperity in our names to respect and dignity to all people in our interactions with one another. Amen.

MAYOR'S REPORT

[Time: 00:04:42]

Mayor Lane: Thank you very much, pastor. A couple of items to note, and one is a particularly sad item, and a prominent state senator here in the state of Arizona and in our district, Senator Carolyn Allen passed this past weekend. I would like to say a few things about senator Allen and her impact on Scottsdale and, of course, the district that she represented and frankly our community overall. Senator Allen lived in Scottsdale with her husband Jack and prior to her election, she was a development director not Frank Lloyd Wright foundation here in Scottsdale and the Scottsdale Cultural Council. Her passion for the arts was evident in her capacity as executive director for the Scottsdale arts center association and president of the board of directors of the Scottsdale arts center association. Senator Allen was elected state representative for the district 28, at that time, in November of 1994, and served until December of 2002. Where she was then elected senator for District 8.

She championed the McDowell mountains, and the preservation issues for us here in the city of Scottsdale for many years and worked in her capacity as senator to move that effort along. Senator Allen has a long and distinguished record of community and political involvement and will be deeply missed. And I would ask that we take just a moment here to consider in any form a prayer or thought that you would like, just take a moment, please of silence.

[Moment of silence]

Mayor Lane: Thank you. She will be missed.

Next item of business that we would like to at least report on today, and this is on a little bit of a nicer, heavier -- or I should say a rather more joyous note and that is the Scottsdale water was named an organization culture of the future and the national association of clean water agencies and the water environmental foundation and the water environment and the water reuse foundation and the water reuse association for the input for the U.S. Environmental Protection Agency, has named Scottsdale water, our water department, as a recipient of the inaugural utility of the future today, and recognition program.

We want to congratulate our now acting city manager Brian Biesemeyer who heads up our water department on an ongoing basis. That's his night job, I think at this point in time, about you nevertheless, I want to congratulate you, Brian, and your entire crew for that. That's a substantial award and recognition for your great work and the work of your crew. So thank you very much.

There is actually more to that. In any case, thank you for that.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:08:01]

Mayor Lane: The next item is a presentation for information and updates and the economic development strategic plan accomplishments and we have Danielle Casey, our economic development director here for that presentation. Ms. Casey, welcome.

Economic Development Director Danielle Casey: Well, good evening, Mr. Mayor, members of council. I definitely see my ten minute clock and I promised to the clerk that I did practice. So hopefully I can hit those numbers and then we'll bring those slides up here in just a second. Very good. Thank you for your time this evening. I think this is the second year in a row where I have gotten the privilege of kicking off the return after summer break. So thank you.

The brief presentation is going to be regarding accomplishments and activities related to the city's adopted economic strategic plan focused on accomplishments during fiscal year '15/16 which closed at the end of June. In reviewing this tonight, I will focus on key mitt tricks for the year, highlights related to key strategy goals and then also some top efforts that we will see coming down the pipe in 2016 and '17.

As a refresher to the audience or anybody who hasn't seen this, this is our mission statement, related to economic development for Scottsdale. Everything that I'm going to review and everything we do is always designed to serve this mission statement, and, again, it focused on retaining, growing and attracting targeted sources of wealth for the community to foster prosperity for all citizens. These are the six high level goals in the adopted economic development strategic plan, all of which have some items in tonight's presentation associated with them. So we have worked on every single one of these this year to a great extent. All right.

And then the annual report, we actually have some copies in the back for folks. We have electronic versions online and I have given some copies out to Mayor and council and other key staff here, but essentially if anybody is left desperately wishing for more information after this presentation, you can find this on choosescottsdale.com. We have quarterly reports. We have quarterly reports and annual presentations and, again, tonight, it talks about the -- the document itself talks about different awards we have received marketing strategies, events and programs and being of course, annual metrics.

We always get the question. What happenings have come? Who have you worked with in the past year? What is going on? These are always the fun announcements. Here are some different logos that have expanded or located with our assistance in the past year and if you want to see specific metrics in terms of jobs or economic impact by company, you will see that in the report. You see I have a strategy here to drive people to the report.

Now I'm pleased to go into the metrics for '15/16. We worked with nine unique businesses. Those are not all of them. You see those jobs numbers and what is pretty interesting, it's nearly identical to the jobs number of the previous fiscal year but the average wage is about \$10,000 higher. We did direct outreach visits which is about -- more than a 10% increase. We did 95 the previous year. So we are continuing to increase those and build relationships. 290 new business development leads, it's 15 more than we did the previous year.

And we also got some awards. We were very excited. The international economic development council is our association nationally and internationally for professional economic developers and we have received some gold awards and work with our great partners at A.S.U. SkySong. We were also pleased to really push our marketing efforts and I'm going to touch on that a little bit more in the slide deck.

We were allowed by our great friends in tourism and all the downtown work that's going on to be able to help and lend a hand from the business side of things, especially with our transportation team on getting the word out to businesses and surveying them for those parking improvements that will be launched soon. And we also fund raised quite a bit ever dollars to help with eureka loft.

I will try to briefly elaborate on these topics for goals, and and two, retaining and helping with talent and attraction. We had an exciting year. These some are of the metrics in the annual report. In supporting the firms we did relocation guides because the companies asked them for material with new employees coming to the area and we gave out well over 500 of them. I think Kinko grabbed several hundred themselves because they loved the document. So we are happy to assist in that regard.

We were exceptionally proud of our retention with J.D.A. They let us know that they were needing to move their facility. They could move it out of Arizona or move it out of Scottsdale or both. We were able to work with them and keep the 347 very high wage jobs in the community, and they have been a great supporter and obviously say very nice things about us as well. We like that. Providing support.

These are nice images of support that we have -- we not only continue to try to meet with companies in the local area, but we also meet with them when we are out of market. When we go to San Francisco with G.P.E.C., we also jump in with Yelp and others to let them know at home that we value them back here in Scottsdale. We use website. We had an image on that. That's a new partnership with a business. We had more than 75 attendees show up to learn how to launch a website. It was very successful and we have been asked to do it again and that will happen again this fall. We also had some great city support with Phoenix start-up week and we got our hand in 5 million social media impressions that were seen by the tech community that were a part of that. One of my team was on a planning call planning for next year's event.

In terms of supporting the entrepreneurial ecosystem. We have connect the tech where we had speakers from companies like parchment, hub spot, hallway, et cetera, talking about and mentoring other new businesses, people that want to start their start-ups and leverage the eureka loft space for that. And I mentioned that we got some new stuff for Eureka. Our friends at A.P.S. and S.R.P. helped to contribute funds and we had some funds in the library budget and got some monitors and some of this great sound mitigation stuff. What is neat about this, the blue panels you see, the sound mitigation panels, we got them and installed them and then we saw an image of Bob Parson's new space, that had the exact same space. We figured it was cool enough for Bob, it was cool enough for the Eureka Loft.

Employment centers. We can't talk about that without the cure corridor. Sold out crowd. Amazing sold out speaker last year. We have another wonderful keynote lined up for next year, and next year is December. We will be expanding the event to 400 attendees and holding that at the Scottsdale resort so that we can get more folks in and even more exposure for our firm. Our Mayor and council breakfast last year was also a sold out crowd. Nice and full and when you weren't listening to the roar of the jet engines that were taking off, that was really the only interruption and then we got to enjoy really great comments from standard aero which if you have flown commercially, have you probably been on a plane that they touched and repaired.

And also I mentioned the downtown parking and all of those efforts with the many theme departments where one little piece of many departments making these great things happen, but in is going to begin September 19 and we have done extensive outreach. If anybody has any questions about, this let us know. Everything from postcards to every single property owner, as well as mailing address for property owners and tenants in the downtown area to spread the word. So thank you, Mayor and council for allowing us to try this out. We will be back in front of new January to let you know how it's going.

All right. And then finally, our last two, attracting new business, building a Scottsdale business brand because we have such a great tourism brand, it's something nice to emulate and then growing attractive quality firms and jobs. Our commercial space trends are positive. Meaning commercial space is absorbing. We are not going backwards. I think something that's actually interesting is when you really look at the submarkets, our downtown retail submarket just in downtown Scottsdale is actually at 3.3%. And our down vacancy rates are 5.9 as opposed to 3.0 and the McDowell office space is 6.0. We can use more space and people want to be here.

For our business development metrics we have gone over these but we were happy to have a role in these. Over five years, there's a 1.5 billion total economic impact of these projects according to an applied economics model that we utilize to gauge that. One of the most fun activities that we had are our swipe right campaign. We may be winning an award for it. We'll see. We did a play off the millennial dating app Tinder, where you swipe right if you are interested in somebody. If you were not interested, you would swipe left or ignore it. If we figure if it can work for people, why not a community?

Then we took that to San Francisco where a lot of the millennials are and we had a great event and partnership with the Scottsdale area chamber that brought more than 80 people out, generated new leads and exposure for us and was highly supported and actually all the efforts were funded by sponsors and partners, including GPEC and the chamber. So we really thank them for helping douse that.

And finally on the horizon, '15/16 was a busy year. There's a ton more. These are just some of the big highlights and the things that our team is excited about. In addition to all the regular bait and tackle that we work on every day. We will choose functionality to the choose Scottsdale website. We will choose for accreditation. It requires you to have a strategic plan, marketing plan and skilled

and trained staff members all the components and quantifiable results and we are confident that we have that in place. There's only one other organization in Arizona that has that accreditation. So we are excited to pursue that this year.

Downtown parking enhancements will be monitored, reported on and adjusted as needed and we're working on research to advance cure corridor concepts where we might leverage some of our strongest assets for existing healthcare and biolife sciences form from exploring destination medical centers to events and programs and maybe attract more venture capital for biolife sciences firms so please stay tuned.

And finally, just a quick pitch for Marking your calendars. If anyone wants to go to the Mayor and council breakfast, it's sold out already. It's five weeks out this will be a great program. However, if you didn't get in, we will probably live stream it and then also make a YouTube video available for anybody that wants to see that information and the keynote speaker will be Anthony Wanger with the head of I.O. data whose headquarters are located at SkySong.

With that, I'm going to close with not own my own statement, but something that I think that we would all agree with a member from the business community that this is a fantastic city in which to do business. Not only is it sophisticated, it's friendly, open and welcoming. It's a can-do atmosphere in Scottsdale. Thank you, Dr. Korn for that quote and I thank you for your time this evening.

PUBLIC COMMENT

[Time: 00:20:01]

Mayor Lane: Thank you, very much, Ms. Casey. Excellent report. That's the final item for presentation.

We will move on then to our public comments of which we have four. And it's reserved at three minutes each. And so, this is citizen comments regarding non-agendized items with no official council action will be taken and the speakers, as I said earlier, will be confined to three minutes each. A maximum of five speakers and we have four. We will start with Darlene Peterson.

Darlene Petersen: Darlene Petersen, I live in Scottsdale. Mayor Lane and members of the council, you -- your group are no different than any councils in past years. We can count on you passing all the liquor licenses that are wanted. We can count on you passing any development, developer that comes in to rape our city, to have highrises and put them right on the sidewalk. But I never thought I would see a unanimous vote for condemning somebody's property. I don't know this man. I have never been into his -- I have never been to his facility to work out, but it's going to cost a lot of money to move a fire station a mile. Now, we have gone through this before, that you moved the fire station from Thomas and Miller road three-quarters of a mile up the street. How is that helping the situation? If you are going to move a fire station, you've got to move it 2 or 3 miles to get better control of the situation.

I don't care whether this gentleman had made arrangements a year ago, made arrangements the day that you called and said we want to buy your property. He has been paying taxes, I hope, for years and years and years on this empty lot. Now I think it is wrong for you to condemn a private person's property when it's not going to make money for the city. I think that the citizens need a complete record of how many hours staff puts in, how much they get an hour, how much this is going to cost the city, and you have property other places that it can be built that you already own.

It seems like there was something else that I wanted to say but I think I have drawn it out long enough. You should read the "little pink house," it was about a community in Connecticut. The Supreme Court took and it and found for the city but, there were three or four places that they did not take down, and the little pink house was one. This was written and sold in 2009. So it's not an old book. Thank you.

[Time: 00:24:34]

Mayor Lane: Thank you, Ms. Petersen. Next will be Joanne Lawler.

Joanne Lawler: Good evening, Mayor and councilmembers. My name is Joanne Lawler. I own my home in historic Villa Monterey. It's age restricted 55 plus. 620 homes, seven individual homeowners associations, H.O.A.s. I'm here tonight with concerns about the Scottsdale grandmother who was evicted from her home sold at auction. An article in the Arizona republic on Sunday August 14th, 2016, by real estate attorney Christopher combs, he described this will of this grandmother living in an H.O.A. in Scottsdale. She owned her home free and clear. She had past association fees that were not paid in the amount of \$700. As a result, she lost her home. This story demonstrates abuse of authority with the H. O.A. homeowners associations. While the H.O.A. may have the right to foreclose legally, perhaps they could have worked toward a more positive outcome for this grandmother. As a society, we must take a proactive approach to help our most vulnerable citizens, the elderly.

I'm also here to relate you to my concerns with many H.O.A. board members that have too much governing power. Far greater than necessary. As an H.O.A. homeowner myself, I know personally how board members can be negative, abusive, on an older person living in an H.O.A. My own board ignored federal disability laws and has not complied with governing documents, covenants, conditions, restrictions, cc & rs and the rules and regulations. There are many more issues of my concern. H.O.A. homeowners don't have lobbyists that influences the state legislature as do the following homeowners companies, homeowners attorneys and groups such as the Scottsdale council of homeowners associations, association of community managers and the community of association institute, lobbyists advocate on their behalf. These requests request donation from each home in an association that is a member. Then they donate this money to many homeowners association lobby groups.

I'm involved with H.O.A. favors and the Arizona homeowners forum. We give a voice and help educate homeowners about the inequities within the H.O.A. governing community. I would like to share a few facts with you tonight. Are you aware that 79% of homeowners in Scottsdale live in an

H.O.A.? Are you aware property managers who hold millions of dollars are not licensed or regulated by anyone? Are you aware there are very few attorneys that help H.O.A. homeowners? Are you aware most homeowners do not have the financial means to go against an H.O.A.'s wrongdoing? I certainly don't.

I would like the council to work with state legislatures to help pass H.O.A. laws and make the H.O.A. industry accountable. We can begin by, one, license and regulate property management companies. Two, draft legislation so that homeowners can seek remedy to the attorney general's office with H.O.A. violated state laws, create parity in H.O.A. laws that give legal rights back to H.O.A. homeowners.

Mayor Lane: Your time has expired this is probably something that you will need to follow up with staff as far as some of these suggestions.

Joanne Lawler: All right. Thank you.

[Time: 02:28:34]

Mayor Lane: Next would be Jill Schweitzer.

Jill Schweitzer: Hello, thank you for letting me talk tonight. I'm Jill Sweitzer. My website is hoasavers.com I've advocated it on --

Mayor Lane: I would ask that you give our address.

Jill Schweitzer: 1217 North Miller Road number 46, Scottsdale 85827. Hoassavers.com is the website I would hike to help homeowners and give homeowners more rights. Like Joanne said, over 70% of people have problems with H.O.A.s. This very to hire expensive attorneys or pay money to file claims with an Ombudsman.

What I would like to ask you when you get complaints from homeowners on H.O.A.s, you say go to the legislators and ask them to help you. They can't with all the powerful lobbyists that are there. Can the city of Scottsdale please have your lobbyist support H.O.A. reform bills that will be coming out? Can you ask all of the reps for the districts to support H.O.A. reforms. We need to help protect the homeowners. In addition, I have written an H.O.A. industry disclosure that I would like to ask the city to post on their website, because it's information that all homeowners should see. It's available at hoasavers.com and I have given you all a copy of that.

I would also like to ask if the city could consider focusing more on requiring some affordable housing and also housing that is not an H.O.A. It's sad when you look at the stats, which I have given you some stats, if you are looking for a house under \$200,000, I looked at 15 cities and a buyer has 17 options. 17 properties and that's houses or condos that are built 2000 and newer. There's zero available in Scottsdale. And the 13 of the properties in Scottsdale under \$200,000, 99% of them are H.O.A.s. People need to have a choice and they also have to have more rights when they are forced into buying

into an H.O.A. because they don't have a choice.

You have a group called H.O.A. round table that meets twice a month. We are not part of lobby groups. We are just there to help share information with other homeowners and boards to try to solve some of these problems on our own but we do need your help with getting laws changed to help homeowners. If you go to my website, you can research and you will see that there's some material that I have written and some videos that I made that expose the problems that exist out there. They are not isolated incidents. The isolated incident is an H.O.A. that is actually good and run well. We need to be the first city that actually helps to promote this because Arizona could be first state that actually licenses and regulates that industry to protect homeowners. Thank you for your time.

[Time: 00:32:07]

Mayor Lane: Thank you, Jill. Next is Paula Perez.

Paula Reres: Thank you, Mayor and Council. My name is Paula Rears and I'm not a resident of the Scottsdale. My address is 6042 North 10th place. I came in support of my friends Jill and Joanne, and also as a homeowner in an H.O.A. I moved into an H.O.A. believing that I would have my property values protected. I had the unfortunate experience that they weren't. In fact, when I went to the board about concerns with the common areas, about homes that were deteriorating, the board denied that there was any problems in the neighborhood. I then turned to the city of Phoenix who then launched investigations on not only the common areas but on seven homes in the neighborhood. Seven homes were cited with blight and they had to make corrective -- take corrective action. I was labeled as a trouble maker. And it became a hostile environment. I was sued by the H.O.A. and I had to retain an attorney. It's been a two year, very long, drawn out process. We just settled our case not in the H.O.A.'s favor, but it was important to me to take a stand, to take a stand that as a citizen of not only this country but as a resident that my rights were not trampled on.

I would hope that not only the city of Phoenix but the city of Scottsdale takes measures to work with state legislators to build coalitions, build efforts to create more equitable laws within the H.O.A. community. I know there are good H.O.A. communities. I have family members who live in very well run communities but the ones who are doing a disservice are giving the good ones a bad name.

The bigger issue is the property management companies. When I went to the property management company to report issues, I was also ignored. He denied there were any problems. When I asked him if he was affiliated with any professional organizations to hold him accountable, he told me it was none of my business. And this is -- property management companies take in millions of dollars a year. It's trillions of dollars. A year. A nail technician has more licensing credentials than a management company that has so much control over our money. Thank you for your time.

Mayor Lane: Thank you very much, Paula. That completes the public comments that we have available to us at this point in time. There's another opportunity at the end of our meeting, if there's any further need for public comment.

MINUTES

[Time: 00:35:47]

Mayor Lane: The next couple of business will be our minutes request to approve the regular meeting minutes of July 5th, 2016 and July 6th, 2016. And the executive session minutes of June 7th, 2016, and June 14th 2016, and June 16th of 2016. Do I have a motion to accept?

Councilman Phillips: So moved.

Mayor Lane: Motion to accept.

Councilmember Korte: Second.

Mayor Lane: And seconded by Councilwoman Korte. So no further comments that I see. So we are then ready to vote on those minutes. All those in favor, please indicate by aye and those opposed with a nay. Register your vote. It's unanimous acceptance. Thank you very much.

CONSENT AGENDA

[Time: 00:36:29]

Mayor Lane: Moving right along to the consent items 1 through 35, we have a request by Councilman Smith to pull item 34 for presentation only. So what I would say, just for clarification purposes, councilman, that's not for separate vote, but for presentation?

Councilman Smith: That's correct.

Mayor Lane: Okay. We will go ahead with a presentation on that item before we take a vote on the full.

Acting City Manager Brian Biesemeyer: If you give Steve Rots the water services manager, a minute or two, he will get down here to give you that presentation.

Mayor Lane: Okay. Very good.

Acting City Manager Brian Biesemeyer: Steve is the water services advisor for the Scottsdale water and under his jurisdiction are most of the efficiency measures that Scottsdale Water implements through his department and his group.

Mayor Lane: Thank you, Mr. Biesemeyer.

Water Services Advisor Steve Rot: Thank you and good evening, Mayor.

Mayor Lane: This is the water resource power sales contract and it's a request for resolution 10525, the contract number and a few other things I'm presuming you may cover?

Water Services Advisor Steve Rot: Yes. Good evening Mayor and Council. As Mr. Biesemeyer communicated, my name is Steven Rot, I'm the water systems advisor. This item is for a power service agreement with the Arizona power authority for the purchase and the use of low-cost hydro powder out of boulder anion project, otherwise known as Hoover Dam. This power will be used by Scottsdale water. The term of the agreement is a 50-year term.

Additional authorization is being requested. The city manager or the designee to execute any non-substantive contract amendments that might change the final contracted amount of capacity or kilowatts, and energy or kilowatt hours available to the city. These amendments might occur if another party that was allocated of Hoover power declined to enter into a power service agreement or did not have the ability to transmit that power and make use of it. If that occurred, the original allocated amount of capacity and energy to that party would then be reallocated to the remaining parties entering into contracts for Hoover power. The terms and the conditions of the contract or the power service agreement would remain exactly the same. The only change would be to, I believe it's Exhibit b, and attachment 1 to the contract. Which specifically state the actual volume or the capacity and energy being contracted for.

We are also requesting authorization for the city manager or designate to execute short-term operational agreements with APS or SRP in order to effectuate the delivery and use of this for Scottsdale water powers. We are requesting authorization for both APS and SRP so Scottsdale water can make use of that Hoover power at any one of our facilities.

I will move to the next slide, please. The benefits of this agreement are providing a long-term, low cost power supply for Scottsdale water facilities. Scottsdale water utilizes a little over 140 million-kilowatt hours of energy every year. This agreement would replace approximately 3.7% of that total electric grid supply power with renewable energy. To narrow that focus a little bit, we would initially anticipate utilizing full use of that Hoover power at the Scottsdale water campus. Our Scottsdale water campus is by far the single largest facility consumer of electrical energy that we have. The delivery and use of Hoover power at the Scottsdale water campus would equal approximately 12.7% of the annual energy use at that facility.

For the contracted Hoover energy, and the current net cost savings, is approximately 2 cents per kilowatt hour. This results in a net cost savings of approximately \$3.9 million over the term of the agreement, or about \$80,000 per year. We believe this to be a conservative cost savings projection.

Scottsdale water operations will continue to request significant amounts of energy in order to produce, treat, and deliver high quality reliable services to our customers. This agreement enables Scottsdale to continue to provide those utility services with reduced operating costs for the energy needed. That then, in turn, benefits our Scottsdale water customers. With that, I would be open to any questions.

[Time: 00:42:16]

Mayor Lane: Thank you, Mr. Rot. I will start with Councilman Smith.

Councilman Smith: Thank you, Mayor. And I'm not really sure I have any questions. My reason for pulling this item for a presentation was simply to recognize and give a shout out to you, your organization, Dave Bette, Brian is the night head of the water department and the day head of the city. But you have received accolades for the water department earlier this evening, well deserved but the wanted the citizens to know that you are also working on their behalf to save money. There are probably a lot of citizens that don't even realize the quantity of electricity that it takes to produce good, clean water in the city. And your efforts here to not only find a renewable source, a clean source, but, in fact, a source that saves money for the citizens is, I think, to be recognized and applauded. I commend all of you. Thank you.

Mayor Lane: Thank you, Councilman. And thank you, Mr. Rot.

Water Services Advisor Steven Rot: Thank you.

[Time: 00:43:24]

Mayor Lane: With that presentation on item 34, it's not being pulled from consent. It's just for the presentation purposes only, we do have the other items in full. Consent items 1 through 35 and we have no questions from the audience on this. So I would accept a motion to approve items 1 through 35 as stated in our report.

Councilmember Korte: Mayor, I move to approve consent agenda items 1 through 35.

Vice Mayor Littlefield: Second.

Mayor Lane: A motion has been made and seconded. Seeing no further comment on, it we are then ready to vote. All those in favor, please register with an aye, and opposed with a nay. It's unanimous acceptance of consent items. So if you are here for the consent items, you are certainly free to stay and continue the meeting with us or you can leave quietly if you would.

ITEM 36 – STRUCTURED SOBER LIVING/GROUP HOMES TEXT AMENDMENT

[Time: 00:44:24]

Mayor Lane: That takes us to the next agenda item, and that's the singular regular agenda item, item 36, structured sober living/group homes text amendment, 435-PA-2016 and we have Mr. Bloemberg, a senior planner to give up the presentation.

Senior Planner Greg Bloemberg: Thank you, Mayor Lane. Greg Bloemberg, senior planner. This is

a project number 435-pa-2016, which is a potential text amendment to the zoning ordinance for sober homes and group homes. To give you the background here, one of the key issues we are going to have to deal with, if this does go forward, if this amendment goes forward is the consideration that there's quite a few federal and state laws that provide protections for housing for the disabled, including those that provide treatment and housing for recovering addicts. So if we go forward with an amendment, we will have to pay very close to attention to that, so we can come one an ordinance that's defensible.

Earlier this year, state of Arizona house bill 2107 was passed. And that particular bill does provide local governments limited ability to regulate these uses. If this amendment does go forward, we will, of course, pay close attention to that bill as well, to see what options we do have for regulating these uses.

Treatment for substance abuse in a single family residential setting an a residential setting in general is becoming an increasingly popular option for patients and providers. As such, we have seen quite a spike of these facilities all around the state, and many municipalities are exploring the options to regulate sober living in residential areas.

So there's two primary objectives here, basically for this text amendment. The first is to try and integrate sober living into residential areas while minimizing impacts on neighborhoods. That's obviously paramount. We heard a lot from citizens in the area that have concerns about these uses. So we will obviously have to take that into consideration.

And then we need to craft an ordinance that's within the federal fair housing and the state statutes. We are here to see whether the council wishes to initiate this amendment. If the amendment is initiates, we will be drafting an ordinance. And once we have a workable draft ordinance, we will begin our community outreach, which will consist of at least two open houses. There's always a possibility of additional open houses if there's strong turnout the first two, but we'll start with two. We will notify all the interested parties on the interested parties list for text amendments. Those folks will be notified. That list consists primarily of community representatives. We will do an online notification, which will include a link for citizen input, comments, concerns and questions. We will also publish an ad in the newspaper announcing the text amendment.

We will probably reconvene and if necessary, tweak the ordinance. And then we'll go forward to planning commission for consideration and recommendation to the city council and then, of course, ultimately, city council action. That concludes my presentation. Staff is available for any questions you may have.

[Time: 00:48:00]

Mayor Lane: Thank you Mr. Bloemberg. Just for a point of clarification, before you leave the podium there. What's being requested right now is to initiate the text amendment for the city of Scottsdale zoning ordinance which is not to the ordinance that exists right now. I presume it's some section within our zoning and regulatory ordinance. Is there anything -- do we have anything right

now to review or is this simply to initiate taking input from us with regard to our concerns or considerations on this?

Senior Planner Greg Bloemberg: Mayor Lane, members of council, yes, we don't have any information really for you tonight. The idea -- the objective tonight was to determine that the council does have a desire to initiate a text amendment and take questions and comments and suggestions from you. And then at the initiation it goes forward, we will begin our outreach and come back to you with a workable document.

Mayor Lane: Well, then I have a question and maybe it's instructive about how we move forward as well. We probably all know that the city of Prescott and I'm trying to think if it's Sedona or whatever, Prescott has a particular concern with this area, in that it has been a real dilemma for them for a number of years and they have been the leaders in trying to get some kind of a measure of city control over these things. And I'm wondering, because of conversations I have had with them, which we are looking at what they are doing or what they are considering in trying to advance, in just an effort to understand how severe the problem may become.

I don't know that we have measured it for ourselves yet, but nevertheless, we might be able to learn from what actions they have been able to take or not be able to take. But one thing that struck me is the fact that there was an extent and frankly, apparently a revelation of federal violations of the use of federal funds in a number of the institutions within their city.

And they were looking at that, as certainly whether or not it's their obligation to enforce those laws or to how they can best make sure at the very least that federal obligations through the federal agencies that fund these programs, that they are at least being complied with. And sometimes the noncompliance runs into issues that impact the municipalities as well.

So just a question, I suppose, as to whether we are looking at that as to best practices or frankly suggestions or what we might be thinking about, as far as what we might be able to advance as we initiate this text amendment. Some avenues we might follow.

Senior Planner Greg Bloemberg: Sure. Mayor Lane and councilmembers, we actually have a copy of the original Prescott ordinance. That's the ordinance that was challenged by the federal government, and it was determined to be to put burdensome restrictions on homes for the disabled and I know the city of Prescott is in the process of amending their code. I'm not sure if this is part of that discussion. We are looking at an ordinance that I believe was passed by the city of Gilbert that deals with these facilities. We will be doing a lot of benchmarking with other cities going forward to see the best way to handle these facilities.

Mayor Lane: Okay. Thank you very much. To the point, I favor the initiation of the process. It's something that we best at least look at and to the point that I just made and we affirm that we look at what others have been doing and have didn't struck for this problem for a longer time. From there, I go to Councilmember Korte.

[Time: 00:51:50]

Councilmember Korte: I move to direct staff to initiate a text amendment to address sober homes and our transitional group homes for recovering addicts.

Councilman Phillips: Second.

Mayor Lane: It has been moved by Councilwoman Korte and seconded by Councilman Phillips. All those in favor aye, all those opposed nay. The motion passes unanimously. Thank you very much, Mr. Bloemberg for the presentation on that.

We have no further public comment, or citizen petitions or Mayor or council items.

ADJOURNMENT

Mayor Lane: I would ask for a motion to adjourn.

Councilmembers: Move to adjourn.

Mayor Lane: I think we have it doubled up there. A motion and a second, Councilwoman Klapp. All right all of those in favor of adjournment, please indicate by aye. All right. We are adjourned. Thank you very much. Thank you, everyone.