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CALL TO ORDER

[Time: 00:00:04]

Mayor Lane: Good afternoon, everyone. Nice to have you here. Just as sort a preliminary item, if, in fact, we end up with no seating available in the back, we do have over at the library, it's on video, of course, audio and video over there for your convenience, if it gets too crowded here. Again, thanks for being here with us. And I would like to call to order, the September 26th, 2017, City Council Work Study session.

ROLL CALL

[Time: 00:00:36]

Mayor Lane: We will start with a roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Suzanne Klapp.

Vice Mayor Klapp: Here.

Carolyn Jagger: Councilmembers Virginia Korte.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: David Smith.

Councilman Smith: Present.

Carolyn Jagger: City Manager Jim Thompson.

Jim Thompson: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:58]

Mayor Lane: Thank you. We have no Mayor's Report or other presentation. This is a Work Study

session and this provides us with a less formal setting or environment for the Mayor and the Council to discuss specific topics at length with each other and city staff. Work Study sessions provide an opportunity for staff to receive direction from the Council and for the public to observe these discussions. Of course, there is no action items in a Work Study and so there will be no vote.

But there will be an occasion, and I will probably explain a little further on that in a little bit, where we will have motions and we will have votes for consensus of what to move forward and how or what other direction we want to give staff as a consensus. So we have, it's now time or our Public Comment period of time. It's a total of 15 minutes to be set aside at the beginning of each Work Study session for Public Comment. The comments will be limited to one item on the agenda. There is only one. And please see the City Clerk if you have thoughts or suggestions on the Work Study session items you would like the Council to consider. Now, we do have just cards to request to speak. Three minutes each. We have a full complement of five speakers in this case. So there will not be any further, or rather, cards for an opportunity to speak on the one subject we have at hand. The yellow cards, for written comments will be taken throughout. But they are written comments that we will read through the course of the proceedings.

[Time: 00:02:42]

Mayor Lane: So we will start on the one certain item that we have and that's the Desert Discovery Center, a/k/a Desert Edge and it's an update. And presenter for the staff to begin with is Dan Worth, the director of public works. Dan? You know, Dan, I will tell you what, as we normally do, as I normally do with the Work Study session. I thought you were going to sit here in any case, but nevertheless, I will take the Public Comments at this point in time. So pardon me for disrupting your, and we will do just exactly that.

PUBLIC COMMENT

Mayor Lane: So the requests to speak are in my hand and we'll start with Andrea Keck. Followed by Lois Drinkwater Thompson.

[Time: 00:03:56]

Andrea Keck: In case you can't see me. I'm Andrea Keck, 9719 East West View Drive. I'm here to speak to your fiduciary responsibility as elected officials, which is to make decisions based on facts, not hope. It's good to talk about a visionary idea and be forward thinking, however, ultimately you have a responsibility to every Scottsdale resident to use our money wisely. You are required to verify projected attendance numbers quantitatively. As your own consultants recommended to you in a 2013 places study.

When you are presented with a business plan that projects 35% more paid attendees than the Desert Botanical Gardens, which is operated close to 75 years, you are compelled to ask how? Then you are compelled to ask if the answer, which Sam Campana said is because our exhibits are better makes sense. And ask what happens if we are wrong? If we are off by 20%? Is the project still financially

viable? You are required to study the financials of similar organizations and understand that nearly all of them need 35 to 50% in subsidies to break even. This plan shows 27%. You must ask: Is that realistic? You should know that national trends show that attendance at almost any type of visitor attraction site is down. Art museums down 21%. History museums over 33%.

And you must ask, why will the Desert Edge be different? You are required to ask, what can we do to mitigate the financial risk? Could we start with something smaller and see if people come at the rate that's projected? Could we sign a lease for an existing building rather than bulldozing irreplaceable desert and making the maximum amount of capital investment immediately? You are required to measure resident support with a random, statistically significant market research study not just say that the majority of residents support my point of view. You are required to go beyond hope for success, beyond marketing promises and beyond pretty drawings and use the intellectual rigor residents expect from their elected officials when deciding to spend \$62 million of our money. You have the numbers in front of you now. Let's hear and see the rigorous questions and financial analysis required of you.

Mayor Lane: Thank you, Ms. Keck. Next will be Ms. Lois Drinkwater-Thompson.

[Time: 00:07:18]

Lois Drinkwater Thompson: I'm Lois Drinkwater Thompson. I live at 29397 North 74th Street, Scottsdale, Arizona. And I want to thank the Council and the Mayor and the Vice Mayor for your hard work here in Scottsdale. My brother was Herb Drinkwater and loved this city. I can't help but believe he would be thrilled with the idea of Desert Edge. I taught school for 34 years, and I believe in the power of education. When you have the knowledge and the facts in front of you, you can make good decisions. Desert Edge is a way to educate many people about the desert. I myself am a hiker. I go out in the desert all the time. I love it. Everything that Scottsdale has done in the Preserve is top notch. It's a plus, top of the line. I just want to congratulate you on that, and I think Desert Edge will also be like that. It will be a fabulous addition to educating people about the desert. We talked about protecting the Sonoran desert, protecting the Preserve. The more we know about it, about the desert itself, the better it will be protected.

I went through a workshop called STEM in the Desert, held at SCC. I was totally blown away by how fabulous the sustainability program is from ASU by the work they are doing at SCC. It is fabulous! To have partnerships with those educational giants is wonderful. I hope that you as officials in Scottsdale will make good decisions. As I said, my brother would have loved this whole thing, and I miss him terribly. I hope that Desert Edge opens and it can be educating more people and make the Preserve more accessible to people that can't hike like I can, and I hope that you have the time to go out there and hike yourselves and enjoy it. Thank you for your time.

Mayor Lane: Thank you, Ms. Thompson. Next is Kristen Jaskie.

[Time: 00:09:59]

Kristen Jaskie: Hello. My family came to Arizona in 1905, before it was a state. My grandfather was born here. My mother was born here. I was born in Scottsdale almost 40 years ago. When I was 13 years old, living not far in an under developed area, south of Shea, over 124th Street, my mother came to me and told me that there was an article about how the McDowell mountains were going to be developed. And I got so, it was so important to me that that be preserved that I held a very lucrative doughnut sale at my middle school and went to the McDowell Sonoran Land Trust and donated the \$25 proceeds from the doughnut sale, which is big money when you are 13.

I spent my years as a teenager on the board of directors for the Sonoran Preserve Land Trust. Before we got the sales tax increase passed and when this was a pipe dream. It was all owned and it was going to be developed and what we got our message across to the people of Scottsdale was how important it was to preserve it. But along with preserving the land our goal was always education, because education is critical to understanding something to appreciating something. Education was always the focus of the land trust. It was always the plan that we are going to try to preserve the mountains and then find some way to educate the people, the city of Scottsdale, the people who visit the desert.

Now, I'm lucky enough that I can go hiking and I appreciate the desert and I love the desert. I have a 2-year-old son and I hope, my biggest hope is that as he grows up, he learns to appreciate and love the desert as much as I do, he and his friends learn about the desert, and spend time in the desert and he will know a lot about the desert, because he's my son. He knows what he's supposed to touch and not touch and avoid the Cholla at all costs. But there are plenty of kids around the valley whose parents don't hike and know nothing about the desert. They are not going to take them hiking, but they might take them to a visitor center, discovery center, something like the Desert Edge to learn about this desert or maybe they'll go with their schools. This education is really fundamental to bring the Sonoran desert to bring what we have done in Scottsdale to the general public. Not everybody hikes and not everybody lives right by the mountain. So hopefully this will allow that to happen. So I support the Desert Edge. Thank you.

Mayor Lane: Thank you, Ms. Jaskie. Next is Michael Norton.

[Time: 00:13:34]

Michael Norton: Mayor Lane, Vice Mayor Klapp, City Councilmembers. Thank you very much for allowing me the opportunity to speak. This morning when I was thinking about what I wanted to say today, my daughters watched me taking notes. They didn't expect what they were seeing. It's very rare that I spent time to formulate my thoughts before I make a speech. Things come naturally to me. So they asked me why I was so concerned.

And then they reminded me that the only three things I have ever taught them to do were to tell the truth, to respect the opinions of others and to deliver a promise if we make it. I must have raised those girls very well because they reminded me of those critical functions this morning while I was thinking about what I wanted to say. Have we been telling the truth throughout this discussion? There's a tremendous amount of debate. There's a lot of emotions. It's not an overstatement to

say that this issue has captivated the city. You can hook around the room and you see 100 plus people who are motivated. There are more outside. Thousands have signed petitions. Thousands have donated to the causes, both for and against the issue.

Have we respected each other's opinions? Here there's only one answer and the answer is no. Those who have opposed the Desert Discovery Center have been shut off. We have been censored. We haven't been removed from meetings and prohibited from asking questions and prohibited from even standing on the property that we own, at our own homeowners situations, associations. We have been evicted from meetings at our own homeowners association. Solely because a member of DC Ranch tried to give a flyer. The question of whether we will deliver the promise is one within your hands right now. From the 1990s to the 2016 election, promises have been made to citizens, residents and voters, but before a project of the magnitude of the desert discovery will be built on the Preserve, we will be allowed to vote. That promise was made to us in a charter when it was amended in 1999. It's been made to us through the campaigns in 2016, when many of you who I'm speaking to right now, promised in one form or another, that you would deliver a vote on the construction of the DDC. If you deliver that promise, you restore the faith and the confidence of a lot of people. You take the hostility out of the debate. You restore civil dialogue, and we move forward. If you don't deliver that promise, the dull thud that you will hear will be the permanent loss of the confidence and the faith of voters in this city. Thank you.

Mayor Lane: Thank you, Mr. Norton. Next is Betty Janik.

[Time: 00:16:55]

Betty Janik: Good evening, my name is Betty Janik and I live at 18490 North 97th Way in Scottsdale. I represent protect our Preserve, an organization dedicated to advocating a vote of the people on the question of constructing the Desert Edge in the Preserve. For more than a year, the supporters of the Desert Edge have done everything in their power to quiet our voices. We were stopped from passing out flyers on public property in 2016. We challenge the city and our rights were restored. Our sign supporting a vote for the Desert Edge were taken down illegally in 2016, and, again, we fought and we won to have those signs restored. We were denied entry into the WestWorld's children's festival in 2016. I wrote the check. The check was accepted. I filled out the contract. The contract was accepted. Then they found out, guess what, we supported a vote, and all of a sudden we were denied an entry.

At a Planning and zoning board meeting, our supporters were chastised and speech limited, not so for the D.D.S.I. supporters. Just week, a resident of DC Ranch was escorted out of a DC Ranch meeting, because they dare pass out information on a pro vote. These actions do not silence us. They energize us. A survey of over 1,000 Scottsdale residents commissioned by the city itself show that 85% of the voters do not support the Desert Edge. A survey of over 1,000 Scottsdale residents conducted by Protect our Preserve and no D.C. show that over 90% of these Scottsdale voters don't want the Desert Edge and over 96% of the respondents want the right to vote even those who favor a Desert Edge.

Now, it's my pleasure to announce our supporters have donated nearly \$100,000 to continue our fight and as of this morning, the Arizona Republic and the McDowell Sonoran Conservancy have announced their support for a vote by the people. And then there's this article that Laurie Roberts published today in support of a vote. It is my belief that in your hearts and minds, City Councilmembers and Mayor Lane, you know that the Desert Edge was not the original intent of the voters when they chose to tax themselves to preserve this land as undisturbed desert. Ignore the rich, the powerful, the self-serving. You need to vote for what the people want, not the profiteers. The government should serve the people, not ignore their wishes. Thank you very much.

Mayor Lane: Thank you, Ms. Janik. That completes the Public Comment for this Work Study session. I thank all for participating in the comments, those comments.

ITEM 1 - DESERT DISCOVERY CENTER (AKA DESERT EDGE) UPDATE

[Time: 00:19:55]

Mayor Lane: So now we'll go ahead and proceed with the business at hand. I would like to just start out before, and this won't be long. So I won't strain you standing there, Dan. But in any case, I, just to make it perfectly clear, you know, the distinction that we have with a Work Study versus a Council meet. Obviously, there's no action item.

There's no vote and the purpose of this, as I said a little bit earlier, but just to reiterate it, because it's an important component, when you have a project like, this a city project, probably on the largest scale that the city, the citizens and the City Council, has to consider, and so it's important that we deal with it here at the City Council, with the proposal that's been presented to us, under the contract that was let last year. And make sure we are doing our due diligence on the overall. So we are here to discuss and evaluate that proposal as it relates to our city and our constituents.

In the completeness and of contract terms, it's certainly foremost. But we will look to conclude with directions to the staff on how to proceed on any number of things that we might be looking to consider. This is not a complete list, but it's one that we will be following to some degree, and that's the objectives and that's to clarify total taxpayer costs to the D.E. proposal to ascertain sources of funding from capital, for capital construction and for operational deficits.

To determine methods and means to finance and fund the least impact on taxpayers, to investigate revenue sources and forecasts and explore additional income possibilities. To review expenses, capital, and operating, and consider ways to mitigate or to reduce, to consider proper means legally or to officially and effectively access the answers to desired courses of action. Of course, the results at the end of this session will be to have motions for consensus votes, as I mentioned. Before these are votes but not for action. They are consensus to direct staff to provide clarifying or additional information as may be required by the Council. Motions or, motion or motions voted by the consensus of Council for language, for either Council voted resolution or Desert Edge or public ballot of the Desert Edge or public ballot language relating to preserve land use for this type of land use application. And motions voted by the consensus for ballot language for any other issue that may

need to be revised to facilitate any refining points in this analysis.

So that's generally the game plan of what we are looking to do. It's not, it's not just those items. There are undoubtedly, the Council is available to open up any other items that they feel are pertinent to the evaluation of this project. I can only tell you that it's been a long time getting to this point. I certainly want to express my gratitude that everyone is here and we are operating in a civil dialogue on this and we have gotten to a point where we want to discuss this thing for its merits and benefits to the citizens of Scottsdale and its viability as well. So I can't over emphasize, important. Large project. And there are circumstances that surround this particular application that are somewhat unique as you will all probably have your own thoughts about that, from just about anything else that the city has done. So with that, we'll start with some of the staff report, starting with Mr. Worth, to outline where we are on the contract deliverables. Mr. Worth? Thank you.

[Time: 00:23:59]

Public Works Director Dan Worth: Good evening, Mayor and Council. Thank you. As you are all well aware, we awarded a contract with Desert Discovery Center Scottsdale incorporated, DDCS, 18 months ago and what we are here to do tonight is largely to listen to presentation, the proposal that they pursuant to that contract, just as the matter of review, however I have got listed on the screen and I know this is very small print, we have handed out copies for you, and we made it available to the clerk so she could make it available to, to the public as part of the meeting materials but this is the list of headings of different tasks that were required and the scope of services with Desert Discovery Center, DDCS. Several of them were administrative in nature and they were conducted ongoing in the last 18 months.

The first group in particular. The second and third group of tasks are largely things that add specific deliverables, specific reports associated with them. They are largely included in the submittal that DDCS made to the city on July 31st, their proposal for the project, including the architectural plan and the exhibit plan. There's one item at the bottom of the list. I won't go through each of them. There's one item that's showing pending. There's a phased implementation plan. DDCS considered that as they developed a business plan. They did not recommend a phased implementation. So that's not reflected in the plan that is pending, so that we could readdress if need be. And then the second to last item, on that list, is following the delivery of the plan in July, they had a requirement to make presentations to boards, commissions and ultimately to you, and I would like to take a moment to review some of those presentations. Brian, if I could have the slide.

There were some community meetings to let, to bring the plan out into the public view, and to get the discussions started basically. And then at the bottom, the last four entries were boards and commissions that we took the proposal to, for specific feedback, comment, and recommendations. The four September meetings. The Council initiated a process to amend a municipal use master site plan for the Preserve, when we awarded the contract 18 months ago. That process includes getting a recommendation from the Development Review Board and from the Planning Commission.

Those two meetings happened in September. DRB and Planning Commission recommended approval

of the site plan as part of their process. We are not bringing that to you tonight. We are not agendaized for that tonight. We will agendaize that for a future meeting if the direction is to continue in that direction. Those two meetings happened. Also, I would like to point out McDowell Sonoran Preserve Commission reviewed the plans. They did not forward specific recommendations but they outlined a list of questions that they still had, that they are still considering and that's included in your packet for tonight's meeting. And then Tourism Development Commission met and recommended the support of the concept, the business plan, and the allocation of additional tourism development funds they had previously allocated one \$600,000 piece of the capital funds and the bed tax in the tourism development fund. They are recommending a second one in addition to that one as a result of the presentation, and the vote that they took at their meeting on September 19th. So that brings us to today. I believe we have a short video that the DDCS would like to present to you. Following the video, Sam Campana is going to come forward and introduce the members of her team and begin their presentation.

Mayor Lane: Thank you, Mr. Worth. Ms. Campana.

[Time: 00:28:33]

Video: I don't think there could be a more important mission for us, than to open up landscapes like this, to understanding. Desert Edge is a way to come into this desert and peel up the layers and begin to see what's really here underneath what is visible. We ask four basic questions, what can we see. Second, what don't we see. What's underneath it? The third question is, well, what can we learn from that? And the fourth is what does it tell us about what we want for the future?

The Sonoran desert by most people's estimation is the most biodiverse and probably the most beautiful desert in the world and we are right in the middle of it. Encounters, discovery, global, education, are four words that kept coming up in our discussions, our design process, as being really important to the experience of being at Desert Edge.

The desert can teach us a lot about living in this kind of environment. It can teach us about adaptations. It can teach us about ecological relationships and then adding ASU, adding the global drylands institute gives this the opportunity to be the global forum for living in arid lands. Now that humans are becoming a desert species, more than half of us are going to be living in deserts by 2030. It's title that we also learn these lessons. It's vital that we develop an empathy for these kinds of places and an empathy for the organisms that live here. Because in the end, we are depending on them as much as they are depending on us.

We are adjacent to a very beautiful wash. Very few of our visitors here really understand the wash is a life line to the desert. It's where the animal corridors are. It's where the water flows when it rains. So by being able to interpret that right there in its place, it gives you a sensory perception of the wash itself. These are all things that one cannot feel or participate in, if this would not be within the Preserve itself.

If you come and take a walk on this desert on any given day, you will see marvelous things but you

won't see a flash flood. You won't see a storm up in the mountains. You won't see another time of the year. Desert Edge has the opportunity to bring these different events into the exhibits where we can experience the desert across time. It's easy to say that we should leave the desert as it is. But building something to connect to what this way, preserves it for future generations and in the knowledge that they can gain from it and use it for future of this place and all kinds of places like it.

This is the opportunity to become the most important environmental education center focused on desert and arid lands in the world. There is not another Desert Discovery Center that interprets this. Does the world need a place like this? And the answer is resoundingly yes. The world needs to understand the kind of research that goes on at Arizona State University in their study of global and desert lands and what that means to you in your life as you inhabit the desert.

I think Scottsdale has a unique opportunity here. This desert is spectacular. It's like no other desert in the world. Putting a center here that focuses on how this desert works on connecting people to the desert and connecting people to the environment around them, amplifies what that desert can mean.

[Time: 00:33:25]

Sam Campana: Good afternoon, Mr. Mayor, Vice Mayor and members of the Council. On behalf of the Desert Edge, we are very happy, actually excited, to be here this evening. We have had a wonderful journey over these last 18 months and with the team here tonight, are excited to share with you where we have journeyed. I would like to introduce in the front row here first our architect John Sather. These are people would may be coming up for you to ask questions. That's why I will take a moment to introduce them all. Amanda White from Thinc design, and Bob Brais from ConsultEcon. Bill Pfeifer our project manager, Lynne Lagarde, on our board, a volunteer attorney who's been very helpful to us, Christine Kovac is our board chair. DeEtte Person, our communications director, and next to her is Duke Reiter, a special assistance to President Crow at ASU. Also with us, are Randy Schilling, and several members of our board of directors these people. We hope we will have the resources to answer questions. Let's get started.

I think everyone knows where the site is for the Desert Edge, but for our viewers at home, I will point out the yellow tagged site is as close to the freeway exist as you can get in Scottsdale and that that piece of property was specifically purchased very expensively to be the busiest place in the Preserve, and it has certainly served that purpose well, and always had a Desert Discovery Center, nature, interpretive center called out there. Here's our site and you will see the red come on, which was the original site that we were suggested to look at. That represented about 10 acres there, right next to the existing Gateway, but now you will see this green piece come on. Much smaller, and as you can see really tucked in between two already very disturbed pieces of land, the parking lot, specifically the equestrian staging area and then the handicapped accessible trail is on our south. The road just a little bit there to the west.

So we really found an already disturbed small place that we could reduce the size of it by a third to go from almost 10 acres down to under 5.5 acres. We think we have found the perfect place, so much

lower down the mountain that really serves the community and our neighbors well which was our goal. This is the overall floor plan. By Swaback Partners that really lays out for you exactly the desert as you would see it and linked desert pavilions how they nestle up there to the existing parking lot. With that, I will have Amanda come up and talk about Thinc design and the desert experiences that they have designed.

[Time: 00:36:35]

Amanda White: Thank you for the opportunity to be here and to Mayor Lane and for the Council as well, and everyone else who is there. Thank you for opportunity to work with you on this superb project. This is a genuinely collaborative project with Scottsdale that has allowed us to interpret the desert for many people and the discussion around this project really has moved us to consider the value of what we preserve and why. And how we as designers can best contribute to a world on which future generations will also protect and nurture the environment.

At Thinc Design, we have been working on experiences that really open our eyes to our innate connection with nature over many years and I think with increasing understanding of human potential in this transforming world. We often talk about the fact that humanity has never been better equipped to deal with the future and yet at the same time, we have never been, for many of, many of us have never been as disconnected from our natural environment. But humanity is waking up and seeking a new pathway for a sustainable environment. It's knowledge-building and it recognizes the need for transformative change and it's what we are seeing now.

We are seeing it in renewable energy. We are seeing it in the protection of biodiversity. We are seeing it in the protection of urban environments and a realization that it's motivated through our profound, innate connection with the natural world around us. For lots of people, the desert is daunting and unknown. Desert Edge is part of a movement through knowledge we can restore our custodianship of the environment. This is most vital for young generations. This is the opportunity of our era. They will speak for the land, and they are the ones that are going to bring innovation and technology into collaboration with nature.

Desert Edge represents a new wave of experiences that will reconnect us with our natural surroundings and really inspire us to preserve our environment and locating the center and the Preserve means that it becomes a way to read and experience the desert that establishes familiarity and stewardship. And this is so vital, particularly for arid lands and for desert cities. The new desert city is a place where water supply and cooling are smart and efficient, where nature exists and we support our human needs and we resupport the critical needs of ecological systems and this is all knowing the Edge. Encounters, discovery, global insights in education, that's what the Edge stands for and that's what inspires our design.

So today, I just want to look really briefly at a selection of the experiences that we have developed and really how they can demonstrate a place for learning and for fun as well. A huge part of the project for us has been working closely with John Sather on the architecture and what we really wanted to have, and you can see in the design here, is a kind of open circulation. So that people can flow, in a

nude and open way through these experiences so they can walk from one thing inside one environment to the outdoors. And that is both so that they can have a real sense of proximity with the natural environment around them, but also so that we can have a really wonderful program space throughout. So that you will encounter educators, scientists, story tellers in those open spaces and this is all about creating a series of ways to interpret that environment around you. And we are also really inspired by the features of the landscape around us.

And we wanted to create something that would be designed very much in respect, with respect for those features, that would frame them and enhance them and really give us a way to read the desert more thoroughly. So each of the pavilions that you can see here, connected with these outdoor areas looks out at its own unique view of the landscape and, you know, for many people, coming for the first time, the desert can look like one place. But we know it's not. We know how diverse it is, and that's, that's our job is to really unpack all of that meaning.

So each pavilion theme also takes its cue from the landscape features and inside, the experience is really fully integrated with what you can see outside and we describe it as kind of providing a lens for understanding what it is that you are seeing. So you can see a place at different times. You can see it, you can see what is hidden to the naked eye and Tom introduced those four questions in his introduction in the video and in every part of the exhibits, we come back to that as a strategy for the content, what can we see?

But what can't we see at all times? What can we learn from this environment? And what do we take into the future? Okay. So just, this is just a little animation. You saw a little bit of this before, of what we call the pod space, which an immersive theater that we imagine a lot of people will probably come to as the first part of the experience. And as you come into the space, you come through a zone of sensory engagement, where you can both smell and hear the sounds and the smells of desert over time, over the seasons of the year. And then you come into this space, which is really, it's a wonderful, relaxing, immersive lounging kind of area, where you can sit and you can experience something like the desert overnight, the desert in all of its different seasons and glory, things you may never see but you can also find yourself inside the burrow of a kangaroo rat. And so you may also be experiencing something at a scale that we would never normally be able to do.

[Time: 00:43:15]

I said before, we take our cue or inspiration from a feature in the landscape. And so this area here is looking out towards the mountains the east. And what we see are the mountains but what we don't see is the flow of water. The whole theme of this area is to understand the relationship between what is above, what is on the ground and what is below and we take our inspiration from the Maricopa community for that theme in this area and really understanding how the three spheres work together.

So in this section, you can find yourself underneath the conifer, looking at that root ball and really getting in to see how all the microorganisms but also the flow of water from, there through the root systems and into the aquifer. And then moving outside, you can explore this extraordinary big uploaded piece of land. So we will structure this with real plants and then you can move underneath

where you become the size of an ant and you are moving around and exploring all the different critters that live underneath, the way that the roots of a cholla are coming underneath and cling on to the rocks there and see things that you would not otherwise be able to see.

This experience looks out to the Bajada. We wanted to take this area, and be able to explore the ecological systems, the biodiversity of the desert as a whole, but really how everything connects together. So here you can experience this in a tactile way and understand what teach of these creatures looks like and feels like, but also it will light up at your interaction. And what begins to happen is that you see how one thing relates to another. And then you start to unpack the entire ecological system of the desert as you interact with it. And we had a virtual reality experience, where you become a pollinator and you are flying across the landscape from one thing to another, migrating just like one of the pollinators.

Tom Thumb was another thing that we took our cue from. In this particular exhibit, we want to look at the age and the time of the, of the desert itself. Tom Thumb is an ancient rock form that's pushing up out of a much younger form of desert. In this exhibit, we build these extraordinary structures that look like the rocks of the desert, and we make really tactile exhibits on outside so that you can imagine that you are discovering fossils, but you can also hold up an augmented reality piece using a tablet or your own handheld and suddenly, it's 250 million years ago and you are in the ocean that we would have been in standing right here. And you can go inside each of these structures and this is a really explorable and discoverable experience for everybody. There are things to do and interactive pieces here and it's about understanding the age, the geologic history of place.

[Time: 00:47:01]

The wash is the other area that we were really inspired by in our exhibits, and obviously the new site also meant that we would be able to have a physical wash around the, you know, as part of the civilian experience. We also developed this zone so that it would be a place that we could have programs with our wildlife partners. So we can bring in living animals to do program encounters and you can see Gila monsters and a tortoise.

And, of course, the other thing for us was to be able to really demonstrate the power of water in the wash. So what actually happens, when those rains come, and how this place is activated by that water, something that you would never want to see, nor should ever be party to when you are in the desert itself. And a number of places around the experiences too, we have the so-called time windows. It's another opportunity for people to be able to look out through a little viewscope into the real landscape and using augmented reality, we can give people a sense of what it would look like at different times of the year, and different seasons, different times of the day, again, so always trying to create a way for people to see more than they can see with the naked eye.

And then the other icon, of course, that we have built an exhibit around is the Saguaro. And in our research around this, now understanding it, we wanted to take it just beyond its iconic and singular status and really think about why it's a keystone species and what it means to the ecological system as a whole. So the exhibits in this outdoor area are all about exploring the species and the relationship

with others. What happens to it over time? What happens to it as a skeleton in the desert environment, to understand it as part of that system. And we also thought it would be really interesting to take the magnificent event on the site and develop something around it that would make it kind of a sun dial out of the Saguaro. So we want to here is using light and shadow to be able to mark different times of the year. Like the solstice, but some other interest sculptural pieces here that we would use the sun light to create beautiful shadows on the ground of animals that will be really unexpected. So, and I think at this point, I will hand over to John. Thank you very much for your time.

Mayor Lane: Thank you.

[Time: 00:50:12]

John Sather: Thank you, Mayor, members of Council, I'm John Sather with Swaback Partners. This is our 40th year of being headquartered here in Scottsdale. As you know we have passionately poured ourselves into this project, not only for the last year and a half as we have been working under this contract but as many of you know we were involved with the Desert Discovery Center in the feasibility. Let's talk about the design and how we collaborated with Thinc and DDCS. Our contract not only required it but we knew from the beginning when we were interviewed for it, that we would spend an inordinate amount of time, a good amount of time listening and participating with the public.

We early on, even back in November, when we had a public meeting up in north Scottsdale, invited anyone who wanted to come to our office for the last, well over a year and a half. We had a dedicated space in our office, a work space, devoted to D.D.C.S., and many of you took us up on that and came and had conversations with us, and we went in outreach. Dan went through a variety of the public meetings that were really the hearings but as many of you well know, we have, in that outreach, not only talked one-on-one, but interviewed people as they got out of their car, putting their tennis shoes on to begin to go into the Gateway on the trail system, in the time that we spent out at the site, as well as the really anyone who invited us to their clubs or their organizations, to listen and to really understand their point of view. And it was always our point to be respectful of those who didn't want the D.D.C.

You hired us to design a building at Gateway. So the work we'll see today is the work that we designed and poured ourselves in and passionately collaborated with all who participated in the design of the building. It is not a building. We look at this as a tool. As we began to very early begin to perceive what led us to the site plan. It was the idea that we really wanted to integrate ourselves into the desert. So you had seen this, in this animation before when Sam Campana was up. The red was the big bubble. That was described as 30 acres, but it's only 9 acres and the staff generally incorporating the Gateway area, saying that's the area that you Swaback partners should work within. Phase Two, feasibility study located them in that salmon area. As we listened and interviewed people, as we really begin to understand the point of view of those who really wanted the D.D.C., and those who did not, we began to look deeply at the site. And at one point in time, we said, maybe we need to look outside the box at this site and look for an area within this, that can be more responsive to the interpretive experiences because we never believed we were building a building. We were

building a tool for the education and the interpretation of the desert itself.

As we did that, as we understood this focus on so many of the hikers to not destroy the experience that they have at the Gateway, of getting into the parking lot, that majestic drive in on Carla Way, parking in the very integrated naturalistic parking lot, the walk up to Gateway, the kind of respite under the large shade and then beginning on the trails. We began to say, maybe if we went over behind the maintenance building, that that would be a more appropriate area. As we began to look over there and as Thinc began to look at their interpretive experiences and their desire to interact and be near a wash, not be in a wash, we began to say, we get better over there.

And oh, by the way, if we moved over here to the green area, we would be 24 feet in elevation lower, than where this initial area was because one of the things we were beginning to hear from the neighbors across street was you are going to block our view. What is the visual impact of this? So with began to hook for ways that we could respond. And so that was one of the, you know, I think most of you know we kind of began to get there around November to think about this. And ultimately, the drawings now proceeded in the gray area after a lot of consultation with city staff, engineers as it related to the washes, the idea of the adjacency to the Bajada trail, as well as the use of the maintenance building and the current under-utilized parking area of the equestrian parking area to the south.

[Time: 00:55:40]

So this is the site plan you saw. Just a few more points we will make to it. As we discovered with city engineers, traffic engineers our engineers who are here tonight, our traffic and civil. We began to look for a potential second entry into the site itself. So the area off of Thompson Peak Parkway which is a new right in only, will be added as part of this proposed concept. Then we began to look at once again this visual impact. What is the visual impact? It's not just the building, but also on parking. What is the peak time, etcetera. A lot of people involved on our team on that.

So we stood back and we said, you know, if we just created a bell around the current parking, and we said, what can we feasibly use. Can we utilize the less used equestrian parking. This is on the previous approved plan that had incorporated all of the original Gateway. And then roughly back in November, we floated the idea, what if there's a satellite support site somewhere nearby, probably on city land, where we could provide overflow parking? So that in the peak times in March when we have so many visitors, we could begin to say, what if we park in the Bell corridor and shuttled over so we could limit the number of stalls here. That idea began to emerge and evolve, and that is part of the recommendation. So roughly that is not only parking but we began to look at the idea of essential uses here in the Desert Edge.

We acknowledge some people don't think any of this is an essential use, but our role with you is to design a building and I began to say, well, let's not be building storerooms. Let's not be building a bunch of offices. Anything that we might build in a support site, would seem to make sense. So that site has not been exactly located as part of the discussion in the many hundreds of pages of reports and business plans that were part of this. But that is what allowed us to contain the parking.

The plan itself, organic in nature, basically an idea, was alluded to by Amanda what we call linked desert pavilions, of blending the idea of indoor and outdoor. I was informed by the predecessors, the emerging topology of the Preserve, that of the existing fine trail head buildings that exist there, Gateway, Brown's Ranch, et cetera.

What did we learn from those? We learned a fine palate of materials of the desert. We learned this transparency, this indoor/outdoor field that one gets, the idea of shade, shelter, of minimalistic architecture and buildings that you truly believe will be there in a fine state, 100 years from now. And they feel like they can only be in the Sonoran Desert, they do not feel like they belong in Ohio or somewhere else, they are buildings of Scottsdale. Something that we can be proud of. We think this series of buildings at the pavilions is really the crescendo of those structures. Superimposed on the actual topography, this is nothing new in Scottsdale.

We know every home in north Scottsdale is built to fit within the current topography, the building envelopes. We get no credit for this. Who gets credit from this is our predecessors who have really taught us how to build within the desert. How can we learn to begin better? How can these be tools of education, just in themselves? This is a focus on the roof plan. One of the things, the minimal visual impact, what if you are up on the trail heads looking down? We didn't want to see a bunch of foam white roofs or red tile roofs.

[Time: 01:00:30]

So we learned from our predecessors at the Gateway, which has, many of you know, what we would call almost a desert cobbled roof. The many articles that have been written about that fine structure, talked about it almost cookie-cutting it out. The desert itself and putting it on the roof. So the brown forms you see here would be that actual desert crust put on top of our buildings. And then the linkage of this, the canopy that links these, the shaded area, would be a shade-producing, energy-producing, canopy. So this is a very high tech form of solar panels that would ultimately be transparent, but would be imprinted with a pattern that gives that you dappled light of shade that one gets when one walks under a Palo Verde tree.

I will take you through a series of renderings. The thing, as you look at these to note, is that the transparency that I talked about, the low slung desert roof form but also that these are set in exact photographs of the landscape themselves. So this is the beauty of what computer technology can give architects. So we no longer need to fake the landscape. This is actual landscape of where this building will be set. This is an image that begins to show that linking canopy. The dappled light that one sees and as Amanda went through their experiences, the exhibits. This is not just about these.

Within many of these spaces, as they are linked together, our alcoves, our platform areas for teaching, for interacting, for human discussion going on as part of the educational opportunities here, the outreach that we'll talk about in ASU's contribution to this. The broad cantilevers, the desert muted tones, the shade, the integration of the desert and the interpretive panels that are part of our support structure. And the architectural theory, the great strength of the Saguaro cactuses, et cetera, I know that's all architectural speak. We believe it's part of the organic nature of this, that I think Scottsdale

should be proud of.

One of our other pavilions that Amanda did not go into, is called Sonoran Season. This is an area of changing, of dynamic exhibits, an area that we can have educational forums. We can constantly be revising and updating the program. One of the goals that we had set is that every time you go to Desert Edge, we wanted your experience to be different. So that will be through a variety of programs not only exhibits that will not be changed for a period of time. This will be an area of great change. Outdoor classroom settings as you come in, once again, very place based.

We understand there are those in the audience tonight who maybe wish either this wouldn't exist at all or that it be in downtown Scottsdale in a refrigerated box. We simply, as a team, do not believe that one can realistically understand the beauty of the desert by taking it somewhere else. I learned that. I lived in the desert in a tent for five years when I was at a student at Frank Lloyd Wright school of architecture. This is his 150th birthday. In honor of that, we believe the architectural principles fulfill what Frank Lloyd Wright left as a legacy to this city. One of the other things in the transparency of this, in a day like today, that beautiful cool air of the morning, if we could open this building up, early in the morning, capture that cool air, and enclose it so that all of you knew that midday it gets to be a little bit warm, but we would now capture that air. So the idea of the retractable wall panels that allow us to keep that air cool and in the wintertime, to be able to retain the heat that builds throughout the day.

[Time: 01:05:10]

Materials of the desert, they are all familiar to you. They are all materials utilized in the other Gateway buildings. We are not trying to only build a spectacular piece of architecture, we are. But these people have to maintain it and operated in a way that a civic-minded city needs to represent to its citizens. So we studied these previous Gateway buildings and the other trail heads. We looked at the beauty of them, but we also looked at their defaults. We looked at areas where maybe the operations and the maintenance of them might be too high and we changed that.

So this is the schematic design. We have still go through design development construction documents but it's all based on these fine desert materials. One last point going back to minimal visual impact. Many of the people here tonight live adjacent to this project. They, we heard, they were concerned. Many of them thought these would actually block their view of the mountains. They bought homes. They paid probably higher premiums to be adjacent to the Preserve. So we did a series of specific view studies that staff helped us select points that were not points where we would hide behind a tree and take a picture, that would hide the building just because we were behind the tree but ones specifically very exposed.

So these were ones that were a collaborative idea. In the lower right corner, you see an arrow. This particular one is on the Bell Road corridor, 104th looking north, a little bit to the west. The orange is our pavilions. This is the current parking lot. This little area in here, is what one would see of the built Desert Edge. At Thompson Peak Parkway at the Wingate Crossing area, north and you are looking across here. Here you are virtually not seeing anything. Some of is the beginning of

Gateway itself, the current buildings here now. This is the restaurant to Carla Way. You can see the sign here. This black line and a little bit of this would be the visual of Gateway from that entry. And as I pointed out in many of my other presentations these are accurately portrayed. They are taken at a measurement of 5'4", eye height average, looking straight across. They were not doctored in any way and we have all the background information and how these were actually done.

And then looking south from Silverleaf, the point I would make now, this is existing Gateway. The foreground area is the original salmon area. It would be 24 feet higher in elevation. I think any of you who live in that north Scottsdale area with slope know how deceiving it is. So it's 24 feet in elevation. It's very clear on the topographic survey and so the idea is that salmon area, if we hadn't listened, if we hadn't moved this, this building, this group of buildings this group of pavilions would be much more exposed to the Silverleaf area than they currently are in the design.

Those who are watching our work, wanted a breakdown in many, many different ways. So as many of you know, you might have a home that is 3,000 square feet. You generally know that number does not include the covered overhangs or the garage. So we said, well, let's do apples to apples. Under that scenario. If we took the area generally enclosed to these pavilions, we are talking about 37,000 square feet. You may remember in the Phase Two, that number was hovering around 70,000. We said let's make this no higher. So that current building, it's actually a little bit higher than 24. So let's not make any of our buildings taller than that. Let's change the elevation and not make them any higher.

[Time: 01:09:52]

Parking, we're generally adding 163 stalls. These were stalls that were part of the original mumps plan and the repurposed stalls that were within the equestrian area. The cost estimate of which in our report is very thorough. We had a professional cost estimator coming which is a nationally known cost estimator perform these numbers. They were double, and triple checked by us, by our consultants.

So the buildings themselves, this would not be the number that Sam Campana will discuss later, but the buildings themselves amount to \$35 million. The diagram on the right, because it came up in the previous presentations, the Phase Two concept that was floated is the red area that was here. This is roughly 9 acres. If we took where we are now and put a line around it, much like you would do at your own home, if you are building with a building envelope. That's roughly 5.4 acres. Now, those numbers of disturbance, which are all documented in the report, can be added to if you look at the diagram here. We are adding a driveway out to Thompson Peak. So that acreage, and then the acreage that is not built, but approved, the mumps parking would be part of that and then if there is a repurposing, a new discussion on the equestrian which staff has been involved in. That might be another added area, probably up here. And that's something that staff has really taken on as part of their discussions.

And we all want this to be a great building. Your buildings are platinum LEED. We want this to be net zero and so we have performed this, we have designed this diagram to really be our sustainability

strategy. I won't go over all the fine points of that and then I will turn it back to Duke Reiter, who will talk about ASU's contribution to the collaboration of the design. Thank you.

[Time: 01:12:09]

Duke Reiter: Mayor Lane, members of the Council, I was not anticipating speaking. But they would like me to talk to you. I had thought I was going to be late. Let me tell you why I was late. This afternoon, I was in three presentations where we were deciding where ASU might invest money. The first proposal by the faculty had to do with launching more satellites into space because we are now turning the things that we're doing at ASU, instead of outward, inward on to the earth. And so we now have instrumentation that can see through clouds and saw through the hurricane Harvey to tell how much water was now on the ground in Houston. So we are going to be doing more projects like that.

The second presentation was how to take data from the science that we do at ASU, and around initiative called planet works, offer ways of absorbing that data so we can make better decisions and be proactive about how to treat this planet. And the last presentation had to do with rapid urbanization, the likes that we see here in the Phoenix metro area. So on a daily basis, we are sharpening our tools to apply them to places like the Desert Discovery Center and the Preserve so we can be a better partner to you, but this work is ongoing and the global drylands is something that we are doing right now.

If suddenly we have a 30,000-acre laboratory, we would love to bring the science we are doing every day to the public so they can really see it. We are, for the third year in a row, the most innovative university in the United States as declared by "U.S. News & World Report." It's because of initiatives like this. We are leveraging our place in the way that few universities are. And we are partnering with groups like, let's say the city of Scottsdale or the Desert Edge group in that few universities would be prepared to take on. The Global Drylands Institute takes advantage of the expertise at ASU, which we are actively accumulating because this is where we are.

[Time: 01:14:13]

We are in an arid environment. We should be experts in it and we should be able to export that knowledge. So our hiring plan at ASU includes advancing our strength in this area. And we are doing it not only because of where we are, but because of areas around the globe that might be equivalently resource challenged. People doubt us here about water. They occasionally see incredible dust storms rolling across our landscape. They know because they watch the news when we are in three digit temperatures and they are wondering how we are going to manage that. It's the role of your university, I think, to step up and help with that. I think what we learn from this area is exportable to others. So I think this is the last slide I was given or found out about. I'm more than happy to answer any other questions.

I think what I want to communicate to you is we are prepared to be the central partner in this project, not the key partner, but essential in that I think we have provided a lot of expertise that has informed

the exhibitory. I think the insights will help to form the structures themselves around the issues of sustainability, but we will be that connector between this place and the community. If you have ever been to the night of the open door where you literally have Nobel laureates speaking to middle schoolers. We want to reach the public at whatever age. So the programming out there that will involve the citizen scientists who already are part of the Preserve or children's groups, school groups, and tourists who are coming to this area for all the obvious reasons, we will bring a certain authenticity to this place, because you will have real scientists speaking to people in a way that probably won't be found at any other kind of a venue like this. So that's the role of ASU as I see it in this project. Thank you very much.

[Time: 01:16:14]

Sam Campana: All right. So let's get to the information specifically. As John told you, we have gone from about a 72,000 square foot building to under 50,000 square foot of air conditioned space. And disturbing this little area under 6 acres under 5.5 acres, nestled in and between already disturbed spaces. And the Gateway parking, limiting it to that loop, building out what was already approved and adding an additional 20 spaces and the rest off-Preserve and other uses that are not mandatory to be at their Preserve to be effective. The cost of this, John shared with you what the architecture cost was but when you add the exhibit costs, all of the exhibits that you have seen here tonight, that total is just under \$50 million. Hard costs.

In addition to that, there are always soft costs associated with these kinds of projects and that includes paying city staff, all the regular fees that any developer would bring forward, and a generous contingency, not only a total contingency but contingency on the architecture and on the exhibits. We add in Public Art, and the grand total on the capital budget would be 61 million 184,000 and change. We were to recommend a funding strategy for the City Council and we looked at six different ways to fund this but our recommendation to you is to look at a no new taxes funding strategy. There's bed tax that has been recommended to you by the Tourism Development Commission that surely wouldn't take up all the bandwidth there is there.

We are recommending the Preserve tax, which has already been used for all kinds of buildings and improvements and we think this is a most essential one. And we are required to bring 10% of that capital project cost to the table and we are confident that we can do that, and suggest that that might be used for those pre-opening costs. Earned revenue would be about 72% of the revenues that are needed. That would be the gate. And the non-operating revenue where we would have to go out year after year, day after day, and raise money, connect with the community, of about \$1.7 million.

That's 70/30 split, is really standard in the country for these kinds of projects and we believe that we, that is well within our bandwidth to do that. These are operating assumptions that there would be about 306,000 people attending annually. That's about half the number of people who go to the Desert Botanical Garden in a Chihuly year. That's about half the number of people who currently go to the Butterfly Wonderland and about half the number of people who go to the Arizona Sonoran Desert museum down in Tucson. So we think that's a very defensible number and our business consultant is here to talk more about that if you would like.

Again, as we said operating expenses about \$6.3 million a year. We, the earned revenue at the gate, 4.6 million and us raising 1.7. The commons, we love this part, would be free it everyone. That building would have a free cafe. No more destination restaurant. Also a small store to buy things that you forgot or things that advance the mission of the Desert Edge. And rest rooms. So all of that would be free. We have really added another trail head, free to the public every day, all day. The cafe might open a little earlier during mild weather but generally, it's open the same hours as the Desert Edge. Food and water can't be taken elsewhere.

[Time: 01:20:21]

Aggressive cleanup, all recycling and feature simple offerings of local food and beverages, including a small selection of craft wine and beer would be our recommendation and operated by a vendor. And as I said, this store would be there to meet guest's needs but also to complement the mission of the Desert Edge. The educational programs that would be offered would have no rental fee. That would be symposia, and science presentations and chapter meetings for the environmental groups that are ready to partner with us. The Conservancy and things we would sponsor as fund-raisers. No rental fee for any of those.

But special programs would have a rental fee, things that weren't sponsored by us, but always even if you were bringing your Rotary Club or the Chamber of Commerce or a group of physicians that were staying at one of the resorts and wanted to have a special program, even if that was specific to them, they would still have to hear our little five-minute introduction of what the Desert Edge is all about and the story of the Preserve for everyone who comes. Restrictions on those events are that programs that would extend after Preserve hours would have to park off site to begin and would be shuttled over, but all evening programs, all 60 that we are recommending, everyone would have to be out by 9:00 and even staff would have to be out by 10:00.

And anyone who attends these programs are restricted to our program and no access to the Preserve and they would use a Desert Edge preferred caterers and would have their own liquor license. We don't want to buy a liquor license. We would only have the beer and wine license. Additional regulations, no smoking. No overnight accommodations. No Jeep tours. No pets. No pool. No cigarettes. No weddings. We talked a report about traffic and parking management. I would only add to that, that by three years from now, who knows what kind of technology there might be to help us better manage parking, but I would say that I think that the hikers are always going to have the advantage because they will be there first, before the Desert Edge opens and our people will be able to have time ticketing perhaps and be able to be in conversation with us about when the best time is to come to avoid those really busy times.

So that is our presentation. I will ask Lynne to come up and talk a little bit more about some of the legal issues and then we have Bob Brais that was raised at the Tourism Development Commission before we get to your questions.

[Time: 01:22:59]

Lynne Lagarde: One of the other issues we were also asked to address early on was some of the legal issues. And so in conclusion, we would like to briefly clarify some of the confusion that is occurring in the community around legal issues. There are two city ordinances that apply to this project and Desert Edge is in full compliance. Under the zoning, the interpretive educational center is of municipal use allowed under the existing residential of the Gateway and that use, and the cafe were approved by the Council in 2007, in the municipal use master site plan.

The center is a slightly larger footprint, but there were no stipulations that limit size and the Council gave direction to look at a more substantial project in 2010. We have cut that down, but that's what you see before you tonight. And the amendment of the municipal use master site plan was always contemplated. The other confusion has been around what is this municipal use? And is it setting a precedent for commercial uses?

This is a public cultural institution, like the Phoenix Art Museum, the Desert Botanical Gardens, the Heard museum, the Arizona Sonoran Desert museum, the Smithsonian. Any of the public cultural institutions throughout the world. They are not thought of as commercial uses. They offer food and memorabilia. Institutions like these are the heart of our culture. They are the expressions of what we treasure and what we learn from. And they don't set any precedent for commercial uses. The Desert Edge is also in compliance with the Preserve ordinance, which expressly includes in its purposes and management objectives, the provision of public access for educational research and tourism purposes. The ordinance expressly authorizes the city acting through the Preserve director to authorize and determine what activities are allowed in the Preserve as long as they meet the purposes and the management objectives. The ordinance states very clearly that all those general rules do not apply to persons or groups who have been issued a permit by the city and the city would regulate and authorize whatever activities occur at Desert Edge through a management agreement.

The City Attorney affirmed your authority to determine what happens in the Preserve at your January 11th hearing. The charter does not apply because we are not taking any land out of the Preserve. We are putting Desert Edge in the Preserve, at the Gateway, as envisioned when the Preserve was created, and all of your public access plans, and on land specifically purchased for its use. Additionally, as you are aware, the citizens have already voted to use Preserve tax funds for improvements in the Preserve, in conjunction with the public access supports which also authorized the DDC and all the improvements, trail head buildings, etc., in the Preserve now has been used with those funds. So that's the Reader's Digest version. Bob, were you going to.....

[Time: 01:26:47]

Robert Brais: Mayor Lane and members of the Council. Thank you for the opportunity to provide a little bit of information related to some of the questions that were asked at the tourism meeting last week, and in that format, there wasn't, there wasn't an opportunity to just provide answers to some of the questions that were asked at that time. So one of the questions was whether we had prepared the business plan for the Museum of the West. Indeed we have not prepared the business plan for the Museum of the West.

We did a review for the city of the business plan that was created by the Museum of the West, and since that time, that original business plan hasn't been followed and so when, you know, you don't follow a business plan, the results are different than if you, you know, follow an original business plan. It was, there was a question about a public survey. In the 2010 process, there was extensive surveys that included focus groups, online surveys that showed, that showed the sorts of experiences that were being contemplated. The results were overwhelmingly positive towards these experiences. So from the perspective of forming a business man that there's great public interest both locally and among tourists that was affirmed at that time, that this the concept was sound from the perspective of visitors, potential visitors. So in this phase of the process, where the resources that were available, went didn't include that as part of the process.

There was a question about the gravity model approach. Now, in the gravity model approach, it's an integral approach that divides resident markets into those that are closer, in this case the city of Scottsdale, the secondary market would be people residing with a 35 minute drive, except Scottsdale and then the remainder of the metro area. So that just says that the potential capture rates in the closer in area are higher than in areas further out. And so it doesn't, you know, it is not about, you know, a neighborhood across the way, it's just the capture rates and those capture rates are based on the experience of other facilities, what they look at the ZIP codes that people have penned on and this is the theory of consumer behavior has been proven in many, many instances.

So another question was about the attendance and the business plan. No one knows the future. No one can say definitively. We are in a schematic design, and so too the business plan is a schematic business plan, indeed, and it's a living document that will also move forward. Indeed, the 2010 study had somewhat higher attendance and as the project has changed, the business plan has lowered the midrange that it's operating on.

[Time: 01:30:16]

It's assuming this 306,000 with a 228 to, you know, over, to, let's see. To about 380,000 attendances. So that's a band that it would operate within. So we use both the evidence we got from the survey, but also the evidence of other like institutions and we compare their attendance patterns, what their offer, is what their pricing is, with their available markets. So, of course, we compare locally and as was noted, the Desert Botanical Garden does a much higher attendance than we are looking at, and that has all sorts of reason to not go into that detail. But the Arizona Sonoran Desert Museum, that's in a metro area about a quarter of the size, and it has over 400,000 attendances annually. As many people know, you have to drive out to see it and so on. It's spectacular. But what it's doing, it's presenting a desert experience. That's a great example of why it's so important from an attendance perspective to offer a really genuine experience, and so that is, that genuineness of the experience, that, you know, we are speaking of, that is the basis for feeling very comfortable with that sort of attendance pattern. With that attendance pattern, as the business moves forward and the actual attendance starts to, you know, assess itself, well, if it's somewhat lower attendance, we will lower operating costs if it's fewer personnel. If it's greater attendance, then there's more opportunities to, you know to do more interesting educational programs and all of that.

Another question that's been out there is this idea that there's a 70% earned revenue, and 30% fund raise of some way or another, in unearned revenues and that's actually a very conservative approach to all of this. That is to say, we feel that we can generate that much. The value to the public and the community and the education, you may well end up at a higher ratio, but the baseline of operations, you can feel comfortable that you can, you know, earn through a major portion of the costs right there, through your earned and then hopefully you will expand beyond that to a larger budget that's doing more good things. Indeed, I have spoken with one executive director of this sort of place. He said, oh, I'm doing great. I'm earning 80% of our, of our total budget. I said, boy, you are not doing very well with your fund-raising, are you? So that's the kind of dynamic that's really important to understand, is this plan is one that we can feel comfortable moving forward with in a schematic way towards more and more planning and more detailed planning moving forward. Thank you.

[Time: 01:33:44]

Mayor Lane: Thank you. I take that it that completes the presentation. Okay. I thank everyone for their information on that. I would ask that if there are staff members here to discuss this, that they may come to the table, and if they are for the contractor that we would feed them through them. Do we not have anyone from staff that will sit at the table with us?

City Manager Jim Thompson: If I may, Mr. Mayor, it depends on the questions that you may have and so we have different expertise in the room to address anything that you desire.

Mayor Lane: I see. Okay. So the two chairs that are sitting at the other end opposite me are for...

Jim Thompson: If someone is in the audience....

Mayor Lane: Whoever comes forward, we will transplant them?

Jim Thompson: Exactly.

Mayor Lane: Okay. Not preferred necessarily, but, number one, we don't have the benefit of technology. I do want to thank everybody for the information and frankly for the input from the cards we've read, as well as those who made the presentations earlier. And I want to emphasize the fact that I think that most everybody at this table, and I think really throughout the community, want to at least recognize the DDCS did respond to the contract as was let to them. I think that's a positive in the sense of completion by every means that we have now and they listened as they self-professed to some of the comments on the size and the scope and the location and I think those were positive things to consider.

But I will reiterate from my position, that it's still a matter that it is a very, very important project and there's been an awful lot of conversation about it. Some of it may be exaggerated one way or another, and sometimes it's difficult to decipher through some of it, but I do think it's something that

the citizens do have a desire and I think a right to be considering it.

So, but now irrespective in a vote, in a public vote, but in either case, this Council has an obligation to critically, but constructively critique what we have in front of us to make sure that the impact on our citizens is no greater than the perceived benefit, and I know that there are some intangible benefits that we also would like to incorporate when we, in that thinking, but we do absolutely have a requirement to review through this and make sure this doesn't end up, and I'm sorry the gentlemen that spoke just last about the differential, the ratio of funds available, the revenue to expenses, and the coverage by fund-raising and that to be expected.

Those are still significant area of risk for the citizens and the city in those kinds of estimates and it's something I would want to speak to, or maybe right out of the box. We have an obligation to have a product that's understood and clarified and accounted for in the greatest manner we could possibly ask for. I have got a question. I don't know who, and I don't know, I'm not trying to preempt anybody on this, I will start with one because it was the last thing that happened to be mentioned. And I'm looking at a table, Roman VIII-5 on VIII-15. And it talks about a couple of items I tried to decipher and pull from something that was a little bit more broad based assertion that there would be a deficit of \$1.7 million a year.

[Time: 01:38:20]

And I went back to find that deficit and I find that it is, the attempt is and certainly to cover it with fund-raising and some other sources. When I try to calculate that through, we got a couple of non-operating revenue sources. One is an operating reserves fund, and that's, I'm going to hold off on that one for a moment. The next two are fund-raising events. The next one is actually unnamed other than the fact that it has a footnote that explains it as grants, gifts, corporate sponsorships and fund-raising as well.

And then as we move down to planned operating reserves, the amount of the city's operating reserves, contribution of \$758,000 a year for first five years. So the only way I could come up with something that was proximate to the 1.7 was to add the 758, the, and this is in the first year. If you have that ready there for you, 626, and the 324, it comes up roughly to 1.7, as coverage. But as I looked across that line, I look at for the next five years, my tally on those numbers, that come from those three sources, is just right at \$10 million for the five-year period of time. So about \$2 million a year going through the five years. So that's one.

And the other one is that I just wanted to note, and there's a question associated with that. But I will start with the first one that is not included in that number and that's another, oh, about 200 to \$300,000 over the first five years in addition to that number. If I were to use the 300, that would be another 1.5 million. So I think it's somewhere in the 10 to \$11 million of what I would think is potentially at risk on a fund-raising grants, corporate sponsorships and reserves referred to that I'm not sure they are funded. Who would want to take that on? And I'm sorry, can you give me your name?

Robert Brais: Yes, it's Robert Brais, I'm vice president of ConsultEcon Inc.

Mayor Lane: Robert, nice to see you.

[Time: 01:40:59]

Robert Brais: Nice to see you, Mayor. So when we spoke, sometimes for not-for-profit organizations, there is, the verbiage that's used for the portion of their total funding that is not for earned activities sometimes is called a deficit in some places but nationally, of course, the not-for-profit sector which is one of the largest sectors of the economy includes hospitals, you know, schools, you know, all of these things, museums, all of these things and the Desert Discovery Center would be, would be part of that sector.

Mayor Lane: I understand.

Robert Brais: So it is the norm for these sorts of public purpose entities to receive funding that supports their organization.

Mayor Lane: Funding from?

Robert Brais: Yeah. And so the sources vary totally, by, each organization has a different mix of these. And it can be anything, like state, federal, municipal, as well as, you know, grants, all sorts of things of that sort. And so at this time, in the schematic design of the ongoing funding for the Desert Edge, the earned revenue potential and the operating plan, the expenditures that would support the type of activities that we see at that kind of fund-raising. There are three lines that have been identified in this plan, because that's how far it's gone schematically with the, with the DDCS, because, again, it's early on in this, and as you said, one is a fund-raising event.

If you would look at your right-hand column, it's easy to talk about the stable year. Once you get into all of these other years, 2021, through '26, there's, you know, inflation mixed in. There's an early surge in the attendance that's likely. You know, those numbers if we stick to the right-hand side, it's easier to follow the numbers. Okay?

Mayor Lane: Yeah, and I see that. But one thing you just said that I want to ask for a little bit further clarification, and that is not-for-profits and I'm very familiar with certainly the way they are operated and how they might account for themselves but there's no entitlements for the feds and the grants, et cetera. And it's still application and judgment call that's made.

Robert Brais: Yes, sir.

Mayor Lane: So there's an element of risk.

Robert Brais: Yes, sir.

Mayor Lane: I suppose the other element that's within in and this may be a more controllable element and that's the fund-raising which is included in two of those footnoted items.

Robert Brais: Right, mm-hmm.

Mayor Lane: That that is certainly a risk too. But really, what I guess, this might break down to, those are assumptions of efforts and the productivity of efforts of funding and/or grant writing and otherwise that I understand to be certainly has some risks but there's a substantial amount of money that's involved here out of a 7, now I'm just looking at the first year, of course, and I know it goes up between 7.8 to \$11.8 million budget. Excuse me and I know you pointed to the.....

Robert Brais: Oh, I think.....

Mayor Lane: Not the budget but actually, it is a matching number, I think to the operating reserves.

[Time: 01:45:14]

Robert Brais: So just to clarify that point, I think it's just easier to do that. The total, the revenue here is equal to the expense. So just, so we would know in those years that in 2026, you know, the budget that's talked about is 7.9 million. So we can say that that's the budget.

Mayor Lane: And I understand. I'm looking at that revenue thing because there are some plug-in numbers of contributions. Even if I look at table 8.8, that's VIII-8, and then table VIII-9, it shows that matching up of sources and use, if you will on a cash flow kind of statement.

Robert Brais: Yes, sir.

Mayor Lane: As it might be in reality.

Robert Brais: Mm-hmm.

Mayor Lane: So the question other than the grants, grants and fund-raising, maybe some questions about it. When I look at two city operating reserve contribution of 758,000, is this agreed upon amount that the city would contribute?

Robert Brais: Certainly not. And that is an assumption of the plan that a certain amount would be contributed annually and based on past practice.

Mayor Lane: Needed.

Robert Brais: Yeah.

Mayor Lane: Okay. Where would that money come from?

Sam Campana: Currently it comes from unallocated bed tax, I think is what you use for the Museum of the West. So it's the best sample of that.

Mayor Lane: What we were talking about here, is in addition to whatever was determined for the capital side of TDC funds. You are now talking about three-quarters of a million dollars additional on an annual basis.

Robert Brais: For five years.

Sam Campana: That there could be that, correct.

Robert Brais: That's part of the plan.

Sam Campana: I wanted to expand a little bit on what Bob said. I ran two statewide nonprofits, and when I was with Audubon, we had 40 in our existing portfolio. And we were not allowed to ever have a fully endowed center. They always wanted to have this mix of earned revenue and donated revenue. And so, yes, he calls out federal, state, local subsidies but, really, and your thought about, is that risky to do that, but that's the success they had across the country, but more than that, always more than that is the local engagement. The reason we were not allowed to have fully endowed centers is that they wanted us to really every year to go out into the community and to engage with donors with corporations, with foundations, with individuals like we have done in almost raising three-quarter of a millions here, that we have been engaged in this. Now that's where that money would really come from.

[Time: 01:48:14]

Yes, heavily with ASU, with Scottsdale Community College, there would be the opportunity for federal grants, for state grants working around science kind of things but really the local money is where Audubon insists we would go out so it's not internally focused but to always be listening to the communicate and always bringing forward programs that they wanted to be engaged in. That, that \$1.7 million of unearned revenue has been mischaracterized as an annual loss, there's no nonprofit that I know of that ever talks about that as a loss. You have earned revenue, unearned revenue and if you don't make it on that budget, either one of them, then you are operating at a loss. That's correct. That's a risk but it will never be 100%. You know, we are professionals. We would manage that, Mayor.

Mayor Lane: And, Sam, if you don't mind.

Sam Campana: Sure. Please.

Mayor Lane: With the not for profit, you don't talk about P&L, I understand that. And there's not that type of designation. You do have source and use and deficits. If you don't have enough cash to sustain your operations, you have a deficit. Call it whatever you want.

Robert Brais: Right. And to, to address that, that's the whole intent behind the operating reserve fund. And so the intent is to have those funds and use only the interest off them. You can see that.....

Mayor Lane: I'm sorry, the operator reserve funds is that part of the initial capitalization?

Robert Brais: As well as the contribution that, of those five years. They would all go into a fund and only the interest would be used, but a considerable amount, up to \$11.8 million by year six, would be in that fund available to be drawn on for various circumstances. And sometimes that means we have to ramp down or we have to new, there are different circumstances but allows for proper, rather than reactionary operation of the not for profit.

Mayor Lane: Interesting.

Sam Campana: We were required to have at all of our Audubon centers before we opened an operating reserve like that. That's why we talked about it and we were glad to have it when that downturn came. And the other organizations were put at risk because of that downturn. We did have those operating reserves and the private sector really responded to the fact that we had been so responsible to have those reserves and didn't punish us for doing that and really rewarded our good behavior.

[Time: 01:50:52]

Mayor Lane: It's not a matter of punishing you for reserves. My question is: Where does it initially come from? The city's contribution of the 758, we already just, you answered that. The 200 in the first year, the 234,000, is that in some kind of set aside from the original capitalization of the 61 million or is it, I mean when we talk about it, in the city, the contingency is obviously for contractual kinds of developments. I'm just wondering whether or not there's something that is a component in that.

Sam Campana: So, again.....

Mayor Lane: The question is where does it come from?

Sam Campana: In the budget that we presented, that 61.2 million, there are, in that capital campaign, those kinds of contingencies and we are, we will be responsible for 10% of that. But in addition we believe, and our feasibility study shows us that. That we have the capacity to raise about \$10 million, we believe and so those kinds of extra dollars would be put in into that kind of fund that would help us protect for, you know, anything that would happen in the future. Even the 10% that we bring, some of that could be used. That's all part of the capital fund. It is not extraneous to that. So you could designate that the private sector funds that were used would be put into that kind of account.

Mayor Lane: Maybe staff can answer this and that is the TDC was approached. The tourism

development approached and authorized what we used to formerly referred to as two slices of pie, but 600,000 in two pieces. 1.2 million which translates to roughly 15 or \$16 million with bondable debt that could be serviced with that. Is there any portion of that meant to cover the 758,000? I realize there's a little bit different bucket that we are talking about, as far as the city is concerned. I'm talking about capital tourism related capital infrastructure, versus the promotional or one-time releases of carry over funds.

City Treasurer Jeff Nichols: Mr. Mayor, past practice would indicate that that 1.2 million would provide a revenue source per our financial policy to service the debt and you are correct, it's approximately 16 to \$17 million depending on the interest rate that we would get on that debt.

Mayor Lane: Okay. So right now, as far as I can see and what I have had, \$750,000 is more or less delineated but has not been designated somewhere as taxpayer supplied funds. On the rest of it, and I will go with the 234,000 a year. I know it goes up over the years. I'm not clear as to how that plan is, but if it, in fact, requires the city's contribution on that, I certainly would like to have that delineated.

Robert Brais: And to make sure I'm answering your question.....

Mayor Lane: The operating reserve funds.

Robert Brais: Yes. That starts at the 233820. We are on that line, correct, sir?

Mayor Lane: Yes.

Robert Brais: And that is simply a 3% draw down on the, on the earnings from the amount that's building up. So....

Mayor Lane: Well, in the first year, what have you had to build up?

[Time: 01:54:33]

Robert Brais: Well, there's a baseline operating. The first year would have contributions from the original, Sam was talking about, the original funding put in, and if we want to call it one-fifth of the 750, you know, the 758 each year. So you would have the 758, and the 7036, and that would, that rate would get you the 233. So that amount grows slowly over time, as the operating reserves go up. So the nice part about the, that structure is that it's money you can't earn interest on yet retain the flexibility of the use of those funds.

Mayor Lane: Okay. I will leave that lie for right now because you have thoroughly confused me. I guess what I'm really getting down to is how that's accumulated, if it's from donors, grants or otherwise. I'm fine with that. It's another item that's.....

Robert Brais: No, no, that one, I mean, trying to, now I understand that part of the question. The

other non-operational revenues don't flow into that and because this model was built based on covering the baseline of operating costs, any additional fund-raising hasn't been, you know, kind of considered that would have opportunities to be included in there, but that was not assumed in this model.

Mayor Lane: Okay.

Robert Brais: Does that make sense?

Mayor Lane: Yeah. I think the critical thing is I haven't heard that the city is contributing more money into that fund. So I think that's a critical thing for me.

Robert Brais: Yes, that is right.

Mayor Lane: On this same table, and I have to tell you, I had to bring out, break out my super readers for the footnotes on this one. But, in fact, it's still difficult now I'm not armed with them. It does mention that as it's described here, as the GDI, but that there, that this analysis does not include any initial or ongoing payments by GDI for the use of its building and the overall site, nor payments for any operational services that may be provided by DDC. Such operating arrangements have not been finalized at this time. And I think that it's either the second or maybe third time I heard that reference.

[Time: 01:57:03]

Sam Campana: That's the Global Drylands Institute, the GDI.

Mayor Lane: No, I know what it is. GDI, the institute, we see it as the GDC in some places.

Robert Brais: Oh, I think by DDC, that, it should have been GDI. So it's speaking about the relationship with GDI that's not been transacted.

Sam Campana: I think it's important for you to know that we don't anticipate that ASU that would rent the building from us or there is additional revenue to the overall project comes but they would do all the FF&E on the shelves that we would bring and they would do all the annual operating, not only for their footprint there, but really enhance and enrich everything that's going on. We think that that will be a very wonderful partnership and there will be many ways that we will all benefit from that, but not with the exchange of money between us.

Mayor Lane: Okay. And that's, so this notation here, to a footnote on a monetary issue.

Sam Campana: Right.

Mayor Lane: Is false? There's no plan for....

Sam Campana: I'm, there wasn't when he put the budget together, but forwardly thinking that's what we would recommend to you.

Robert Brais: And it just doesn't include anything, an assumption ever those sorts of funds.

Mayor Lane: I understand it doesn't, but it says not at this time. I was assuming that maybe there had been some change on that. On the operational side, with the one caveat that I'm concerned that the 758 has been assumed, that the city has provided that and I haven't seen that in any summary or any presentation here as to where that data came from, the city or the taxpayers resources. So that was my only concern there.

You know, as long as I have got you, because we are in the same area of things, on the capital side, and I think you touched on this a little, one of the group touched on this, I wouldn't know exactly who to assign this to right now, but there are some things that seem to be additional items that the city will have to bear the cost of, that don't seem to be recognized in this presentation and what the documentation that I have seen thus far. And one of them is the city's responsibility to rebuild the buildings that will be assumed in the Desert Edge, as it, and designed at that location. And there is plans and I have heard some numbers, but I haven't seen any quantification of it. But it would be an additional use of Preserve funds as a consequence, certainly of the assumption of it in the D.E.

[Time: 02:00:00]

Sam Campana: Right. And we have asked, you know, we had hoped that there might be an answer for that, but I don't believe you have seen that or we have to really know where it's going to be or what that impact might be, although we think it will be fairly minimal. You know, it's replacing that parking and a maintenance shed, and I think that those were both under-utilized as these new trail heads opened and so I don't think it will be a big cost but you are right, it's not because we had no way to ascertain that number.

Mayor Lane: Well, in just an informal conversation, with the parties who work in the city on this, they are talking about a half a million dollars to replace it. Maybe even at a different level, I'm not sure. So that was one item that isn't been addressed and it is something that we needed to at least be cognizant of. The other is the value of the land that's being suggested for the offsite. This has been a great consequence to the city of Scottsdale and the purchase of that land, the price and the value of that land, and it's not on the tax rolls. So we have suffered with the lack of any kind of tax base on that land as well. But it, it also has debt on it, which is does two things. Right now it's a consequence of the General Fund, as well as to the D.D.C. funds. So there's a contribution made on it. So any distribution of that land is going, it has some real value and some real concern. Heretofore, and maybe it wasn't determinable, I don't know, but I think for the sake of just proper disclosure, and accountability on it, that needs to be quantified, as far as that is concerned.

Sam Campana: Mr. Mayor, you are talking about the land on the north side of Bell at about.....

Mayor Lane: Part of the 81 acres. Commonly and affectionately referred to as the 81 acres.

Sam Campana: Staff has not confirmed where the offsite will be. They have already told us that it may be something in the Bell corridor. I think the last time that we were told that they were looking equally at that site or on the WestWorld site, that there were some parking advantages that might be to have it on that site and it really would be less than a block away, you know, from the other piece that they were looking at. So, again, there was no way to quantify that, because I didn't think that they were even close to making a decision, waiting to see what the city's uses were for the 81 acres.

Mayor Lane: I think some was in the paperwork or your presentation materials. I think it refers to it as an option.

Sam Campana: We keep reminding ourselves, this is a city project. We are not a developer who is coming in and you are giving us land. This is your project.

Mayor Lane: No, I understand. To quantify and letting people though what we are engaged in here and frankly, even as we consider the, the cost benefit relationships, but even with some of those intangibles I talked about before, it's always good to at least quantify because whether it's the 81 acres and, of course, that has an immediate cost to us, on an ongoing basis, and it also has an opportunity cost loss of using that land in some other way, and some recovery. So it just, in fairness, but I appreciate, Sam where you are coming from on that. I understand your thinking, but at the same time, really, here to analyze and make sure we have a complete picture on it.

[Time: 02:03:42]

I guess there is an overall question, is I just found a couple of items that I have a standing question on, and whether it's on the shopping center. The cost of the building, I know do you have in the \$61.2 million, but it presumably is, not that we wanted you to be in a shack or have this thing in a shack but nevertheless, it's not on the scale or the cost per square foot of what we are talking about with the project at hand on the Preserve.

And, you know, after the presentation, I might even have a bit more of an understanding as I think about the overall cost of the, I'm using the entire \$61.2 million on the cost per square foot and you are talking between \$12 and \$15 per square foot. I'm using the 47,000 and the 5,000 and I'm trying to go to the 61 too. Like I say the total amount on it, it's an extraordinary figure. So it's just another thing that really goes to the overall value. You know, I will stop right there. I do have some other questions, but I want to make sure I give some opportunity. And I may have some motions on this later on, about you nevertheless, I think it's something I want to make sure we have a complete picture.

Sam Campana: Thank you.

Mayor Lane: Yeah. Vice Mayor.

[Time: 02:05:19]

Vice Mayor Klapp: Related to something you asked of Mr. Nichols and that is you mentioned the TDC authorized \$16 million. My materials somewhere said that they authorized or recommended \$24 million and not \$16 million. Am I correct about that?

Jeff Nichols: Mr. Mayor, Vice Mayor Klapp, what the TDC recommended was what we commonly refer to as two slices of pie, that would equate to your \$24 million. We would need the money up front if we are going to construct this building and we would be able to leverage that revenue stream to the tune of 16 to \$17 million depending on the interest rate we get at the time.

Vice Mayor Klapp: But it would be \$24 million.

Jeff Nichols: It would be 16 to \$17 million in principal and the balance would be interest payments over the 20-year period.

Vice Mayor Klapp: Okay.

Jeff Nichols: Thank you.

[Time: 02:06:20]

Vice Mayor Klapp: That was one thing I didn't understand. So I have a couple of other questions. So since you were, you were digging into the business plan, or the operating plan. And one of the, and I'm, there's some concerns I have in the analysis I did of the business plan, and one of the them concerned, one of the concerns deals with the cost for employees. And so you have built into the plan, 55 full-time employees and 15-20 part-time. I don't know what the part-timers were. So I have a question on page Roman VIII-19, it says that the, up in the first paragraph, it says average cost of \$16.50 per hour for 2500 hours has been assumed for employee costs. What does that mean?

Robert Brais: Yes, absolutely. So the big table with the list of positions. This is the schematic of the sort of personnel that would be required and there are industry standard average salaries depending on position, you know, from professional positions to support positions. In addition, beyond all of that, there's an understanding with the seasonality, but also the need to bring in, you know, just various people to help out, that there was an allowance for 2,500 hours of additional personnel above and beyond all of the, you know, 55 full-time, 36 part-time, 14 seasonal, plus some additional personnel that would be just, you know, quote/unquote, very low wage or I hate to say minimum wage.

Vice Mayor Klapp: So they would be on top, on top of 76.5, full-time and part-time positions.

Robert Brais: Yes, that's correct.

Vice Mayor Klapp: 76.5 full-time equivalent positions and on top of that there would be....

Robert Brais: That is correct.

Vice Mayor Klapp: There would be how many other people?

Robert Brais: It goes to 2,500 hours. So that's not a huge number of hours. That's maybe.....

Vice Mayor Klapp: Is that 2500 hours for the accumulated number of additional people? Is that what you are saying?

Robert Brais: Yes, in other words.....

Vice Mayor Klapp: Not 2500 hours per person is my question.

Robert Brais: Oh, no.

Vice Mayor Klapp: That's the way I read it.

Robert Brais: It's just an additional.....

Vice Mayor Klapp: That was very unclear to me what that meant.

Robert Brais: Pardon us.

[Time: 02:09:08]

Vice Mayor Klapp: I am concerned about the number of people on the list, just in total, and that, you know, that leads to, what, 57% of the total operating costs is personnel. So, you know, I don't know if there is a way to do this with less people, but I certainly would be looking at, it because it seems to me for the size of the facility and if I look at other facilities that were provided in here and in their sizes that a total of 76.5 full-time equivalent positions seemed high to me, compared to some other facility.

Robert Brais: And that's understood, and that's, you know, certainly a fair point and what the intent of business plan is, is to make sure that it is, that the, from the, from the perspective of operations is to make sure that it's not, indeed providing information that's, that's too low. From our perspective, we would rather have plenty of personnel here because the square footage comparisons, you know, so much of the activity, as Mr. Sather said, so much happens outside and that there are, you know, lots of, lots of folks that are on the educational side and all of that. So there is some ability within this man to move downward or to move upwards somewhat, again, depending on how this all manifests in reality.

Vice Mayor Klapp: And, you know, I realize this is just a plan, but still the plan will generate all kinds of things. So, you know, the numbers you are using, I think are pretty important. The revenue side, you plan, as was mentioned, in your presentation, that you are planning an average of 300,000 people attendance per year and when I look at other similar types of projects or facilities, and I compare that

to, like, someone brought up the Desert Botanical Garden. I believe it says that their attendance is somewhere around 360, if I recall.

Robert Brais: Yes.

Vice Mayor Klapp: And it could be higher when you have some really big deal exhibit that comes in.

Robert Brais: Exactly, exactly.

Vice Mayor Klapp: And since that facility has been operating for so many years for you to be looking at 300,000 as a, as the average attendance for this facility, seems high to me. I just, I would feel more comfortable if you had used the lower end rather than the middle end of your analysis which is more like 250,000 per year as your anticipated total revenue. -- attendance-related revenue. And that would probably make me feel that the business plan is probably more realistic. That would also tie into the concept if you have possibly fewer people coming, maybe you would have less people on your payroll. So, you know I know this is just a plan but these numbers are significant and the cost of this project is pretty significant. So those are things that have concerned me as I have looked at this, and also there was another point, oh, ticket prices.

[Time: 02:12:35]

You have got ticket prices and, again, you have shown us in an analysis of what others charge. This is a really, really nice facility that we're talking about here. I mean, we are not talking about something that's low end. This is really high class facility. But yet, you're planning that the adult ticket price would be \$17.50. And I think seniors would be \$15 if I'm not mistaken. The Desert Botanical Garden charges \$24.50, and some other facilities charge 22, et cetera. And so I'm, I believe that you are, your ticket prices are too low in relation to what you are offering. That's my opinion that you, you, if you are trying to lower the prices to get the attendance up, I would rather see the attendance figure lowered and the prices raised a bit. That's the way I would do it if I were putting a marketing plan together.

Robert Brais: And, yeah. And those comments are absolutely, professionally, those are very reasonable comments in the sense of that that strategy might well be a very valid strategy, of course in. This instance, with this having public funds and to have the outcomes being about raising attendance from two perspectives or, I just said, you know to make sure that this remains as affordable as possible, given the public funding. But for two other major outcomes that are desired, is to have as many people as possible, you know, reasonably possible to receive the education and to advance the conservation goals actually having a bias towards trying to have higher attendance and somewhat lower ticket prices may be another way to get to equivalent revenue.

And finally, in terms of the attendance, the economic impacts, again, if we can bring in more people from outside of Scottsdale to contribute to the economic base of Scottsdale tourism, then that's another outcome which this is biased towards. So guilty as charged in trying to position this more towards a higher attendance and more affordable experience, especially given the experience offered.

Sam Campana: Can I jump in here. I was interrupting. Go ahead. Vice Mayor, I wanted to go back to your concern about the budget and what would happen on the risk side. When the phase two concept was advanced, and brought forward and considered by the City Council, they were, they had the same concerns and asked that a blue ribbon committee be put together to look at those attendance numbers and to look at the business plan and make sure that it could survive that kind of downturn if there were that in the attendance.

And I think on that committee, where Ken Travis who was then the head of state parks and Mike Nolan, from the Conservancy and someone else, we went back and talked all three of those people. But they did go through that exercise. And you have that report to you. It's dated, but, you know, it doesn't change the fact that they did require John Sather and the concept then to be stressed by about a 25% reduction in what they are anticipated income, especially through attendance might be, and, yes, they did have to cut down on personnel, but they felt like the experience would not be so lessened that people wouldn't come. But I think it would be worth us bringing that back to you and have us go through that together.

[Time: 02:16:36]

Vice Mayor Klapp: Yes, that would be important. I'm not sure if I understand how that particular discussion ended up with this kind of a plan. I'm not sure if I understand exactly how that evolved. It might be helpful, because it's just in, you know, first blush looking at, it my feeling on attendance is kind of like when you are putting together a business plan and you are presenting it to a bank for approval, you tend to be optimistic on the revenue side. That's human nature. Every business person does it. I know this is not a typical for-profit business plan, but it's still one of those things that you say, yes, I know we are going to get 300,000 people, when in reality, it's a, it's maybe what you would like to have and what not, not what reality really is. So that's why I would tend to err on the side of conservative side and say, I would take the lower end figure of around 250,000 rather than three. So if you could look at that again, I would appreciate it. And if you can bring back more information, it would make me feel more comfortable with the revenue figures and the, the number of employees.

Sam Campana: We anticipated that you would be asking for those kinds of refinements and so that helps us to develop that list of what you would like us to come back with. Thank you.

Vice Mayor Klapp: I have some other things on the capital side. If you want to stay on the operating side at this point, or....

Mayor Lane: Well, you know, I think really for the sake of just having some coordination, if we have some questions on either the capital or the operating side, I would like to go that direction for right now.

Vice Mayor Klapp: Well, I have other questions but I will defer to someone else right now.

Mayor Lane: But before you close out.....

[Time: 02:18:28]

Councilwoman Milhaven: And I'm going to take a different tact. First of all, wow! Okay? You know, we're talking about an educational center, the Preserve and I have seen this presentation at least five times and I just think it's magnificent! And I want to thank all of the creative people who brought their creativity and the thinking. I remember in 1995, after I walked out of the polling place for the first Preserve tax and I said could I have possibly picked to live a community that would tax itself to preserve the community.

And, in fact, here I was here we are over 20 years later and I'm asking myself do we have a community that's willing to improve the value of the Preserve to us and guarantee the sustainability of the Preserve. I think by teaching our children and future generations what makes the Preserve so special, we will ensure its sustainability. Some of you may disagree. But I'm an enthusiastic partner of this project. I think we need to have some rigor. I will not ask a lot of detailed questions tonight because I think we need to rely on some of the experts here at the city to do that and what I would really like to propose is to ask staff to take a vigorous review of the budget and the capital and in their opinion, press where they think it should be stressed and get their point of view on it.

I think they may have expertise that we don't have and can spend more time in the detail than we could probably do tonight. I would really like staff to opine on the budget and the capital expenses. To talk a little bit more on capital expenses. I also think that we need to get more comfort around the capital expenses, right some harder costs. I would back and think about WestWorld. I was the one dissenting vote on expanding WestWorld. I hate to say that I was right. I hate to say it, we didn't have the rigor we needed and the comfort we needed and so I would like us to contemplate it would take for us to get firmer construction costs that we could rely on, these are estimates and what would we need to get firmer construction costs?

I would also like to see what thoughts staff has around how we could sharpen our pencil and get the same for less and I would also press the group to say although you punted on a potential phasing, I really press you to go back and say if we were to phase this project which you would do first? Which elements do you think are most critical so that we have additional options to say this material versus that can material changes the cost. This pavilion versus that pavilion so that we can have some more options. So that's sort of where I am on the project. I won't ask a lot of detailed questions because I think there's a lot more work to be done that staff can give us the input on and give us the details.

[Time: 02:22:10]

Mayor Lane: You know, I will concur with that as part of potentially a consensus to give that direction, really to staff, as far as this is concerned. But I would only add that one thing about it, that's a quantification of maybe some of the assumptions that have been made and those costs that are associated with it. You may have covered that sort of in general on it, but I want to be as specific on it as we look at those things. So that will be an important component. So if, yes?

Councilwoman?

Councilmember Korte: Thank you, Mayor. I completely concur with Councilwoman Milhaven, with staff review and firmer construction costs. I would also like so ask, what is the economic impact of this? Have is the impact of doing the project and the economic impact for Scottsdale in the future and what is the impact of us not doing it and the impact to our tourism industry? I think those are two very important questions.

Mayor Lane: Yes, thank you, Councilwoman. Councilman Smith.

[Time: 02:23:28]

Councilman Smith: Thank, you Mayor. I will agree with a lot of who has been said. I will remind everybody that the DDCS group was retired as our, hired as our contractor and they have performed the assignment, and I know they have taken a lot of heat for their conclusions and recommendations or whatever. We authorized them, among other things and paid them to retain some of the best architects. Some of the best architects and the best business concept planners that were available. In the city or on the planet. And I think they did that. I have to say, I am pleased with the study that we have in front of us, it's, it's not a finished product, obviously.

But whether we agree with our conclusions or findings, I think as Councilwoman said, this is the most exhaustive marketing and business plan in my experience has ever been prepared for a city capital project. She mentioned the "w" word, WestWorld, and I think we know what happens when we proceed with a major capital investment and, by the way, that was just as many dollars as this is. We know what happens when we proceed with back of the envelope swags and estimates and hopes and dreams. So this exercise, as expensive as it was and as long as it took, it has given definition to what was a previously ambiguous project. Everybody had a notion in mind. I think it's a great starting point. It's abundantly transparent.

The only way that we can ask these minutia details that we are asking, is we have 800 pages of detailed assumptions to look at. So, again, I commend the team. I think it's appropriate at this time to say, you know, we spent the \$1.7 million. I think we got a good return on that investment in terms of knowledge going forward. That said, I will agree with anybody that says if the staff has the expertise and the competence, whatever to look at these numbers and quiz them, refine them, that's great.

The two or three items that have been mentioned that I think are worth highlighting and amplifying, one is this assumption that the Mayor mentioned that appears throughout the presentation for a contribution of \$758,000 per year for five years.

I know that this was a feature that was put in here as a copying in a sense from one of the templates that we had for the Museum of the West, where in that case it was a \$400,000 contribution from the Tourism Development Commission carryover funds. I would urge that whatever number this turns out to be, that it not be a contribution to the reserve fund as you have characterized it. But that you

make it as we did for the Museum of the West, a matching program for the private fund-raising. I think they have found that is helpful to them in their fund-raising. The two for one match. So whatever the number turns out to be, if anything, I would urge that it be that, rather than the buildup of the reserves. It doesn't dramatically change the numbers one way or another, but I think it's preferable.

Number two, I think there is, as Councilwoman Klapp indicated, genuine confusion, even among the TDC people of what they recommended or approved. They were in one breath saying they approved the business plan, so forth and I think staff led them, if you want to do that, give them another slice of the pie. In reality, what we need to do is go back to the Tourism Development Commission, and say, as politely as we can, excuse me, what did you guys really mean? I think their intent may have been to essentially provide 50% of the capital support for the program.

[Time: 02:28:32]

Mayor Lane: If I might interrupt just for a quick second and that's one thing I would like to move forward on, in basic consensus as we talked about a vote. We have a motion that was made by, that we don't require seconds in this environment, but is there a general consensus on what, or is there someone who is opposed to that, as far as going back to staff, excuse me, going back to staff and having them review it as Councilwoman Milhaven has mentioned, in addition to some of the concerns about the accounting or the delineation of some of the sources of funds and the assumptions that were made that we're talking about on that.

Now, whether or not they go to what you described as a sharing, that's sort of a separate issue and maybe we, if there's anybody in disagreement with that, that might be a separate issue. But is there any disagreement with the idea of taking this back to the staff, to get better disclosure on the total costs that are in this thing, as far as, so I just wanted to get that, pardon me for interrupting your stream of thought there, Councilman, but I wanted to make sure in an orderly way that we probably, that we get this taken care of.

Councilman Smith: On that much narrower question, I think I would, I mean, first of all, I don't object to doing it.

Mayor Lane: Yeah.

Councilman Smith: But who on the staff is going to, who are we giving this assignment to?

Mayor Lane: The City Manager and he will determine where it needs to go.

Councilman Smith: Okay. All right.

Mayor Lane: Councilman Phillips, did you have a comment?

Councilman Phillips: Thank you, Mayor, and I would agree with that consensus. I would just like to

say that, you know, some people have put in their concerns, and for staff to proceed, I think we all need to at least give us their concerns so they know what to look into.

Vice Mayor Klapp: Right.

Councilman Phillips: So may I give my concerns?

[Time: 02:30:38]

Mayor Lane: Certainly.

Councilman Phillips: Thank you, Mayor. And there's a few of them. One the Mayor brought up, the \$750,000 in additional for five years or more. That's very concerning. And I think staff is going to have to really look deep into that. Personally, I think the cost is taking too much from the Preserve and I think it will affect our endowment. Too much from the tourism. Councilman Smith was bringing up, how much are they really giving? I'm not sure they really understand that either, overruns and ongoing costs. You were talking about capital funds and construction costs. Those are two separate things and we learned from the Museum of the West. They approved the capital funding to build the museum and then staff came back to us a year later, oh, we need \$10 million more because we didn't include the construction costs. So we don't need to be hit with that. So we have to understand all the costs before Council can make a decision on that. When you are talking about funding as far as the attendance goes, I think I saw somewhere that schools and certain nonprofit groups won't be paying?

Robert Brais: That's correct. In the plan, the Scottsdale school students would not have a fee and then out-of-town students would have a very modest fee.

Councilman Phillips: Is that included in your attendance figures?

Robert Brais: Yes sir. All attendees, including members, ticketed, events, school groups, they are all included in that.

Councilman Phillips: So I would think as far as the business plan goes and it kind of goes with what Councilwoman Klapp says, it wouldn't include in the business plan, the people that are paying? So she was looking at conservatively 250,000, and now maybe it's 200,000. Because I think schools are a huge population of who are going.

Robert Brais: Let me give you the exact numbers. So there are three, in this plan, midrange, there are 306,000. The free student groups is 7,650. Now if that number grows, you know, that's not a material effect on the business plan. And by the way, that accounting of all people who use the facility, and so the business plan looks to 67% or thereabouts. Two-thirds being the ticked component, tickets components. So about 200,000 ticketed in that sense.

Then we have 36,000 at 12% being members but they are kind of paying, because it's like an annual

pass. So that's that portion. And then the facility rental is small, free complimentary little kids. They come in free or certain people of that sort. And then so the student, the student groups are about 5.5% of total. So if they go up, and one would certainly want them to go up to a higher level, then, you know, that just gets, it's just built into the overall operations of facility.

Councilman Phillips: Right, but I'm just saying, as far as your business plan is concerned, if you are seeing 70% pay, and 30% don't, that 30% should not be included in the business plan, because there's no benefit. There's actually a cost here.

Robert Brais: Well, but it's a public purpose project and so that's okay. So indeed, though, only the money from the 200,000 goes into the earned revenue portion. So the business plan does recognize only 200,000 as the ticketed and an additional 36,000 as the members okay? So in that sense, it's delineated in the business plan.

[Time: 02:35:01]

Councilman Phillips: Okay. And then the last but not least, I think the Mayor brought up something about this, was the cost of parking and I think we really have to look into the cost of parking, especially where that's going to be as far as the additional parking and when you talked about the employees, 76 employees, they are going to use 76 spaces and they will be the additional parking somewhere else and be bussed. If that's part of your plan, I didn't see it.

Robert Brais: Indeed it is, when it's needed during the off-season, you know, there would be plenty of places, plenty of places.

Councilman Phillips: And then you have cost the service trucks coming and going. Trash removal. I saw you had something about recyclables and how that will work out. So I'm just looking at things that staff can get into, as far as the business plan. So it doesn't end up like WestWorld where a year later, you come back and go, oops, you know? We need another 10 million. So I have other things to discuss, but as far as that goes, I will agree with that.

Mayor Lane: Thank you, Councilman. Yeah.

Vice Mayor Klapp: You hit some of the things that I was concerned about, because I didn't get into the capital side. The plan anticipates, as I understand, it a portion of the bed tax and the Preserve tax and I'm concerned how much Preserve tax is available for this project, and so there's a variety of ways you have to look at that and I'm sure the staff will, but, you know, here's my concern, that right now the, the Treasurer has told us that there is 87 million available at the end of the, at the end of the line. It's, that can be utilized for various things.

And one of the things that I know that Councilman Smith is dear to his heart and that we want to consider is if we would eliminate the food tax, the tax on groceries that would take \$30 million out of the, out of Preserve funds. That takes you to 57 million. And then if you need to consider taking some money for some kind of an endowment, maintenance fund, whatever you want to call, it I know

the city has said that they need another 30 million for that. So that means then when you are, when you are, now you have 27 million available. So we have to keep that in mind.

How much money is available out of the Preserve tax that can actually be used for this project because the rest of it will have to come from the bed tax or you are going to have to cut the costs somewhere, in order to get the project costs down. And I would recommend, as Councilwoman Milhaven said, sharpen the pencil, but I would really, really sharpen the pencil and try to keep these facts in mind that there's only so much money available out of the city funds in order to fund this project, and we don't want to suck all of those funds try, particularly the bed tax one we would end up sucking the Preserve tax dry, except for the money that's going to be set aside for the endowment. So that concerns me.

[Time: 02:38:27]

Where is the money going to come from and can this total 61.2 million be quite a bit less in the end, by looking at all the costs and where can we trim the costs here and there so that the total project doesn't come in at 61 million or something less than, that preferably, in my mind closer to 50. So that would be one concern, and then there's one other thing that at least I have heard from a number of people about it. It does concern me and that is that we are, we are including in the square footage 9,000 square feet for the Global Drylands Institute, which I think is an extent program and I think it would be a great benefit for the, for the overall project to have it there.

But I would like to see, you see, my concern is that we should not use taxpayer dollars to pay for the building that we should find a way for profit and or nonprofit buildings to pay for the building of that part of the facility for use by ASU. The emails tell me that the citizens would prefer that. So that would be another concern I have in the capital cost. I think that is it at the moment. So we can talk about some other things that are maybe more minor later on, but that's the capital part of it that I wanted to make sure that I emphasized.

Mayor Lane: Well, as an add to the overall review, I don't think anyone has, well, I should ask, if anyone has any difficulty with anything that's been added thus far. And if not, I just wanted to add on, certainly, specifically, that I'm, I think that approach, as far as that is concerned, I know that ASU's participation is a major asset but it also is, the Preserve is as well and a great opportunity, I think for all involved, for involvement in it. So somehow or another, whether it's through that mechanism or some workout with ASU, if it's possible. I do have one other question, oh, I'm sorry. Did you have, yeah? Well, I wasn't, I wasn't going to, I'm still on capital, but I will come back to myself on this one. Go ahead, Kathy, I'm sorry. I didn't know whether you were ready to chime in or not.

[Time: 02:40:53]

Councilwoman Littlefield: Well, I went at this in a totally different manner and I came to it from a different point of view. I guess from any of us here, as far as the DDC itself is concerned, I think they did a good job. The project is good. What they want to teach, what they want to do is fine. It's a very unique resource and they want to do and conduct scientific research on our desert lands. Bring Scottsdale citizens in to visit and appreciate our beautiful desert. And inside the Preserve, that was

my biggest concern, inside our Preserve. The purpose of the Preserve has never been to be a tourist attraction. It has never been to be a park. It has been to preserve the land and I think we are losing sight of the that, and that's a big concern for me.

As far as the comments made, I had some similar comments on the money and expectations of people coming. A lot of people that live in the nearby area are the very people that do not want this the most. They are not going to come. And it's based on the people in the nearby area showing up and paying fees for this. I think it's unrealistic and it has to be reevaluated. Talking about the money. The way I approached it. We are not asking for additional tax money, merely extending the current sales tax for the Preserve funding. We're saying that instead of stopping the 35 cents sales tax that you are currently paying and which we had anticipated stopping in the year '27 or '28, and we will continue it on to the original year of 2025. This would be used for part of the construction of the Edge.

And they also have asked for an additional slice of the bed tax which we have mentioned up here, 600,000 a year. That gives them two slices for 1.2 million a year for the next 20 years. That's \$24 million by my calculation. This also, by the way, violates the bed tax ordinance. We will have to have the bed tax ordinance come back so that we can change it because right now, it limits us to one slice per year per project. So that's something else that we will have to do.

[Time: 02:43:47]

This means, of course, that there's less bed tax money available for projects in Scottsdale for the next 20 years. That's a huge opportunity cost. We don't know exactly what that is because we don't know what the opportunities may be than come along, but the money is going to be tagged for something else. Now I hear they want some more. So that's three slices. So more and more of our city funding for these kinds of events and attractions are all going into this one project. That's very concerning to me.

We were told that this would not be a tax increase. But extending the sales tax is in effect a tax increase. One final word on the money. The Edge will cost approximately 61.2, \$62 million. It has to come from somewhere. We are saying we are going to have bed tax money, \$24 million for 20 years. That money is now not available for other projects. There's an opportunity cost to every citizen. We cannot use it, our sales tax money will continue until the year 2034. This is so that we can get 35 million out of that sales tax money to pay for this. But that's an actual increase because we were going to close that down in the year 2027. So citizens and tourists alike are going to be paying that increase in money.

All together, according to my calculations, which I had verified several times with Mr. Nichols, we have \$59.5 million estimate in those two sources of funds to pay for this. The citizens are the main source of this money. They pay for it. So it will be an increase in your taxes by the amount that we spend on the Edge. It's going to come out of your pockets. It's going to come out of our tourists' pockets and it will go into building the Edge.

So let's not pretend that this is not going to be a cost increase to our citizens. They are going to continue paying the sales tax until the year 2034, because that's the only way we can gather enough money to do that. We are going to have to bond that money. And we are going to have to pay it back with interest. I just, I have a problem with the lack of detail and the lack of real numbers on this.

I'm not sure that we are being honest to our citizens and I'm not sure that we are doing what our citizens want. They have limited resources as well. They have to live on budgets. No one can go out and spend as much as they whenever they want. They have to budget their funds very carefully, just like we do, just like the city does. If that's the main reason I support having a vote on this, is for the citizens to have a say. And I can't honestly believe that they won't notice. They will care. They have already noticed what we have done.

And if we are going to go ahead and do this without their consent, with the dissent that this last year has been and I happen to know for a fact that it's throughout all of Scottsdale, not just the north, they are going to be offended and well, they should be! Their views and their opinions were not asked for, nor were they wanted. And they are going to know that. Our citizens are not stupid. And their memories can be very long. And I guess my main concern with this entire process of we want more numbers, we want more figures, these numbers are not realistic. I agree with everything that was said about that here tonight. They are not realistic. They are incomplete and they need more numbers to make it right.

[Time: 02:48:34]

But if we don't agree to have a vote on this, for the citizens, I think you need to look at some of the political ramifications of that in the city of Scottsdale for the good of the city of Scottsdale. Not for the good of us up here, but for the city itself. This may be a wonderful project, and it probably is. But it, if we do it without asking permission from our citizens, it's going to hurt us. Elections have consequences. Trust in the City Council by many citizens over in the past year and a half, have eroded away, basically. They are feeling disenfranchised and disconnected from their city government. We barely got two questions passed by the skin of our teeth on the last bond election. The two elections before that failed miserably.

Do you honestly think we will get another bond election passed in the next ten years if we don't ask them for a vote. Where we will be spending \$62 million of their money without their consent. That's not right. If we ask them and don't allow a vote on this, they will just say no. Now you will ask our opinions when you wanted more money from our pockets but you didn't want our opinion on this. If the Council believes this would be a positive outcome to the city to deny a vote on this very expensive and very important change in our Preserve and various ordinances that are involved because, yes, this does go against our current ordinance and we will have to make changes in it, I'm very much afraid that this is the result that we can expect for the city and the city as a whole.

The reason that a vote is not wanted and it's the only reason I have, I have been able to come up with, is the public will say no. If they say no, we won't be able to do this project. And this Council wants

this project. That's the only reason that makes sense. The spending of \$500,000 for an election to know what our citizens' desires might be, I believe is a good return on investment if we are planning to spend \$62 million. If you thought they would say yes, there wouldn't be a question. Why do we feel like we have to work against our own citizens in order to put this in place? Not allowing an election on something this important has a consequence, and I hope that you will take that into consideration.

Right now, we have been sent a lot of information on both sides of issue. And one of those things this is just a bunch of malcontents, a small handful of people. That's not true. 8,000 of our people have signed the petitions and they haven't even started yet. People don't like being disenfranchised, and there will be a cost to this, if we do not allow them to hear you, and hear them. That's why my direction to staff is to hold a vote on this issue.

To make it clear and ambiguous vote, up or down, on this issue whether to build it or not to build it, and also to put a clear and unambiguous vote for charter amendment prohibiting any other commercial development on the Preserve now or in the future. It must be a charter amendment, because a simple ordinance can be overturned by any future Council by four votes. We have found that out. Such a charter amendment would give the citizens what they were promised, a true Preserve, free from commercial development, now and into the future. And if they are okay with this project, then they can vote yes for this and yes for the charter amendment. Then they get both and then we can have the Edge inside.

But we need to ask their permission. This way, we will know. I'm very, very concerned for Scottsdale, the city I represent, for this divide that's been happening amongst our people. And I will mention something that Carla said to the Tourism Development Commission, this Preserve is what brought us to go as a city. It's now tearing us apart. Allow a vote to heal our community because if we do not allow this, we will not heal and this wound will continue to fester for years into the future. That's my big concern. I agree with what the comments were about the lack of concrete money and numbers and all of that, but that's my biggest concern in all of this, is we will be doing a disservice into the future for our city. No matter how successful this is. Thank you.

[Time: 02:54:13]

Mayor Lane: Thank you, Councilwoman. And let me just say that one of the things that we talked about at the beginning is we want to make sure no matter whether, whether we get it on the ballot for a public vote or not, we want it to be something that even if we have just a comfort level as to what we have in either case, whether somehow or other, it is determined by this Council that it's, that they are going to take that action. I'm going to, if I may, and this is not in any sense to consider your comments and frankly your direction, because I'm in agreement with you. And just about every aspect and I have to tell you, Councilwoman, it's not often I suppose I find myself in that position. And I have been and I think you know that. You know that I feel very strongly about that. But either way, we have to have something that we are comfortable with, even presenting this to the voters. We are not done with this analysis and I think once we get to a point of getting all of the directions to staff, to refine it and to clean it up, I think that is a point in time that we are going to have

to decide and hopefully we'll get to that point and get to that result.

Councilwoman Littlefield: Once again, I'm in agreement with you, Mayor.

Mayor Lane: Very good. In any case, and I appreciate those comments all the way around, inclusive of the agreement with some of the other comments that have gone around on the capital and operating side. I do have a capital question again, and this would be on the real estate or real property capital expenditure. I started to talk a little while ago about the TDC's funding of the 1.2 million which translates into about \$16 million in available, for debt service for available bonding capacity of about 16 million. What I haven't heard, and honestly, it was just a disclosure and, boy, I tell you what, I'm a bit concerned that I didn't pick up on this. But Mr. Nichols, is there some place in this package or have we discussed as a Council an extension of an existing Preserve tax?

[Time: 02:56:42]

Jeff Nichols: Well, Mr. Mayor, there's two Preserve taxes one approved in 1995, which expires in 2025.

Mayor Lane: Right.

Jeff Nichols: And the other in 2004, that was approved that expires in 2034. I have not discussed any extension of a tax.

Mayor Lane: Okay. And there may have been some talk about whether one gets shut down or not. There's not been any talk or a request from the contractor or I should say a recommendation that we extend it.

Jeff Nichols: No, there hasn't been. And also there was, that was one of the questions that was asked by somebody on Council and I don't remember right off the top of my head, but it was, you know, if we could pay off all the debt, could we stop the tax earlier than 2034. We reached out to our financial person. We would have to pay a little bit over \$5 billion to repay all the bonds. So I wouldn't recommend something like that.

Mayor Lane: The primary thing is we have not in any action to actually extend either one of them?

Jeff Nichols: No, sir.

Mayor Lane: Okay. I want to be clear on that. Then on the next component, and I don't know that other than by suggestion if the TDC, as it is right now, and this is where we are talking about, and I think the Councilwoman expressed some of my concern with regard to the fact that 1.2 million, it's only \$17 million worth of bondable capacity on that. What is anticipated from the other sources other than I think up to 10% on the capital side, which would equate to, I believe, and this goes to I'm presuming the total number of somewhere in the area of \$6 million. So if I have 6 million and I have 17, that's 23, that's, that goes to, that's far short of what we need. So what, has there been some

recommendation and/or is this some indication, maybe from the city's position as to how this gets divvied up and how it works.

Jeff Nichols: There has been no recommendation from city staff on that position. I believe the assumption of DDCS is the balance of that cost would come from the Preserve sales tax.

Mayor Lane: Okay. All right. And that goes to the Vice Mayor's comments as far as the availabilities of those funds. So, okay. On the capital and the, okay. Well, I will start with Councilman Smith.

[Time: 02:59:23]

Councilman Smith: Thank you, Mayor. Because we have had a lot of conversations about where the capital might come from, let's talk about the portion that might come from the Tourism Development Commission. Obviously there is, I have think, I will call it an obligation but certainly a co-sponsorship for the tourism people for this facility because it would be a tourism facility. And have expressed a willingness to do that. But let me say this, about the Tourism Development Commission, and I'm using more than their own budget financial forecast. It was presented at the last TDC meeting. They have seven unidentified wedges of money, we'll call them wedges but the \$600,000 pieces that they could commit to capital projects. They have seven that are unidentified. It may be true in the past in the last meeting they used two of those for this project, leaving five.

So if you looked at the seven wedges of money that they have and said that each wedge would support \$8 million of capital, the TDC has \$56 million of capital projects that they could support and have not had projects presented to them for that use. In addition, that same financial report that was presented to them said that at the end of the year, they would have carryover cash uncommitted, undesignated for anything of \$14 million. I don't put these numbers out here in support of this project per se. What I put them out here to say is collectively we have to figure out a way to light a fire under the tourism activities here in the city, to put this money to work the way the voters intended it to be.

They intended for us to collect a bed tax, and put it to work in the tourism industry in some manner or another. And here we find ourselves seven years into this program, and we have 50 some million dollars of uncommitted capital spending and \$14 million of carryover cash. I mean God bless them for not wasting any money, but we have got to put it to work. If I were going back to them, I would say, are you in this project for half the money or are you not, whatever the costs turn out to be.

We talked about the Preserve tax, and Councilwoman Klapp recited the numbers that I think were last presented by the City Treasurer and that was that we would have some, call it \$90 million at the end of the 2035 taxation, when it sunsets. And even if you took out the food tax, you would have \$57 million left. If you listened carefully to the treasurer, that's assuming a 3% growth in the sales tax which he said is conservative, and he was throwing out numbers perhaps 4% would be a more realistic number based on our experience. He was reciting a .5% earnings on available cash. Very conservative, and the point is if you change these assumptions from 3% to 4%, all of a sudden you are

looking at \$150 million when the tax sunsets.

I think the point is that Preserve, if this project is a combination of tourism appeal and Preserve, enhancement, and both entities are sharing in the funding, in my judgment, even using the numbers as we have them, before we try to whittle them down or whatever. The money is there to do that and certainly on the Preserve side, I think we have an obligation to do what we said we would do with the Preserve, with the bed tax money I'm talking about the tax money and that's put it to work for tourism projects. I don't think using additional solutions of Preserve tax. It doesn't violate the bed tax ornament any more than it does when we gave two slices to WestWorld. I don't remember anybody having a problem with that one.

[Time: 03:04:17]

Mayor Lane: You did.

Councilwoman Milhaven: We did.

Councilman Smith: A couple of people did. You're right. The comment was made, well, I don't want to get off on that, but that has to do with the vote and you are trying to keep this to the financial side of things and I appreciate that. Maybe I will leave it at that. I didn't want to clarify the funding capacity of these two funds.

Mayor Lane: Well, and for one I appreciate it because I think sooner or later, we need to get with the staff and give some direction with regard to how this might come together. We want, as has been indicated, the least amount of impact on any kind of, we don't want to be sacrificing other city services, and we don't want to be increasing taxes, and we want to be utilizing those funds that are available to the best that we can. And I'm probably going to speak a little bit more to, than something that needs to be appraised, assured of what you just said. I'm sorry, Councilman Phillips, you had your hand raised?

[Time: 03:05:25]

Councilman Phillips: Yes, thank you, Mayor. It is kind of funny comments I'm hearing hear. It's like, I remember somebody saying back in WestWorld, when we were taking two slices of the pie, that we are not going to have any slices left. And now everything is looking rosy and we have seven slices and so we have plenty of money. And if you look at instead of 3% being conservative and now 4% and now we have \$150 million. Yeah, let's play with the numbers here. We have can't do that.

I'm sorry, David, but I'm kind of surprised that you of all people would go that direction because you are usually the one that says we are \$100 million in the hole. But the reason he wanted to talk to the Mayor or everybody, I suppose, the 1.2 from the bed tax, you are talking about that leverages a bonding of \$17 million, did I hear that right or am I confused?

Mayor Lane: No, from the bed tax, the 1.2 is approximately \$16, \$17 million.

Councilman Phillips: Okay.

Mayor Lane: It's bondable.

Councilman Phillips: So how did that process work?

Mayor Lane: It's MPC bond.

Councilman Phillips: It's an MPC bond. That's what I was wondering. Councilman Smith, and Councilwoman Littlefield, about you can only take \$16 million a year. Is that the truth too?

[Time: 03:06:54]

Mayor Lane: \$16 million a year?

Councilman Phillips: I think you said as far as the bed tax, you can only use \$16 million per project.

Mayor Lane: We should probably explain that the pie slices. We start with an initial pie. It's interesting. I think we started out with six slices and now we have seven. So this pie has grown in slices but it is.....

Councilman Smith: A lot more than seven.

Mayor Lane: It's defined as a certain amount of money that's allocated on an individual basis but pardon me for interrupting.

Councilman Phillips: So there's no limit in how much any project can have in a given year?

Mayor Lane: The fact is, I would almost say an informal policy, but it's a policy we agree upon of one slice per year per project, but I don't think the WestWorld was the first or last time we did that.

Councilman Phillips: Was that the one that we had to ask Mr. Smith to change our financial policy to do that?

Mayor Lane: I don't think there was a formal financial policy. That's what we were working with. When we are talking about bondable assets, 7.5 or \$8 million is not much in the way of bonding capacity if you are looking to have a tourism-related deal.

Councilman Phillips: And I believe Mr. Nichols who was talking to me earlier, that because it's MPC bonds and it would be for that debt, that's paid back from that. So that has to be paid back from the revenue of the DDC. Is that correct? Or all bed tax?

Mayor Lane: Yeah, the conversations and the efforts have been to do that.

Councilman Phillips: Okay. All right. Thank you.

Mayor Lane: Thank you, Councilman. Councilwoman Milhaven.

[Time: 03:08:44]

Councilwoman Milhaven: I wanted to thank Mr. Smith for the great summary that says we have the money. I have think his point was with the most conservative estimates we have the money and if it gets any better, we have more than enough, I think was his point not to say that we will make up numbers but given the conservative estimates we have the money. On the topic of capital, in the conversation with folks, I have been told that the most reliable capital estimates are when we actually get construction bids. So I'm wondering if we don't go that far, since we've got bed tax money, if we don't go all the way and get actual construction bids, so we know exactly what this is going to cost.

Councilman Phillips: I would say you almost have to.

Councilwoman Milhaven: You think you have to?

Mayor Lane: If you are looking for the accuracy, I would tend to agree too, but it's a careful area of putting the cart before the horse. We have to make some determinations on the overall project after we get the feedback information. And maybe some refinements on costs. Even if we have the money, we want to be responsible in spending it.

Councilwoman Milhaven: We have the money but we don't know the costs. So we need to go to the extent of the getting construction bids and it's more reliable and we can have them do that other work in the meantime. So when we get, so we are not making decisions with partial information. We have full information when we make decisions.

Mayor Lane: It's committing people to the bid process without necessarily initiating a contract. I think what you are suggesting is to go through the bid process and get those.....

[Time: 03:10:37]

Councilwoman Milhaven: If we do a request for proposal, we detail the project enough that we can ask for bids. We are not obligated to accept any of those bids if we choose not to do it but at least we have hard costs at that point. We know what we are looking at.

Mayor Lane: And that may be. Mr. Worth, any comment with regard to that tactic that as far as getting some greater accuracy to estimates?

[Time: 03:11:00]

Dan Worth: Mayor, Councilwoman Milhaven, that's an accurate statement. The best numbers you

are going to get is when you go out to bid. We have to spend about \$6 million from here to get there. You have to have fully developed, designed documents that you can bid out, and there are points in between where we are now where we have a very schematic concept. And the understood numbers you get where you bid a project out, where you can refine those numbers. We can refine the numbers somewhat with just what we have now. We can have a third party estimator look at it. We can dig into some of the details. We can develop some degree of confidence in the numbers that we have now. We could advance the design to some degree without spending \$6 million to go to a full 100% biddable design documents. I would think that maybe somewhere in the middle is where we end up wanting to be to make decisions on whether we will fund the whole project or not.

Councilwoman Milhaven: Yeah, what I would add is if the Preserve, if the Preserve, if the tourism community feels strongly enough that they are willing to dedicate that kind of money to support it, then maybe we go back and ask them and say, you know, we can use the bed tax to advance this idea this project to something more reliable, I certainly think it's a good idea. I hear what you are saying that there might be other ways to do it, but if the tourism community feels strongly enough to commit those types of resources, I certainly would like to take advantage of that so we have the best information possible.

Mayor Lane: Yes, thank you Councilwoman. Councilman Smith.

[Time: 03:12:43]

Councilman Smith: Just a question for Mr. Worth. When you said, it cost you \$6 million to get from here to there, is that \$6 million part of the, what we now think might be a total project of \$61 million?

Dan Worth: Councilman Smith, the 6 million, that's a very rough number. They are estimating \$33 million of construction costs for the buildings. They are estimating 10% of that as a design cost. It would be \$3.5 million for design costs for the buildings. There's a design cost with furthering the development of the exhibits as well, which I'm not even going to guess what that really is, but those numbers are in the overall 61 million.

Councilman Smith: Okay. That's what I was looking for, whether they are in that number. Thank you.

Mayor Lane: Okay. Virginia or Councilwoman? All right. I think we have got at least a pretty good feel for the capital side of this and the operating costs and some of the information that we want from staff. Is that understood, Mr. Thompson, as far as the review of these costs?

Jim Thompson: Yes, sir.

Mayor Lane: No. Personally, I'm not ready to invest \$6 million or even \$3.4 million on the path until we decide how we are going to go about it. So I think if there's a, personally, and if we want to get a consensus, but I didn't hear where everybody else might be on it. If there's something to do, just like we decided before, Mr. Worth to refine it, it's a middle stage of this, as far as getting a little bit

more accurate picture of it. I don't know how much, you know, how much we are really dependent upon a more accurate number in order to pay 3 or \$4 million for it any case. But, yes. So that's, that's from my own perspective. Anybody feel differently?

[Time: 03:14:57]

Councilwoman Littlefield: I think trying to get bids right now is coming a little bit early in this process. For one thing, you have to consider the cost to the construction companies that are putting these bids to go and their time, their people, all of that stuff, and it's not cheap. I work for a construction company, it costs them a lot of money to do that. So I think we need to wait and make sure that we know what it is that we are talking about.

Mayor Lane: Not that we worry too much about our construction companies but when it comes to this, I think we are worried about getting too far in advanced in the investment and the costs.

Councilmember Korte: Perhaps it's time to bring consensus and provide some direction for staff. So we have talked about greater analysis of the business plan, both the operational side and the capital side. We also talked about former construction costs. And perhaps staff, I know staff wants to come back to us in 30 days. This he can have a better definition for us, in terms of what construction costs require. But if we are looking for real numbers, and, you know, that's what I have written down, several times that people not only around this table, but out in, out in the universe, that they don't believe these numbers. They think they are fake numbers, and so if we want real numbers, then we need to do real construction costs and that's my opinion. I would like to have staff come back to us on that issue. And then also the third thing, the third thing.....

Mayor Lane: On that issue, because that's what we are looking for consensus. Is there consensus to go back and get a bid number on the project? No I'm sorry, Councilman.

Councilman Phillips: I think Mr. Worth said that he could probably come up with a reliable number. Yeah, I don't want to spend \$6 million to do it. And then again, hike you were saying that's another \$6 million costs that we didn't even know about at the beginning. So all I'm, all I'm concerned about is in the end that, you know, I'm not saying that I want this project and you will find out about that. But in the end, I don't want to come back to any Council in the following years and saying, well, we need another \$10 million because we didn't include this and we didn't include that. So I think we have to make sure everything is included and really know how much everything is.

Mayor Lane: I think one of the things when we talk about the capital side, even as we talk about the funding mechanisms, we have to have a few things that are laid out specifically before we can really make a judgment call on the overall. I'm talking about whole value package and as some of us and hopefully this goes this route and this is something that gets put on the ballot, in one form or another. There's also the issue that we have to address and we should address, as another ballot initiative. And I suppose I just assume get this out there right now but I was going no hold off until we got through our, as a matter of fact, I will. I think there are a couple of things we need to consider, as far as getting things refined through ballot initiatives, ballot measures, I should say, and votes to make

sure that the funds that we are talking about investing, either from the Preserve tax or the TDC are in line with it, particularly as it goes to operations and maintenance.

That's another area that we have just touched upon and we are finding out, we have some exposure here. As I was saying before, there is some \$10 million over, over five years that, and I grant it that there's a plan in place, but it's, it does have cost for concern and frankly we don't even know exactly to what extent our general revenues are going to be marked down and the whole thing get changed.

Councilmember Korte: Can I finish my, you cut me off.

Mayor Lane: I'm sorry. I didn't want to just assume that we had direction to go get a bid number. I apologize.

[Time: 03:19:19]

Councilmember Korte: But we need some type of firmer construction costs so whatever level that is and I'm sure that our staff can bring that back. And then the third item is that economic impact, the economic impact to the city as a whole, sustaining our tourism industry and what that impact would be if we didn't do this. I think that's a real important question to include.

Mayor Lane: And I think that's a pretty good summation of all the things we talked about. That's why I caught you on that one. Vice Mayor?

Vice Mayor Klapp: Well, I believe we have asked the staff to tell us their perspective on the business plan. That's really where I'm at on this. You read it, you tell me if you believe the revenue is where it should be, are the capital costs right? Analyze how much money is available in the Preserve tax, and the bed tax and all of that stuff, that we believe we tried to think through, and bring that back to us, but I don't believe, first of all, that we could get an economic impact statement in 30 days and it's expensive. We have to have somebody do that. We have to authorize that. There's a couple hundred, how much of an economic impact report if we asked for that to be brought to the Council and how long does it take, maybe the City Manager could answer that.

Jim Thompson: I'm not going to give you an exact number. I'm going to say it depends. You are probably 60 days out or better. Once we define exactly what we want them to do the economic analysis on. So before we do the economic analysis, we probably have to refine some of these numbers first. So we will have the revision of these numbers or at least confirmation of these numbers or a differing opinion on these numbers, and then we can go and look at the economic impact associated with that, from a tourism standpoint from various standpoints.

Those costs could range from 160 to 120,000 depending on the depth of that analysis what areas we wish them to analyze. I would estimate it at \$100,000 on that. Costs associated with it. Obviously we look at using the tourism funds to do a portion of that, in support of this. We can look at various means. We can come back with recommendations and all of that because we would probably have to bring that contract back to you for consideration. As far as the other question, which I see we are

going to complete drawings which the answer was originally six.

I'm not sure if it would be six or five or four and a half or six and a half at the end of the day, but what I'm also hearing is that you want some more or greater amount of assurance on the numbers. So we will probably have a fairly large expense associated with refining that number on the capital side. It's not something that we can do without getting a little further along on design and costs with that. So that will be another issue that we would have to come back. None of this can be accomplished in 30 days. So if we think that we can be back at the table in 30 days, unfortunately we won't. And I know just looking through the analysis that's before us and to make sure we have as many eyes on it will take some time. We will have to contact the other entities out, there confirm some of their data, their numbers, look at our numbers and make those comparisons and ensure that we can check that box and say good number and move forward. It's not something that's going to occur, again, in 30 days.

[Time: 03:23:10]

Vice Mayor Klapp: That was my point. That I don't think, I think we are asking too much here to be done in 30 days. So we have to be realistic on whether we want just a review of the numbers and have that brought back to us or we wait longer and get more information. If we are going to do any kind of an economic impact analysis on this project, it will take a while to get it done and we have no authorize the costs to get the report to us. That's it.

Mayor Lane: Okay.

Councilwoman Milhaven: First, I'm glad to hear you say you need to do a little more work on the design because I remember back to WestWorld, we approved a \$30 million project that was turned into a \$60 million project, with all due respect, based on staff's estimates of the project. This is a lot of money. I hear Councilwoman Littlefield tell us all the time, it's a lot of money. I think the smarter, and more informed we are, the better. So maybe what we can do in 30 days is perhaps the City Manager could come back to us in 30 days in another Work Study with sort of the work plan and a timeline for accomplishing some of the things we have asked for.

Mayor Lane: And I, if I might, Councilwoman, I think that's, that was the basis of the original motion for consensus on sort of an overall look at this. And I concur with that. But I want to make sure that we're talking about a true accounting and a disclosure of all the costs associated with it. It's not necessarily meant to do anything to damage, just to make sure that we have a handle on it.

Councilwoman Milhaven: They can't get that done in 30 days. In 30 days they can say here's what we heard you say and here are the time frames and the milestones to answer your questions. Yes? The City Manager is nodding.

[Time: 03:25:04]

Jim Thompson: I would concur with that. I can come back in 30 days and hopefully confirm what

you all wish to have done and walk through. And give you the options associated with it. Obviously looking at opportunity costs, there's a lot of discussion that occurred. I think we have a few pages of notes just here on those discussions. I think other point in that next third 30 days if they have individual thoughts that they have not shared, they could share those with me, and that would help me better prepare for those discussions and then we can give you estimates of time and systems of costs associated with us doing some of those portions of the work. I think much, at least as far as what's in front of us can be done internal to the organization, but there may be some components that we have to go external.

Obviously if we start to look at the capital and look at design that we will have some associated with that. Depending on the extent of the design. If you are going to full plans or if you are going to partial plans we do that all the time, where we go out and ask for 60%. We have done it with some of our larger wash projects and just depending on funding availability we move it forward accordingly. And as we move down that path, we get closer and closer to a real number that the engineers can get us an engineering system, based on, again, just an engineering estimate.

The best way to know a real number is to go to the marketplace and have the market tell us. Those are one of the options where we can have the time line associated. This is the estimated cost based on what we believe it would take us there and what we have in this document, in front of us this evening. So I can come back and we can have a further discussion and refine that and at least offer up what we think we fully understand and based on comments that I will receive in the next 20 or 25 days prior to that. Thank you.

[Time: 03:27:01]

Sam Campana: Mr. Mayor, if I could remind you that there's still money in the contingency. There is some money, that I think the city has to use and I think there's a considerable amount of money left in the contingency on this project already approved.

Mayor Lane: Contingency, what, in the completion of the contract?

Sam Campana: Mm-hmm.

Mayor Lane: Your contract? Okay. I appreciate that note. Councilman Smith.

Councilman Smith: I guess I'm hearing all the conversation and I just want to be sure we are not, that we are not just kicking the can down the road here.

I mean, and I say that because we spent \$1.7 million to hire some of the brightest minds that we can find for this project and I don't really know, I mean, I used to be on staff, but I don't know who on staff is going to second guess the numbers here, and I appreciate the fact that everybody wants real numbers, but that's kind of what we, I thought what we were spending our \$1.7 million and waiting 18 months for. So in one of my opening comments, for my two cents I'm not displeased with what I have in front of me. So I would urge everybody to chime in on this for, you know, to understand

what are we doing here, what are we trying to protect ourselves from?

Mayor Lane: Well, if I were to chime in first on it, I would simply say, I don't disagree with you with regard toll fact that paid a great deal of money to hire the best in the business or I presume it's been represented that way and I think it's probably true from everything that I have seen. My intention was not to necessarily second guess them on that. I do know that we are looking at the overall. My concern was in making sure that we have full accountability. What the city is contributing to this or the taxpayers are contributing to this. It took me a while to weed out some of the things that were apparently assumptions but not really laid out, I don't think, as clearly as I would have expected. Some areas of things. Whether it's inside contributions of land or of TDC available funds, by tradition or otherwise. I want to make sure that we have got a full accounting. So that's my principal thing.

I certainly latch on to what Councilwoman Milhaven said. I would like the staff to come back with a practical analysis of how does this thing necessarily add up? As to what we are dealing with and what are we comparing it against in the way of total costs, not that it's going to throw it over the edge either for the public or for us but nevertheless, I think it's appropriate that we get it as close to those numbers as we can. So that's my thought on that. I think what we are doing. We are not trying to remake the world. I don't think staff sees it quite that way. Well, that's one item.

I have a couple of other issues that I think have some importance of what we are doing here and what we may be, this may come to a point maybe now to rethink the partnerships. I didn't see it on the check off list and I don't believe it's there but one of the things that I think was agreed upon when we put the contract together was to have some working relationship with the McDowell Sonoran Conservancy and the use of them. And, of course, we may have some duplication in some respects. There may somebody way to mitigate some of the costs in staffing. I'm not sure but nevertheless, I was hoping that they would have come back with something along that line. I don't know whether it was entertained or considered, but there's been some conversations during the course of this, with the McDowell Sonoran Conservancy and it seems like it got stopped.

[Time: 03:31:44]

Sam Campana: We did continually meet and visit with the conservancy, and the offsite building, the 2500 square feet for the off-site parking would accommodate the conservancy. But they didn't want us to include them verbally. They had a stated position about it and so they asked us not to refer to them as those, those were something that were automatically included, but it wasn't for lack of conversation.

Mayor Lane: Well, Sam, if you are talking about just the housing of them, that's one thing but I was thinking more from the standpoint of how they could be, and their folks could be utilized in a staffing, I think was actually indicated the extent of costs that's associated with the staffing. So I don't know whether that's something to relook at it, in a little bit of different vein. I know their position as was stated earlier tonight was for a public vote, which I certainly am myself. I think in the same vein, I don't think they are against the project. They think there's that issue of a vote. So I don't know whether that's something that can be at least relooked at, and whether there's some way to join up a

partnership because I don't want to have them over here doing this, and, you know, some new organization doing this. And we've got bills to pay on both sides.

[Time: 03:33:12]

Lynne Lagarde: Mayor, we certainly looked at that and thought of the relationship as being one in which we could use these services of the Conservancy in educational programming, in staffing and in volunteers and in taking people on hikes so that we could be a funding source for them. We have had all of those discussions because we don't want any duplication of effort or unnecessary duplication of organizational structure. We haven't reached that point. We are certainly open to all of that. We see this as the type of part partnership that would work and not have the type of duplication that you are talking about and certainly have them doing some of the paid programming that we would see done with the project.

Mayor Lane: Is it in the operating plan, so noted or is it just sort of a.....

Sam Campana: Even though we would have liked to have said that, some of the work there, and a number of employees that we would have could be done by volunteers, you know, we just didn't feel like we could, didn't feel like we could say that for the Conservancy and that's why those numbers are all in there. We wouldn't them to be all volunteers on that, but really paid for doing that and it might be in the form of the rent, but still we would come to some kind of negotiation like that.

Mayor Lane: And I suppose on the other hand, if there's more than one partner and ASU is a partner in it as well, as to whether or not there's not some crossover with students or otherwise, that they would somehow mitigate some of the cost of the salary and frankly it goes to education on the overall.

Lynne Lagarde: We certainly had those discussions with ASU and the use of their students and graduate students, for example.

Mayor Lane: Yeah, okay. Well.....

[Time: 03:35:00]

Councilmember Korte: Mayor, we received, we received a letter from the conservancy today, dated September 26th, that the Conservancy, and I quote, conservancy does not support the Desert Edge proposal and they list a number of reasons. That statement alone inhibiting collaboration. Let's be fair about it. I would, I have been a supporter of the McDowell Sonoran conservancy for 20 years and this statement is very concerning because it's hard to collaborate with a partner that doesn't believe in what you are doing.

Mayor Lane: I haven't seen the letter. It looks like there's a bit more verbiage, than we don't agree with your mission. There must be something else that has in it, but nevertheless, I mean, even in view of that, and I appreciate your comment, Councilwoman, but I think it's important, and it's incumbent to bring the parties together as best we can. It's just a thought of a course of action. I'm

not sure what the consequences would, but it would be good to have them together. So that was, was that toss indicative of anything?

Councilwoman Littlefield: Mayor? I received the same letter today.

Mayor Lane: I'm saying, I didn't receive it. I hadn't seen it. So in any case, well, any other comments on any other particulars of the review of the contract? And if none, I would offer a couple of things that I think are important to get on the table sooner rather than later, maybe for a lot of reasons. And one is what I think would be a proposition to, to put, oh, actually an ordinance to put the proposition on the ballot to talk towards the language used for the use of Preserve tax dollars to incorporate operations and maintenance within the available uses and this is to protect and continue to protect the Preserve on the overall as far as the existing structures and that but also opening it up for the operation and the maintenance side of things, which it does not currently have.

So I think that would be an important thing for us to have in view of anything that may happen here or not. And I, I still would take a little license to say that it's related and so I think it's appropriate, but I would just ask, what I would ask staff to do would to be develop some language in that regard, and specifically, if I were to be even just a little bit more detailed on it, it's really just the maintenance on the McDowell Sonoran Preserve, be added to the permissive uses of revenue generates after a certain date because we have that situation. That would be language to it that would come back to us to consider. So anyhow. Councilman Smith.

[Time: 03:38:47]

Councilman Smith: Just a question first. Is this what the Preserve refer to as their endowment.

Mayor Lane: Well, it used to be referred to as that, but I understand that certainly there's a little bit of negative connotation when the government gets involved in endowments. I think you brought that point up before. This is just the use of those funds to be able to maintain in operations of the trailheads and anything that might happen here as well as just the overall maintenance of those assets that are currently in the Preserve, inclusive of trails, of course.

Councilman Smith: So your ballot language would essentially say, whatever money accumulates in the Preserve tax, whatever isn't expended for bond payments and so on.

Mayor Lane: It would be a permissible use. So it would be added to the list of permissible uses on it.

Councilman Smith: Thank you.

Councilwoman Littlefield: One thing I would also like to see is language coming back for the creation of an annuity for the maintenance of the trails on the trail heads. I think we have talked about that before. And I think we need to set that money aside to make sure that it's there and available for the conservancy or those people that are doing that maintenance that they can keep that going into

perpetuity for the Preserve itself. I mean, that's the main thing. So I think that's very important.

Mayor Lane: It may take on the form of an annuity or endowment as Councilman Smith was talking about, but that does create a little bit of an issue legally, so what I'm suggesting is, yes to use those funds as a permissible use and we can work on that structure later. I wouldn't put that in the language here.

Councilmember Korte: I would support that.

Mayor Lane: Okay. Yes, Councilwoman.

[Time: 03:40:43]

Councilwoman Milhaven: I would support that but I would like to get a sense of the timing. We've got bond payments now, it's like whatever we haven't used to buy land and whatever we don't use for something else, we could use. It's almost like what is left over at the end of the day and I don't know that we will have any cash sooner for that, but maybe staff, so I'm supporting, yes, I want to go back to the voters and ask them to expand it for operations and the Preserve and any of the amenities we built in the Preserve. I think that's just smart but I would like to get staff's thinking on the timing and what that would look like.

Mayor Lane: Even with the vote, it only be available for funds from the date of the vote going forward. So this would be the date, whenever that would be voted, that's the date it's effective for that. But.....

Councilwoman Milhaven: I just didn't want to get ahead of ourselves and ask that question before it's was practical.

Mayor Lane: Okay. Let's get that, we can discuss it and we can get some language back. I guess Mr. Washburn, I don't know whether that's something that is somewhat directed towards you or as far as the language on that particular.....

City Attorney Bruce Washburn: Right. I understand that the request is that when we come back, we bring language back that would allow the citizens to vote on changing the uses of Preserve tax. It could also be used for operation and maintenance for whatever needs operating and maintaining on the Preserve. Yes, we can do that.

Councilman Smith: Mayor?

Mayor Lane: Very good. Yes, Councilman.

Councilman Smith: My first question is to clarify. It sounds like we are talking about an endowment or an annuity or whatever. And so to that point, I will express the concern that I have had before and that is that I don't want this Preserve tax as it continues to the year 2035, I don't want it to be

extracting money from our citizens in part as a tax on the road that they consume at home for the purpose of creating an endowment or for that matter for creating a Desert Discovery Center or a Desert Edge or whatever.

I have looked at the numbers that we have all, that have been shared by the City Treasurer with other commissions and over the period to the year 2035, just on that small piece of taxation, .35% in the ensuing years to 2035, every individual, every citizen in this city will pay \$150 in tax on food consumed at home, and for a family of four, it will be \$600. From my point of view, I cannot support a ballot measure that says can we use all the leftover money for operations and maintenance if we are talking about continuing to extract this pound of flesh from the most needy citizens of our city. I will tell you what I could support, if you wanted to talk about an alternative, because first of all, you haven't talked about whether this ballot measure is going to address the, the Desert Edge at all, or not.

[Time: 03:44:08]

Mayor Lane: No, and that's a separate issue. That's a separate issue entirely from what I'm talking about here. So this is, and to your point, if you don't mind, you know, I understand that the food tax or I should say the tax on food consumed at home is an issue for you and it is for others of us, and it is a separate issue. We are in the process of doing that, and this would only be the result ever that effort, one way or the other, if the Council does not decide to move forward on that or if they do, this would be the result on it. This is not dependent upon that one way or another, it's a separate issue. But how much money would be accumulated would be impacted by our desire to either eliminate that tax or to keep it.

Councilman Smith: Well, I hear what you are saying. I'm just saying for myself, I would not say I want to do this, and we'll just do the other later if we find time to do it. As far as I'm concerned, it is a coupled item. In fact, let me suggest if I may, if we want direction from the voters, if we want to give them a voice in what we are talking about here, we could go out with a vote, or not a vote. We could go out with a ballot measure that says to them, essentially three things. All in one question.

The premise being that we are going to have more money in the Preserve fund than was needed for land acquisition because what is too much to buy. We are looking to the voters on what to do with the leftover money. So Mr. Voter, would you direct us, number one, to eliminate the food tax. That will save you \$150.

Number two, would you direct us to spend whatever is left after that 50/50, half for the Preserve, maintenance and endowment and half for whatever and it all goes into the endowment. But I can't see going out with a ballot measure that does not at least give them the opportunity to do what we find it so difficult to do ourselves and that is eliminate the tax on food that is part of this Preserve. And that's not even talking about the tax that they pay on other elements of our tax. So three part question. Remove the tax on food consumed at home and so far as the Preserve tax is concerned, and number two, split the difference, split the remainder 50/50.

Mayor Lane: So you are saying, three parts being remove the tax on food, as it relates to just the

Preserve tax?

Councilman Smith: Yep.

Mayor Lane: And then the balance of it, for the balance of it, split 50/50.

[Time: 03:47:12]

Councilman Smith: And the City Treasurer has told us, using consecutive numbers, we will have \$127 million, call it and then he needs to peel off \$34 million for trails and stuff in the meantime. So he said we will have \$93 million. Of that 93, 37 is going to be from taxing people on food. Take that off, split the difference. And roughly, roughly speaking that gives the Desert Edge what they are looking for. It also gives the Preserve folks what they are looking for. They are looking for about \$30 million of.....

Mayor Lane: Actually, this is not just for the Desert Edge consideration. This is actually for the Preserve and the maintenance of it as well.

Councilman Smith: That would be the other 50%, yes.

Mayor Lane: Well, Mr. Washburn, can I ask whether or not, you know, I know in legislation, you can't couple two separate issues together. As far as a ballot proposition, is what Councilman Smith suggesting possible?

Bruce Washburn: I would have to give it a thorough look, but I think that what he's talking about is just a single issue, which is what to do with the Preserve tax.

Mayor Lane: Right.

Bruce Washburn: So my initial impression is, yes, that would be permissible, that it's not prevented by the analog ruling.

Mayor Lane: Okay. That's interesting. In any case, personally, I suppose, even though I support the elimination of that tax, I hate to sort of confuse it on one issue because I do think this is an important one, but I can't imagine why somebody wouldn't want to vote for the combination as well. What I'm going to ask is that we bring it forward straight and then after whatever further review you have to do, I'm talking about as far as the permissible use, and then I think if you heard what Councilman Smith said, give us that language as well.

Bruce Washburn: We can do that.

Mayor Lane: Does anybody have a problem with that? Okay. Now, the one other issue is, and probably the most pronounced and prominent one and that's a request on whether we have a public vote on the project. I am, my feelings are as strong as anyone's in this regard, and I think this is an

important topic. It's a very, very important project. I am very concerned that in my time here on City Council and in my position now, I have never seen the city torn apart in any greater way and more vehement and sometimes outrageous kind of actions, with regard to the expression of that passion. And so I'm concerned about even the damage that has been proposed by our community as well. I had hoped to have it stopped.

I certainly don't embrace nor do I feel that it's right, but I do think it's important that we consider how we best bring this city together again. And so I am an advocate, have been for quite some time. I have never wavered from that, since I first picked up the position and it was on the basis of frankly, a lot less in the way of activity and challenges than we have now. So I'm going to suggest that we ask for language to be drafted for a charter amendment, an ordinance that we would go to put a charter amendment on the ballot, that would stipulate since we cannot vote on this particular project, we cannot put it on the ballot, it's not allowable for us to do that. Would be to develop a stipulation for a charter amendment that would quantify allowable project subject to a public vote that has the general description of what is being proposed here.

[Time: 03:51:55]

I personally believe that it's a powerful way to put to peace a number of issues of people who want to be heard. I think it's important that we put that in place, but then it would indicate this project in generic terms, location, and size, scope of the operation. And it would further go on to say that exempting any planned trailhead as, as it's right now or the maintenance of the building that's right now on the books. Anything further would be subject to a public vote.

And I will tell you, one of the things that has struck me a little bit is even as a presentation was made and that was a concern that was expressed a long time ago with regard to how this may expand and how it may, you know, grow legs and get bigger and become much more of an impact on the Preserve and what we are doing there. I can't stress enough, we have gone and dealt with a lot of issues, this Council and Councils before you. I have never had the kind of reaction and the kind of vitriol and the kinds of devastating division that we have us now. We made enemies of a lot of good friends, and I'm afraid that it's difficult, but I'm also a big believer that this is entirely not only could it be, have a soothing effect. I think it has a very good effect with the community and I think that the results would be accepted by either side depending upon which way it goes. I think it's the most democratic way to do it. I know that we are allowing our ability to make this decision in handing it over to the public and I don't think, I don't take that lightly because I think those are important things in order to maintain the legality of our process and how we operate, but I do believe that it's something that is needed in this case and what I would suggest and what I would like to do is ask for the drafting of that language that I just described and have us consider it at a Council meeting, along with this other than what I mentioned earlier. Yes, Councilwoman Milhaven.

[Time: 03:54:42]

Councilwoman Milhaven: I'm going to, my comments are going to, it's, completely leave the Desert Edge out of it. I feel very strongly about this, in terms of the process of good government. The

elegance and the brilliance of our democracy is that we have checks and balances. And when our community comes up and says, we want to have a vote on this, even though you have the authority for it, they have the vehicle for the vote. If the folks here who demand a vote are right, that the majority of our community wants to have a vote, they should have no trouble collecting the signatures. And they have the vehicle to earn that vote.

I completely agree with you, when you talk about the outrageous expression of passion. There are two groups who oppose this project. There are those thoughtful, caring people, who are considering the facts, sharing their point of view and influencing the design or bringing credible conversations. There are others who are mean, nasty, liars, they are reputational terrorists for folks to put comments on Trip Advisor, false comments on Trip Advisor and Yelp to denigrate our businesses who want to support this is absolutely inexcusable.

And to liken supporters of a project to Nazis. We are a better community than that and we should never tolerate that behavior. If we don't insist on letting the democratic process follow, and if we don't insist on having the citizens craft what they want to vote on, and collect the signatures for that vote, we are setting dangerous public policy precedent that says, if any group of people wants to set up a Facebook post, wants to set up a website, wants to come to public meetings, insulting everyone in the community, and demanding a vote, well, you know what we are going to do.

We are going to let you vote. We are not going to require that you demonstrate the community interest in that vote. And so I think it is a bad precedent. I think it's bad public policy and for the people who want the vote, you have the vehicle in this democratic process to get the vote. All you need to do is go get the signatures. So I will not support, regardless of how it's worded, anything that abdicates our responsibility as City Councilmembers or compromises or usurps the democratic process.

[Time: 03:57:30]

Mayor Lane: Let me just add and I thank you for your comments. I understand that's the name of the game in the shout down politics. I'm not accusing you of it. We have done this before, back when Rural Metro, when the firefighters union wanted and did take out a referendum to do exactly that. And the Council decided to vote to put it on the ballot. It's not completely outside the realm of actions that have been taken. I see it as a much more divisive issue. I don't take it lightly when we think about off, obviously we have a representative form of government. We had assumed and specifically authorized authority, but one of them is to be able to take this action when we feel it's necessary. And personally, I think it's necessary. If it's, I think it would be important to at least look at the language and maybe consider if there are other ways to accomplish the same thing that might even cover the base without exactly the same kind of format, but I think it's worthy of the discussion and I would like to see the vote for it. I do think, yes. Yes, Vice Mayor.

[Time: 03:59:01]

Vice Mayor Klapp: I would like to offer up another alternative. We do have a right to make a

decision about Desert Edge that is incumbent on us as Councilmen to make decisions about this, like it or not. But I do think we also can construct a public vote that will give a particular comfort, particularly those worried about the precedent setting part of this. Instead of putting it in the charter, I would put in the General Plan. The General Plan is currently being revised and I would see that as a place where you could indicate that the Desert Edge will be in a certain area in the plan, but there would be no further development of anything like it, size, scope, nature.

To me, that's the document. It's a land use document. The charter is not a land use document. And so the public plan would be the appropriate place for the public to see what they want to see in the Preserve, beyond the Desert Edge. That's the language I would like to see, similar to what you suggested. It would be placed as a part of the General Plan, that's going to be going to the voters any way because we have some state required, state requirements that need to be put into our plan and we could add that language as well.

And put it out there for a vote that would, as I said, at least try to address the concerns I heard from the Conservancy. I heard it from the Preserve Commission that says that they are concerned we are opening you the floodgates for the development throughout the Preserve. That's certainly not my intention. The my intention is if we agree to forward with Desert Edge on whatever form we agree on and whatever cost we agree on, that there would be no further projects of this size and scope or nature in the Preserve. That's the way I would attack the question and not make it a charter change.

Mayor Lane: Okay. Councilmember Korte. Oh, I'm sorry. That's right. Yes, I'm sorry.
Councilman.

[Time: 04:01:36]

Councilman Phillips: And I would kind of agree that maybe the General Plan might be the stronger way to go, but I think we need to hold off on this. And the reason for that is because Councilwoman Milhaven had suggested that let's see if they get the votes because let's say they do get the votes. Which is by July? Then that's going to be on the ballot. Then we don't want another question on the ballot, basically saying they voted against the DDC and now we have another question including it. So I think we have to wait to make, find out if they are going to get these votes or not first. If that doesn't happen, then I think we can go that route.

Mayor Lane: Why don't we, if I might, because right now we are dealing with the situation here and there's an awful lot of concern as to whether or not, how we move forward on this. So one way or another, we will want to move forward. So at the very least, if we get the language, and I'm trying to load up the legal department with a lot of work, but I wouldn't mind having the language on both of those prospects and when it goes to the ballot is something that we can discuss at that point in time.

Councilman Phillips: Yes. I don't want to see them both ending up on the ballot. That would be a disaster.

Mayor Lane: Yeah.

[Time: 04:02:55]

Councilwoman Littlefield: I would like to see language for both, a charter plan and a General Plan amendment, and what that would entail for both of them and what the citizens' rights are for that, what our concerns would be, and so that we have a firm grasp of what we're doing and why we are doing it. But I agree with Councilman Phillips. We don't want to put something like that on the ballot. If the signatures come through and there's already going to be something on the ballot, we don't want to participate in influencing that one way or another.

Mayor Lane: Yeah, and remembering that's, excuse me, I don't know the exact language in that, but that's a bit different than what we are describing here right now. So, yes? But in any case, what I understand is you are okay with both? Yes, Councilwoman.

Councilmember Korte: I would like to see both but I would like to make it clear that, you know, the citizens have a right to a public vote and that public vote can occur in really three ways. If the Council were to look at raising additional public taxes then according to our charter, we are mandated to take that to a vote. The second is the citizens referendum, which is exactly what Rural Metro and that whole process was. That was a referendum and it was referred to the voters and the voters had their say. The last is a citizens' initiative.

Mayor Lane: Excuse me, but it did get referred to the voters by Council.

Councilmember Korte: Because they got the signatures?

Mayor Lane: No, it was the Council.

[Time: 04:04:44]

Councilmember Korte: So the third is the citizens' initiative. I believe that there's a group that are moving forward with the citizens' initiative and, and, you know, that's, that's the process that allows for public votes on issues that the Council has responsibility and authority to act. I really believe that as Councilwoman Milhaven said, that we really need to be careful on the precedent that we set. I support a public vote. Let's move it, let's have a public vote on a referendum or initiative, and, and allow that process to happen.

Mayor Lane: Yes, Councilman?

Councilman Smith: Thank you, Mayor. Well, several thoughts. Number one, if we follow the strategy that we talked about a few minutes ago, putting on the ballot, a question of how to expend the remaining Preserve funds through the year 2035, where at least as I suggested one alternative of that would be to dedicate half of whatever the remain money is to the Desert Discovery Center. That a sense is a vote.

I mean, the people can view that as a vote on the Desert Discovery Center and if they don't like that, they can vote it down, and the money will remain there for other purposes, I suppose. I see that as giving them a vote on perhaps what I see as the only ambiguous part of the equation, which is the ambiguity of whether the Preserve tax monies can actually be used for this kind of improvement. So we ask them. We put it on a vote. To ask them the question in any context, first of all, I'm inclined to agree, only because I don't think the City Attorney can come up with language that is going to be agreeable to anybody. I don't know how you define this thing. I mean, you know, something like this? I think I heard somebody say, we won't do anything more that looks like this. And then also that will define the location, the size, the scope, but that doesn't in any way describe this project. So in any way, here's my problem.

We are not only yielding to a group of people who I think many of whom have disenfranchised themselves from this discussion by their behavior, I will be frank. I won't use the same words that Councilwoman Milhaven did, but we are a better community than this. I'm sorry to see how the conversation has devolved into such rhetoric. But setting that aside, for those of us that have a long memory, we actually went out to the citizens in 1993, before we ever had a tax, before we ever had a Preserve, when it was just a notion.

[Time: 04:07:56]

We actually went out to the citizens in a, in an independent survey and we asked in that independent survey, now we the citizens, we hired a survey to be done. We have said to the citizens, we're thinking about putting aside money for a Preserve, and we want to know what you think about that. And among the questions we asked, what do you think about putting a desert museum and an education center in the Preserve and 69.5% of the citizens surveyed said that they were either somewhat or, saw that as somewhat important or very important.

Less than 30% thought it was not important. Is that definitive? No. But later on, after we had put the Preserve tax in, in 1999, then the McDowell Sonoran Commission actually defined what will be Gateways into this Preserve if and when it was accumulated. And in 1999, when they did that, they identified there will be one Gateway. That's the one we now all see on Thompson Peak Parkway. And they said that would be the site of, among other things, a quote/unquote Desert Discovery Center. Then you can say that was just the Commission. Except in 2011, the Council at that time, affirmed that decision. And in 2007, even before that vote, the Council, then Mary Manross as Mayor, passed the municipal use master site plan, which identified pictorially, as well as in words that this was going to be the site for the Desert Discovery Center.

So to go back, to go back to how many ever citizens honestly think this shouldn't be the case, we've got to say we need to negate what we thought we found out from the survey 24 years ago and we need to negate what a Council decided in 2011. We will negate what they decided in 2007, and we will do all of this because of the rhetoric that we see in the community here today. I think it's impossible to craft the language in a way that will satisfy them. And I'm, I'm willing to give them a vote on the Preserve tax and the utilization of that and maybe they can use that as a proxy before that they agree with this project, but I'm not in favor of opening up the charter or even the General Plan to

try to, to do this. If you want support for drafting language, fine, go draft the language, but it's highly unlikely, that I will see this as a good alternative to go to the voters.

Mayor Lane: All right. Thank you, Councilman. So understood to the point that there's a consensus on both those strategies or at least the language. Yes, go ahead. I'm sorry.

Bruce Washburn: Let me just make sure I got this right. Because I'm, I heard you need four different kinds of ballot language. One is for Councilman Smith's tax proposal, which is basically take away the food tax and then split the remainder....

Mayor Lane: Well, that's a separate issue from the one we are talking about now. He opposes any language.

Bruce Washburn: Right. I'm sorry. I'm just asking, I'm just trying to clarify in my own mind what direction we have on the ballot language. Is it okay for me to do that at this time. And then Mayor, there's your tax issue which was the, allowing the, asking voters to allow the Preserve tax to be used for operation and maintenance.

Mayor Lane: And as we mentioned, we want to load up the work on you. We want to see both.

Bruce Washburn: And then also Mayor, there was your charter amendment which was basically ask the voters to amend the charter to allow the Desert Edge to be built, but nothing else, similar to that to be built in the Preserve and then there is an amendment to the General Plan, as was suggested by the Vice Mayor that would have basically the same concept as the Mayor's charter amendment except it would be an amendment to the General Plan and that's it.

[Time: 04:12:44]

Mayor Lane: All right. Well, I know as it often is, it's not entirely clear what we have accomplished but I.... Well, no, and that may be. That's the way it will be decided but right here, right now, we are not voting it. We are just looking at it and developing language to see if it will work. Yes.

Councilwoman Littlefield: Yes, I had a direction to staff too, to create a charter amendment, prohibiting commercial development in the Preserve now and into the future. And then having a separate question, regarding whether or not we allow the Edge to go in. It's something that's very similar to what the Mayor suggested but have it in two different questions.

Mayor Lane: Well, is there a consensus on that particular proposal?

Councilwoman Littlefield: Okay.

[Time: 04:14:01]

Mayor Lane: Consensus to draft the language.

Councilwoman Littlefield: This is to draft of the language on how to to....

Councilman Phillips: I believe there was consensus on the other two.

Councilwoman Littlefield: Yes, there was.

Mayor Lane: At least the four here agreed.

Councilwoman Littlefield: That's four.

Councilwoman Littlefield: Four.

Bruce Washburn: I'm sorry, Mayor, am I doing that one or not doing that one?

Councilwoman Littlefield: Not doing it.

Mayor Lane: There's no consensus. I think that completes our work for this evening.

ADJOURNMENT

(Time: 04:14:45]

Mayor Lane: I thank everybody for the participation of the information and look forward to approaching all rest of these questions in the future. Thank you. Have a good night.