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## **CALL TO ORDER**

[Time: 00:00:07]

Mayor Lane: Good afternoon everyone. It is nice to have you here for our meeting and it is call to order on August 27, 2019 at about 5 o'clock. And it is our City Council Meeting, it is a regular meeting. And we will start with a roll call please.

## **ROLL CALL**

[Time: 00:00:18]

City Clerk Carolyn Jagger: Mayor Jim Lane

Mayor Lane: Here

City Clerk Carolyn Jagger: Vice Mayor Linda Milhaven

Vice Mayor Milhaven: Here

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp

Councilwoman Klapp: Here

City Clerk Carolyn Jagger: Virginia Korte

Councilmember Korte: Here

City Clerk Carolyn Jagger: Kathy Littlefield

Councilwoman Littlefield: Here

City Clerk Carolyn Jagger: Guy Phillips

Councilman Phillips: Here

City Clerk Carolyn Jagger: Solange Whitehead

Councilwoman Whitehead: Here

City Clerk Carolyn Jagger: City Manager Jim Thompson

City Manager Jim Thompson: Here.

City Clerk Carolyn Jagger: Acting City Attorney Joe Padilla

Acting City Manager Joe Padilla: Here

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker

City Auditor Sharron Walker: Here

City Clerk Carolyn Jagger: And the clerk is present.

Mayor Lane: Thank you. We have a couple of items of business that I would like to inform you all of. It is the white card that the City clerk is holding up over my head to the right. If you want to give us written comments, that's the yellow card you can fill out for us and we will read during the proceedings. We have police officers right directly in front of me if you have need for their services. And the fire department is here to assist as needed. The areas behind the Council dais is for staff and council only. We ask that you please respect that. No indication of the facilities, but in any case, if you need those kinds of facilities for your convenience. If you have difficult hearing, we have headsets that are available to my right again and check with the clerk and one of the staff will assist you.

**PLEDGE OF ALLEGIANCE**

[Time: 00:02:05]

Mayor Lane: And we are going to start the meeting with the Pledge of Allegiance. We have had the pleasure of having a couple of interested boy scouts from Troop 446. Julius and Andreas. If you can please rise.

Boy Scout Troop 446: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you gentlemen. If you would like, please introduce yourself to the audience, say where you go to school and what is your favorite subject might be.

Julian: I go to school at OAPH and my name is Julian Mehan and my favorite subject is science.

Andreas: Hi I am Andreas Mehan and I go to OAPH and my favorite subject is math.

### **INVOCATION**

[Time: 00:03:10]

Mayor Lane: Our invocation today is from Pastor Joel Thompson, Scottsdale Bible Church. Pastor if you would please.

Pastor Joel Thompson: Let's pray. God, thank you so much for being who you are. You are a good God who loves and cares for us. You are not a distant God, but present right here and right now. Thank you for the opportunity to draw us together this evening with the common sense of responsibility to serve our community and the people who call Scottsdale home. I thank you for every seat that has been filled here today and for each that fills this room, thank you. We ask that you open our minds, so that we can receive your wisdom. Jesus, I pray for blessings upon our Mayor and City Council and the other elected people who serve the City of Scottsdale. I ask that you are with them when they make decisions, to work together in Harmony, even when there is a disagreement and peace in their joys and tasks. Thank you, Jesus, we love you. In your name, amen.

### **MAYOR'S REPORT**

Mayor Lane: I want to remind everyone that there is just a few days left to enter the constitution contest. Students are invited to submit an essay or video art project. For more information, please go to [scottsdaleaz.gov](http://scottsdaleaz.gov) and search "constitution".

### **PUBLIC COMMENT**

[Time: 00:05:07]

Mayor Lane: The next order of business is for citizen comments in which no agenda action is take on. Speakers are limited to three minutes each with a maximum of five speakers. There will be another opportunity at the end of our meeting for it. As it is right now, we have one request to speak for public comment and that would be Lynne Sullivan.

Lynne Sullivan: My name is Lynne Sullivan. I'm the vice president of the Sandflower HOA. I would like to use my three minutes to tell you that the wheels are coming off of the bus in north Scottsdale. There is so much going on right now around my neighborhood. I want to draw your attention to my map. There is an arrow at the very bottom that is next to lot number eight. Directly to the east of eight is the Reserve for Black Mountain, when they are preparing the ground right now. This is a picture of Sandflower and there is a utility box that is still Sandflower. It goes another feet or so and that's where the Reserve at Black Mountain is being built. They have started grading. They started grading the second section and they knocked down the trees and so forth. They have very large tractors. I drove past and I noticed -- sorry. Very large tractor tire marks on lot number eight in Sandflower. It got me a little upset.

I called the Project Manager for the reserve and he explained that we would never do that. It must have been someone else. I thought, that's not going anywhere. Let me call the City Inspector. He said, "it happens all of the time." Which didn't make me feel any better. He said, "how do you know who did this? Can you prove it?" I said, "there are tire tractor marks and I know exactly." He said, "you can't prove it, so we can't help you." I think that the wheels are off the bus. I asked him, what about the corner marker? Did they ever survey officially? I kind of knew where the corner marker should be. I called the homeowner and they are 20-feet into our property and there is nothing that we can do about it. Her NAOS is ruined. And I think that the wheels are off the bus.

Going back to the map, I want to call your attention to Beverly Smith's photographs. Beverly took a bunch of wonderful photographs to show you how the land was. I know I'm running out of time, so let me show you real quick. That's what it looked like. She has a whole little book and I wish I had more, I would give you each one, to show you how beautiful it was.

Mayor Lane: I'm sorry, Ms. Sullivan, your time has expired.

Lynne Sullivan: Just take a look for one sec. Something is wrong. The wheels are off the bus if this is can happen. Thank you so much.

## **MINUTES**

[Time: 00:10:08]

Mayor Lane: All right. That completes for right now, the public testimony. Our next order of business is for our minutes. I'm going to ask for the approval or any comments or rather the approval of the Special Minutes of June 25 and July 1, 2019; and Regular Meeting Minutes of June 25, July 1st, and July 2, 2019. And Executive Session Minutes of June 25 and July 1, 2019.

Councilmember Korte: So moved.

Councilman Phillips: Second.

Mayor Lane: Motion has been made and seconded. No further comments. All those in favor, please indicate by aye and register your vote. It is unanimous and accepted in the minutes. Thank you.

**CONSENT AGENDA**

Mayor Lane: The next order of business is our Consent Items 1 through 14A. Item 4, the covenant to maintain easement was removed by staff. So, if you are here for Item 4, you can certainly leave, but that Item will not be addressed this evening. With the balance of the Consent Items, I have one request to speak. No, I do not. Except for Councilwoman Whitehead.

Councilwoman Whitehead: I would like to call Item 3 and ask for a presentation. And I would like to make comments on Item 12 on the City Auditor's Fiscal Audit Plan.

Mayor Lane: I'm sorry, that was 12?

Councilwoman Whitehead: Yes, 12.

Mayor Lane: All right. Item No. 3, the McDowell Mountain Manor Rezoning is going to be moved to regular, as well as Item 12.

Councilwoman Whitehead: I'm going to remove my request to speak on Item 12, so I'm just going to pull Item 3.

Mayor Lane: Item 3 is moved, and Item 12 is moved on consent. I'm going to ask if there are any other comments from the Council or a motion to approve Items 1 through 14A minus Item 3.

Councilwoman Littlefield: Move to approve.

Councilwoman Klapp: Second

Mayor Lane: The motion has been made by Councilwoman Littlefield and seconded by Councilwoman Klapp. Now, we are ready to vote. Consent Items 1 through 14A, except for three, which has been removed has been consented unanimously. If you are here for any of the Consent Items, you are certainly welcome to stay. Otherwise, please leave quietly. Moving right along to our Regular Agenda Items 15 and 16, plus, Item 3.

**ITEM 3 – MCDOWELL MOUNTAIN MANOR REZONING (18-ZN-2018)**

[Time: 00:14:04]

Mayor Lane: We are going to start with Item 3 and Jesus is going to be presenting on Item 3.

Senior Planner Jesus Murillo: Good evening, Mayor Lane and members of the City Council. I'm going to be presenting to you McDowell Mountain Manor. The site is located on the southwest corner of 128th Street. It is the preserve study boundary. The land in between is going to be state lands. The rest of the area here is the Storyrock development. There are two small washes on the northeast corner. The 2001 General Plan designates this as residential. The applicant is looking to rezone this to the R1-43/ESL. It is also located in the Dynamite Foothills Character Area and it is meant to preserve the surrounding

desert and that's done by design.

The area that you see in green is the current request today. The very first column that we have is the zoning as it exists today. The third column next to the green is actually improved. I thought it was important to compare what exists, what has been approved, and what the request is. The current zoning designation is .31 per acre. That's the similar density that was approved through the plat back in 2013.

Another major change in these numbers that you can see here is that the current zoning would require 130,000 square feet per lot. The current zoning would allow lots to be just above 32,000 square feet. The other notable change, the current zoning requires 14.9 areas be open. The current request is dedicating 14.43 acres with half of it in the track. This is the site that the applicant is proposing with the rezoning. There is one entry into the site off Ranch Gate Road. This is the proposed natural area of open space plan that the applicant has proposed with the zoning application. This is how the open area free zones are enhanced and still being desert appropriate.

There are a lot of other questions in here as well. I know there were questions about the public notice timeline. There was a letter sent by the applicant proposing an open house and that happened on July 6th. On July 16th, that's when the site was posted with the sign. That was posted on the northeast corner of 128th Street and Ranch Gate Road. That information was provided to staff when the case was submitted on August 17th. The staff sent out postcards to the interested party list and the neighbors within 170-feet.

[Time: 00:18:53]

Mayor Lane: Some people may not be able to see the year that you are talking about.

Senior Planner Jesus Murillo: Oh, yes. Thank you. The case was finally submitted on August 17th of 2018. On August 23rd of 2018, the staff sent out interested postcards to the neighbors list and totaling 70 recipients. The applicant then sent out a second letter they would be having an open house. Again, to about 70 recipients. The open house was held, and one person attended that. And on June 2, 2019, the application went through three reviews with the City. I will get to the other slide and update who contacted us back then and as of yesterday. On June 26th of 2019, the sign that was there that was previously posted was changed from a project under consideration notifying the public that it is going to the Planning Commission. On June 19th, we sent out the postcards and on June 26th of this year, the Planning Commission heard the case and no speakers showed up for that hearing. The same sign was switched to notify the public of the City Council hearing and the staff sent out the postcards and on August 10th, the legal ad was posted in the newspaper. During the process, staff received two phone calls, which I called back. They inquired about information and stated they didn't want to provide anything for the case. We also received one email regarding the link to the application and again, no comments provided from that resident. And now, we are at 30 emails from yesterday to today.

The Planning Commission recommended the approval with the vote of 6-0. That's it and if the Council has any questions and the applicant is here, as well.

Mayor Lane: Thank you, Jesus. I think that we have some questions. Starting with Councilmember

Korte.

[Time: 00:21:48]

Councilmember Korte: Thank you Mayor. The original sign was placed back in July of 2018 notifying of a potential zoning change?

Senior Planner Jesus Murillo: Correct.

Councilmember Korte: And the sign stayed up for a full year?

Senior Planner Jesus Murillo: That is correct.

Councilmember Korte: So, for over a year, that sign has been placed on the site?

Senior Planner Jesus Murillo: Correct.

Councilmember Korte: Okay, thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Whitehead.

[Time: 00:22:23]

Councilwoman Whitehead: Thank you, Mayor. I appreciate the call from the applicant's attorney today. The Planning Commission is saying that our outreach is in effect. It seems to me that the applicant did not dot all of the i's and cross all of the t's. We are voted in to actually adhere to the intent of these rules and we actually have to notify people in a way they feel is sufficient. The problem I think with the 750-foot, that area is largely undeveloped right now. There are a lot of projects approved, but they are not built yet, is that correct?

Senior Planner Jesus Murillo: That is correct.

Councilwoman Whitehead: So, the 75-foot is going to reach a lot of dirt, is that correct?

Senior Planner Jesus Murillo: 750-foot. We got to majority to the neighbors to the south. And to the north, there is one neighbor. And there were two owners, other than the Storyrock development to the east.

Councilwoman Whitehead: Okay, thank you. I guess the 30 something emails may have been by me putting out three sentences on Sunday afternoon if anyone has heard of it? I received some emails that agreed this seemed like a new project. A lot of people said, why this is this on consent and you are doing a pretty substantial rezoning and why haven't we heard about it? A lot of people live in the area, but far enough away from the Trojan where it is built. My recommendation is to postpone this hearing and have council do a better job.

Mayor Lane: Excuse me, I wanted to say, the applicant is here, and I would like to have him speak first. I

would like him to speak and then, I will come back to you Councilwoman.

Councilwoman Whitehead Thank you.

[Time: 00:25:16]

Carolyn Oberholtzer: For your records, my name is Carolyn Oberholtzer. I'm with the law firm located at 4343 East Camelback Road. I do have a brief presentation to supplement staff's although, I don't think that it is necessary to load it. I think that one of the biggest exhibits is on our screen. I won't belabor what Jesus went over. I think it was a very thorough presentation.

750-feet is the City standard and we did do an extra community meeting. We waited until after we had staff comments and we did, again, post, and hold a second community meeting. This time, at a different location. The second one was at Copper Ridge Elementary. Only one person came to that meeting. I regret there is a perception that we didn't do enough outreach on this. We do have 11 property owners 40 acres south of us and they have been looking at that sign for a year. People who go to Tom's Thumb the southeast corner also, are passing that sign and my number has been there the whole time and nobody has called. Not one person. I'm not suggesting that means that people don't care about the case. I'm just suggesting that we have done a ton of outreach and we began planning this project in June of 2018.

And we married those into this plan that is before you tonight that is coming at a density of .8 units. That's lower than the General Plan would allow. With that, you get a gated subdivision with one access. It has a private street. It doesn't require maintenance by the City after the development. The big benefit, I think, moving forward to this project is the enhancement to the perimeter roads. 128th Street is spoken about in all of your plans as a scenic corridor, but it has no sidewalk or trails. Although, we don't access 128th Street, it is down the perimeter of the project. And although, Ranch Gate is built, we are going to be making improvements to Ranch Gate and there is going to be a half of a mile of trails that border this property that are accessible to the public.

The other items are the concentration of NAOS in open space tracks. About 40% of this total area project is 94% of that MLS is slated to be undisturbed. So, the project has a low density. It has the ability to create envelopes that are to the perimeter of the site. It is a sparsely dense project. It is low profile and only five lots that allow on 128th Street. We have actually over 250-feet in some portions and with that, you get the preservation of the Environmentally Sensitive Lands that are all worked towards the requirements of the ordinance.

I ask tonight, if the Council is willing, the staff has provided 29 stipulations, they tie us to those open space requirements and tie us to these improvements. Under the current zoning, which is 130, if a residential project is chosen, it is 19 lots. But we think this plan hits all of the beautiful points of the City and creates a beautiful project in this beautiful area that people want to live in, but 20% below the general threshold of the density. With that, if we could move forward, I'm happy to answer any questions.

[Time: 00:30:45]



Mayor Lane: Councilwoman, I promised to come back to you. And we have some other folks that are looking to speak, as well.

Councilwoman Whitehead: Thank you for the presentation. It seems that you did do all of the things that you were supposed to do. My concern is with the intent of our outreach and there are so many people that would like to weigh in on this project and feel their voices are being heard. I do have one question. I do appreciate what you have presented here. I guess the initial approved plot, if I'm getting the word right, was 19.4 open acres of space that were outside of the lots?

Carolyn Oberholtzer: Within the lots.

Councilwoman Whitehead: I'm sorry. I thought that Jesus said that the 19.4 were within the lots.

Carolyn Oberholtzer: It allows us to provide open space to a much larger space in tracks and if you don't do that, it has to be on lot, which is allowed under the code, but not -- as Jesus explained, and techniques for keeping it a rural environment and it allows us to do that.

Councilwoman Whitehead: So, it takes more land out of people's property, but provides more of a corridor for wildlife.

Carolyn Oberholtzer: Exactly.

Councilwoman Whitehead: Okay, thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Milhaven.

[Time: 00:32:24]

Vice Mayor Milhaven: I think it was on consent because there was no objection. It seems to me, based on what you said, there was no objection until you sent emails to your friends and asked people to object to it. I'm sure that I could get a lot of friends to object too. It seems to me that a lot of people who objected to this project also objected to the downtown project. It is in excess of what is required by the state and if we would have doubled or tripled, I don't think that we would have hit Councilwoman Whitehead's home.

To see that we are going to do 32 lots on 40 acres seems consistent with the rural part of our community. And there is more open space, which is a more responsible way to develop this. Interesting too, some of the emails that we got were to please, leave this undeveloped. But it is private property and I'm going to go ahead and adopt 44-12 and declaring McDowell Manor as a public record.

So I am going to go ahead and adopt -- make a motion to adopt Ordinance 4412 approving the zoning map amendment and adopt Resolution 11562 declaring McDowell Mountain Manner as a public record.

Councilmember Korte: Second.

Mayor Lane: Motion made by Vice Mayor Milhaven and seconded by Councilwoman Korte.

Councilwoman Littlefield would like to have a comment.

[Time: 00:34:37]

Councilwoman Littlefield: I don't have a comment per se, but I do have a question for you, Jesus. 40 years ago, when I was starting on council, there were areas that were being rezoned or redeveloped and some of them crossed over 128th Street or close to it. There was some real concern. I believe it was 128 and my question to you is that the street that crosses through the preserve and has the three-quarter animal corridor where the animals cross over into other parts of the Preserve. The biggest concern, at that time, as I remember, the people wanted to keep that street open and not paved and not be a major road for cars and transportation, because it was in the Preserve and they didn't want a street in the preserve and protect the animal corridor, what do I call it, a neck, I guess, where they could go through it.

Senior Planner Jesus Murillo: That's the spot where we affectionately call the goose neck. And this is what bisects through and comes up and around and over.

Councilwoman Littlefield: That's the term. Do we have any protection on that land to keep it open and not paved and not developed inside the Preserve boundaries? I mean, we have just finished a year of talking about how citizens do not want the Preserve developed and I think that, at least, that portion of the street, should not be developed or paved over in the Preserve.

Senior Planner Jesus Murillo: Mayor Lane and Councilwoman Littlefield, there are no specific projects that have been stipulated to that. I know in the past there have been several discussions every time the Transportation Master Plan comes up and I think that is probably the best discussion for it since in current planning we go project to project. We don't have a project that directly impacts those parcels.

Councilwoman Littlefield: Okay, well I don't have a problem with this particular project and I will approve tonight, but I would like to have you to make a note to bring that up next time you are going to do that....

Mayor Lane: Excuse me, Councilwoman Littlefield, this is off of this topic. As it relates --

Councilwoman Littlefield: It relates to it.

Mayor Lane: It relates to this but to instruct or otherwise look for something else to come out of this as a different item, it needs to be agendized and considered.

Councilwoman Littlefield: Then, I would like to agendize that.

Mayor Lane: You can do it at the end of the session.

Councilwoman Littlefield: Okay, thank you.

[Time: 00:37:57]

Mayor Lane: I want to make a couple of comments. I think that this particular applicant has done more than the law, as it is stated. What we have run into a lot lately, is certain individuals looking for us to impact certain individuals from a change as they were treated. You can wonder into an area with intent vs. The law. We are required, as everyone else is, to ensure that we are applying it consistently. To try and change the rules in this way is not how you would want it to operate. That happens in other areas of the country, but we don't do anything selectively for or against anyone and we don't want to do to it as a matter of course. So, I'm concerned about that thinking. In any case, I think that the applicant has done an excellent job with this. And I don't see any reason why it shouldn't be supported.

Councilman Phillips has not spoken.

[Time: 00:39:33]

Councilman Phillips: Do I have to? You are asking for R-43 and you are allowed that per the General Plan. You have come down to one acre per lot.

Carolyn Oberholtzer: The lot sizes will vary because of the reduced building envelopes that are provided for in the ESL overlay. The total average lot area per unit is 1.2 acres per dwelling unit. So, it is the flip side of .8 dwelling units per acre.

Councilman Phillips: These are custom homes.

Carolyn Oberholtzer: Correct.

Councilman Phillips: So, each individual person is going to contact you and buy a lot and go through the process and it takes you two years to build a home. I don't expect that you are going to sellout in the next year. I have a three-quarter acre lot and it is way too much to handle. It is a big lot to take care of. It is not like you are cutting these down to these little small things and packed up track houses. These are still acre lots and multimillion-dollar custom homes, so I have no problem with it.

Mayor Lane: Thank you. Councilwoman Whitehead and then, I want to call a question.

[Time: 00:41:16]

Councilwoman Whitehead: Thank you, Councilwoman Milhaven for calling the citizens my friends. I have elected to become a friend. Anyone who knows Scottsdale knows that we care about Scottsdale from the tippy tippy north to the tippy tippy south. I spent hours and hours knocking on doors and I know that people care about the preserve and that's why I ran because I care about the entire city too.

To the Mayor's comments, I agree. Many of these people and I received a lot of personal emails too. People live in houses that are similar to this neighborhood. I did receive emails saying this neighborhood is probably fine, but don't like the process where they live near enough but didn't know it was going to be built. There is a lot going on there too. While I agree with what the Mayor said in wanting to treat people equally, that would require that we never change. If we treated people who bought homes in 2017 in one way and see a way to improve it for 2020, that's how Scottsdale rolls. I think that it is pretty clear that I'm not going to get an extension on this, but I would like to ask staff,

what would it take, if there is an up zone or a height change and these are the things that matter to everyone in Scottsdale, regardless of where they live, how can we provide notice before we put it up for consent?

Acting City Attorney Joe Padilla: If I can chime in, we need to keep on the agenda. We need to stay on topic. We don't want to have an open meeting violation.

Mayor Lane: Thank you Joe, I will answer that. It is a question for another day and another process.

Councilwoman Whitehead: Can I put that on the future agenda? How do we get that conversation started?

Mayor Lane: By bringing it before the Council separately.

Councilwoman Whitehead: Okay a separate agenda at the end of the meeting. Okay, I think that's all of the questions that I have. Thank you.

Mayor Lane: Thank you, Councilwoman. I think that we are now ready then to vote. A motion has been made and seconded and conversation has ensued. All those in favor, indicate by aye and register your vote. Motion passes 6-1 with Councilwoman Whitehead declining. That takes care of Item 3, which was moved to the Regular Agenda. We are going to move on to the Regular Agenda items.

**ITEM 15 – BOTTLED BLOND CONDITIONAL USE PERMIT (17-UP-2012#4)**

[Time: 00:44:48]

Mayor Lane: We are going to move on to Bottled Blonde Conditional Use Permit.

Senior Planner Greg Bloemberg: The property is zoned C-2/P-3DO. As far as the site plan, not much is changing from the existing site plan, but they want to add an external staircase to add access to the roof deck. They have to get the right-of-way agreement signed off by our City Manager, otherwise, it is the same as it looks right now. This is just a floor plan of the roof deck. There is a turf area and seating and tables. And there is a note to add a large sound mitigation wall on the north of that roof deck, for the sound getting off and impacting the properties to the north.

Some things for you to consider, as you mull over this case. There was an updated security plan by the police department. They have secured 12 physical parking spaces to accommodate for the roof deck. They have been verified by staff. We have had some public comment regarding the noise in that area. There is an 18-foot wall proposed to limit the noise. And Stipulation No. 10, intended to limit the hours of operation and the Planning Commission --

Mayor Lane: Pardon me, you have one request on an Item that is on this list from Councilwoman Korte.

Councilmember Korte: What is the stipulation for the Planning Commission to remove it?

Senior Planner Greg Bloemberg: They didn't feel this applicant should be singled out. So, they voted to approve it.

Councilmember Korte: Thank you. I agree with the Planning Commission. We are going to look for a motion to approve if this goes forward.

Mayor Lane: With that, please proceed.

Senior Planner Greg Bloemberg: That's it.

Mayor Lane: I think that we are going to go ahead and hear from the applicant first. And then, we have some testimony on this and then, additional comments from the Council.

[Time: 00:49:27]

Applicant Representative Benjamin Tate: On behalf of the applicant, I apologize for not having my jacket this evening. I left it along at the office with my sense of decorum. I'm going to brief through some of these. Bottled Blonde is located west of the Pretty Please Lounge. We are requesting to add a rooftop deck above the existing patio covering space.

So, this is a colored floor plan of what we were proposing here. There is a bar on the north side. As Greg mentioned, to the north of the bar, is an 18-foot sound mitigation wall. This is out of concern for the single-family residences on the other side of Camelback Road. Bottled Blonde, as a total, its entire speaker wattage is only around 4,400 watts. This is intended to be an area for patrons to have a drink and watch a game. It is specifically intended for TVs and music. No live entertainment is being proposed for the actual roof deck and there is no live entertainment on the roof deck.

This is a ground elevation of the roof deck. It is external and there is nothing going out of Bottled Blonde from the interior.

Mayor Lane: We can't hear you.

Applicant Representative Benjamin Tate: I apologize. This gives you a better sense of the height of the wall, which is mitigating the noise to the north. This is simply an overview of all of the permit review criteria. We have found that we have met all of the conditions for the approval of the Conditional Use Permit. At this point, I will take any questions that the Council has.

Mayor Lane: I thank you. Right now, we do have one question from Councilwoman Whitehead. You don't have a question right now. Okay. Well, thank you very much.

Applicant Representative Benjamin Tate: Thank you.

Mayor Lane: We have just one card. Yes, we will go to that. It is Sonnie Kirtley.

[Time: 00:52:41]

Sonnie Kirtley: Mayor Lane, councilmembers. Bottled Blonde, speakers and I have some questions.

Number one, will the speakers be low rather than hung up on the 18-foot sound wall. I appreciate that the wattage is low. I live east of this. A mile and a half. I get to enjoy the DJ at the W and probably Bottled Blonde, as well. I was concerned that live entertainment is not approved for the second level. What will it take for the live music to be moved upstairs? My questions are very simple. I want you to know that the sound wall is appreciated. The Best Western to the west of us has had to repay their clients as much as \$400 a night because of the noise in the area. It is very expensive to our businesses and we have to be sensitive of that, as well as our folks who live to the east. Thank you for answering.

Mayor Lane: Thank you. That completes the public comment. Yes?

Applicant Representative Benjamin Tate: The speakers are going to be hung up. They are not going to be pointed out towards the general public. They are going to be pointed towards the bar and sound does travel down directionally, so that will help mitigate some of the sound concerns.

Mayor Lane: Thank you. Councilwoman Klapp.

[Time: 00:54:38]

Councilwoman Klapp: I don't think this is the same as BLK by any stretch. BLK is a live music venue. I don't see this being anything like BLK or obviously, I would be concerned as many people up here on the dais. It seems to me when the applicant agreed to build an 18-foot wall, I don't understand why there would be a need to ask them to turn the speakers off at 10 or 11 or whatever. I believe that wall is intended to keep the sound away from the neighborhood and this is not live entertainment.

With all those things considered, I would like to make a motion and that we find that the conditional use permit criteria have been met and adopt Resolution No. 11535 without condition or stipulation number 10.

Councilmember Korte: Second.

Mayor Lane: Motion has been made by Councilwoman Klapp and seconded by Councilwoman Korte.

Senior Planner Greg Bloemberg: If I may step in. The Planning Commission only recommended that the second sentence is amended.

Councilwoman Klapp: What is the rest of the text of the stipulation?

Senior Planner Greg Bloemberg: We'll get that for you.

Councilwoman Klapp: I think that I have right here. I'm going to read it. Just a moment.

Senior Planner Greg Bloemberg: So, the general noise.

Councilwoman Klapp: Okay, so I would agree that we would remove the second sentence in the No.10 Stipulation.

Senior Planner Greg Bloemberg: Thank you.

Mayor Lane: Understood?

Councilmember Korte: Accept the change.

Mayor Lane: Very good then. And then, we'll hear from Councilwoman Whitehead.

[Time: 00:56:54]

Councilwoman Whitehead: Okay, one of the biggest or most common complaints that I'm hearing, which surprised me actually, getting elected has to do with noise. I agree, this is the bar district. I know that music from rooftops generate more complaints than those that are inside or on the patio at the ground floor. I think, I appreciate that staff has a very good overview of what is going on and how the music were to affect our community. There are a lot of homes that were affected by the W and I know they have improved a lot. I appreciate that we have limited hours and at any point, we could, you know, remove those stipulations. But we can't do the reverse.

So, I think that we should follow the conservative recommendation and I would like to make an alternative motion that we adopt the recommendation made by our staff with the limited hours. And if it proves not to be a problem, we can always go back and pull the plug on that.

Councilwoman Littlefield: I will second that.

Councilwoman Littlefield: Motion made by Councilwoman Whitehead and seconded by Councilwoman Littlefield. Would you like to speak towards it?

Councilwoman Littlefield: Thank you, Mayor. Yes, I would. I read in the report that we received that the reason that staff suggested doing this alternative was because of the multi-unit residential development to the south of Bottled Blonde, is that correct?

Senior Planner Greg Bloemberg: Mayor Lane, councilmembers, and Councilwoman Littlefield. That is correct. Because they are on the rooftop and sound does tend to travel a little further, we wanted to see if we could mitigate some of the noise for the neighbors to the south. However, we have not received any comments from that community.

Councilwoman Littlefield: At a later date, if it was determined that was not needed, could that stipulation be lifted?

Senior Planner Greg Bloemberg: Mayor Lane, councilmembers, and Councilwoman Littlefield. It would have to come back to council, but yes, it could happen.

Councilwoman Littlefield: I would like to see that condition. It is the best to protect the citizens in the area. I have received letters from people who are concerned about this both from the east and the south. I would like to answer their concerns and make sure it is not a problem. If it comes back later and maybe changed, that's fine with me too. But I would like to go in the direction of protecting our

citizens.

Mayor Lane: That's in support?

Councilwoman Littlefield: Yes, I seconded.

Mayor Lane: All right. We have an alternative motion that we are going to vote on first. We have the motion and second and now, we are ready to vote. All those in favor. Motion fails 5-2. Councilwoman Whitehead and Councilwoman Littlefield in the affirmative.

So, we will go back to the original motion. And that motion is on the table. All those in favor, please indicate by aye and those opposed with a nay. Reverse on that. The motion is in the affirmative 5-2 with Councilwoman Whitehead and Councilwoman Littlefield in the negative. All right. Thank you. And that does complete that item.

**ITEM 16 – MARQUEE REZONING AND DEVELOPMENT AGREEMENT (7-ZN-2015#2 AND 3-DA-2019)**

[Time: 01:01:31]

Mayor Lane: We are going to move on to Item 16, which is the Marquee rezoning and development agreement.

Senior Planner Bryan Cluff: Thank you Mayor Lane, Councilmembers. Again, I am Bryan Cluff with the city's planning department. This is the map of the rezoning building with 21,000 square feet of retail and office in our downtown area. The site is located on Scottsdale Road. This is looking south. You can see Camelback Road here. It is about 2½ acres directly adjacent to the Galleria shopping center. We did have parking but has been demolished and the site is vacant.

This is rezone to the Downtown Multi-Use Type 2 to Downtown Multi-Use Type 3 with the Planned Block Development Overlay. There were existing site improvements on the overlay that were approved by council in 2016. That building was for 90-feet tall and we have a building here 150-feet tall. We have some terms amending the bonuses from the original development agreement. This is the zoning map showing the existing zoning designation with Downtown Type 2 and suggesting for Type 3 district with the proposed. This is the site located within the Old Town plan future use map showing highlighted in yellow in the Downtown Multi-Use area. And the site developed with the Type 3 development area, which is the purpose here. The Type 3 does allow for the highest scale and intensity with development in the downtown area.

This is the proposed site plan with the existing Galleria corporate center. This is for the site of the Marquee office building. The white portions here illustrate the portions of the building that are at grade, which would be retail spaces. The area back here would be ground level parking, which is part of the parking structure. And Shoeman Lane to the north and Scottsdale Road to the left. At grade on Shoeman Lane, this is a 25-foot building set back and on Scottsdale Road, a 45-foot minimum set back and it expands as it goes north.

The building pops out above the second-floor area in line with the column lines that you see there. This



allows the developer to construct the new streetscape on Shoeman and Scottsdale Road with large sidewalks. It also shows the new Shoeman streetscape section, which the developer is improving both sides of the street as part of their conversion agreement. Moving the curb line out and allowing for a setback area allowing for additional landscaping and amenities. This is the street section of the Shoeman Lane frontage. You have the travel lanes and right here, is the parallel parking space and then, the sidewalks with approximately 11½-feet of sidewalk outside of the column line and projecting out here shading the sidewalk. And Scottsdale Road is the same, with the exception of the narrowest point as it expands as it goes north.

This is the proposed building design looking from Shoeman Lane. The building has setbacks on Scottsdale Road, which we will go into in a couple slides and more set back on Shoeman Lane. This is the east elevation on the bottom. So, to highlight the building height again is 150-feet plus, an additional six-feet for mechanical equipment. On Scottsdale Road to give you context and this blue line indicates what the zoning requirements would be if this was not a plan lot district and how the setbacks are proposed. There would be a minimum of 15-foot set back and at the 75-foot level, there is an additional step back at eight-feet and an additional step back at the level here. The skyline requires the typical downtown requirement and meeting the set back at grade and the proposed modification on Shoeman Lane. The south and west elevations reflecting the same setbacks on Scottsdale Road.

Quickly, I was going to summarize the criteria for the planned development. It supports the developments of the General Plan and the Downtown Plan. This is the mixed use of the General Plan and Downtown Plan. The Class A office and retail is consistent with what the land use elements call for. Criteria two has to do with adding land uses. There are no proposed land uses to be added, so that's not applicable. The bonus ordinance equates to \$1.2 million and the chosen developer has chosen to allocate a portion of that, \$175,000. These are the improvements above the typical improvements that are required with the developer. It is approximately \$1.5 million is deposited into the Downtown Special Improvement Fund available for future capital projects in the area. Again, the bonuses are that are being applied are 72-feet of building height to achieve the 150 and approximately 170 square feet of building area.

I will note before I get started, there was a typo included in the presentation, as well as the Council report that went out in this column right here, regarding the existing requirements. It is actually 90-feet and the existing titled building is only 90-feet high. The development agreement originally included the terms of the special development bonus and the number of parking spaces that would be built along with the project. Really quickly, you see the difference of the building height and the total bonus. The floor area and the building from 204 to 271 increase of approximately 60,000 square feet.

Into the parking requirements, originally, there were going to be 970 parking spaces constructed with the building, which is substantially over the requirement that is required by the zoning ordinance. With this request, the applicant is proposing to construct 906 spaces, which is more in line with what the ordinance requires, which is approximately 934 spaces would actually be constructed. There were some allocations to the uses of the building. 920 for the retail and amended to 838 to the retail. The spaces available to retail are at the ground level parking structure and open to the public and not able to be blocked off. The in-lieu payment and these are the special requirements that we went over in the previous slide. The in-lieu special payment is go -- \$268,000.

This went before the Development Review Board on June 20th. At that meeting, staff did present options, which suggesting additional step backs on the existing architectural guidelines and after the improvements, the Planning Commission did approve the guideline as requested by the applicant. On June 20, 2019, the development review board made their recommendation and it was approved as proposed by the applicant. The applicant held their first open house meeting on July 10th, and they had a second open house meeting on March 12, 2019. In addition to that, were the standard city applications, as well as newspaper posting and our Internet and social media subscription posting. Public comment was received in attachment 12 to the report. Since the report went out, we did receive several comments last week and in the last few days, received approximately 80 to 90 public comment emails on the proposal. I believe those have been provided to you tonight. That concludes our presentation and I would be happy to answer any questions and the applicant is here tonight.

Mayor Lane: Thank you for the presentation and we will ask the applicant if they would like to come forward.

[Time: 01:15:40]

Applicant Representative Jason Morris: Thank you, Mayor and councilmembers. My name is Jason Morris. Pleasure to be here with you this evening. This project is essentially an update on a project that I brought you two years that was approved by council. I would like to thank staff, they have been working with us on and off through the rezoning case and certainly, through the redesign of this project.

To give you some context, Mayor and council, this gives you a sense of where this property sits within the downtown area, but also gives you a good sense of the urban nature of this area. This is an area that is inclusive of height and density. And as we look a little bit further it is truly a main location within downtown being just south of Camelback and Scottsdale Road. Looking in this area and what the Council has approved for both the long-term and the short-term is the Type 2 boundary, which in many regards drives the application that you are seeing today because it is determined this area is an urban core.

As we look at the height surrounding this property, we get a good sense this is not a stand-alone island, but heights at or near what is proposed for this application. As we look further to the planning and not to reiterate staff's comments, but to give some context. This is in the plan for multiple uses and you can see the site is really dead center for that. As you go further, the language that was included within that character and talks about a vertically mixed land use, which is precisely what we are bringing you here today with both the office and the base. As we look further at the development types and the Type 3 area also has language that directs us and directs the Council to where that density and urban area should be. In fact, gives specific language where Type 3 development should be located. And in this instance, east and west of Scottsdale and Drinkwater Boulevard.

We are following your plan and why we have staff support and why we are standing before you with both DRB and Planning Commission support. It is indicative of the language that you have developed. This is an in-fill site and quarter of a million feet of Class A development with 430 square-foot floor plates. Having floor plates of that size not only brings the type of user that the City is looking for and it fills a void in the City's inventory for Class A and floor plates of that size.

As staff noted, over \$2 million of payment will be generated by this applicant. For this council, and I know you appreciate it and how the City is set-up, this is not an applicant that is standing before you asking for assistance, asking for city handouts, asking for city aid. In fact, to build this, we are talking about over \$2 million, \$2½ million plus for rights to build this building as proposed in the application. This works in unison with the Galleria. I point that out because live, work, and play has become such an ad hoc phrase and thrown into every building document. This is what the City of Scottsdale is looking to balance the play and, in the living, and the residential side, there is no shortage. That particular group continues to grow, but the work aspect has not kept up. In fact, as we will see later, this is an application that is long overdue.

To give context to the site and the densities in that area with the Galleria with the W immediately to the north and east of the project, which as you know, is under common ownership to some degree. As we look at the ground floor ownership and really, from a pedestrian perspective, what we are offering for an applicant is the ground floor experience. Most of the architectural and planning documents will tell you, your experience in a building, especially, in an urban setting is not the full breath and length of the building, but typically, you are going to experience the first 25-feet of the building as a pedestrian or motorist. You are not going to be taken in, unless you are flying a drone, the entire building. We have broad plazas along Scottsdale Road and Shoeman Lane. And you have increased planting and restaurants and retail, as well as the officer lobby. I should point out although, we have a requirement of 0 square feet of open space, we are actually providing 6,000 square feet of open space not required by the City's ordinance.

Parking has been a conversation not only in the previous application, but certainly in this one. There are currently 44 angled spaces on Shoeman Lane. 14 of those spaces are going to be removed and reduced to 26 parallel spaces. The reason for that, it actually creates a better pedestrian experience by expanding the size of the planting and the sidewalk. However, despite the removal of the angled parking spaces, we have 44 angled spaces and 26 parallel spaces, and we are increasing the amount of public parking in this area. Beyond what is required. Those spaces that are removed, in addition to the fact that we are creating at our costs, the additional parking creates a quarter of a million dollars payment to the City for those spaces. In essence, it is a win-win. The parking spaces overall and it has been a topic of conversation showing we have an increase of 506 spaces when you include the Galleria and this project. The parking structure is created as a base and a foundation for the building that we will see in later exhibits.

As I referenced and the building itself and this is the same exhibit that staff shared with you. This is an updated rendering and not something that occurred in a week or a month, but literally over a year of designs and redesigns, so we can do a number of things. First of all, we are dealing with a narrow building lot that was created in the '40s and the '50s and increasing the road on Scottsdale Road and Shoeman Lane. We are creating the step backs and we are providing the canvas along the front. As you see from this angle, what really comes this is the step back along Scottsdale Road and we are able to show the step back and along various levels.

One comment talked about how the pedestrian or the motorist takes in the building. They are not taking in the entire building, but the ground level and in this instance, there is relief and greenery throughout. It is worth looking, Mayor, and I will try and be very brief. With the existing, on Shoeman Lane. There is no landscaping or separation from the pedestrians' experience and the vehicle

experience and no active users. As staff pointed out, we have 25-feet to the building and you have activation and plantings. The same is true on the Scottsdale Road side and more importantly, you get the dedication to complete Scottsdale Road as part of this package with almost 40-feet of pedestrian plaza along Scottsdale Road. This references both the setbacks and the step backs from the ground level all the way up to the top levels creating balconies creating overlooks and green space.

Mayor Lane: Mr. Morris, if you can wrap it up, please?

Applicant Representative Jason Morris: Absolutely. This is quotes from your own study and talking about the lack of Class A office space and a building of this type was built over 20 years ago. As we talk about live, work, and play, this is the building that we are missing. With that, we are happy to answer any questions that you have.

Mayor Lane: Thank you, Mr. Morris. That completes the presentations from the owner of the property, as well as staff. We have 28 cards requesting to speak on this subject. Normally, we have a three-minute limit and just from the standpoint of making sure that we get everybody heard in a reasonable time frame, I will allow for two minutes. In fact, I just ask if you don't need the two minutes or you want to join it up to someone else, maybe there is some way that we can facilitate that. There is no donating time. I ask kindly that we stick to that because it does become sometimes repetitive and difficult that everyone remains attention on it. I'm going to start the public testimony with Ryan Hibbert.

[Time: 01:28:27]

Ryan Hibbert: Good evening, Mayor Lane and councilmembers. My name is Ryan Hibbert. I'm a third-generation resident of Scottsdale. I have invested multimillion dollars into our city and I'm here to support the proposal for the Marquee office building. I mirror Mr. Morris' comments to create diverse and economic use. The synergy of residential office and entertainment is essential. I know that the additional parking for the public will be an asset to the area. With hundreds of employees in the area, I encourage you to support this proposal and back it fully. Keep it short and sweet.

Mayor Lane: Thank you, Mr. Hibbert. Sonnie Kirtley.

Sonnie Kirtley: Good evening again. Sonnie Kirtley, I'm on record. All of the land cases that come before you have to have a level of proven public benefit. Please? And that's the award is for these proposed Type 3, the extra height, 150-feet. It should never be an automatic approval from this or any City Council. The question is: Does this Marquee project mirror that of all the other standards? No underground parking as in the first application. This is what pushes the building higher. Because it doesn't meet the parking requirements, they have offered to pay \$13,200 per space. It costs 25,000 to 50,000 for those parking spaces. They are called phantom parking in this city. Why isn't there savings for the underground parking offered to the City instead? Where is the sized list of public benefits? The bottom line is vote no. We don't have to provide a huge laundry list for any project, especially, a massive structure as this. Thank you to the City Council and the Planning Commissioners who denied this approval.

Mayor Lane: Thank you Ms. Kirtley. Please, I would appreciate if you would avoid booing or clapping. Betty Janik is next.

[Time: 01:32:12]

Betty Janik: Good evening. My name is Betty Janik. First of all, please deny the current request for the proposed Marquee office building. I had a whole paragraph on the different objections, she did a wonderful job of covering those, so I will skip those. The 150-foot building downtown, does it do what we need it to do? It has been called the monster. It has been called the titanic. Will it be another phone center? Will it be a gem or a sore thumb like the Henkel building? The residents are watching. The Marquee has been referred to again, as the titanic. The developers, little consideration how the citizens benefit by your approach and approvals. I see no cost structure deficit to the City. Have you considered the traffic flow? That's a really busy intersection. To pass zoning regulations is a gift. Bestowed by the City for quality development and not a right of the developers. This should be part of a process that includes citizens and residential alike. Not just given away to developers, who seem to have undue influence on the City Council. I represent with POP and coalition of greater Scottsdale thousands of citizens. I hear their voices. They are not happy with all of this. My question is why aren't you listening to them? Thank you.

Mayor Lane: Thank you, Mrs. Janik. Next is Josh Toney followed by Heather Mrowiek. Go ahead, Mr. Toney.

[Time: 01:34:52]

Josh Toney: Mayor and members of the Council, my name is Josh Toney. I have a resident here for two years. A downtown needs jobs to survive and that's why I'm asking you to support the Marquee. This is a rare opportunity for Scottsdale to grab jobs that add to the economy and to the City. Scottsdale has a reputation for great hotels and great hospitality, but we also need great places for people to work. The Marquee offers that option. I urge you to support this application that adds workspace to Downtown Scottsdale. Please vote yes on the Marquee. Thank you.

Heather Mrowiek: I have been in Scottsdale for 25 years now. I walked here today from my workplace right across the street at 4141 Scottsdale Road where my car is currently parked two levels underground. The building was built in 1985, I don't understand why new buildings can't also put their parking underground. That is a great place to add more business. I don't see anything how we are going to handle the increased traffic. On a daily basis, I leave my office building and have to work my way through downtown, especially, during tourist season and there is a lot of cars. I would like to know how we are going to handle more cars where the only major street is Scottsdale Road and very difficult to get on because of the restrictions in and around it. Thank you.

Mayor Lane: Thank you. Next is James Davis followed by Kevin Maxwell.

[Time: 01:37:21]

James Davis: James Davis. 2743 North 103rd Way. Mayor and council people, I'm here to strongly oppose this development. I think it is an atrocity. My heart bleeds for the developer to contribute \$2 million to the City and the other pitiful other contributions when they are in turn asking for an additional 60-feet, over two-thirds increase in their height and 100,000 square feet of additional space.

If this project is completed and if you approve it tonight, the developer's project is going to be worth tens of millions of dollars and possibly approaching 100 million. I know that 100 square feet of additional square feet is valuable. The previous lady mentioned underground parking and apparently, the developer says he can't afford it and get it funded. All the more reason for this project to be sent back to the developer for reengineering and including underground parking and more benefits to the City and less setbacks and less impairment of the views of the City. This is not a project that makes sense as the first 150-foot building in Downtown Scottsdale. Thank you.

Mayor Lane: Thank you, Mr. Davis.

Kevin Maxwell: My name is Kevin Maxwell and I can do two minutes. Kind of feels like first day of school and nice to see the community today. I first began reading about this Marquee project and I didn't know much about it and so, I did my research. At first, the project didn't seem like it was something that I could support initially. But being someone that supports the business community and always looking for economic opportunity for jobs and realizing that we don't have any Class A office space in downtown, it offsets any concerns that we may have. It is important that we attract technology companies and I know there is no guarantee about who may occupy this space, but I hope that it is a huge home run for us. It is not out of the realm of possibility for this project. It is not a perfect project, and cosmetically, if I would wave a magic wand it would be different, but the economic benefit far outweighs that. There is up to 1,400 new jobs and high paying jobs and jobs that are going to sustain our economy. I look forward to seeing this project.

Mayor Lane: Thank you, Mr. Maxwell. Next is Tom Durham followed by John Nichols.

[Time: 01:41:17]

Tom Durham: My name is Tom Durham. I do care about downtown. Based on what has changed from the last iteration, it is much, much worse. I want to remind you what happened the last time that Mr. Morris was here. He promised you a large wood and a lot of open space. Here's another picture of the open space that was promised. Huge, empty space. Now, not so much. That empty space is gone. And here we have a huge glass lot that looks like a wall when you are entering north Scottsdale. Mr. Morris talked about the motorist view. When you are coming down north Scottsdale, it is going to look like you are entering a prison. It is going to be a huge wall. And here's a picture of that huge wall. Once again, no empty space and no step backs. This new concept and the void is gone. This its place, a 66% increase in height. An enormous long wall on Shoeman Lane. You were concerned about parking in 2016 and now, the developer has increased the office space by 32%, but he's actually cutting the parking space from the prior version. So, we get fewer parking spaces and more office space. Mr. Morris says this met the code. It does meet the code barely by 103%. As I understand the math, this would fail code in Phoenix and Chandler because there is not enough parking.

Mayor Lane: If you could please wrap it up?

Tom Durham: That's already there.

Mayor Lane: If you could please wrap it up.

Tom Durham: Yes, Mr. Mayor, I was prepared for three minutes and wasn't expecting this. They have agreed to pay \$1.37 million. On the jobs issue, jobs would be great, but we can demand jobs and good architecture and good development. We don't have to choose when jobs and architecture. I would recommend that you turn this proposal down.

Mayor Lane: Thank you. You got three minutes. I ask that you please keep the decorum here.

John Nichols: My name is John Nichols. I'm strongly opposed to this project. Scottsdale is noted for its visioning. [INAUDIBLE] that came out of the vision process that I was involved in. Drinkwater was a strong visionary. I'm very concerned about the impact on tourism and the loss of our bed tax. If we don't pay attention to our tolls, we are going to lose those tolls. Mr. Guy Phillips already said that we are losing tolls in the downtown area. This is an important issue for you to consider. They are asking the City Council to bail them out. They say that underground parking is too expensive. What value does the City gain to allow an additional 63-feet? Jason Morris took issue with the commissioner with what value this building is for the City. Mr. Morris says this is not in the purview of the DRB. The DRB should only consider the design elements.

Mayor Lane: If you could wrap it up, please?

John Nichols: Yeah. We are becoming a city that is called an urban anywhere. This is a monstrous building that people can see on Scottsdale Road and the majority of the hotels are going to see this monstrous building and not with the setbacks that the DRB recommended.

Mayor Lane: Thank you. Next is Yvonne Koehler followed by Dan Hinkson.

[Time: 01:47:37]

Yvonne Koehler: My name is Yvonne Koehler. We have our business in Scottsdale. This is a beautiful building and being designed by an excellent architect. This project has retail on the street level and improves the streetscape and it is going to match the rest of the downtown area. I strongly suggest that you approve this project. Thank you.

Mayor Lane: Thank you. Dan Hinkson.

Dan Hinkson: Good evening, Mayor and councilmembers. I'm a long-time resident of Scottsdale. I also own a business in Scottsdale. I have an invested interest to see the improvement of Scottsdale. In the downtown of Scottsdale and it is designed and meant to be, and your entire staff has put together proposals over the years to figure out where projects like this should be. I think that it is a no-brainer, this is a perfect project for something like this and it should be voted on and approved. We talk about a different level of jobs and economic impact and the type of people who will work in Class A office buildings, it is a whole lot different than some of the service industry that we currently have in this area now. The people who are going to be working there are going to be going into the restaurants and the hotels are going to be using the district and provide services for their businesses. Again, I think this is a beautiful improvement to the City of Scottsdale and the right location and the right time. Scottsdale needs this. Thank you.

Mayor Lane: Thank you. Next is Scott Jarson.

[Time: 01:50:58]

Scott Jarson: Thank you for the opportunity to speak tonight. I'm speaking in opposition of this revised application. I want to make it clear, the revised plan increases the height 70,000 square feet according to the documents, yet still reduces its parking requirements by 36 spaces. It is astounding to me. It is all in the documents. No real accommodation for public parking. Stripping street public parking by 18 spaces. We hear there is going to be parking for the retail. That's for the retail and not stipulated as public parking. You know, that can change at any time. They own those spaces. This sets the stage for an ever-increasing pressure that is being put on our Scottsdale residents. Think about how people are going to come and visit Old Town and enjoy it. This project was already approved, and it doesn't need the additional height. Thank you.

Mayor Lane: Thank you.

Bill Crawford: Greetings Mayor and council. My name is Bill Crawford and my address is on record. I have owned a house and business in Scottsdale for 22 years. Every economic city and what has been done to bring success to Downtown Scottsdale, they have said we need two things. Residential and Class A office. For 25 years, we have not had any significant office component added to our downtown. We are lucky to have this project. Many years ago, under a different administration and different leadership it was recognized that in order for Downtown Scottsdale to be successful, you had to add height and density. It started with the am west and then came the waterfront. You don't know this, but it is approval for 150-feet. It is going to be approved. This is exactly what Downtown Scottsdale needs. We are lucky to have it. Let's look at the developer. He's a major player in Scottsdale and everyone remembers the fiasco that happened with the Galleria. We know what to expect from him. We can expect greatness. Leadership is not about obstructing projects like this and not about freezing Scottsdale in time, so we are stuck in a time zone. Real leadership takes project likes this and moves forward. It is unfortunate to see items like this being used as a political football to gain political mass to build a political base. I hope that you can see through this and realize that we are fortunate to have it and approve it, so we can move forward. Thank you.

Mayor Lane: Thank you, Mr. Crawford. Next is Bret Sassenberg followed by Andrea Alley.

[01:55:12]

Bret Sassenberg: Worked in Scottsdale for many years and I was a project developer for Scottsdale Arts. When the developer called me, I was surprised he needed me, and I was surprised that he didn't want over 150-feet. It is exactly what Scottsdale needs. When you consider the work force that is coming, the most important thing that you folks should think about, you should think about the demographic of that work force and different than the constituency and those are the people that we should be happy to have work and stay in Scottsdale.

Mayor Lane: Thank you.

Andrea Alley: I live at 6828 Mary Road. Thank you, Mayor and councilmembers, for hearing us out



tonight. The Marquee is a hot topic in Scottsdale and understandably so. This is going to set the bar of what we are going to allow in Scottsdale from this day forward. Class A office space are fantastic uses for Old Town, and they are indeed benefits for our city. I'm not here to fight this use. I'm here because we cannot be shortsighted. This is about the benefit to our residents. It seems that many are confusing that issue. I have yet to meet a single person who likes the design of this building. The Marquee doesn't seem to follow the Old Town architectural guidelines that were adopted earlier. If you choose this proposal, we are going to be forced to approve more guideline buses in the future or risk getting sued. After holding the property for 10 years or beyond and it seems that they are not going to invest in the underground parking. Approving this tonight will save them \$21 million on parking alone. I know they are wanting to make money for the investment in their work, but any building that sits to the entrance to Old Town should be held to higher standards. Dig deeper into the guidelines and look for opportunities for the Marquee to live up to its potential and so, we don't regret changing our downtown zoning to allow 150-feet in height.

Mayor Lane: Thank you. Next is Scott Scharlach and followed by Rosana DeMar. Scott? Not available. Rosana DeMar?

[Time: 01:59:20]

Rosana DeMar: Mayor, members of council, my name is Rosana DeMar and I work on Scottsdale Road. The corner area on Scottsdale Road and Camelback has been planned for the Marquee building for a long time. The 150-foot is there now and new 150 tall buildings are coming at Fashion Square and this building provides a much-needed use like jobs. Please support it. Thank you.

Mayor Lane: Thank you, Ms. DeMar.

Ashley Akbar: Mayor and members of council. My name is Ashley Akbar. Our city cannot pass up an opportunity to create an exciting space for 1,000 more new jobs. We need more places to live, work, and play in the downtown area. Please approve this project. Thank you.

Mayor Lane: Thank you. Thomas Lawson. Followed by Brett -- this is going to be a tough one -- Wojtulewicz.

Thomas Lawson: Mayor, members of the Council, I work at east Camelback Road. The Marquee is a viable option for those who work in the downtown area and looking for a walkable source of entertainment and food. The Marquee proposal offers a real walkable option for a walkable Scottsdale and I urge you to support it. Thank you.

Mayor Lane: Thank you.

Brett Wojtulewicz: Hello Mayor, Vice Mayor, and councilmembers. I work at 7201 East Camelback Road. I'm here in support of the Marquee project. It is only positive, and it includes jobs and workers that are spilling into the downtown area to lunch and shop and dine after work. It seems like a lot of the opponents against it are about the parking, but if you look at the other cities around us, they have a lot of aboveground parking in their downtown area. I hope you vote for it. Thank you.

Mayor Lane: Thank you. Mr. Shojaee.

[Time: 02:03:07]

Ben Shojaee: Mayor, members of council. Thank you. I live in Scottsdale. I ask you to please support the Scottsdale Marquee project adding in Class A office in the heart of Scottsdale will not only bring high paying jobs and opportunities to downtown, but also make our city a more attractive and dynamic place to generate tax revenues to the benefits of everyone. There is no real downside to this. I urge your support. Thank you.

Mayor Lane: Thank you. Jim Haxsby followed by Lindsay Johnson.

Jim Haxby: I urge you to oppose this revised request. First of all, it is not attractive. It looks like the Henkel building that somebody tried to jam together. And I know that we tried to put a stake in light rail, and it is going to increase traffic and lack of parking and sufficient parking. It is going to increase density. We are going to use it to create the problem because we have the solution. I'm asking you not to create that problem. Thank you.

Mayor Lane: Thank you, Mr. Haxsby. Lindsay Johnson.

Lyndsay Johnson: Good evening. My name is Lindsay Johnson. I work in Downtown Scottsdale. Spend a lot of time in Downtown Scottsdale. As a young professional, a building like this is really encouraging in terms of the future of Downtown Scottsdale. More high paying jobs in a Class A office building is exactly what Scottsdale needs competing with cities like Tempe where a lot of this is happening right now. There hasn't been a Class A office building, as we have heard for 20 years in Downtown Scottsdale. I strongly support this effort and hope you do too. Thank you.

Mayor Lane: Thank you. Robert Burns followed by Jon Hirt.

Robert Burns: Good evening, Mayor and councilmembers. I have been a developer in the Phoenix, Scottsdale, and Paradise Valley area for over 45 years. Scottsdale needs a Class A office building of this type. The people that would come because of that and the employment that would come because of that would be unparalleled. The underground parking is insignificant when you look at it. The parking that he's done I think is a great sign. I hope you approve it. And thank you for your time.

Mayor Lane: Thank you. Jon Hirt.

[Time: 02:07:05]

Jon Hirt: Jon Hirt. Work in south Scottsdale and I have been there for a long time. This is exactly one of the projects that Scottsdale needs, especially, in this area of town. The vibrancy of another thousand people and the market that it is going to bring -- the people that it is going to bring to market whether it is the restaurants in the area or the bars in the neighborhood and it is going to bring extra vibrancy to Downtown Scottsdale that we have needed for a long time. Thank you.

Mayor Lane: Thank you Mr. Hirt. Kevin Calihan followed by Clifford Paul.

Kevin Calihan: I work for the commercial service real estate firm. We are the largest in the world. In the past 10 years, the City of Tempe has developed over 4 million square feet of Class A office space. All of it was done with city property taxes. And Scottsdale has had zero Class A office space built. The developer here has not requested a property tax assessment. If you want to attract new jobs, they have to have a place to go. Currently, you don't have that. We are in strong support of this developer and their planned development. Thank you.

Mayor Lane: Thank you. Clifford Paul.

Clifford Paul: Good evening, Mayor Lane and councilmembers. I think this project would be a great asset to the City of Scottsdale. I have been a resident for over 25 years. In my opinion, it would re-energize that whole corner and Scottsdale needs to have Class A office, which everyone has said tonight. And Tempe is pulling a lot of fortune 500 companies, which I know that Scottsdale would want as well. We have a lot of residences nearby with apartments and condominiums and such. I'm not sure people will be driving cars to get to that office building if they are hired by the employers that are there. Downtown Phoenix also has been building quite a few mix use projects as well. They are starting to pull a few younger people and Millennials away from Scottsdale, which is what we need to re-energize our downtown. I think that it would be great to have a building that has employees, increases our tax base, and has a real asset to Scottsdale. Everyone knows of Scottsdale throughout the country and the world really and fortune 500 companies would be bringing a great tax base to Scottsdale. Thank you.

Mayor Lane: Thank you, Mr. Paul. David Cronin.

David Cronin: Good evening, Mayor and councilmembers. I'm the general manager of W Scottsdale and I'm here to support this project. As a luxury hotel owner here in Scottsdale, it is exciting to see what this project would bring. I think that corporate traffic would increase Monday through Thursday and bringing not only additional jobs, but a revenue of 14% for every room. Thank you.

Mayor Lane: Thank you. That completes the comments. I want to thank everybody for honoring the system that we have. Having said that, I think that it comes back to the Council for questions and comments. Oh, I'm sorry. It is nice of you to mention that. Mr. Morris, I'm sorry.

[Time: 02:12:02]

Applicant Representative Jason Morris: It's okay. I can be unforgettable.

Mayor Lane: I did get those peering eyes.

Applicant Representative Jason Morris: I do want to address to the Council some of the misconceptions that I'm hearing. All feedback is good feedback, although, I don't agree with it. I would like to shy away from this being a DRB hearing tonight. The DRB heard this and voted unanimously to support it. We are looking forward to going back and discussing the building materials and colors and pallet, although, we are quite proud of the design as we stand here today. As far as the height, I'm not sure, but there is a misconception there is not a 150-foot building, but right across the street there is a 150-foot building.

And I heard a savings of a million dollars, and it is like a conversation with my son and told me how much he paid for a pair of Air Jordan's. He couldn't afford those shoes. There is not a savings of \$20 million when the building could not have performed to be built. There was a loss to the City in creating that Class A office space.

Instead, we have revised an application that provides the City with the retail at the ground level and a quarter million square feet of Class A office that is currently missing from your inventory and as we have heard, desperately needed. We are talking in excess of 1,300 employees it would build out. If you use the multiples, not only with the construction, but with a fee, income, and a payroll that is commensurate with this type of office, we are talking a 400 billion pay out. There are numbers that are part of the buy in of this project and the overall development and the economic impact is significant.

In terms of traffic, your own staff report references there is no change in the level of service as a result of office being built at this location. That's by function and by way of the fact this is a major arterial and where office should be and hence, why you have decided this is the Type 3 area and specifically named this intersection when you looked at where urban projects should be located of this height. The other mention that I think certainly bears reference in this instances is the overall aspect of how it fits in the City. This is not an exception to your code. This is keeping with all of your long-range goals. I would be happy to answer any questions and request your support.

[Time: 02:16:22]

Mayor Lane: Thank you Mr. Morris. We have a question from Councilwoman Whitehead.

Councilwoman Whitehead: There is a question that was addressed by a woman in the audience. There is a perception this project is applied under the opportunity zone and as I understand it, that's not the case.

Applicant Representative Jason Morris: I should have referenced it. Yes, in fact, this property falls within the opportunity zone maps that are officially created and state mandates, but this applicant is not taking advantage of any of the tax opportunities available in that zone and will not do that with this application.

Councilwoman Whitehead: Thank you.

Mayor Lane: Thank you. Councilmember Phillips.

Councilman Phillips: Thank you, Mayor. Can you go back to the slide that showed the downtown where this is located at? The property just north of that, do you know if there is any plans on that being remodeled or anything going to be happening there?

Applicant Representative Jason Morris: Mayor and Councilmember Phillips, that was demolished and has been vacant for some time. There has been a pending application and I think that staff would know a little bit more about the status of that application. Its application.

Councilman Phillips: Are you talking about the property by Camelback?

Applicant Representative Jason Morris: The properties on Scottsdale Road and Shoeman Lane.

Councilman Phillips: You don't know if it is the same owner?

Applicant Representative Jason Morris: It is not. Various ownership.

Councilman Phillips: So, it is probably not likely we are going to get a large structure there because too many different owners.

Applicant Representative Jason Morris: There is the opportunity to assemble and while you are talking about various ownership, there is common ownership to the east and the north of that site. In fact, the W parcel and the applicant's parcel and the parcel to our south. There is an opportunity with those handful of lots and there is an opportunity to consolidate those and frankly, in terms of what we would expect to see, it would be a significant building in that area. I should point out while we are talking about common ownership and one of the comments that was made earlier that somehow this application would have a deleterious effect on tourism. But as you have heard from the owner of the W, he is in support and is pursuing a third location in the area. It would be detrimental to this applicant.

Councilman Phillips: The reason I'm bringing this up is because this is not the last one coming to us in Scottsdale. There is going to be many, many more. Especially, on the west side of Scottsdale Road. It is going to be bigger and longer and taller and everything. So, look forward to the new downtown.

Back when this was voted on before and it was nine stories, I voted against it because I thought it was too narrow and too tall and a stark contrast to the Galleria next to it. Unfortunately, I feel the same way again because this is even bigger. I still feel like it is too narrow of a lot. I wish that we could assemble more property or remodel half the Galleria or something like that. I can't get past the stark difference between the Galleria and this tall glass office building next to it. Maybe someday in the future, you can remodel the Galleria and make it look more modern. I know it's really dated. That's the problem for me. I can't get past the height and massiveness of it on such a small lot.

This project is nice, I like the new project. Had this come to us at the nine-story level, I probably would have voted for it. But the increase just kind of kills it for me. So, I won't be able to support it this evening.

[Time: 02:21:33]

Mayor Lane: Thank you, Councilmember. Councilwoman Whitehead.

Councilwoman Whitehead: Thank you, Mayor. It was nice meeting with the applicant and his team today. And also really want to thank all the people who spoke for and against the project and the hundreds of emails that we received. I want to say that this Scottsdale that we cherish -- the prosperous city that I think we all love was built by a strong City Council/community partnership. Everything that is of value in the city has been driven by a council that was aligned with its constituents. So that does lead me to the feeling that even though there are a lot of good supporters that came and I listened to everything and agree with some of those things. I don't think anybody -- well there's been one or two

as I said this afternoon -- people don't want office space, don't want tall buildings. The overwhelming majority of people that I have communicated with want office space and they understand, and I certainly understand and support the fact that we are going to have a denser, taller downtown. But the devil is in the details. I am not a believer that more is more, I believe that quality attracts quality. If we approve projects that have a lot of exceptions, then the next guy expects the same. That's kind of the nature of my concerns, plus, the parking.

I just have a few questions with that sort of entry. I just want to say, I have been tasked I was elected to, as one resident told me, to get as good as we give. So, that's what I'm trying to do here and to protect our future prosperity. The project was approved in 2016, but it didn't get built. You sort of eluded to why that is. There were some very generous gives in that vote. So, why was the project not built in 2016?

Applicant Representative Jason Morris: If I didn't cover that in my initial presentation, I'm happy to give more detail. In terms of the give that you reference, I assume that you are talking about the development standards. Because there were no incentives. There were no city gives on that property. There were the same amended development standards all of which revolve the width of the property. It was impossible to develop a property with all of the step backs and setbacks where the elevator core and maintaining the fire code. If you use the standard for every property within the City of Scottsdale and that's important to understand because that standard is for a standard lot of standard width and depth and this is a non-standard lot. If you use the standard that is meant for a non-standard lot on this lot, what would exist is dead space. You would be creating space that you could not create an office out of or that is usable because of the distance of the elevator columns or the staircase or stair shaft.

Our first public hearing was in front of the development review board. And the development review board in both instances unanimously recommended and understood that relief needed to be granted in order to build on this site. I say that because I don't want the Council to believe these amended development standards are a result of the height of the building. Even the previous approval had precisely the same amended development standards.

[Time: 02:25:56]

Councilwoman Whitehead: Okay, thank you. But the question was that the project was approved in 2016, but it wasn't built.

Applicant Representative Jason Morris: Yes. Unfortunately, it was a victim of two things. The cost of construction and what escalated within that time made the building cost and the rents that could be achieved as a result of building that building. With the revised standard, you have a building that can be built and rents that can be achieved. I want to emphasize the rents that are achieved with this building, because of the Scottsdale location and the design of the location are going to have to be at the very top of the market and rents that have yet to be achieved with office tenants. Even with the revised design, this is a very ambitious program. In a short answer, it was not feasible to build the 2016 project.

Councilwoman Whitehead: This is an odd lot that your client bought and so there's all kinds of limitations simply by the lot, that is making it so the City, which represents the citizens have to amend the codes. So I want to point that out, that is a give. So we are not giving you a bag of money, but it is a

give and I think that it needs to be pointed out.

You have also mentioned that building costs have gone up. Everything goes in cycles. Particular, I would think that a developer would recognize that. I mean the same argument could be made if this project was approved. What I'm hearing from my constituents is that if -- so, in 2016, the developer could not afford to build the project, but now, the project is back, and they are asking for a lot more. So, we want to make sure that we are getting a lot more.

So let me, based on that, let me go on some of the concerns. First of all, there is always the hit by the bus scenario. So, if this City Council approves this project, we guarantee your client and any future buyer of this property the same height and the same amended code. So, we have that guarantee because it goes with the land if that makes sense. However, if your client decides to sell the property, all the negotiated perks that we have gotten, the building that many of my colleagues are saying they like, that does not go with the land. So, a future developer can come and build whatever minimum standard building at this density and with these amended standards, but not have council. We will not have a direct ability to negotiate. That won't go to council. Is that correct?

Applicant Representative Jason Morris: Mayor Councilmember Whitehead. No, that's not correct. But I'm delighted in that scenario; it is the client that gets hit by the bus and not me. I was worried there when you started the question.

Councilwoman Whitehead: I don't want anybody hit by a bus.

Applicant Representative Jason Morris: No, he's got great reflexes. The application that is before you is very specific. If there are changes to the application. Our next step is to go through the DRB process, which will lock in exhibits, elevations. We have a development agreement that is part of this application that has additional stipulations. You are not providing a blank check to a future developer. What you are providing is land use. That land use is in within a very specific envelope and the envelope details what is being shown. So the idea that a subsequent applicant can come in and do something less is not a possibility. Because virtually any change to this ordinance is going to require that the applicant come back to -- in fact, we saw that with the 90-foot building versus this. Virtually any change requires coming back. And certainly after DRB, because DRB will make even more specific recommendations. It is not that blank check. It is very specific to this project.

[Time: 02:30:47]

Councilwoman Whitehead: Thank you. So, whatever is agreed upon here. I guess this is a question for staff because I have seen this in other development projects where a density is approved, the land is sold, and then, a new developer comes in a lesser quality project and it does not go before council. I am new, so please confirm that we are protected.

Planning and Development Services Director Randy Grant: Mayor Lane, Councilwoman Whitehead. As the applicant mentioned, you are essentially approving this project. Even though there are density provisions that could carry forward to another future landowner, it is so unlikely that someone would choose to follow the prescriptions of the development agreement and the stipulations of this case. If they did, they would build exactly the same thing that you are approving tonight. It would be a different

builder, but virtually the same project. Anybody that were to assume ownership of this property in the future would likely come back to do a revision to the development plan which would come back before council.

[Time: 02:32:03]

Councilwoman Whitehead: Thank you, Randy. I want to review what I see as being adds - gives to the developer side and then you help me balance that to what the community is getting. So, we are doubling the height. Well, not doubling. Is it 71-feet? I have heard a lot of numbers tonight. I had 71-feet of additional height.

Applicant Representative Jason Morris: Based upon the base height, any additional height is within that, yes.

Councilwoman Whitehead: And then of course there is the deleted the underground parking which I heard the most about. The project has 31% more leasable space roughly and again, I have seen two different numbers today. But, you, your client has increased the leasable space by 31%, but you have decreased the parking. In the original approval, you had 970 spaces and now, there is only 906. So increase in leasable space, decrease in parking. Because when I think of headquarters and high-quality, you know, the offices that I'm hearing that residents say they hope this will bring, those are the types of employees do want to have sufficient parking. I'm going to talk more about parking in a minute.

I want to mention the 156-foot. You know, a lot of people said to me, 150-feet is allowable, why is this 156 feet? So it is? I hope you understand why it makes the residents feel like every last penny is being squeezed out of the City for the benefit for the developer. That caused a lot of concern.

Applicant Representative Jason Morris: Mayor and Councilwoman Whitehead. If it helps at all, the actual roof height is about 140-feet for the vast majority of the property. The reason we have it at 156 is literally the top of the elevator overruns which would be the highest point. As you can imagine the elevator overrun and on the roof presents probably two percent of the roof area. 140-feet is really the height of the building. 150-feet would be the height of the top of any shade structure for the rooftop appurtenances and then 156 feet would be the top of the elevator overrun, which is the highest part of the building. So it is actually – in fairness, it is 140-feet.

Councilwoman Whitehead: Okay, thank you for that. So on the open space, lets mention what the gives are. You mentioned 12,600 feet of open space. Can you show me where that open space is?

Applicant Representative Jason Morris: Certainly. As I mentioned Mayor and Councilwoman Whitehead, the requirement in your code is zero. So we are required to have no open space because of the urban nature of the project. As a result of the application, we are actually – the areas in green, which are the pedestrian plazas which match the pedestrian plazas in the areas. Because if we are talking about giving, as part of this application the current property owner is dedicating right-of-way on both Scottsdale Road to the City to finalize the Scottsdale Road frontage as well as the Shoeman Lane side. So in addition to the roadway that is being given there is additional open space along the face of the building which will have landscape planters as a pedestrian plaza. And in this area where we have parking, there's also going to be landscaped areas as open space. So for a total of 12,600 feet which



would be a gift because the required number is zero.

Councilwoman Whitehead: Okay so there are wider sidewalks and otherwise – would sidewalks be required here?

Applicant Representative Jason Morris: They would but not to this extent Mayor and Councilmember Whitehead.

Councilwoman Whitehead: Alright, okay. So back to other – okay so I want to talk about the exceptions. I went a little bit out of order here. So we talked about your getting the extra feet, the reduced parking. There's the 18 parking spaces that are going away. Also, this project eliminates the step backs on Scottsdale and Camelback Road, is that correct?

Applicant Representative Jason Morris: It does not eliminate them Mayor and Councilmember Whitehead. But we have asked for modifications that were approved unanimously. I can show you what those are, but that relates both to the stairwells and the elevator core.

Councilwoman Whitehead: There is an ordinance that states that the builder must provide physical and visual access points at every 100 to 300 feet subdividing building mass at regular intervals. That is a code requirement. Is that something this developer is going to follow? Or is that another exception?

Applicant Representative Jason Morris: It is something that applicant is doing. We are doing it in a modified manner because the building backs up to another large building. So it is not actually an area that can be passed through. So instead we are showing relief in that area.

Councilwoman Whitehead: Also...thank you, Councilwoman Milhaven. You know the Waterfront it was approved. That was brought up once or twice but it did have considerable step backs, and it did have a lot of visual through so this won't have that.

[Time: 02:37:59]

Councilwoman Whitehead: Also, the electronic art. I recognize it. Your client said it is not his decision, but it is still on this application. And that looks to me like maybe it is a question for staff, a breach of our sign ordinance. Electronic art, how is that differentiated from our sign ordinance? I don't know if that's a staff question?

Applicant Representative Jason Morris: And Mayor and Councilmember Whitehead, I will attempt to answer part of that and certainly, staff can reference the code. In this instance, we are doing two things. There is both a one percent for the art which is in excess of a half a million-dollar donation to the arts council. But there is also as part of that the canvas that I referenced during my presentation. While that could be electronic art and that's one of the early renderings that showed that, it is more likely to be either a rotating canvass in terms – there would be very many differences uses. It wouldn't be a permanent installation, but it would be an area where the arts council can decide they want to do a rotating exhibition, or it could be a permanent piece that is part of that architecture.

Councilwoman Whitehead: Yes, again, I think this is a question for staff. Having an electronic art piece

as part of this application that seems to open a door that makes me concerned. Would that in anyway effect our sign ordinance?

Senior Planner Bryan Cluff: Mayor Lane, Councilmember Whitehead, it is a little hard to speculate at this point since we have not seen what the actual art will be. The applicant is working with the Cultural Council on their art plan that would be moving forward in the future. However, in anticipation of that potentially being a question, staff did include a stipulation, as well as language within the development agreement that addresses signage to ensure that however this art piece is used, if it ends up being digital that is not used as signage.

Councilwoman Whitehead: Okay, thank you. Back to the parking. I have some comparisons. I'm worried about the parking obviously. I compare to the Galleria. I think that the Planning Commission, you compared the occupancy of the new building to what might be at the Galleria. Did I hear you say that? Is that a similar type of employer?

Applicant Representative Jason Morris: Mayor and Councilmember Whitehead, I did reference the Galleria in terms of professional office. I think the question I was referring to was whether this would be a call center type use or high occupancy office use and this instance, it will not be. This will be professional office. The floor plates are such that, designs are such and the cost is such that a call center or high occupancy use wouldn't be feasible.

Councilwoman Whitehead: Thank you. Because at the Galleria, we have a situation, where instead of having executive suites, we have a lot of rooms filled with cubicles and I would think that would have different parking stipulations. You are saying that is not going to be the case?

Applicant Representative Jason Morris: That is true. That is correct.

Councilwoman Whitehead: Okay. Let me see if I have other questions. Well somebody already pointed out and I know that this is the requirement that we are being paid \$13,800 for parking spaces that will cost us \$25,000 to \$50,000 to replace. And I know that concerns many of the constituents.

Okay, I think I'm very supportive, as I told you today, of having office space in this area. I appreciate your answers, but I still don't see a lot of give to the community. I see benefits to the developer. I understand that he has financial constraints, but I don't see the parking, the design, and the height provide enough benefit to the community. But I appreciate your answers.

Applicant Representative Jason Morris: Thank you.

[Time: 02:42:36]

Mayor Lane: Thank you Councilwoman. I want to make a couple of points and it may not be direct questions immediately. There is a lot of conversation about the establishment of a value to the City that is required of all projects in the City. I don't know where this has come from. But the real element that any construction, any business owner, any property owner has to the City is to pay their taxes. That is the primary thing. Everything else is at their risk and their value for them in being successful. There is no unspoken, informal obligation on the part of businesses or property owners to do anything over and

above paying their taxes.

In this particular situation, that is significant unto itself. The City of Scottsdale is doing something really is quite extraordinary in the world here in the Valley, rather here in the State of Arizona. We no longer, we haven't for over 10 years, paid cash subsidies to anyone. Municipalities are still paying developers to build apartments and office buildings and just about anything else they would like to have in their plan for their city and their general plan – how they plan things out. They are paying for those things and it is not small sums. Sometime, certainly, over 10 years ago, we did the same. We did it on the Waterfront. We did it in Fashion Square. We did it at SkySong to the tunes of millions of dollars. Payments were made. We are not in that league. We specifically made an amendment to our charter in 2010 to outlaw to gift anything to a private individual or a private business. We live with that rules. Anyone who works with the City of Scottsdale understands those rules. Not only are they willing to come in and invest at the level that we see fit according to our General Plan and master plans, they also are willing to pay bonuses in exchange for some of the adds that are given to a project.

Accommodations are what a city is about at least in a realistic sense. We are not trying to be obstinate or push back on everything that somebody wants to do in the City. If it fits within to what our general overall feel and look on the City has been, we are going to work with them where we can. We are not going to play favoritism. We are not going to do something for one versus another. But we like to see how things work. We try to get into that kind of position. Those are standards that your city, the City of Scottsdale, has lived for at the very least the last 10 years. Some changes we made approximately 10 years ago. I wanted to make sure that we are clear on. We talked a little bit about the fact that we can't arbitrary in the application of laws ever. That may be something that happened in cities you came from if you have come from some of the older eastern cities or otherwise, maybe that's the way they operate. I certainly do hear it about it from time to time. But nevertheless, those are changes, those are things that we do not do. As for the consideration of traffic, consideration of infrastructure and parking, those are all things that in our process, we definitely do consider.

The DRB is a unique establishment for the City of Scottsdale. There are other cities that have followed us on this. That's where we start to decide what color your building is going to be and how you design it. There's also a public safety and an ingress and egress kind of component that has to be reviewed in that. It is not a shutdown something. It is a matter of trying to influence a willing property owner to do with us in order to maintain the value that the City of Scottsdale has created here in the City of Scottsdale. That's why we have folks here that want to be here and build.

Do we need office space? Absolutely. It is actually the completion of a major element that started two decades ago. With general plan that is one, the way the downtown was worked out. Also in our master planning of it. All of the components -- remembering that in the early two thousands single digits over 2000. No, I'm sorry, back in '93, we designated the whole downtown as blighted - ready to blade it and start over. So, we put a redevelopment zone on it, which meant every time something happened, the developer was going to come to us and ask for something in return to build in that area. That's one of the reasons that we got rid of it. So, it is gone. But we lived with it for a long time. That's one of the reasons that quite frankly there were huge subsidies for some of the things that were built on the initial portion of what was a rebuild of downtown starting with the canal.

This component of something that every city planner and frankly, every environmentalist and frankly,

every good citizen knows that you are going to have commercial corridors. We are blessed in this city to have a variety of places to work, live, and operate. But we do have commercial corridors, and in those commercial corridors, there are people who want to live that way. They don't want to live on 3½ acre plots in north Scottsdale, have a ranch. They want to live and work and thrive in an urban environment. So providing each of those components has been an instrumental part of how we have built up a great platform for people to come and live and work and thrive here in our downtown. I know these are strong comments, maybe a little historical perspective and that, but nevertheless, it is important for us to keep things in perspective.

We have had great developers. And I will tell you, we have had some bad ones. But this staff in this City we are blessed to have the people who work in this city doing what they do. Somebody said to me the other day, well they don't know how to negotiate a deal. I will tell you what, I would put our City Manager and his staff up against just about anyone in the private sector with regard to work in these situations and being fair at the same time, being appropriate for government.

So, I think that this is a great project and we are almost silly to be talking about the idea this shouldn't work or shouldn't happen. We should leave this piece of property vacant and barren for the next decade or two. And quite frankly, it has been essentially vacant for quite some time now. But that doesn't mean that you lay down for anything. There are certainly things that we need to consider and that's why we go through this process. I want to set the record straight with what we have tried to do. We have always wanted to be able manage success rather than pull out of something that is a total failure in downtown. If you look around the country, you will see a lot of cities where their downtowns are not real good and they didn't keep their eye on the ball and really what a city is meant to be doing versus maybe some of the things they are not supposed to be doing. My overall feeling is certainly that this is a good add to downtown and I think that it is a wonderful project and I'm looking forward to seeing it happen.

A lot of the questions that are being asked are frankly things that have been asked and answered in multiple times in multiple documents. But, we are here in a public forum and frankly it is our responsibility to make sure that we communicate as best we possibly can and we listen. That's what it is about. I think that it is a good project. I'm going to support it. I hope that the rest of my colleagues do. I get a sense that may not be the case in some instances, but I am hoping we are going to move forward in a positive way for our downtown and for the people who live and work here. And provide a great economic engine, something that we didn't have 10 years ago. We were a ghost town 10 years ago. Moving along. Councilwoman Littlefield.

[Time: 02:51:38]

Councilwoman Littlefield: Thank you, Mayor. I will not be supporting this project tonight for a number of reasons. I believe this council has an obligation to our citizens to protect our downtown areas and to ensure our special character stays special. Especially at this gateway to our Scottsdale Road leading into our downtown. It should represent the best of what we are and what we offer as a city, not anything less. If this came before us at 90-feet for Class A office space and underground parking, like it did before, I probably would have okayed it. But I cannot okay this.

The Marquee is very different from its original version. It is not a re-do of the same building and it

should not be considered as such. It almost doubles the currently approved height of the building. From 90 to 156 feet. There is almost no public open space other than the sidewalks and some planters. Certainly, it is not what is required in other locations in our city or even in other locations in our downtown.

Also, the developer wants to move the previously designed underground parking above ground thus creating the need for some additional height. This move, by the developer's calculation, will save him about \$20 million from which he intends to give the City approximately 2 million. It has bonuses and development fees. That's the cost for destroying our height restrictions and increasing our density. You know, I don't object to the developer making a profit. That's what he should do. That's why he develops. I do mind that he makes a profit at the expense of the City and on the backs of its citizens who don't want this building at the high cost of violating our codes, our rules, and standards. This building could set precedent for our downtown that I don't want to encourage. I agree with Mr. Phillips on that.

Massive increases in office space increases all of the overhead costs that go with higher density. I'm not sure it will even have enough parking at the current levels that it is considering for its own anticipated tenants much less replace the public street parking that we are actually going to lose. I have little confidence in a Class A office space. That's what we were promised with the Galleria and it turned into a call center before it changed again and the call center left. This building almost totally removes the setbacks and step backs that our code require creating an almost straight up and down wall of glass. There is no attempt to blend with the surrounding areas or buildings that are currently there. It is going to stick out like a sore thumb. From the ground you will not be able to see the step backs they do put in.

I looked at the Planning Commission's report on this project. I got the feeling some of them felt that way. One quote reads "the proposed development plan and associated standards may not be context appropriate with the existing adjacent buildings as it pertains to transition in building mass and form to the street or in compliance with the Old Town urban design and architectural guidelines." It goes on to say that the minimal step backs as proposed are inconsistent with the recommendations of the UDAG, which is the Urban Design and Architectural Guidelines. Those are the guidelines that we, as a city, are supposed to follow.

The building itself is very long, very tall, and very narrow and that would run on the border of Shoeman Lane. There is very little movement in it to draw the eye. What movement there is in it, you can't see from the street. It's too high. In fact, it almost pushes you away blinding you with the heights and straight lines of the glass. It does not fit in the surrounding area and it certainly doesn't blend. It reduces our precious street parking. 18 spaces will be gone. They say they are going to replace it with more public parking underneath, but we don't know who is going know that, see that, or use it. We don't know if it will stay. We don't know the hours. In short, it is massive, it is a high-density glass whale of a building to be stuck on Scottsdale Road with its nose almost touching the street. It is the first thing that you will focus on when you head downtown on Scottsdale Road going south and the last thing that you will see as you head back home going north. What a memory of Scottsdale.

It is not inviting and will not enhance our downtown or tourism efforts for the entire area. It will detract from our old town, our historic downtown, and our arts district as marketing and tourism attractions or as places to go. In fact, it is my belief having looked at this and studied it, it will turn people away and

cause them to drive on. I certainly would if I were a tourist.

While I agree with the developer that this is a very difficult site to develop. He knew what it was when he bought it. And he knew what the problems were when he did. He bought it anyway and neither the City, the Council, or the citizens are obligated to sacrifice our high standards for designs and development in order to relief him from a bad business decision. These various changes to our code are supposed to be justified by increased benefits to our city and our citizens. They claim those as jobs and business creation careers. Any business that caters to businesses, any building can offer that. It is not special. That's what they do as a business building. I have no problem with Class A office space. I think it is a wonderful idea and I agree we need some. But I don't want to do it at the expense of our downtown.

From the emails and the public comments that we have all received, they don't want this building to be approved or built in Scottsdale. I have received probably close to 1,000 emails from our citizens if not more saying that. They do not think that the creation of these jobs, whatever these jobs may end up being, will improve our quality of life or benefit the City. I agree. The cost is too high. This is a massive glass box, mediocre at the location that should hold a unique and iconic structure. One that fits the size and shape of the lot and of the available space. It should look like it fits. Not look crammed in and should be a showcase to advertise our downtown, our entrance, and our city. But this is not it.

We have to be careful of the possible unintended consequences of approving this item tonight. What I call the camel's nose under the tent for the east side of Scottsdale Road. One of those consequences is not related directly to this project itself, but to the areas that would be affected by this requested approval of height and allows 150-foot height allowance to other locations. Specifically, to the Galleria. Supposedly, I have heard, do not plan to redevelop at this time, but this opens the door that allows it. This height allowance increases the value of their property to such an extent that they could build it any time and use the now available opportunity zone credits if they wished. Or they could sell the Galleria for an unearned profit, a huge profit, to someone else who would then want to build up. It is a step towards the destruction of what we call our downtown and our standards. It ignores our building codes, trashes our urban design and architectural guidelines and our character area plans and basically thumbs the nose of all of the citizens and what they want to see in their downtown. For me, that's the ultimate failure of this entire project.

There has been no serious attempt to work with these concerned citizens - some of whom we have heard here tonight. And these business owners in the nearby downtown, including owners on the west side of Scottsdale Road whose businesses would be impacted by this building. As some have said already, what about the traffic. My gosh, I can't imagine Scottsdale Road with all of those cars going through day in and day out, morning, noon, and night.

I was going to end here, but I think that I need to add a final note for consideration of this council. We need to look at all the ramifications of projects brought before us. It is our duty to our city and to our citizens. Trust is a two-way street. It doesn't flow in one direction. It goes from you to us and from us back to you, the citizens. That's our duty to our city and to you - to listen and to trust and to listen with openness and the ability to actually hear what you say.

Citizens are outraged this council is seriously considering passing this very much hated building in the

face of both a bond election and an upcoming council election. Reading the tea leaves here is not hard people. This passage could possibly tank our bonds if enough people don't trust this council to have their concerns and best interests heard at heart, I believe they are going to let us hear their unhappiness and let us feel it as well. They are paying attention to us tonight. Why should they trust us with \$300 million in bonds of their tax money when we refuse to listen to them on something like this that they really, truly hate this much? We very well could be trading our bonds for a \$2 million pay off for a building that nobody wants. Think about it. Frankly from what I've heard, I think this is a distinct possibility and sadly, I couldn't blame them.

That's really all I have to say. Those are my concerns. I don't have a concern about Class A office space. I know it. It is wonderful. We could use it. But we need to work on this. We need to make this more Scottsdale and more fitting into the downtown area. Thank you.

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

[Time: 03:03:40]

Councilwoman Klapp: Well, I have talked to a lot of people as has Councilwoman Littlefield. I agree that some people don't like the building and I agree some people do. I haven't heard from as many people apparently as Councilwoman Littlefield has heard from. I do know that in the discussions there is an understanding about the need for this kind of building in the downtown and I do have a question before I say anything further. And that is, there has been some discussion and I watched the Planning Commission meeting and there was some concern there from the people that are on that commission, as well as some of the Council people here about what is the benefit of this building to Scottsdale? In addition to the \$2.1 million that is being paid to the City according to our requirements in order to build higher and build a building that can work on that site, but there is also a half million dollars being provided for public art and another quarter of a million dollars that is being provided for some other required things. There was a slide that was shown briefly by Mr. Morris. I'm going to ask somebody else. I'm going to ask Rob Millar if he could you share with us. I saw a study done on this project and it was not done in time for the Planning Commission meeting. So they could not talk about what the economic benefits of the project was to the City at that time but this was completed just recently. And there were a couple of figures that we have seen tonight. But I want you to hit the highlights on what this project will do. What is the the benefit of this project is over and above the money that the applicant is paying to the City of Scottsdale if this is built?

Economic Development Program Manager Rob Millar: Good evening, Mayor and members of the City Council. I did receive an impact study that the City did commission with the economist. The report is extraordinarily thorough, and the analysis is in-depth. I'm not going to take you through its entirety tonight, but I can summarize in two slides. First thing is job creation. The direct jobs that are created by the construction are 415. The induced jobs are 267. That equals a payroll of \$37 million. And a regional impact of \$31 million at the regional level. In terms of operations when the building is constructed in terms of jobs. The jobs are 1427. And the direct and the induced jobs and it is 1584. That is a total of 3,000 jobs and a payroll of \$82.5 million. And the regional impact is \$414.2 million.

The use tax of 175 and development impact fees of \$2.4 million. Those are direct fees that go to the City of Scottsdale for a revenue of \$5.1 million and that's specific to construction. In terms of the

annual, ongoing, reoccurring fees that come into the City of Scottsdale, estimated through the report is average of \$1 million per year. As antidote and the current parcel tonight, generating \$80,000 in property tax in comparison. With that, I would be happy to answer any questions.

[Time: 03:08:19]

Councilwoman Klapp: No, that's all of the information that I was wanting, was to illustrate the economic benefit of this project. We do need to consider use. We do need to consider the look of the building, but that also goes to the DRB. Not just here. DRB deals with the actual design of the building and the elevations etc., landscaping.

From the perspective of a council person, when you talk about 1,400 jobs and \$182 million worth of payroll, that's a lot of money being spread around the City of Scottsdale that we don't have being spread around right now. To me, the City of Scottsdale is in the service delivery business. We are providing topnotch services in the City and it takes money to do that. We can't continue to provide all of the services that the citizens expect if we aren't finding ways to bring revenue in. It is incumbent on us to be considering not only bring the projects that are coming to us that are needed projects but how much money its actually going to generate for operating the City of Scottsdale. So we can keep this city economically strong and we can also keep the city competitive. There was mentioned by some speakers office projects in Tempe and Phoenix and other places and we have not built Class A office product here for a long time.

It is my feeling that we have to give this consideration, as well as what the building looks like. The building design is in the eye of the beholder. Some people don't like it. Some people do. Personally, I'm not offended by the building whereas some people are. I think that the architect has done an excellent job of being able to develop a project at this site that will bring in the kind of revenues you see here so I feel good about that. And also small business depends on having people shop at either their businesses or go to their restaurant. All these people who are going to be working in this building are going to be spending their money, in some cases, in Downtown Scottsdale. This is good for the merchants and the restaurants.

I have been a retailer and I know how important office buildings are to the business community. We have to be concerned, not only what has been mentioned by some speakers, that we are open for tourists in Scottsdale, but we are also open for business in Scottsdale because both of those things bring money to us. We are able to have such a high-quality city because of the number of tourists that come here and also able to have a high-quality city because of the number of businesses here. We want to be open to business to come here and thrive in the City of Scottsdale. As well as to provide places for all the people that are moving into downtown Scottsdale as has been mentioned. We have been a live and play downtown, but not so much a work downtown. We need to have more work available so that people can live here and work nearby - not be on our freeways, not be on our streets and not cause as much traffic congestion out in other areas that we have today. If we have more jobs downtown, we are probably going to reduce some of the travel that we are seeing from people living in the northern part of Scottsdale or Tempe and other places and now, they have the opportunity to live and work in Downtown Scottsdale.

My feeling is that the project is consistent with the General Plan. Consistent with the Downtown Plan.



It is consistent with the guidelines of the City. It is consistent with the objectives of this city and council to improve the economic life of this city. From my perspective, I believe that the architect and the applicant have done a good job with developing a building that will work in the site, as well as bring economic health to the City of Scottsdale. I believe it is important that I do support this case for the reasons I just stated. It is a good project and a needed project. You have heard this from a number of people who come here that said we are business people and we need to have more office space available to bring in high-end jobs and companies that want to locate in Scottsdale because if not, companies are going to leave. We lost a company just recently that had to go elsewhere because they couldn't find a large enough office space in the City of Scottsdale. We don't want that to continue to happen. I will be supporting this project because I believe it is needed, I think it is in a good spot, it is in an area which is a commercial corridor. There are no residences around it and it isn't going to impact the residences at all. From that perspective, putting an office building in this site seems to me to be a very good idea. It also removes an eyesore at that spot today.

I'm going to be supporting the project and I hope the rest of my councilmembers who have not yet spoken will do the same. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Korte.

[Time: 03:14:04]

Councilmember Korte: It has been a long night. Thanks for hanging in. I remember back in the early 2000's when I was President and CEO of Scottsdale Chamber of Commerce, I walked down Stetson east of Scottsdale Road and it was a windy day and I walked past boarded up buildings and tumbleweeds blowing down the street because nothing was there. A lot of us in this room remember that. It was the beginning of the beginning or the end of the end and beginning of the beginning because it was a developer with some vision sitting here in this room that has the last 20 years invested in our northeast quadrant of Old Town. It is the developer Scott Dale. We have hotels, we have entertainment, we have residential. We have a lot of vibrancy in our Old Town because of the vision of our developer who is proposing the Marquee. So, we are fortunate to have this high-quality, time tested developer. So, thank you for that.

Many of the issues that have been brought up by those opposing this have been spoken to. I'm not going to reiterate that. I don't think it is necessary. I support this project because -- for to create 45,000 square feet, which is so nominal compared to what Tempe has done with 4 million square feet of office space. We haven't had a crane in downtown Scottsdale in ages. This is the first office space that we can say that we have had in 20 years. As we know, that live, work, learn and play concept - that's critical. Those are five stools of an important to economic base and sustainability of a downtown. For us to be able to create 1,400 high paying jobs is something that is very, very important to us.

Not to mention the direct revenue through construction. The million dollars annual income from increased sales tax, lease tax, and property taxes. That equates to \$14.4 million over 10 years. That's real money. And that's important to keep our own property taxes down. So this is one I believe -- a most important project in our downtown because it is offering the Class A office space and I hope that this is one of many more Class A office spaces to come in the future.

Mayor Lane: Thank you, Councilwoman Korte. Vice Mayor Milhaven.

[Time: 03:17:25]

Vice Mayor Milhaven: Thank you Mayor. First, I want to start by thanking the applicant for all the time they spent with me before the Council meeting and before Development Review Board. It was my turn to chair Development Review Board when this came forward so I thank the applicant for being generous with their time and helping me understand the project and responding to concerns that I had about it. I also want to thank staff for always being available if I am not understanding the process, to make sure what is allowed or what is not allowed or what the process is. Staff has always been very supportive and very helpful to help me understand the process. So I want to thank you for your support in that as well.

I am going to support this project. I know that we have heard about thousands of emails. I got about 100. We heard Councilwoman Whitehead got elected to represent her constituents and I tens of thousands of votes when I got re-elected for the third time based on my record for balancing development with the economic prosperity of our community. So I feel a great responsibility and I feel that the citizens have entrusted me to do exactly that which is to balance the economic prosperity of our community with development.

I take great issue with the folks who say this is not a quality project. As I said, I chaired the development review board. Are there minor modifications to the guidelines? Yeah, we gave a little bit on the step back because they gave us more on the public space. And so while we tweaked the standards, I think for everything, every exception we made, they gave us a little bit more. So I take great exception to the folks who say that this is not a quality project. I believe that it is. It may not be to your taste and the old saying there is no accounting for taste. But I happen to think it is a quality project. I like the design and the fact of the matter, it is going to come back to development review board and again, so if you don't like what color it is or you don't like the glass and the finishes, there is still opportunity to weigh in on that.

Infrastructure. Every time we have a conversation about a project, they throw out this is being done on the backs of the citizens. This is not being done on the backs of the citizens. The process, as the Mayor said, looks at the infrastructure impacts and if it is necessary, the developer pays to improve the infrastructure to create the capacity. If my colleagues think that we need to do a different, better job estimating the infrastructure impacts, I would like to have them to recommend how we change the process. But we have a process and it is being considered. It is not being done on the back of our citizens.

I heard a lot tonight about give and at the expense of the City. We are not giving these people anything. These people own the property. They are going to pay to build the building. We give them an extra 60-feet. Guess what? They are paying to build the extra 60 feet. We are not giving them anything other than saying, we think it is a good idea to build Class A office space and yes we are okay with 150-feet in our downtown core. We are not giving them anything but our permission to say we think it is a good project. This is not being done on the backs of the citizens.

If we all agree, which everybody has said they think attracting jobs is a good idea and Class A office is a great idea, this is exactly where we want to do it. The Mayor already said – this is a big city with a lot of

geography. If there is a place we are going to have height and invest in the economic prosperity, downtown needs to be where it is. Councilwoman Littlefield says it doesn't reflect anything that surrounds it and to that, I say, thank God. Because what's around it is garbage. Except for a few things around. Alright you've got that building we pointed to that's just to the north was demolished – I don't know, 15 years ago. And the steel girders only came down in the last few years. They left the steel structure up. Right? And then we've got the Safari was knocked down in 1995, so 23 years ago and it is still a vacant lot. And just on the other side of the canal bank, that still has not been built. We go down to Laloma -- our downtown is tired, and we have empty lots and thank God we have someone who is willing to invest in it and thank God it doesn't look like the vacant building and empty lots that surround it.

I also take exception to the fact that Councilwoman Littlefield makes this about trust and that she brings bonds into this conversation. We may disagree on what the best thing is to do for the economic prosperity of Scottsdale, but it is not a matter of trust. It is a matter of a difference of opinion. I have to take exception every time you bring that up. We may have differences of opinion. People who vote for me may not vote for you. But you can trust that I do what I say and say what I do, and this vote is been consistent with what my record has been.

And lastly, I want to make a comment. This is not your typical developer. This person who is the applicant is the property owner and he is a significant property owner in this part of our downtown. Whatever he does on this project is going to impact the value of all the rest of the property he owns in our downtown. The last thing that he's going to want to do is to build the project that erodes the quality and the economic prosperity in our downtown. In fact, all of us talk about what we have invested in our property values, what we have invested in our city. What any of us have personally invested pales in comparison to what this man has invested in our community. The impact this project will have is even more important to him than any of us. We are not talking about a developer. We demonize developers, but this man has made a personal investment here and I think that needs to be recognized.

[Time: 03:23:05]

So, now, we that we have all had our say, I would like to make a motion to adopt Ordinance No. 4413 approving a zoning district map amendment, adopt Resolution No. 11153 declaring the document entitled "Marquee Development Plan" to be a matter of public record, and adopt Resolution No. 11555 authorizing development agreement 2016-021-COS-A1.

Councilmember Korte: Second.

Mayor Lane: Motions have been made by Vice Mayor Milhaven and seconded by Councilwoman Korte. No further conversation. I think then we are ready to vote. I would just want to say before the vote that I want to thank everybody for their comments and that. And certainly, it is something that is very important for our downtown, there's a long history of it and if I got a little excited, I apologize for that. Nevertheless, it is something that is important and means a lot in a great history of our accomplishments in our downtown from where it was. This won't be the end of it, of course, but nevertheless, we work hard with it all. But I do appreciate all the input.

With that, we are ready to vote. Those in favor please indicate by aye and those opposed with a nay. Register your vote. Motion passes 4-3 with Councilwoman Whitehead no, Councilwoman Phillips no., and Councilwoman Littlefield no. So, thank you for everyone inclusive of the owners and the developer.

**ADJOURNMENT**

[Time: 03:24:39]

Councilwoman Klapp: Are we going to adjourn the meeting?

Mayor Lane: Yeah.

Councilwoman Klapp: I move to adjourn.

Councilmember Korte: Second.

Councilwoman Klapp: We have a motion and second.

Mayor Lane: All in favor aye. We are adjourned.