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#### **CALL TO ORDER**

[Time: 00:00:02]

Mayor Ortega: I call the March 9<sup>th</sup>, 2021 city council work study session to order. And I am pleased to call on City Clerk Ben Lane, please conduct the roll call, sir.

#### **ROLL CALL**

[Time: 00:00:24]

City Clerk Ben Lane: Mayor David Ortega.

Mayor Ortega: Present.

City Clerk Ben Lane: Vice Mayor Betty Janik.

Vice Mayor Janik: Present.

City Clerk Ben Lane: Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

City Clerk Ben Lane: Tom Durham.

Councilmember Durham: Here.

City Clerk Ben Lane: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Ben Lane: Linda Milhaven.

Councilmember Milhaven: Here.

City Clerk Ben Lane: Solange Whitehead.

Councilwoman Whitehead: Here.

City Clerk Ben Lane: City Manager Jim Thompson.

City Manager Jim Thompson: Here.

City Clerk Ben Lane: City Attorney Sherry Scott.

City Attorney Sherry Scott: Here.

City Clerk Ben Lane: Acting City Treasurer Judy Doyle.

Acting City Treasurer Judy Doyle: Here.

City Clerk Ben Lane: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Ben Lane: And the Clerk is present.

Mayor Ortega: Thank you. We are pleased to have Scottsdale police officer Tony Wells and firefighter, Logan Adcock here should anyone need assistance. Thank you, sirs. Well, we are in session for a work study session for the items as posted by the clerk's office. We are here to discuss items freely and actually also hear two reports from staff. There is no action item at this point. We would just be looking for direction to staff.

The first order would be to call on a public comment and we did receive one request for public comment. So I will turn it over to staff at this point.

Management Associate Shane Stone: Thank you, Mayor and members of council. We do have one public comment and it is specific to item 4. We don't have any non-agendized public comment. Yes, we do this at the beginning. So go ahead, Melissa, and you are unmuted now and hit star six on your end.

[Time: 00:01:45]

Melissa Kovacs: Great. I had there. Good afternoon, Mayor Ortega and city councilmembers. My name is Melissa Kovacs, I live in south Scottsdale and I appreciate the opportunity to speak today to express my enthusiastic support of Councilwoman Milhaven's suggestion to form a short-term rental task force. When Governor Ducey stripped Arizona cities of their powers to regulate short-term rentals in 2016, it was done without foresight. Policy implications on citizens living in non-H.O.A. neighborhoods. My own neighborhood has been particularly terrorized by large party houses for years now. There is potential policy solutions that could be implemented within the confines of existing state legislation. I was proud of councilwoman's recognition -- recognition that this is a problem for Scottsdale citizens and that more examination could occur with the task force on this subject. I would be personally happy to serve on this task force as my community member.

Management Associate Shane Stone: That concludes the public comment for the evening.

Mayor Ortega: I believe that closes public comment. So I will close public comment.

#### **ITEM 1 – RESIDENTIAL SEWER LINE EXTENSIONS**

[Time: 00:03:58]

Mayor Ortega: We'll now turn to a staff report in particular the residential sewer line extensions and our presenter is Brian Biesemeyer with the water resources as the director.

Digital Media Designer Brian Hancock: Brian, you are muted on your end.

Water Resources Executive Director Brian Biesemeyer: This is Brian Biesemeyer, executive director for Scottsdale water. I'm sorry, I seem to be muted on this side.

Digital Media Designer Brian Hancock: We can hear you just fine on our end now.

Water Resources Executive Director Brian Biesemeyer: Um --

Digital Media Designer Brian Hancock: Brian, do you want me to call Kelly Kuester and tell her we are working on it.

Water Resources Executive Director Brian Biesemeyer: Yes, apologize. Let me see if I can get the audio on my computer. This time --

Digital Media Designer Brian Hancock: Brian, they can hear you.

Water Resources Executive Director Brian Biesemeyer: This is Brian Biesemeyer, I will start this unfortunately, I'm having a hard time hearing anybody here. This presentation is a result of a presentation that we did in the study session back in October of 2019. Next slide, please. So I will start with a brief introduction and review and we will talk about the October 22<sup>nd</sup>, 2019 study session tasking survey, and then one the big questions was a survey of our residents and then we'll have a discussion

and then ask for guidance from staff -- guidance to staff from council. Next slide, please.

So sewer line extension, it's the extension of a sewer line to serve additional properties. Very simple. This is in the residential context. It's done to allow homeowner developer to extend a sewer line. I apologize to the reference for water, but it's a sewer line. Next slide, please.

So while we have this, as you recall in the council retreat, we gave references to the general plan and these are those same references to the general plan. Most morning the top two, we should recognize the value of water and wastewater to the community and the second is to deliver service costs borne by those folks desiring that service that don't adverse my impact existing customers. Next slide.

So septic systems in Scottsdale, we estimate about 5,500 septic systems. You can see the purple colors where we estimate these septic systems are. We have to estimate. The county is the one who does regulatory authority over septic systems and then over the last seven years, our sewer line had reached out to 169, with the average cost of \$25,000 to each parcel. So for the next several slides, I will have Suzanne our water quality director and she will have a discussion on water quality septic systems and this is similar to the presentation given in 2019 on groundwater quality and septic systems. Suzanne?

[Time: 00:08:13]

Water Quality Director Suzanne Grendahl: Thank you, Brian, Mayor Ortega and members of council. Next slide, please. I will review how the septic skim works. The wastewater flows out of the home and into the septic tank. That's where the solid settles to the bottom and the water rises to the top and it overflows into the distribution system and can go out into the drain field for the leach field where those lines the perforated and it's able to percolate down through the soils. You can see it's very dependent on the amount of soil that is there, and you can see how much treatment can be done and any contaminant, but it will eventually hit the water table, the groundwater and then you can see off to the far right, that is also the same place that we pull drinking water out of, with the municipal well or the private groundwater well as shown in this diagram. Next slide, please.

So septic systems are clearly used throughout our country, but the intent is for septic systems to be used in rural and small communities, where city sewer is not available. It is clearly understood that septic systems can pose a risk to groundwater and also surface water, and a lot of that is because of maintenance issues and/or the density. I'm not going to read all of these comments here. These are agencies that have expressed concern over what the impact from septic systems can be on contaminating groundwater. Next slide, please.

So what type of contaminates that are related to septic systems that we call regulates are bacteria, viruses and parasites and the biggest concern is nitrate. That's known to be a nutrient that's tied to septic systems but is also known to come from agriculture. It's also known that it can be as high as 50 parts per million and septic tank discharge and to put that into perspective for you, the allowable level for drinking water is 10 parts per million and we have set a limit at 8 parts per million because we will not allow water to be served that's above 80% of any maximum contaminant level.

So what do these things have in common? They are considered acute contaminants. That means they can make someone ill almost immediately ill, but certainly within hours. It is different from a chronic

contaminant which is something that is generally where you drink two liters of water, and you have the risk of getting ill. These things that are acute can make you ill almost immediately. In addition to these regulated contaminants can pass through the septic system, those are unregulated or virgin, such as pharmaceuticals and personal care products. I will tell you how the septic system works. Hopefully you have been able to tour. You know, we have a significant amount of treatment that we perform to make sure that the water we put in the ground meets drinking water standards before we put it into the soils and it gets down to groundwater. [Garbled audio ] Maintain the septic tank and potentially in the soils but -- soils but there's no control of that and not regulated at all. Next slide, please.

So in addition to -- [Garbled audio] Is the density of septic systems and the EPA has pointed out that these are not properly maintained or if they are -- there's too many of them in any given area, that -- where the soil conditions are not sufficient, that septic system has more of a direct impact to groundwater. It's about three septic systems per square mile or if the septic systems in 16 acres. Next slide, please.

So I just as an example, it's not anything that is unique to what we have in Scottsdale here. This is a -- you see the red square there? It's a square mile that's bounded by Scottsdale road to 64<sup>th</sup> Street and then Cactus down to Shea. The orange areas within that square are thought to be known to be septic systems. And in this area, we highly exceed the recommendation by the EPA. We have [Garbled audio] Which is ten times what the EPA recommends for density. In addition to what you see in the one square mile, you see S22 and S23, those are two municipal wells that we currently use for production to meet our demand in the summertime, more than any other time that we have a contingency situation, and they are located right in this area that's highly dense can septic systems. Next slide.

So the first thing I wanted to mention to you is one -- something that can make a situation worse, while septic systems present. There are two wells that are located there but it's not only those municipal wells that are located but we also have what are called exempt wells which can be -- which are generally private wells that may be fully drilled all the way into the groundwater or maybe only partially drilled but nevertheless, they are a direct conduit from the surface down to groundwater. Think of it as a straw. Instead of all of that stuff that comes out of a septic system or any other contamination that puts on the ground, instead of percolating to the soil, tech go directly down that well, directly down to the groundwater.

One way to think of this is a little bit is we have a in south Scottsdale our superfund site and how that large plume of contamination was created was by entities many years thinking that they could put contamination directly on the surface soil and they thought it would evaporate and it percolated down to the soil, until it hit the water table and we now have a significant plume that we have been treating since 1994 and will probably be treating for another 50 to 70 years about that's cleaned up. This is a much smaller scale on the water that comes out of the septic systems, it's still the same concept. It was proven in the superfund site that these types of wells, these exempt wells and even some abandoned municipal wells make the system that much worse.

So for me to wrap up my part of this, I guess if I will draw conclusions for you, there's been -- I mentioned to you that maintenance on the septic system is crucial. And if I was to base what I thought of people spending time maintaining their septic system, if I compared that how we have found that

people treat their under the sink or whole house drinking water systems, I have concerns there. We get calls all the time for citizens asking us to come to their home because they have concerns about their drinking water that has a taste, it has an odor or a color and we find that they often have systems that they have done nothing with and they don't know what to do with it and they left it in place. That's something directly in the home and this is drinking water related. If you think of a septic system that's out of sight, out of mind and less likely that they may be maintaining a septic system. So that is the conclusion I wanted to draw and I will kick it back to Brian.

[Time: 00:16:35]

Water Resources Executive Director Brian Biesemeyer: Next slide, please. With the October 2019 study session, council asked that we return with options and more information, and one of the first ones was conducting a survey of residents and their interests, which is what we did. [Feedback] We began the survey was conducted in the first mailings in January and the second mails in February. First was to direct folks to a website. The second we actually sent out a postage mailer that they could self-mail back. We sent out 61 -- 6,120 surveys total. And we continue to get these back. We got a number of these back. We continue to get these back even to this day in one or two. So we know the information is out there. [No audio] Next slide, please.

Survey results. So of the 6,000 surveys sent, we got 2300 back. Of 38% response which is an amazing response. So folks are definitely interested. First question we asked, do you anticipate having a current septic system replaced or overhauled? The majority answer was no. And we also wanted to know within the next five years to ten years. A small number of people into that. And a few people were unsure. I have a sense from this survey, as well as others that folks really don't understand that the septic systems nail over time or they don't have the -- fail over time or they don't have an understanding of lifetime of septic systems. The price would be the same or similar to the cost of installing a new septic system or renovating your current septic system. And while the largest amount of response was yes. Again to me that makes sense because of the large cost and just the unknown. We didn't give them all the details that perhaps one would want to make such a decision. And those would be independent and separate for each home. Then we wanted to know the ages and you can see a large portion of the septic systems are over 30 years old. Close to 1,000 of the respondents showed that their septic systems were over 30 years old. Those obviously being the more vulnerable to failure and replacement. Next slide, please.

So we wanted to know about the geographic distribution too. We wanted to see if there were areas that folks really wanted the septic systems replaced and wanted sewer service. Was there any different distinction between the can different areas of city. We saw yeses and nos throughout the cities. And they were predominantly in the same area. We didn't see a big geographic distribution between yeses and nos on the survey. Next slide, please.

So some of the other questions were about community facility districts and, yes, community facility districts is a tool that folks could use if they wanted to bring sewer into an area. The difficulty with the community facility district is you need a large number of customers to really make -- to overcome the administrative cost of setting up and going through the election and the other things that occur with the facility district. We don't see large communities coming to that need and I think it's because the view that residents are split. While this available, we have not had any customers attempt to create a

community facility district. And the next was the cap on sewer. It's possible but we need funding. We will talk about that in the next several slides.

One portion of that was a sliding cost scale as a cap. We believe this is pretty difficult to do because of the fact that when we extend sewers into area, many times we will have some homes that are constructed and others are just lots and how do you distinguish the cost between lot and a home and the price of the home. Many owners have bought homes in the area and the house prices have gone up and so the value of their home is less than what they paid for, it particularly retirees and such. They will make the argument that while the home is valuable, but they don't have the extra earnings to match the value of their home.

The next is sale on sewer, and what my staff was request I can to point out that the cap on the sewer costs as we just discussions is a sale on sewer. It is providing a discount. Additional -- we find that lot developers and home redevelopment -- really the decisions for that are taking the price of the sewer extension, but the decisions are not made and whether or not it's that Ed -- it's generally not made whether or not the sewer line is at a certain cost value. Sometimes they are but generally not. The next one is customers are allowed to pay over time. Again, that's possible. There's some risk and we will talk about on the next slide. Next slide, please.

So I mentioned low cost sewer extension. These are low cost in that they don't impact the sewer fund. They don't have a large cost impact on the sewer fund. There's still a cost to customers who extend the sewer but some of the options available are payment over time was one of the questions that we were asked and, yes, we can allow customers to pay over time, however, they would need to agree on a lien on their property so we have some -- we alleviate some of the risk of walking away from these payments. We would require a down payment, and we could extend that up to five years to pay the remaining balance. So we could offer that as a way to seize the immediate pain of paying for a sewer extension. Also interest rates.

As you remember from the council retreat, we talked about how we have the participation agreements which means when a homeowner extends a sewer to his property, when that is accepted by the city, we will pay the homeowner back for the price of that sewer extension, except for the price of the sewer line that's immediately in front of his home. So really we invest in the city and Scottsdale water in that line. We pay cash for that line and yet don't necessarily have folks connected to that line other than the developer. So there's a cash out. And as a result we charge an interest rate to any of these customers that want to hook up to our line if they don't hook up when the line is initially constructed. So if they wait five years, there's an interest charge. That charge has been prime plus 1%. The cost of our cash is really or interest rates and so that interest rate is less than prime plus one. It would again lessen the interest cost on line extension agreements for those who don't pay immediately to hook up.

And then also we could do an interest cap with more than \$5,000 per lot or home. Folks are frustrated. We have a number of folks who are frustrated from the number -- the amount of interest is actually charged to a customer because even a small interest rate accumulates to a large amount. So by capping at \$5,000. It costs \$25,000 to have the sewer extended to them, but they don't have to deal with a \$10,000 or \$5,000 interest charge on that. Now, that would impact us over time, but we believe we can put these measures in to our line extension program and not immediately impact our rates. Next slide, please.

I will backtrack on the historic sewer extension costs. These are what we had over the last six and a half years. So you can see the costs have gone up and down. And they generally have increased, but it's \$25,000 is our average. Next slide.

So if we talk a cap on a sewer. That's \$15,000. And that's roughly the cost of a new septic system. We have the new septic systems go between \$13,000 and \$21,000 to install a new septic system. If we put this cap, we are an enterprise operation, we would need to find income to make up for this cost. And if we do -- we currently do around 24 a year, some years more, considerably more but assuming the increase that by doing the cap, we would increase it to 50 lots or homes per year, the cost would be roughly \$50,000 -- the \$500,000 per year for these. And the way -- the ways to make that up are limited. That would be an equivalent of 1.5% increase in sewer rates to all sewer customers or if we impose this on water customers as aquifer protection fee, it would be 40 cents a month to all water customers. Next slide, please.

So possible options. One is no change. Second is the low-cost options and the staff is recommending to go with the low-cost options. Again, we believe it makes the program less onerous to the customers who extend the sewers. There's also the possibility of a cap and that cap has to be paid for by other means and I mentioned two of those or combining or other. And next slide brings me to the end of the presentation. Mayor, back to you.

Time (00:28:39]

Mayor Ortega: Thank you. I'm not sure if we have any comments but I would open with a couple questions. Have you looked at the mitigation costs just like we scrub water and other arsenic or contaminated water areas as a possible mitigation and what would that cost be in that particular area?

Water Resources Executive Director Brian Biesemeyer: That would be the individual's wells. We would treat the individual wells as the nitrate would come up. We have not directly looked at that because that would be -- looked at that, because that would be each well. Nitrate treatment for each well is hundreds of thousands of dollars to the wells that are impacted.

Mayor Ortega: I'm sorry. When you say wells, I was speaking of the city aquifer area where you may draw off that area and scrub it or whatever or back-charge and assess the responsible area of that plume not on the individual wells but the individual well in that area.

Water Resources Executive Director Brian Biesemeyer: But the end result is a well head treatment. We would take that well and that pollution that was coming out and treat it at that well and so that's how it would be impacted. We trace the plume to an individual well and put well head treatment. The difficulty is to say which septic systems cause that and assess that to them. Again, because we don't directly bill septic systems. We directly bill the water customers.

Mayor Ortega: Okay. Any other questions? Thanks for clarifying that. I will call on Councilwoman Whitehead.

[Time: 00:30:54]



Councilwoman Whitehead: Thanks, Brian. That's a lot of work since 2019. Certainly the vast majority, I assume of these septic homes or in an area that the water would go -- the wastewater would go north to your campus for treatment.

Water Resources Executive Director Brian Biesemeyer: Majority are, yes. Mayor Ortega, Councilwoman Whitehead, yes, the majority is in the area where we would collect it and send it to the water campus.

Councilwoman Whitehead: So there's a value to everybody to have that resource. Okay. Thank you.

Mayor Ortega: Councilmember Durham.

Councilmember Durham: Thank you, Mayor Ortega. Are we aware there are health occurrences resulting from septic issues?

Water Resources Executive Director Brian Biesemeyer: We are not aware of any immediately that have occurred. We are aware of rising nitrate levels but not specific health instances at this time. We are dealing with that particularly in south Scottsdale now. One the reasons for our come moss road groundwater treatment center is to handle some wells in south Scottsdale.

Mayor Ortega: Councilwoman Caputi.

Councilwoman Caputi: Brian, sorry, this is not really my area of expertise. Is the goal to try to incentivize folks who have septic systems to switch over to the city system?

Water Resources Executive Director Brian Biesemeyer: Mayor Ortega and Councilwoman Caputi. The idea is to come up with ideas that provide less of a burden to residents as they extended the sewer line. There were a couple of extensions of sewer lines where some residents felt overburdened and brought the subject to council, and thus the original study session was to discuss possible means of reducing burden to customers when they extended the sewer lines.

Councilwoman Caputi: It's better for our city to be on our water instead of a septic because of all of reasons explained in the presentation?

Water Resources Executive Director Brian Biesemeyer: Yes, because of that and the general protection of our aquifer to have sewer versus septic.

Councilwoman Caputi: Right. So I'm in agreement on Councilwoman Whitehead that there's a benefit for the city. We all benefit from having a safer, better system. Yes, I'm still trying to get my head around it. Again, not really my area of expertise but super fascinating. Thank you for all the information.

[Time: 00:34:07]

Mayor Ortega: Councilwoman Milhaven.

Councilmember Milhaven: All the water we take out of the aquifer, we treat now right?

Water Resources Executive Director Brian Biesemeyer: Mayor Ortega, Councilwoman Milhaven. Some of the wells we treat, but some of it is just disinfection treatment, not treatment for specifics like nitrates. A number of them we do treat for arsenic and now with the Thomas groundwater treatment, we also treat for nitrates.

Councilmember Milhaven: How would this change the way we treat the water that comes out of the aquifer?

Water Resources Executive Director Brian Biesemeyer: Great question. It would not change the way we treat. It would -- well, the goal would be if we eliminate septics, it would delay the -- it would delay the impact of particularly nitrates or maybe mitigation the impact of additional nitrates in our system.

Councilmember Milhaven: Could you say more about what that means?

Water Resources Executive Director Brian Biesemeyer: Sure. Yes, ma'am. So with septic systems they produce considerable -- like between 5 to 10 times more nitrates come out of the treated sewer treatment effluent and that increases the nitrates in the aquifer. Nitrate being an acute contaminant which can cause blue baby syndrome and other effects on the population thus the concerns about nitrates reaching the groundwater.

Councilmember Milhaven: Thank you. I think what I was thinking I was asking -- I didn't ask my question correctly. We are treating all the water out of the aquifer now and you are saying with allowing these septic tanks, many of which have been there for over 30 years, if we leave them, it would increase the nitrates in our groundwater. My question is if we leave them as they are, how would -- how we treat the water change?

Water Resources Executive Director Brian Biesemeyer: How we treat the water, we would have more well head treatment. As the occurrences rise. It's currently extending our sewer reaches. The discussion is to extend that faster. Even with these solutions on the table, it doesn't extend it -- it doesn't take away or cause a solution to the problem immediately. It would still be a long path to -- to getting sewers to reach our customers. I hope -- did I answer that correctly.

Councilmember Milhaven: I think it depends on what our goal is. If our goal is to have better drinking water and the lower cost to make sure that we are providing clean water to people, if swapping out the septic systems doesn't change how we treat the water or save us any money, then I don't know what the community benefit is of -- it's certainly -- I'm okay with some incentive but the magnitude of the incentive has to be weighed off with the public benefit. And if there's no clear public benefit, I would be less inclined.

[Time: 00:37:39]

You said \$25,000 was the average cost. If I recall when we talked about this, before there is also cost -- there's the cost of the septic in the person's property and then there's the cost of connecting it to the sewer line, which we hope runs along their property line. But if I remember, there's significant

cost in bringing the sewer line into the neighborhood and it seems that \$25,000 may be pretty modest and only cover the cost for the septic tank and connection which we hope runs along the property. Could you talk about what the \$25,000 covers.

Water Resources Executive Director Brian Biesemeyer: Yes, Councilwoman Milhaven. It involves the cost of the sewer line directly in front of their home or lot. There is a cost -- there is a cost that the state and county would impose for demolishing or closing your septic system. There's a government the larger cost is getting the sewer lines into the neighborhood. Those are our impact fee costs that we would extend those lines using impact fee dollars for to address development. We have the larger sewer lines on minor collectors but into the neighborhood. They are addressed by impact fees and that again would be another cost when the customer connects, they would pay for that sewer line in front of their residence, as well as the sewer impact fee because it brings those lines, the larger sewer lines into the neighborhoods.

Councilmember Milhaven: So that impact fee is paid by the person who is switching over to sewer.

Water Resources Executive Director Brian Biesemeyer: That impact fee is paid by every home that is connected to the sewer.

Councilmember Milhaven: I can think of a neighborhood that I know the neighborhood is on sewer and the sewer line runs up Hayden but it goes almost all the way to Pima Crossing, where the St. Patrick's church is between Shea and Cactus. And so to bring the sewer line to service all of those homes would be pretty expensive. And if it's not -- not everyone will connect to it, we have significant additional costs to do that for one or two folks.

Even if there's an impact -- I guess I should ask a question and not try to guess what the answer is. But if there's 20 homes, and you have to bring the sewer lean to all 20 or run it up all the treat for one person, it would seem it would be a fairly significant expense for the city when someone would be paying 1/20<sup>th</sup> of the cost and I'm sure I have wrong. Maybe you could explain how that might work.

Water Resources Executive Director Brian Biesemeyer: Right. Well, in a lot of those areas we already have sewer in the area and so the extensions are smaller by code, however, we only require that extension to bring it into your neighborhood is 500 feet, but the cost of the sewer could be more. Again, generally, those sewer lines, there's usually more than 20 homes in that area that end up being connected and we prioritize with the impact fees to go into such neighborhoods, trying to prioritize those that have the most amount of septic systems so that we those sewer lines the major trunk line directors into neighborhoods to have the largest number of sewer septic systems, I'm sorry. I'm getting my sewers and septics confused. My apologies. Septic systems.

Councilmember Milhaven: So -- I'm sorry. I'm still trying to understand this. The \$25,000 is essentially what it costs them to install the sewer -- I'm sorry, close down the sewer -- I'm sorry. Start again. \$25,000 is the cost of shutting down the septic according to the county rules and connecting to the sewer line that would run to their property?

Water Resources Executive Director Brian Biesemeyer: No, \$25,000 is the average cost of the sewer line running immediately in front of their property.

Councilmember Milhaven: So that includes the impact fees.

Water Resources Executive Director Brian Biesemeyer: It does not include the impact fee. There are additional costs. One would be the hookup, because I don't know where their septic system is on their property and it would be some -- there would be some cost of the actually connecting to the sewer. Then there would be the impact fee cost that each customer pays when they hook up to our sewer system and that is the treatment fee and the major collectors in our sewer system. So they would pay the \$25,000 plus some additional costs. Our current impact fee for sewer is slightly less than \$3,000. \$2,600. So they pay \$2,600 on top of that. Did I -- I apologize. It is a confusing system.

Councilmember Milhaven: I was just trying to get a handle on what the total cost would be to somebody if they were to do that. So philosophically, I also heard you say this was in response to people who complained how expensive it was to connect into the sewer system, and give up the septic. And part of me is like, I'm sorry if you bought a home with a septic and you want to get on the sewer, you should have to save it. If I would be to say that we save on water treatment, I would be more inclined to do that. If we do that, I would do something modestly, like let somebody pay for it over time and we would lend it to them at the city's bond rate. I think that would be appropriate, but to cap \$25,000 or what could be closer to \$28,000 expense at \$15,000, I think that -- and ask the rest of the citizens to pay for the fact that somebody bought a house on a septic, I'm challenged to go much farther than that. Thank you.

Mayor Ortega: Vice Mayor Janik.

[Time: 00:44:50]

Vice Mayor Janik: Thank you, Mayor. My question would be if we install the sewers, would we then be able to recapture more water that could be used by our citizens? Does that enhance the effectiveness of water recapture?

Water Resources Executive Director Brian Biesemeyer: Vice Mayor Janik, yes, it would. The flows would ultimately go back primarily to our water campus, to be recycled and reused.

Vice Mayor Janik: So that would be an additional benefit in that we would have the availability of more clean water for the citizens, correct?

Water Resources Executive Director Brian Biesemeyer: Vice Mayor, that is correct.

Vice Mayor Janik: Okay. So I guess only kind of leaning towards the aquifer protection fee of 40 cents per month. I think it's better to be proactive in stop rising levels of nitrates that could harm people and make sure that we are not spreading disease. Thank you.

Mayor Ortega: Councilwoman Whitehead.

Councilwoman Whitehead: Thank you Vice Mayor Janik. Yes, that's what I was going to say. It's more purple pipe capacity. If we don't convert people to off the septic systems, then the future costs of

treating water is going to go up because we are going to continue to expand the nitrate problem. I want to confirm that because I understand and agree with much of what Councilwoman Milhaven said. I want to confirm that we are actually -- and Vice Mayor Janik said it best, we are preventing disease. That's always a nice thing. So thank you.

Water Resources Executive Director Brian Biesemeyer: Councilwoman Whitehead, we are preventing future contamination of our wells with nitrate. That's different treatment than arsenic. We have some well on arsenic treatment. But that's a totally different treatment system. Yes, we do believe by extending the sewers, we protect them from rising nitrates. I have dealt with larger parcels in the past, but around desert cove and this area, there's acre lots and that's probably why they had septic. Gets really complicated because you may not have 100% subscribers, but when the people who do want it pay for it, typically, the city will ask for an upsizing of everyone in between and that's a complicated payback. There may be a septic system in the backyard. So you have the treat street services coming out to the street. And there are no alleys in certain areas and they with all of that mess to deal. With so with the outlet at the wrong end or at the septic end, then you have a problem being able to circumvent and go around the house and still make the elevation to get into the sewer. So all of that gets to be pretty tricky.

Mayor Ortega: The payback and how that formula is exercised is pretty stiff and clear and people with usually the means are doing that in 5-acre parcels and other areas. I want to insert that and then go to Councilmember Durham.

[Time: 00:48:59]

Councilmember Durham: Thank you, Mayor Ortega. Are there other areas that are analysis to our area that had health issues and did Councilwoman Milhaven's calculation, did that include the destruction of the septic system. I wasn't clear if that included the removal of the septic.

Water Resources Executive Director Brian Biesemeyer: Thank you. There is a disposal, closure cost for a septic system. So if you count the \$25,000, as the Mayor pointed out, there are sometime some connection costs so that's \$25,000, plus roughly \$3,000 or \$2,600 for the impact fee and then there would be probably several thousand dollars for some closure costs and reconnection costs. So I think the estimate of around \$30,000 is fairly common. That could be roughly a fair estimate on what it would cost to connect to the sewer. I think you had another question, but I can't catch them.

Councilmember Durham: Are there analogous or similar situations around the country that have experienced health issues from the virus, the bacteria, et cetera, leaching into the groundwater?

Water Resources Executive Director Brian Biesemeyer: We have the EPA statements on that. We didn't research the areas that the EPA did their statements from. The viruses and stuff, I don't know those areas that the EPA was referring to.

Mayor Ortega: Back to Councilmember Milhaven.

Councilmember Milhaven: I wanted to go back to Vice Mayor Janik's. The sewer water gets treated but we also pump water out of the aquifer. So I'm not sure how we have more water if we send it through

the sewer rather than letting it drip into the aquifer.

Water Resources Executive Director Brian Biesemeyer: Councilwoman Milhaven, my apologies. We would get back all that is being disposed of out of the house. When you put it into a septic system, it gets into the soil and the need soil levels and many times does not make it back down to the aquifer. It's not 100% connection. Where there is 100% connection with the sewer system.

Councilmember Milhaven: Okay. So you are saying it doesn't all percolate into groundwater, which means this fewer nitrates and we don't have to worry.

Mayor Ortega: Councilwoman Littlefield, Kathy.

[Time: 00:52:26]

Councilwoman Littlefield: Thank you, Mayor. Yes, you know, for 25 years we lived in a house with a septic tank and every month we put the little pills in and every month we cleaned it out. A couple of times we had problems with roots in it and once we had to replace it, actually. At the time, when those houses were bill -- and I lived in the St. Patrick's church area, between Shea and Cactus, at the time when those houses were bill and they are holder houses now, that was what you had, unless you wanted an outhouse. You had a septic tank there. Was no sewer line there. I think if you look at the history of Scottsdale, the reason there are so many septic tanks is because we upgraded to septic tanks from outhouses when this was a farming community and, you know, there were 100 or 200 people living here and farming, you didn't have either one. And so I think a part of that is a leftover from those who were not with a sewer line.

Septics work well when care is taken. Part of the problem is that's individual. It's not done by the city. There's no control by the city on what happened to those tanks and if people take care of them, then you are much less likely to have problems with the septic tank than if they don't and if they don't that stuff keeps building up. And most of the people I knew in my neighborhood took care of their tanks. Every once in a while, you would have a problem and somebody would be talking about it. I can't he, you know this product is really good. You can do this, and it will do this and that kind of stuff.

To change an entire neighborhood from Shea to Cactus is going to be very, very expensive. Especially in south Scottsdale. There's an awful lot of septic tanks. That's what they had. That's what was converted when the neighborhoods were built. So you are asking people right who are having a hard time due to outside influences and losing jobs and businesses closing and all of this to absorb a very large cost for something that may be working just fine for them and they don't see the reason why necessity should have to do this -- why they should have to do this.

While I agree that the sewer is in the long run better for the city and the citizens and the quality of our water, I question a couple of things. First is this the time to tell everybody who is on a septic tank, to say you have \$25,000 more debt. If you pay it, you will have a lien on your house. I'm not sure if that's a fair thing to do with people. Also it's Scottsdale and central Scottsdale and it's also north Scottsdale and not everybody in north Scottsdale is particularly wealthy and living off the fat of the land like kings in court.

I had one man come to me a couple of years ago where the city wanted to put in a sewer line from one end of the valley to the other end of the valley and Brian Biesemeyer was with me when we talked to this gentleman. His home was right in the middle of this valley and he got to pay both sides of it and he was an older retired man who had paid off his house, and was trying to keep his house for his son who was in the military. It was like, oh, my gosh, how much is this going to cost you? They were talking about miles of sewer line. The valley hadn't been developed. Once the valley is developed if they have a sewer line running down street, all the connections but in the meantime, this is the guy who paid the bill.

There are exceptions to all of these different rules and there's a problem with making a blanket choice on this and especially right now. People are hurting right now and putting this much money and a lien on their property in order to do something which some people don't want to do to begin with, that's a problem. Its also a problem to stay on a sewer. There's no 100% shining white, you know, knight in shining a. Or solution here. I would go for -- armor or solution here. I would go for the least pain. I think that's kind of how I feel right now. My house now, we are on the sewer line. They were there when we bought the house, but I don't really feel we need to create a lot of financial hassle and pain for folks right now.

So I would be more inclined for the 40 cents a month charge to water customers in Scottsdale. I don't mind paying 40 cents a month if the water becomes cleaner, we end up with more water and this problem eventually fades away and goes away. I don't think it will hurt anyone extraordinarily to pay 40 cents. I think it's the best solution to a problem that Scottsdale has and many of the cities in the valley have because we all came from the same background and I think that would be the fairest and least painful solution and end up in the place where we want to end up, which is on the sewer lines.

[Time: 00:58:47]

Mayor Ortega: I believe in closing on this, last week we looked at water and sewer rate increases and I could perhaps ask staff, in the category of water mitigation, how much is knowing up for the arsenic and the carcinogens that's on our water bill. This is 40 cents. We want safe, clean and reliable water service. It's part of our obligation and it makes, you know, the world go round. Can you give us a brief idea of what that line item is and what a 40-cent increase would be?

Water Resources Executive Director Brian Biesemeyer: Mayor Ortega, we don't separate them out there have been a number of investments in water quality which includes the groundwater treatment facility. I can have Gina Kirkland here with me give a quick percentage that I believe our increase that we talked about last week was 2.40. And this would be increase to 2.7%. And I apologize, I don't have that outlined as far as what the percentage would be. It would be about -- a little over \$1 for the smaller sized meters for 1 inch meter, I believe it was \$2. Slightly over \$2. So it would be on top of that cost it's slightly over 3% increase in water if we add the 40 cents to that.

Mayor Ortega: Well okay, well, then maybe we can itemize it as a mitigation of the water rates. With that, I see one last comment. Councilmember Durham, did you have something? No. [off microphone comment] Excuse me, Councilwoman Caputi and Vice Mayor Janik.

Councilwoman Caputi: Just to be clear. I was confused by the question from Councilwoman Littlefield.

We are not actually forcing people to switch from their septic to the city. We are trying to incent them. It's not that they have to assume this cost if they switch over. It's just we would like them to; is that correct.

Water Resources Executive Director Brian Biesemeyer: Mayor Ortega and Councilwoman Caputi. If your septic system is working and the sewer line is extended and the sewer line is someone who is renovating they are home by 50%. But the actual requirement to connect would only occur should your septic system fail, the county doesn't grant you a permit, and that's when the charges occur. We are not forcing anyone to connect, unless they have a septic failure and they have a sewer line in front of their house.

Councilwoman Caputi: Right. There's a lot of good points brought up today. There is that point that Councilwoman Milhaven made as well, people who buy septic homes bought the septic home and it's sort of onerous to have the rest of the city pay this. So this is not a strange request. Obviously the right solution is somewhere in the middle. So let's see where we go with this. It will be interesting. Thank you.

[Time: 01:03:10]

Mayor Ortega: Thank you. Vice Mayor Janik.

Vice Mayor Janik: Thank you, Mayor. I had one question. This 40 cents per month charge, is that a pretty firm number? Or might that number jump up higher knowing that Mayor Ortega pointed out some additional expenses there are usually surprises when you work with sewers and plumbing. Do you feel real confident in that 40 cents per household number? Thank you.

Water Resources Executive Director Brian Biesemeyer: Mayor Ortega and Vice Mayor Janik. We feel comfortable. We feel comfortable. That almost doubles our sewer line extension. What we propose would be to impose that fee for, say, a five-year period and assess that as we go along. But I don't see an immediate change to that 40-cent occurring. I think there's some conservative figures in that and we can assess that over a number of years report back to council should things change.

Vice Mayor Janik: Thank you.

Mayor Ortega: Well, I see no other council with comments. I think we will close that subject and move on to the -- okay.

Councilmember Milhaven: So I understand the 40 cents is to pay for the incentive. Have we given any direction on what that incentive we are agreeing would be? It seems the way I followed the presentation, you were giving us several options for incentives. You agreed to pay more it but I don't think we have agreed to what we will pay for.

Water Resources Executive Director Brian Biesemeyer: Yes, it would be -- so I would assume -- it appears the 40 cents is the way to way for the cap on the sewer. It's staff's assessment that we would try to implement those low-cost items that we could implement as we go forward. And then we would then come back to council with a 40 cents aquifer protection fee for a decision from council whether or



not that would be the correct way to go at that time. That's what I heard.

Councilmember Milhaven: So the incentive would be that they could pay over time, down payment with up to five years to pay, and the interest rate reduced by prime plus one and the interest is capped at \$5,000?

Water Resources Executive Director Brian Biesemeyer: That is correct. Those are the low cost options.

Councilmember Milhaven: Oh, somewhere in here -- then you have suggested cap to be roughly equivalent to the cost that you would cap it at \$15,000? That's not included?

Water Resources Executive Director Brian Biesemeyer: That's included in the 40-cent charge. If the 40 cents -- if the 40 cents per water customer would cover that cap.

Councilmember Milhaven: So in other words we will do everything that we put in there according to what the 40 cents will put in there.

Water Resources Executive Director Brian Biesemeyer: That's my -- yes. That is correct.

Councilmember Milhaven: Well, on the record, I'm okay with doing some of it. I'm not willing to do all of it to cap it at \$15,000 to finance it at the city's bond rate. While I agree there's some public benefit, I think we are overstating the public benefit and I for one think this is way too far. So that's my two cents. Thank you for clarifying.

Vice Mayor Janik: I have one more comment. I think it would be advantageous all the costs that the city would incur and the individual homeowner would incur. I will thought impact fees -- while the city paid it up front, I thought it was reimbursed by the homeowner over time. I'm somewhat confused as to what all is included and I would like to know what the individual homeowner would be paying with this 40 cents or if it covers all expenses. I think there's some confusion on that. So if you could bring back that information, I certainly would appreciate it. Thank you.

Mayor Ortega: Councilwoman Littlefield.

Councilwoman Littlefield: I agree with the vice Mayor and Councilwoman Milhaven. Come back to us with more numbers. I know the cost per individual homeowner varies by how much sewer line they have to put into them. How is that mitigated and I would like to have a little more detail also thank you.

Mayor Ortega: So in closing, we will look at the water impact and the sewer fees in our decision through the budget process.

## **ITEM 2 – DRAFT ECONOMIC DEVELOPMENT STRATEGIC PLAN**

[Time: 01:08:34]

Mayor Ortega: Moving on then, we will be looking at item number 2, the draft economic development strategic plan. The presenter is Rob Millar with the economic development office.

Economic Development Director Rob Millar: Well, good evening Mayor Ortega and members of the city council. Can you hear me okay?

Mayor Ortega: Yes.

Economic Development Director Rob Millar: This is an overview of the draft economic development strategic plan. Next slide, please. In terms of background, it's the framework for guiding the economic development strategies and goals over the next three to five years. The current economic development strategic plan was adopted in 2015 and the process to update that plan began in March of 2020. In order to guide the plan's development, the economic development department performed a competitive national search for consulting services that would provide the independent analysis of the city's economic development program, services and market competitiveness. Resonance Consultants with Steven Pedigo served as the committee's lead on developing our strategic plan. Steven will be providing overview of the conducted competitive market analysis stakeholder engagement, and the plan's vision, values, guiding principles, goals and objective we will use the council's feedback, that they will undertake in implementing the plan and bringing it back to the city council for possible action on April 20<sup>th</sup>. At the conclusion of Steven's overview, I will highlight the outreach conducted and planned to date in obtaining the feedback on the draft strategy. And with that, I will turn it over to Steven Pedigo.

[Time: 01:10:32]

Steve Pedigo: Great. Thank you, rob, for that introduction, and that overview, Mr. Mayor and city council, it's great to be with you all remotely. I wish I was there with you in person, but excited to share with you the work over the last year. It's been a real pleasure getting to know your economic development staff, your city staff and your community and the offerings you have in terms of an economic development initiative. Next slide.

A little bit of how we'll spend our time today. I will give you an overview about the project, and talk about our process and then we'll jump into some real high levels in terms of the assessment we did, the engagement strategy, as well as what we learned about the target industries and there's appendix upon appendix level of data that's supporting the plan. One the things that we will do is highlight some of the key takeaways and messages and then open that up. And I will be happy to answer any other questions you have about the plan as well. Next slide.

So really this project was centered around -- as rob suggested building an economic strategic plan and this is an interesting time to do this. We are not only thinking about the long term in terms of the three and five years future but some of the immediate needs it the impact with the COVID recovery and this is a plan where not only are we thinking about that five term agenda but how do we react and continue to advance the economic development efforts to help businesses recover from COVID. So next slide.

Part of our goal in terms of building out this economic strategy was to develop a strategy that did several things. You know, one articulated a vision and set of values. This is something we heard about the business and community leaders that we did thus far about the plan and this was establishing a vision and a message for the city of Scottsdale. You want to build on assets and address the challenges.

We wanted to ensure as we thought about building upon those assets and challenges that we would use those to guide our efforts and thinking around how we will promote the industry sectors but also the recruitment around business expansion in the city. You know, we want to ensure that this plan is addressing skill clusters, positioning Scottsdale as a place for talent, thinking about how we look and think about expanding and supporting growth of scaling of start-ups and then finally getting to this question of resiliency and transition.

Resiliency being really important. That is thinking if there's a similar economic shock like we are experiencing with the pandemic, how do we tip to ensure that Scottsdale's economy is robust and weather the storm so to speak. That's one of the reasons you see us talk about the diversity of industries, and thinking about how we promote different levels of talent acquisition, et cetera. It's all in this idea to make the economic development portfolio of Scottsdale much more resilient going forward. It's no secret that you all have one of the best communities in the world to live in. We want to use that quality of place how we put that as our front door to most of the economic development efforts going forward.

We started this process back in June. We have a steering committee of business leaders and outlining goals and objectives for our work. We went through a fairly significant data prospective looking at Scottsdale and how it competes with its peers and we did cluster strategy. We did three months doing significant stakeholder engagement, everything from one-on-one conversations and meeting with several of you all I did as well as round table discussions and getting to a larger workshop session where we talked about strategy for the plan together with a group of business leaders. Once very sort of gotten to stakeholder build-out, we are presenting it and getting approval and thinking about the implementation of that plan. Next slide.

This is a list of steering committee members. You can see there were a wide array of individuals that participated in this and we'll talk about engagement as we move on. What are some of the things we learned through the competitive assessment? Next slide. Just some key takeaways. Next slide.

And I don't think these will be very surprising to you all. Fast growing population, extremely educated. Nearly 6 in 10 Scottsdale residents have a bachelor's degree or higher. You are a knowledge-based center. Those are businesses that are professional services, technology-related, and this they attract venture capital and you very much are a knowledge-based center. You know, when we think about the assets of being a knowledge-based center and being a fast growing center that can sometimes read high inequality. If you look at income equality, there is some signs of income inequality in Scottsdale and you will notice as we get to the plan, we address that with a real strong effort around inclusionary and prosperity agenda. Lower labor participation rate. Again, partly being you are a prime destination for retirees and your median age is significantly older than the U.S. average. A lot of south Scottsdale businesses not only depending on Scottsdale residents but also depending on resident throughout the greater Phoenix area to help fuel their talent pipelines and then finally, again, a great quality of place. You have high housing prices, but again, high median incomes offset that as well. So you are a very high rate of homeownership and quality destination assets that we can build upon in terms of quality of place. Next slide.

So as was presented, we did a fairly significant engagement process and I will talk about who participated there. Next slide. More than 70 people have joined nine roundtable discussions ranging

from an hour to two hours on the bread of the conversation. We touched everything from Scottsdale as a place and a magnet for young professionals. We had strong discussions about commercial real estate and thought about the ecosystem in terms of for start-ups and met with your city staff and leadership to talk about the assets and the challenges that the city was facing in terms of economic development. We also hosted an array of interviews in the large community envisioning workshop. And as Rob mentioned, there's now the sort of -- the road show of this presentation is where now Rob is presenting our plan and strategy and any action and so we developed the parts to get their buy-in to the plan as well. In slide, please.

So just some things that came up in the conversations and key sort of messages and, again, there as a full appendix of key takeaways around engagement, but one of the things that I think jumped out to us was still the need for real strong development and particularly how that vision articulated and was really consistent with your general services plan that the city was updating but we have been absolutely cross referencing that to ensure that the vision of the economic development is aligned with that. This question of wanting to ensure that we are thinking about how we balance growth and diversification of Scottsdale as being a necessity, as we look to the future. Partly because one of the things that we know about the Scottsdale economy is it's highly dependent upon tourism dollars and so continuing to build out some of the our key export sectors and the key business clusters will be important in terms of resiliency for the community's economy going forward. Next slide, please.

One the things that's really promising in Scottsdale is a booming start-up culture and what is exciting about that is if you think about your industry sectors and one of the industry sectors that is very prominent in Scottsdale is financial and insurance services and what is really fascinating to see is how technology is becoming infused with those industry sectors. And really starting to develop a strong, robust start-up ecosystem in the city of Scottsdale. There's a booming start-up community there. We are seeing strong interest in medical tour. And in particular how that relates to the investments that have been made around the cure corridor and location of place. And one the things that also jumped out in the conversation, amongst all of the roundtables was continuing a need for the city to communicate a message around inclusion and open for business and tolerance and diversity for lots of different peoples.

I think that one of the things that has become apparent, with the COVID pandemic and the calls for racial equity is that business and talent expect to put inclusion at the forefront of their economic development portfolio and economic development agenda and so it's one the things that we try to do in the work that we have done with Rob and his team as we outline some of the goals and objectives for the city. What are the target sectors that jumped out as sectors that we will work on. We looked at about 19 different sectors throughout the process, but these are the six that really jump out as really strong competitive entities. Next slide.

I.T. services and software, financial services and technology, you will see that we are adding the technology piece of that, again being sure that we are connecting future of that industry. Healthcare services and innovation. You know, health care as a community service, but also a good that folks are coming into Scottsdale to consume with your large-scale institutions. Surprisingly the professional services around logistics management. We are recommending that as a knowledge-based cluster, not looking to think about logistics as commerce centers or contribution centers but really the brain center around logistics management which is very much around a synergy with greater Phoenix supply and

A.S.U., and you see that's a cluster that we are looking to around the question of is it one that is emerging. Corporate headquarters being a key focus aligning the offerings that Scottsdale has in terms of its quality of place with what many industry executives look for. And, in fact we know that there are two things that drive corporate location one is talent pools but two, it's high access to great amenities for the executives that will be working and making decisions before those companies and one of the things that's great about Scottsdale is you have access to both. And then finally tourism, destination development, it's part of your portfolio and who you are and it has to be considered a target sector because the collaboration between rob and his team and experiences Scottsdale, it's critical for the city.

I just did these really quickly on some the geek points about this one the things that's interesting for me if you look at Arizona, the city of Scottsdale accounts for 25% of all of Arizona's technology base. Portfolio in I.T. services and that speaks to the city's service as technology and the smart cities. The financial services, significant employer for many residents, both inside the city and outside of the city. This is a fantastic sector to be thinking about but it's a legacy sector but thinking about how it will position Scottsdale around FinTech and it becomes the cent for the foundation of the sector. Healthcare innovation and services, the healthcare and wellness, one of the things that was interesting to me was the founding the Scottsdale was the wellness. I think one of the things that's an interesting point to note is that while we see strength in healthcare, the competitive advantage and the biotechnology and the life sciences is growing fast, but this' not a competitive advantage and a lot of that is happening because the initial investments made by medical being and it's a fast growing sector nationally with the rise of eCommerce. The question is -- can Scottsdale be a center of knowledge for this sector and I think that's something that has grate opportunity for the city. Next slide.

Corporate headquarters, it's a multiple across many, many industries, very strong competitive advantage it here. It leverages brand and life cycle and getting to the idea of tourism, it's significant employment base for the city of Scottsdale and Arizona residents generally speaking. We want to think about how we don't throw the baby out with the bath water but how we leverage this to think about how we build out a more robust cross sector of industries. Next slide.

So now we'll jump into the proposed economic development strategy and I will go through this fairly quickly and just open it up for questioned and discussion had next slide, please. This is around a visions values goals and objectives. Those are the things you will see here today as rob mentioned, we will not presented action steps. We will not share the detailed action plan. Next slide, please.

So the economic development vision aligns with the general city plan and I want to suggest that that is one thing that we have ensured both his teem and my team have done a lot of work to make sure that we cross-reference these plans and that they are speaking to each other and really harmonious. And so the vision for Scottsdale is Scottsdale is a prosperous, sustainable destination for diverse talent, investment, and innovative businesses. It's very clear and succinct value proposition as it promotes the economic development.

The thing that I always like to say is what are the outcomes? And as you build out an economic development plan, economic development plans, the goals and objectives and initiatives can change over time. However, the values of the plan have become that foundation. It's what we look to. It's our guiding stars per se, and so out of this, we sort of out of the roundtable with rob and his team and our team, it landed on four values. For me, as an economic developer, I get geeked and inspired by them.

Advancing economic prosperity for all Scottsdale residents about supporting wealth creation and economic mobility. I think one of the things that's really important, we are talking about the idea of inclusion.

The reason we do the work around entrepreneurship and job creation is really around this question. Not only of just creating jobs but helping residents and entrepreneurs really create wealth as a means of wealth creation as well. As well as economic development. And second, future defining innovation. This is who Scottsdale is, investing in an entrepreneurial system that solves the most pressing systems. That's everything from health to financial technology, to the way that we move goods and services to maybe even, you know, thinking about urban technology with your smart city and so thinking about this question of innovation and capitalizing on the investments that have been made by the city, as well as its partners in A.S.U. and others. Looking to a healthy economy for tomorrow, fostering diversity through diversification and thinking of upscaling of residents and making sure we are looking for the residents for 4 in 10 without a college degree.

And something that we heard over and over again the question about responsible revitalization. As Scottsdale is looking to do redevelopment efforts, thinking about how we get the highest and best use of space and the highest and best use of our infrastructure and land and investments is something that's important about building an economy that will be resilient for the future. And then finally, again, it's -- the reason that many of you all live there and love Scottsdale is promoting your quality of place. Story telling is so essential to economic development and cities don't do enough of that bragging and so one the things that you will see in this plan is there's constant look about how we can communicate and tell Scottsdale's story. Next slide, please.

So guiding principles, you know, what are the things -- if the values are what we want to achieve. The guiding principles are the guide rails by which we look at it to implement the strategy. There's six of them here and really quickly, I will run through them. One is balancing development and balancing prosperity with livability and that's central to who Scottsdale is. Ensuring that that is the first guiding principle by -- by -- was intentional about having that as first principle.

Thinking about export driven. Some of the questions were raised some of the economies and throughout conversations. Why do we care about export sectors and diversification? Well, with up the things that we know about export sectors for every export sector, we can create two local jobs in the economy and that's everything from a restaurant experience to a coffee shop experience. You know, we want to think about export sectors because those are our multipliers in terms of you are job creation on the assets. Focusing on existing businesses first.

In addition to export driven, the majority of jobs come from retention effort of the local economic base. You know, thinking about how you expand this scale. It's about how you take local companies and attach them to the supply chains and so the business first experience is really focus -- it's really important. Making sure that we are speaking about entrepreneurship along with -- not just technology based entrepreneurship as well.

Engaging the private and public partners as part of this plan. I think one the things that I would say has been fantastic about this and it's a hat off to rob and his team is being able to bring the business sector and the business community along with us and the nonprofit groups as we develop this plan and they

become really important to the engagement and then the fulfillment of this plan. Continuing of that. You will see in our plan that that's actually built in as key strategies and objectives. And then finally, ensuring that we are thinking about equity. Ensuring that we are thinking all the time about ensuring that residents in Scottsdale, you know, all residents -- you know all residents in Scottsdale can thrive in the community as well. That lens is important for us. Okay. Next slide, please.

What are the six goals. If we do six big ideas over the course of the next three to five years, you know, what are those big ideas? First increasing expansion. Growing Scottsdale existing industries. It's really, really important. Going all in on what we know are the competitive assets of the city and ensuring those ecosystems have both the competitive environment that three need to thrive and a collaborative environment. That's economic development to what I like to tell my schools of LBJ school the work of Mike Porter in cluster development.

And the second is diversifying the economy, attracting new investment. Using the platform of our quality of place from attracting foreign direct invest. And potential investment from new corporate relocations and in those that match with the values of the city of Scottsdale is really important.

Third, supporting entrepreneurship. Bolstering our ecosystem. It's happening. It's bubble. They will just now need a little -- the start-ups and the entrepreneurs in that space into Ed recognition and a little bit of support around them and I think you have got something that's got real opportunity for gang busters growth.

Advancing economic prosperity, making an economic development priority. We will talk about assets around idea -- ideas around that. Positioning Scottsdale as a premier place for talent destination in the southwest the rise of remote work, young professionals wanting to be around other educated professionals. The high quality of life and amenities that you offer, there's no doubt that Scottsdale will be highly desirable and communicating and telling the story of Scottsdale. When we first started working in Scottsdale, Rob and his team, one of the things that our team at residence knew because we spent in the destination experience world. Scottsdale has a fantastic visitor brand. When I say Scottsdale, there's a residence what Scottsdale means in terms of destination development. We need to build that same type of reputation as far as growing a business and making an investment and brand building is really important as well. Next slide.

So three sort of key objectives. I will walk through each of these goals and just talk around the key objectives really quickly. So goal one is really about the export sectors and focusing in on how we support existing industries. We want to ensure that we are putting together a really systemic business retention expansion system. The fantastic thing for you all is that Rob and his team are already doing this. It's just about expanding, it continuing to think about how we engage our working groups, using that data to really help to drive our relationships and address the policy needs of our businesses there. So objective one is continuing along the great work that Rob and his team is doing.

You know, continuing to think about how we promote commercial ready sites. Again, you are a town where you are limited in terms of the amount of development space that is available. So having the right type of space with the right type of economic development opportunity becomes really important. And then objective 1.3 is ensuring that we are absolutely continuing our recovery effort for Scottsdale small businesses ensuring that we are getting the technical resources, the financial connecting with the

football resources as well as just the mentoring and coaching that's needed to weather this economic recovery going forward. I like to say that your small businesses and your community and the coffee shops and the places where we go to get our haircut those really won't make us fall in love with our cities. We want to ensure that we are providing those types of enterprises with the right type of support to ensure they are growing. Next slide.

So goal was ensuring that we are investing in the businesses that there are. Goal two is thinking about how we continue to diversify the economy by attracting the outside investment so going all in on a site selection strategy. If you have done economic development before, there's a group subset that's important in our space and that as a group of consultants, advisors, real estate advisors that help companies make large scale location decisions and continuing to position and build that relationship with that site selector community is important and this is really an opportunity for Rob and his team to also work more broadly speaking with his partners. Their partners throughout greater Phoenix area to ensure that we are building those relationships with the really important target audience. Building partnerships with experience Scottsdale, the Canadian Arizona business council, the Early technology council and others no think about how we attract outside investment. This is something that we heard over and over in many of our round table discussions and we had specific action items in the plan to ensure that we are moving on this objective as well.

And finally, the question about livability and prosperity. So one of the things that I think is exciting is that you have got a really terrific economic development team. You have got a really great planning group as well as a long-term planning group and I have many of your staff members across all of those departments. One the things we built into this is having these groups come together to continue to think about how we are always evaluating the highest and best use for redevelopment of the commercial sites because that's an important thing as we think of balancing this thing of livability and economic development. Next slide, please.

So the third goal again is back -- is focusing on bolstering our start-ups. And so you know, expanding this question, expiration with the chambers and others around a start-up Scottsdale initiative. Trying to create a package for what is participating there. Partnering with the innovation center at A.S.U. to think about how we leverage what is happening in that anchor based institution. You are so lucky that you have an anchor based institution that is centered on entrepreneur and innovation, and we want to make sure that we are attaching the city around that anchor based institution as well.

In the larger general services plan, there's mention that we are in the cure corridor. And health sciences. So one the things that I think is really important because we want to ensure that this is going to be a sustainable initiative going forward. What does the sustainable initiative around the cure corridor look like? Do we partner with anchor based institutions and maybe spun it out into the own separate initiative. That will be important for the future of the cure corridor. We want to use the next three to five years as an opportunity to explore that.

And finally the smart city roadmap is about improving the quality of life for your residents through the use of technology but as an economic developer like me. How do you take that and tie that to enterprise creation, particularly around enterprises prescribed to energy technology, we want to make sure that it's leveraged, and we included that in our strategy as well. Next slide.



Goal four, economic prosperity, you know, evaluating the needs of diverse businesses, bringing those folks together to talk not just about Scottsdale of a great place to live or work and thinking about what are the needs that they need in terms of ensuring they are able to grow their businesses? And so bringing those businesses together, working with our destination assets an anchor employers and large-scale corporates and anchor-based institutions to think about how we can impact the opportunity of those diverse businesses is very important. Many cities now are actually moving forward to create, you know, formalized purchasing programs or local hiring programs. That's not something that Scottsdale has to explore but you should explore it as far as the anchor based institutions.

And then finally, continuing to celebrate Scottsdale's heritage and entrepreneurship and success stories. Rob has heard me saying this, economic development is storytelling and through all of why you are platforms your websites and blogs and direct communications and all of those types of things should be communicating Scottsdale as a place to, again, make a really groundwater investment, grow a business and launch a career and live a great quality of places. We want to continue that as well. Next slide please.

This is around talent. Supporting young professionals. I had a great couple of round table discussions with young professionals who are eager to get more involved in the city and the economic development efforts of the city. So can't do anything with thinking about you 40 we are thinking about the young professionals program and being very important. Starting to build pipelines and opportunities with some of our community college, thinking about upward mobility as being an important part of some efforts going forward and investing in the remote worker campaign and marrying that with the destination marketing and it's not a heavy list and then finally continuing to invest in the place making. And curating that local experience and telling that story again, more on the storytelling piece as well. I said this earlier, how do we flush out and make sure that outside and residents as well as our local businesses and folks in the region and in the state of Arizona really understand that Scottsdale is a great place to, you know, grow the business and launch a career.

So an item of things thinking about the identity of what that means for the economic development efforts and ensuring that we have consistent messaging. I know Rob's team is doing that much and thinking through what those messages are and then finally, you know, using some of our local business leaders, entrepreneurs, and young executive professionals to tell that story through the ambassador types of programs becomes really important when you have businesses and enterprises on the ground wanting to know what's it like to grow a business in Scottsdale. Next slide. So with that, I will stop and I very much look forward to your questions.

[Time: 01:44:12]

Economic Development Director Rob Millar: Thank you, Steven. In terms the public outreach conducted to date and some of our planned efforts over the next month or so, we have presented the draft plan to the experience Scottsdale executive team. We will share with the Scottsdale chamber board of directors and the economic development advisory board.

We presented to the economic development subcommittee February 25<sup>th</sup> and as I mentioned we are planning to bring back the draft plan on April 20<sup>th</sup>. We will take the feedback we receive tonight from the council and compiling the entire draft strategy and in the competitive narrative form and that will

be on the choose Scottsdale website starting on March 29<sup>th</sup> if not earlier and that will stay on our website for review and comment before we take it back to city council on April 20<sup>th</sup>. With that, Steven and I are happy to answer questions. Thank you.

Mayor Ortega: Yes, question from Vice Mayor Janik.

Vice Mayor Janik: When you talk about targeting the young professionals is that like the young Republicans which starts at 50 and goes up. I'm just curious because I --

Steven Pedigo: No, that's a great -- that's a great question. I love the humor at the end of a fairly long day. There's many ways to slice and dice this, but your real sweet spot because you happen to be an area that is a bit month are expensive, that is looking to -- for the talent pipelines, not the people right out of college, but the boomerangs who are looking to make their second or third job location as part of their next experience and so he used to call those the millennials but that term is now dead. I think I would now be considered a millennial. I don't consider myself that. But anywhere from the 28 to 40 range is an interesting group of young professionals.

Vice Mayor Janik: Thank you. The other comment I have is Rob and his team have done a phenomenal job of organizing a lot of data to give us good direction on where we should go as a city. So thank you.

Steven Pedigo: Thank you for your questions.

Mayor Ortega: Any more comments from council? Councilwoman Caputi?

[Time: 01:47:14]

Councilwoman Caputi: I have a couple of comments. I think that the most important statistic that you just gave that you glossed over was Scottsdale's population growth is three times the U.S. average. I will just repeat that. The population growth in Scottsdale is three times the U.S. average. People are moving here. Lots of people are moving here! Whether we like it or not and I think there needs to be a lot of recognition to that point.

I make this -- I'm underlining this because I have the privilege of sitting in on one of the general plan listening tours yesterday, and one of the comments from the resident was that we should freeze all residential construction. No more residential building. I just want to put out to the group and no those who are listening that, you know, that sounds great but, again, I will repeat your statistic, three times the U.S. average here in our city. So we do have' population growth we need to address and that should be part of our development strategy, absolutely.

The other point I think that is worth underscoring is the inequity conversation. We do have a lot of inequity in our city and it's not just racial and gender. It's more have and have nots. We have a high amount of inequity between our north and south and I think that needs to be addressed as well as we take a look at our plans moving forward.

Then the third point. You talked about encouraging corporate headquarters being here. I couldn't agree more and I think we need to talk about how do we do that? How do we encourage more

corporate headquarters. I'm thinking of a few corporates who tried to relocate here and we certainly didn't make it easy for them. In fact we got real close to losing the last two corporate headquarters that have been huge contributors to our economy. I think we need to figure out to keep them in our city.

As long as I have the mic, one more sentence. I love your vision. I like it's succinct, and one sentence. I will bring this up more when we discuss our general plan later this evening. That's something to think about. Visions should be an aspiration, a sentence about the future. I think our own vision statement on the general plan level -- and I will talk more about this later, needs to take a lesson from that. I think a succinct vision statement is super important, something that someone can picture very quickly. And I will let my colleagues ask more questions. Thank you.

Steven Pedigo: Thank you for your feedback.

Mayor Ortega: Councilwoman Milhaven.

Councilmember Milhaven: I want to comment on Councilwoman Caputi, and encouraging corporate headquarters. For years we were reliant to real estate and tourism and they were reliant on boom and bust cycles. I think we can be very proud how the city has weathered COVID and that's due to our ability to diversify our economy but our ability to attract -- and I think this may be what Councilwoman Caputi was alluding to, the ability to attract headquarters will be tied to what we do with our zoning. And so I would point out to colleagues because I know the -- what we zone or don't zone, there are many opinions and we don't necessarily agree but what I would point out to my colleagues is the property -- the state trust land along the 101 went Pima and Scottsdale road is already zoned and folks can come in and build apartments this without coming back to city council for additional zoning. While he think we need a mix of uses if we do nothing and we are not responsive to these folks would want to come in for additional headquarters, then I think we wind up getting nothing put apartment buildings this and that would not be the best use of that land.

I think a mix of corporate headquarters and apartments. I don't think we can avoid any being built but recognizing that sometimes we may need to do sympathy zoning or allow some additional heights. I know we wouldn't have been able to get Axon if we weren't willing to make some concessions. I want to recognize the great work that was gone here with the second development plan and make a comment about how economic development can be tied close zoning choices we make and I think the land along the 101 is a great example.

[Time: 01:52:35]

Steven Pedigo: If I could, I would like to make one comment that helps to connect several of the comments made earlier. One the things that's important no think about and the reason you see the emphasis on the corporate relocations and the quart headquarters is one of the things we know is when a company becomes anchored into a community, they are much more likely to go in partnerships to address some of the equity issues. One the things we have seen is a rise around anchor based institutions, and we think of them as health care and education, but one of the things that is an exciting opportunity for Scottsdale. Yes, you have healthcare institutions and yet your education and meds and Eds. As we want to start to address the questions of inclusivity and how we address the haves and the

have nots engaging the corporate headquarters functions can be really, really important about the shared value and we see more and more headquarters making those commitments in the local communities.

Mayor Ortega: Any other council comments? I have a few. Just responding to the report itself. Definitely I agree with the guiding principles. I definitely agree with the goals and the six goals and areas of targets that we are looking for. I have the opportunity of welcome on the end -- of being aware of corporate headquarters, one just recently announced last week and being here to close the deal so to speak. And it involved due diligence on the part of a project. They had done their homework. They knew what Scottsdale was about and we also inserted the fact that the short term -- let's say the COVID impact had made about half a million square feet available. So it became an entry point, actually because -- or an accelerator for their decision. And they are looking at other organizations looking to build along the 101. I think that's where class a space needs to go and density needs to go, not necessarily jamming our downtown right where the tourist hub, that's one of the key goals that we have in the character evolution of our character.

And going a little further. When you talk person to person, that was the company relocating their national led quarters bringing 200 employs, 100 initially and another 100 to grow. She asked me about schools. That was very direct. She had already visualized how they could fit and, you know, we do attract a lot of talent and premium companies. On one hand, one thing that was, you know, not mentioned, we are not looking for light and heavy manufacturing, yet our state has that now with the lucent auto plant going on in casa grande, for instance. There are all of those elements and Scottsdale has the character and, you know, that quality that will attract even close the deal. I think that is important. Very timely. I would encourage you just to move forward.

The only other thing, when it comes down to it, if there are self-criticism, and I see these as goals and objectives, where we have bottlenecks either in a system or, you know, when it be transportation or needs, here again, the good news is we have, you know, a bond program that people voted for and they are moving forward citywide and there are all of those affirmations of a decision that will be made. So short term, and I'm glad they didn't necessarily mention, you know, the catastrophic impact of COVID, but actually, it is -- it has created interesting entry point as I said.

We're not at a turning point. I believe that -- the tourists and event reputation that Scottsdale has, and our identity it's strong. It is just as health components have grown and I.T. have grown, the proportion of the pie has changed. It didn't mean they were diminishing the tourism and the impact, it just meant the other areas were glowing. I look forward to the -- were growing. I look forward to the next level of our review and our regular meeting.

I see one light from Councilwoman Caputi. Is that -- good. We will turn that one off. And with, that I thank you.

As you move forward, you know, please if you can identify any weak points, I think points where we can improve, that's good. Constructive criticism will be valuable. That's how we, you know, can move forward. And be very -- very welcoming as a community. There is one corporation or city that doesn't have a statement of inclusion and sustainability in their outlook and success. So it's a matter of attracting a positive workforce, but also in maintaining and continuing in a strong manner. And our

own personal -- or our own city -- municipal culture, I think can and should set a strong example, but the people that do come, whether they are new corporate players or even in the existing education standpoint, it does involve k through 14, which I think we will get on later in the discussion. So I do not see any other comments and with that, I would close that item.

**ITEM 3 – DRAFT GENERAL PLAN 2035 UPDATE**

[Time: 01:59:49]

Mayor Ortega: And move on to item number three which pertains to the continuation of the presentation chapter by chapter of our general plan and how we are approaching that. So I will turn it over to the very capable Ms. Erin Perreault.

Planning and Development Area Director Erin Perreault: Thank you, Mayor. Mayor, tonight we have our third discussion on the general plan. I'm just waiting for slides. I'm just waiting on the slides. Is that better?

Mayor Ortega: Yes.

Planning and Development Area Director Erin Perreault: Okay. Next slide, please. Tonight we have the third discussion on the draft citizen review draft general plan. After tonight, we will move forward into a council edited general plan starting on March 23<sup>rd</sup>. Just to give you a heads up of when that will be coming out. Next slide. We have gone through the executive summary through Chapter 3 for those who might be following at home. Next slide, please. And tonight, we will be looking at the rest of the chapters in the document and the elements that fall under those chapters.

Next slide, starting right in, chapter 4 is the community well-being chapter. The first element under that chapter is healthy community. That next slide, please. The healthy community element is a new element to our general plan. It was actually created by the task force back in 2014. And remained in the plan based on the Citizen Review Committee's relation as well. It has been well received by the community, both back in 2014 and currently. Next slide, we haven't had a lot of comments on this beyond the support of the element, except there was a suggestion to at a health resources map not general plan, which we don't have now. We could certainly add that map to the plan and I would want to bring that to your attention that that comment was made to a citizen and I would probably suggest that we keep it at a high level because obviously we can't document every health resource that's in the community but we could certainly document our major ones like honor health and Mayo Clinic, for example. And unless you have additional comments, I can continue on to the next element.

[Time: 02:02:35]

Mayor Ortega: I see Councilwoman Whitehead.

Councilwoman Whitehead: I do. It's a very good chapter. I do have let's see a comment on page 142 under the drive to provide healthy local foods. I thought it's a new item, 2.3, I don't understand it. It fell like a duplicate of 2.2, consider using city land to expand capacity to grow and process and distribute. That scares me. Are we talking about our parks. I think above on item HC-2.2. I felt that HC

2.3, didn't understand what was the goal was and it seemed like it could be something and it out of context to be inappropriate.

And I wanted to propose adding an item. We are talking about how do we get local food in people's hands. We have so many citrus trees and date trees. What about consider creating or consider helping to create a network of share and receive locally grown, you know residentially locally grown fruits. I thought that would be a cool idea. 2.3 left me a little bit concerned. Let me see if there's another comment.

Mayor Ortega: Councilmember Durham.

Councilmember Durham: Thank you, Mr. Mayor. I think I was the one who suggested a map of the health facilities and I think it needs to be pretty high level. Certainly, I would start with hospitals I'm not sure what other facilities might qualify for such a map. I do agree that it needs to be pretty high level. Thank you.

Mayor Ortega: Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, Mayor. I just had two suggests on page 139, I second program towards the end. I think it would make more sense to people reading this, instead of saying programming, say facilities. Scottsdale also provides exceptional parks and services. Rather than programming. And then the other thing I had was on the page 140. I think the English would be better Scottsdale citizens have long value that every resident has an opportunity to share in all aspects of health. It just seems a little cleaner.

[Time: 02:06:01]

Mayor Ortega: Ms. Perreault, I think when you look at healthcare services and that category, I had a question, the Maricopa County health director and what kind of services are available to lower income. And eligible veterans and so forth. And there are very few and far between, between here and Mesa and Chandler, and there's a NOAA facility. I have think we need to respond to that. That's not all the premium insurance coverage of those that be able to pay those premiums and I ask that the mapping, the county map show what services are available for those eligible under the county program.

The other side that's important I think -- you could say that doctor services are available at Dr. X.Y.Z. That's only if he agrees or they -- he or she agrees to take those patients. So and there again, in many cases, you are talking about working poor. We are talking about people would live under the poverty line and very hard participants in the success of Scottsdale, their children and their healthcare is vital for our well-being.

There's that issue that I would like that to be considered as even a little separate -- not a separate little but an individual item that identifies that need and can roll with that. The other concern is mental health and that area, especially, that was discussed both at the -- well, I was with the police chief this morning at a forum. It was discussed by the school superintendent. You know, again the mental health and the scoring, the damage of whatever the pandemic had caused, economic, loss of homes, all sorts of critical issues that are -- have emerged is another part of behavioral health and just to refer that as to

how that need is recognized. It's not all hunky-dory with the -- it's true that, you know, Mayo clinic and Honor Health also do consider to that sector and reduced fee services and all of that. Let's look at that. I think it's important. You still have your but top on, but I -- button, but I think you may be done. If we could move on to the next section.

[Time: 02:09:11]

Planning and Development Area Director Erin Perreault: The next slide, please. In terms of the next element under this chapter, it's the housing element. Next slide, please. With regard to housing element, it's a state mandated element. So it has content that the state requires us to have. Next slide, please. In terms of the housing element, we did not receive a lot of public comment that the Citizen Review Committee didn't already incorporate into the draft. The one thing that we did after the Citizen Review Committee was a comment on short-term rentals. I'm working something into the general plan at that level. We are limited from a state statute on short-term rentals but we did feel it was covered not in the housing section, but you can see that talk about the code enforcement which is what we can do in terms of our short-term rentals. We certainly welcome any other feedback you have on that.

Mayor Ortega: Councilwoman Whitehead.

Councilwoman Whitehead: Another great section. So there's one, two, three, four, five, six, seven policies just for work force and affordable housing. Good job. Open H2.1, it says incentives accommodated a variety of income levels. So we're not -- actually, I don't think we are doing that. Because if you are in certain income levels, I don't think we will be providing incentives. I wonder if we should change that to workforce and low-income levels or some term that specifies the incentives are for only certain income levels. Personally, I thought H 2.6 was duplicative. I know we talked about streamlining this and trying to make it short and snappy. I thought it was covered in a lot of other sections, but nice job.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: On page 137, the third paragraph, at our retreat, we talked about the fact that with the water that is available and projected to be available, the expected reach for population is more than in the neighborhood of 300,000. So I would ask that you change the numbers to reach 300,000 residing in 148,753 housing units based on current predictions of water supply. And I did send you this in an email as well. And then --

Planning and Development Area Director Erin Perreault: Mayor and council, if I can address that, I think the water numbers -- we went back and checked after I heard you ask the question at the last work study session and those are based on 2018 numbers. The numbers we have is based on the current acreage and the different types of land uses and the acreage there and the housing units are corrected and the 316700 is based on the land uses we have and so land uses have changed over the last couple of years. These are the current numbers we have. With water, they are expected to update that every five years and they will do an update of their numbers as well.

Vice Mayor Janik: Okay thank you. One other comment on page 148, H 1.3, instead of saying support community dialogue, how about ensure community dialogue. Thank you.

Mayor Ortega: Okay. I see Councilwoman Littlefield. Kathy, hi.

[Time: 02:13:17]

Councilwoman Littlefield: Yeah, me again. H 1.2, get rid of "encourage." Put in "promote." Went existing and new construction on 1.2, at the end of the citizen. It doesn't have to be housing just get rid of that. But I think they already did. So that's okay. Support housing construction. Support community dialogue, zoning and the development and encourage text appropriate housing development, designs, they kind of go together. Provide a variety of housing densities, 1.5, not encourage but promote, I think would probably be better. Support on 1.8, developments which have the highest quality cost and quality effective cost level of amenities instead of to put in which.

Goal H.2, you can tell that I come from a family of teachers, English teachers too. Goal H.2, provide a variety of housing options for those who live and work in Scottsdale. You don't need seek -- you know, just provide one. And I had a question on page 150 on H3.5, for those who are homeless and vulnerable populations. How would we go about doing that? That kind of sounds wonderful, but there is not much meat to those bones and that would be a problem for me. I would want to make sure that we weren't doing something that would not benefit Scottsdale. And I'm not really in favor of opportunities zones like in downtown or something like that. So I don't want that to be a lead in to something like that. I would like a little more meat on those bones. Thank you.

Mayor Ortega: Councilwoman Caputi.

Councilwoman Caputi: Just a big picture general point. So there's so many great things in this section and I think we should be commended for wanting all of these wonderful things and I'm 100% supportive of having affordable housing and all of these initiatives that provide housing for people at various income levels but it feels like it's contradictory to a lot of things that we have talked about earlier in this plan. I know in the land use section, we have had a lot of comments about keeping large lots and creating exclusionary single family, large lot zoning and I want to point out to folks that it's kind of one or the other.

You can't really make a city in which we have exclusionary large lots, single family zoning and then also say but we want to create housing for all different types of people and affordable, but we don't want apartments but we want affordable housing for the entire city. So I just want to sort of have a conversation maybe at some point about how that actually works. I mean, we're eliminating the normal market forces and creating a lack of supply of housing, which is driving up houses and I don't know how we would ever actually make these things work. The way the plan is rolling out.

I think as we go through the plan and try to figure out how our vision works and how the different parts fit into a whole that they actually make sense. We can't say we want all of these great things, while we are also saying we want these other great things, right? They have to actually be able to fit together into the pie. I don't know how we can provide this stuff but also have exclusionary zoning in our city. Maybe someone could explain to me how that happens. Thank you.

[Time: 02:17:50]



Mayor Ortega: Well, I have -- I would add two items. Into the discussion to be tested. The first one is probably under policies, whereby the city may look at its own inventory of land. It may be many conjunction to a property that we already own. By that I mean Paiute neighborhood center property, the former school. The city also owns a 50% share of where Apache school used to be, and so the school district, where the school district owns the other half. There was a drainage program worked out.

When the surplus school property, that leads me to the second point, well, companion piece. H 2.12 is to look at the -- I would propose to look at, that look at the possible inventory that the at the may have and the school district may have. Because the school is also the driver when you talk about you are own workforce people and then teachers and systems. So I would look at those uses for affordable housing as a strong equity that we could propose. There was stage theater downtown that turned into a major project that was called museum square and, you know, high dollar luxury solutions and so forth. Very complex. But I think when we own that land and we look at that equity, that we could share and release, that could be a strong incentive driver for and I believe that we can look at that for specifically their employees.

The other thing is probably it could perhaps be 12.13, would just be a as policy to explore possible I will call them housing plug ins where the jobs are. And I say that because the overall trend of Internet online sales dug into a lot of shopping centers. We will told one shopping mall goes under every day in the United States. Put there's some shopping strip malls and other centers which actually are in distress or can be in distress, and I'm looking at the possible or I would suggest the possible other zoning definitions or exploring that, where basically they might be able to take a big box in a strip center, take the roof off of it and build an internal park and build apartments on the sides. And I think that could be introduced in a PUD or other kinds of zoning characteristics. The other option is they want to scrape it all and the neighborhoods lose those other shopping opportunities.

If there were opportunities in our zoning consideration, I think that could be productive. I call it plug-in or live where the jobs are. And in a lower scale solution. And it may only be up to 30% of the footprint or how that evolves, I would like to explore that would housing alternatives. The neighborhoods that we live in are I'm responding to the last one about short-term rentals. The impact that that's caused has been pretty disastrous in terms of being overwhelming some neighborhoods. That topic, we'll get to a little later in this discussion, but generally speaking from a land use standpoint, Scottsdale has 3% of our land is commercial zoning to 97%, excluding the preserve, is residential. The latest figures we have seen is the short-term rentals, which could be one day, which could be three days and so forth, being for a 2.9% of our housing stock. All right?

So that's 3%. So you are equating -- we have purposes of land use, 3% in commercial use, that's zoned and goes through all of our processes for, you know, hotels and multifamily use, and then you have a 3% as short-term rentals -- and I won't accept that it's out of our control. I think that's our only gas station as a -- obligation as a local authority but that's overpowered, actually, it's equaled the entire commercial property by land use, and that's a tremendous change that we can and should address. It's put shortages, and it allowed outside buyers. The veterans can't compete. They have to go through the V.A. and other investors are coming in and sweeping in with cash and they are left with the dust. Let's be realistic on hopefully, looking at that where we are. The chasing housing on private property, we won't be able to catch it. Let's look at those opportunities on our property before we start

surplussing it.

And then finally, for the plug-in possible solution, it may -- that's the private sector use. And so that has certain tax consequences that might open up for some property owners and that might work out. I see Councilwoman Whitehead.

[Time: 02:25:28]

Councilwoman Whitehead: Yes, just -- it I may Mayor, I want to summarize, a lot of what my different colleagues have talked about is spelled out very, very clearly on page 149. That's why I really want to comment the task force that -- commend the task force that put this together. We have shouldn't be using public land to put public housing. That doesn't work out. So we require -- and the Canadian association, the Arizona Canadian association president even told me, just tell us to put 10% of our workforce housing and we will do it. So there are -- this spells out the different ways that we can achieve that make sure that we have existing affordable housing stock. We require or incentivize that it remain affordable. This does such a good job of how we have more affordable housing without building on public land or asking the schools to build on their land.

The other thing, on 2/11, that was one of my favorite items. It is short-term housing for homeless. So it's our -- I believe am I will correct in that? So 211 refers to the successful, albeit successful program we just had in the hotels. I wanted to correct that for the record that we are not lumping short-term rentals into our affordable housing. Thank you.

Mayor Ortega: Good. Okay. I see Councilwoman Littlefield.

Councilwoman Littlefield: I wanted to make the same comment. Like what we did with the hotels, that was a superb job on Greg Bestgen and his team. We have those kinds of options that we can do. Also Councilwoman Whitehead and I went to different meetings with contractors and their consultants and attorneys and all of this, and talked about a lot of this very problem and what we got back was if that's what we need to do to put a certain percentage of a contract in affordable housing, we'll do that. We had some projects come back to us now that are currently under contemplation, I guess you could say, that have said, yes, we want to do this but we will have some of these apartments in affordable housing and one of them said it will be free to a policeman so he can be on site if it's ever needed.

And so it's kind of like -- it's coming, did the awareness is coming on the part of developers and the part of developer attorneys. Maybe we need to stress it a little bit more as a council. That might be something we could work on as a group, when we talk to folks about their developments and their projects. But I think it's an awareness that's coming to Scottsdale and I think if we nurture it, if you will, that it will be here and it will be here in the amounts that are needed. So thank you.

Mayor Ortega: Well, thank you. And Councilmember Milhaven.

[Time: 02:29:06]

Councilmember Milhaven: This question may be getting too far into the weeds. It's my understanding that we are prohibited from requiring someone to -- so if we are going to approve and apartment

building. We are not allowed to say 10% can be affordable housing. They can agree to that as an inducement to get us to do the project but legally, we are not required to require that; is that correct?

Planning and Development Area Director Erin Perreault: Yes, we can incentivize it but we can't require it.

Councilmember Milhaven: Thank you.

Mayor Ortega: Well thank you. And I stand corrected. Councilwoman Caputi.

Councilwoman Caputi: I wanted to repeat what Rob's wonderful group said to us earlier but not no sound like a broken record. The population growth in Scottsdale is three times the United States and it is economics and it sounds really great to be able to provide affordable housing for folks but builders have to make a profit. We have a finite amount of land and more and more people coming here. So it's just a consideration to think about the economics of it. It all sounds great but when we -- we make it so that it's very, very hard to build multifamily housing in Scottsdale. I mean, we are just -- it's a problem that's not going away.

So I just -- I just want to repeat, more people coming, less and less housing stock, and more and more restrictive zoning. The pricing of houses are only going to go up. They are not going to come down. There's nothing in that economic equation that makes it so that a builder can make something affordable. They are just not going to do it. I want to make sure that we keep our head out of the clouds and in reality. Thank you.

Mayor Ortega: Well, also, you may have seen an article in this week's paper about the improvements at the crystal shelter for victims of domestic violence. That project was started in 1989 with the direction and assistance of Mayor Drinkwater, I happened to be the architect for that project and a lot of things got worn out in 25, 30 years. So -- that's temporary housing for victims of domestic violence. So the homeless is needed as well. Let's continue on the next item.

[Time: 02:31:47]

Planning and Development Area Director Erin Perreault: Next slide, please. The next is the recreation element. This is a state mandated and there's content that we are required to have. Next slide. We didn't receive a lot of community comments and it included a lot of the comments in the draft you have in front of you, although during one of our open houses, a very astute citizen asked about aquatic references and staff went back and found they were no aquatic references in the plan but this should be because we have a lot of great aquatic facilities and programming. So the suggestion is we will go back and look at where to add. I do know that earlier today I received some content from Vice Mayor Janik as well, which was great, and we appreciate that. So -- and we will be including those aquatic centers on mapping and that type of thing as well.

[ No audio ]

I don't know if anyone else had -- Mayor or council, if you had additional reference to the aquatics reference.

Mayor Ortega: I see Vice Mayor Janik.

Vice Mayor Janik: I just had some suggested language for at aquatics programs. It's R3.3, I thought it might fit there but 3.3 is not a bad start. Maintain and enhance our vibrant aquatic community that offers programs in water safety, swim lessons, competitive swimming, diving and synchronized swimming and water recreational activities at our aquatics activities. And I believe this is very important because in a couple of years we will have a 50-meter pool at cactus, which should be capable of hosting Olympic trials and that is nice goal for the city. Thank you.

Mayor Ortega: Thank you. I concur. Moving on.

Planning and Development Area Director Erin Perreault: This is the last element in this chapter. It's safety element. Next slide. It is a state mandated element. And, again, it has state mandated content in it, as well as additional content from the task force and CRC processes. Next slide, please.

With regard to the safety element, we did have some community content after the Community Review Committee added most of the community. And that was with regards to predictive modeling. There was concern that that might be profiling in the community. It is not. We had the former chief to come and speak to what predictive modeling is. It's really about anticipating likely crime events and locations based on past crime events and locations. So not about individuals or profiling that way, but just about activity and data sets about crimes itself. So what we can do is include that as a glossary term. So we will include that content. But that's really the only meaningful addition that we've had since the CRC process with regard to this element, in terms of comments.

Mayor Ortega: Thank you. I see Councilwoman Whitehead.

[Time: 02:35:52]

Councilwoman Whitehead: Thank you for that explanation. Under goal S2, prepare for disasters and emergencies. I know cities around the country are retrofitting P.D. and community centers to be able to separate for long periods of time off the grid. Should we add that as a goal or as a policy?

Planning and Development Area Director Erin Perreault: I didn't hear all of that. I'm sorry.

Councilwoman Whitehead: Oh. So there is a correct term for it and I will follow up with you, but police -- police and fire stations and community centers are retrofitted to operate for long periods off the grid to ensure that in the event of an emergency and power grid failures we have places to put people and we have uninterrupted fire and police services.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: Thank you. My only change would be page 160. Educate the public with water and swimming pool safety. Don't just limit it to swimming pool. Thank you.

Mayor Ortega: I see Councilmember Durham. Comment?

[off microphone comment]

Planning and Development Area Director Erin Perreault: Mayor and council, the CRC, because we were in the middle of COVID, when they were meeting the whole time, they actually added pandemics to the introduction that you saw and they also added it to policy S 1.2. So it was on their minds.

Councilmember Durham: Yeah, I see that now. I'm wondering whether there should be more - whether there ought to be more language on mobilization for such events, mobilization, health resources and so on. I'm not necessarily claiming that there ought to be. It's just something that occurred to me whether we learned lessons over the last year that ought to be in here some place.

Mayor Ortega: Yes, Councilwoman Caputi.

[Time: 02:39:12]

Councilwoman Caputi: Thank you, page 161, S 3.1 talks about effectively locating safety facilities to minimize response times. I was having a conversation with the fire chief and I wanted to underscore his point, which was that we need to match the fire response resources to the population density. So not just where they are located but actually making sure that we have the resources to match as the population continues to grow. And that we need to be able to protect both developed and undeveloped areas, right? So we need to make sure that we protect a growing city, but we also have a preserve to protect and we need to make sure we have enough emergency resources. Thanks.

Mayor Ortega: Councilwoman Littlefield.

Councilwoman Littlefield: Thank you. I thought this was very well done, this chapter. I liked it a lot. On page 160, S 1.5, I would put provide a support system for Scottsdale senior population by providing outreach education and notification. I like the next page. I thought it was well done. I'll make a comment on page 162. S6.4, locate critical facilities outside of the 100 year floodplain. That really just makes a lot of sense. I think that was a good add. 165., 7.1, instead of Encourage, incorporate crime prevention strategies

And I guess I had a problem with 7.8, ensure the safety of Scottsdale schools and school-aged children because we don't run the schools. So I would say work with the school district to provide because we would need to work in conjunction with the schools and the school district to do that. I know we do have list at some of the schools when they are open to help with safety, but I would like to ensure that we do that in conjunction with the school district and the school governments.

And finally on 164, expand programs, 8.6, expand programs to protect the public health, et cetera. I thought that was really good. Thank you.

Mayor Ortega: I still see a light for the Vice Mayor. Okay. Thank you. Let's continue.

[Time: 02:42:10]

Planning and Development Area Director Erin Perreault: Moving on to the connectivity chapter. Next

slide, please. The first element is the circulation element. This is state required element with state required content. Next slide, please.

Since the CRC met, we did have a few comments that have been selected on this element in particular. The first one was some discomfort with identifying the primary role of the automobile. I know that also came up at a council level in last couple of work study sessions as well. So we could certainly aft just that language. On 166. We talk about the automobile being an important means of Scottsdale and it would be identified as April important mean -- an important means but not primary.

In terms of policy, c 1.1, there was discussion not only at the community level, but also at the planning commission when they let last time with regard to this policy and not limiting it to related to high capacity transit. So one of the planning commissioners actually suggested ending that policy at future technologies which does keep it prodder and open at the general plan level for whatever future technologies come down that Scottsdale decides to implement. And then in terms of policy c1.6, there was comments made that this seems more like an implementation item and it does the way it's written in, terms of assessing alternatives to high capacity transit. That's something you would see in the implement program of this plan or more specifically in the transportation master plan that has more specifics in it as well. Any comment?

Mayor Ortega: Councilwoman Whitehead.

Councilwoman Whitehead: Like I how our city works because these comments get caught in the different level of review. So because transportation is so important, I wonder if there's support on the council and your -- your thoughts, Erin about having a non-car -- so we have circulation and bicycling and that's it and I wanted to have an element that is non-car transportation, which is going to probably be evolving pretty quickly over the next couple of decades, or next decade even.

So for instance, there's the mag, the regional transportation, which includes high speed -- there's a term for it but regional transportation is one, improved intracity transportation, self-driving delivery vehicles. Those are those little things in Tempe that go around and deliver. It's not a limit of what we do. It's a partial list of what we might consider. Small vehicles. I'm seeing an increasing number of golf cart looking vehicles on the road. So I don't know where they fall. Mopeds, ebikes, scooters. So it might be good to have this other element that we are open for business and you have a mode of transportation, we will have a transportation system that isn't just cars or biking.

The comment -- yeah thanks for -- we know cars the primary role and, in fact, sometimes you can be hit for them. I didn't think there was a need for the extra words. I'm glad somebody else caught that. Instead of relating to high capacity page, 170, C1.1, I wanted to again -- we want the a-ha moments. I thought it should just say including high capacity. You could say including but there could be other options rather than delete, because that is really important and we are part of M.A.G. and M. A.G. is considering another tax to provide regional transportation. And we are a part of that.

I also wanted to include on that same item, C1.3, we are -- and we might as well continue to. We probably will continue to support the Scottsdale and regional public transportation. What was the decision on C 1.6. He thought get rid of it, and include it in C 1.1, and C1.6. I didn't know this was a good place to talk about E.V. infrastructure, but one other area. Again, it's minutia, but I will say it.

172. Expand neighboring jurisdictions to M.A.G. And we should try to get a benefit. We are paying nor it. Thank you very much. Good section.

Mayor Ortega: Councilwoman Littlefield.

[Time: 02:48:13]

Councilwoman Littlefield: If we want to add all of this, I guarantee without a doubt that this plan will fail again. Citizens in this city will not want that. You are not going to get vote and the support of the citizens of the city if you put light rail or anything that refers to light rail in this. I guarantee it. I heard people up and down the entire city and they don't like this. And they are not going to vote to spent so tear up Scottsdale road to put the rail in there they are not going to do it.

I understand what you are saying. I'm for alternative choices also but not that one there has to be something in here that says we are not going to do there because if you don't, it's not going to work and we might as well pack up and say we will stay with 2001. I heard too many people say that. And they will start campaigning against it because they feel that strongly. And I'm just not telling you the truth. I'm not saying one way or another for me or anybody else up here I'm telling you the truth of what I have heard and what I believe will happen. And so that's just my opinion, but there you go. Thank you.

Mayor Ortega: Well, I do not see the word "light rail." Oh, excuse me.

Councilwoman Whitehead: Light rail was not even my brain. So light rail is a very expensive, rigid form of transportation, but express buses, there are a lot of -- we are weighing for the current M.A.G. tax, and this as we do grow in population, I happen no go to a lot of cities -- I spend a lot of time in Seattle. Light rail -- I think they spent the money on it, but I have never even used it there. Express buses and inner city buses I use quite a bit there. So I think that we just need to be very clear that I personally was not talking about light rail, but there's whole lot of public transportation that's not light rail.

Mayor Ortega: Back to Councilwoman Littlefield.

Councilwoman Littlefield: If that's so we need to be very, very specific. It's not me. I just know these people and we need to be very, very specific on what exactly we're supporting on that. Thank you.

Mayor Ortega: Councilwoman Caputi -- Councilwoman Caputi.

[Time: 02:51:08]

Councilwoman Caputi: This page 163, ensuring the safety of our schools and our kids that are school aged. I'm so good with that, as again mother of three school aged children, I actually do want them to be safe in our city and it's specifically says ensure the safety of our school aged children. Heck, yes! Please keep ensuring that's my -- that's my feeling on that, and I'm fine with our public safety forces protecting our schools. I don't want to leave that up to the one or two safety officers that may or may not be in the school that day. I think that's an okay goal to protect our youth. Thanks.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: Yes. Bouncing off what Councilwoman Caputi said, how about work with school districts to ensure the safety of Scottsdale's schools and school aged children. Just make it longer, but I agree, we need the word ensure. Thank you.

Mayor Ortega: Thank you. Councilwoman Whitehead.

Councilwoman Whitehead: Actually, they're our constituents. What I was going to do was circle around back to Councilwoman Littlefield later and then circle back to Erin, but I think it should remain as it is. These are our constituents. We are not in charge of their education but we are in charge of their safety. In my opinion.

Mayor Ortega: Thank you. I think that concludes our input. We will move on.

[Time: 02:53:04]

Planning and Development Area Director Erin Perreault: The bicycling element is in the 2001 plan. We only have a couple of policies with regard to bicycling and they are buried in the circulation element. So you don't see an actual element for bicycling generally in our current plan. We back in November of 2019, the council at that time made some updates to our 2001 general plan and added in this element. So it is in there no you, about the since 20 -- now, but since 2001, we didn't have a bicycling element.

So next slide, please and policies and we would recommend keeping these. The only thing that has come up is shower facilities and some confusion about that. It doesn't mean that shower facilities should be public facilities along trails or bikeways in anyway. It's really to encourage our major employers for example to build those type of shower facilities into the gym facilities and the other amenities to encourage more commuter biking and that type of thing. So we do have some of these types of things already established in our zoning order chance to encourage that. That's what the shower facilities. We will not build public toilets on different areas. We are not building public showers anywhere around town. So --

Mayor Ortega: Thank you. A comment from Vice Mayor Janik.

Vice Mayor Janik: B1.5, I would suggest we put in -- it says maintain or improve I think it should take maintain and enhance Scottsdale's designation. I don't think we want it to be maintain or improve. I think we need to do both.

Mayor Ortega: Councilwoman Whitehead.

Councilwoman Whitehead: I don't think improve is the right word but there's different levels of designations. We should be driving to improve -- so that was my comment there. Then I wanted to see if others feel the same way, but on item B 3.4, 181, incorporate safety measures at street crossings and intersections to minimize conflicts with vehicles, pedestrians and other cyclists. We had quite a few deaths for Scottsdale. That is an action. I would like to bring that back whereas I would like to delete the qualifier which talks about best practices and more vague. I would like to see Scottsdale take action towards making bicycling more safe and reducing crashes and deaths. So thank you.



Mayor Ortega: I see no other comments and we'll continue to the next session and we have been referring to page numbers because Erin Perreault is on the ball but it really will help us all follow where you are add. Thank you.

[Time: 02:56:48]

Planning and Development Area Director Erin Perreault: Now we will move on to the revitalization chapter. Next slide, please. Next slide, please. This chapter starts with the neighborhood preservation and revitalization. It's a state mandated element. Next slide, please. We have not had any major community comments since the citizen review process on this and we are open to hearing anything that you may have to add or discuss about this element.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: I have a paper with a knew suggests old town growth area for page 203. I want this general plan to work for everyone. I want it to pass and I think there's area for compromise on the old town area growth plan. I would ask that we read this and think about it.

Old town growth area. Old town growth area is a commercial, culture, civic and symbolic center of the city. It includes a connection the interconnected missed use. And it's the local and regional draws for shopping, dining and entertainment. Scottsdale old town is a prime tourist destination that was already in what was suggested in bold. The old town designation represents two areas, each with distinct character. The historic old town character area is bound by Second Street north to First Avenue, in Scottsdale Road east to Brown Avenue. This character area must retain its original charm by maintaining maximum heights of 36 feet. The remaining section of old town encompasses Second Street north to the canal and Goldwater Boulevard east to Scottsdale. This character area includes the engaging Scottsdale Arts District and numerous shops and boutiques. It's some the greatest development intensity. Building heights generally range from 2 to 6 stories with few exceptions depending on location and neighborhood context. Its critical to maintain the identity of this area by establishing architectural guidelines for new construction and redevelopment.

Thank you. And, again, I'm not going to say it's perfect, but I'm hoping its a reasonable compromise because we are kind of at odds on this. Thank you.

Planning and Development Area Director Erin Perreault: Mayor? We jumped ahead a few elements but I do have some --

Mayor Ortega: I noticed that.

Planning and Development Area Director Erin Perreault: That's okay. I do have some slides on that if you want to address that.

Mayor Ortega: The renovations and continue there. Yes. So you were at the slide with the -- and there was little or no response to the revitalization element, if I recall.

Planning and Development Area Director Erin Perreault: That's correct.

Mayor Ortega: We were at Chapter 6.

Planning and Development Area Director Erin Perreault: Yep.

[Time: 03:00:40]

Mayor Ortega: And if there were -- I saw no comments on that from our -- and by the way, I really do like this picture of our city hall and the mall area. It's part of the -- it will be a major improvement and upgrades to the grounds in preparation for Super Bowl in 2023. That was part of the bond program and it's an important investment in our city. Just for the record, I did request that the historic preservation commission look at initiating this building as for HP designation. So we'll see how that goes through the process, and it's the landmark and the legacy. Did you want to continue with the next element on neighborhood preservation.

Planning and Development Area Director Erin Perreault: So the next element is conservation rehabilitation and redevelopment, next slide. This is also a state mandated slide. Next slide, please. We didn't receive any major community comments on that particular almost from the community beyond the citizen review process.

[Off microphone comments]

Councilwoman Littlefield: Thank you. I just have -- on page 188 goals and policy. Goal 1.3, enrich the character defining features of neighborhoods and where appropriate seek historic designation for the preservation of such features. I would like to have something added to the effect if the citizens or owners of the properties desire it. Because historic designation limits the rights of property owners. And so I think that should be only with the consent of the property owners.

Mayor Ortega: Thank you. And any other comments?

Planning and Development Area Director Erin Perreault: Next slide.

Mayor Ortega: I see vice Mayor. Your button is on. Okay. Let's proceed.

Planning and Development Area Director Erin Perreault: Next slide, please. So now we are moving into the growth areas element under the revitalization chapter. Next slide, please. The growth areas element is a required element under the state statute. Next slide, please.

We this three designated growth areas since 2001 under the existing current general plan. We are not propose any additional growth areas under this draft plan. What we are proposing is to provide defined boundaries around our growth area. The reason for that, so if you know you are inside or outside of that growth boundary and as well as where the transition -- the sensitive transition areas are between will growth boundary and what adjacent to it. And often what is adjacent to it is residential neighborhoods and they are just circles, identifying our growth areas. And so these do have defined boundaries. The McDowell growth area in the south is really kind of a corridor boundary. It's along Scottsdale Road and along McDowell corridor. The old town or downtown is a growth area as well as

the greater air mark area that you can see in blue on the right map there. Next slide, please.

Not only did we hear from the community but we have heard a little bit during the CRC process, and they made some adjustments to this section. We heard mostly about the sensitive transition at the boundary area of a growth or activity area. Right now goal -- or policy area 1.2 talks about ensuring the sensitive edge happens this and only specific to growth areas. So the suggested language that you see underneath that, all in system replaced he will low is to move that out of goal 1.2 and create a new policy that talks about ensuring development and growth and activity areas sensitively respond so it covers both growth and activity areas. Next slide, please.

The other comment that we did here which we also heard from some councilmembers this evening is that there's a concern about the core or downtown core that we have talked about in previous work study sessions and all of the downtown being a growth area. The old town has a character area plan and in that plan is establishes a specific vision for the downtown area and then it has goals and policies for land use in the list of things similar to what you find in a general plan but more specific to downtown itself. Next slide, please.

In that character area plan, the historic old town area is specifically identified as a district. And you can see that in the red on the map. That's the historic old town area and its specific boundary. Next slide, please. Even though all of downtown is a growth area, it has a lot of protections for the historic old town area, as well as other type one areas in downtown as well.

So the character area plan goes on to designate character types or development type areas and the lowest level of development, are in these green areas. A portion of that, again is that same boundary is the historic old town area. We also, next slide, please.

We also have an ordinance that protects historic old town and the maximum height you can build in historic old town is 40 feet. The maximum height you can build for the rest of those green areas which are a type one area is 48 feet under the ordinance. So those protections are already in place there in the ordinance, as well as in the character plan. In addition, we updated a 20 plus-year-old downtown design guidelines document a few years ago working very closely with old town merchants and property owners, and so it has a lot of specificity on the details and the character and the architecture for that particular historical old town area. So we do have that in place.

One of the new things we introduced in there was the yellow boundary around historic old town. So any property, just outside the boundary still architecturally and massing-wise needs to relate back to the historic old town character as well. So that was a new build in that was added in the last couple of years to the guidelines. The old town property owners and merchants were happy with the additions and the new guidelines that we instituted through the DRB process and it was the DRB that adopted those guidelines.

So just to give you an idea of what protections are already in place at that character plan area. Next slide, please. I don't know Mayor if you want me to continue on or if you want any more conversation about growth areas?

Mayor Ortega: I think at this point, we were going to Vice Mayor Janik and her handout for our reading and then discussing. So I will defer now to Vice Mayor Janik.

[Time: 03:08:57]

Vice Mayor Janik: I just had two other comments. And it would be -- I don't want to jump ahead -- I don't want to jump ahead. I think I did. It's page 208, cost of development which is the next element. All right. I will hold off.

Mayor Ortega: However, did you want to introduce and you started to talk about the old town growth area, and, you know, began that -- that discussion. You did get to the last sentence and certainly we can comment about what you presented.

Vice Mayor Janik: Okay.

Mayor Ortega: Do you want to add more to that and revisit?

Vice Mayor Janik: Probably a bit. I have spoken to a lot of people on this and I have spoken to people who are in charge of influential groups in the city. And it is their opinion that they are not happy with those guidelines that were instituted in 2018. And I also know several members of city council are not happy with the large area that would have severe restrictions. So I would hope to get your input to say maybe we can work with this to come up with a compromise and show people we can work together. So I would like to hear from everybody. Thank you.

Mayor Ortega: Councilmember Milhaven.

Councilmember Milhaven: Thank you. I guess I need a little more information because it sounded like from Erin's presentation that the essence of what one try -- of what you were trying to accomplish, the land areas that you are trying to address here sound like -- [No audio] Most of what you were hoping to accomplish, maybe within a couple of feet, the address and the character area plan and I would like to understand a bit better what more you think this is giving us than what is already in place.

Vice Mayor Janik: I believe what it does is it defines two different character areas. And I think that's the main difference. And I also think that what is currently there is rather confusing. So I would hope that we could make it a little more understandable and I think if we call historic old town Scottsdale another character area. I believe Erin, you refer to as a district or the previous plan --

Planning and Development Area Director Erin Perreault: It's a district.

Vice Mayor Janik: I think it would be easier for people to understand if we called it a character area, because it certainly has its own character. That's pretty much a little more clarity, basically is what I would hope to accomplish. And the other problem is there are some very, very strong groups in the city, that are very much opposed to what they currently see and I don't want to detail anything and maybe this is putting a better face on it.

Councilmember Milhaven: So I -- I think that this creates more confusion, not more clarity, one. So it's hard for me to say whether or not I -- it's hard for me to say that I can support this because I think it creates more confusion. And what does that mean two different character areas and how will that

change? That's not clear.

The other is that I think this gets close to becoming regulatory document when we start putting in heights and things, our zoning code addresses that. So I don't know that that's appropriate to put here. I would also say that while you may be talking to people who feel strongly that they don't like what's happening downtown, I know people who feel very strongly that they are comfortable with some of the zoning that was done and would like to see us do more. So, you know, again, we each have different constituencies and different things we campaigned on. And so I think it's hard to say that we're united in -- and at the end of the day our constituencies will vote and they will decide but I think we each have to continue to represent the folks that voted for us. So thank you.

Vice Mayor Janik: The one comment I would make in response is that when you say you don't want it to be a regulatory document, I took the building heights generally range from, what was originally there. So it's not a change. And if it was perceived as not regulatory before, I would hope it won't be perceived as regulatory now and I guess for clarity, I would do away with -- I would do away with the districts. I would replace them with character areas and develop from there. Not add it on top.

Councilmember Milhaven: Okay. This doesn't say generally. It says by maintaining and it seems pretty definitive. It's not generally. And I would like to see more detail about what that means before I can support it. Thank you.

Mayor Ortega: Okay. Councilwoman Caputi.

[Time: 03:14:34]

Councilwoman Caputi: I tend to agree with most of what Councilwoman Milhaven is saying. I think this language makes it more confusing. It's pretty straightforward the way Erin described it to us. General plan is a vision. It's not a picture. It's not a regulatory document. We keep saying this in every meeting. Its not zoning. It's not regulatory. It's a vision. It's not a picture. So we can't get this specific.

We really can't talk about -- I mean this language in here, yes, you are using the same language, building heights generally range between two and six, and with few exceptions. Again, you are sort of going into that fuzzy area where you are starting to make it a little built too regulatory. And then the architectural guidelines need to be established, we have really careful architectural guidelines for the old town and the downtown area. As Erin was explaining all the boards and commissions have gone over them for the last several years. They were pretty specific about guidelines. This' a pretty detailed booklet on that very specific area.

Also, I agree with that we all have different constituents and that was the whole beautiful point of us seven being the task force, right? So that was our whole point of the conversation we had about putting it back out to the citizens and we decided as a group that we are sort of the voice of all the citizens. And so that makes this conversation much better that we all represent the different constituents and we will bring their voices to this conversation because while Councilwoman Janik may hear from lots and lots of people that, you know, they want this language, I'm hearing from lots of other people and heads the community organizations and businesses that they want something different. And it behooves us all to bring our constituents' voices into this group and make the plan better and

acceptable to the whole community.

Vice Mayor Janik: I would agree with that, but it was turned down and those opposed to many of the guidelines actually, were in the majority. That's why I view this as more of a compromise, rather than one extreme or the other.

Councilwoman Caputi: But we need to remember its not a zoning document or an ordinance.

Vice Mayor Janik: I very much agree. I'm happy to strike the maximum of 36 feet, and that's why I brought it up for discussion. And must retain its original charm. But I think where the problem comes in and it's the elephant in the room, I don't think most people want 150 tall buildings in our downtown core. I think that's basically what we are discussing right now.

Councilwoman Caputi: I was talking about building heights being 48 feet in this particular area. I'm sorry. We're getting off the topic.

[Time: 03:17:36]

Mayor Ortega: Well, I think what I will just insert some comments here and then we will hear from another councilwoman. I believe this paragraph mainly aligns with the illustration and the value part of our vision plan that I suggested that we called the downtown core. And so this is consistent with the way we have looked at this as it was illustrated. I believe that this area was part of the original township and extends up to Fifth Avenue which was built out in the early '60s, which, again, is part of the heritage element. So I do support some form of this paragraph. There's a few things I would clean up on it, but there is decisive and large construction out of that core.

I made a comment about a sense of place and value. It's true that when a large project came into that area, there -- it led to a referendum, and the people's voice was denied. They did not get a chance to vote up or down that particular project. I'm only speaking about the heart of Scottsdale. I'm speaking about the core of that discussion.

When it comes to a general plan, and trying to differentiate that area. It's true that in 70 years, the low-profile buildings along Brown have not been -- they have not even gone up to 36 feet. I happen to have done 11 projects on main street that have not exceeded that and they fit in and blend with that heritage. They are not historic but they are blending and respecting that sense of place. So I believe it will come to a point where the public can vote whether this core is what made us Scottsdale.

Outside of that, or doughnut, you still have ample type two and type three areas. This happens to be some flaws in the current general plan layout, in my opinion, specifically along the canal area. The downtown plan only shows an encompassing area and we are trying to -- which I was a part of when we discussed this 20 years ago. I suggested a doughnut that this is also trying to express. This is part our heritage as the original township and extending past Scottsdale Road.

I think it's important to acknowledge that and I believe the public can and should express itself. There's a couple of words in here that I think we could wordsmith on this, specifically the second to the last paragraph, it says it's the location for some of the greatest development intensity. I don't think that's

correct. I would say many of the greatest activity in the downtown. That's what it is. It's not that there's a lot of development in the downtown. It's the center of activity. It's part of our activity. It's not an abandoned part of town that will get scraped and rebuilt. You know, it's a very active area. Now, as a whole, the downtown area, outside of that doughnut -- outside of that area, is you could say was ripe for development. It was done at the ordinance level and maybe that will be revisited.

I would agree that we are not here to discuss specific feet of height and so forth, but as far as recognizing the stories of height and so forth, that's what -- that's what it appears to be and that's been successful. So the containment of that area and working with the core of Scottsdale mapping and where I tried to add it into the vision of Scottsdale. It's supported by our tourism element. It's supported by our heritage element and our legacy element and, you know, over 50 years, it hasn't been knocked down and totally replaced. Actually, 70 years. I believe that that core extends up main street to this building.

You know, I mean, we are totally part of it and it's a great reflection. You can drive anywhere in the valley and try to find something that duplicates us. They don't. They can't even buy time if they wanted to build it old. We have a lot of character here. So whether the word is character or defined areas such as stated, that, yes, there is an historic -- this doughnut includes the original township, as well as the next development which was Fifth Avenue area to the canal. That's a precious thing to many people and that's why they stormed out of the hills and everywhere to sign a referendum because they felt that that project -- I'm not mentioning it by name, because they thought it was excessive, and the public should feel if the core of Scottsdale is viable and recognized as our identity. I see Councilmember Durham.

[Time: 03:24:10]

Councilmember Durham: Thank you, Mayor Ortega. Our system of zoning, particularly in this area, is extremely confusing. I don't understand the bonus system at all that was proposed in 2018. I tried to work my way through it once. As I understood it, there were areas on the east of Scottsdale that were entitled up -- were entitled to 120 feet. I don't know if that goes south of Indian School or not. But we have overlays. We have character area plans. We have districts. And I'm just flipping through the downtown character area plan. There are just so many different types of development areas that it's difficult to figure out what the areas are. And the area one zoning and all sorts of other things.

So I think it's perfectly appropriate to single out this area for all the reasons that Mayor Ortega has described, is the heart of Scottsdale. This is a vision document. It is a purpose document. It doesn't make it a zoning document if we simply declare that this is a unique area that needs to be protected that doesn't turn it into a zoning document. I think it's completely appropriate to separate it out from the area that is on the west side of Scottsdale which is quite different and more appropriate for high-rise eight and density in some locations. But it's really distinct from the west side of Scottsdale or east side of Scottsdale, are the strength and I think we should realize that. It is, as Erin pointed out, it's a separate district has maybe different rules. I'm not totally sure whether it does or not, but I think it would be useful to make this distinction between the west and the east sides of Scottsdale. Thank you.

Mayor Ortega: I have been trying to keep track of my stickies and so forth, but I did somewhere in the section a notation about incentive infill, and I thought that might be something that is going to sunset

and it may go away, I wonder is that still -- I'm looking for it now. Can you help me on that? I think that can be deleted. When you look at the value of what's being built, one bedroom efficiencies for half a million dollars in this area right now, and what is approved. Can you help me with that location?

Planning and Development Area Director Erin Perreault: Mayor and council, based open past direction from a previous work study session, we will come forward on March 23<sup>rd</sup> with taking that infill incentive district portion out of the plan or striking it based on direction that we receive from you. We did receive direction to do that on one portion of the land use element. The other piece of the land use element was the major amendment criteria. That states it's a new amendment criteria, that the city instituted a new infill incentive district or expand an existing one that not only would we have to meet the state statute requirements with criteria, but it would also have to be a major amendment discussion and so you directed us to keep the major amendment piece of it, but not the other piece of it in the land use element.

Mayor Ortega: Councilwoman Whitehead?

[Time: 03:28:26]

Councilwoman Whitehead: That is what we directed, among a million other things. So page 203. In the last -- the last section there, the last sentence, that's where it needs to be struck out again, downtown and infill incentive district plan. Thank you. I don't think that this is a zoning item either. And maybe we need staff. I agree with everything that councilman Durham said, but I think you got east side and west side wrong.

Councilmember Durham: It could be. It could be.

Councilwoman Whitehead: I think it's the west side -- the west is where we are trying to retain the character and the east is more high-rise. So I think what we are trying to do is provide -- we have an urban downtown and we have some sections. It's not a height issue but we have some sections with a unique character and I totally support. I would rather have an extra sentence and maybe staff with provide us the right way to word that. We have the downtown and historic old town and the section from second street to canal that is quite unique and I think that's what Vice Mayor Janik was trying to -- designate it from the rest of downtown. I support that. Thanks.

Mayor Ortega: Okay. I see one light from Councilwoman Milhaven.

Councilmember Milhaven: Thank you. I want to say, I agree with councilman Durham that we should call out this area as special and unique and I agree with Councilwoman Whitehead that we should have special design guidelines for this area. My reluctance in the changes is that I believe we have already done this. And that these changes are just adding confusion. So I agree in principle. But perhaps disagree in the way you are trying to accomplish it. So thank you.

Mayor Ortega: Let's continue. Next elements:

Planning and Development Area Director Erin Perreault: Next slide, please. Now we are in the cost of development element it is a state required element. It has a few goals associated with it. One of the



new ones that the task force added that was not in there previously is coordinating the infrastructure in terms of when we can coordinate with the private sector, for example, if we are ripping up a street. We want repave that street and trying to coordinate that with the private sector and with the utility companies and the task force when they included that. Next slide, please.

In terms of the only questions we got, not really comments. How do we look at land use impacts in terms of the development element. I know I presented this quickly before in first work study session but we do have a land use impact model that's very specific to Scottsdale and how that model works is when this is a proposed major change, it doesn't matter. We look at the types of land use -- the existing land use and what it's being changed to, as well as the amount of acreage.

The model is built on our specific budget. So the line items for revenues and expenditures in that budget. And then it calculates for us what the fiscal impact over a 20-year period would be for that development. And that information is included in planning commission and city council the reports for decision making purposes. We had questions how that happened and that happens with the different land use changes as they are proposed. Next slide.

That's really the only input we got on the cost of development. I know Vice Mayor Janik, you mentioned something on a certain page that you would like to discuss.

[Time: 03:32:54]

Mayor Ortega: Yes, Vice Mayor Janik.

Vice Mayor Janik: On page 208, cod 3.1, just to add expanded city services including ongoing maintenance. Where it talks about the cost. Evaluate the long-term use including ongoing maintenance and infrastructure.

Mayor Ortega: Thank you. Let's continue to stay on track. Oh, I'm sorry. Councilwoman Littlefield.

Councilwoman Littlefield: Had the exact same comment to make. I think the ongoing maintenance should be considered as a part of a cost of new construction because that -- that cost falls on the taxpayers. If they have to put in a new fire station or build a new police station, then the people that operate those stations, the cost of their salaries, it becomes a part of the development itself. At least to some extent. You could do a percentage or something, but it needs to be considered as part of the ongoing cost of a development.

Mayor Ortega: Good. I have one quick comment and a sidebar to follow up with staff. When the old town character plan was enacted in 2018, was there a comprehensive utility infrastructure cost evaluation for the full build-out where those up zonings were shown in type two and type three areas? Just a general question in how that followed any guidelines. It appears to me that the old town character area plan likes like about 30,000 people if it were built out. That's outside of the doughnut and I just had some concern how that evolved and I would like to see what type of report there may have been and backed up at that time three and a half years ago. So we will move on. Thank you. Yes, Councilwoman Littlefield.

Councilwoman Littlefield: I didn't get to comment on vice Mayor's suggestions here. I don't think this is zoning at all. And I do think that it's something that we should be considered. I like it very much. I would like to protect that historic old town area. Thank you.

Mayor Ortega: Continue.

[Time: 03:35:59]

Planning and Development Area Director Erin Perreault: This is at state required element. We haven't received any substantive comments since the citizen review comment has ended. We are open to any comments on this element.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: I have one comment, page 211, PSF 2.5 and I would add support the safe expansion of telecommunication services.

Mayor Ortega: Councilwoman Whitehead.

Councilwoman Whitehead: Sorry, wrong section. Sorry.

Mayor Ortega: Thank you. And we'll continue.

Planning and Development Area Director Erin Perreault: Next slide, please. Next slide, please. The public buildings element is also a state required element. We have not had any substantial comments from the citizen review process concluded as well.

Mayor Ortega: Councilwoman Whitehead.

Councilwoman Whitehead: So on page number 217, PV 2.3, I think the city requirement is that our new facilities are LEED certified. I wanted to add that in and that's it. Everything looks great. Thanks.

Mayor Ortega: I see no other requests. So we'll continue. Thank you.

Planning and Development Area Director Erin Perreault: Next slide, please. And we are on the last chapter for this evening, innovation and prosperity. It includes two community created elements. So not state mandated content. One of them we have had since 2001. Next slide, please. Which is the -- next slide, please. Next slide, please. Which is the economic vitality element. That has been in our general plan since 2001, also community created back then. The newest addition from the task force is EV goal 4 which is to ensure fiscal sustainability. So in our 2001, that doesn't come out very strongly in our general plan and that was added by the task force in 2014. Next slide, please.

So we had a few comments since the citizen review process. One of them is with regard to the intro paragraph. There was some confusion. It was not deleted but it moves to the new tourism. What is retained for this element is language with regard to while tourism remains a significant aspect of the Scottsdale economy. We do still in the economic vitality element refer back to tourism being an

important aspect of that.

We have a whole new tourism element that we didn't have before. Its not been deleted but moved to the tourism element introduction. That's the same for goal EV 1 and policies EV 1.1 through 12. Those moved to the tourism element as well. They have not been lost. There is some suggestion to add in character to EV 1.1 from the community. And you can see that on the slide. So would be added to the end of the second bullet under EV 1.1.

And then in terms of the last piece of it, which is EV 4.7, this are was a request to add back in the additional language that had been struck by the Citizen Review Committee. The Citizen Review Committee stance on that was leaving it broader and leaving it at land uses was better for the community than trying to nail that language further down. So it's really just a point about whether you want more specificity there at the end of that policy or not. And that's it in terms of community comments on the economic vitality element.

Mayor Ortega: Any discussion or input? I see none on this -- this element, chapter.

Planning and Development Area Director Erin Perreault: Next slide. Next slide. The tourism element is new to the general plan. Again, not state mandated and it's new since 2014. So this is the Citizen Review Committee added element that wasn't recommended back in 2014. It has three main goals to it with regard to tourism. Next slide, please.

We didn't have any substantial comments. We did receive a lot of support for the new addition of this element from the community and no specific comments on changing any of the language in it. We did work with experience Scottsdale and areas to review this as well as our tourism development commission. So we did get language changes during the citizen review process from those entities. And that concludes our review of the chapters and the elements for tonight. I do have just a couple more slides to give you some updates moving forward.

Mayor Ortega: Good. Right now I have Councilmember Durham to speak on what we just presented.

[Time: 03:41:47]

Councilmember Durham: I thought the sentence in t1.5 was sort of a run-on and confusing sentence. And it also talks about -- I just noticed it now -- it talks about enhancing the tourism and the resident experience. I'm not sure if the resident experience belongs in here, but this was very long sentence that had quite a bit in it, and I'm not suggesting any major changes other than restructuring it, trying to make a little bit easier to read. Thank you.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: I missed something I wanted in the economic vitality section. May I go back?

Mayor Ortega: Yes.

Vice Mayor Janik: Page 229, a strong k-12 educational system is a major component of great cities. Scottsdale is committed to working with the schools to achieve the best outcome for our children. This

includes but is not limited to shared facilities such as parks and libraries, mentoring programs and recognition of student achievements. Thank you.

Mayor Ortega: I see a -- next comment from Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, Mayor. I want to go back if I could, I missed one here. On page 212, revitalization, 3.3 PFS, 3.3, could you go into a little bit more detail about what that entails, what that means? Page 212.

Mayor Ortega: I apologize. I just missed that page number.

Councilwoman Littlefield: Page 212.

Mayor Ortega: Okay. Thank you. It just helps me. 212.

Councilwoman Littlefield: I'm a little bit confused on the public/private partnerships to fund and provide public services and facilities. What would that entail? What are they talking about there?

Planning and Development Area Director Erin Perreault: Mayor and council, I don't have anything off the top of my head that I can recall. This didn't get a lot of discussion during the Citizen Review Committee, but I can go back and check it, back to the task force notes that we may still have and see if I can recall what that is or what they were specifically talking about at that time.

Councilwoman Littlefield: Thank you, Erin. I would appreciate it.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: I have spoken to City Manager Thompson on the public/private partnerships. I think it's a great idea that he's been working on. I would like him to speak to it. Thank you.

[Time: 03:44:48]

City Manager Jim Thompson: Mayor, members of council, I think when we look at generally public/partnership, we continue to have great success as we have in the past and I think when we look at all things that we do. We tend to look at just private -- private and public and public and I think as we continue to expand out and I think this evening we had a great discussion regarding the school district and working with them at greater levels than what we have in the past and I think now in the private sector we are as well. And looking at the alternatives.

We have been looking at parking solutions and the other things they bring to bear. I think we will look at models associated with the electric car charging stations. I think with solar. I think with some of the sustainability aspirations we are going to have, we will have to look at -- we will have to look at those partnerships to be successful and so expanding that and growing that into the future to achieve the things that are in the general plan but generally, us doing business is continuing.

Right now, I don't think that in many cases, we realize when you go through the budget the amount of

public/private partnership we already have and that may be through contracts and other relationships, but a good portion of our landscaping that we maintain and take care of, we privatize. And so we have public/private partnerships constantly. There may be an exchange of value, but it may not be an exchange of value it may be an exchange of services. It will show that continued ability to move forward.

We can't do it all ourselves and I think we -- we realize that and it takes that partnership and we talked about that earlier with economic development is working with the new corporations coming in, those that are existing into sitting down and saying how can we help one another. We sit down and have discussions and we find out that their employees live biking and maybe they love trails and then they are willing to volunteer and help us clean the trails. Those are the types of partnerships that we need to further embrace and move forward with, and so again, I appreciate that and the opportunity to speak on it, but I can go into greater depths of ones we're working on currently, but I think we know of a few on parking and some others where we are trying to address some concerns that have come forward and doing it in a very economic way to minimize the cost to our taxpayers but to maximize the benefit to the private sector as well. Thank you.

Mayor Ortega: Councilmember Durham. Your button is on. I want to continue with your -- or slides as we come to conclusion here on this general plan update.

[Time: 03:48:03]

Planning and Development Director Erin Perreault: We have made it through all the elements the draft general plan citizen review draft plan. The next meet -- plan. The next meeting we will circle back to the land use things that we talked about the first work study session which you can see on the right portion of the slide, but that -- we will touch on the implementation chapter last time. That's the one thing we haven't touched on currently. We do have we will have a summary of the public outreach that's been done to date for you, for the March 23<sup>rd</sup> meeting and we will look at -- you will be starting to look at edits in an actual plan version.

So you will see stronger plan language and you are deciding what you want from a vision statement stand point. We will also be looking at some of the development types in terms of the new desert world that's been testing in the community currently. The combined employment and office land use. So you can see a lot of what those are.

What we also will make an attempt to bring back since the council packet goes out this week for you. What you won't see in it currently is some of the edits in the sustainability section that we are still working through with Councilwoman Whitehead, as well as the education element that we will be working with Councilwoman Caputi on. We will send them out in a supplemental packet so you will have them for the 23<sup>rd</sup> as well. Next slide, please.

I wanted to identify some important dates for you to stay on our current statutory time line to make it to November, we need to try to wrap up some of these discussions by April 13<sup>th</sup>. What the planning commission needs to do is they need to make a recommendation to you on May 12 and then their recommended version of the plan comes back to you. It doesn't mean it can't change after that. You can certainly continue to work on it, but we do have to have a plan that we can take to the planning

commission for consideration by -- before May 12<sup>th</sup>. Next slide, please.

And just to hit on some opportunities coming up for the community. We do have, of course, the 23<sup>rd</sup> and April 13<sup>th</sup> already scheduled with council. We have online open houses. The March 11<sup>th</sup> is specific to property owners who could be affected by the desert rural proposal. That's happening on March 11<sup>th</sup> and then just an open house to anyone on March 15<sup>th</sup> will occur. Of course we have 24/7 online. That's any community member can use. Next slide, please.

And this is mostly for the benefit of the public but we do have these online videos now that people can do their own self-guided open house. If they can't attend a live one that we are hosting over Zoom, then they can go on and attend -- watch the video so it frames it for them and explains what the topic is, and then they can -- they can do the pulling themselves after themselves -- polling themselves afterwards similar to what we do online with them. Next slide, I think that's everything. Thank you.

Mayor Ortega: Well, terrific. In fact, I have looked at my schedule, and I will be entered on some of those open houses. We don't want to have any conflict with more than three of us on there. So there are many opportunities to sign on. There is no last call for comments. We will continue and see a cleaner draft as it comes forward as we look to that.

#### **ITEM 4 – SHORT TERM RENTAL TASK FORCE**

[Time: 03:51:48]

Mayor Ortega: With that we will move on to the next posted agenda item which is called short-term rental task force. And the presenter is Councilwoman Linda Milhaven.

Councilmember Milhaven: At our council retreat a couple of weeks ago I suggested we put together a task force of the community members to look at what we are doing around short-term rentals and conversations in the community, there were comments to say that they thought there were opportunities for us to do a better job of monitoring and enforcement, the ordinances we already have. I think we will need to add some resources to do that right but I think it was worth that conversation. And then I also got some suggestions that there might be things we will could do to enhance our existing ordinance.

Right, we all know that we tried to -- well, we did. We created an ordinance a few years ago that was hoping to try to control short-term rentals and protect our neighborhoods, and I don't think it's had the impact -- we still know we have a short-term rental problem. So despite our best efforts, there's still more work to do and so I thought that by having a broader community conversation, we could sort of maybe come up with some creative ideas and look at how we could do a better job monitoring and enforcing.

Now I know the timing is sort of funny for this because we know the legislature right now is considering changes to the legislation around short-term rentals. But I think that conversation is going to be concluded here pretty quickly. Typically the legislature ends their sessions sometime in April. And so in preliminary conversations I've had with staff, probably the soon we could pull together to start this work would be sometime in early April.

So my intension had never been -- or let me put it another way, go a different way. So with the legislature -- the state legislature considering how we could -- what were we can do to control the short-term rentals. The Mayor has been down representing us and speaking on behalf of some of the recommends changes to protect neighborhoods. I know Brad Lundahl and I have spoken several times about what he's seeing. And so it seems to me that the conversation in the legislature is going to be wrapped up here pretty quick. And so I also -- I don't know that that will be pulled together in time to influence that but I think we have people who are lobbying to are what happened tell legislature but they may be able to help respond quickly to whatever the changes might be.

And so what is included in your packets here, is some initial thoughts, and conversations with staff and how to move forward and so just to repeat -- and I'm sorry, I have very good advice, why don't you do a PowerPoint to make it easier for the folks and the viewing folks. Time got away from me but I do have an outline of the email I enter is to some of the charter officers.

And what I would like to do tonight is to say, if there's no objection, I would like to move forward -- Vice Mayor Janik and I spoke and she said she would be -- that we could work together on this and so I'm excited to do that. So if there's no objection, what I would like to do is just move forward with this process and I know that, you know, as councilmembers, we can't talk about any legal action or any potential changes to ordinances that we might do, because that needs to be done in an open meeting, but if councilmembers have comment about process, I would certainly be happy to entertain that and we can talk about that. If not here tonight, going forward.

So what I'm suggesting is so we set an objective for this group that looks at the existing regulations, both federal, state and local, to see if there's -- so any additional opportunities to make our ordinances any stronger, look at how we might improve monitoring and enforcement of the regulations, monitor and respond to whatever the legislative changes are that come out of this session, and then report back to city council. What I'm suggesting is the member should would be two councilmembers, two folks from the association of Realtors, two folks from experience Scottsdale and then two community members at large, and thinking about folks who are either in H.O.A. leadership positions who are familiar with sort of the impacts or folks -- Vice Mayor Janik suggested we make sure we have representation from Scottsdale, and though they don't have H.O.A.s and look at the block watch captains and those who would be sensitive to who is knowledge about their neighborhoods. We have the gotten lots and lots of folks, including the speaker at the beginning of tonight's meeting who wants to participate.

What I'd to do was put together a working degree up that could really brainstorm solutions but it seems to me I think we are going to need to create an opportunity for broader citizen input and reply and so I would like to sort of add that too to say that even though the membership may be limited, I think we need to really expand the ability for the community to comment. And then there's just an outline that talks about the first meeting which is what do we think we could do and ideas that we have in deciding the next steps. So in a nut shell, if folks are okay, I would like to move -- Vice Mayor Janik and I would like no move in order with the task group. I look in order to your comments.

[Time: 03:57:22]

Mayor Ortega: Well, thank you. I wish I had seen the outline in more detail. I tried to reach out to you before this presentation. And the subject of a task force requires a council action. It would require a composition of a body that would have no meet the requirements of open meeting laws, the ethics training and that whole gambit and I'm not prepared to go along with that. I believe wholeheartedly and you have heard me speak to some of the issue of, you know, being -- looking for local control and we are doing that every day and week at the legislature.

I also heard in our economic vitality discussion, that the word "roundtable" was used, right? This was a consultant brought in and then gave us some specifics and looked at a -- a -- and they mentioned those participants in a an informal roundtable. That was generated from an internal consultant that worked closely with staff. I am concerned about what the results already. You know, as a citizen last year, I saw our council struggle and increase, you know, fines and penalties. That was passed by Councilwoman Littlefield, and yourself.

And I -- I would like to see what the results were of that. I -- I -- before we would enable and create a task force per se. That's a formality that has certain legal implications. The other thing is it gives appearances that we are late to the game, right? Oh, you know, Scottsdale just got around to getting a task force on this subject. I know that we are all engaged and I'm -- I am reticent to going with a formal enabling legislation. We would have to, in fact, dedicate staff and create an ordinance that would be a resolution that would then show the construction and so forth of this task force. That's -- that's a requirement that is not -- I don't believe timely. I think what is timely is, you know, perhaps a -- a gathering of interested parties under our sponsorship, with some staff input to us. I want to know whether those penalties worked or not, how many citations were made.

I think that should come to us as far as how effective the council attempts to control that will. But channeling it, you know, giving a fresh start, brainstorming and so forth and having to do the economics of setting it up, is just, in my opinion, not the way to go. It -- we know what the problem is. We can't act on it. But I would like to get more. I would suggest making sure that our legal, all of those other departments will give us a roundup of where we are based on the -- the regs that the council that you were involved with passed, and be able to discern ourselves. Where -- what the results are. So that's how result-oriented I am.

I see another comment Councilwoman Whitehead and then Councilwoman Caputi as to whether we want to stage. Go ahead.

[Time: 04:01:06]

Councilwoman Whitehead: Thank you, Mayor. I will respectfully disagree. I spent -- why tell you how many hours I spent in 2019 trying to use the ordinance and '20 to see to realize change and to make things better.

So I would like to make a motion to create the task force with one recommendation different. The tonights in a neighborhood with an H.O.A., that may be a townhome community is very different from the situation in an H.O.A. like my own, a single family and everything has gotten really out of control in H.O.A., whether they are north or south Scottsdale. I guess what I would hope to see is one person, perhaps from experience Scottsdale and one person from the people from those distinct



neighborhoods. You need to see the whole picture and that's the best way to do it, but I enthusiastically -- the resources we will say if we make a difference will save tax dollars not cost tax dollars. So I enthusiastically support the idea.

Mayor Ortega: And councilwoman, I might be speaking about specific composition of -- and such -- and we're reaching a little bit beyond the scope of our initial discussion, as how it would be -- I'm not criticizing but I would like to have the city attorney help us out as far as where we are at this point. We understand there's a problem. Believe me, I deal with it daily, daily. And so does the city attorney have any guidance for us?

City Attorney Sherry Scott: Yes, thank you, Mayor. The agenda tonight has the short-term rental task force agendized for direction to staff. So I think your motion would be appropriate if it were to direct staff to move forward with bringing back a resolution for the formation of a short-term rental task force.

Councilwoman Whitehead: Okay. I would like to make a motion to direct staff to come back to council with direction on setting up a task force. Thank you.

Councilwoman Littlefield: I second that.

Councilwoman Caputi: I second that motion. I'm a hard yes on this. Can I comment too?

Mayor Ortega: Sure. Sure.

Councilwoman Caputi: This is a serious problem in our community. We get endless emails every day, all of us are I'm sure in agreement with how many comments and problems there are related to short-term rentals. I think is a fantastic idea. I agree with the addition of putting a couple more people and especially just average citizens who have issues. We get so many reading materials every single day, but this report that we all got from Elliot Pollack, the negative and economic disaster. Everyone should take a read through it. Yes, absolutely second that motion. Let's do it.

Mayor Ortega: Any other discussion? Go ahead, Councilwoman Littlefield.

Councilwoman Littlefield: Yeah. I will third that motion. I think that this is a -- this is something that needs to be done. It needed to be done a while back. It's time we took action on it. And I really believe it's important.

I did have one suggestion for Linda as I read through what she wanted to do and who she wanted to talk to. I would suggest that she also contact other cities with similar problems in Arizona and find out what they are doing, if they have come across any possible solutions that maybe we haven't thought of. And work from that angle too, because anywhere we can get help, I'm willing to get help. So thank you.

Mayor Ortega: Yes. Councilman Durham.

[Time: 04:05:31]

Councilmember Durham: Excuse me, my button is worn out, leaving it on too much. I generally agree with the task force. I think there should be more ordinary citizen membership from around the city. And I'm wondering whether we should defer consideration of the task force until after the legislation is passed. Do you think that would make any sense or make any difference, although I generally think this is a good idea.

Councilmember Milhaven: Which if the legislature adjourns in April. It's all different. If they' adjourn April 22<sup>nd</sup>. If they typically end in April by the time we get started they will be finished. And I think there's a little bit of homework to do, right, when we did the ordinance the first time, you know, understanding federal regulations around housing and those kinds of things, I think there's a little bit of 40E. and learning curve that the -- that the group would have to go through. So I think that would also probably take up a good part of the first meeting. Thank you.

Mayor Ortega: Councilwoman Vice Mayor?

Vice Mayor Janik: I agree with what councilperson Milhaven said. There's lead-in time and we won't get into the meat of it probably until after the state is done with the discussion and the vote. Thank you.

Councilmember Milhaven: If no one else has a comment. I agree with the Mayor. I don't want to create too much bureaucracy and the Mayor references, you know, we had a roundtable, the economic development talked about they had a steering committee and then the Mayor talked about a gathering of interested parties. All of which work for me. So if we -- since we are in general agreement that he with want to move forward, I don't know if we need to have -- we will if we need to but -- you know, I think it is a great idea to include more neighborhood -- I hadn't even thought about these condo projects, right, I agree with having as broad of representation as different housing stock, but the way the motion was made sounds like we are going to come back and decide what -- would is going to be in a no, ma'am -- who is going to be in a nomination process and I think that adds a lot of process. If we need to add that process, we can. I think we have examples where we invite interested people. I would be happy -- staff with help us if we get off process, we can certainly talk about that, but it looks like the city manager or the attorney is conferring with the city manager. In terms of process?

Mayor Ortega: I will support the motion and I believe that there may be a hybrid group assembled that can work on a timely basis and get there. So I believe that all we have a motion and we have a second. All in favor say aye. Is there further clarification. Sorry from the city attorney?

City Attorney Sherry Scott: No, I apologize. I need to work on my poker face. But I was just asking the city manager if he needed any more direction or if he thought staff would be able to prepare the motion that the council is wanting to come back and try to form this group. I think the city manager feels comfortable that we have the information. I was a little unclear, but we'll be able to bring something forward.

Mayor Ortega: Thank you. We will proceed with the vote. Thank you. And we have a unanimous yes. With that -- and I'm not hearing any -- anything else on the agenda. This meeting work session is adjourned.