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CALL TO ORDER

[Time: 00:00:00]

Mayor Ortega: Now we will roll into our Regular Meeting. Are we okay with proceeding? I think we are. Okay. Thank you one and all. Therefore, I call the October 24th, 2023, City Council

Mayor Ortega: I'm getting some interference and so I will just wait a little bit. Okay, we are clear and ready to start the Regular Meeting. I call the October 24th, 2023, City Council Regular Meeting and Study Session to order. City Council, Clerk Ben Lane, please conduct the roll call.

ROLL CALL

[Time: 00:01:02]

City Clerk Lane: Thank you, Mayor. Mayor David Ortega.

Mayor Ortega: Present.

City Clerk Lane: Vice Mayor Solange Whitehead.

Vice Mayor Whitehead: Here.

City Clerk Lane: Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

City Clerk Lane: Tom Durham? Councilmember Durham?

City Clerk Lane: Barry Graham.

Councilmember Graham: Present.

City Clerk Lane: Betty Janik.

Councilwoman Janik: Present.

City Clerk Lane: And Kathy Littlefield.

Councilwoman Littlefield: Present.

City Clerk Lane: City Manager Jim Thompson.

Jim Thompson: Present.

City Clerk Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

City Clerk Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

City Clerk Lane: Acting City Auditor Lai Cluff.

Lai Cluff: Here.

City Clerk Lane: Councilmember Durham, are you there now?

Mayor Ortega: So, we do not hear a voice yet, perhaps he's on mute, but let's request one more time.

City Clerk Lane: All right, the Clerk is present. Thank you, Mayor.

[Time: 00:01:59]

Mayor Ortega: Very good. We were expecting Councilman Durham remotely and we'll get back to you on that. We have Scottsdale Police Detective Dustin Patrick as well as officer Ryan Lowing, as well as firefighter Brent Wheeler. If anyone requires their assistance. We'll begin with the Pledge of Allegiance. I will ask Councilmember Barry Graham.

Councilmember Graham: Thank you, Mayor. I will also wish good luck to the Diamondbacks, game seven tonight, and my pleasure to lead the pledge.

I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

MAYOR'S REPORT

[Time: 00:02:56]

Mayor Ortega: So, we will begin. I wish to call our attention to the 20-month-old war in Ukraine, and their struggle fighting for independence and freedom. So, I'll call on together that we would have a pause for reflection together.

Thank you. There's a great deal of turmoil and bloodshed in the world, so I will draw our attention to the Israel/Hamas war. Let us remember that Israel is our ally, and that we reflect on peace and call for the release of hostages and reflect on all the innocent lives that are being lost. Reflect in silence.

Thank you. Well, for about an hour and ten minutes we had selection and interviews of Boards and Commissions. We appointed several new Commissioners. I do want to mention that Scottsdale residents wanting to volunteer their time and bring about positive change in Scottsdale are invited to apply to the City Board or Commission. Applications are still open until October 31st. There are nine Boards and Commissions, including Board of Adjustment, Judicial Appointments, Advisory Board, Public Safety Personnel Retirement Board. To learn more, it's a two-part process.

The first part is to put in an application, which are then reviewed by Council in open session and then once nominated, we would have interviews to fill those positions. We'll now go to the McDowell Sonoran Preserve Month Proclamation. As you are aware, we have over 30,000 square foot Preserve, The McDowell Sonoran Preserve. And this month is especially important because it's the month, and I believe the year was '96 or so when the Mayor and Council declared the McDowell Sonoran Preserve. So, I do have a presentation to read and then the McDowell Sonoran Conservancy would be coming forward. I see Kelly there in the audience.

Whereas the Sonoran Desert is a majestic, fragile region and the McDowell Sonoran Preserve consists of over 30,500 acres of protected natural open space, with abundant wildlife, native plants and geological wonders; and whereas, the first volunteer steward training class was held 25 years ago this fall in partnership with the McDowell Sonoran Conservancy, Scottsdale Community College, and the City of Scottsdale; and whereas, this partnership provides interactive, ecological, educational, leading edge scientific research and recruits, trains and directs over 700 tireless stewards for the benefit of visitors of all ages; and whereas, the McDowell Sonoran Preserve Commission recommends to the City Council proactive and sustainable strategies, realistic funding mechanisms, master planning, and oversight to assure that our preserve remains intact for future generations; therefore, I David D. Ortega, Mayor of Scottsdale, do proclaim October 2023, as McDowell Sonoran Preserve Month in Scottsdale and urge everyone to experience the beauty of our McDowell Sonoran Preserve, to consider donating to the McDowell Sonoran Conservancy, and most of all to thank the stewards and Commissioners who volunteer to protect nature. If you will come forward, I would appreciate it.

Okay. By the way, the Diamondbacks game started, so anyone who has wants to see that the game seven, you are in the wrong venue, but there are sports bars close by. Speaking of entertainment in Scottsdale, let's go to a presentation of Experience Scottsdale, and our update will be from Rachel Sacco, president and CEO of Experience Scottsdale. Great to see you, Rachel.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:10:16]

Rachel Sacco: Thank you, Mayor, Vice Mayor, members of the Council, I'm Rachel Sacco, President and CEO of Experience Scottsdale. I'm delighted to be here to just tell you a few of the things that we're working on to make sure that tourism is doing what it's supposed to do, not only for our industry, but for our residents at large.

We know that tourism is definitely one of the most important industries in our community, and our job at Experience Scottsdale is to make sure that we are always delivering on our promise, not just the brand promise when we put an ad out for a visitor but the promise to you, our leadership, as well as our residents, that we are going to deliver R.O.I. that keeps our community so successful. So last year, for our agreement with you, we completed a destination international marketing accreditation program, not only were we accredited but we were accredited with distinction which is the highest honor for a destination marketing organization. Why does that matter?

It matters, I hope, to you and to our residents because you are partnering with an organization that's not only effective and efficient but is also helping to set the bar of excellence for our industry, as well as for our community. Advertising effectiveness is something I would like to talk about a little bit. So, I may need to have, or may I have you help me there? Go to the next slide thank you so much.

Last fiscal year also at the Council's request, the City commissioned a leading travel marketing research firm called Longwoods International to evaluate the effectiveness of our advertising to make sure is our advertising actually working? What is it doing? So, you selected Longwoods, and Longwoods actually found that the Experience Scottsdale campaigns in three of our major markets New York, Chicago, and Los Angeles actually generated hundreds of thousands of room nights from leisure visitors from those markets, that according to Longwoods, might not otherwise have ever traveled to Scottsdale.

They also reported that Experience Scottsdale's return on investment is \$116 in visitor spending and an additional \$4 in tax revenue for every \$1 that Experience Scottsdale spends on advertising. They also said that was one of the strongest R.O.I.s that Longwoods has analyzed in any destination marketing organization in the entire country. If I can go to the next slide.

So, I want to tell you about a few of the things that we're doing. Every year we have performance measures, always in our contract. Last year, you gave us 19 performance measures. Not only did we meet them, we exceeded every single one of them, and I would like to talk to you about four of those that really move the needle for tourism and our residents. Number one is marketing.

What you see here really doesn't do it justice, but we call it, this was in New York City in January and February. This is our see what blooms in the desert campaign. We took over in New York City, six highly trafficked subway stations and train stations from one end of Manhattan to the other, and basically, we wrapped everything that we could from stairs and pillars and windows, et cetera, with our messaging but also with these beautiful desert images.

This campaign was seen by 6 million weekly commuters, and we also coupled it with digital advertising throughout the whole destination of New York and a television broadcast. Next slide, please, Holly. So, the goal of all of our campaigns is that we want to have people go to our website. It's really important because it's there that they get inspired, it's there they find out about the arts, the resorts, all the other things that they can do here, and they usually end up booking. So last year, we captured over 3.6 million website user sessions.

The website is so important that we actually, in April unveiled a website redesign. We spent over a year planning and developing the website to make sure that when you go to our website resident locally, or whether you are a visitor, it's the best experience that you can have. Our website, which was done completely in house by our creative team, which saved us thousands and thousands of dollars, was actually used as a sample of excellence at a conference that was hosted by Simple View. The irony is Simple View, their job is to design those websites for other destination marketing organizations. And yet they chose ours, which was done in house as one of their best examples of a great website. Next slide, please.

[Time: 00:14:53]

P.R. is really important because it helps leverage the marketing messages that we actually put out across the globe. And during last fiscal year, we generated 1600 positive media hits about the Scottsdale market area. One of the best ways that we can actually get that kind of coverage is to host those journalists here. We don't just bring them here. We actually curate their itinerary, we make sure that they see the things we want them to write about, and throughout the year we had 186 domestic and international media that then wrote great stories about Scottsdale. Next slide, please.

International visitation is back. Why does it matter? Because they stay longer, and they spend more. What our job is, is to actually train the travel advisors that are actually working with those clients. And it's really important because if we are not training them, they may not know about Scottsdale and they may not know how to sell it to their clients. Last year we connected with over 3,275 travel professionals and trained them how to sell Scottsdale.

So, this is really important for us and it's really important that we developed a new partnership last year. It's called Virtuoso, is our new partner. Virtuoso is the global consortium of luxury travel advisors. You can't just join it as a travel advisor or a destination, you must be invited. Scottsdale as a destination was invited to be a partner. And why does that matter? It's because this is how we get exposure to the cream of the crop of the luxury clientele that work with these travel advisors.

And last year, as an example because of the partnership, we were able to reach 640 travel luxury advisors in 21 countries and now they know how to speak Scottsdale and how to sell Scottsdale to their luxury clients. Next slide. The last thing I want to talk about is the meetings market. Every successful

destination has a group base whether it's corporate, association, medical, pharmaceutical or whatever, and I'm really proud to tell you that as a result of just the Experience Scottsdale leads that we generated, that turned into bookings, we actually were up 27% in those bookings year over year, 27%.

And the estimated future economic impact of those bookings that we generated is \$107 million. That is up 85% year over year. And I can tell you that's something that means a lot to our resorts and hotels that generate the bed tax. Our sales team is really serious about making sure that we know what our clients want. You would think that every destination does this, but they don't. What I'm talking about is we go out and we meet and have focus groups with sports, with medical, with pharmaceutical, with corporate association, all sorts of different segments of the meetings industry to find out what we can do better, what our properties can do better, what our destination can do better and then we train our hotels and resorts and our tourism partners as to how they can meet those obligations.

That's one of the reasons that your sales team at Experience Scottsdale is one of the most respected in the industry. I say that not just to brag, but to tell you that we're constantly getting accolades, which I hope you are proud of. As an example, one of the most meaningful is one of our partners throughout the industry Helms Brisco named us for the second year in a row the U.S. Destination Partner of the Year for the way that we are actually contributing to the industry, but also representing our destination.

So, the last slide. I want to just let you know that now we're into our new fiscal year. What are we actually working on? Things that you really care about. Sustainability. We are also focusing on actually the international market again. For the first time ever, we are taking our advertising through the digital area directly to consumers overseas. We're focusing first on the U.K. That is a huge market. And the fact that we can actually go direct to consumer is not something that most destinations of our size can do. We are on the road again. And in the next few weeks we will be in Canada, Germany, New York, Las Vegas, Philadelphia and even beyond.

But one of the things I want to close with that I'm most excited about is our marketing team is taking all of the research that the Longwoods team actually found out when they were researching our ads, and we are actually doing an advertising program refresh. The whole advertising campaign will take advantage of what have we learned about what consumers who see our ads want to see, and what don't they want to see?

[Time: 00:19:31]

And I would like to come back to you in the spring and show you a brand-new television commercial as well as new ads, social ads and digital ads and I can guarantee you, you are going to be as excited as I think I am because it's one of the most authentically Scottsdale campaigns we will ever produce in my 38 years there. And frankly, we're looking to actually have experiences that are only can be done in Scottsdale. So, I want to close by thanking you for all of your support. I want to thank Vice Mayor Whitehead for being on our Board and coming back to you and hopefully talking to you about the things that we are doing. Also, City Manager Thompson for being on our Board and making sure that we are in compliance and doing the things that you want us to do. Without your support we could not be as successful as we want to be. So, thank you for telling the residents about our programs and again for all of your support. Thank you.

Mayor Ortega: Good. You can stay there, Rachel, for a minute. I do want everyone to be aware that Councilman Durham is on and he's remote. We have Councilwoman Janik, Councilwoman Caputi and Councilmember Graham wishing to speak. Go ahead, Councilwoman Janik.

Councilwoman Janik: Rachel, what I want to say is you continue to exceed expectations.

Rachel Sacco: Thank you.

Councilwoman Janik: And at the same time, you maintain your base and you are to be complimented for that. And I really like the desert colors in the New York subway ads. So thank you very much for what you do.

Rachel Sacco: Thank you.

Mayor Ortega: Thank you. Councilwoman Caputi.

Councilwoman Caputi: Rachel, I just really want to thank you for always giving us such specific data and measurements and just all of the numbers so that we can take a really good look at the R.O.I. to the City and make sure that our dollars are being well spent and that we have a very good way to measure. You certainly set the bar so high for everyone. And I also really appreciate that you have kept us up to date regularly.

Those emails that you send through our Council emails to make sure that, again, we have the actual specific data, and we understand what we're getting for the public dollars that we contribute is incredibly helpful to us when we make decisions. So, thanks for all you do.

Rachel Sacco: Thank you.

[Time: 00:21:39]

Mayor Ortega: Thank you. Councilmember Graham and then Vice Mayor Whitehead.

Councilmember Graham: Rachel, can you go back to the slide, or the dollars spent for the residuals or?

Rachel Sacco: Thank you.

Councilmember Graham: Can you re-explain that really quick, every dollar spent?

Rachel Sacco: According to the research firm that you and the City staff hired to actually analyze our marketing efforts, they are saying that for every \$1 that is spent in advertising, the bookings that actually come here, that might not otherwise come here, this is according to Longwoods, generates \$116 per dollar spent in visitor spending.

This is a \$3.2 billion industry. I'm not quite sure how that parses out necessarily. We did not do this. This effectiveness study, but they did. And \$4 in state and local tax revenue. If you would like more information, I can certainly meet with you offline, and we can go through the report with you.

Councilmember Graham: No, I just, that's an amazing return. I'm going to have to ask Sonia, our City Treasurer, we're going to move everything over to you. You are going to spend all of our money now.

Rachel Sacco: I appreciate that so much Councilmember and I do want to say, they actually said and we're competing with a lot of destination marketing organizations, Las Vegas, Miami, I mean, Orlando, Los Angeles, and it goes on. And this was the most effective, cost-effective campaign that they had actually seen in the U.S. Forgive me for bragging, but I think it's your bragging rights and I'm really, really proud of it.

Councilmember Graham: If we could expand that return on anything, that would be great. Thank you, Rachel, for coming and talking to us tonight.

Rachel Sacco: Thank you.

Mayor Ortega: Okay Vice Mayor Whitehead.

Vice Mayor Whitehead: I will just ditto what everyone said. I was just tickled that you guys did that incredible website in house, so it's not just doing the job that you are hired to do well but just at every level, so thanks.

Rachel Sacco: Thank you.

[Time: 00:21:39]

Mayor Ortega: Well, thank you. I attended the breakfast when all the numbers were reviewed in detail, and my main takeaway, and there was really good coverage by the papers, but my main takeaway was that 9 out of 10 people who come here, will recommend to their family or friends to visit Scottsdale. And that's a very, very strong, you know, return of friends and recommendation that really is solid. And thank you so much.

Rachel Sacco: Thank you, Mayor for all of your support and all of you. Thanks.

Mayor Ortega: Well, next we will move on with our regularly scheduled program. During tonight's meeting, the Council may make a motion to recess into executive session to obtain legal advice on any applicable item on the agenda. If authorized by the Council, the executive session will begin immediately and will not be open to the public. The public meeting would resume following the executive session.

Also, per our Council Rules and Procedures, citizens attending City Council Meetings should observe the same rules of order and decorum applicable to members of the Council and City staff. Unauthorized remarks or demonstrations from the audience such as applause, stamping of feet, whistles, boos, yells and/or other demonstrations shall not be permitted. Violation of these rules could result in removal from the meeting by security staff.

PUBLIC COMMENT:

[Time: 00:25:22]

Mayor Ortega: Next, we will move on to public comment. Public comment is reserved for Scottsdale citizens, Scottsdale business owners and/or property owners to comment on non agendized items that are within the Council's jurisdiction. Advocacy for or against a candidate or ballot measure during a Council meeting is not allowed pursuant to state law and is therefore not deemed to be within the Council's jurisdiction. No official action can be taken on public comments and speakers are limited to three minutes to address the Council.

If you wish to speak on a non agendized item, please check with the City Clerk. We have received one request, and that is from Brent Beiser. If you would come forward and state your place of residence, and you have three minutes. Thank you, sir.

[Time: 00:26:27]

Brent Bieser: Thank you very much, Mayor, Vice Mayor, and City Council. I'm not sure if the Elmo machine is going here. My name is Brent Beiser, I live at 7317 East Vista Drive in Scottsdale. I'm a registered architect. I have been practicing for about 40 years, been submitting things to the City of Scottsdale for 39 of those 40.

The reason I'm coming here is at the suggestion of Joe Young, the Vice Chair of the Planning Commission. And I walked him through the challenge that we're having, and the property that I'm actually wanting to talk about is this S.R. property located right here to help us get our bearings here. It's located at the northeast corner of Scottsdale Road and Vista. The DoubleTree Paradise Valley Resort is actually to the north.

This is the separation line between Scottsdale to the south and Paradise Valley to the north. And this property is currently going through a staff review right now, and this existing building here is getting basically gutted and stripped to the shell. And it's going to have a new rebuild happening on to it. And it is currently basically being done entirely at a staff level.

Now, I know probably some decades ago, anything S.R. oriented was required to go through D.R. Board. Actually, they used to call it design review, but I guess it's development review now. And staff has decided that they are not going to, they are choosing not to take it through, even though as a member of the Vista Bonilla Architectural Review Board, we have actually asked for them to bring this forward and have it go through D.R., because of some genuine challenges that we have been having on this property. One the big challenges we have been having is that the City of, the Town of Paradise Valley actually when the hotel purchased this building back in the mid '90s, they actually wrote an easement to share parking from the hotel into this S.R. parcel.

And what they were doing was, there's actually a wall opening right here and a gate, and what they would do is they would park buses idling of all different hours of the day and night. They would park empty trailers. The valets would come through the gate here, park the cars and then when they would leave, instead of going back through the gate, they would turn on to Scottsdale Road and do the Mario Andretti all the way back to the lobby.

And the challenge that we're having is this whole thing is zoned as S.R., but for some reason, the staff seems to be looking the other way as far as any kind of S.R. enforcement on the parking. And, you know, with the idea that we have many years of challenges with this parking being abused by the hotel and considering that it's got brand new ownership here just recently in the last, I think month or two, new ownership for the hotel, we're hoping that we could get some kind of cooperation and some enforcement of the zoning ordinance. You know, the S.R. as you know is a very neighborhood friendly type of zoning. And according to the parking ordinance let's see if you can get that on there.

According to the parking ordinance, the purpose of it is to mitigate potential and adverse impacts upon the land and adjacent parking uses. I will tell you, there's nothing potential about it. It is genuine adverse that we're having. And what we would like to do is see if we could have Council or somebody put the brakes on this, because right now this thing is teed up to get approved at a staff level, and we're just trying to see if we can get this thing reined in a little bit.

Mayor Ortega: Thank you, Mr. Beiser. And we have exceeded the three minutes, but I would invite you to, if you have not already, write a memo so we can look at that file and trace it down and get back to you on that.

Brent Bieser: Okay. Who should I make that out to because staff has really not been any help.

Mayor Ortega: Well, I would suggest you send it to Councilman Graham oh, wait.

Brent Bieser: He's in trouble?

Mayor Ortega: Send it to him and then he will forward it to the right parties. Thank you very much.

Brent Bieser: Okay. Thank you very much.

ADDED ITEM

[Time: 00:31:06]

Mayor Ortega: Good. Good. Good. Next, we have added an item to our agenda.

Councilmember Graham: Thanks, Mayor.

Mayor Ortega: You're welcome. The rookie, you know. Whatever. Okay. Next, regarding the agenda, Item Number 32A was added to the agenda on October 19th, 2023, and requires a separate vote to remain on the agenda as presented or to be continued to the next scheduled Council meeting, November 13. I would like a motion to add it to the agenda.

Vice Mayor Whitehead: I motion to add 32A to tonight's agenda.

Councilwoman Janik: Second.

Mayor Ortega: Thank you, we have a motion and a second. Further discussion? Please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Thank you. Accordingly, we have added Item 32A to the agenda.

MINUTES

[Time: 00:32:04]

Mayor Ortega: Next, I would request a motion to approve the minutes from September, the Special Meeting minutes from September 19th, 2023, Executive Session minutes of September 19th, 2023, Regular Meeting minutes of September 19th, 2023.

Councilwoman Littlefield: So moved.

Councilwoman Janik: Second.

Mayor Ortega: Thank you, I have a motion by Councilmember Littlefield and a second by Ms. Janik. Please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Thank you. We are unanimous. Those minutes are accepted.

CONSENT AGENDA

[Time: 00:32:41]

Mayor Ortega: Now, we have our consent, we move on to our consent agenda items, which are Items 1 through 32A. Please note that all of these items have complete file and are available in a long form as well. Do Councilmembers have any questions on the Consent Agenda items or request more information on a Consent Agenda item? Okay.

And moving on, just so you are aware, that we also as Consent Agenda items have the opportunity for the public to comment on any Consent Agenda Items. At this point, perhaps what I will do is let's open for the public comment. I see one request to speak on Item Number 32, City Manager employment agreement. That is James Davis. Please come forward. You have three minutes. And we'll add an extra minute because Jan Dubauskas has assigned her time. You have four minutes sir, thank you, welcome.

James Davis: Thank you, Mayor Ortega, and Vice Chair Solange Whitehead. I'm James Davis, I live at 47382 North 103rd Way, Scottsdale, 85262. I'm here to speak obviously on the Agenda Item 32. This is an exhibit to the contract that's being proposed. It's an amazing exhibit. It's astonishing, in fact, Council is hiring a chief administrator for the City of Scottsdale, and this is this exhibit tells us a lot about the status of what's going on. You will notice astonishingly, there's nothing in this exhibit that refers to performance expectations, accomplishments, or responsibilities.

Instead, there are four items all basically current managerial and personal attributes of the manager. He has to be in the office one and a quarter days a week. He has to meet with his direct reports once every three months. He has to keep the City Council advised of his personal schedule and any changes to it. He has to inform the City Council thereby getting approval for any staffing changes of his direct reports. I spent 40 years in corporate America.

Most of those in executive positions. My last positions I supervised and had direct reports or direct indirect reports from at least 40 employees who had employment contracts. If I had presented an employment contract to my Board of Directors, or my Chief Executive Officers, I would have been terminated. They would say, first of all, why is this employee even being considered for this job when you have to tell him to be in the office one and a quarter days a week and you have to tell him to keep you advised of his personal schedule.

You have to tell him to make sure he meets with his direct reports once every three months. Three months? You've got to be kidding! This is a joke. I'm convinced that this exhibit tells me that you on the Council have no confidence in this man. You are not willing to accept his performance. He gave notice to retire well over a year ago. The Council has done nothing to replace him and now you're proposing to rehire him at a salary greater than the salary of any other City Manager in the State of Arizona and handcuff him with an employment contract that's embarrassing. I personally wouldn't sign it.

It's insulting, but it's necessary because his performance is so lacking. I will cite four quick examples I personally know about of his failures. One is the City credit card program mismanaged. Two is the Axon Taser contract where it was not managed correctly, and the City pays more for a fire station. Three, was the whole handling of the bond issue cost estimates and now we have projects that are well over cost, budget and not started yet. So with that, I don't understand why the Council is signing this fella up for another term. Thank you.

Mayor Ortega: Thank you, sir. With that, I would close the public comment on Consent Agenda Items. Again, just looking if anybody needs further clarification on Council. Councilmember Graham, do you have a question?

Councilmember Graham: Oh, Mr. Mayor, we spoke earlier about the one item.

Mayor Ortega: Excuse me, do you wish that it be changed to Regular Agenda, or do you have a question regarding?

Councilmember Graham: Yes, please.

Mayor Ortega: Item 22 is that it?

Councilmember Graham: Yes.

Mayor Ortega: You want it on regular?

Councilmember Graham: Yes, regularize it.

Mayor Ortega: Okay, so a Councilman has requested that Item 22, the ambulance services contract extension be moved to Regular Agenda. And then any other requests? Seeing none. I'm open to a motion regarding Consent Agenda Items excluding Item Number 22.

Vice Mayor Whitehead: Mayor, I will make a motion to adopt items Consent Agenda Items 1 through 32A with the exception of 22.

Councilwoman Janik: Second.

Mayor Ortega: Thank you. We have a motion and a second. Any discussion? Okay. Please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Thank you. We are unanimous.

ITEM 22 – AMBULANCE SERVICES CONTRACT EXTENSION

[Time: 00:40:29]

Mayor Ortega: Next, we will move on to regular agenda items, 33 and 34. Pointing out that Item Number 22 will be presented as a Regular Agenda Item. I will call forward for a presentation on Item Number 22, Ambulance Services Contract. And we have the Fire Chief Tom Shannon making the presentation. Great to see you, sir.

Chief Shannon: Good evening, Mayor, and members of the Council. I don't have a prepared presentation but I'm happy to answer any questions that Council may have.

Mayor Ortega: But why not review just generally speaking. We have a full narrative here and just to

Chief Shannon: Very good.

Mayor Ortega: Recap some of that.

Chief Shannon: The item before you is really procedural. It is an extension of our existing contract with Maricopa Ambulance who is has served the City in partnership with us for a better part of seven years, I believe now. This would extend that contract by three years if necessary. It's shortened only by the assumption of the City for ambulance transportation responsibilities. There's nothing of really any notable items that has changed regarding the contract stipulations. We still will receive fees for riding to the hospital with patients. We still will receive an amount to contribute to the quality assurance member of the organization. And we also will receive some funds contributed to the medical direction of medical services in the Fire Department. Beyond that, there are no changes to the contract.

Mayor Ortega: So we're looking at the same level of service, the same vendor contract relationship with the City of Scottsdale, and, you know, moving forward under all of those same terms and conditions. As far as looking at the performance, it's always met the requirements. Is that correct?

Chief Shannon: It has. They are compliant with all the requirements of the contract, and in the areas where they have had some deficiencies, they are always accountable to those deficiencies within the contract specifically, fees related to delayed response times and things like that. So, we have an ongoing relationship with Maricopa that is still effective. So, yes, sir.

Mayor Ortega: Okay. So, it did withstand the interruptions and the complications of COVID, et cetera, which is a measure as well. Okay. I see Councilmember Graham and then Councilwoman Janik.

Councilmember Graham: Thank you, Mayor. Chief Shannon thank you for coming and talking to us tonight.

Chief Shannon: You bet.

Councilmember Graham: I was going to ask what your satisfaction level was with the vendor, and then you mentioned the word or the term "deficiencies." Were you generally satisfied and can you say a little more about those deficiencies.

Chief Shannon: Mayor and members of the Council, Councilmember Graham, yes, we have an outstanding collaborative relationship with Maricopa. They entered into the relationship with the City as a new provider in the area. They had the executive staff of Maricopa Ambulance has been in the Arizona ambulance transportation business for decades.

Some of you may recall that we had an interest of applying for certificate of necessity to have our own ambulance transportation service some years ago. We opted to contract with Maricopa Ambulance. We've had a very effective and collaborative relationship, but that was based on the understanding that we would someday assume ambulance transportation responsibilities. To the Mayor's point and observation, COVID served as a challenge for everyone in prehospital medicine for staffing. Maricopa was challenged with some staffing issues.

They were also challenged with resource depletion because of the use of those resources to move patients from hospital to hospital, versus the commitment that they have to the prehospital environment. It is a little bit unfair for me to generalize without representatives from Maricopa here, but I would say there's been no area of concern that would rise to the level of contract concerns with Maricopa.

Councilmember Graham: No deficiency that you think that would jeopardize the contract status.

Chief Shannon: Not in my view, sir, no.

Councilmember Graham: And then Chief Shannon, you mentioned the intention as far as the CON and sort of a transition. I looked through the contract. Is there any sort of penalty for early termination? Because I know this is not going to be a night and day change, but maybe more of a transitional. How would that hypothetically work?

[Time: 00:46:00]

Chief Shannon: I'm not clear exactly what you are asking. The contract does have provisions for both their termination of the contract or ours should we seek it. There are considerations for any breach of contract that are typical. But I don't think that's applicable to this conversation. We are working hand in hand with Maricopa as we seek this ambulance transportation service for the City. And we have an intention to have a relationship with either Maricopa or another provider in the form of a dispatch agreement once we assume that CON. A dispatch agreement is slightly different than a contract with a provider.

Councilmember Graham: Right.

Chief Shannon: In that both parties are accountable to the geography and those response times. However, the performance requirement for our services is ultimately the City's responsibility.

Councilmember Graham: Sure.

Chief Shannon: It's only that we have a relationship with Maricopa that I feel comfortable with that kind of arrangement.

Councilmember Graham: Very good. Mayor, thank you. Chief Shannon, thank you.

Chief Shannon: Yes, sir.

Mayor Ortega: Councilwoman Janik.

Councilwoman Janik: Thank you, Mayor. Councilmember Graham asked my question, so I'm good. Thank you.

Mayor Ortega: I move to approve Item Number 22.

Vice Mayor Whitehead: I second.

Mayor Ortega: Regarding ambulance services contract extension, adopt Resolution 12941, authorizing the City to approve contract number 2017-163-City of Scottsdale A4, approving the second three-year extension of the ambulance services contract with Maricopa Ambulance.

Vice Mayor Whitehead: Second.

Mayor Ortega: Thank you. We have a motion and a second. Further discussion? Seeing none, please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Thank you. Then that is unanimous.

ITEM 33 – SWAGS REZONING (2-ZN-2023)

[Time: 00:48:06]

Mayor Ortega: Next, we will move on to the Regular Agenda Item, posted Item Number 33 named Swags Rezoning case number 2-ZN-2023. The applicant has requested a continuance on this item. This request was received yester. Per our Council Rules Number 9.2 to be granted as a matter of right, request for continuance must be received by the City Clerk at least two business days before the Council meeting. Since this request was not received by last Friday, it cannot be granted as a matter of right.

The continuance request can still be made by the applicant but is subject to public comment and may or may not be granted at the reasonable discretion of the Council by a simple majority vote. First, we will hear a presentation on the continuance. We're talking about the continuance only request from the applicant and then hear any public comment on the continuance request. So, the presentation would be a formal request by the applicant requesting consideration for a motion to continue. May we have Jordan Rose, Rose Law Group, speak on the continuance?

And I show one public comment on this case. Name, place of residence, and thank you. Go ahead.

Jordan Rose: Thank you Mayor, Vice Mayor, members of the Council, Jordan Rose on behalf of Wags, which is a high-end restaurant proposed in downtown Scottsdale. We were notified of the vote, super majority vote requirement and want to spend a few weeks to work on some of the issues that were brought up and we would hope that you would grant us a continuance until November 20th or December 4th. Thank you so much.

Mayor Ortega: So, you meant the legal protest that was filed and duly certified. So, the request again is for a continuance for a specific date. Can you repeat that date again, please?

Jordan Rose: Yes, Mayor or Vice Mayor, either November 20th or December 4th, whichever the Council prefers.

Mayor Ortega: Thank you and we will check with our Clerk to see which would suffice.

City Clerk Lane: Mayor, either date is available to the applicant.

Mayor Ortega: Okay. And perhaps the further one might allow more time. But nevertheless, now we open public comment. I have one request to speak from Tim LaSota regarding the continuance request.

[Time: 00:51:04]

Tim LaSota: Mr. Mayor, members of Council, Tim LaSota here. 2980 E. Camelback Road in Phoenix. I don't need to be heard on the continuance. Thank you.

Mayor Ortega: Thank you. Okay, with that may I hear a motion from the Council and a second? Excuse me. And I have Councilwoman Janik wishes to speak about the continuance issue and so please do so first.

Councilwoman Janik: Okay. Thank you, Mayor and hopefully this is okay to be talking about. Number one, I am very happy that we have a continuance. There are some issues that I would ask both parties to resolve. One is the problem of parking. The community wants real parking spaces, not phantom parking spaces.

Number two, there are concerns about noise which I believe can be resolved. And it is my hope that both parties see that by having two high end restaurants very close to each other, there is a synergy between the two that will enhance both. Because if we can get that part of our entertainment district to now be recognized as an area where people can come for high end dining, it will help both of you. I just wanted to encourage both parties to work together in the spirit of compromise and cooperation. With that, I would like to make a motion to accept the motion for continuance.

Mayor Ortega: Okay, and to the date of?

Mayor Ortega: To be determined. Do you have a preference on the date so that we could make that work?

Councilmember Graham: December 5th.

Mayor Ortega: December 4th. We have a motion from Councilwoman Janik to allow the continuance for the case 2-ZN-2023 to be heard on the 4th of December. Do I have a second?

Vice Mayor Whitehead: Yes, I seconded it.

Mayor Ortega: Now discussion? Councilmember Graham.

Councilmember Graham: Very briefly, thank you Mayor. I was looking forward to staff reeducating us on the in-lieu program. I studied in many times and every time I study it, I feel like I know less, so I look forward to that. Thank you.

Mayor Ortega: Okay, so we have a motion and a second for continuance December 4th. Please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: It is unanimous, and we will see you in two months.

ITEM 34 – OLD TOWN SCOTTSDALE CHARACTER AREA PLAN UPDATE – PHASE 1

[Time: 00:53:41]

Mayor Ortega: At this point, we will turn to Item Number 34 on the Regular Agenda. Again, if you are, okay. This is regarding the Old Town Scottsdale Character Area Plan update. Phase one our presenter is Adam Yaron, Planning and Development area manager. Also again, we are open to comments, but I don't see any comments on Item Number 34. Please proceed.

Adam Yaron: Thank you, Mayor Ortega, Vice Mayor Whitehead, and members of City Council. My name is Adam Yaron, I'm with the City's Long-Range Planning Department, presenting the case 5-GP-2021 concerning the Old Town Scottsdale Character Area Plan update with what we have now titled phase one of the updates. To provide some background, City Council provided direction to review, conduct public outreach and potentially update the 2018 Old Town Scottsdale Character Area Plan, affected sections of our zoning ordinance that relate to downtown, address the downtown infill incentive district, as well as review an update following the conclusion of this process, our Old Town urban design and architectural guidelines.

To give some background on the timeline of this project, we'll really acknowledge the adoption by City Council of our community's General Plan, which took place in June of 2021, followed a voter ratification in November of 2021, by the City's electorate. In between that time, this Council updated or asked for an initiation to update those items that were previously mentioned and following that initiation, as seen on the screen, there was a robust public outreach effort that really spanned the tail end of the pandemic and the last couple years to be exact.

So why that is important is that our public notification process has been broad and reached many different community groups during a variety of different times, both in email and print format. We reached out to known community groups, and albeit perhaps not all were comfortable in attending in person. We provided online opportunities for folks to engage in the update process.

That public participation showed itself, as I stated, in both fall and spring of 2021 and '22 in person open houses and then continuation of self-guided open houses which took place in the latter part of '22. During the winter of 2023, we had an in-person open house to present the findings of the broader process and continued our self-guided open house during that time as well. Now, the items that we will covering this evening cover those items that were directed by City Council to be reviewed and updated.

Typically what we will be discussing this evening are those items only identified in yellow which include vision and values, definition of mixed use, open space, and the provision of quality development. As it relates to the other items that are shown on screen, that will take place in a subsequent item that this Council will hear at the latter part of this year. And we'll address it as follows. So, with respect to the proposed amendments and the public input received, again, we looked at a variety of different topics, the Old Town Scottsdale Character Area Plan as a policy document, the zoning ordinance, the Downtown Infill Incentive District Area Plan which was repealed by this Council on 9/5 and again a forthcoming Old Town Scottsdale urban design and architectural guidelines update.

The text that will be shown on the next series of slides identifies two different items. One text in yellow, which is a proposed draft amendment and any item that was identified within orange text is based directly on public input received following the draft, the publication of the draft plan. Now, we will be covering four different topics. I will take a break at each point in time for Council to respond or comment on those items. But to start with vision and values, to provide some background, the Old Town Character Area Plan has served as a comprehensive policy document to guide growth and development in Old Town Scottsdale for more than 35 years.

The vision and values section of the Plan establishes the goals, policies, and implementation programs necessary to achieve such a vision. The Plan consists of five chapters predominantly land use, character

and design, mobility, arts and culture, and economic vitality. Vision statements are generally inspirational lofty and ambitious, they don't contain details or steps. And for Old Town Scottsdale, the existing 2018 vision statement, although updated to include more contemporary language, is the same as that which was provided in the 2009 Downtown Plan update, established through an extensive public outreach effort that we've presented to this Council before.

Now, the General Plan vision statement acknowledges Old Town in the fourth community aspiration of the community's General Plan. Which is distinctive character and those items that relate specifically to Old Town include that Scottsdale will respect and be sensitive to our history and legacy found in the heart of Old Town which will define our sense of place. With respect to what we heard through our public outreach process and what is in the proposed draft plan, is support for the vision and values as written and support to revise the vision to remove the word "metropolitan". So, what has been presented is the updated vision statement to remove "metropolitan" and we had public comments to add and maintain such that the vision reads as follows: Comprised of its unique districts, Old Town Scottsdale is a dynamic city center which recognizes and maintains its western heritage while boldly looking to its future.

That concludes the presentation specifically on vision and values, Mayor Ortega, Vice Mayor Whitehead, members of City Council, if there's any comments or questions. I'm happy to respond to what has been presented thus far.

[Time: 01:00:18]

Mayor Ortega: Thank you. I would say, generally speaking, that we as Council took the task of the vision statement went through the whole process meeting as a Committee of the whole and that was approved by the electorate, the voters, so that provides the direction that we are carrying forward with today. And I appreciate that essentially our Council is as we transacted the General Plan 2035, with one additional Councilmember. So, move on. Thank you.

Adam Yaron: Thank you. Moving on to the provision of mixed-use development. The newly ratified General Plan 2035 is a primary tool for guiding the future of the City. It contains community's goals and policies to guide growth and development for all of Scottsdale and implement it through its ordinances, regulations and recommendations for City Boards, Commissions, and decisions made by City Council. The General Plan contains the definition for mixed-use neighborhoods, a definition that broadly applies to mixed-use areas found throughout the city, including Old Town.

Mixed use neighborhoods are areas of city that focus on human scale development, accommodate higher density housing combined with complimentary office or retail uses and are suitable within growth areas of which Old Town is designated as such. The General Plan definition of mixed-use neighborhoods does not specify a breakdown of land uses nor requires certain percentage of the land uses to constitute a mix of uses.

Additionally, the Old Town Scottsdale Character Area Plan provides a definition for mixed-use that is similar to and aligns with the definition provided within the General Plan. It defines mixed-use as allowing more than one type of land use in a building or set of buildings where the mixture of land uses can be developed horizontally in multiple buildings or vertically within the same building. The Old Town

Scottsdale Character Area Plan, existing definition use of mixed-use does not specify the breakdown of land uses nor require a certain percentage of land uses to constitute a mix of uses.

Now, the Scottsdale zoning ordinance is a legal instrument that defines permitted land uses and associated development standards, such as building height, step backs and setbacks for every property within the City. The zoning ordinance provides a definition for mixed-use that is similar to the definition provided within the General Plan and the Old Town Scottsdale Character Area Pla, and that it defines mixed-use as a development that contains nonresidential and residential uses arranged horizontally and/or vertically within a development's area.

The zoning ordinance definition does not specify again a breakdown of land uses or require percentages to constitute that mix of uses. Now, we looked at other valley communities in terms of how they identify a mix of uses. And as noted on the right side of the screen, staff conducted a review of our valley benchmark cities. Specifically, on how their zoning ordinance defines mixed-use and further how the development standards within their zoning ordinance regulates such.

The majority of benchmark cities aligns with the mixed-use definition utilized within the Scottsdale zoning ordinance. A combination of two or more differing land uses within a parcel or structure, the outlier was the City of Phoenix which further defined such as a development with a minimum of 50% of the ground floor, that is different from the use within the floor above it. In terms of the new development standards other communities typically allow development standards to be prescribed by each development plan. Others however include regulatory standards specific to mixed-use development limit residential to upper floors and limit the amount of residential to the ground floors and issues to address conditional use permits to allow for ground floor residential or to incentivize nonresidential use.

[Time: 01:04:27]

So, participants of general outreach efforts generally had expressed some support to regulate those ground level uses as well as support for nonresidential land uses that activate the ground floor specifically areas between Goldwater and Drinkwater couplet. As well as maintaining the character of the downtown core and historic Old Town, while also we were told and explained that there was continued support for development flexibility. So, what's proposed in draft plan is that we have added one definition and modified another to be consistent with the adopted and ratified Scottsdale General Plan, which is the addition of horizontal mixed use.

And with respect to modifying vertical mixed use, we struck industrial as a land use as it's not a predominant land use within our Old Town area. That concludes the presentation on mixed-use development and how it's addressed within the Plan. I'm happy to answer any questions on this specific item or I will move on. I will take your cue, Mayor Ortega.

Mayor Ortega: Okay, so overall, there's a firewall, between different uses. For instance, there was a restaurant next to residential, those are just Code requirements. As long as it met Code it could go horizontal or vertical. But the preference that I don't see here necessarily is for pedestrian friendly ground level. The word pedestrian hasn't quite come up yet, but I mean that's why we are favoring more active uses and interactive pedestrian level at the lower at the ground level versus more private spaces,

residential balcony, or whatever, roof deck for residential purposes, versus having a having your patio out at the sidewalk for personal use.

You will probably get that later, but I mean that's the overall thrust of why we are looking at generally speaking a pedestrian friendly environment versus just a residential pockets. That's just one comment but I wanted to mention that's also why we came about some of this discussion when I participated in a couple of these sessions with the public encouraging the pedestrian side. You probably have that under open space later on, but it really is a consideration. Thank you. Move on.

Adam Yaron: Thank you, moving on to the provision of open space. The Old Town Scottsdale Character Area Plan has a chapter titled the character and design, which includes a focus on Old Town's architectural and urban design, pedestrian environment, and open space. With respect to the community's ratified General Plan, the Plan expresses the City's commitment to providing, maintaining, enhancing and expanding both active and passive open spaces throughout the community to serve local citizens and remain a highly desirable tourism destination.

There are goals and policies throughout the Plan that speak to this, but primarily the ones that speak most specifically to the application within Old Town are shown on screen and I won't read them explicitly, but they are there available there for your review. In review of the Public Spaces and Connectivity Master Plan, participants of public outreach efforts supported the use of such a graphic to guide the development of new or expansion of existing public realm open space areas and pedestrian connections however, participants pointed out that the map could be made clear with an emphasis on connections within and between open spaces.

[Time: 01:08:30]

So, the proposed amended Old Town Scottsdale Character Area Plan provides an updated public spaces and connectivity graphic that reflects both entitled and desired open spaces and connections throughout Old Town. Proposed amendments of the Old Town Scottsdale Character Area Plan provide for an updated pedestrian connectivity map that reflects the updated street network and aligns with proposed changes to the definition of pedestrian place, pedestrian supportive, and pedestrian compatible definitions. The map and definitions have been updated to more clearly convey the hierarchy that's desired within Old Town.

Additionally, there was a community comment to rename what was previously titled as Museum Square. We have since replaced that pedestrian place as Loloma Plaza on the map as well. But, again, this is just to communicate how we have responded to public comments over time. Now, with respect to those hierarchies of pedestrian spaces, there's an expanded definition within the plan, but the three primary areas that are within the Old Town Character Area Plan include pedestrian place.

One example is again the Marshall Way Bridge and the Southbridge area that have wider sidewalks, outdoor dining, traffic moving at lower speeds and frequent crossing opportunities that would really speak to the type of detail that Mayor Ortega you referenced. Pedestrian supportive includes an example of Indian School Road, where wide sidewalks separated from traffic and shade trees are provided and bicycles are available and accommodated in an on street bike lane and then pedestrian compatible which perhaps may not have the same activity as the two other designations, one example

being Drinkwater Boulevard which accommodates the pedestrian with the landscaped separated sidewalk but again doesn't provide those same amenities that we might expect with greater intensity.

We just reviewed open space, the public spaces and connectivity map, and the pedestrian connectivity map and associated definitions. Mayor Ortega, members of Council, I'm happy to answer any questions on those items.

Mayor Ortega: Sure. We have a hand up from Vice Mayor Whitehead and Councilwoman Janik.

Vice Mayor Whitehead: Thank you, Mayor. So, in looking at this, I was trying to identify, it's still hard, I guess to read, what are considered new or who made the decision where new open space will be? For instance, there was quite a bit, I think this is the plaza. There's quite a bit of open space negotiated in some of these developments, but for projects that haven't come forward, how did you decide where we need a pocket park or more open space? How was that done?

[Time: 01:11:35]

Adam Yaron: Thank you, Vice Mayor Whitehead, members of City Council, I believe you are referencing this graphic here and this graphic is really intended to be a tool for staff to have conversations with the development community and is intended to show and communicate open space and the connection to open space within Old Town. As you are all aware there is no open space requirement within Old Town and that's why at scale it doesn't look like there's a lot of defined areas but our biggest open space amenities within Old Town are City's Civic Center area, as well as the ballfields.

And so, what we have tried to communicate is, again, we've accounted for public open space areas that we know have been entitled and hope to use this as a tool to leverage the conversation in a positive way with future development as well.

Vice Mayor Whitehead: Okay. So, a couple more questions. First is let's see, the Rose Garden because Council has directed that to be, to move forward on a park there and I'm trying to.

Councilmember Graham: Vice Mayor, which page are you on?

Vice Mayor Whitehead: I'm on page 775 of 986. Sorry. So, I guess I'm trying to decide, is that on this map?

Adam Yaron: Vice Mayor Whitehead, members of City Council, in fact, it is. And, again, at scale, it's not shown as a predominant feature, but we have received, and we have looked at that Council initiation and I think the draft site plan and overlaid it within the Character Area Plan to ensure that again, we're showing it correctly.

Vice Mayor Whitehead: Okay. And then finally, there was going to be a way for a cyclist to get through Civic Center Plaza or that general area from, so you are trying to get from downtown to the green belt without being on Indian School. I don't know, I can't tell if there's a new pedestrian path there. Maybe, I guess maybe, I should just meet with you offline. This is hard for me to read. But thank you. I will see what my other colleagues have to say.

Mayor Ortega: Okay, Councilwoman Janik and then Councilmember Graham.

Councilwoman Janik: Thank you, Mayor. I have a question on slide 27 and I need some input from my fellow Councilmembers on this. We are trying to engage our Museum of the West. We are trying to get more people to see it. But we're going away from Museum Square to Loloma Plaza. Now I have been here almost 20 years, Loloma Plaza doesn't have a whole lot of meaning for me. It may be historical.

It may be that, it probably is that certain members of the community think that this is great but if we are trying to engage Museum Square, wouldn't it help I mean the Museum of the West, wouldn't it reenforce that by keeping it Museum Square? And I'm open to points of view or discussion later, whatever, but that was something that stuck out to me. So, thank you.

Mayor Ortega: Thank you, Councilmember Graham.

Councilmember Graham: I agree with that. Part of it, I thought there was a synergy to western spirit and all the museums in the area. Can you just remind us again, this item tonight is phase one. What do the future phases look like Mr. Yaron?

[Time: 01:15:31]

Adam Yaron: Thank you, Councilmember Graham, and members of City Council. With respect to this Item, which is a request for action by City Council, this is only focused on the Character Area Plan as policy document. We're not discussing or addressing anything related to the City's zoning ordinance. That will be in a subsequent phase. And as it relates to the phase two of this update, relative to the Character Area Plan, it will be specifically focusing on the development types map and how that dovetails with the zoning ordinance.

So we are trying to focus on big, broad policy this evening and then we will get into the details of building height, bonus height, stuff like that in a subsequent update.

Councilmember Graham: There's a lot of blue font in here. Am I to take it that the blue front, when I look at the Old Town Scottsdale Character Area Plan, that the blue font is the new font is that right?

Adam Yaron: That's correct.

Councilmember Graham: I mean, there is, this is not a minor change. This is significant change, isn't it?

Adam Yaron: Councilmember Graham, that's somewhat subjective in terms of how significant it may be. But we do think all the changes are meaningful and based on public input received. But again, it's only focusing on policy.

Councilmember Graham: Like, there are significant numbers of in the glossary, for example.

Adam Yaron: Yes.

Councilmember Graham: New additions and can you talk a little bit about some of those additions?

Adam Yaron: I'm happy to respond to that Councilmember Graham.

Councilmember Graham: I guess, is that in a later section in the presentation?

Adam Yaron: It's in a later section but I'm happy to address it now.

Councilmember Graham: Let's wait. Let's wait. Thank you, Adam. Thank you, Mayor.

Adam Yaron: Sure.

Mayor Ortega: You know what I will do is I will just ask Councilman Durham if he had a comment just to be aware that he is remote. If not, then I will move on to Councilwoman Littlefield and then back to Councilman Durham. Go ahead.

Councilwoman Littlefield: My comment was pretty fast and simple. I agree with Councilwoman Janik on the change of the name. You know, the pedestrian place identification is Museum Square with Loloma Plaza. I think Loloma is an older name and one that's being blocked out. I think Museum Square is more modern. It's more up to date and it's more reflective of what's happening in that area, so I kind of agree with her that that is more descriptive and more up to date. Thank you.

Councilmember Durham: And Mr. Mayor, this is Councilmember Durham. I agree with Councilmember Janik and Littlefield about the naming of the Square. I really think we want to emphasize the presence of the museum and I think it's much better to label it as the Museum Square rather than the Loloma. Thank you.

Mayor Ortega: Okay. I see a lot of nods with that, and you know, again, just to clarify, there are other oh, I'm sorry. Was there anything else, Councilman Durham? All right. Thank you.

Councilmember Durham: No, not I may want to go back to the definition of horizontal mixed-use, but I am going to try to find it again and read it more carefully. Thank you.

[Time: 01:19:22]

Mayor Ortega: Very good. I just want to point out also this pedestrian connectivity is really the key to our identity, the shaded walkways that are encouraged, really allow for window shopping and just previewing and they are dog friendly. And there's lots of reasons as well as arbors and trees that are added to the elements. The other thing that will happen through D.R. Board is try to soften corners where many times the setbacks are just at the sidewalk curb level but then when you come to a corner, it could be a very sharp corner and we are looking at softening those corners even though they may be shown, you see where the general nodes of pedestrian activity, but it really helps to have a landing point at every corner, and that's just a thought that will go into augmenting the general pedestrian pathways. Proceed.

Adam Yaron: Thank you Mayor, members of City Council. We will move on to the provisions of quality development. At a citywide level, the General Plan sets the vision for the community and is implemented through more specific Area Plans, guidelines, and ordinances. The zoning ordinance and

the associates zoning maps is a legal document that regulates with precision the permitted land uses and building development standards to every property within the City. At a more localized level, the Old Town Scottsdale Character Area Plan sets forth the vision, goals, and policies for the specific area of the community, and the zoning ordinance also contains sections that relate to specifically to the downtown areas as well.

So as a community, Scottsdale has had a continued commitment to fostering quality design, the General Plan, Old Town plan, design guidelines and zoning ordinance work together to guide quality development in Old Town. Scottsdale has well established community expectations for quality design and the built environment for decades, review of site planning, and building design for all properties, except single family homes has shaped the community. Collectively, policies in the Old Town Scottsdale Character Area Plan and the design objectives in the Old Town Scottsdale Urban Design and Architectural Guidelines establish the community's physical aesthetic vision for Old Town.

With respect to this item, what we heard from participants of our public outreach was general support for the Old Town design objectives, noting that quality development is a priority within surrounding context, focusing on building setbacks, open space, streetscapes, and street space continuity. What is proposed is the addition of a new policy, policy CD 1.2 in the Plan which promotes transitions and blending of character between developments, including building location, open space areas, building height massing and orientation which are all items that Mayor Ortega, you noted, as well as the modification of policy 4.2, which calls for retaining and expanding the tradition of covered walkways.

And it should read as throughout the Downtown Core, or those Type 1 areas shown in green versus the historic Old Town which is exclusive to today. And it encourages the use of covered walkways, cantilevered awnings and tree canopies in all other districts that include Type 2, 2.5 and Type 3. At this point, Mayor Ortega, and members of City Council, we just reviewed the provision of quality development. On the items we just discussed, I'm happy to answer any questions or take your direction to move forward.

Mayor Ortega: I see none, so proceed.

[Time: 01:23:15]

Adam Yaron: All right, thank you Mayor Ortega, members of City Council. The additional items that are brought forward in this Plan include bringing the Plan up to date and aligning with other policy documents. Which is, again, looking to the General Plan of 2035 as a voter ratified document to guide this update. A lot of those changes that are referenced from the Plan are the ones that Councilmember Graham noted, specifically definitions. We did a good cull of definitions that were perhaps in the previous Plan, but not really noted in the text that we pulled out.

And then ensured that all other definitions are actually noted in the plan and were referenced or consistent with the adopted General Plan or zoning ordinance if there is a related term in that way. We have also updated the Old Town Bikeways map to align with the Old Town Scottsdale Bicycle Master Plan, and as a result of public input received, we have moved map 8, which denotes public parking will be as a reference document that we'll have available online. But that gives us the opportunity to update the map without having to bring it back before Council.

And we have also updated the related plans and ordinance referenced documents within the plan, as well as reviewed with interdepartmental focus, the implementation chapter to ensure that we are implementing all the great programs and operations that this Council supports. In terms of next steps in the process, as I mentioned to you, at the head of this presentation, they is going to be, there will be some continued focus on specifically the zoning ordinance, and portions of the Old Town Scottsdale Character Area Plan on a future agenda item of this Council which will review development types, designations, locations and transitions, maintaining, adding, restricting, reducing or removing zoning ordinance base and bonus development standards, the consideration of development flexibility in the Plan, zoning ordinance and guidelines, and ensuring that bonus provisions within the zoning ordinance if maintained provide greater and better defined public benefits, and we'll also be reexamining the bonus payment calculations.

These updates are anticipated to be prospective in nature in order to preserve any existing property rights and to be completed during the 23/24 fiscal year. And to allow greater transparency and public involvement and ease of review to all considered amendments. Mayor and City Council, again, this item before you this evening is a request to consider adoption of Resolution 12745, adopting a minor amendment to the City's General Plan, by amending an updating the Old Town Scottsdale Character Area Plan. I'm happy to answer any additional questions at this time.

Mayor Ortega: Vice Mayor Whitehead.

Vice Mayor Whitehead: I just want to recognize this is a nice tidy presentation, but I just want to recognize the agonizing amount of time. There was no shortage of input and hours and hours and hours of public outreach. I just want to recognize all the work that went into this and thank you. And with that I make a motion to adopt Resolution Number 12745, adopting a minor amendment to the City of Scottsdale General Plan 2035 by amending and updating the Old Town Scottsdale Character Area Plan.

[Time: 01:26:44]

Councilwoman Janik: Second.

Adam Yaron: I'm sorry, Mayor if I may, it sounded like the one item that was asked to be adjusted would be to change the Loloma Plaza to Museum.

Vice Mayor Whitehead: Thank you. I am absolutely in support of Councilwoman Janik and my colleagues. So, I would amend my motion to include the change from Loloma to Museum Plaza, Square? Plaza? Councilwoman Janik can you?

Councilwoman Janik: Well, go back. I believe it was slide 37.

Vice Mayor Whitehead: But that's just a great example of how staff keeps us on track. Thank you for the reminder. Because absolutely, I liked that idea a lot.

Councilwoman Janik: Yeah, of course now I can't find it.

Mayor Ortega: Well, we understood the motion and the second with that text amendment.

Vice Mayor Whitehead: Museum Square.

Mayor Ortega: The slight text amendment. Further discussion, Councilwoman Janik, Councilmember Graham.

Councilwoman Janik: Okay. Very quickly, Adam, you have done a phenomenal job, just like Councilwoman Whitehead said of distilling volumes of data into succinct points. I know the time you put into it. I know it was frustrating and appreciate your step wise approach. I think that's very smart. Because then I think we can make more progress. I just want to thank you wholeheartedly for all of it. Thanks.

Adam Yaron: Thank you Councilwoman Janik and members of City Council. I would be remiss if I didn't mention my colleagues and peers in this updating process, so thank you to them as well.

Mayor Ortega: Okay, Councilmember Graham.

Councilmember Graham: Thank you, Mayor. Adam, you always do a good job of distillation and I really appreciated learning from you when I was on Planning Commission. I just I have some concerns about this. I like most of the changes, almost all of them. I really do like. I think overall, it's an improvement. I'm wondering if there may be any appetite among my colleagues to kind of move to continue this for another time and I will tell you why. I'm having some trouble with some of the glossary changes. They were substantial. And one of them that kind of comes to mind is trip reduction. That's just kind of a new one in there. And I just I don't want to get wound up on, you know this definition or that. Trip reductions, techniques aimed the reducing traffic congestion, vehicle trips, miles traveled. And I like that idea, but who is who is pushing that? Who is doing that?

Is that everyone's local government to use a technique to reduce their, to try to ensure the miles they drive go down. I just don't know why that has to be in there. Transit, we are, I have concerns about the use of transit because the way we have redefined that, because it mentions railcar. And when we, up above that, multimodal, we say this expressly excludes rail transit, but transit as we define it is typical vehicles used for transit include buses, trolleys, railcars, and other fixed guideway vehicles and then if you go up to page 35 and 37, we are talking about transiting and transit and getting more transit in the downtown.

[Time: 01:30:27]

So, I think that kind of maybe is not the best addition. And I'm not a fan of complete streets in there. I don't like that we add language, basically binding ourselves to federal definitions. I thought the definition for complete streets we had included was satisfactory. And then the term, the definition for heat island, we used the term phenomenon, and I know that's not a definition really, a denotation, phenomenon is just why something happens, but I think there's some connotation that we don't understand why, and it turns it into almost mystical properties. We understand heat island.

And the sustainability definition is just a little funny because it starts with, there are many definitions to sustainability and then we go to pick one, and that's fine. So, I there's just a lot of changes to this

glossary and I don't know would there be any appetite for a second to continue this? I think I would make an alternate motion to continue this to a later date, just so we can digest it a little more.

Councilwoman Littlefield: I will second that, Barry.

Councilmember Graham: Thank you.

Mayor Ortega: Okay. So, there's a motion and a second. Just for clarity, the glossary, does that pertain only to the Old Town Character Area Plan or does it is it more broadly crossover? Obviously, you know, the transportation does not, it is Citywide, I always think of trolleys because the ones that are free and the ones that are used between the resorts. Light rail doesn't come into play at all, in my mind, nor should it. So, I don't think see that that's an issue. So just explain that. Is the glossary confined only to the Old Town Character Area or is it somewhat based on some other terms that are used in the general policy? Again, we are only talking policy. We don't have a statutory change here. This is the big picture. Go ahead, Adam.

Adam Yaron: Thank you, Mayor Ortega and Councilmember Graham, members of City Council, again, the new definitions that are brought over are almost exactly what's in the general community's General Plan. I have that available here and I could vet any one of those definitions and say that it's already been included in the community's General Plan. So, we are not adopting any new definitions. If we're looking to change a definition or what the reference might be, that's a different story but as it relates to public outreach during this process, in the drafting of the plan, there wasn't any community conversation that we received from residents or stakeholders concerned with definitions within the Plan.

Councilmember Graham: Mr. Mayor.

Mayor Ortega: So, go ahead. Continue and then we have another discussion, and we will vote on your continuance.

Councilmember Graham: Okay. So, Adam, are you saying that because there was a change in definition, are you saying that every change in the Old Town Character Plan is being updated to match the General Plan?

[Time: 01:33:52]

Adam Yaron: Where referenced, correct. We were looking for consistency between the community's General Plan and the Character Area Plan.

Councilmember Graham: Okay. Just so, and then is every definition in this glossary in the Old Town Plan in the General Plan?

Adam Yaron: Councilmember Graham, without precisely cuing each one, I can tell you that most of the changes originated directly from the General Plan. And any reference to a new definition was vetted with the appropriate discipline. So, you know, I could without looking specifically on the items that you noted transit, is the General Plan reading as: transportation system, mainly for moving many people and made available to the public, usually through paying a fare. Typical vehicles used for transit, include

buses, railcars, and other fixed guideway vehicles. That's in the community's General Plan, consistent with what we brought over.

Councilmember Graham: So, you are saying they don't match because the Old Town Scottsdale Character Plan preceded the General Plan?

Adam Yaron: That's correct.

Councilmember Graham: Okay. Go ahead, thank you, Mayor.

Mayor Ortega: Again, we are looking for alignment and based on the vote. Let's look at Vice Mayor Whitehead and we'll decide on a continuance or not.

Vice Mayor Whitehead: I guess I just wanted to stress that any phrase that we use can be taken by someone to mean something else, so I don't think there is a perfect phrase. I think trip reductions is actually one of my favorites. We want people to be in their car less. We want them to get what they need quickly, so they are not getting cranky and being their car. So, I think trip reductions is a nice one. But on the General Plan, I mean, we very specifically removed light rail as an option for, and the Transportation Action Plan. So, I get this question. I'm sorry?

Yeah, so I think that the Council is very in tuned and aligned with what the constituents want and so there is no sneaking light rail into the City, even if the glossary uses a generally accepted definition of transit. I'm very comfortable with this. I recognize the concerns, but I'm pretty comfortable with this. So, my motion stands.

[Time: 01:36:27]

Mayor Ortega: Okay. So, there was a motion to continue the whole subject. I don't support that. One of the things that happened with the General Plan is one definition in the glossary that said high density is 50. That was never defined before, and we got that. And that's, I don't want to say the law of the land but that's certainly a reference that we have to work with, when before, we were getting projects that might have 130 units. I know one had almost 190 units per acre. So that's how some of this evolves. Councilmember Graham, you have your ticker on again.

Councilmember Graham: Yes, I think I want to, I may retract my motion here. I just want to get on the record from Mr. Yaron. So, these definitions because the Old Town Character Plan preceded the General Plan, these are conformance to the voter approved General Plan, all of the new terms that are added to the glossary for the Old Town Character Plan exist in the General Plan as approved by the voters?

Adam Yaron: Councilmember Graham, members of City Council, that's correct. I will say there may be.

Councilmember Graham: Yes or no.

Adam Yaron: There may be there may be definitions that were part of other Master Plans that were adopted by City Council post the adoption of the 2018 Character Area Plan, but everything that's being

brought forward is bringing the Plan up to date with more contemporary definitions that have been approved by others, by this Council or others.

Councilmember Graham: Mayor, then I will withdraw my... Are you motioning that other staff members or anything else? Mayor, then I will withdraw my motion, but I just to respond to Councilmember Whitehead, I don't think it's our business to be worrying up here how many miles are increasing on your odometer. What you drive is what you drive. So, thank you.

Mayor Ortega: So, the main motion was made and seconded to approve this resolution. There are and therefore, the continuance is removed. I see two more speakers. But the simple term of trip reduction, okay, we have signs outside that says carpool parking. Carpooling has been around for 40 years. People, employees going to the same destination carpool. Trip reduction is exercised by other Councils by having, you know, administratively some signage to encourage van parking or van carpool parking. Okay. Let's hear from Councilwoman Caputi and then Councilwoman Littlefield and we will take a vote on the main motion.

[Time: 01:39:20]

Councilwoman Caputi: Adam, just a quick overall comment because as my colleagues have said it might seem as if we are doing this quickly but as you know we've put in so many hours to this Plan, it's absolutely incredible. My one overall comment, one of the things I really like about this is that we have a lot of flexibility still. I was writing down a couple of words, you know, you write encouraged a lot and I really like that. Also, when we were talking about mixed-use, and certain cities are actually putting a specificity to that, I really like the fact that we are not saying must be x percent.

We are leaving that open to let the market determine what's most appropriate and in general that's one of the things that I really like about this Plan. It is high level. We have to remember that, and every neighborhood outreach meeting that I attended, that seemed to be the theme from the residents as well. They really like the fact that this plan has a lot of flexibility and so I think that we have done an amazing job of maintaining that. And so, I'm very happy to move this plan forward. Thank you.

Mayor Ortega: Okay. Councilwoman Littlefield.

Councilwoman Littlefield: Yes, just for the record, I remove my second of the motion that has been removed. So, it's not there. Thank you.

Mayor Ortega: For sure. Okay. Thank you. With that, we have a motion on the floor. Please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: Well, thank you. We are unanimous. Moving forward.

Adam Yaron: If I may, Mayor Ortega, members of City Council, if I could have the last slide put back on the screen, please. Just wanted to encourage members of public to still stay tuned to the process. As we started this conversation, we're taking a multistep look at these policies and ordinances and there will still be opportunity for public input. If you want to go to scottsdaleaz.gov, keyword Old Town updates

you will see opportunities to provide that input online or show up in person at Planning Commission or City Council meetings as well, so thank you very much.

Mayor Ortega: Excellent. Just for the record there was no public comment on this Item Number 34 tonight. We will move on to the next public comment announcement. There is a second opportunity for a reserve for Scottsdale citizens, businesses to come forward. They would have three minutes. There were no requests for additional public comment. Therefore, I will close public comment.

Next, we will move to citizen petitions. That's the opportunity in the Charter to allow a presentation of a petition, none was sent to the Clerk. Therefore, that item is closed.

Next, we will move to a Work Study Session. However, we will now take a break and check on the baseball score. How does that sound? So, we will.

Councilmember Graham: It's the top of the 6th, Diamondbacks are up 3/2.

Mayor Ortega: Okay. Well, you must have been checking it. So, we will reconvene, or we will finish our recess at about 7:00. Thank you. Spoiler alert.

WORK STUDY ITEM 01 – PUBLIC ART PROGRAM

[Time: 01:48:50]

Mayor Ortega: So, we will now have our Work Study Session. Work Study Sessions provide a less formal setting for the Mayor and Council to discuss specific topics with each other, and City staff and provide an opportunity to receive direction from the Council to provide an opportunity for the public, we also invite public comment and there are five slots available. There is no request to speak from the public. They are all watching the ball game, I think. At this point, I will make a note that all the Council is present.

Councilman Durham is remote, and at this point, we will proceed with the Work Study Item, which is public art program. Karen Churchard, Tourism and Events Director, take it for forward.

Karen Churchard: Thank you Mr. Mayor and members of the Council. It's my honor to present to you tonight our public art program. My department not only oversees tourism and events, but also Experience Scottsdale's Museum of the West and Scottsdale Arts. And joining me tonight is Kati Ballares who is the Scottsdale Public Arts Director which is a division of the Scottsdale Arts. And as you know, Scottsdale has an award winning 50-year legacy of public art that we'll celebrate this Thursday night, looking at not only our oldest piece but our newest piece of public art within the Scottsdale Civic Center.

The City has created 160 public art pieces throughout the City, including the iconic Slurry Bridge, Love, One Eyed Jack, The Doors, Impulsion, Watermark and what you see here on the Kiva on the north and the south walls ambient landscape. This Work Study is to discuss one of the current public art ordinances and how we can lay the foundation to update this ordinance and bring our program up to date to stand the test of time for maybe the next 15 plus years.

We have four key issues that we want to get your feedback and suggestions on, how we can improve our public art program. But first we're going to go through an overview of this 50-year program and how it currently operates. So, to give you some historical context, in 1967, City residents started donating gifts of art to the City, which began our municipal art collection, and the City Council then established a Fine Arts Commission.

Scottsdale was awarded a 20,000 matching grant program by the National Endowment of Arts in 1970 to commission a monumental work of art. Louis Nevelson was selected to create a sculpture known as Windows to the West, which was dedicated on November 11th, 1973, after three years of fundraising and we'll be honoring this Thursday. In 1985, Scottsdale formalized its commitment to public art by requiring allocation of 1% of the amount budgeted for all capital improvement projects, which established the City's Art in Public Places Program. Scottsdale was ahead of its time, of the time nationally by establishing what is now known as 1% for the Arts.

At that time, the City had 11 pieces of public art, and 309 pieces of portable art in its collection. In '87, the City Council dissolved the Fine Arts Commission and created a Curatorial Board to work with the City and discuss the arts Council to plan how the City's public arts program would be managed. A year later in 1988, Council expanded the public art program to include participation from private development that requires plan block development projects located in downtown to use 1% of its building valuation for onsite public art called the cultural improvements project, better known as art in private development, not to confuse it with capital improvement projects.

So in 1989, City Council dissolved the Curatorial Board and they formally assigned Scottsdale Arts the responsibility of administering all aspects of our public art program. Ten years later, in the 2000, there were several Master Plans that Council and the Board of Trustees of Scottsdale Arts participated in, that included recommendations to update the public ordinance in 2004, '08 and in '12. And in 2008, we did update the ordinance, pertaining to Art in Public Places, and but, however, several of the recommendations prior and later did not occur. But meanwhile, our public art program expanded by 1,500% to 159 pieces of public art and I think this week we are up to 160 and our municipal collection 329% to include that the portable art.

[Time: 01:54:07]

Kati Ballares: Mayor and Council, this is a diagram showing how the Public Art Program is currently managed. The Program is funded by the City of Scottsdale and administered by the Public Art Department of Scottsdale Arts through the management services agreement. As a part of that administration, Scottsdale Public Art also has an Advisory Board who reviews and approves the work of this program monthly. The Advisory Board is a self-sustaining Board of 15 citizen advisors who report up to the Scottsdale Arts Board of Trustees.

The Chair of the Board of Trustees sits on the Advisory Board and the Chair of the Advisory Board is also an ad hoc member of the Scottsdale Arts Board of Trustees. Scottsdale Public Art is a division of Scottsdale Arts along with the Scottsdale Center for Performing Arts, the Scottsdale Museum of Contemporary Art, Scottsdale Arts Learning and Innovation, Canal Convergence and now Events at Civic Center in our beautiful new Civic Center space. Scottsdale Arts has an annual agreement with the City of Scottsdale to administer all of these programs and the City provides a budget of about \$6 million to

which Scottsdale Arts then matches with a combination of private donations and earned revenue to create the overall budget for these programs.

But since we are focusing on Scottsdale public art tonight, I wanted to draw down into specifically what our department does on a daily basis. So, let's unpack these things. First, we administer the Art in Public Places Program. These are the City's CIP projects and City owned public spaces. We manage these projects alongside the City's Capital Project Teams. We also administer the art in private development or cultural improvements program and in some cases, we oversee developers creating their own projects and in some cases, they turn the projects over to us to manage, or they give us the funds in lieu to us elsewhere in the City.

Pictured here is our newest art and private development piece, Global Unity that was just installed two weeks ago at the Soho Development. We also take care of a temporary public art program, in which we install projects that last from one week until up to two years such as this water standpipe mural that is currently under a redesign process. And we also curate events such as Cycle the Arts in collaboration with the City. We also curate and install four publicly accessible exhibitions every year, by local artists at the Civic Center Library and other public City buildings.

We also take care of a municipal collection. As Karen mentioned we have a collection of over 1,000 portable works, that is separate from our Museum of Contemporary Art collection. These pieces are displayed in City billings and offices. If you get a new office in a City building, you can call us and choose some artwork from our collection and we will install it for you. We also must take care of the art that the City owns. We do everything from maintaining bronze sculptures, repainting, and other small repairs on an annual basis, and we are also facing some major conservation of major public art works that we will talk about in a little bit.

Finally, the City's signature event, Canal Convergence, which is upcoming in the next ten days, is an event that provides an authentic and immersive art experience in and around the Scottsdale Waterfront. The administration staff of this program, currently falls underneath Scottsdale Public Art. So just over \$800,000 allocated from the General Fund to the Scottsdale Arts for the management of these programs. And then an additional 750 is allocated from bed tax to produce the Canal Convergence event.

Tonight, the items we're going to be talking about more specifically are the Art in Public Places funding. And the maintenance and conservation funding within our Program.

[Time: 01:58:00]

Karen Churchard: So, drilling down into the public art ordinances there are two ordinances. One defines public art and Art in Public Places. And the other defines the Cultural Improvements Program, known as Art in Private Development. So tonight, we're going to focus on public art and art in public places, which has remained nearly unchanged since 2008. We'll come back to Council at another time to talk about the Cultural Improvements Program.

So, our goal is that the conversation and feedback we receive tonight will inform staff how to move forward, as we draft an ordinance and implement the policies and procedures to administer the future ordinance update in the best way possible.

Kati Ballares: So, the public art ordinance states that the City shall establish and fund the Art in Public Places Program. The purpose of which is to create and sustain a visual program of the highest caliber for the City's public places. This includes determining method for the following: acquiring existing art, commissioning new art, conserving, and restoring art, decommissioning art, and establishing guidelines and procedures for all of the above.

Karen Churchard: So, there's four key issues as I mentioned earlier. We really need to look at how the 1% of funds are allocated within the Capital Improvement Projects and we also want to make sure that we are being consistent in the procedure for the calculations of that 1%. Second, we want to talk about accessibility of City buildings and structures, and how they have changed over the years. We want to review what projects are eligible, as well as the placement.

Third, we want to talk about pooling the funds, our public art funds across sources and departments. That could accomplish more impactful projects with a thought-out public art plan. And then fourth if the full 1% of the funds from the Capital Improvement Projects were allocated towards art in public places, should we use them for administration, maintenance, and conservation so that the selection as it continues to age and grow, the City is allocating adequate funds to take care of this collection.

So, Katie and I are going to go through each one of the four a little bit deeper. And Mayor, if you and the Council have any questions during that those four items, please feel free to ask us questions. Once we go through the four, we'd like to get your feedback. And the reason why I'm suggesting that is that each item as we discuss it, informs the next item. So at the end, I think we will get some good feedback from you in regard to all four items.

[Time: 02:00:38]

So in Section 20.123 of the ordinance, it states that an amount equal to 1% of the City Council approved budget of each eligible Capital Improvement Project, should be allocated for the commission and acquisition of public art. There are two discussion points tonight for you. One, the first is to provide clarity on how that 1% is calculated as the ordinance does not lay out this requirement specifically, but simply states 1% of the CIP project budget. And over the years, this has been interpreted in different ways as we have had changes of staff and so on.

Second, we also want to review that what projects the 1% of the funds are allocated towards within the Capital Improvement Projects. The original ordinance established 1% of the amount budgeted for all Capital Improvement Projects, based on each fund type. In 2008, this definition was modified, and Kati is going to review that.

Kati Ballares: The ordinance defines Capital Improvement Projects as the eligible projects that are publicly visible where 1% of public art can be applied. This includes City buildings, structures, drainage projects, parks, transportation, streetscapes, multiuse pathways, transit and pedestrian amenities and

bridges and plazas. Some things that aren't included are CIP projects like I.T. projects are not they are not eligible for 1%.

Over the years, there have been some questions about where the placement of art is appropriate. And the current ordinance states that the City may place art in, on, or about any public places. It goes on to define public places that is property that is accessible to the public, and over which the City has control or may exercise control and includes buildings, public streets, alleys, sidewalks, rights of way and improved or unimproved land of any kind.

Due to some security changes over the years, places that were accessible in the past, such as water treatment facilities, where we have this beautiful piece of public art, are no longer really accessible to the public. So public art dollars can be more impactfully used in other locations such as parks, plazas or streetscapes. The item for feedback here and discussion is how we want to define accessible and visible to the public for the best locations of our public artwork.

Karen Churhard: And this brings us to item three, which is the concept of pooling funds to the extent legally permissible, should we allow that between sources and departments. So, to give you an example, which came up earlier during the City Council meeting, this year we have two CIP budget projects that are near each other. One is 68th street sidewalk from the Arizona Canal to Camelback Road and the other is the Goldwater and Fifth Avenue Park that Vice Mayor Whitehead mentioned earlier.

So, using the transit fund project, the 1% along 68th street is really, it's really limited where art would be integrated. So, it's a \$30,000 amount for each of the projects. I didn't state that. So basically, we have \$30,000 for 68th Street and \$30,000 for the park but if we combined the transit funds 1%, the \$30,000 and added it to the General Fund Park, we would have \$60,000 and we could have a more impactful piece of public art that truly is accessible versus integrated say into the sidewalks.

Nothing in the current ordinance says we cannot pool funds. It's just again something that's been interpreted over time that we shouldn't. Aviation, to my understanding from legal, aviation was the only area that we would probably not pool well, definitely not pool, because it's federally funded in most cases. So, if we were able to actually pool the 1% from each project, we could create larger more impactful art where it's appropriate and/or take care of the art that we already have. Which you will hear about in a minute. How can we do this?

[Time: 02:04:51]

Working closely with staff departments and project teams we could identify projects, create a five-year plan for implementation and update the Art in Public Places Program annually as part of the CIP process, Capital Improvement Project process. Pooling public art funds is currently practiced in Phoenix, Tempe, and Chandler, and a good example in our opinion of a project in Phoenix where public art funds were pooled from three different fund sources, water, wastewater, and transit created this large-scale iconic piece in Phoenix's Civic Space Park.

Kati Ballares: And then the last item we want to talk about is maintenance conservation, administrative usage of these funds. The current ordinance states that City Council shall provide an annual budget allocation for the conservation and restoration of the public art collection. Conservation and restoration

is really different from regular maintenance. What we have been currently using are allocation for is regular maintenance and care of our collection.

We currently get about \$130,000 of restricted funds that we are able to use to cover our regular maintenance that our project is under \$25,000. That includes repainting our love sculpture twice a year. It includes maintaining and caring for our bronze sculptures like our Mayor Goldwater sculpture, replacing items that may go missing, those beautiful little birds unfortunately go missing from time to time.

Cleaning, repairing any sort of mechanical things. But conservation issues really sort of rise above that \$25,000 threshold and become difficult to fund in that funding procedure that we currently have. And I want to show you an example of a project where we are encountering this issue. This is the James Carpenter Scrim Wall at the Museum of Contemporary Art which is a public art piece, and it currently requires a onetime major conservation retrofit that would require us to replace all of these glass panels because they are no longer made in the way that they used to be made.

The cost of this project has risen to over \$500,000, which is four times our regular maintenance budget. We really appreciate the projects that have been funded on a one-time basis this year, our Pima Freeway project had a special allocation for it this year, as well as our Cactus Mirage project at the McDowell Aquatic Center but we had to really kind of go looking for different opportunities to fund those. This is an example of where the damage is on that piece. You can see it.

We would like to look at the ordinance policies and procedures to create a way to be able to fund these larger conservation projects using CIP funds, because if we were able to pool all the 1% funds into an art in public places account and use some of the funds to support these larger conservation issues, we would more efficiently be able to take care of the assets in our program instead of having to identify other unique fund sources year after year to take care of these larger conservation issues.

[Time: 02:08:12]

Karen Churchard: So to summarize, Mr. Mayor and Council, these are the four key issues that we are looking for your feedback, as City staff begins drafting an updated public art ordinance. Again, how to calculate the 1% allocation for the Capital Improvement Projects. What City projects we should include in public spaces, again, pooling the funds to create more impactful art and then allowing potentially the usage of the 1% for the arts for additional needs such as administration, maintenance, and conservation.

I just want to note one last comment that the original ordinance, some of the things that we're seeking feedback on and have made some suggestions on, was in our original ordinance, and over time, the needs changed in 2008 and here we are again in 2023, and we feel like some of the things that we had in the original ordinance might be something we want to relook at. So Mr. Mayor, I will turn it back to you, with thanks for your guidance and from you and the Council.

Mayor Ortega: Well, if there's any comments, I will just start with a few. First of all, with the revitalization of Civic Center, there was a shuffling of some art pieces that I know originally were in the middle of a trapezoidal pond in front of the Center for the Arts when it was first designed back in the 70's. That piece, I think went out north towards McDowell Mountain Ranch, other pieces, might have

been called Sail, other pieces were shuffled to other locations that give them a new look but essentially, I wondered if they held together or when you say unfastened them, whether they were corroded and could rebolted together.

But that gave you a look at what the condition is of some maybe 40- or 50-year-old pieces in the field. The question of moving artwork, which was decided by, I'm guessing an aesthetic group of your Commission. Who decided that?

Karen Churchard: City staff worked with the Scottsdale Public Art Advisory Board and their staff to really talk about the placement of art and some art was not necessarily in the context that it was originally desired to be, so we had this opportunity to look at new placements. And also, to your point, we through the budget process thank you to the Council and the City Manager Thompson, we were provided funds to conserve the pieces that remain and the ones that were moved. So, all of that public art within Civic Center has been brought up to date in terms of.

Mayor Ortega: So in a way there's a precedent of shuffling art out of say the Old Town area or maybe the original location, to an area completely outside of the Old Town area. And it was made on some judgments, as well as relocation of the Nevelson piece from back here to a more prominent location. I think that's, I like rotating my own art personally and I think that's a good thing. It gives you new lighting, shading, you know, external art, outdoor art.

So generally speaking, I would be in favor of however pieces might be rotated. Now maybe they are only rotated every 25 years, I don't know, as those other sites are identified. I like what we did at the soccer fields at Bell 40, our piece, where they designed, you had the artist design those overhead cutout, laser cut pieces, that they gave a new look maybe for a dugout or whatever it was, a screen piece, and made it work with the grove of mesquites that were put in there.

It ended up being living and sculptural at the same time and that was easy to situate there, it's not removed but that's a good thing. It seems like that capital improvement allocation is successful, on our own projects, but perhaps there's a need for further defining whether there is a conservation or maintenance amount of the 1% that might be set aside to say, okay maybe two tenths of that has to build into a program which could be to repair and conserve those pieces. That direction is not in the ordinance, it is not defined right now, right?

So, it's something we could do, right? The next question would be whether or not the designated projects within the Old Town Character Area could be expanded out. Sorry, the 1% feature could be expanded outside of our downtown, what was called the Scottsdale Downtown Area.

[Time: 02:13:41]

Karen Churchard: That would be the Cultural Improvement Program. We'll come back and talk to you about how that is implemented for private development. So, in Art in Public Places currently, the capital improvement projects wherever they may be established through that process, the art has been primarily placed at those locations. And one of the questions is whether or not the Council would think it would be wise to potentially look at pooling funds and creating more impactful art that might be

nearby or not nearby. But there's nothing in the ordinance that states that we have to be in one specific area with the Art in Public Places Program.

Mayor Ortega: Okay, so I do want to recap some of this discussion. But basically, I'm talking about private sector, 1%, which would be sometimes it's a little, you know, salsa on a development deal if they want to get something approved, it's got to have a little spice to it and it might have that contribution into the whether it's up at the Scottsdale Airpark, or another area. It is that an unwritten code or is that something that we asked for in zoning process?

Karen Churchard: It's the zoning process.

Mayor Ortega: So then the question becomes how far off of that general area can it go? Or how far might it be able to be bundled with a regional sort of piece, I suppose, right.

Karen Churchard: Yes.

Mayor Ortega: So, before I get too far of ahead of myself. I would just recap maybe the three things. The first one is, it is my feeling that if there is a 1% for a capital improvement required that maybe one fifth of that could be for restoration in a possible ordinance, you know, in a way to do that. The other point that we talked about was how art can be shuffled around.

So I'm just wondering if we could say, just the way the Old Civic Center pieces some of them went 10 miles north or whatever, that maybe either relocation. They don't necessarily have to be fixed there. Do we have other pieces in storage, for instance? I wonder if there were some that were crumbling somewhere and might have originated here and maybe they would be useful to be relocated. Could you help me with that one?

Kati Ballares: We don't currently have any permanent public art pieces that are in storage, no. They are all permanently sited, yeah.

[Time: 02:16:23]

Mayor Ortega: Okay. Well, I will saw the reinstallation of the Windows of the West on a trailer and right behind it was Maude and a farmer, Farmer Scott, there. They were sculptures right there being moved and placed. Okay, so basically, we put them all out one way or another. The third point I'm just generally asking if we can get kind of, perhaps we might look at some flexibility for art pieces to be not necessarily set in stone forever. It is still a good commitment. Once you build a pedestal, it is probably going to be there for 20 years but who is looking later. Anyway. So, the final note and then I see hands up from Councilmember Graham and Councilwoman Janik. So, let's just go to Councilmember Graham.

Councilmember Graham: Are you sure, Mayor?

Mayor Ortega: Well, I have a couple, but I will get back to it.

Councilmember Graham: Okay. Katie, Karen, sorry. He hit a homer. So, a few questions here. I think kind of issue is that we're summarizing the key issue areas, you are not really telling us tonight what is

wrong with them, but you wouldn't be bringing them up if there was not some improvement you thought that could be made. That's what I'm intuiting or discerning. Okay.

Yes, we are talking about so the 1% private, we're not talking about that tonight, we're talking about 1% of our cap x goes on to our own projects, correct?

Karen Churchard: Correct.

Councilmember Graham: And those are permanently sited and all that. So the definition of public spaces that's problematic. I will say the whole program is problematic. That's why you are here. Because I have wondered about this too, the mechanisms, how you calculate 1%, pooling and not pooling, site selection, what is a public space?

And it's like when we wall off or sort of cut off the water facility, then we can't enjoy it. I really look forward to seeing how you improve those, terminological improvements that you put forward. So that 1%. And is that 1%, like is that of our dollars that, so it's like a capital expenditure. Is that City dollars? Because we get a lot of federal and regional money.

Karen Churchard: It's primarily City dollars, it's capital improvement project.

Councilmember Graham: Is it exclusively City dollars? Because like I said, we funnel a lot of money from other levels of government.

Karen Churchard: My understanding is the art piece part of it is exclusive to City dollars.

[Time: 02:19:22]

Councilmember Graham: Okay. Just something to make sure. I'm really interested in location, like the Mayor talked about. Site selection. The idea of revolving is interesting. And then a few more comments. This is kind of what the Mayor also said.

Public art in Scottsdale means so much to me. It means so much to my colleagues as I understand it. It makes Scottsdale's culture what it is. However, fiscal sustainability means a lot to me as well. When we are putting public art pieces in place, and then we look the other way, as far as repairs and maintenance, deferred maintenance, just whip saws back at you and you have huge bills.

What we are doing with the freeway and the 101 and a lot of other projects that we are writing checks from the T.D.C. and even some of that deferred maintenance we had to borrow money and go to the voters in the 2019 bonds. Deferred maintenance is not, so if we can build a mechanism like the Mayor is saying, sort of a carve out for R&M, I really like that idea. I made those points. And I'm a big fan of the, and the last thing I will say and then I will cut myself off, is I do think the pooling is a necessary mechanism, but that is an invitation for, I don't want to say that invites very potentially bad things, because you have perceptions of fairness, this project, that project, this neighborhood, that neighborhood.

What we even saw on the slides you showed us, 68th street compared to the canal axiomatically different parts of our City that play entirely different roles for our community. And so, the fair and careful administration of pooling I think is paramount. Thank you, Katie and Karen. Thank you, Mayor.

Mayor Ortega: Thank you. Councilwoman Janik and then Vice Mayor Whitehead.

Councilwoman Janik: Thank you, Mayor. First of all, I agree with almost everything that Councilmember Graham said. As far as shuffling art, I think it's great, but, you know, if you have a big sensitive piece of art, I would hope you that you would not shuffle it because the expense and the possibility of damage to it wouldn't be worth the shuffling of it. And I think there's some iconic pieces that should stay exactly where they are. So, I think that needs careful evaluation, but I think you are aware of that. I would also like to talk a little bit more maybe we have it on what is subject to the 1% fee. I think you mentioned that the airport does not pay the 1% in public art or I.T. doesn't pay it.

Karen Churchard: I.T., that's correct.

Councilwoman Janik: And I think we need to look at that list, be presented with that list so that we can look at it and make some reasonable adjustments to it. Because as was explained to me when a lot of these ordinances were written, we only had a handful of projects and now we have 55 capital projects. I think we need to do a better job of defining that. And the other thing, and Barry brought this up, we need to be thinking about, okay, we get our 1%, but it's not a whole lot. What proximity does the new public art need to be to the location where it generated the 1%. I think we need to be very mindful of that and perhaps come up with some guidelines on it as best we can. It would probably involve the amount of money that would be collected as the 1% and would it make sense then to pool it and work on a compromised location?

I think we need to be very sensitive to that. But I do think that that can be worked out. I agree with the Mayor wholeheartedly that we need to have a certain amount of the money dedicated to preservation. And I would rely on the expertise of our art people to look at budgets, previous budgets, what other cities are doing in terms of this, and come up with a reasonable approach to that, but I definitely think that we need to address that. With open mind on what that percent maybe should be. I think pretty much those are my comments. Thank you.

[Time: 02:24:12]

Mayor Ortega: Thank you. Vice Mayor Whitehead.

Vice Mayor Whitehead: I guess I agree with what everybody has said as well. I really like the idea of the maintenance as part of the equation. On the pooling, I think it's a great idea, but I share the concerns. I wonder if, like you said, the 68th street sidewalk is going to be pretty narrow. There's not a lot of space without making a tripping hazard that you can, so I just wonder if there's some type of public outreach that is done in other cities. Definitely.

And also, if there was an evaluation tool that says this part of the City really needs more public art and so those are the two things that I would say, but I would like to see pooling. So, thanks.

Mayor Ortega: Thank you, Councilwoman Littlefield and then I will call on Councilman Durham.

Councilwoman Littlefield: Thank you, Mayor. I think so far from what I'm hearing we are all pretty much in agreement. I would like to see some of that money going to preservation, to upkeep and maintenance on what we currently have. I don't want it to be falling apart and not being maintained. So, we need to allocate some of this money that we have for public art into the maintenance and upkeep and care of what we currently have.

I agree with a lot of what Mr. Graham said and my other colleagues here up on the dais, the Mayor, I think that we're all kind of chugging down the same track, let's do a real good close assessment of where we are, what we're doing with the money, how we are spending that money and look at it in detail and then come back and say what can we do to make it better. How can we better apportion it and make sure that we are giving the adequate maintenance and upkeep to what we have so that it doesn't, you know, fall apart.

We want to make sure we keep that going. That's kind of a top priority for me, is, we have some beautiful things, and we have some great art, and I don't want it not to be maintained. So that's something that I think is pretty important. Thank you.

Mayor Ortega: Thank you. Councilman Durham did you have any comment? And then I will go to Councilwoman Caputi.

Councilmember Durham: Yes, I agree with pretty much everything that has been said. I think I'm really in favor of pooling money to create some really spectacular bigger pieces. I understand there may be concerns about that, as Councilmember Graham described it, it could get a little difficult with locating those in one part of town versus the other, but, you know, I would like to look into a solution to that, because I think some bigger pieces that really stand out might be useful. Thank you.

Mayor Ortega: Thank you, Councilwoman Caputi.

[Time: 02:27:20]

Councilwoman Caputi: I agree with most of what has been said up here, I mean, these all make sense, of course we need to maintain what we purchased. It's like that with most things in our City, not just art. We are having this conversation about a lot of things right now, maintaining. I'm totally fine with pooling. That makes perfect sense. Of course, one great piece rather than two sort of eh pieces. Question, 1% of what? I don't really understand that. How do we determine what 1% is?

Karen Churchard: Over some timeframes there's been a definition is it 1% of the total project budget? Is it 1% of construction? Is it 1% of construction and design? And there are we can show you all different cities throughout not only our nearby neighbors but throughout the country that do it in different ways. It does say budget, but it doesn't really specify is it the total amount of the budget or is it.

Councilwoman Caputi: Do we need to specify that? Those can be very different numbers.

Karen Churchard: Yes.

Councilwoman Caputi: Okay. That's something that I imagine we will have to discuss as a Council. And then I guess my only other comment was, we had, Councilwoman Whitehead reminded me, Gerd gave us this amazing booklet last week or two weeks ago showing off the art pieces and I forgot we had so many of them. We were all chatting down below about, you know, reminding each other of the different pieces. Do we have like a resource for people to know where all the pieces of artwork are? The only one I actually know is the rabbit because I was on Development Review Board, and I did not approve that project. Never was a fan of the rabbit. I'm so sorry. But other than that, I sometimes forget where we have the different installations. Is there like a resource?

Kati Ballares: We do have an interactive map on our website, Scottsdalepublicart.org that has all the locations that is consistent with the book here. I brought some extra copies if you want them. I left them with the City Clerk. And then we also do use an app called Hoverly that has an A.I. component and you will find Q.R. codes on each of the public art pieces that has an AI component when you scan it with your phone you will see the artist, or our collections manager Wendy, pop up and tell you about the public art in those locations.

[Time: 02:29:41]

Councilwoman Caputi: Okay. I have just one more probably dumb question, but I'm just thinking about it while I'm talking. I know that we are talking about very specific pieces that are obvious and iconic and large and art, but what about the just gorgeous spots in general we have in the City, like all of a sudden, I'm thinking of Doc Cavalliere Park where to me that whole park is art. How do we fund that and who decides how much of that is going to be so gorgeous? I don't know, just thinking about it while I was sitting here. It's my favorite park.

Karen Churchard: Thank you. It's a joint effort between capital projects management and the different departments that work on those projects. For instance, I had the honor to work on the Civic Center project and so I was very involved capital projects and with Scottsdale Public Art to determine what new art would come as well as what art would remain and where it should be located. I would give props to the Parks and Recreation Team. They are very involved in the process with public art which is great.

Councilwoman Caputi: That's not a 1% investment, right? That's a whole different pot of money?

Kati Ballares: If the parks project is a capital improvement project, then it should have a percent for our allocation that we would work with the parks project team, and I would welcome any opportunity to put more public art in parks if available.

Councilwoman Caputi: Same. Thank you.

Mayor Ortega: Okay, Vice Mayor Whitehead and then myself.

Vice Mayor Whitehead: I forgot something that Councilwoman Janik. I agree with everything that Councilwoman Caputi just said. The new art piece is cool. The private one. What did you say it's called?

Kati Ballares: The one at Soho?

Vice Mayor Whitehead: Yeah.

Kati Ballares: It is called Global Unity.

Vice Mayor Whitehead: Yeah, that's wow! I mean it just suddenly appeared.

Councilmember Graham: Where is it?

Vice Mayor Whitehead: The idea of having a list of the capital improvement projects, so that we can review because maybe, you know maybe some of the smaller ones it really stretches and makes us not able to do it, let us review it. I think that's a good idea to see what is funding and what is not. And I just also love the idea that Councilwoman Caputi just mentioned, where we blend, and you are already doing it, blending the art into something functional like at the ball fields at Bell Road where the art is actually serving a purpose but it's just so gorgeous. Or our recycle bins at the canal. So, thanks.

[Time: 02:32:05]

Mayor Ortega: Okay. So, trying to tie a few things together here. We heard that perhaps we should look at proximity of where the funds could go. I would like to be as practical as possible, for instance, if we said within the radius of 3 miles, so perhaps we could at least do some mapping and find out what that would mean in a picture. If we're 32 miles long, you know, basically that's five, six, mile increments approximately of influence.

So, think about that. Look at, I would ask staff to maybe look at some mapping possibilities, so that we could see whether it's realistic. The other thing is that it's very important art can be used for way finding. And so, for instance, if on your trailway, bike trail or something like that, a multiuse trail, you say, oh, yeah, go down there and you hit the popsicle with a crow on it or something like that. There's some sculpture piece out there. Right?

And you take that fork in the road because it's little scene but it's actually could tell you which way to go or whatever. And I think the other opportunity is with Salt River Project. I know at one point we had a canal bank improvement between Chaparral and McDonald or a little further over to Indian Bend and it was supposed to have an undulating piece of art. I was on D.R. Board when we looked at that. And that would have had to have been accomplished with the cooperation or help of S.R.P. That's another opportunity.

The C.A.P. group, and Terry Goddard mentioned to me, they are looking at the landscaping improvement along the canal. So as you start to, as we start to be practical about it, maybe that gives us a good barometer of where we can go with that. I don't see any other hands up. It's exciting.

I happened to like the bronze sculpture by Jasper D'Ambosi called Michael. I knew Michael, I know Michael, it was his son. It's right in front of Club SAR. It's a very interesting muscular piece, a heroic bronze and so it's sheltered, it's in a covered area. But it's a pretty amazing piece. We all have our favorites and I think we might eve do a little blog chat on that and put where people's comments are coming from to keep it, you know on the front burner. With that, I think, we're concluded on this topic, and we'll go on to our next work study item.

Karen Churchard: Thank you.

WORK STUDY ITEM 02 – QUARTERLY FINANCIAL AND CAPITAL IMPROVEMENT PLAN UPDATES

[Time: 02:34:50]

Mayor Ortega: And we already had our seventh inning stretch. So, we are going to go right into the next component, which has to do with our quarterly, our financial report and CIP discussion. Thank you so much, Karen. We're looking forward to Dia de Los Muertos and pretty exciting times on Convergence and everything else. Please proceed Sonia, our Treasurer.

City Treasurer Andrews: Thank you, Mayor. Thank you, Council. This is our quarterly financial update. Next slide. For the quarterly financial update, we usually focus on our general fund revenues and our general fund budget to actual variances and that's because our general fund is the largest operating fund for the City. Next slide. Sorry. So, looking at the general fund revenues, local sales tax revenues is our largest category of revenues and I wanted to summarize what happened with our local sales tax revenues during the first quarter of this year.

So, for the first quarter of this year, which is fiscal year '23/24, starting in July through September, our local sales tax revenues came in 5% above budget, and that's because we budgeted a decrease from last year, but it was but even though it's 5% above budget, it is a 3% lower than the prior year compared to the prior year as we expected.

We also in July, the Governor signed the legislative ban on the residential rental tax that's effective in January of 2025. We estimated that that's going to result in a 10 million annual loss to the general fund, and a \$14 to \$15 million annual loss citywide. That does not start till fiscal year '24/25 so it doesn't affect us this fiscal year, however given that it is a significant loss, we are already going to start working on any budget solutions to address this revenue loss, and we will be bringing proposals for Council consideration through our '24/25 budget process. Next slide.

[Time: 02:37:13]

So, looking at the general fund sales tax revenues by category, you can see that we have the retail category still being the largest category of our sales tax. The next second category which is the rental tax, this is where we will lose the 10 million in residential rental tax. Not all of the rental tax is residential. We have commercial rental tax.

So that we will continue to be able to collect those, it's just the residential rental tax that we will lose. The large budget variance you see under the construction category is because we have some large projects that we collected sales tax on, and we also had some audit recoveries in the first quarter. So overall, you can see on the far right column, we forecast that for the whole fiscal year, we are still going to come in within our budget for a total of \$182.5 million in sales tax. And \$10 million loss would be about 5.5% of our total sales tax revenues. So next slide. And this chart just shows our rolling 12 months sales tax collection data. And you can see in the far right, the first quarter we're starting to see a slowdown as we have expected. Next slide. So on to our state

shared revenues which is the second largest category of revenues in our general fund, we usually budget based, develop our budget of state shared revenues, based on what is provided by the Arizona League of Cities which is also based on the state estimate.

And for the first quarter, the state shared revenues are 6% below budget due to lower state shared sales tax, but then it's offset by an increase of 15% compared to the prior year because of the income tax that we received two years in arrears. The state flat tax that was effective in January of 2023, will not impact the City's general fund still fiscal year '25/26 and we estimate a loss of another \$8 to \$10 million from the state flat tax.

And, again, we are working on updating our five-year financial forecast and we will bring budget balancing proposals to Council for considerations throughout fiscal year '24/25 budget process. Next slide. So, as you have heard the state experienced some budget shortfalls and revised their October projections and I wanted to explain how that affects the City. So, they revised their sales tax collections lower, and they also revised their income tax collections down and the one that impacts us the most is their income tax collection revisions.

So, this chart shows you that the dark blue bars is the JLBC which is the Joint Legislative Budget Committee at the state, that was their July forecast of individual income tax revenues. So, you can see the actual for fiscal year '21/22 was \$7.5 billion and then they originally projected fiscal year '22/23 to come in at \$6.17 billion. And they originally in July projected individual income tax for '23/24 at \$5.57 billion. With their October revisions they have revised the fiscal year '23 down to \$5.24 billion, that's a 15% reduction and they have also revised their '23/24 estimate of income tax revenues down by 9%.

So with that, it will affect our income tax state shared revenues as well and, again it won't affect us this fiscal year, but it will affect us in, you know, fiscal year '25/26. Next slide. So in total, our revenues, local sales tax, state shared, charges for services, and all revenues in the general fund were still 5% over our budget for the first quarter and you can see the very large items, the charges for service that is 75% positive variance, that's just based on a timing difference on when revenues were received versus when we thought we were going to get them in the budget. Next slide.

So on to the general fund uses. We are within our budget for the general fund uses, the general fund uses primarily are personnel costs, commodities and contracts and transfers. And as you can see, there's another item that's 67% positive and that's again timing of purchases that we anticipated to happen this quarter, and it didn't happen, but it will happen in future quarters.

So overall, first quarter, we are within budget for our uses. And next slide. And this just shows the same uses but broken down by division. And that's it for my presentation. I can answer any questions.

[Time: 02:42:50]

Mayor Ortega: Yes, Councilwoman Janik and then Councilmember Graham.

Councilwoman Janik: Thank you, Mayor. Could we look back at page 81? I'm interested in that construction number. That looked really nice, and I don't have the slide number. Yes, I do, I think it was

slide four. Okay. So that construction number was 36% higher than anticipated. You said it was because of big projects.

Well, we're looking at some more big projects and I want to know if you can give me some information on if you think this will continue on into the future or is it really going to fluctuate depending upon when these big projects begin to break ground, et cetera?

City Treasurer Andrews: Mayor, Councilmember Janik, members of the Council, construction sales tax, first of all, there's a delay in collecting construction sales tax. So, on average, it could be 18 months to two-year delay depending on when the project is completed, depending on whether they collect sales tax and remit sales tax quarterly or monthly or when the project is completed. So, it's really hard to project how the sales tax collections will happen. However, that said, there are quite a few large projects in the pipeline that have been approved to pull permits, but have not come to Council yet, so it would depend on Council approval, and moving forward if those projects do end up being constructed, we do anticipate the construction sales tax collections to continue.

Councilwoman Janik: Okay. Then just to clarify that the 36% probably goes back to '21/22 construction?

City Treasurer Andrews: Likely, yes.

Councilwoman Janik: Okay. Thank you.

Mayor Ortega: Councilmember Graham.

Councilmember Graham: Just two quick questions, Sonia. Good presentation. Slide, I'm sorry, slide 7. Can you say a little more about lower capital gains?

City Treasurer Andrews: Slide seven?

[Time: 02:45:12]

Councilmember Graham: It was just saying that our state share was going to go down because of the flat tax. You know, it's effectuating soon and then lower capital gains, if you could say a little bit more about that.

City Treasurer Andrews: Yes, absolutely, Mayor, Councilmember Graham. So, in fiscal year '21/22, that \$7.53 billion in individual income tax collections is quite a bit higher than what the state normally collects in individual income tax because of two things, significant cap gains that was reported, the pandemic spending spree, and also some deferral of tax payments because of the pandemic.

So that \$7.53 billion reflects all those items. That's why it's higher. So, the reduction that's projected assumes lower cap gains and also the impact of the flat tax. At the beginning of 2021, the state projected that they would receive \$2 billion less in income tax revenues because of implementing the flat tax. But they also projected it to be offset by growth in income tax because of people moving here, and additional growth in income basically.

Councilmember Graham: Okay. I was just asking for why the purpose, in your view, the lower cap gains, that's all. Just why that happened. Why that is expected to happen.

City Treasurer Andrews: Okay. I think that possibly during '21/22, there were opportunities to sell a lot of assets and there was a lot of assets sold and cap gains reported. Am I answering that question correctly?

Councilmember Graham: Sure. Kind of.

City Treasurer Andrews: Sorry.

Mayor Ortega: A lot of flipping going on.

Councilmember Graham: The Mayor answered the question, Sonia. Next time I will ask, I'm just kidding. Thank you, Sonia.

Mayor Ortega: So, Vice Mayor Whitehead and then we will continue.

Vice Mayor Whitehead: Well, I think Sonia, I think you are going down the path of what I was going to ask is, GPEC, all of these reports of Arizona and all the new jobs in Maricopa County and such. I mean, it sounds like they already got that wrong. Is there any real prospect of replacing the flat tax losses with all the new jobs presumably that are being created, people paying taxes, paying income taxes?

City Treasurer Andrews: Mayor, Councilmember Whitehead, I'm not sure I can answer that question.

Councilmember Graham: That's tough.

City Treasurer Andrews: I mean, we are still looking at, you know we're still watching these collections very closely. I think the message I want to send tonight is in the first quarter of this year, these are some of the you know, the developments at the state level and with our revenues as well. So, I wanted to share with you a couple of things as what's happening at the state level will impact us significantly and we will have to work on some budget solutions to bring forward to Council and we are working on that. I wanted to make you aware that we are not just addressing it or not aware of it. And then secondly, I wanted you to know that, for the even though at the state level, they have missed on the forecast and projections, we have been more conservative than the State.

Councilmember Graham: Right.

City Treasurer Andrews: So, our fiscal year '23/24 and our five-year forecasts are more conservative than the State, so from a budget standpoint, we're okay so far.

Vice Mayor Whitehead: Thank you. I didn't expect an answer and I agree we need to be conservative. Yes, they missed, I think this is a real hardship on cities, and so I appreciate what you are doing. Thanks.

[Time: 02:49:32]

City Treasurer Andrews: Thank you.

Mayor Ortega: So, we have explored the revenue side. And the other part of the equation, of course, is expenditures. We also had some expiration on contracts that were in effect during COVID, and they were older contracts for goods or services. And once they come up for renewal, that's a whole new ball game. Those costs for materials and even labor have increased quite a bit. So, we'll keep appreciated.

I think it's very thorough and we, Scottsdale's known for probably per capita having 80% more generated per capita than on sales tax than other cities our size, or just generally because we're a high-octane economy here. But on the revenue share, it's still on a per capita basis, so you are just, we're only getting back a fraction of what we generate the through the whole system.

Councilmember Graham: We are a donor.

Mayor Ortega: All right. Thank you. And moving on to the capital improvement picture and I want to talk to Brian Biesemeyer afterwards just so, you know, okay? If I'm motioning to you, it's because I'm glad to see you here and I will need to chat a little bit.

Councilmember Graham: Welcome, Brian.

Mayor Ortega: Welcome. We have Alison Tymkiw, City Engineer and let us know an update on the capital improvement CIP plans.

Alison Tymkiw: Okay. Thank you, Mayor, members of Council. I don't have a mouse. Can you do the next slide, please?

Councilmember Graham: Sherry does it all.

Alison Tymkiw: Oh, sorry. I advanced it while I was walking. Okay.

[Time: 02:51:56]

So tonight, I just want to do a brief high-level overview of an update of where we are with the CIP. So first, on the agenda, I will discuss the Bond 2019 Program and then following that, I will do some a nonbond CIP project that is in design and then some nonbond CIP projects that are under construction.

Sorry about that. Okay, great, thanks. So, this is question one. This shows all the projects that are currently in the current fiscal year for Question One, parks, recreation, and senior services. And this gives an update of where we are. There's a couple of new projects that are new this fiscal year in this question, which are 13, which is expand the Granite Reef Senior Center to meet demand for adult day care and 21 which is expand Via Linda Senior Center to meet demand for senior services. So those are two new projects within this fiscal year. And then I will go ahead and highlight project number 53, which is build the multiuse sport fields in the area of Bell Road. Next slide, please. Thank you.

So, this project as you know, this was two phases, the first phase was the Bell Road Sports Complex, which is complete, and then the next phase is the WestWorld Sports Complex, which is currently under

construction. The picture here shows the entrance work at McDowell Mountain Ranch Road, and that work is proceeding with the concrete and asphalt being installed. The sodding of the fields are complete and the growing of the grass is in progress. Some APS electrical work was completed, and we are continuing with the construction of the restroom building. We're scheduled to be completed sometime in the first quarter of 2024. Next slide, please. So, this shows the sod and the grass being watered. Next slide. And then this shows the restroom building being constructed. Next slide, please.

Okay. So next, we have Question Two, and these are the projects currently funded in FY '23/24 for community spaces and infrastructure. I am going to highlight the first project, project number one because it's complete and there's some good things to talk about on that. A couple of things to note on this list is we're still working on renovating those horse barns, number 45 at WestWorld. Our first barn was completed last February. We have four currently under construction and one about to start. So, the four under construction should be completed by the end of this year, and then the additional one that we added should be done prior to the Arabian horse show and if it's not, we'll delay it, so it won't impact the Arabian horse show. It just depends on the delivery of the barn itself.

And then we are, the solar projects, the number 58 and 59 install parasol solar shade at City Hall parking lot and install solar systems at the Civic Center campus. Those are two new projects that are funded this fiscal year and we are about to send out an RFQ for soliciting a design build contractor for those projects. Next slide, please.

[Time: 02:55:22]

Okay, so then this is our Civic Center project, number one replace aging infrastructure and improve public event spaces on the Civic Center Plaza. And the construction is complete. Our contractor is working on final punch list items. We do have, again, the fall in love with Scottsdale Civic Center events that are occurring October 3rd through November 22nd, and we did have a large project WILCO on October 3rd. And then this project was a recipient of the 2023 best project awards from the engineering news record. For southwest region Arizona, New Mexico, and Nevada. Next slide, please.

So, this just shows the 360 Stage at night. Next slide. And then this was an event that was held back earlier in the year, it was the gala. Next slide. Okay. So then this is Question Three, these are projects that are currently funded in fiscal year '23/24. Public safety and technology, and there are two pages of projects for question three. A lot of them, again, are the I.T. related projects, a lot of them are progressing with soon to be complete later this year, early next year.

We do have project number 28, build the new hire station near Hayden and the Loop 101 to improve response times. That's currently in design. That did go to DRB last week for the Municipal Use Site Master Plan. So, it was approved by DRB at that level. So that will be progressing. Next slide, please. And then the project that I am going to highlight here is number 35, it's the install bulletproof glass in the reception areas of the police department facilities. Next slide and I have a quick photo one of the locations.

So, we had several locations that we have completed. It's Police and Fire Headquarters, District 4 station, the Family Advocacy Center, the Crime Lab, and then District 2 Station are all complete and District 3 is in progress and should be complete by the end of December. And then this picture shows it's

the entry way at the forensic lab, the crime lab, and that just shows the structure where the bullet proof glass and some improvements to that front lobby were made. Next slide, please.

And so, for Question One these were our completed projects, we have three. In Question One they were primarily court servicing and lighting at some of our parks. Question Two, four complete projects, they were all at WestWorld. And Question Three, a lot of our technology and power supply projects and we have seven one, two, three, four, five, six, seven complete in that question. Next slide, please.

Okay, so I am just going to highlight one CIP project in design that's not a bond project and this is the TPC sewer. This was on the agenda tonight to award the CMAR, the preconstruction phase services contract. So in July, City Council awarded the design contract, and now we have Achen-Gardener under services as the preconstruction services to help us look at constructability, value engineering.

We do have on this project; it is going across the TPC and then down Pima Road to connect into our North pump back station. And we do have to cross Bureau of Rec land and we need to do some environmental clearance. Once that occurs, we can do some geo tech work and potholing and the construction manager at risk on board will help us to determine shoring requirements for this deep sewer construction, as well as limits of impact because, again, we would like to limit the impact across the TPC and understand what kind of repair that we're going to have to do in that area.

[Time: 02:59:33]

So, again, the engineering services contract was awarded in July, and then tonight, the preconstruction services contract was awarded and we're targeting, construction completion in Fall of 2025. Next slide, please. And then this, I apologize if it's hard to see. I actually had a better exhibit earlier when it was on the consent agenda, but it's basically that green line down in the lower right corner and it's going across the TPC, that's where the sewer is. And then the red line going down the Pima frontage into the pump back station. Next slide, please.

And then I'm just going to highlight really quickly two other capital improvement projects that are under construction that are nonbond projects. Next slide. Okay. So, this is the Old Town streetlights project which you may have seen that is actively under construction. All the poles on Scottsdale Road have been erected. This week they started deenergizing and removing the old poles and then by the end of the month, they plan to replace and finalize all the flat work and the landscaping. And we expect that phase one will be complete by the downtown seasonal moratorium which is in November.

So, this picture right here, you can see the new pole, which is kind of in the foreground and that doesn't have the light fixture on it and the old pole is directly next to it. That one has that old birdcage sort of light fixture on it. So those are the poles that will be removed. Next slide please. And then this just shows active construction of them putting the pole up. Next slide. And, again, just some active work and that pole is going right next to the old pole which will be removed. Next slide.

And then finally, we have the traffic signal improvements project. And this one was the, this was a low bid project that was awarded by City Council on June 27th, for the construction contract and we're actually doing three different traffic signals, one is at Scottsdale Road and First Avenue which this happens to be a photo of. We have Scottsdale Road and Dove Valley. That's the next intersection that

we are moving towards and then the final one will be 64th Street and Osborn. So, Scottsdale Road and First Avenue is nearing completion. Actually, this photo is a couple of weeks old but if you go through there today, you would see that the mast arms are up, as well as the traffic signal heads, but they're just bagged until they are finally connected. So next slide, please.

And then that just shows some of the underground conduit work and the pedestals for the controllers. Next slide. And then that's it. So, if you have any questions, I'm happy to answer.

[Time: 03:02:24]

Mayor Ortega: Well, good, let me lead off with a couple of comments. We definitely need that one at Scottsdale Road and First Avenue, across from the Sugar Bowl. A lot of people are darting and it's pretty dangerous, so it's good. We're glad to see that happening. The other thing is on Question Two, 58 and 59, that had to do with the parasol structures. Is that covered parking, and would you have an E.V. charging built into that? Or what's happening with the ones near the City Hall, supposed to cover City Hall parking, do we have a chance for getting any electric vehicle chargers?

Alison Tymkiw: Mayor, yes, that's something that we will be looking at once we get the design build contractor on board.

Mayor Ortega: Okay. Well, I think that's a must. I think it is important probably to do that. Are you looking at the back, sorry the West, the East side, excuse me, parking lot? Is that the area rather than the Council parking on the side?

Alison Tymkiw: Mayor, yeah, actually, we're looking at some of the areas around the Civic Center in general, possibly even on top of the library parking structure.

Mayor Ortega: Hmm. Okay. But again, just consider if you can possibly do some EV charging wherever it is, on top. We have delightful trees above our city reserved parking and the birds remind us that they love that location. But if I'm here for more than four hours, there's evidence of there, yeah. Okay. So just keep that in mind if there's some photovoltaic involved do you think as well?

Alison Tymkiw: Right. Yes, Mayor.

Mayor Ortega: So that's a natural EV possibility, I hope. Councilmember Graham?

Councilmember Graham: Thank you, Mayor. Yeah, the 58, 59 in project two, it says City Hall. But you haven't decided how much or where?

Alison Tymkiw: No, Councilmember Graham, we need to get the consultant on board so we can do a full evaluation.

Councilmember Graham: All right. I think that could be good, it could be inviting for people who come to City Hall especially the first time, it's a more comfortable experience. Whatever we can do to make it more inviting for people here. What do you, this is going to be kind of a trivial question, but what do you

do with the old poles that you were taking down? The light poles. I think those would be like, you could auction those or something. Those might be a collector's item. What is your disposition policy for that?

Alison Tymkiw: Councilmember Graham, unless they have been identified as something that the City wanted to keep for some reason.

Councilmember Graham: Yes, they were.

Alison Tymkiw: Well, it probably wasn't indicated in the bid so then the contractor that bid the job has to dispose of them.

Councilmember Graham: I mean, it seems like they could be repurposed or something. Then the last thing, do you get, do you work with Sonia and her staff as far as presenting this information?

Alison Tymkiw: Councilmember Graham, yes.

[Time: 03:05:56]

Councilmember Graham: I think I like these kind of curated summaries and I'm not trying to anatomize it. But if it could just kind of have like, Sonia puts together a really cool spreadsheet and I don't want to geek out and talk about spreadsheets, but it's like the total column, the total amount in 2019, plus the overrun, total spend, under/over budget, percent, and then status and then we could have the status here. And like I said, I'm not trying to anatomize it, but I think that in this would be really helpful.

Alison Tymkiw: So, Councilmember Graham, can you go back up to one of the slides that.

Councilmember Graham: I know you had it on a couple.

Alison Tymkiw: Right here, this is a good one, so are you saying expand the financial box at the bottom here to include?

Councilmember Graham: Yeah, and ITD doesn't mean anything to the average person. Maybe just something that's a little plainer English. If you have seen Sonia's spreadsheet, that's probably too granular for our purposes, but if I can just kindly give you that feedback, I think it could be helpful.

Alison Tymkiw: Okay, thank you.

Councilmember Graham: Thank you Alison.

Alison Tymkiw: Sure.

Councilmember Graham: Thank you, Mayor.

Mayor Ortega: Okay. With that, we are concluded I believe with Work Study Item Number 2. Thank you so much.

Alison Tymkiw: Thank you.

Councilmember Graham: Oh, Mr. Mayor?

Mayor Ortega: Yes?

Councilmember Graham: The Diamondbacks won and will be going to the World Series.

Mayor Ortega: Yeah, 4-2. 4-2. That's great. Okay, so with that I would like to hear a motion to adjourn.

Vice Mayor Whitehead: So moved.

Councilmember Graham: So moved.

Mayor Ortega: Okay, and please record your vote.

Councilmember Durham: Councilmember Durham votes yes.

Mayor Ortega: We are unanimous and adjourned.