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CALL TO ORDER

[Time: 00:00:02]

Mayor Lane: Good evening, everyone, and welcome. I would like to call to order our December 2nd, 2014, City Council meeting.

ROLL CALL

[Time: 00:00:13]

Mayor Lane: It's a regular meeting and we will start with the roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Guy Phillips.

Vice Mayor Phillips: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Bob Littlefield.

Councilman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Dennis Robbins.

Councilman Robbins: Here.

Carolyn Jagger: City Manager Fritz Behring.

Fritz Behring: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:36]

Mayor Lane: Thank you. Just some items of business. We have cards if would you like to speak on any items on the agenda. And it happens to be the white cards. She has it in the air. If you would like to fill one of those out to be able to speak on either Public Comment or one of the agenda items. There's a yellow card that she now has over her head. If you would like to give us any written comments on any of the agenda comments, we will read them throughout the course of the meeting. We do also have police officer Jason Glenn and Tom Cleary and they are generally right here in front of me. I think I have one right here and one back here. So if you have a need for them in think of their assistance, they are here for you. The area behind the Council dais are reserved for the Council and for staff. We do have facilities over here under that clearly marked exit sign to my

left, most of your right for your convenience.

PLEDGE OF ALLEGIANCE

[Time: 00:01:33]

Mayor Lane: Tonight, we have the pleasure of welcoming the Brownies of Troop 1378 with their leader Angelica Hatch to lead us in the pledge. Ladies, if you would move to the microphone and if the rest of us, if you can, please stand. Whenever you are ready.

Brownie Troop 1378: I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, ladies. If you will, we can turn that microphone around a little bit, and so you can introduce yourself, maybe tell us where you go to school, and what your favorite subject is.

Brownie Troop 1378: My name is Natalie Hawkins I go to Copper Canyon Elementary School and my favorite subject in school is science. I am Cindy Newton, I go to Copper Canyon Elementary School and my favorite subject math. Hello, my name is Kate Horvath, my favorite subject is reading. My name is Tatum Hoffer, my favorite subject is math. Hello, my name is Ashley Jones, I go to Copper Canyon and my favorite subject is math. My name is Laila Hatch, I go to Copper Canyon Elementary School and my favorite subject is social studies. My name is Emily Clough and I go to Copper Canyon and my favorite subject is math. Hello, my name is Daisy Garcia, I go to Copper Canyon Elementary School and my favorite subject is math. Hi, my name is Kayla and I go to Copper Canyon and my favorite subject is math. Hi, my name is Kate Martin I go to Copper Canyon Elementary School and my favorite subject is math. Hi, my name is Caitlin Sensomino, I go to Copper Canyon and my favorite subject is science. Hello, my name is Caitlin Wise, I go to Copper Canyon Elementary School and my favorite subject is math.

Mayor Lane: Thank you very much, ladies!

INVOCATION

[Time: 00:04:08]

Mayor Lane: In place of invocation this evening, I would like to take a moment of silence. Generally, I try to draw upon a specific incident of difficulty we might be facing in the world, but they have become so numerous, I would rather just do a little bit of a global thought and prayer, if you would like, in hopes that we bring the world to a better place in the way of just peace throughout the world. So if we could give a moment to that thought or potentially that prayer.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:05:03]

Mayor Lane: Thank you. Well, I have the difficult duty, I suppose, of talking about the last meeting for two of our members, Councilman Littlefield, as well as Councilman Robbins. We want to, in a minute, we will do a little bit of a presentation but I certainly wanted to make sure that we thanked them for their service, both Councilman Littlefield, who has been on this Council for 12 years, consecutively, and has served your community in a fine and upstanding way. And we, you know, I know he's been around talking about how we should miss him, but there's varying opinions. Nonetheless, I think he undoubtedly in a very difficult kind of way, he definitely will be missed.

But in any case, we want to thank him for his service and for his dedication to his job, and I would also want to say that Councilman Robbins, even though this is his second four-year term, with a gap in between, he's served his community for eight years. He's leaving us after a second four-year term. As I say, separately. And he has performed his duties to this community in an upstanding and a fine way. And he's, I think, much admired individual and we are going to miss him, and that's going to be, you know, a difficult departure. He's lent a very steady hand with his decisions and his dialogue here on the Council. So I just want to thank them both for their service and on the citizens' behalf and to let you know that this is their last meeting.

We will be embarking upon a new, with a new Council bringing on Councilwoman Kathy Littlefield, and Councilman David Smith with the next session. And being of course, Councilwoman Linda Milhaven will be returning to her seat or whatever seat she chooses. Up here on the dais, with the upcoming year in January. So we look forward to that as well. So with that, I would just open it up, if there's any comments from the Councilmembers that are here with us now, if they would like to make any statement and then we'll have a presentation of a small gift to the departing Council people. Certainly. Councilwoman?

[Time: 00:07:36]

Councilwoman Milhaven: To Councilman Littlefield, I will miss sparring with you. I think every good dialogue deserves two sides of the argument and so I will, what will I, I won't miss it. Yes, I will. And to Councilman Robbins, it's been an absolute honor to serve with you and to be your dais buddy. I have really appreciated your thoughtfulness and your advice and opinion was one I always valued. So thank you.

Mayor Lane: Anyone else? Certainly, Suzanne.

Councilwoman Klapp: Well, any probably personal comments I would make related to either of the Councilmen leaving, I will do it privately, but publicly, I would like to say that I appreciate from the perspective of a Councilman and anybody else in the audience who has been on the Council, the time that you have put into this job, and the efforts you have put into it, and the passion that you put into it. I think both Councilmen have been very, very committed to being good Councilmen and I appreciate that very much and I will miss both of them from the perspective that they know, I know they are both dedicated to concerns for the city, I believe we all are. But I know they are very dedicated to that. And I so appreciate all that they have done for the City of Scottsdale and I wish

them well.

Mayor Lane: Thank you, Councilwoman. Yes, Councilwoman Korte.

Councilmember Korte: It's not easy being a Councilmember, and for 12 years, Councilmember Littlefield and for eight years Councilmember Robbins have served this community with commitment and heart and I believe that that's what is demanded by our city, to maintain a great city that we are, is for the leadership, in commitment and heart. And so I thank you.

Mayor Lane: Vice Mayor.

[Time: 00:09:45]

Vice Mayor Phillips: Thank you, Mayor. I have a ten-page speech that I'm going to talk about..... I don't but I will miss Dennis Robbins. He's been a great guy. He's been very curious, courteous and thoughtful and I appreciate knowing him and, of course, Councilman Littlefield, you know, it's, I hate it when people say it's been an amazing journey, but it's been an amazing journey. And, you know, I will miss him. I think the public is going to miss him. He stood up for the public all the time. He was always there, always answered emails, always talked to anybody whenever they wanted to. Backed the police department 110%. We will miss him, no doubt about it and I'm a better man for knowing him. Bob, I'm going to miss you.

Mayor Lane: Well, very good. Thank you. Bob, Dennis, do you want to say anything? Go ahead. So Bob, being senior, if you would like to take a moment, if you want to say a few words.

Councilman Littlefield: Just that even though I spent most of those 12 years in the minority, sometimes the extreme minority, I remember some 6-1 votes there for a while, this has still been a great experience for me, and I will miss it and I'm sorry to leave. Thank you.

Mayor Lane: Thank you, Bob. Councilman Robbins.

Councilman Robbins: Yes, absolutely. Thank you. Thank you. I'm going to be emotional, I'm sorry. Thank you to the citizens for giving me the honor and the privilege to serve. Thank you to my colleagues, who have been fantastic to work with. Really a privilege. Thank you to staff, I don't think city staff gets enough recognition. Things happen in the city and they go off without a hitch and you don't know and that's because they do such an excellent job, especially our charter officers, really appreciate your work, and, sorry. And just lastly, thanks to my family for supporting me and it's been an honor and a privilege. Thank you.

Mayor Lane: Thank you, Dennis. Thank you again to both of these gentlemen and best wishes going into the future.

Our next item on Presentations is a recognition of the General Plan Task Force and I think we have Mr. Randy Grant here to do the honors there.

[Time: 00:14:18]

Planning and Development Director Randy Grant: I just wanted to take a moment and recognize the hard work that a number of citizens who are here this evening put into culmination of the General Plan process. You know, it's been said that the mark of a good public process is that nobody gets everything they want. And this process has been wildly successful beyond anyone's imagination. No, it really has been good.

If you can't have this kind of a dialogue, in public process, then you really miss out on the subtleties of what the citizens are expecting. The process was a year and a half long. It involved 32 public meetings, five outside meetings, three open houses, two community photo contests and a youth town hall. And all told, we have here this evening, people that donated 2,000, well over 2,000 hours of their time to the preparation of the updated General Plan. It is available online now and I would encourage everyone in the audience and viewing at home to go online and take a look at it. It's beautiful and very well done and I think it's a tribute to the people who spent all of that time doing that and if Wendy would come up, Wendy was the co-chair and I would just ask her, and if everyone who was involved in the process would stand and be recognized, please.

[Time: 00:16:05]

Wendy Springborn: Thank you, Randy. It was a distinct pleasure to serve with these wonderful people. We had a blast, despite some people may have heard. We feel very proud of the document that we put together. We look forward to hearing comments from the Planning Commission, as well as this distinguished body about the work, and we will still be in the background watching and making sure that, how things move forward in this process and we look forward to the next step, which is really going to be the outreach and education of the community about why this plan is good and needs to be passed by the voters. So thank you.

Mayor Lane: Wendy and to the entire Task Force too, I know we have been through this process for quite a while, but I think I can easily speak for the entire Council and just thanking you for your dedication and your commitment to this process, in spite of the extended period of time that you have had to be at it and, really, it's just an enormous help to the city to have you on top of this and staying with it and committed to it. So we look forward to the upcoming months as far as your behind-the-scenes help with this and its communication to the public. So thank you so very, very much.

PUBLIC COMMENT

[Time: 00:17:39]

Mayor Lane: All right. Our next order of business is the Public Comment period.

The Public Comment is reserved for citizen comments regarding non-agendized items with no official

Council action taken on these items. Speakers are limited to five minutes each, and there's an opportunity at the end of the meeting if there's further Public Comment. As I mentioned, we do have just the one card and it is Mr. Howard Myers.

[Time: 00:18:15]

Howard Myers: Thank you. Can I get this thing to work? There we go. My name is Howard Myers 6631 North Horned Owl Trail and at one time I was on the task force and we discussed city finances and this is really a critical subject, I think the city needs to pay a lot of attention to. I don't expect to you read everything on the graphics. It started with the physical sustainability analysis by Applied Economics but there's a lot of holes in that analysis.

It didn't tell what you makes the city sustainable which is the key question. That was followed by an analysis that I did, plus one that Ned O'Hearn did and that shows that the development doesn't pay for itself. The city has been sustained a lot by the tourism income which is substantial. It also then went, nobody really believed that. So we had a panel of experts come in, Jim Rounds from Elliott Pollock, and A.S.U., and David Smith on there too because he understands finances better than anybody, I think, in the city. And they all agreed that these are questions we should be asking and we should be really looking at in detail. Further analysis also was trying to show that the north doesn't pay for itself, well, if you analyze data correctly, instead of using point of sale used by household, the numbers flip around, and the north does pay for itself.

The blue is what the study originally show and the red is what happens if you flip it and the green is what happens when the tourism income is out. It leaves the city \$3 million short. Tourism is extremely important and must be preserved. All of these experts also emphasize beyond what we have asked for, growth and development will stress the city financially and it will stress all cities in valley. Scottsdale is different because of the tourism industry and the high quality development that attracts tourists and high-income residents and that's key. Scottsdale should build on those strengths not degrade them or go in a different direction.

To maintain Scottsdale brand, desirability to both tourists and high-income residents and must have a General Plan vision that supports all of that. I don't expect you to take this verbatim. What I think the city does need to do is commission a real study and that means giving the analysts all the information and not giving them the answer before the study is done. And I think when you do that, you will see that there's some definite things you've got to be taking a look at and whether or not, you know, rooftops does bring retail. Is that combination good for the city or bad for the city? If the net income is low, and it's negative, then it's not good for the city. That's key to all the decisions you are making. I would hope that you embark on a real study that we can see that tourism is what has been driving us. We need to maintain that and we need to maintain our desirability for the residents that come here and really do support the city. Thank you.

Mayor Lane: Thank you, Mr. Myers. That concludes our Public Comment period at this time.

ADDED ITEMS

[Time: 00:21:37]

Mayor Lane: And so we do have some supporting materials for Item number 47 that were added to the agenda less than 10 days prior to the meeting, which is our rule. So I would ask if I have a motion to accept the agenda as presented or to continue the added items to the January 6th, 2015, Council meeting.

Councilmember Korte: So moved to add to the agenda.

Councilwoman Milhaven: Second.

Mayor Lane: The motion has been moved to add to the agenda and has been seconded by Councilwoman Milhaven. So I think we are then ready to vote on that. All those in favor, please indicate by aye and those opposed with a nay. Okay. It's unanimous that item will be, will continue on the agenda as it is.

MINUTES

[Time: 00:22:22]

Mayor Lane: Our next order of business is just the approval of Minutes. I shouldn't put a "just." Do I have a motion to approve the 4 p.m. Special Meeting Minutes of November 12th and the 5 p.m. Special Meeting Minutes of November 12th, 2014.

Councilwoman Milhaven: So moved.

Councilwoman Klapp: Second.

Mayor Lane: Moved by Councilwoman Milhaven and seconded by Councilwoman Klapp.

Clerk Jagger: Can we please add the Executive Session Minutes of November 18th to that motion?

Mayor Lane: Sure.

Clerk Jagger: Thank you, sir.

Mayor Lane: What was that the Executive Minute, Executive Meeting Minutes of what? Okay. Does the motion maker....

Councilwoman Milhaven: Yes.

Councilwoman Klapp: Yes.

Mayor Lane: And the second? Okay. So it is so moved and seconded with that addition. Okay. Then we are ready to vote on that. So all those in favor of the motion to accept those minutes, as indicated, please indicate by aye. Those opposed with a nay. Unanimously approved.

CONSENT AGENDA

[Time: 00:23:22]

Mayor Lane: And we will move on then to our Consent items which are Items 1 through 44a at the request of Vice Mayor Phillips, we will move 24, 25, and 30 to the Regular Agenda. So they will not be on the Consent vote. I do have a request to speak on Item 22, which is within the Consent. And so we'll attend to that next. And I will ask Alexander Frisk, followed by Susan Wheeler.

Clerk Jagger: Your Honor, they have left for the evening and they are okay with not speaking.

Mayor Lane: Okay. All right. All right. Well, that was easy.

Councilman Littlefield: That was easy.

Mayor Lane: Okay. So we now have the Consent items with no questions that are presented for us, and none from the Council as I see it, except to remove 24, 25, and 30. Do I have a motion to approve the remaining Consent items of 1 through 44a, less those three?

Councilman Robbins: So moved.

Councilwoman Klapp: Second.

Mayor Lane: I believe it was moved by Councilman Robbins and seconded by Councilwoman Klapp. So no further comments indicated on that. So we are then ready to vote on those Consent items absent those three items and all of those in favor, please indicate by aye and those opposed with a nay. Unanimous approval of those items as indicated.

REGULAR AGENDA

[Time: 00:25:05]

Mayor Lane: So that moves us on to the Regular Agenda items.

ITEM 24 – 7326 UPRISING REZONING (15-ZN-2014)

Mayor Lane: We will start with Item 24. Requested to move to the Regular Agenda. So it will be our first Regular Agenda item. And just for the record, Item 24 is 7326 uprising rezoning 15-ZN-2014 and the request is to adopt Ordinance 4182. The presenter will probably give the rest of the details on that. Please.

[Time: 00:25:36]

Senior Planner Dan Symer: Mayor, members of Council, Dan Symer, Planning and Development Services. Case before you is 7326 Uprising, Rezoning 15-ZN-2014. The project is located just west of the northwest corner of 6th Avenue and Wells Fargo. It's currently in the multiple use type two designation of the downtown plan, and it's currently zoned c3/p3/do which is parking district vehicle. The request is for amended development standard for a small property, less than 20,000 square feet to amend their setback requirement from 20 feet to 8 feet and the intent of this request, as you can see, oops. Let me go back. It says the intent of the request is to maintain existing street frontage along 6th Street and add a second story. This is currently a non-conforming use. The existing store front will maintain and its existing street facade along the front of the building and they will be adding a second story with an approximate height of 30 feet. And I'm happy to answer any questions and the applicant is here to answer any questions that you may have.

Mayor Lane: Thank you, Mr. Symer. I would suspect the Vice Mayor has a question.

Vice Mayor Phillips: Thank you, Mayor. Excuse me. Two questions. One, is this rezoning, from 20 feet to 8 feet, is that to clear up an old setback? Because it looks like it's not coming out any further out front than the existing building was first place.

[Time: 00:27:55]

Dan Symer: Mayor Lane, Councilman Phillips, you are correct in a sense. The setback requirements of downtown district required 20-foot setback. This property was developed early in the '70s, prior to the standards through the task force, it was a recommendation that was put in place a couple of years ago. It was to allow these property owners to maintain their non-conformity with going to Council for asking for permission. So this is exactly what he's doing. He wants to add on to his property, and amending the standard to be in conformance.

Vice Mayor Phillips: So he's going to have to do this in order to do it.

Dan Symer: Correct.

Vice Mayor Phillips: So if the rest of them want to do something, they will have to do it too.

Dan Symer: That's correct.

Vice Mayor Phillips: So that's a housekeeping thing?

Dan Symer: Yes.

Vice Mayor Phillips: The other thing I was curious about, it said that it was going to use the existing walls to build the second story on, and I believe the building was built in the '60s, so I wouldn't think

that there is a footing to hold the second floor and I wanted that noted.

Dan Symer: Mayor and Councilman Phillips, the architect has looked at the infrastructure, and as we go through the process, we will look at that.

Vice Mayor Phillips: I will make a motion to approve Item 24, 7326 Uprising Rezoning.

Councilmember Korte: Second.

Mayor Lane: The motion has been made by Councilman Phillips and Councilmember Korte. I think we are ready to vote. All those in favor, please indicate by aye. It's unanimous to go ahead and accept Item 24.

ITEM 25 – DC RANCH PARCEL T3A CLASSIFICATION (54-ZN-1989#2M)

Mayor Lane: And with that, we will move on to Item 25. Which is the D.C. Ranch Parcel T3A Classification, 54-ZN-1989 Number 2M. And it's to adopt Ordinance 4185.

[Time: 00:30:04]

Senior Planner Keith Niederer: Keith Niederer with the Planning Department. This is a zoning adoption for Ordinance 4185. This is at the corner. Of Legacy Boulevard and Thompson Peak Parkway. The site contains the D.C. Ranch Canyon Village development which was permitted back in 2007, and built during that time as well. Here is a close-up of the Canyon Village property, again, looked at the northeast corner of Legacy and Thompson Peak. The zoning adoption in D.C. Ranch is a two-step process. In 2004, the City Council approved case 54-ZN-1989 number 8 which generally outlined the zoning districts and acreages within the D.C. Ranch town center. The subject property with that case was designated as CO-PCC-PCD. The second and final step of this zoning adoption process is to adopt the official zoning boundary of the 7-acre parcel of parcel T3A as PCC PCD. And here's an exhibit showing the subject property. I would be happy to answer any questions you may have and the applicant is here as well.

Mayor Lane: Thank you, Keith. Again, I would presume the Vice Mayor has a question.

Vice Mayor Phillips: Thank you, Mayor. My question was, I think a year ago, maybe it was two years ago, I think it was a year ago, it came to Council as a text amendment that changed these classifications and the height levels and I believe it changed the height level for this classification also. And if that's the case, I wanted to make sure that this height level does not change once we approve this.

Keith Niederer: Yes, Mayor Lane, Vice Mayor Phillips, the PCC zoning at D.C. Ranch was set by the development agreement, which was approved back in the late 1980s and it allows the height of up to 56 feet with tower elements up to 75 feet in height and that's locked in with this.

Vice Mayor Phillips: That's locked in. Unfortunately, I was against this project since the beginning. So I will still be voting against it.

Mayor Lane: Thank you Vice Mayor. Thank you, Keith. We will move on to Item 30, which was pulled from Consent and.....

Vice Mayor Phillips: Do you want to.....

Mayor Lane: Oh, I'm sorry.

Councilman Robbins: Mayor, I will make a motion that the Council adopt Ordinance 4185 affirming the zoning classification approved case 54-ZN-1989.

Councilwoman Milhaven: Second.

Mayor Lane: All of those in favor, oh, sorry.

Councilwoman Milhaven: I would like to comment this project has already been built. This is just the final housekeeping. Thank you.

Mayor Lane: Thank you, Councilwoman. Now, we are ready then to vote. All of those in favor please indicate by aye. Those opposed with a nay. The motion passes, 6-1 with the Vice Mayor opposing. Okay.

ITEM 30 – TRANSIT VEHICLE PROCUREMENT AGREEMENT

Mayor Lane: Now we move on to Item 30, which is a Transit Vehicle Procurement Agreement. This is a request to adopt Resolution 9962, and it looks like we have Mr. Basha here to explain.

[Time: 00:33:43]

Transportation Director Paul Basha: Thank you, Mr. Mayor. Thank you, Vice Mayor, members of Council, my name is Paul Basha, Transportation Director. I'm happy to answer any questions you may have. Also available for questions is our Purchasing Director, Jim Flanagan. We have no presentation in addition to the information you received in your packet.

Mayor Lane: Thank you, Paul. Then I would also presume that Vice Mayor has a request? A question?

Vice Mayor Phillips: Thank you, Mayor. The Transit Vehicle Procurement, are these buses used?

Paul Basha: Mayor Lane, Vice Mayor Phillips, yes, they are. This is an advance, preparatory purchase. They are currently used on our trolley routes, specifically Miller Road and Neighborhood Trolley. And we would purchase these next, early next year for arrival in the fall of 2016.

Vice Mayor Phillips: I mean, are we purchasing used buses?

Paul Basha: No, no, we are purchasing new buses.

Vice Mayor Phillips: These are brand new buses.

Paul Basha: I'm sorry, sir.

Vice Mayor Phillips: Okay. I appreciate that. And, you know, my feeling is, especially in Consent Agenda items, is that something like \$5,200,000 should be in the Regular Agenda. It shouldn't just be blown through in the Consent Agenda. That's just too much money and I think that's something that the Council should discuss. So that's the reason I pulled it and I will continue to pull anything at that amount. You know, we talk about a dire need of C.I.P. funding and bonds and, you know, bond failures and we need new bonds and we need money and we need infrastructure, and all of this talk and then we are going to spend \$5 million on buses on the Consent Agenda. It seems ridiculous. So I can't see without a Council discussion on it, I can't see voting for this.

Paul Basha: Mr. Mayor, Vice Mayor Phillips, if I may, this is not using any City funds. The funds come from the federal government, and from the regional transportation tax. There's no City funds directly for this purchase.

Vice Mayor Phillips: Well, there you go then. All right. Thank you.

Paul Basha: Thank you.

Mayor Lane: All right. Thank you Mr. Basha.

Vice Mayor Phillips: Then I will make a motion to approve the transit vehicle procurement.

Councilmember Korte: Second.

Mayor Lane: All those in favor, please indicate with an aye, those with a nay. It's a unanimous approval on Item 30. So completes our Consent plus the Consent item that were moved to Regular. I will move on to the Regular Agenda items as is stipulated in the agenda.

ITEM 45 – FISCAL YEAR 2013-14 ANNUAL FINANCIAL AUDIT

[Time: 00:36:59]

Mayor Lane: We will start, of course, with Item 45. This is the Fiscal Year 2013/14 Annual Financial Audit and to accept fiscal 2013/14 annual financial audit committed by the City's external auditors, CliftonLarsonAllen. And we have Sharron Walker our City Auditor here to make that presentation. Ms. Walker.

[Time: 00:37:04]

City Auditor Sharron Walker: Mayor and members of Council, your meeting materials for this agenda item, total about 4, almost 450 pages, but I won't go over all of that tonight. The City Treasurer Mr. Nichols as previously presented the summarized, the city's financial results. So what I will do is focus on the auditor's portion of the 430 some pages. So the auditor's report was submitted by the C.P.A. firm, CliftonLarsonAllen and just to give a little bit of background to the public, the charter makes the Council responsible for the annual financial audit, and in 2013, the Council assigned that responsibility oversight of the audit contract to my office.

The Audit Committee received the audit reports from the C.P.A. firm and at that Audit Committee meeting, they had the opportunity to ask questions and get answers from the C.P.A. firm and/or city staff and at the most recent November 17th meeting, the Audit Committee did review those report, these reports and they are recommending acceptance of the report. So before I actually ask you to take that action, I will briefly run through what that consists of. So the annual financial audit has two basic types of reports, the financial reports and then financial-related compliance reports. So I will cover the two separately.

First, the city's, the city and the component units financial reports have the auditor's opinion, the auditor's report within those financial reports. And the auditor did give a clean opinion, basically concluded that the financial reports are fairly presented. Within the auditor's report, there is a paragraph that explains that there was a change in accounting standard this year, that the city implemented and that caused some of the beginning fund balances to be restated. That was related to a change in how bond issuance costs are accounted for, but that accounting change did not affect the opinion, the clean opinion that the financial reports are fairly stated.

[Time: 00:39:23]

The next piece that I will talk about is the communication with governance. That's a required communication auditing standard, wanting to ensure that the governing body is informed about significant matters related to the audit. For example, whether there have been any disagreements between the audit firm and management and there were none, whether there had been significant accounting changes like the one I just mentioned, whether there are significant estimates and the base I can for those and what the firm reviewed was mentioned. And then that communication also lists the audit adjustments that were identified during the course of the audit.

The firm also issued a management letter. That's not required but in the management letter, they did comment that the city's I.T. disaster recovery plan should be reviewed and updated for the component units report on internal control and compliance, there were no significant matters, findings, mentioned, except for one of those, for the MPC, there is a comment about deficiency related to some audit adjustments that had to be made and the information is in that component unit. The MPC's communication with governance. The city's report on internal controls and compliance is actually contained within the single audit report package and that's what I will talk about next.

So the second category of reports that come out of the annual financial audit.....

[00:41:11]

Mayor Lane: Sharron, if I might interrupt before you move into in this next year. You mentioned there were some adjustments made because of a change in the compliance rules as far as the accounting standards with regard to debt expense. Now is that a year-end reporting requirement and subject to just year-end adjustments or is that a permanent accounting change?

Sharron Walker: It's an accounting change to where the bond issuance costs are now going to be expensed in the year that they are incurred.

Mayor Lane: So our records will now reflect that and it won't be a year-end adjustment to make?

Sharron Walker: Right. Right, this was a one-time adjustment to the beginning balances because there were some bond issuance costs that had accumulated from prior years. And so those prior years' balance had to be written off.

Mayor Lane: Right.

Sharron Walker: And that's why the beginning balances were adjusted.

Mayor Lane: And this is a new accounting standard that was implemented. So it wasn't a noncompliance issue as far as our records are concerned?

Sharron Walker: That's correct.

Mayor Lane: Okay.

[Time: 00:42:15]

Sharron Walker: The second type of reports are the financial compliance reports that are required because the city receives and spends state and federal funding. So, first, the single audit is required. Any government that receives more than, receipts more than \$5,000 from the federal government has to submit a single audit report package and that includes the report on internal controls over financial reporting, a report on compliance, and internal controls related to compliance, and a report on the schedule of expenditures of federal assistance, federal awards. And then there's also a schedule of findings, if there are any issues identified that's required. And so our single audit package did include all four of those components.

First the auditor gave a clean opinion on the schedule of expenditures of federal awards and in that schedule, it shows that the city spent about \$13.6 million in federal funds during fiscal year 2013/14. And actually, H.U.D. housing-related funds total almost half of that, about \$7 million. So the details

of what money the city receives in the federal agencies is all listed in that schedule. The auditor had two comments related to internal controls over financial reporting. The first notes that there were material audit adjustments made to the financial reports during the course of the audit, all the recommended adjustments were made, and then the second comment relates to disbursement controls and the details on those findings are in that communication with governance. The report on internal control is general but the communication with governance is a little bit more specific. So those are not two different sets of circumstances, it's the same thing, just described in different ways.

The report on compliance, comments on two instances of noncompliance that the auditors noted during testing, and that is not compliant with some federal requirements, one was related to a H.U.D. requirement for eligibility, to be updated once every 12 months and one of the test items a client file hadn't been updated. And then the other was related to a transit funding where the, there's a requirement that before you award a contract, you make sure that that contractor, that vendor has not been suspended or debarred. Documentation wasn't in the file but there was not a problem with the vendors. So that was, those points are still required to be reported. So in addition to the single audit, H.U.D. requires a specific data schedule to be submitted and they want an auditor's report on that. So that was another one of the reports in your packet.

[Time: 00:45:14]

And then the final item, state wants some assurance that local governments have used their HURF money for authorized purposes and so there's a report for that. So before I conclude, I wanted to open up the cover of the CAFR for you and highlight a few items. The first item in the financial section is the auditor's report. The next item that I have highlighted are the government-wide financial statements and those financial statements are more like corporate financial statements where it's a citywide look. So it kind of smooths over all of the differences that show up when you look at funds based information. So the government-wide financial statements and then if you do want to drill down to one of the city's major funds like the general fund, then the next item, to fund financial statements is select for that information. I have also highlighted the notes to the financial statements because there's a lot of information contained in those notes, explaining different accounts and activities like debt financing and pensions. So a lot of information within the comprehensive annual financial report that the city issues.

One last item, set of items I wanted to highlight, the CAFR also contains a statistical session that has a wealth of information about the city, including financial trends, demographic, economic information, operating statistics, over a period of ten years. So besides having financial statements, there's just a lot of information contained within the city's CAFR. We are available for information.

I put Mr. Nichols on the spot too because his city staff perform the financial staff and we do the day-to-day monitoring the auditor's contract and hopefully we can answer any questions you might have. And then I will just refer back to the action that's being requested is the Audit Committee has recommended acceptance of the fiscal 2013/14 financial audit report.

Mayor Lane: Well, thank you very much, Ms. Walker. We do have a comment or a question from

Councilman Korte.

[Time: 00:47:33]

Councilmember Korte: I just want to compliment Sharron Walker and her team regarding this process and the work you do throughout the year. It is a great asset to our city and thank you.

Sharron Walker: Thank you.

Councilmember Korte: Very professional. So once this is approved by the City Council, where can the public find this audit?

Sharron Walker: Currently the audit report is available both as an attachment to the Council meeting agenda, all 435 pages are in there. And it's also attached to the Audit Committee meeting agenda, but once the Council has accepted the reports, then the City Treasurer's office posts it on their website, and the link on the main pages to finance information, I think. Finance and budget information. So it is available directly on the website as well.

Mayor Lane: Thank you, Councilwoman. Mr. Nichols did you have a comment?

[Time: 00:48:28]

City Treasurer Jeff Nichols: Mr. Mayor, members of the Council, I would like to take a moment to thank my accounting staff, beginning with Joyce Gilbride, the accounting director Anna Henthorn, the accounting manager and Hank Dabibi who really head up this audit. They are supported not only by the accounting staff but people throughout the city that help us with the financial function and compiling of the comprehensive annual financial report and they do an excellent job and it goes without saying, I mean, many, many, many years down the road, we have received G.F. award of excellence regarding financial reporting and it wouldn't be possible without those individuals. I just wanted to take the time to acknowledge them.

Mayor Lane: Thank you, Mr. Nichols and really to the point of the credit that's due, not only with the preparation of this report and all of the data that supports it, but the, obviously, the opinion and the recommendations and even to the issue of any issues that needed to be corrected. They are very standard kinds of items, particularly when you have an accounting standards change or otherwise. So it sounds like a very good report and we do recognize the extent of work that goes into this on a year-long basis all the time. So really, thank you to your entire staff for sure, and as well as to the City Auditor and her staff and working with the outside auditor. Thank you very much on that. It looks like we may have additional comment from Councilwoman Klapp.

[Time: 00:50:02]

Councilwoman Klapp: Just a question. Do you want a motion on this?

Mayor Lane: Yes, we will accept this.

Councilwoman Klapp: So I would also like to thank both Sharron Walker and Jeff Nichols and all the people involved in this. I have had the honor of being the chairman of the Audit Committee and having heard all of this before, but I'm glad that we were able to share all the results with the entire Council and you have been doing that for a couple of years now and I think that's a good thing. So with that, I would like to make a motion to accept the Fiscal 2013/14 Annual Financial Audit.

Councilwoman Milhaven: Second.

Mayor Lane: The motion has been made by Councilwoman Klapp and seconded by Councilman Robbins to accept the report as presented. Thank you again, Ms. Walker, very, very much. We are then ready to vote. Did I get the second wrong? In any case. If we want to correct that, I suppose it was Councilwoman Milhaven. In any case, it's a tally of 7-0. Again, thanks very much for all who participated in that, and a very good report.

ITEM 46 – CAVALLIERE RANCH REZONING (13-ZN-2014)

Mayor Lane: That completes Item 45 for us as we move on then to Item 46 and the Cavalliere Ranch, that's 13-ZN-2014, and this is a request to adopt Ordinance 4181, which is the subject of the report here by Jesus.

[Time: 00:51:28]

Senior Planner Jesus Murillo: Good evening Mayor Lane and members of the City Council, my name is Jesus Murillo and I'm a planner here with the city, I will be presenting 13-ZN-2014 which is also known as Cavalliere Ranch. It's a request to rezone approximately 462, from single family to the PC district which is known as PCD or planned community district. And the reason I bring this up at the beginning is because the PC district requires two things. The PC district itself does not have hard development standards as far as setbacks and square footages of lots, et cetera, and so there's always comparable zoning that are also proposed with the PCD to be able to give the development plan, which is the next element that's required some design and how the development is going to work out.

So, again, the development plan is then made up of several plans inside of it, the main one being the phasing plan which then helps guide development if approved by the Council. As you can see, the site is zoned at the southeast corner of east Ranch Gate and east Pinnacle Peak Road. It's east Ranch Gate Road and the southern boundary being east Pinnacle Peak Road and then it extends from 128th to 134th. And as you can see from the graphic, the McDowell Sonoran Preserve boundary is located adjacent to the property both on the north, east and southern portions of the site. The 2001 General Plan designates the majority of the site as rural neighborhoods and it does, as you can see here, there are portions of natural open space all designated within the site. And then there's, again, the Preserve designation to north, to the east, and to the south. It's important to point out that as you heard last night, through Taylor and through Adam, the zoning cases that were presented before you had a major General Plan amendment that were associated with them.

The reason those had a major General Plan case associated with them is because the General Plan states that all four general major General Plan amendment criteria, they require a change in land use in order to qualify as requiring a major General Plan. The designation for the density within rural neighborhoods is actually one dwelling unit to the acre and because the applicant is proposing .96 dwelling units per the acre, they actually maintain the existing densities for the rural neighborhoods and therefore, no general, major General Plan amendment was required.

I would also like to point out, though, that it goes, the densities within the general, the major general, within the rural neighborhoods is anywhere from .21 dwelling units, and they did land towards the highest range of the density allowable. Within the city, there are receive and adopted character areas and this site is actually located within one of those. You notice this orange area here. This is the Dynamite Foothills character land. Because of its location and in proximity to the Preserve it's deemed as having the characteristic that of a desert character. And what that means is that development should be minimal in the way it affects the environment. There should be minimal impact there. Should be view corridors, open spaces and structures should be relatively low in scale and it should maintain as much natural vegetation as possible.

A closer look at the desert, the Dynamite Foothills character area, you will notice this site is located kind of in the east corner of it, again, the Preserve wraps around the north, the east, and then to the south. Along with the Dynamite Foothills character, there were two documents adopted by Council. The first one was the actual character area plan, and what this did is it provided the goals and the strategies on how to execute the plan, and then the second one was the implementation program which was more ever a design performance-based portion of the document. And those were the two documents that were also used to review this application. Again, the dashed line is the Dynamite Foothills character area.

So this graphic shows existing zoning categories within that site and the reason this site is here is because staff wanted to point out that currently there are two properties that the City Council has approved, one is Atalon and Desert summit that have densities close to what the developer is proposing. These located further away from the Preserve than the actual subject site. The other element we would like to point out is the three remaining projects that you see on here. All have densities that are greater than the current proposal, but they all have a resort and spa tied to them. So this is a closer look at the site.

[Time: 00:56:49]

If you notice, the Sereno Canyon Resort Spa. The other orange areas are currently applications for subdivisions in the process of going through the process with the city. A closer look at the site, you can see that there are some high, some sensitive areas due to high slopes and there are also numerous washes located throughout site and, again, the McDowell Sonoran Preserve. So, again, the site is zoned R1-130 ESL, which is the zoning for the environmental sensitivity overlay. It gives it the flavor of how it is to be developed. There are for being requested with this, with the 462 acres. 151 acres of that is being proposed as R1-118 with the ESL. 116 acres of R-135 with ESL. R-148 at 183 acres,

9.90 acres that R1-70 and this is approximately how those zonings will be laid out. Again, this is the conceptual planning, the development plan.

Staff you will see in the report did request, or did tip so that this plan is a little more detailed further along in the process if the, in the Council does choose to approve this development plan. There's a lot of information here. And this is just in case Council did have questions but the important things to note is that currently, there's .31 dwelling units per acre and the Dynamite Foothills Character Area does state within the two documents that I presented earlier, that the existing zonings are appropriate to be able to execute the plan, and the applicant is requesting .96 dwelling units per acre.

Under current zoning, the applicant would be required to dedicate 179 acres of NAOS which is roughly 39% of the site, and the applicant has asked to be stipulated to dedicate 229 acres of NAOS, roughly 50% of the site. And, again, the 24 feet being maintained which another set of low structures as the Dynamite Foothills character requests.

This is a graphic that the applicant has provided staff that kind of shows approximately where these lots would be located. So if you look at all the areas with the number one on it, within those four areas there's 237 lots that will be located. Again, totaling to 443 lots on 462 acres, so .96 dwelling units per acre. This is the conceptual NAOS plan. As you can see, most of the NAOS currently being dedicated at least this stage of the project, is located in the washes. A majority of the remaining NAOS is being dedicated almost exactly the way that we saw in the General Plan in those green areas that you saw as open space. Not completely but close.

[Time: 01:00:05]

So staff has tipped that they would like to see, stipulated that they would like to see exactly how some further tail on how slopes are being protected. It's also important at this stage, I think, to state that the applicant has requested or at least stipulated themselves to have 150-foot buffer along the outskirts of the perimeter of the site adjacent to the Preserve ranging anywhere from 50 feet to 200 feet. And this does not show all the NAOS that will be dedicated by the project. The remainder of the NAOS will be dedicated as each phase comes through which brings us down to the phasing plan this is currently the phasing plan that the applicant has provided.

Again staff has stipulated a much more detailed phasing plan that we hope will include how improvements will come in, along with each phase. This is the applicant's conceptual circulation plan, and the applicant will be, has stipulated to do both onsite and offsite improvements. Now the on site improvements include the complete full street requirement of 128th Street and normally it's only required to have half a street improvement, and then the internal streets will all be required obviously by the applicant. I would also on the next slide, I will point out some of off street requirements that normally would not be tipped with the project such as, stipulated with project such as this because of the distance between them but the applicant lass requested to stipulate to those. And that's this slide here.

Throughout the last couple of years, staff has come up, or been identifying some concerns with east

Happy Valley Road from north Pima all the way to north Alma School. And that portion of the street, which is predominantly one lane in each direction has been approved to be considered by the Maricopa association of governments as possibly being a candidate for funding to be able to remedy this section. Again, that's separate from this project, but concerns in the past, we thought it was important to bring that up. The applicant will be constructing some type of a calming measure which hasn't been decided yet at the east Happy Valley and north Alma School area.

This portion in yellow, east Happy Valley Road, before it becomes 118th Street's that's currently one lane in each direction. The applicant will be constructing that to a two lane with a raised median. East Ranch Gate Road has been stipulated as going to be required to be designated as a minor collector. And, again, the applicant will be constructing full street improvements along the project along 128th Street. This is the slope plan that the applicant has provided staff. This is one of the plans that the staff will be using as this project goes along to ensure that the slopes are protected in the way that the Dynamite Foothills area requests. The area you see in white is one example that the applicant has chosen to present how that could possibly be lotted. And that is this graphic here. Two slides left.

[Time: 01:03:20]

The applicant is requesting to have a 443 lot subdivision plat over the entire 462 acres. They will be maintaining the 24 feet in height as required by ESL. Again, 179 acres of NAOS being required and 220 being proposed as dedicated. Increasing the density to .31 to .96 dwellings per acre. And there's been, as you read in the report, there's some mixed feelings of how the information that was provided in the development plans, and so this kind of sums up staff's report. There is definitely a benefit of master planning which is one of the reasons that the district itself requires all of those plans. There's, it removes uncertainty with infrastructure circulation and other such development improvements if something comes in master plan versus each individual parcel on its own. Obviously the strength in that is making sure that you have the appropriate signatures and authority of the owners and that the plan is strong in that.

And so the applicant has provided some documentation and our legal staff has reviewed it. And so if there's any questions on some questions that might arise on how strong that is, we can definitely answer those for you later. And, again, the 2001 General Plan densities is being maintained by this project which is why there was not a need for a major General Plan amendment. It's on the higher end of the densities being, the densities allowed through the General Plan, which means we meet the General Plan, but it does kind of contradict what is being requested by the Dynamite Foothills character area. There are multiple landownerships and since then, the applicant has provided documentation that has reduced the ownership to 4 and so it's been easier to be able to focus on people agreeing to the stipulations. Staff is requesting all the development plans to be provided with much further detail so that he can be sure that the proposed development plan can be executed. We'll be looking in the future stages to make sure that the steeper slopes are respected. And we wanted to point out the 150-foot buffer between this development and the Preserve. That concludes staff's presentation. We are here for any questions.

Mayor Lane: Thank you Mr. Murillo. I guess we have Mr. Berry representing the applicant.

[Time: 01:06:25]

John Berry: Mayor, members of Council for your record, my name is John Berry, 6750 East Camelback Road in Scottsdale. And unlike last evening, when we were here to discuss major General Plan amendments, this case is not a major General Plan amendment. In fact it's not a minor General Plan amendment. It's in conformance with the voter approved General Plan. Let me say that again. This case is conformance with the voter approved General Plan. Certainly one of the fundamental legacies of leadership and we are losing two Council people this evening, talking of leadership.

But one of the fundamental legacies of leadership in our community is that we have built our reputation and part of the reason that we are envied throughout the valley, throughout the state and even throughout the nation, is because we have lived this credo. Master planning is better than not. We have an opportunity with this 462 acres to take what once were 38 separate parcels. We have narrowed it down to four owners now and we can create a master plan.

This master plan shows the Preserve on three sides. Look at the green on there. That is 50% of the desert on this site will be untouched. 50%. That's 23% more open space, preserve desert than is required by the city's already very strict and stringent environmentally sensitive lands ordinance. I hope what else jumps out at you is that this open space is contiguous and aggregated and meaningful to protect the terrain and the desert. What else I hope jumps out at you is the street pattern. Look at the winding streets. It's not a grid pattern which is what you would get if this were a bunch of separate owners that developed willy-nilly, haphazardly.

[Time: 01:08:26]

What else I hope you noticed but it's hard to read is that along 128th Street, the entire 128th Street, is 100-foot untouched desert setback. Additionally along the Preserve boundary, and this project has 2.6 miles of Preserve frontage. And how are we treating that frontage? Unlike other master plan communities and unmaster planned communities in the city that take their developments up to the Preserve, because they get a view premium for having their lots up against the Preserve boundary. What are we doing?

We are stipulated to an average of 150-foot untouched desert setback along the Preserve for 2.6 miles that is the equivalent of the 47 acres, considered a de facto addition to the Preserve. There's not another development in the city that I'm aware of that has come close to that. We are doing this for where the overall density is still one less to the acre. Staff has talked about the Dynamite Foothills Character Plan. Let me pull three examples of what that plan calls for. This is a quote from the plan. It says, encourage development proposals. Doesn't say well maybe we should have development or not. It says encourage development proposals which exceed the amount of natural area open space required by the environmentally sensitive lands ordinance. We do that. 50% of the site, 23% more than required by ESLO.

The character area plan goes on to say, encourage. It doesn't say maybe we should do, it maybe we shouldn't. It says encourage large continuous areas of open space. And that's what you've got. Remember those ribbons of green and aggregated open space. That's what we've got here. It says that do that rather than small fragmented pieces. If you develop this, you get fragmented pieces of natural area. And finally into the Dynamite Foothills character area, it says transition adjacent to the Preserve using appropriate setbacks and open space an average of 150-foot untouched desert before you can have any type of structure adjacent to the Preserve for 2.6 miles.

[Time: 01:10:53]

How does this master plan community compare to the other wonderful master plan communities that have been approved in Scottsdale? This is just a handful of them. The Reserve is at 1.5 acres and Reata Ranch, and those do include a resort component but the overall density is as shown here and they can include a strong residential component. Troon, Estancia. We are the lowest density of any of these approved plans in the area and we meet the 50%, it exceeds the environmentally sensitive lands ordinance. One of the benefits that we have with master planning is that you can get more than would legally be required if it were not master planned what do I mean by that? Staff referenced it for a second.

Let's talk about transportation enhancements and improvements, if I can zoom this in. This is our site. As staff referenced our legal requirement is to approve a half street of 128th Street. And that's where the city put down asphalt over the dirt to get to the trail head. The private sector could not do that. What have we agreed to do? Do a full street improvement on 128th Street. So all visitors to the Tom's Thumb Trail Head will have a beautiful road to go down. All at the cost of \$2 million and our obligation is a half street but we are taking on a full street.

Additionally moving away from the project, this bottleneck at Happy Valley where it transitions to Ranch Gate Road, currently two lanes a significant bottleneck. We are paying for it in order to solve that bottle check and take it all to four lanes. Now, I want you to move, hear me out for a second. I want you to move 3.5 miles away from our project and we are going to solve another critical bottleneck, the transportation bottleneck for the city at the intersection of Happy Valley Road and Alma School.

All the traffic reports say all roads lead to this intersection and it needs to be fixed. That's true without our project. What are we doing? We are paying to fix it. I would also note on this graphic, that all of this area in green, when he would first did our transportation planning in this area, the Preserve was a glimmer in our eye. We have fulfilled that dream to a great extent, thanks to the efforts of people on this Council included. All of this area in green was originally anticipated to be one unit to the acre. We have bought over 1475 acres that will no longer be rooftops. That's the equivalent of over three of this projects being taken out of development in this area, that at one time were planned to be included in this transportation network.

Speaking of the intersection of Happy Valley and Alma School, thanks to your efforts last evening with the major General Plan amendment and rezoning where you took commercial zoning and eliminated it

and put in place residential as a result of your efforts you took off the table the potential for over 13,000 commercial trips that would have fed into the intersection of Happy Valley and Alma School Road to be replaced with our traffic impacts, again, a substantial change in the traffic paradigm in this area.

[Time: 01:14:37]

Mayor, members of the Council, in conclusion, it's often asked what are the benefits of master planning. It's self-evident. We get more Preserve desert. We get roads that are sensitively located. We get 47 acres of undisturbed desert adjacent to the Preserve. We have environmentally quality standards, and we have off-site transportation to mitigate bottlenecks that we are not creating but we are solving transportation bottlenecks that are 3.5 miles away from our project. We are improving 128th Street, 100% instead of the 50% required. The value of those transportation improvements are in the millions of dollars to the community.

Mayor and members of the Council, the character area plan summarizes what our task is, I think, pretty well. It says an important consideration when looking at development opportunities in this area is flexibility. It doesn't say this plan is a rigid document you have to follow. It says flexibility is the touchstone here. It goes on to say the needs of existing and future residents, including those that will enjoy the lifestyle of this master plan community, if you enjoy it and the needs of the landowners, my clients and the community at large, not just the immediate area. It's the community at large, should be balanced. The operative word is balance and we believe this master plan achieves that balance. Mayor, members of Council, I'm happy to answer questions or wait until after. I think there's substantial Public Comment. Thank you.

Mayor Lane: Thank you, Mr. Berry and, yes, there is. We will hold until we get through the requests to speak, the public testimony. Now, we do have some 20 plus requests to speak, and some of them combined time. So we are talking at the very least somewhere in about 60 minutes' worth of testimony. The only thing I would ask, if we can, is certainly we want everyone to say their piece but if there's an opportunity to take it concisely, precisely and to the point, and maybe without too much repetition but with your own personal emphasis, I would certainly appreciate it. All of this information is better received when we do it within a reasonable amount of time. So no requirement, no requests to reduce what we are talking about here. And I appreciate that because I was wondering as to what we might be confronted with, but at this time, some 20 plus is something that's manageable here, and I think we can get it. But I would ask for your intelligence in trying to keep it as precise and concise as possible. No need to take the full three minutes if you can get it said in less. I will start the testimony now with Mr. Cappel.

[Time: 01:18:17]

Robert Cappel: Mayor Lane, Vice Mayor Phillips, members of the Council, thank you very much.
Robert Cappel. I was thinking of changing the pronunciation tonight, but.....

Mayor Lane: You can still consider that, Bob.

Robert Cappel: Robert Cappel, 33600 North 79th Lane in Scottsdale and I'm here tonight representing Greater Pinnacle Peak Association. We're in an association that's been around for over 50 years, with our goals of preserving the Sonoran desert and enhancing the quality of life of residents in north Scottsdale. And we realize that this area, these 462 acres are going to be developed. We did have some concerns when this started out at the Planning Commission, with multiple owners. That's been largely resolved now. And the infrastructure cost which one again Taylor Morrison has stepped up for the roads, et cetera, which I think will be a big improvement. We do believe that doing this as a planned community is certainly preferable over doing it as a bunch of independent land segments. Taylor Morrison has shown that they are extremely sensitive to the Preserve and the desert lands with their buffer and their NAOS that they proposed here and keeping larger lot areas along the boundary of the Preserve. So for those reasons, we are supportive of this change in zoning and we support this Ordinance 4181 that's here tonight and also the resolution to name it Cavalliere Ranch, 9971. Thank you.

Mayor Lane: Thank you, Mr. Cappel. Next is Victor Sidy and he has donated card from Dottie O'Carroll. Four minutes.

[Time: 01:20:40]

Victor Sidy: Thank you Mayor Lane and Councilmembers my name is Victor Sidy, I'm with the Frank Lloyd Wright Foundation and the School of Architecture. Every once in a while, there's a project in our neighborhood that we are interested in speaking about, and in this case, I'm happy to say that we actually do support this master plan process and the proposal in front of you. We are very aware of the critical junction that this particular site has within the overall preserve and I think that we would like to commend the planners who came up with the plan, the amount of open space that is stipulated there. I wanted to mention that, you know, we do pay a lot of attention about this, after Taliesin West, I think that's the case with many residents in the Scottsdale area. I also was privileged to work with some of the original authors of the ESLO document, and knowing them and knowing the spirit with which the ESLO ordinance was made, I think that this plan very much supports that. I think that we have seen the advantages of the plan. I don't need to speak too much more about that, but I do want to, you know lend our support for the project as an architect and the future of the environment and the natural environment in the area. Thank you.

Mayor Lane: Thank you. Next is Gary Kalian, who also has some donated time from Roger, or Rogene Powers. Four minutes, please.

[Time: 01:22:36]

Gary Kalian: Mr. Mayor, and members of the Council. My name is Gary Kalian. I live with my wife at 24742 North 117th Street in Scottsdale. We live very close to the intersection of Whispering Winds and Happy Valley Road, which will be important later in any comments. Mr. Mayor and members of the Council, please do not vote on this item tonight. Send this item back to the Planning Commission with instructions to do their job. First, let me discuss the lack of time that interested members of

public had to respond to the Planning Commission's final report. Even though it took two months for the Planning Commission staff to prepare the final report, we were given less than 24 hours to review the 260 page report. In addition to the two months that the Planning Commission staff took, there were two other two-month cycles from the time the original application was submitted, the preliminary review was done, and the applicant recommitted the project. It bothers me that we were given less than 24 hours when these three steps took two months a piece.

Second, I would like to comment about the Planning Commission's staff, lack of response to Public Comments. Interested members of the public appeared at the work sessions and appeared at the Planning Commission meeting. It is my belief that the Planning Commission was swayed by the idea of master planning. At no time did the Planning Commission consider whether the project is the right thing in this location. And finally, I want to address traffic. The applicant has spoken about the bottleneck at Happy Valley Road. We don't look at it as a bottleneck. We live right close to it. We look at it as a racetrack.

It's interesting to me that the applicant and the staff have decided to expand Happy Valley Road from Whispering Wind to Ranch Gate to four lanes but no one has addressed traffic on Ranch Gate. There's a trivial comment in the Planning Commission report that the streets are adequate, and I submit you to Ranch Gate is not adequate. It is a 24-foot wide country road there. Is no room for bike lanes. There is room for sidewalk but they have not been constructed. What's interesting to me is that the traffic surveys suggests that there will be thousands of trips on Ranch Gate. It's also interesting to me that nobody has talked about improving Ranch Gate from the end of Sereno Canyon out to 118th Street.

Mayor Lane: We are out of time if you could wrap it up quickly.

Gary Kalian: So because of these reasons and many, many more, because there's eight pages of stipulations, I urge you to send this back to the Planning Commission and let them do their job. Thank you.

Mayor Lane: Thank you, Mr. Kalian. Next is Kathy Littlefield. I might also say Councilwoman-elect.

[Time: 01:27:26]

Kathy Littlefield: Thank you, Mayor. Mayor, City Council, I'm Kathy Littlefield, I live at on East Sheena Drive here in Scottsdale. The problems that are created by this project are many. And they have not been solved yet. Just a few of them, the applicant is asking for three times more housing than is currently allowed, but the zoning they are asking for would allow for 4.5 times the number of houses allowed. Once the rezoning occurs, the current and future owners of this land can build to the maximum allowed. The transportation problems as previously discussed will occur over the next few years and they are tremendous. Patching the existing out-of-way roads will not handle the thousands of trips per day that will go through Troon via Ranch Gate to 118th Street and then to Pima Road.

When the already approved Sereno Canyon is built, the additional trips per day or more than 7,000. This exceeds capacity of these roads and they will all have to be expanded at city expense to enable them to carry such a heavy burden. During one of the Planning Commission meetings, it was admitted that the construction trucks during construction, would all come and go through the center of Troon North, probably for the next 15 to 20 years, because that is the time frame for the construction for all the different parts of development.

You would be putting the residents of Troon North under a sentence of noise and commotion every single working day during that 15-year minimum time frame. In the last, in the past, our city has grown and developed with an eye toward keeping our neighborhood and our open areas in line with the highest living standards that we can devise for both our residents and our tourists. This has worked well for us and has given us a world-class reputation for being the best of the best in the west. But it didn't happen by accident. It was planned over the years by residents and city staff to develop a carefully crafted plan for the entire city so that continued growth could augment what we are and make us better.

As Councilmembers, it is your duty to preserve these values, which means so much to our current residents. Time after time, I have watched you vote against the residents and for the pro height and density developers. This time, if you do so, without taking consideration of the problems that this will cause. Not to put too fine a point on, it I urge to you stop selling Scottsdale out to the highest bidder at the expense of the people who live here. Hold to the terms of your current General Plan and keep our city special. We don't need to be all things to all people. Stay true to what we are and who we are. We truly are a unique city with a special quality all our own. Vote to deny this request and uphold the Dynamite character area plan, which says existing density as defined by existing zoning is appropriate to the area. Thank you.

Mayor Lane: Thank you, Ms. Littlefield. Next is Todd, and pardon me, I'm not sure exactly what I have got here. It could be Hoff. Sorry about that, Todd.

[Time: 01:31:16]

Todd Boffo: Thank you for your time, Council, and everybody that's come out tonight. My name is Todd Boffo and it is a hard name to pronounce. JFK said something interesting about change. He says change is the law of life and there's a look only to the past, or present or future. When looking at this development, it is definitely a unique opportunity to do something a little bit different, but to also master plan the 400 plus acres of that north area and also to preserve and to keep the natural area and open space. This plan does allow for the keeping of the wash and wildlife corridors which will help wildlife stay in their traditional habitat.

But I think there's other, three main areas that stuck out to me. In the past few years, we've had a number of things go on in our economy, you know, number one, I think, is it does create jobs. You know, developers got hit really hard the past seven years. But it's not just developers, developers represent whole community that represent builders. They represent laborers, they represent

electricians and people that do HVAC. All of these things have an impact and runover and this is something that's good and creates jobs and helps to touch the average guy and the average girl that do these jobs to help, you know, develop this area.

Also, it does bring in much needed housing, bring much needed housing into the valley which we all know it's going to be needed in the future. And then lastly, it also allows to begin with the end in mind. Building with then in mind, not just a single house but to do in a responsible and accountable way. I urge you to support the building and zoning for Cavalliere Ranch. Thank you.

Mayor Lane: Thank you. Next is David Weston. And he will be followed by Steve Martori.

[Time: 01:33:23]

David Weston: Mayor, members of the Council, I'm David Weston, 124195 West 91st Way Scottsdale. This is a way to develop a Preserve environment. The big thing here is the master man. The benefit of that is not only just the Preserve, the buffer area around the outside, but the infrastructure that's going along with it. They have a developer with the financial horsepower to come in here and essentially give or gift the city the Happy Valley improvements, the other roads going around it, and also preserve, like you say, the 150-foot boundary around it. There's not oftentimes where you get a development like this, or developer that has this type of master plan long term and the financial horsepower behind it. I very much encourage approving this project.

Mayor Lane: Thank you, Mr. Weston. As I said, next is Steve Martori. Going once, twice. Okay. Then it would be Chris, this is a matter of interpretation. You maybe have the handwriting of a doctor but.....

[Time: 01:34:55]

Chris Buttenob: Good evening, my name is Chris Buttenob. I reside in Scottsdale, Arizona. My family and I have resided in Scottsdale, area in that ZIP code for 20 years. We value the Preserve frequented often and more importantly, the zoning request will ensure that there will be an adequate buffer between the development and McDowell Sonoran Preserve. Furthermore, it will provide continuous trail throughout all the properties. As a Scottsdale resident, I encourage you to support the zoning request at Cavalliere Ranch.

Mayor Lane: Ron Coleman, followed by Roy Garibaldi.

[Time: 01:35:45]

Ron Coleman: Thank you, my name is Ron Coleman and I'm a long-time resident and business owner here in Scottsdale. In fact, my family homestead here in the valley in the late 1800s and came out in a covered wagon homestead on 160 acres about 20 years before Arizona was a state. So in the '50s, my mom's very first job after graduating from Arizona State College at the time, was a brand new elementary school right around the corner called Pima Elementary here in Scottsdale. Obviously my

family has seen a lot of change here in Scottsdale and I just have to say with all of that growth, we are incredibly blessed to call Scottsdale our home and to be a part of the community that not only is the best community here in the valley, but obviously one the finest cities in the country and I strongly believe that. Scottsdale has a well-earned, in my opinion, reputation for balancing quality growth and a concern and a respect for our desert which is incredible unique and beautiful.

I'm incredibly grateful for previous city governments, who have taken on controversial cases like this and made very wise and thoughtful decisions on projects that now have been built and really give us the Scottsdale that we all enjoy and I'm speaking of projects like the Scottsdale Neiman wash, and the Scottsdale Fashion Square, and WestWorld and all the resorts and planned communities like in the '70s, McCormick Ranch and Estancia and Troon, none of which, frankly would happen unless there were Councils that were able to see, I think, the benefits of what you heard earlier, master plan community, planned community development, versus hopscotch, individual large lot that would occur in the area without planning. I think there's huge benefits to planning. I would encourage you to continue that legacy as a Council. I think this is a good plan and this plan does exactly that. I would appreciate it if you would vote yes for this. Thank you for your time.

Mayor Lane: Thank you, Mr. Coleman.

[Time: 01:38:01]

Roy Garibaldi: Thank you, Mayor, Councilmembers. I have been a resident of north Scottsdale since 1993. My name is Roy Garibaldi. I spent 10 years in the Grayhawk golf course community and now reside at Scottsdale and Road and Pinnacle Peak. You know, I'm excited about this master planned community, Cavalliere Ranch. Not only that's why I came but I'm even more pumped up now that I have seen it again and in person here is to get an opportunity to see just how much this developer cares about our land and the extra 23% of preserve property that they wanted to save for us.

My only concern at this point is some of the things that I have been hearing really seem to disgruntle me. I watched from '93 on Troon North be developed. There were a lot of people that were really disgruntled about taking advantage of that Preserve property, but those people live there now and they have been there a long time and now we are looking to expand and bring good people and good families here to Scottsdale, to north Scottsdale. And those people who stepped on that property, and that Preserve land, it was okay then. But it's not okay now to come into their property, because it's theirs now. It's not. It's the new families. We need new families. We need new people who want to come here and make Scottsdale, Arizona their home. On behalf of the people I have come here on behalf of, I want to say that Cavalliere Ranch is without a doubt a positive, and a huge improvement to a master community plan in north Scottsdale. Thank you for your time tonight.

Mayor Lane: Thank you, Mr. Garibaldi. Next is Wilbur Chew. And he will be followed by Lance Messick.

[Time: 01:40:13]

Wilbur Chew: Mr. Mayor, and Council, thank you for my time. I have been a resident of Scottsdale going on 30 years now. Currently I reside at 8928 East Wethersfield Road in Scottsdale. Prior to that I was up on Scottsdale Mountain. And I have hiked and been in many parts of the reserves and deserts around here. I truly believe that Cavalliere Ranch will be a good asset to the City of Scottsdale. It will bring in quality people and it will also bring in a lot of extra jobs within the area. Thank you for your time.

Mayor Lane: Thank you, Mr. Chew. Lance Messick. Followed by Howard Myers.

[Time: 01:41:21]

Lance Messick: Thank you, Mayor, Vice Mayor and Council. My name is Lance Messick. I live on East Raintree Drive in the McDowell Mountain Ranch with my family. One of the main reasons we actually decided to move to that area was the responsible development such as the Cavalliere Ranch is presenting. It's a similar community and every day we are just impressed and we have been there for 12 years and we are still impressed with the way that they integrated with nature by preserving the natural landscape in the area. I give kudos to the developers of Cavalliere Ranch for doing their part by coming one a development that can coexist with the natural landscape. Development is going to happen, and it should be by the developers that have done their homework and respect the surroundings and I strongly encourage you to support the zoning requests at Cavalliere Ranch. Thank you for your time.

Mayor Lane: Thank you Mr. Messick. Next is Howard Myers. He has some donated cards from Bonnie Hall, Cathy Coker, Jim Davis. We will go with five minutes.

[Time: 01:42:51]

Howard Myers: Howard Myers. This project sounds so great, I don't know what could be wrong with it. Master plan is good and offers advantages, I will agree with that. However, Cavalliere Ranch is the poster child for why we have character areas and should honor them. It identifies some big loopholes in the General Plan and allows three times density increase and negatively impacting neighborhoods to somehow escape being a major amendment. There's also an excellent example of why more detailed plans are required to even prove that they can accomplish the plan.

Other master plans that John compared everything to, either had a resort component or other public amenities or services that did provide some benefit to the city, beyond just throwing houses in there. This one does not provide any one that justifies such an increase. And the increase is three times. That's what everybody keeps saying. Many of them started the zoning of R1-43 which defines how much units they could have and they had significant environmental features which requires to push the homes on to the smaller lots, which made sense because you are reserving the features. This land is starting off with R1-30, which is one home per three acres which makes it allowable for 154 units. You are entitled to many more units making it more difficult to preserve sensitive lands.

This little diagram I have here is kind of shows you just how difficult this area is to develop, all the yellow and green are sensitive slope areas and you can see that's the most sensitive area in the entire region up there to develop. The site plans have improved the number of lands they are requesting and the staff report kind of acknowledges that by saying the increases in intensity that have steeper slope areas and achieving the pro density and property is not guaranteed and must be demonstrated in a more detailed master plan. All proof that this land really can support number of units they want.

They must prove the requested density could be achieved with the restrictions and promises of open space and by the way, as low as a lot of restrictions in that will provide a lot of open space, including 40% washes and the slope areas. The current property owners are really only entitled to what the zoning was when they bought the land and that's R1-130, any increase is a gift from you people in the city. It increases the value of land before any development and once sold to a developer at a higher price it makes it more difficult for the developer to implement the required infrastructure.

[Time: 01:45:33]

You are much better off dealing with the developer themselves who are actually going to build on the property. What are some of the major, oh, by the way, before I get off of that subject, this is an area of Troon, and it shows you the difference between R1-18 which are all of these little pack things down here and R1-70, that's one home per two acre as one home per three acres. Look at the amount of open space and there and the amount of open space here even considering the environmental features being protected here and tell me that's a lot better plan.

The traffic turns out to be one of the big issues. I know a couple of people have mentioned, it but this area is one remotest in the entire city. It's surrounded by Preserve on three sides. It really only has one access to go in and out that will be Ranch Gate which is this road here. Unfortunately, it's already approved up zoning for Sereno Canyon. The only route is the green route, which is Happy Valley and 118th Street and the bottleneck Alma School and Happy Valley. Happy Valley west of there has to be improved also. So the developer is throwing in some money for a couple of improvements, the intersection here, widening the road here, and maybe widening the road here, but that's not going to near cover all the improvements that are really necessary to support this project and the others have you approved also.

Master planning can produce good results but the only thing about this case is it has a master plan. There's no guarantee it will be implemented. There are ownership issues which are beyond what I can talk about in a few seconds. It triples the density in a remote and sensitive area. 1.5 times would be better. As adjacent to the Preserve obviously and we always asked for in the General Plan the lowest possible residential density. It's increasing it by three. Traffic issues not addressed, degrades the existing neighborhoods and property values in Troon because traffic going through this, a lot more traffic will degrade the property values of people living along that road and even in from it somewhat due to noise and congestion. It reduces the city's inventory of large lots. I mentioned some of that and it had to do with economics. Total change to the area is character and direct opposition to the Dynamite character plan and having a master plan does not compensate for the negatives to justify a three times density increase. Give me a break. There are incentives you can

give them. There are density incentives in ESLO, you can give them one and a half times for master plan and the other improvements, not three times. It doesn't belong in this area. Thank you.

Mayor Lane: Thank you, Mr. Myers. The next is, I believe, it's Ronn Maxwell. Followed by Rick Ueable.

[Time: 01:48:50]

Ronn Maxwell: Hello, my name is Ronn Maxwell. Thank you, Mayor and Council for allowing me to speak. Unlike a lot of people here, we are new to Scottsdale. My wife and I live, we live out on north Scottsdale off of Cactus Road but nevertheless, one of the main reasons we moved here besides the climate, of course, and the climate for success was also the value that Scottsdale brought to us and the beauty that is here, with the way the city has incorporated business and development and yet protected the environment which was very much, which was very important to us. So to keep it short, I want to say that we believe that this project has done well to encompass those challenges. Obviously, it's put together for success that will bring jobs. It will create better traffic patterns, but for us, and me and my wife, it's much more important for long-term effects of environment that looks to me that they have done their studies properly. They planned properly, and it will be a beautiful place not only for this generation, but for generations to come. And we support it. Thank you very much.

Mayor Lane: Thank you, Mr. Maxwell. Now, you said close enough. Rick.

[Time: 01:50:14]

Rick Ueable: There's so many vowels in that name. Thank you for your time, I can do it in a minute and a half my name is Rick Ueable and I have offices at 7729 East Greenway Road. We are in the fast food restaurant business. We employ about 450 people in the area. So we are very concerned about the quality of life as we continue to see Scottsdale develop. I have been fortunate enough to be to be a landowner in the Pinnacle Peak area with different partners on and off for over 30 years. 1983, I think is when we bought our first parcel up there. And as I try to get up to the 30,000-foot level and look at this area, over the last 30 years, the one thing I can tell you is that the reason that it's a world-class area to live in today, is because of master planned communities. There is, there's no way in the world that if this area had developed piecemeal as it is currently zoned that it would have been anywhere near the type of quality community that it is today. We should be thankful for groups like the Cavalliere group that are putting projects like this together, similar with desert highland and Troon, and Troon North and other things in the area have really created what we can all be very proud of today as north Scottsdale. So I encourage you to pass with flying colors this proposal. Thank you.

Mayor Lane: Thank you, Mr. Ueable. The next is Oliver Smith, followed by Olie Swanky.

[Time: 01:51:49]

Oliver Smith: Good evening, Mayor. Good evening, City Council. My name is Oliver Smith. I reside at 9871 East Cholla in Scottsdale with my wife Amy and my three kids. I opened a jewelry store here in 1985. I'm a small business owner and in 1997, I was having, I found myself having dinner with three City Councilmembers, Richard Thomas, Dennis Robbins and Jim Burke. And at the time, the freeway was coming through the 101 right next to my store on Via Linda. And Dennis Robbins looked at me and said, hey, Oliver, you've gotta move! So I would like to thank Dennis for his sage advice and for his service to the Council, because I know how much time it takes all of you for this job, and he's been a family friend and a great leader for Scottsdale.

I'm here to speak in positive about this project. I really like the development. The past eight years, I sat on the board of the McDowell Sonoran Conservancy, two years as the chairman of the board and I'm cognizant of the urban plans that go on next to the Preserve. I'm speaking to you tonight only as a private citizen, but I encourage you to support this proposal. Thank you very much.

Mayor Lane: Thank you very much, Mr. Smith. Olie Swanky, I believe it is. Followed by Ken Clark.

[Time: 01:53:37]

Olie Swanky: Mr. Mayor, members of Council, I'm Olie Swanky. I live and work in Scottsdale. I'm here in support of this project. For 42 years, I have watched development in the valley. I have watched the whole valley grow and some of these developments are better than others. North Scottsdale generally has done a very good job and today we enjoy the benefits of better roads, better schools and closer proximity to medical services, religious institutions and finder shopping and good restaurants and all of these things that come with careful methodical development. And Scottsdale, I think has the reputation of enjoying these benefits today and I think we should support this development because from my experience, this is the most beautiful one that I have seen come along. So I support it, and I recommend that you do the same.

Mayor Lane: Thank you, Mr. Swanky. Ken Clark. Followed by John Shultz.

[Time: 01:55:01]

Ken Clark: Mayor, Vice Mayor, City Councilmembers. Good news, this is going to be short and sweet. I think my partner covered my thoughts also. I live here in Scottsdale and I have a business at 7729 East Greenway and being his business partner, we have 450 employees. We are very much concerned what goes on in the City of Scottsdale. I have never met Mr. Berry, never spoken to Mr. Berry. But I need to saddleback him on what he said about master planning. One thing that has impressed me with the City of Scottsdale for 40 years is the master plan neighborhoods. They are the only way to go. They protect so many others, not just the people living there but everybody else in the surrounding area. So I just want to encourage the Councilmembers to support this project. I think it's one of the best projects I have seen, I hate to say it, in ten years. Thank you very much.

Mayor Lane: Thank you, Mr. Clark. Next, John Shultz, followed by James Heitel.

[Time: 01:56:08]

John Schultz: Mayor Lane, Councilmembers, John Shultz. I have been a resident of Scottsdale and Paradise Valley for over 40 years now. My business has been located in the City of Scottsdale for 28 years and I'm proud to say I think the City of Scottsdale is one of the greatest places to live in the country. Many of the previous speakers have addressed some of the great things that have happened in this city over the years that make it the great place to live that it is. And you look back in the late '60s and the early '70s and what was developed and planned through the Indian bend washes and McCormick Ranch and all of the inner city development, and then in more recent years moving up into the north desert areas with D.C. Ranch and Grayhawk and the other great communities that have been developed. Without these master plan communities, and all the money that comes from them to help develop the road systems and all the other infrastructure that's so important to our city, that wouldn't happen. I think the plan that has been presented is extremely sensitive to the McDowell Mountains, the Preserve and I am a supporter of it and I encourage you to support it as well. Thank you.

Mayor Lane: Thank you, Mr. Shultz. James Heitel followed by Eric Lashley.

[Time: 01:57:28]

James Heitel: Thank you, Mayor and Council. Thanks for the opportunity to speak with you tonight. I'm James Heitel, 8485 East Dixileta. I have been on many boards, commissions, currently chair of the McDowell Sonoran Preserve Commission but I'm here as a private citizen tonight. Tonight, you are going to be asked to enrich a group of land speculators by tripling the value of their property. This will be in return for a project that provides absolutely no benefit to the citizens of this community, but arguably will cost them money in the short and the long term. You are being sold, I'm hearing a lot of talking points tonight about how great this is, because it is a master plan and that entitles them to the passage of this application.

One thing seems to be getting forgotten in this whole thing, we do have a master plan and it was actually approved by the voters. It's called a General Plan and that General Plan has definitive character areas and endorses the Dynamite Character Area Plan, the Dynamite character area preceded that General Plan, and was endorsed by the voters. So to accomplish this request of the applicant you are being asked to completely redefine the concept of rural neighborhoods by redefining it down to five simple words, one dwelling unit per acre and forget the rest of the dialogue in the General Plan about rural neighborhoods.

[Time: 01:59:02]

You will be completely gutting the concept of character-based planning it was the backbone of that General Plan completely ignoring the clear planning concept in the Dynamite Character Area Plan, which required, which strongly encourages demand to remain especially adjacent to the sensitive Preserve areas whether inadvertently or advertently if you approve this, you will be sending a Clarion call to land speculators far and wide to find yourself a low density parcel in Scottsdale and you will be

guaranteed one unit per acre and you can make some big dollars.

Finally, you will cause some serious harm to the McDowell Sonoran Preserve. I have a couple of simple requests, I won't go on very long. If you do choose to approve this I would appreciate the courtesy, each one of you, that do choose to approve this, to explain to all of us why you are trashing the rural neighborhood concept and 9 character area definition as required by the voters. And my second request really is to the applicant anticipating his concluding remarks. At the Planning Commission, I heard him go on at length waxing eloquently about the unfortunate souls who choose to oppose this sort of neighborhood destruction. We are old fuddy duddies living in the past. We hate development. We want to shut the door now that we are here ad nauseam and so on and so forth. I get challenged when ordinary citizens are demonized for feeling invested in this community. Call us naive for investing our life savings in a rural area but we are concerned about the precedents you may create tonight. So spare us that condensation if you will. I don't know if I have any more time.

Mayor Lane: No, you don't. If you could wrap it up, Jim.

James Heitel: Thank you.

Mayor Lane: Last and final is Eric Lashley.

[Time: 02:01:30]

Eric Lashley: Good evening.

Mayor Lane: Good evening.

Eric Lashley: Mayor Lane and Vice Mayor and all the distinguished members of the Council, my name is Eric Lashley, I live at 6895 East Camelback Road. It's quite interesting, I'm being the last person to speak here, because I'm probably the least, the shortest amount of tenure in the community. I just moved here. Probably about nine months ago. And I moved from Chicago and my wife and I, we love it here! You know, we just went back home to visit for Thanksgiving, and we told everybody there, we went back to Chicago we told everybody how Scottsdale is our new home.

Scottsdale is our home, because there's balance of beauty and warmth, coming from Chicago, but there's a balance of community, and one of the things that we liked about this project is that it actually maintains that balance. I think it's very important. You know, I have heard all the comments of all the people that have gone before me and, you know, there's pros and cons and everybody has pros and cons, but I will tell you from a new person's perspective, I think what they are doing and how they are going about it is the right way. I think when you are coming to a new community, you are looking for a future, and the future we see here is because there's development and with development, there's change and with change there's challenges.

But I think this project from everything that I have seen, from the work that's been done and from the

pros and cons that I have heard in this Council, I think it's the right thing to do. It's the kind of environment that my wife and I are looking for. It's kind of place that we want to encourage our friends and families to move to. And I think you have to have those kind of places. I encourage you and I wholly support this development project. I think you need to consider that as you are looking to invite more people from other parts of the country in into north Scottsdale. I could have lived anywhere in Arizona but I chose north Scottsdale because I think this is the right place to be and this is the right type of project that gets my vote and encourages me to encourage more people to come here and be a part of this community. I'm glad to be a part of this community. I know you folks have made some great decisions because I like what I have seen so far and I expect that you will make a great decision tonight. Thank you for your time.

Mayor Lane: Thank you Mr. Lashley and welcome to Scottsdale. So completes the public testimony of the item. Mr. Berry, if you have a few short remarks to respond to any of that.

[Time: 02:04:08]

John Berry: Mayor, members of Council, yes, a couple of quick things. There was some discussion about character area plans and their import. These are from the Dynamite Foothills character, they are not master plans or character area plan. The character area plan talked about flexibility and not rigid guidelines. So hear some of these speakers, you would they that they were not guidelines but requirements. It goes on to state the character plans are not a means to control or regulate specific properties or proposals. The character plan itself is not binding regulations. So they are guidelines. How do we stack up with those guidelines? Again, several speakers talked that we are not living up to the requirements of the character area plan. This list, I'm not going to go through each and every item, but it lists out the guidelines, major guidelines from the character area plan, and we just go through and describe how we comply with each of them and I could go through in great detail if you want me to, but I don't think that's how you want me to spend my time.

One of the speakers noted that this density comparison table we were clearly the lowest density in the area. That these had started out some of them as one acre zoned R1-43 properties. Not the case. Here are each of them. None started out as R1-43. Many were, in fact, 5-acre zonings and some folks talked about there were no benefits to master planning in Scottsdale. This is my list. You had a list of I think 16 speakers including the head of Taliesin and Oliver Smith? If there's someone who knows the Preserve and the importance of preserve in our communicate, it's Oliver Smith and you have Ron Coleman, whose family goes back to the 1880s and you have Bob Cappel who is no shrinking violet of what's going on in the city. He's supporting. This you have a group in this community across the board who feel strongly what has made Scottsdale a great place is that we do believe in master planning. And this is the poster child for appropriate and sensitive matter planning in north Scottsdale. Mayor, members of Council, I'm happy to answer any questions you may have. Thank you.

Mayor Lane: Thank you, Mr. Berry and I thank everyone for their testimony here tonight on this subject as well. It brings us to a point. We've had the testimony. We've had the presentations from the city and from the applicant. Do we have any questions from the Council? Seek them now.

And we'll start then with Vice Mayor Phillips.

[Time: 02:06:46]

Vice Mayor Phillips: I don't know if you noticed, I'm always the first one to get the questions rolling. It's kind of strange. Mr. Berry, the applicant is going to do these road improvements and I'm curious as to when these road improvements are going to happen.

John Berry: Mayor, Councilman Phillips, the stipulations provide two trigger points. One is if and when staff requests an in lieu payment and the second is if we are going to do them ourselves as opposed to having the city do them, the stipulation specifies, give me a second here to look at the stip. We are required to prepare one of the master circulation plans. There are eight master plans that we have to submit to the city as part of this, everything from the environment, water, sewer, one of those is transportation. So along with that master circulation plan, we will deal with street improvements to be completed with each phase. Public improvement shall correspond with stipulation number 11 below. So what we will be required to do with that master circulation plan before we can have a building permit issued or do anything else is sit down with staff, go through the timing that they see that is appropriate for those circulation improvements. So that will be done as part of the master circulation, transportation plan, which is stipulation 1b in your stipulations.

[Time: 02:08:16]

Vice Mayor Phillips: Okay. So I don't know what staff's opinion of that was, what I would like to see is the roads get improved before the construction begins, and the reason for that is, you know, bulldozers and cement trucks going up Happy Valley Road when it's a single lane, is a pain. In fact, I would prefer that they took Dynamite Road. I don't know if there's a back way in, but you know, Happy Valley Road and cutting through the neighborhoods with the big trucks seems like a really bad idea. So I think that's something that staff should look into before this gets rolling. Let me see. Also at that intersection at Alma School and Happy Valley Road, what was going to happen at that intersection? Are we going to put a roundabout, a traffic light or is it still four-lane, four-way stop.

John Berry: Mayor, Councilman Phillips, again, the stipulations provide in stipulation, I believe it is 11, provides that the Happy Valley and Alma School Road intersection requires that we enhance the existing stop controlled intersection by constructed roundabout or traffic signal. The design shall be based upon traffic engineering analysis at the intersection using volumes included in the traffic impact study provided by the City of Scottsdale. So the stipulation provides that we have to make those improvements as suggested by staff if they are talking about a roundabout or a traffic signal with no decisions being made yet.

Vice Mayor Phillips: The developers are going to be covering that by the staff recommendations you are saying?

John Berry: Mayor, members of Council, Councilman Phillips, yes.

Vice Mayor Phillips: Yes. Let me see, I covered those two areas. I know this is going to pass. I mean, it's kind of a given, you know, developers, this is not the first time it has happened and it's not the last. They make money and they sell, and the next guy comes in and we up zone a little bit more and they up sell. I have been doing construction up there for 20 years. So, but one gentleman made a comment earlier and I appreciated that, was maybe there was not enough public input on this, and maybe there's other things and other factors that need to be discussed before we do approve this. So I would at least, instead of voting no, I would like to move to table this Ordinance number 4181 until more public input has been established, and more input from staff.

Mayor Lane: Is that a motion?

Vice Mayor Phillips: I guess my second took off. Bob being come back! Motion dies for a lack of a second. Kathy come on up. You can start early.

Mayor Lane: The motion does die for a lack of a second.

Vice Mayor Phillips: Wow. Well, there you go. Thank you.

Mayor Lane: Thank you, Vice Mayor. Councilmember Korte.

[Time: 02:11:40]

Councilmember Korte: Thank you, Mayor. Can staff speak to the lack of time that one of our citizens came, talked about, lack of time, lack of time for response by the residential community.

Current Planning Director Tim Curtis: Mayor, and Councilwoman Korte, Tim Curtis with the Planning Department. The standard process with the Planning Commission report packet went out Friday in advance of the Planning Commission hearing and was posted per our standard procedures online. What had happened on, I think, Monday or Tuesday was a courtesy email reminding a, an email that said we have the upcoming Planning Commission with a link to the report. So some of those people with that courtesy reminder didn't click on the report until they received that courtesy reminder a day before the hearing.

Councilmember Korte: Okay. Thank you. Regarding traffic. There was some, there's concern around Ranch Gate, and I don't see where the applicant is looking at improving Ranch Gate. Can you talk a little bit about the, that collector street and what type of traffic is going to be experienced there and is that something that we possibly need to look at?

John Berry: Mayor Lane, Councilmember Korte, Ranch Gate Road is currently designated on the Transportation Master Plan. I will see if I get this right as a local collector. Staff has recommended in their stipulations that it be changed to a minor collector, the amount of pavement on that street remains the same, but when it's changed to a minor collector, it will require that adjacent development cannot put individual house home driveways on to Ranch Gate Road. As a local collector, you have the right with that cross section to put your driveway for your individual home on

to Ranch Gate Road. All of that land on the north side of Ranch Gate is owned by the state land department and I can't think of anybody in the world that would put a driveway on to Ranch Gate Road.

Additionally that change in the designation to a minor collector will require that where you have those streets that intersect that you put in a turn lane to allow traffic to not hold up traffic that's moving and allows the other traffic to move freely and to have turn lanes. Those turn lanes will be provided as development occurs adjacent to Ranch Gate Road and most of that development has occurred on the south side of Ranch Gate Road, and the north side of Ranch Gate Road, there's all state land and when that is sold, the city will require that they make those types of improvements whoever develops that land. The short answer is by reclassifying those lands or that close section, it has more than enough capacity to handle the traffic in the area. That's as far as I go as a traffic engineer but I did sleep at a Holiday Inn Express last night. Maybe Paul Basha could add to that.

Transportation Director Paul Basha: I have nothing to add.

Councilmember Korte: Thank you for that, Paul. We really appreciate that.

John Berry: Obviously, he got no sleep last night.

[Time: 02:15:22]

Councilmember Korte: Well, and he's not an attorney either. So I would like to just make some comments here. Because I'm going to be voting for this zoning change and many of you have lived here for many, many years, and appreciate Scottsdale and I have lived here many, many years and can remember the controversy around Troon North and the development of Troon North and Troon and Estancia and cutting off access to Pinnacle Peak and McDowell mountain Ranch and D.C. Ranch, all of those master plan communities came with great controversy. And that is where I come down to my decision is the value of this master plan. I think the meaningful open space is number one, 50% versus 39%, and the fact that we are creating another 47 acres of basically preserve land to buffer the Preserve.

The argument that this is going to undermine the Preserve, I do not believe that that is true. The fact that this master plan will create alignment of roads with the geography and with the natural ecosystem, and other transportation improvements, provide a good reason to support this. The buffering, of course, to the Preserve. And you know, we can talk about rural neighborhoods and rural neighborhoods whether it is one house per three acres or 2 acres or 1 acre, but we are still looking at those rural neighborhoods, those checkerboard development. And checkerboard development is not conducive to natural ecosystems. Checkerboard does not preserve wildlife corridors or natural training systems or natural washes. This master plan will unify development standards and it will preserve the quality of life in the area. It will preserve property values and those are many, many reasons to support this. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Klapp.

[Time: 02:17:44]

Councilwoman Klapp: I did have one additional question about transportation, if Paul Basha can come back. I think it was touched on but I want to ask you specifically. I received emails, we heard comments tonight about the capacity of the roads out there, to handle this development. And with the improvements to the road systems that are being proposed, will the road system leading to this development be taxed beyond its capacity?

Paul Basha: Mayor Lane, Councilman Klapp, again, I'm Paul Basha the Transportation Director. The roads can accommodate this development, they are planned for developments like this. Happy Valley Road currently is one lane per direction between Pima and Alma School for most of its length. That road is scheduled to be widened to two lanes per direction, sometime in the future, when that occurred, that roadway will be able to accommodate this development.

Councilmember Klapp: Thank you.

[Time: 02:18:50]

Mayor Lane: Thank you, Councilwoman. I would add to the fact that I'm always a little concerned where someone is offended in the process Mr. Heitel's comments being called a fuddy duddy, that have been that we have to explain with a yes vote that we are trashing the area. I don't think that's appropriate and I don't think that's anything close to what we are talking about here in any case. So there's no explanation, I think from anybody who makes a yes vote on this. I do support this and I do think it's not only properly planned and fits within the General Plan, and all of the guidelines that we have, and then frankly to enhance even beyond some of those requirements. I think this is good development and it is a managed development as far as our traffic and our roadway system is concerned, and any time two master planned communities that were able to really enhance the overall look and feel of a community, rather than haphazard development as we see in other areas of north Scottsdale and the consequence of that is really significantly a detriment to the look and feel and reputation of Scottsdale.

But that, notwithstanding, that I think we are talking about a good development. I think a thoughtful developer and a thoughtful plan by the owners of the property. And a great accommodation. I don't think there's any explanation as to a yes vote on this, other than the fact that we are, as we historically have tried to do, and that's to balance our development and our growth for residents but with real concern for our environment. Scottsdale is known for that. We want that reputation. We honor and respect that reputation as we move forward I think in that way in a very positive way with a yes vote on this.

So that's my position on it, as it is, and I think I really want to thank everybody for the input on this on both sides of it, because obviously the best development for Scottsdale is when we are considering and frankly if there has been mitigation and I believe there has been mitigation of points of concern by the developer. That's how we get there, by the process of listening and developing with some real

thought. So I want to thank, again, everyone who has commented and made presentations here today. Councilwoman, Milhaven.

[Time: 02:21:20]

Councilwoman Milhaven: Thank you, Mayor. I first looked at this case back in August and probably between the General Plan amendments we looked at last night and this zoning case, I probably spent more time studying and talking to people about these cases than any other case I have seen in four years and that's considerable. So I went to H.O.A. meeting and talked about this case. Went to the open house for General Plan amendments where this case was discussed and the remote hearing for the Planning Commission and offered to meet with other citizens and reviewed every email and answered every email.

When folks say there's not been sufficient time to consider this I take exception because I have been discussing this with folks since August. And, you know, I do see that this is consistent with the General Plan and I see it's consistent with the character area plan and while Mr. Myers is right, it is three times the density, we need to put it in context and say, it's one home per acre and I think by any community standards, one home per acre would be considered pretty rural. And so I see that this master plan, it does a lot to maintain the rural character of our neighborhoods.

Some of the concerns that I hear from folks, the cost of development, that development doesn't pay for itself and I think what we have heard over the last couple of days is the developer will pay for all the infrastructure and then the homeowners become ratepayers and become property taxpayers and they pay a sales tax when they shop and so they will pay for the ongoing maintenance of the infrastructure, and what they use and so development does pay for itself.

We heard folks talk about that there's no benefit to the city. Well, the developer is paying for road improvements that are not required and so there is a benefit to the city and I think the other way to look at it is to say that there's no negative to the neighbors. And with one possible exception which might be traffic.

And so I want to follow up with Mr. Basha about traffic and I know that we have got a Transportation Master Plan that planned for our roads to be upgraded and I know over the last several years between what we did yesterday and Sereno Canyon, there's a lot of concern around the traffic on these roads and I would ask Mr. Basha the zoning changes, does it require us to upgrade our roads beyond what we had already planned?

Paul Basha: Mayor Lane, Councilwoman Milhaven, the current Transportation Master Plan was adopted, master plan was adopted in 2008, and we will be revising that plan over the next 18 months. No. There is, I guess I forgot your question.

[Time: 02:23:59]

Councilwoman Milhaven: We had our Transportation Master Plan would call for us to upgrade these

roads as they areas are developed and that plan was made with the old zoning in mind and we have done some new zoning now and we did some yesterday and I know folks have talked about the impact of Sereno Canyon, which would increase traffic. Have the zoning changes we made in this area going to require us to improve the roads more than was already planned?

Paul Basha: Councilwoman Milhaven, no. These rezonings that have occurred in recent months will not require us to increase the roadway capacity and, in fact, part of our evaluation for the new Transportation Master Plan will be to downsize ultimate roadway sections.

Councilwoman Milhaven: Thank you. That's helpful. I know a lot of citizens were concerned about the improving roads as a result of that. I would like to go ahead and make a motion to adopt Ordinance 4181 approving a zoning district map amendment and development plan for 462 acres, with single family residential. Do you need me to keep reading and adopt Resolution number 9971, declaring as a public record that certain document entitled to Cavalliere Ranch development plan.

Councilwoman Klapp: Second.

Mayor Lane: Motion has been made and seconded. Would the second like to speak toward it?

[Time: 02:25:33]

Councilwoman Klapp: No, I think most of the Council has made the points that I would make, so I don't rehash all of those again about this is an appropriate development for the area and I do support it. I would like to just note, though, that I know everybody here on the Council and everybody that I talked to in the city are very supportive of the tourism business that we have in Scottsdale and the tourism business in general, but many of those tourists come here and they want to move here. I think we have to remember that. There has to be housing choices available to them, and this is going to be one of those. They love to come here and hike and enjoy the Preserve are going to be looking in north Scottsdale for housing and that's not going to change. More people want to move here. You heard it tonight. We have a lot of citizens who love the City of Scottsdale they moved here either most recently or in the last few years, and so these kinds of developments that are really properly thought out and are sensitive to the Preserve and to the desert environment are ones that I think we should embrace and this is one to embrace. So I very much will support this project.

Mayor Lane: Thank you, Councilwoman. Vice Mayor Phillips.

[Time: 02:26:51]

Vice Mayor Phillips: Thank you, Mayor. Well, before I vote on this, I've got some broken comments here and it's my Ron McCullagh moment if you can take me seriously with the Santa hat on. I would like to parrot Mr. Heitel's comments. Just remember what he said. You know, a resident is never going to win against a big money developer or businessman or his attorneys. It's just not going to happen. I have been here too long and, you know, it's kind of sad that when you really feel strongly about something, and you come up here and you speak from the heart and you are hoping that, you

are right, we will do it, it never happens. It just doesn't happen. So I feel sorry for Mr. Heitel for that point. I have been here and done that.

You know, like Reata Ranch and Sereno Canyon, I don't believe this topography can sustain this type of development, which is why it was designated as rural in the first place but here we are changing it in the first place and I believe we are changing it to up zone for the developer. And while I'm saying, that I want to say I'm not against developing here or developers. Like I said, I have been doing it for 20 years. I did a lot of custom homes up in north Troon. I think it was, Troon North Park which is now Cavalliere Park, this part of the, maybe it was for Estancia to get the people to talk about that and when you talk about that and all of these other developments, they were all too dense.

This is just another one. Just going on and on. And I think what the residents are feeling, it's not so much now that I live here, I don't want any more. It's just that they are realizing it's too much and I felt that way too. You know, when I was building, I couldn't wait for a lot to be open. So I'm going to buy that lot and build a house and let's make money and let's do it. Let's do. It let's build a house up on that rock and everybody will see my house and I will sell it for \$1 million and it will be great. And after a while, you start realizing, you know what, I'm destroying this area. It's getting to the point where there as too much being built, and so you kind of go up from a capitalist to an environmentalist. You know, you want to start protecting the area. I think that's where the old Preserve came about. We have to stop at some point and we got the Preserve which is a fantastic thing.

[Time: 02:29:19]

I also think we need a discussion on slowing down the growth of Scottsdale because I think we are going to reach a point where it's just going to be too many people. It's going to be glutted. There won't be any room to drive. I mean, good luck driving home tonight. And it's just too much. You know, when are we going to stop? How much is too much? We just had a discussion a while about the Jeep tours and we gave them \$25,000 to help their permit process so they could go on state land because they are running out of land to take their Jeep tours. This is a place where they used to take their Jeep tours but not anymore. You know? It just keeps going and going. So you can understand the feeling of nothing is going to be left.

It is a shame but I will say on the part of the master plan, which I think was a great strategy, it's, I did a lot of homes on the north side of the Dynamite and that was county land at the time. And people just built haphazard. It was such a mess. And we put in septic tanks and now they have groundwater problems. And it's just a mess. So responsible development is a huge thing. We really appreciate that and I appreciate a developer stepping forward and helping with road improvements which are direly needed and the city didn't have the money to do it.

So I guess capitalist, environmentalists we have to be somewhere in between. We have to step back and say how much is too much and at the same time, we have to have responsible development. While I will be voting no on this, I will hope that in the future, you know, Council and everybody will think about, let's start slowing down the growth. Let's see how much we can back into the place and

how many people we can get to live here, because our last General Plan, and we are coming up with a new one, it said, you know, at 2050, we will have 325,000 people. At our current growth rate, we will have over 400,000 people. And we have events here over the winter. We have over 1 million visitors. I mean, it's just too much for the city. It can't handle it. And are we just going to say, oh, well, let's just pack 'em in here. People will say, I'm not going to Scottsdale again. You can't get on the road. It's packed. So we might kill ourselves. We will might kill the goose that laid the golden egg. Let's consider that in the future.

[Time: 02:31:48]

Mayor Lane: Thank you. And if Ron McCullagh is out there listening tonight, that was labeled as his moment. Certainly have an understanding of where everybody comes from on this, and we do have different perspectives and our job is to pull it all together and come one an understanding and concern for our environment. One thing I have to say and it's only to take a little bit of exception, but the fact that this community has invested at the general population's request the monies to buy at this point in time 31,000, going on 32,000 acres, almost 90% of what was designated for the Preserve, for that very specific reason. And it was a containment of the growth. It's probably the most significant containment of growth that any community, certainly here in the state of Arizona has ever accomplished. So to take it a step further, I suppose that is going take some real hard thinking because we have made an unparalleled commitment to that thing. We do have remaining Councilman Littlefield's comment.

Councilman Littlefield: Since the outcome of this vote is completely predictable. 5-2, I can distill the lessons of 12 and a half years up here in 30 seconds. It's all about the election. It's all about who you elect to be up here. If you don't like what you see, you've got to change what's up here. That's it.

Mayor Lane: Thank, Bob and that beat the 30 second mark. I appreciate that. In any case, with all of that being said, we have a motion and a second on the table and I see no further comment. We ready to vote. If you are in favor, please vote aye and opposed with a nay. Motion passes 5-2 as predicted, Councilman Littlefield and Vice Mayor Phillips opposed. Thank you very much, everyone, for all the testimony and the input. Obviously if you were here for that item, if you would leave quietly, I would appreciate it so we can proceed. We don't want to go too much later than we are already set to do. If you could please quietly dismiss if you are leaving because we are going to continue to proceed right now.

**ITEM 47 – BAHIA WORK LIVE PLAY NON-MAJOR GENERAL PLAN AMENDMENT AND REZONING
(6-GP-2014 AND 14-ZN-2014)**

Mayor Lane: With Item 47, which is Bahia Work Live Play, Non-Major General Plan Amendment and Rezoning 6-GP-2014 and we have Mr. Bloemberg.

[Time: 02:43:29]

Senior Planner Greg Bloemberg: Thank you. I'm here to present 6-GP-2014 and 14-ZN-2014, for the Bahia Work, Live, Play project. It's located at the southwest corner of 92nd and Bahia, it's about 5 acres of vacant land in the Horseman's Park, which is primarily employment uses which is offices and light industrial uses. To the north, it's Bell Road, to the west is Loop 101 and approximately 500 feet to the south is the WestWorld campus. And this is just a close-up view of that location. To the east, it's office, light industrial and to the west is office light industrial. Again, there is a General Plan amendment. It's actually two General Plan amendments, non-major General Plan amendments as part of this request.

This is the first one to the 2001 General Plan. You can see currently with the graphic on the left, the site is designated as employment. If this request is approved, it will be redesignated to mixed use neighborhoods, which is represented by the pink there. And there is also a request for an amendment, of non-major General Plan amendment to greater airpark to area plan use plan map, currently, the GACAP also designated this site as employment, if this request is approved, it will be redesignated to airpark mixed use residential. This graphic may not be very easy to see, but the point behind the graphic is to show you that there is a premium on employment land use area in Scottsdale. Only about 2% of the city's land use area is devoted to employment uses, and about 80 to 85% of that is located in this area near the airpark and the perimeter center.

There's some other smaller areas located scattered throughout the city. So obviously the goal here would be to try and preserve as much of the employment land use area as possible. The Greater Airpark Character Area Plan has a development types map and this location is within the type A which is designated as medium scale. And the site is currently zoned I-1PCD and they are asking PCP with an airpark mixed use residential designation and PCD. This is the site plan, as proposed by the applicant. This is a maximum 65-foot building height proposed. That would only occur at this location here on the site which is the northeast corner of the site. The rest of these buildings would be approximately three to four levels which I guess is near 42 feet, somewhere in that area.

[Time: 02:38:22]

I wanted to break down the floor area ratio for you, just so you can see how this mixed use project is going to be developed. Employment floor area would be around 0.48 and residential around 0.67. Commercial floor area at .05 for a total floor ratio of 1.2. An important point to make here is that this request, though, rather unique for the area would not compromise the amount of employment floor area that was contemplated with the Horseman's Park PCD, it would increase slightly. The Horseman's Park PCD originally restricted floor area ratio for these parcels at 0.4, for industrial and 0.3 for special. So employment floor area is actually being maintained as anticipated. This is just the open space plan, 30-foot landscape buffer and building setback is being maintained behind Bahia, per the horseman park's PCD.

These are the elevations proposed. This is a 65-foot building over here and the rest of these are 3 to 4 levels. Circulation plan, lots of pedestrian connections from 92nd Street and Bahia leading into the site. And landscape plan. As part of the zoning 14-ZN-2014, there is a request to amend the horseman's park planned community district. That plan community district had some restrictions on

it and I mentioned one of them, the floor area ratio was restricted to 0.4 for industrial and 0.3 for commercial. Additionally, that zoning case restricted building heights of 42 feet inclusive of roof top mechanical. The column indicates what the standard I-1 allowance is. The building height is 52 feet exclusive of roof top pertinences. And it's 0.8 allowed under I-1.

The standard allowance for PCP for building allowance is 41 feet, however, there is a bonus height available of 92 feet, subject to special. And the standard is 0.8 and the bonus F.A.R. available is 1.6. And the maximum as I previously mentioned. The maximum building height of 65 feet inclusive of roof top pertinences and a maximum F.A.R. of 1.2. There are three General Plans key considerations that we want you to be aware of and consider in your contemplation. Introduction of residential in this area has the potential, anyway to set a precedent of residential in a nonresidential employment area, and there's only the potential for continued erosion of the primary employment center and land use.

As I previously mentioned, the employment is the only category that allowed light manufacturing and warehousing uses and it's only about 2% of that in the City of Scottsdale and that land use is at a premium and the proposals massing is not consistent with the description of type A development for the Greater Airport Development Area Plan. From the zoning perspective, again, as I previously mentioned this does maintain the F.A.R. for employment floor area anticipated by the Horseman's Park PCD. The applicant will be doing special improvements, as they are requesting bonus height and F.A.R. to be provided for that bonus height and F.A.R. which is required for the PCP district this does introduce a rather unique work/live concept to the city, and it would be particularly unique for this area. So that's certainly an interesting concept.

And there were some concerns raised during the review of this project primarily related to the introduction of residential to an employment area, the proximity of residential to the city's major event rent view and traffic. This has been the Airport Advisory Commission. There was a recommendation of approval from that commission by a vote of 4-3, at Planning Commission recommended unanimously to approve this proposal but there was an added stipulation that the developer provide full disclosure to future residents of the proximity of the project to light industrial to the Scottsdale Airport and to the WestWorld event facilities. That concludes staff's recommendation. I will turn it over to the applicant.

Mayor Lane: Thank you, Mr. Bloemberg.

[Time: 02:43:29]

John Berry: Mayor, members of the Council for the record John Berry, 6750 East Camelback Road in Scottsdale. The fast presentations may sound that this case is a little complicated. But it's not. The reason that we are before you is because quite frankly, some of our planning documents and policies are a bit antiquated. And this project, this proposal is a first for Scottsdale. And it's difficult to pigeon hole. Is this an incubator for technology entrepreneurs. Is this an incubator for healthcare entrepreneurs? Is this office? Is this retail? Is it residential? It's all of that. That's why it's difficult to pigeonhole this.

Now, the General Plan says that we recognize that change happens. What changed in our community to necessity coming forward with this request? Well, you know what has changed is the advent of the technology worker and the creative class. And this City Council and our Economic Development Department, you know, should pat themselves on the pack. This is a graphic from a recent article from the Phoenix Business Journal and I apologize for the poor quality but it's reproduced as it was in the paper. This is the 101 Corridor. And this just goes down to the Indian community this shows all of the technology companies that are located in this 101 Corridor. And interestingly, these three companies and the four one that are outlined in green, this proposed project is the bull's eye, the target, where these types of technology companies are now locating and where this project is proposed. The employees and the owners of these companies are the knowledge worker. They are the creative class. Nationally, that's 30% of our workforce and it's growing.

[Time: 02:45:24]

It is the future of our economy not only nationally but locally, and again from the corridor to the technology corridor, this Council has done an amazing job of attracting these types of companies and these types of owners and these types of entrepreneurs and these type of workers that are lowering the average age of our community and it has had a great economic benefit. This project has been designed with them in mind, literally from the ground up. Now, let's address some of the issues that staff has raised. The first one is, is this right for the area? Isn't this industrial.

Well, this is not Gary, Indiana. This is Scottsdale's version of industrial. This is Scottsdale's version of industrial that is in the immediate area, all, everything I will show you is literally within the immediate area of this project. The Ice Den. Well, remember those of that you were around this was approved, remember the hockey hooligans that would be flocking to north Scottsdale. This is the Arizona on the Rocks, which is not a bartenders school. It's an indoor climbing facility. The On Track Academy. The Aqua Swim Schools and the Plumb Performing Arts Center. This is the Bike Rental and Adventure Tour Company, Ambient Dance, Inner Joy Fitness, Fitness Five, a synagogue, Scottsdale Preparatory Academy. This is Scottsdale's version of industrial that we are protecting. I would note that city staff in their report says that the primary concern with regard to this request is the potential for erosion of Scottsdale's employment core. Well, staff also points out that that's 2% of the city this employment use. Well, that's about 2160 acres. We are talking about 4 acres here. Not exactly the demise of employment uses in Scottsdale.

The staff's great credit, in the staff report, they say it should be noted, however, that this request does not reduce the amount of employment in the area. Let me say that again. It doesn't reduce the amount of employment in the area. The amount of allowable employment for an area actually increases as a result of this request. Keep in mind that the approved zoning and site plan for this property is for a mini storage and RV storage facility. Employing at the most two, count 'em, two people! The other issue that's been raised and will be raised is the proximity to WestWorld.

Well, the very question connotes that the proximity to WestWorld is a detriment, that somehow that is a negative. Well, for the creative class, the knowledge workers, these entrepreneurs being some

place that's vibrant and active and energized, it's a positive. It's an amenity. It's not a detriment. That's why they want to be here. They don't want to be in downtown because they want closer proximity to the Preserve. And there are great trails that developers have put in. There are great trails that take you to the Preserve to the east. They want to be closer to the freeway than downtown provides that access. So this is an alternative for folks.

[Time: 02:48:57]

That's buttressed by the market study that was done by Irene, that notes back in September the buyer for this development is a creative class and are solidly early adapters. They are the ones that got the first brick cell phones. Remember those? They got those. These are the early adapters both in use, as well as location. They want to be some place that nobody else is yet. They want to be out front on this. They are largely entrepreneurial and come from a variety of backgrounds. All perfect for the location as well as the proposed uses. They are looking for a unique and creative lifestyle.

Now the stips in your packet require many things of us, but most importantly they require notice to everybody that buys here, and that notice includes proximity to WestWorld, and it includes types of industrial uses in the area, and it also includes notification regarding proximity to the airport. And it also includes a requirement for sound attenuation in these buildings as well. Mayor, members of Council, in conclusion, this type of project is a first for Scottsdale. But you know what, it's not a first. It's not a first for the communicates across the country, that we compete with, to attract these companies that want to come to our technology corridor, that want to come to our cure corridor, it's not a first to the San Diegos, the Raleighs, it's not the first. They are competing for the same creative class of knowledge workers and entrepreneurs that we are. These types of workers, these types of entrepreneurs are the future of Scottsdale. Let's give 'em what they are asking for. Mayor, members of the Council, I'm happy to answer questions or wait until the Public Comment.

Mayor Lane: Thank you, Mr. Berry. We do have some requests to speak on the subject and so we will hold until the....

John Berry: And Mayor, members of the Council, I will give one copy of this to the Clerk and hand one copy out. There's approximately 50 expressions of support of this case from the immediate area.

Mayor Lane: Public testimony, we will start with Howard Myers. He has an extra card and donated the time from Jim Davis. Four minutes.

[Time: 02:51:34]

Howard Myers: Thank you. Howard Myers again from 6631 East Horned Owl Trail in Scottsdale. Normally I wouldn't worry about a project down in here, an industrial area, but I love WestWorld and the Airport is extremely important to Scottsdale. And the local businesses around there, I think will be negatively impacted as well. So I have taken an interest. Putting residential industrial area violates many of Scottsdale's policies and certainly good planning practices. Flexibility in the General Plan doesn't mean inappropriate changes. It means appropriate. This area will be impacted by

aircraft traffic in and out of Scottsdale Airport and a major detriment to allowing residential uses in it.

The proximity to the airport within one mile of WestWorld and 500 feet are not compatible with residential. Both WestWorld and Scottsdale Airport are major assets that support tourism and high-income residents so they can't be comprised. The staff, I think the staff report was pretty clear in a lot of these things that basically, introducing residential into an employment core is not a good idea and certainly there's a precedent established when you do, that both on the 65-foot height because most of these buildings in that area are low and the owners of those buildings like it that way, because they actually get some views. And there's also a precedent for putting residential in an industrial core. So this is where they are putting it right in the middle of industrial core. This is the nearest residential and it's kind of out of place as well in that area. But that's the nearest residential that's in there. It violates a number of General Plan and character area policies and goals as outlined in the staff report.

It's not a question of how much commercial floor area there is and if they are keeping it, that's fine. It's an issue of compatibility with residential to the surrounding uses. The Airport Commission heard this case and they voted 4-3. They all had concerns about the what the impact would be to the aircraft. It's a nice guy and a nice project, I guess it's okay. But what they didn't do is then vote according to what they should do to protect the airport and protecting that airport is key. Basically in the end this residential is not appropriate in this particular area. It's all industrial around it. The required notices that John read off to you, well, that's kind of proof that it's in an area that doesn't deserve or should have residential in it. If you have to tell everybody what all the problems are, with living there, they shouldn't be living there. And I want you to notice how much vacant land there is around that they could go in, that wouldn't be directly right in the middle of the industrial area. I think you really have to protect that industrial area and the people that have invested in it to be there as well as WestWorld and the airport. Thank you.

Mayor Lane: Thank you, Mr. Myers. Next is Jim Hartsock. Followed by Michael Zajas.

[Time: 02:54:57]

Jim Hartsock: Thank you, Mayor Lane and members of Council, my name is Jim Hartsock 16334 North 96th Street in Scottsdale. I sent each of you on an email outlining my concerns. I'm the President of the McDowell Mountain Business Center which is directly adjacent to the property, I represent 11 property owners and not one of us are for this project. This is a mistake to allow residential in an industrial zoned areas but most people understand that. There's sight, sounds, commotions, associated with the industrial zoning that is not compatible with residential. There are many examples of other businesses that have closed down, once residents are allowed adjacent to these business areas. Mr. Berry pointed out all of the Scottsdale industrial uses in the area, but most of these businesses need the light industrial area. They aren't the swim school, the Frogs Physical Therapy.

A lot of them need that warehouse and office area due to the nature of their businesses. Those businesses cannot be operated out of their homes or in commercial zones. They need that light

industry and there's more of those than the family-friendly business. The only reason that the family-friendly businesses are in the area is because of the cheap rent compared to commercial and strip shop occupancies which is where they should be. And there's very little office warehouse space available in Scottsdale and allowing this project you will eliminate approximately 22 small businesses as it's zoned now. Mr. Berry mentioned it's a mini storage and there's two employees there. That was a project that did not go through. It's still zoned for the I-1 zoning which when I calculate it, looking at what the buildings are in our complex, there's at least 22 small businesses with multiple employees at each. And by changing the zoning of one of the last pieces of property in the area, to allow residential, this will not make it a thriving urbanite and get everything you want from walking distance community.

The traffic will be a problem once you allow 72 plus residents with 1.2 cars each and all of the customers finding their way in and around. I could go on but we know it's not right, type of project for this property or the existing Scottsdale residents and business owners. Why do we have the zoning ordinances if you are going to ignore them. Why did the majority of the businesses in the area move to this location? We saw it as our civic duty to work within the law. We didn't realize someone would want to come along and change the zoning where we are working. Do the right thing for Scottsdale and reject this project. Thank you.

Mayor Lane: Thank you Mr. Hartsock. Michael Zajas. Feel free to correct me.

[Time: 02:58:15]

Michael Zajas: Michael Zajas. And I work as a development director. So I would like to read a couple of support letters from people that could not be here today. The first one is from Craig Jackson of Barrett Jackson. And just to kind of quote from it, this has always been his idea since Barrett Jackson was placed there, that this would become a place where there was work, live, play. So that's Craig Jackson's support letter. I have one of the physicians across the way. Their medical building is across from ours and it's roughly the same height. Having worked in the area, it is nice to see something happen in this site that's been vacant for such a long time. I'm hoping it will get built. Goes on to discuss a little bit further, it's in your packages. Brett Bennett of Positive Technology, who is an H.O.A. president, I received an initial notification letter from the city. I expressed concern about the traffic but since that time, I know that the developers work with the school and the city to alleviate these issues. It certainly eases my mind about the project.

We have AZ on the Rocks business owner. We have Michael Hearn of the Ice Den, who was part of the development when it started as the president of the Ice Den, for over 18 years, I have been involved in this area. I have seen incredible progress. I believe the proposed project is a positive change. He goes on to speak further. Between Barrett Jackson and between the Ice Den, you have two major forces there in our neighborhood that both support this. We have done our due diligence and made sure that all of our neighbors know about what is going on so that they can feel a part of this as we talked to Mr. Hartsock.

Personally, as a young man, my generation likes to live where people are. This will not be people

running little candy stores out of the ground floor. These are going to be people that have home offices that are dedicated to this. It will be very high tech and it will be geared towards people that work along the 101 corridor where the high quality jobs are, you know that maybe downtown are too far but that's where they would like to be. We do have people who have offices and warehouses in the surrounding area that are already telling us that they would like to take some of these units. So it's been well received and it's complimentary to the uses around us. And we do have support letters in there that you will see that are also from Mr. Hartsock's H.O.A. So there are some people within that H.O.A. that are supporting this project. Thank you.

Mayor Lane: Thank you. Next would be Scott Jarson.

[Time: 03:01:36]

Scott Jarson: Thank you, Mayor Lane, Councilmembers. I appreciate the opportunity to speak tonight. My name is Scott Jarson, my office is at 3707 North Marshall Way here in Scottsdale. I wish to speak in support of this agenda item because I have been following this project and I'm very excited about the dynamic nature of both the design, but the potential of what happens when an area like this becomes infused with new life. Our real estate firm specializes in unique architecture. So I have discussed this project with friends and clients and have reached out locally and they all expressed new found enthusiasm for this location, the design and the lifestyle that this development represents. So clients tell me that they love this location, not only as the gateway to the McDowell mountain but it also offers all the benefits of living in Scottsdale, which many have decided that they would have to give up if they wanted exciting, innovative and modern design. So now they have an opportunity to look in Scottsdale for their home base, as opposed to other communities in our area. I can say that there's strong demand for what this project offers.

The work, live aspect is always popular with our clients and it allows innovative small business owners a place to grow, right here in Scottsdale. It's exciting to think how this model can be used in other locates within the city, that could benefit from a similar approach to the development like this, that would bring new life in the areas that are perhaps in some level declining from the manufacturing base that no longer exists. This project can attract exactly the type of resident and owner that will drive our future economy. To support this work/live innovative idea is to support that future growth. So I urge you to support this project because it shows just how forward thinking and creative we can be. Work live is not new. We can look to the downtown for a success. My office is a work live. It's not 72 homeowners but 72 small business entrepreneurs that live and work within our own unique community. Thank you.

Mayor Lane: Thank you, Mr. Jarson. Actually, it will be Jason Hersh, to be followed by Andrew Clary.

[Time: 03:04:04]

Jason Hersh: Hello and good evening. Thank you for the opportunity to speak with you. As a young entrepreneur 16 years ago I lived at Hayden Square down in Tempe, and for me to start my

business, I had to search far and wide for an inexpensive rental because I also had my home that I lived in as well. And being in the technology center, I was in communications and home entertainment. For me to have an office and inspiring area with such events like Waste Management Open, WestWorld, the Barrett Jackson, really creates a unique opportunity for the young entrepreneur to have a work-live location, especially with the surrounding businesses. I was able to expand my business because of other entrepreneurs and because of other business owners. Those relationships that I still have today. So a project like this offered, would offer a unique opportunity for young business owners looking to start their business, in a high and upcoming area. Thank you.

Mayor Lane: Thank you, Mr. Hersh. Andrew Clary. Followed by Jim Keeley.

[Time: 03:05:12]

Andrew Clary: Hello, Mayor, Councilman, Councilwoman. I own Frog's Physical Therapy at 16621 North 91st Street. I lived and worked in this area since 2000. So when we moved here, I worked in the McDowell Mountain Medical Building and when I opened my physical therapy practice, I built it next door. I was probably one of the first buildings in that area, to grow in that area and just south of Bell. And we built our business there. We have grown and been there for 13 years supporting, adding more employees as we grow. And we have supported Aqua Save, the Ice Den, you know, the martial arts studio. So we try to give back and work with our local communities and I think this project is set up perfectly to do this, to work and help build a relationship with other businesses in the area. We are not trying to stand alone and being secretive and be, not work with other people. We are trying to grow and make that community a great community. So I appreciate this new development. I think it's a Grayhawk shot in the arm for everybody, it's a good shot in the arm for everybody, and to see that business thrive. Thank you.

Mayor Lane: Thank you Mr. Clary. Jim Keely, followed by Jim Riggs.

[Time: 03:06:31]

Jim Keely: Thank you, Mayor and City Council, Jim Keely, I have worked in the south Airpark since 1981. I was kind of also known as Mr. Airpark sometimes but that's my employment core base and I enjoyed a great career there and for many years, I hoped that we could create more of these mixed use developments and you saw it with the bigger projects, like Kierland and Sussex corridor and you see the massive success that's going on in Old Town, downtown right now. And so the Scottsdale Greater Airpark Area, I think, is in dire need of this bold idea. I support it. A couple of comments earlier about full disclosure will, that's what we do today. We do full disclosure on any real estate and the airpark commission did study it and approve it.

The creative class that John talked about is what we are yearning for to bring us to the airpark area. All we need to do is look at how well, again, how it's doing in the downtown old town area. You know, change is refreshing. Change is inevitable. Technology is driving the market. And the live, work, play plan is a really exciting project. There's some decaying parts of employment base in the airpark, and I think a lot of people see this and say, that's a new idea. That's a way to some of the

older decaying areas of airpark and create the live, work, play and the density. I think this will help to be a spark plug for what we still need to say in the airpark as the next 20 years emerge. So thank you.

Mayor Lane: Thank you, Mr. Keely. Jim Riggs.

[Time: 03:08:30]

Jim Riggs: Mayor, Council, Jim Riggs. I have been a resident and developer in Scottsdale for 22 years and our firm has completed, I think 24 office retail and residential properties. I'm interested in this property for a number of reasons. We have developed a number of projects nearby and we are an equitable owner of a project nearby. We met with the applicant and understand and have a history with their architect as well and I'm here in support of the project. One of the things that the applicant expressed very clearly is that this area really transitioned a lot from the prerecession to post recession. This area east of the freeway is not an industrial area. This is classic mixed use schools, in Barrett Jackson and everywhere you look around it, there's nothing that's in common or nothing even close to what anyone would determine to be heavy manufacturing. All of those properties, that are repurposed and the reason the rents are cheap is because there's such a huge supply. Most those were turned over with short sales and so forth. This is a perfect fit for the area for adding something different. We're allowed to have things that are cool and different. And this really fits that bill and it should be looked at that way. I'm urging the Council to vote in favor of that.

Mayor Lane: Thank you, Mr. Riggs. That completes our public testimony on this subject. Mr. Berry, if you have any need or any responses on any of that.

John Berry: Mayor, members of Council, just a couple of things to clarify. Outlined in blue is the current vacant site. In that package I gave you support letters. They are support letters from each of these owners, identified in green. So you will see that virtually surrounding the project we have letters of support. Mr. Hartsock's business is located in this office, and we have not shown that as support but we could put half a green dot there, I guess because we actually have letters mistakenly said that he represented everybody in his little building H.O.A. That is not the case. In the package, there are actually support, expressions of support from three of the folks that are owners in that building as well.

I would also note that if there's anybody Mr. Airport, who knows what's happened in the airpark and what is happening in this particular area, it's Jim Keely. And to have that endorsement is impressive, and something I think we all take to heart. I would note in terms of demand this is really kind of out in left field and I apologize for this. It's hard for you to read, I know but I actually got an email the day after that article appeared in the Scottsdale Republic from somebody, I have no idea who it is. It's a Mark Olson from Wednesday, November 26th. And he emails me saying my name is Mark Olson and I notice you have some involvement in the Bahia Work, Live, Play, who would I talk to, to put a hold on one of the units. There is a demand. Mayor, members of Council, happy to answer any questions you may have. I would respectfully request your approval. Thank you.

Mayor Lane: Thank you, Mr. Berry. I appreciate the presentation and certainly appreciate the testimony from the public on this project. We have a request and now I think he's striving to be the first, but nevertheless, Vice Mayor Phillips.

[Time: 03:12:25]

Vice Mayor Phillips: The Mayor means well. Get the ball rolling. The gentleman mentioned about the vacancy rate and I used to do business in that area, and it used to be really bad. And, of course, that was before the recession. So I imagine it got even worse. Do you know or the staff know what the vacancy rate is in that area?

John Berry: I do not, but is Mr. Airport still here or did he fly off? Did he jet off? Mr. Keeley, do you have a ballpark of what the vacancy rate is in this area.

Vice Mayor Phillips: Okay. Thank you. So let's see the other question here, well, one point to make is Council approved, I think last year, about 300 apartments about two blocks away from the airport itself off of north side and Hayden there. This is nothing like that, and we approved that one. We have the vacancy rate. You know, I never considered this part of the airpark. It seems anything east of the 101 is out of the airpark. I guess it's included in the airpark. I know it's out of the F.A.R. So that's not really a consideration. I guess if you worry about, that you have to worry about D.C. Ranch. Mr. Berry, do you know what the unit prices are for these? What they will be selling for.

John Berry: We are happy to take a reservation if that's what you are inquiring about.

Vice Mayor Phillips: I don't think I can afford it.

John Berry: My client says about \$300 a foot with about 1500 square foot.

Vice Mayor Phillips: So these are not built for working families. I mean, you might have a kid or two, but these are built for professionals who have a lot of money and have businesses and want to live in the area and I don't see any reason not to build this thing.

Mayor Lane: Thank you, Vice Mayor. Councilman Robbins?

Councilman Robbins: Thank you, Mayor. I will definitely be supporting this. I think this is an exciting project and I like the fact that this puts Scottsdale back on the cutting edge on some things we have been trying to do with economic development, and have the live, work, play aspect that Mr. Keeley spoke is happening so well in downtown and we need to create that up in the airpark as well. I think that this is market based development as well. You have a new idea that somebody thought that they said, we should be doing this here and you have done that, and I think that's something really exciting where they can get that to happen and achieve that goal. I think that's incredible. Three speakers' comments I pulled out. One someone talked about there will be 72 new entrepreneurs in Scottsdale right here on this property. I think that's really exciting. And they will live there too. So it's not only their working neighborhood but their residential neighborhood as

well.

So we talked about investment in the community. That's really excellent. And then Mr. Airpark talked about that Scottsdale needs this new, bold idea. I think that's back to the new shot in the arm and I think that's a really good part of this, and then Mr. Riggs talked about perfect fit, and I would agree to that, even though it's new, it's unique, it's different, staff has a little bit of trouble getting their arms around. We hold them to follow our standards and it's different and bold and I think it's what Scottsdale needs and I think it's a great addition to the airpark. I will make a motion that Council adopt Resolution 9952 and adopt Ordinance 4184.

Councilmember Korte: I second that.

Mayor Lane: Motion has been made by Councilman Robbins and seconded by Councilwoman Korte, right?

Councilmember Korte: And I would like to speak to that.

Mayor Lane: Yes. Go ahead.

Councilmember Korte: Very briefly, I think this is an innovative and creative and very progressive project and I think most importantly, it is meeting the needs of our next generation. And if there's an important point there, we need to continue to make decisions that are, that meet the needs for our next generation. So thank you.

Councilman Robbins: Mayor, can I amend my motion.

Mayor Lane: Yes, you already got the message.

Councilman Robbins: I needed to go on the second page. I would also like the Council to adopt Resolution 9958, and Resolution 9969. Is that it, Bruce? Thank you.

Mayor Lane: And that's accepted by the second? Okay. That's fine. Councilman Littlefield.

[Time: 03:17:40]

Councilman Littlefield: Well this project, actually has something in common with the previous project, Cavalliere Ranch and that is that what we are about to do is we are about to approve an unnecessary change in Scottsdale's zoning standards in order to enrich one of John Berry's clients. I understand that's politics. That's how it works. But I really don't like having my intelligence insulted. First of all, the picture up there of all the high-tech companies, none of those required that we compromise Scottsdale's zoning standards to get them there. So the idea that somehow we need to do this, in order to bring high tech to Scottsdale, it doesn't fly. There's evidence that that's true. You know, well, it's new. You know, new isn't necessarily good. Sometimes a new idea is a bad idea.

But the thing that really gripes me about this, we are supposedly caring about economic development. I fly out of Scottsdale Airport. When I take off on runway three or when I land on runway 21, I go over this site. When you put residences under the airport traffic pattern, I don't care how many stipulations you put. People will get in there and say, oh, there's an airplane over my head and there's all of that noise. You know, Scottsdale Airport is the one, only general aviation airport in Arizona that makes money to the city that owns it. That's it.

Every other one costs money. Falcon Field in Mesa, and Deer Valley, and I could go on and on. All right. We make money off Scottsdale Airport. The richest 2% of our tourists come here. Why if we really care about economic development would we turn around and compromise the future viability of Scottsdale Airport? How does that help economic development? Well, the answer is it doesn't. What it does help, it helps the real estate people. A bunch of real estate people here love this. It's great and if the airport is closed, they would probably be happy. We will be building apartments there! So, you know, you are going to vote for it, fine, just don't vote my intelligence. I don't know why we take this much time to do something, where the vote is a forgone conclusion. It's a bad idea. It's a new bad idea that's not good for Scottsdale's economy.

[Time: 03:20:18]

Mayor Lane: Thank you, Councilman. You know, as I said before, you know, by Councilman, that all change is not good. The last one was change is bad. Not all ideas are good. This one is bad. Frankly, it's just not the way there. Isn't a compromise of our integrity or of our system or otherwise. We are an innovative community. We always have been. We do adjust to the changing environment. We do evolve in a healthy way. And I think that's what we are seeing here.

Something that was already said by Councilman Robbins, I will have to at least say again for the last several years we worked very, very hard to make sure we diversified our economic base coming off a terrible recession. We wanted to make sure that even the airport area was more diversified in industry than it had been in years. In fact the state of Arizona has tried in a similar fashion. I think we have been more successful than maybe most communities in being able to develop not only new industry, as was demonstrated by the picture of the 101 corridor which is true and to the point. Those are companies we have brought here. They didn't require anything other than the fact that we had a great platform, a great community for them to live and thrive in. But one of the things all of those companies are looking for is a place to have their people be able to and for themselves to live, work and thrive in their area immediately.

Frankly, I'm a member and I have been for some time, M.A.G., Executive Council and Regional Policy and Transportation Policy Committee and one of the things we look forward as much as anything else, is how do we reduce traffic? If any percentage of these people work and live and thrive in the same area, there's a reduction of what's going on on the 101. We are in the midst of another expansion of the 101 and there's just a certain amount that we can do to that what are the other alternatives. Everything adds to a response and an answer to the dilemma of traffic. And people being able to take five minutes to get to work rather than denigrating their quality of life by having to travel maybe

an hour or more every day. And so those are the things we are working toward and I think this project is well suited for that.

It is innovative and it's responsive as was pointed out by many to the live, work and thrive successes that we have seen in other areas of our city and we frankly work towards continuing to be able to provide that. So it is a new generation of people, maybe some of us in my age group don't want to see age in downtown Scottsdale go from 47 to 31, as it is now. Maybe some of us don't want to see that. That doesn't particularly bother me, but I think that's something we should be working. We are a thriving city and I think we need to do that. And I think this adds to it in a positive way. I hope that as my comments have indicated I'm a positive vote for this Councilwoman Klapp.

[Time: 03:23:30]

Councilwoman Klapp: Well, I agree. I think this is a good idea. It's not a bad idea. It's actually a very good idea. When I first saw the design for this, I thought this was something that Scottsdale needs, and I think the studies have shown there's demand for it. There's definitely a need to draw more entrepreneurs into Scottsdale and this will be a good project for some of them to live, because many of the entrepreneurs today do work right out of their homes. They don't need to live in a 3,000 square foot house with a pool. They just need to have room for an office and as well as for their own living quarters and this is perfect for them. So I believe that this is a great boost in the arm to that area of the airport.

I sometimes don't think of that area as the airport either but I guess it could be considered that. There's been a desire as was expressed in Craig Jackson's letter for this area to be more conducive to living and educational facilities there close to WestWorld. It has a lot of things going for it. So I think this would be a great project to start in that area. I would suspect there will be others. It seems to me that this is a type of housing that I have seen grow up in other cities around the country. And certainly Scottsdale wants to be a leader and I think the project here will be one that will be looked at by other people that are into real estate development for, you know, trying to do it other in lots that might work, somewhere in Scottsdale or somewhere in Tempe or Phoenix. I think that we are advancing a great project here. I appreciate all the time and support that went into this. I know this is new and I know that some people are not sure about this kind of a project. I just believe this is a great project for Scottsdale and I fully support it.

Mayor Lane: Thank you, Councilwoman. Councilmember Korte.

[Time: 03:25:44]

Councilmember Korte: I call for the question.

Mayor Lane: That's fine. All those in favor of the call for the question, I suppose we say aye. So we are positioned to vote on this. Ready to vote? Okay. All those in favor please indicate by aye and register your vote and nay if you oppose. Aye. You see the results are 6-1 with Councilman Littlefield opposing.

Councilwoman Milhaven: I would like to consider one modification. I see in here that there's \$868,000 going to be paid by the developer for WestWorld improvements and I think that we have considerable capital needs in our city and would like us to reconsider whether or not that's the best possible use for those funds. And so I don't know where my colleagues are but I would like to make a motion to direct staff to agendize discussion of alternative uses for, those funds.

Mayor Lane: Just to, in response to, that I suppose one of the questions, I suppose one of the reasons the money is put into WestWorld improvements because that's the area it's in, even though this is an off-site contribution, it's not so far removed, if we decided that this is something we want to do in downtown or something like that, I think it take it's one further step removed when we try to, certainly even in the negotiated process, to say we want improvements in our capital improvements project. I have think it's better suited that it stay within the area that they are in. I think that's fair to the project unless they feel differently. But I.....

[Time: 03:27:35]

John Berry: Can I just get a clarification. I'm sorry to interrupt. You have voted to approve our project with the stipulations that were approved that included the contribution to WestWorld. We would be happy if there's direction from Council to come back and request a modification. We don't want to do anything to jeopardize the vote that you just took but if there's direction given from Council to staff and staff to us, we will be back to modify that stipulation and to modify the development agreement to comply with the wishes of the Council directed by staff.

Mayor Lane: Thank you, Mr. Berry. If I were to ask for either the City Clerk or the City Attorney to weigh in on the fact that we have made the vote. The vote has been finalized. This is sort of a new agenda item and I don't know if it's something that we need to come back to decide or not.

[Time: 03:28:30]

City Attorney Bruce Washburn: Well, I suppose it could be raised right now as part of the same item, or it could be raised as a Mayor and Council item at the end of the meeting. I think either way, the proposition could be brought forward. I would like to just point out that whatever the money is spent on does have to have some relationship to the project, but there are obviously other things that can be done besides WestWorld that would have some relationship to the project.

Mayor Lane: And I appreciated that point. I think it has to be at least, even as an off-site contribution that it needs to have some association, I think, with where the project is. But again, that's just an opinion on it. We have a first and second to move it to some other area. Vice Mayor Phillips?

Vice Mayor Phillips: Thank you. I was curious about that too, but nobody brought it up. But the point of it was is usually it goes to Public Art. This time it's going to WestWorld. So if we are going to decide where the money goes, then every time a development comes up, we should be deciding

where the money goes. So I don't think we should start that precedent unless you want to vote on it every time.

Councilman Littlefield: I would like to speak to any second.

Mayor Lane: Sorry, Bob.

Councilman Littlefield: I wanted to end up my career by seconding a motion by Councilmember Milhaven.

Mayor Lane: Well, I'm glad you got that out of, off your bucket list.

Councilman Littlefield: My life is complete.

Mayor Lane: Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. You know, I, \$868,000 is a lot of money to put into WestWorld. WestWorld seems to be getting a lot of our resources and has turned into about a \$50 million project. I would like to review where this money goes. I will support the motion.

[Time: 03:30:36]

Mayor Lane: Okay. Thank you, Councilwoman. I will reiterate what I was saying before. I think it becomes a little more difficult to how we assign these funds. It just seems that it gets to a point, even if it's public heart or otherwise, it's general associated with a property, not somebody else's property or somebody else's advantage, even though I very much appreciate the idea of the contribution. I think we need to be careful or how far we go with extracting negotiated settlements in exchange for zoning change or development, than to do something somewhere completely alien to the project. But as it's worded right now, I think we are talking about having some other application. Maybe that has not been determined, and maybe there's still room for it. So with, that I guess we do have a motion and a second. All of those in favor of this, please indicate by aye, and those opposed with a no. And the motion passes 5-2, with Councilwoman Klapp and myself opposing it.

John Berry: Thank you, I think.

Mayor Lane: I can understand the confusion there. Thank you all for the presentation and all the work on this and also from all the input from the public. Thank you. Okay.

ITEM 48 – POLICE COMPENSATION ISSUES

Mayor Lane: We are moving on to our final item on the Regular Agenda and that's Item 48, and it's the police compensation issue and this is a request or the presentation, discussion, possible direction to staff on study of police compensation issues as a follow-up item from the City Council's budget discussions and we have Brent Stockwell here to make this presentation.

[Time: 03:32:32]

Strategic Initiatives Director Brent Stockwell: Thank you, Mayor and City Council, the City Manager asked me to provide a status update tonight on the study of police compensation issues requested by the Council during the budget process. So the City Manager, the City Treasurer and the Human Resources director are working together with the Fraternal Order of Police and the police officers of Scottsdale Association representatives to conduct a study, analyze the data, develop options and make recommendations back to you.

First, we have been looking at what other cities are doing. We asked for a comprehensive data set from six other large cities in the region, those communities are Phoenix, Mesa, Chandler, Glendale, Gilbert and Tempe. We are looking at starting salaries, maximum salaries and actual salaries, how salary increases move them through the salary ranges and through the myriad of cash compensation received by officers in the region, in addition to salary. This will help us get a good handle on what officers at different levels of experience are actually being paid in our market area.

Secondly, we have been looking at recruitment, retention and staffing. This includes such things as where our new officers are coming from and where veteran officers are going when they leave Scottsdale, how much it costs to recruit and strain an officer and how many officers and managers are needed to cover the workload. So we're working to clearly understand the complex and very practices of each different city in our region. This information will help us in developing strategies to help Scottsdale remain competitive moving forward. So we are meeting as a team on a regular basis to make sure we have good information, complete information, to help you make good decisions.

So we're working to develop a common sense workable plan to ensure that Scottsdale officers are fairly and competitively paid, and to ensure Scottsdale has competitive recruits an experienced officers which will control costs when officers leave due to retirement or when they have tunes elsewhere. We're also working to cost out each option and find ways to fund these recommendations so that whatever is agreed upon, is within the city's financial means, both in the short term and in the long term. To be clear, there are, no decisions have been made and there will be plenty of opportunities to discuss all the options to look at the issues, to look at the costs, and assess how these choices will impact other city decisions. So that's just a quick update to let you know what we are doing to highlight some of the issues that we are looking at, and I will let you know where we are heading as we start the budget process in January. Thanks.

Mayor Lane: Yes. All right. Thank you, Brent. We have a question starting with Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. Thank you, Brent. I applaud this process. I think it's very much needed and this is hard work, and so thank you. Who are the individuals in the committee?

Brent Stockwell: The individuals on the committee, so from, everybody is staff, okay. So City

Manager, City Treasurer, Human Resources director, Donna Brown, I sit on that group, Ryan McKinnon and Matt Heeren from the Fraternal Order of Police, they are their two representatives and Ethan Clark from the Police Officers of Scottsdale Association is their representative.

Councilmember Korte: Okay. And when do you expect to come back to Council with some information?

Brent Stockwell: Yeah, we want to get that information to you right after the start of the new year as part of the budget process. So because this is such a big issue, as part of the budget process, you need to look at that, think about that issue, how it impacts other issues and provide direction to the city managers as we develop the budget and bring that back to you.

Councilmember Korte: So thank you for that. This is not only important to be competitive in this field, but also it's our obligation to have fair wages that are compensatory across the valley, and competitive, but also doing the right thing. So thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Littlefield.

[Time: 03:37:05]

Councilman Littlefield: I guess I'm not clear about what this update is about. This is what we asked you to do and you said you are going to do it, but you haven't reached any conclusions?

Brent Stockwell: Councilman Littlefield, members of the Council, that's correct. I mean, we are still in the process. We are meeting on a regular basis going through this. There's a number of issues that I wanted to let you know about, that we're looking at, and if there's any different feedback or any other things you want us to look at, this item is scheduled so that you can provide that feedback kind of at the halfway point in this process.

Councilman Littlefield: Okay.

Mayor Lane: Thank you, Councilman. Councilwoman Milhaven.

Councilwoman Milhaven: I just want to say thank you. Four years ago we started this conversation and said we wanted to have a thoughtful way to look at the market to be fair to employees in the city and so I just think this is a wonderful process. I'm excited to see the collaboration and thank you for all the hard work.

Mayor Lane: Thank you, Councilwoman. Vice Mayor Phillips?

Vice Mayor Phillips: Thank you, Mayor. So you are going to come back in January, maybe offering us some options or you are going to come back in January and say, we have thought this would be a good way to do it and what are your thoughts? Because what I don't want to see happen is be right in the middle of the budget process and say, you are going to have to vote on this right now because

we have to get this budget through.

Brent Stockwell: Councilman Phillips, members of the City Council, what the plan is to come back and share with you all the data that we found, the conclusions that we made based on the data, the costs associated with any options, and then ask you to discuss that, look at that data and see if you came to the same conclusions that the team did, and then, you know, goody direction to pursue that and include that item in the budget so that, because the challenge is with any item like this, it costs money and there's only so much money. If you invest the money in this area, that's money you won't have to invest in other areas and that's why it's really important, especially since this was a lingering issue from the last budget cycle, to make sure and get this addressed right up front so that as you mentioned we are not coming back halfway through the budget and not have this issue addressed.

Vice Mayor Phillips: I would like to discuss it before the budget instead of during the budget et cetera.

Mayor Lane: Thank you, Vice Mayor. We have one request to speak on this Kathy Littlefield. Okay. Well, I will add to the ranks and say thank you very much for the efforts you put forth and we are looking forward to see what results are come, what the results are come in January and in conjunction with our obligations through the budget. So thank you. Well, that completes our Regular Agenda items. We don't have any further Public Comment items, and no receipt of Citizen Petitions and no Mayor and Council items.

ADJOURNMENT:

[Time 03:40:32]

Mayor Lane: I will ask for a point of adjournment. Before we do that, I want to thank both of you gentlemen for working on the Council and working the issues in the constituents in a very, very thoughtful way and honorable way. So thank you very much for your service. And I know we have less of an audience here now, but we did get that covered before. But really, we do appreciate all that you have done. And with that, and Bob, maybe you want to.....

Councilman Littlefield: Move to adjourn. Do you want to second that, Linda?

Councilwoman Milhaven: I will second that.

Mayor Lane: All right. We are adjourned. Thank you very much. Thank you, everyone.