
This document was created from the closed caption transcript of the June 3, 2015 City Council Regular Meeting and **has not been checked for completeness or accuracy of content.**

A copy of the agenda for this meeting, including a summary of the action taken on each agenda item, is available online at:

<http://www.scottsdaleaz.gov/Assets/Public+Website/Council/Council+Documents/2015+Agendas/060215RegularAgenda.pdf>

An unedited digital video recording of the meeting, which can be used in conjunction with the transcript, is available online at: <http://www.scottsdaleaz.gov/citycable11/channels/Council15>. For ease of reference, included throughout the transcript are bracketed "time stamps" [Time: 00:00:00] that correspond to digital video recording time.

For more information about this transcript, please contact the City Clerk's Office at 480-312-2411.

DUE TO A MEDICAL EMERGENCY, THE COUNCIL RECESSED THE JUNE 2015 REGULAR MEETING AT 6:00 P.M. THE JUNE 2, 2015 MEETING RECONVENED AT 6:25 P.M. AND THE COUNCIL CONTINUED REGULAR AGENDA ITEMS 21B THROUGH 26; AND SPECIAL MEETING AGENDA ITEM 1; TO JUNE 3, 2015.

WEDNESDAY, JUNE 3, 2015

CALL TO ORDER

[Time: 00:00:00]

Mayor Lane: Welcome to the Kiva and our June 3rd, 5:00 meeting. I would like to reconvene the meeting of June 2nd, 2015. For our city council meeting, continued. Let's start with a roll call, please.

ROLL CALL

[Time: 00:00:17]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Linda Milhaven. Absent. Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

[Time: 00:00:48]

Mayor Lane: Thank you. You know, before I continue anything else, obviously we are reconvening the meeting from last night and for reasons of an incident that we had, certainly that we are all concerned about but I would at least to give a report that things are stable and in good condition for our city manager. Those of you who were with us last night, to be aware. So keep him in your prayers and thoughts, but nevertheless, I think we are in pretty good stead. So just let you know on that.

And we are reconvening this meeting of yesterday, because we have some -- and we had to deal with this last night too, and that is we have a statutory requirement for a couple of the items that were on the agenda for last night. So this is the same meeting as last night. It may seem like a different time and place. It's the same place but a different time but we needed to accommodate that.

We do have cards if would you like to speak on any of the subjects. They are the white cards that the city clerk, Ms. Jagger is about to put over her head and she does now have over her head. You can complete and fill those out for public comment or any of the items on the agenda. The yellow cards which she has her other hand, here to my right is for any written comments would you like to have on any agenda item. We have Tom Cleary and Jason Glenn, thank you for being here and for your assistance last night as well. Thank you. The areas behind the counsel dais are reserved for the staff. We have services for you under the exit sign.

We are taking the Kiva for -- I should say, we are using it this evening, as I just said for reconvening, but we do have and there was scheduled a board of adjustment hearing scheduled for 6:00. If you look around and this seems to be someone here confused as to why we are sitting up here, you might say that meeting has been moved to the community design studio located across the street which they probably are aware of. I think we have signs out front. So it's probably less likely that we will have someone that will wander in here without understanding that. And I may make a -- closer to 6:00, I may make another announcement, just in case.

ITEM 21B – INDUSTRIAL PROPERTY REAL ESTATE SALE AGREEMENT

[Time: 00:03:20]

Mayor Lane: We got through items on our agenda last night, through to item 21b. And these are regular -- it's a regular agenda item. It was moved from consent to regular agenda, 21b. And 22 and 26 -- excuse me, 22 through 26 are also regular agenda items. So we were, I think we were in the midst of Dan Worth's presentation, and maybe you were concluded. Dan, if you wouldn't mind, if you went through that, if we could start again and go back through that for us. And we'll continue from there.

Public Works Director Dan Worth: Good evening, mayor and members of council. The graphic shows the parcel we were discussing last night, unless you feel it's necessary, I won't go into all the details about why we intend to buy the parcel. At the point last night at which we stopped the presentation, I was addressing a question from councilmember Smith about the valuation of the parcel, particularly the concept of severance damages, and I would be happy to explain that concept again, or further explain --

Mayor Lane: That would be fine. Let's -- councilman, we'll proceed from there, since you have it down to maybe the last sentence, you may have uttered.

Public Works Director Dan Worth: That was just a response to a question. I already made the

presentation.

Mayor Lane: Yeah, no.

Public Works Director Dan Worth: If there are no further questions, then we can consider the action before you, which is the purchase of that parcel.

Mayor Lane: Okay. And so the response to that, just so that we are all sort of updated to that was the valuation, plus the consideration for the loss of business use of that property by virtue of the loss of parking capability?

Public Works Director Dan Worth: Mayor, that's absolutely correct.

Mayor Lane: Okay. Well, we will proceed from that point on, unless there is -- we may have some other questions. Councilwoman Klapp?

Councilwoman Klapp: I would like to make a motion to adopt number 10158 authorizing contract number 201-155-COS with Pima Thomas Venture LLC in the amount of \$3,675,000 for the purchase of 4.869 acres of land and a quarter acre utility easement located at the northwest corner of Pima Road and Thomas.

Vice Mayor Milhaven: Second.

Mayor Lane: A motion has been made and seconded. We should note that the Vice Mayor Milhaven is with us now, just in time to give a second. Would the second like to speak towards that at all?

Vice Mayor Milhaven: No.

Mayor Lane: Seeing that there's no further comment on that, we are then ready to vote. All those in favor, aye and register your vote. Nay if you oppose. It's unanimous then on that. Thank you very much, Mr. Worth.

ITEM 22 – NOVEMBER 3, 2015 SPECIAL ELECTION FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS

[Time: 00;06:13]

Mayor Lane: With that item completed, we will move on to the regular, regular agenda, the special election for the issuance and sale of general obligation bonds, and it's resolution, 10139, ordering a calling a special election for Tuesday, November 3rd, 2015, to submit to the qualified electors of city of Scottsdale questions authorizing the \$95,960,000. I have Derek Earle here, but Mr. Worth, are you going to make the presentation?

Public Works Director Dan Worth: If it's okay with you, I will continue with the presentation on the bond.

Mayor Lane: Sure.

Public Works Director Dan Worth: As the mayor just read off, this is the action that we are asking you to consider, resolution calling the election, the amount \$95,960,000 is slightly different than the amount we had when you gave us direction at an April 21st work study. I will explain that shortly. These are some of the things that the resolution does. It sets date for the election. It sets the specific bond question, 20 projects set up into six questions. They are slightly different than the six questions we discussed at the work study on April 21st and I will explain that shortly. It also has some details on how the election is to be conducted to include the process for publishing the information pamphlet and getting arguments for or against election in the information pamphlets. These are the six questions, two significant changes from the April 21st discussion.

You can see question number two, transportation, we have taken one project that was in the grouping of transportation projects when he when we talked about this in April and we broke that out separately. That's shown now by question number 4, street pavement replacement. We felt that was different enough from the other projects, the projects that remain in the transportation question are improvements that add capacity or change configuration of streets, of existing assets, the street pavement replacement is essentially without adding capacity, replacing aging pavement on major streets in order to bring the citywide pavement condition up to a higher level, more congruent with what we had about ten years ago. So we felt with the different nature of those two kinds of projects, it was merited separating out the street pavement as a separate project and the dollar values for the two are high enough, it was the second highest dollar value out of the six questions. So we have gotten that broken down into a couple more reasonable-sized questions.

The other change you see, two number sixes, one with a line drawn through it, and the discussion on April 21st identified a single flood control project that was a project to provide some flood protection along Scottsdale road at Lincoln and Indian bend road, the properties to the east of that. We have tape a look at some issues -- we have taken a look at some issues, and there are two unknowns. A large-scale development that's under review now in Paradise Valley has not yet made application for the portion of project that will happen in Scottsdale. We understand that's pending. And that could impact the drainage and what we need to do to solve the drainage issues along Scottsdale road. That's one unknown. And the other unknown is the study by the Maricopa County flood control district studying the known and the whole Indian Bend Wash area. With those two actions in pending, we felt it prudent to pull that question back off, and come back to it, once the unknowns are answered. That left us with no flood control and so we removed the one. We broke out separate questions from the transportation project.

We are still left with six questions, 20 projects instead of 21, and a slightly lower aggregate number of \$95 million. Just to refresh your memory, I have two slides that show the specific projects. Parks and community facilities, the remaining transportation projects, after we break out the street pavement replacement, the three city-wide technology projects, and in addition to the street

pavement replacement, then we have one for fire and one for police. This shows a sample of the language that would appear on the ballot, if you are interested, I have a slide that shows all of these six questions, but the language is very similar. It identifies the aggregate amount for that question. It identifies the specific projects that we can send the bond proceeds on and it has some obligatory statements regarding the payment of bonds. So with that, I will address any questions you may have or entertain any suggestions.

[Time: 00:12:44]

Mayor Lane: Thank you, Mr. Worth. We do have one request from the audience to speak on this. Please stand by. There will undoubtedly be some conversation from the dais as well. There's only one request to speak on this item, and it is Dennis Weiland.

Dennis Weiland: Thank you, mayor, city council. My name is Dennis Weiland. I'm a semiretired trauma surgeon and worked in Scottsdale for the last 25 years. I got involved in the idea of politics 23 ago and I began to look at some of the agenda items in the city of Scottsdale. This bond issue came up, there was some question about whether it was needed or not, and in my own mind whether or not there was enough funds in the city of Scottsdale with a value of \$3.5 billion, whether or not another bond issue was necessary. The last bond issued in 2013 failed. It was over \$200 million and voters overwhelmingly refused this issue. Now what happened to Scottsdale during that period of time? It seemed to have done all right, even though they didn't have the money for those, quote, needed projects. I wondered now, we're going to have another budget for another \$100 million, basically, is there enough money in the town coffers to fund this thing, fund this issue? So I tried to look it up. And I went to the Internet and looked for the budget, the proposed budget for the year 2015 of the Scottsdale city. There are 477 pages. I wouldn't find a spreadsheet or find anything that would give me the information. I'm looking for information. That's one the reasons I went through it as a voter and certainly with the other voters of Scottsdale. We need to find way that they can communicate with us. And certainly, a 477-page item is not a way to find out whether or not there's monies available from some other source rather than doing another bond issue. So in the future, if you have something at the top of the page that showed where all of these funds are going to and how much money was available, I would certainly appreciate that and I'm sure the voters would too. This Desert Discovery Center is another project, \$54 million that's proposed. It isn't part of this proposal, but it will come. So I looked at the business plan for the desert center. It's 310 pages! We did a project over in Scottsdale for the hyperbaric that was over \$1 million and it was five pages. Now we offer a service that is unparalleled in the valley for hyperbaric treatments. I think a lot of that redundancy, it appears to me would be better explained in another way so we as voters could understand it. That basically is my quest so we as voters of Scottsdale can look at the budget of Scottsdale, and see whether we need the bond issue. We are going pretty well even though the bond was not issued in 2014. Thank you for your attention.

[Time 00:16:33]

Mayor Lane: Thank you Mr. Wieland. Next would be Alex McLaren.

Alex McLaren: Good evening mayor, members of the city council. I'm Alex McLaren. I worked for the city for about 21 years. Retired in 2007, and I worked in capital projects and transportation. I was involved in developing and implementing projects for transportation and drainage in the '89 and 2000 bond elections. Also followed keenly the various bond elections that have been held over the last few years. And I would just like to recommend to the council that obviously, after you have spent so much time studying this and I commend you for that, the study session that you held were pretty intense. I watched them on television. I didn't come down here, but I watched them on television and I think you have built on what was done by the bond task force and asked questions which needed to be asked. And I think to Dr. Wieland's question, which is a good one, are there funds elsewhere in the budget? I think as previous staff member, I know that we used to go through the budgeting process each year and in those days there were lots of needs and they couldn't be met by the regular budgeting process. I know staff has spent a lot of time and council has spent a lot of time developing these projects. So I would strongly support the bond election. All of the projects that are really well described on the city's website. There are graphics for each project, well described so people can actually get the information and I think the bond questions, as, Ken worth put up, the bond questions are structured in such a way that voters will know on each question what they are voting for. The particular project for each question, and I think that was an issue in the previous bond election, where there was just a general statement with the transportation or fire. So I think the bond questions are clear and I would really urge that the council votes for this and as a united end so that voters will know that, excuse me, that the council is united on this. Thank you.

[Time: 00:19:51]

Mayor Lane: Thank you, Mr. McLaren. That completes the public testimony, requests to speak on this item. So we are back to us here on the dais. Do we have any questions and/or comments? Let's start with Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, mayor. I'm going to be very brutally honest here. As you probably all know, in 2013, I was the chairman of the say no on the bonds committee, and I worked very hard on that and I opposed them for a number of different reasons. It was too much, too bloated, and that's what the citizens said too. The voters agreed and they soundly defeated all of those bonds in every precinct in Scottsdale. The bond package before us this evening reflects some of the lessons that we did learn in that last bond package. Special interest handouts have been removed. The size of this bond package is less than half from what the previous bond package was. And had I preferred that every package be listed by line item, having six smaller questions as opposed to the four larger questions in the last package is definitely a move towards more transparency and more choice for the voters.

This bond package still contains some items, which I would have preferred to have been left out. It is a compromise package as far as I'm concerned. I do not believe bike lanes on McDowell road or essential to Scottsdale's wellbeing, nor I might add do the citizens of Scottsdale that I have spoken to, since this package was put together in south Scottsdale, believe it. I believe it may endanger that question. Nor do I like having the technology items on the bond package. They have a life span of 5 to 10 years and I don't think that's appropriate for a 30-year bond package. I believe that this kind of

I.T. package, while definitely needed here in Scottsdale, let there be no doubt about that is better used and better paid for out of current fund monies and current C.I.P. funding. But you have to get to the current realities of our situation. It's not going to happen in the near future to fund these projects out of current funding. That's just the nitty-gritty of the program, and these projects are necessary for the wellbeing and to protect Scottsdale's quality of life. We need to have them.

So I will support this compromise bond package, however, in the interest of honesty and transparency, there is one change that I do -- I would like to propose. In all the discussions in the work study sessions and various other times when we talked about this, the estimated cost of each project has been listed. However, on tonight's agenda, the proposed language does not include those figures. The estimated cost of each individual project should be included in the language on the ballot, so voters have a more complete understanding of what they are being asked to approve.

During the 2013 bond campaign, I spoke with many voters. Most were fine with paying taxes to fund the community needs, and even to fund some of the amenities. But they didn't want their taxpayer dollars wasted and they wanted to know what their money was going to be spent for and how it was going to be spent before they approve any bonds. Let us not make that mistake again. We need to make this ballot language as open, as honest, as transparent and as complete as possible.

With that goal in mind, I have spoken to Mr. Washburn concerning this, along with one of my colleagues and I believe he has prepared a ballot for our consideration which includes the language to incorporate this change. Mr. Washburn, would you care to comment?

City Attorney Bruce Washburn: Mayor, members of Council, Councilwoman Littlefield, yes, at your request, we have prepared alternate ballot language. Obviously we still have the original ballot languages on the resolution and we prepared an alternate resolution that has language that essentially has the estimated amount for each project actually on the ballot and a statement that essentially says that it's not used for just one project but it can be used for other projects within that question.

[Time: 00:24:29]

Councilwoman Littlefield: I would like to move to adopt resolution number 10139 with the addition of a statement of the estimated amounts of each project after the project name and in each question whether there is more than one item, a statement that if the actual amount of the bond proceeds expended for a certain project is less than the estimate of the excess bond authorization, resulting from the difference between the actual amount of the bond proceeds expended and the estimate may be expended, if needed, on other projects described within that question.

Vice Mayor Milhaven: Second.

Mayor Lane: Would the second like to speak towards it?

Vice Mayor Milhaven: Yeah, clearly an attorney wrote that, right? There's got to be a better way to say it, but I'm sure we are all nice and legal this. I'm just really excited to be here tonight, and know

that we have been able, as a council, to work together and identify critical community needs and come together and, Mr. Wieland, we will get you the information that gives you the comfort that says, no, we don't have the money. Mr. Nichols is right behind you and he says he will make anything available in an easily understood way. I think it's a wonderful thing to come together as a council and moving forward will help us all. Thank you.

[Time: 00:26:17]

Mayor Lane: Thank you, vice mayor. I do think this is a good suggested amendment to the bond language. It's something, obviously, we have talked about before with regard to having greater detail. It's a matter sometimes of transparency. It's a matter sometimes of assurances of how money is going to be spent. There was an obstacle in the past when we proposed this kind of thing, is not to tie the hands too tightly into cap or restrict the funds that are indicated for a given project. And when I say that, I mean we are certainly looking and working with estimates. These are long-term capital projects and they generally require long-term capital debt in order to finance it.

It's one of the easier ways that businesses and municipalities certainly fund these kind of projects, but it is important that you don't lose sight of the need for infrastructure on a continuing basis and development. New infrastructure and also the replacement of old. So I think this is -- I think it's a very good accommodation to some of the concerns that have been expressed in the past, and as councilwoman Littlefield so eloquently put it. I think we have certainly listened to the concerns of the public. We did it through this process, to this point in time, and this is a furtherance of this as well. So I would support this motion. Councilmember Korte.

Councilmember Korte: Thank you, mayor. One simple question for the clerk. Ms. Jagger, clearly with the additional language it make these questions almost twice the length and there's enough room on the ballot for all six questions on one side, and --

City Clerk Carolyn Jagger: We won't know until we start working with the county to know whether we have to go to the back of the ballot which is not really a problem. That's covered in the price. We will -- we know for sure that this ballot language will not require tag lines, which means all of this language will be printed on the ballot. There is a possibility we may have to go to the back, and we won't know until they type set it and send it back to us to look at.

Councilmember Korte: Thank you. Thank you, mayor.

Mayor Lane: I see no further requests to speak on this topic at the moment. So I think we may be ready then to vote. And all of those in favor, please indicate by aye and register your vote. Those opposed with a nay. The motion passes 6-1 and Councilman Phillips opposing. Thank you very much, Mr. Worth.

Public Works Director Dan Worth: Thank you, mayor.

ITEM 23 – AGAVE RESIDENTIAL REZONING AND ABANDONMENT

[Time: 00:29:22]

Mayor Lane: The next order of business is 9 item 23, and this is the agave residential rezoning and abandonment, this is 1-zn-2014 and 2-ab-2014 and we have Ms. Tessier. Oh, no, we do not. I'm sorry.

Senior Planner Brad Carr: A little switch on you tonight. Brad Carr, city planner, with the city's planning department. Item 23 is agave residential case. There's a rezoning and abandonment case. 1-ZN-2014 and 2-AB-2014. As you can see on the aerial, it's located near the intersection of Osborne and Scottsdale Road to the southwest of that area. A little closer aerial here shows you the entire limits of this application in proprietor of you this evening. It encompasses nearly -- I'm sorry, almost 9 acres total in the southern part of the city's downtown area. You can see it compose what is currently the Olive Garden restaurant and the former Red Lobster restaurant and some other properties south of that -- of those restaurants, along that Angus drive road which will be abandoned as part of this application. Currently the site has a mix of zonings including C3, C4 and some downtown zoning. The site is listed as mixed use in our general plan, and part of the downtown multiple use type 2 land use district in our downtown plan.

Here's the site plan of the proposed development for that property, following the rezoning tonight. As you can see, the development consists of a large multistory apartment development, wrapping a parking structure. The existing Red Lobster which has been vacated will be demolished as part of this plan, but the Olive Garden restaurant will remain. In addition, the U.S. Eggs restaurant to the south of the property will also remain as part of the development.

Here you can see that Angus drive abandonment and alignment. The existing area in the blue is under consideration for abandonment. That portion in the green has been previously abandoned under case 2-ab-2011. The density for the site, there's going to be approximately, again, almost 9 acres. Mostly residential density will be housed within that green area shown in this map for the residential units for that apartment development. A small amount of residential units will be reserved for that area, in pink or purple on the northern part of the site at a future development.

Here's some basic facts on the property again. 374 units for that residential development on the center portion of the site. Total units proposed for the future site on the north would be about 68 units. This will be no commercial resident or commercial zoning -- excuse me, commercial floor space for the residential portion of the site, but a future amount of nearly 540,000 could be developed on the northern portion of the site. It's currently showing 66 feet in height inclusive of the roof top and mechanical for the proposed height. That concludes my presentation. The applicant is also here to give you further details on the project.

[Time: 00:32:54]

Mayor Lane: Thank you, Mr. Carr. Yes, so if the applicant would like to come forward, please.

Applicant Representative John Berry: Mayor, members of the council, for your record, John Berry, 5750 East Camelback Road in Scottsdale. In recognition of the reason that we are coming back together this evening, I'm going to abbreviate my presentation. I'm always happy to answer questions. I have a plethora of graphics and other things I can go through if there are specific questions or concerns.

Mayor, members of the council, this evening with this request, you have the opportunity to take two vacant parcels, a shuttered restaurant, and abandoned fueling station and a small automotive repair facility and transform that at the southern end of our downtown into a \$60 million investment in our downtown. With this request, you have the opportunity to recognize the need, to support, the city's largest employer which is literally across the street. Honor Health, formerly Scottsdale Health care is literally across the street. In your packet -- I'm not going to read it, but in your packet is a strong support letter for Honor Health. It's also very close to the second largest employer in downtown, which is the city of Scottsdale. With this request, you have the opportunity to support the immediate community.

You have a card, Mr. Mayor, submitted that would read into record some support letters. No need to do that this evening. One of those letters is from a resident who lives across the street in the condominium complex. We have had no opposition this request. We've had hearing in front of the development review board, the planning commission and this evening and last night they were no cards committed in opposition. So this meeting being reconvened has certainly not impacted anybody's ability to speak if they so wished. We also know that Scottsdale residents are not bashful about showing up and speaking when they have concerns about land use cases in our city.

We have the opportunity this evening with this case to recognize and support the efforts that have gone before us, because this proposal is in conformance with the city's general plan. It's in conformance with our downtown plan. It's in conformance with all of the adopted design guidelines and architectural guidelines for the city of Scottsdale, except in two important regards. Under the downtown ordinance, if we want to take buildings and actually move them further away from our streets and create broader, larger, pedestrian areas and create a different visual environment for traffic on those streets, cars on those streets, if we want to push them further away from the street, we have to get your permission. So part of our request this evening is to ask you to allow us, in some cases, to push these buildings double the distance back in what would otherwise be appropriate or permitted or called for under our downtown ordinance.

The other thing that's different, and I hope you will not hold this against me. I'm kind of hoping with all of these cases where I'm actually coming in for less height that someday I can aggregate it and we can have a much taller building. This property actually has entitlements for 90 feet in height to the top of the mechanical. That's 90, 90 feet in height. That was approved a few years ago. We are asking for 66 feet in height, a reduction in height. What does that look like in context? This is our proposed site of 66 feet. Across the street existing Marriott Courtyard hotel at 57 feet in height. Across the street to the north, the existing 10 Wine Lofts at 67 feet in height. Across the street, Honor Health has up to 150 feet on that site. So we're asking for less height and greater setbacks.

With this request, you also have the opportunity to acknowledge the work of your Development Review Board and your Planning Commission. Both the Development Review Board and the Planning Commission recommended unanimously that you approve this project. And, again, with no neighborhood opposition, no citizen opposition, they showed up at any of those hearings or this evening.

In conclusion, mayor, members of the council, this evening, you have the opportunity to support our largest employer in downtown Scottsdale with this request. You have the opportunity to take vacant land, under-utilized land, land that has the opportunity to become blighted and create a \$60 million shot in the arm for the southern part of our downtown. Along with that comes approximately \$450,000 contribution to public art and my client has elected under the downtown ordinance to write that check, directly to the public arts center in the city for aggregating it for use anywhere in the city, rather than utilizing that approximately \$450,000 on site. Mayor, members of the council, I'm happy to answer any questions. Apologize for the brevity of my presentation. You may be grateful for it but it was not intended in other way than for the reason we reconvene tonight. I'm happy to answer questions.

[Time: 00:39:32]

Mayor Lane: Thank you, Mr. Barry. We may have some questions for you, but in -- I understand that you didn't mention the one card we have to speak on the subject, but I would just ask if Prescott Smith, if she's here, when she would -- I'm sorry, he. If you would follow the instructions or whether you would like to speak?

Prescott Smith: Inaudible

Mayor Lane: Okay. Very good. Very good then. We will go to some of the questions or comments from the council, and we'll start with Councilwoman Klapp.

Councilwoman Klapp: Because I think this is a great addition to the south Scottsdale corridor, which does need revitalization and the project is appropriate for the site, I would like to make a motion to adopt ordinance number 4188, to adopt resolution number 10014, and to adopt resolution number 9703.

Councilmember Korte: Second.

Mayor Lane: A motion has been made and seconded. Would the councilmember like to speak to the second? All right we have a couple of other requests to speak. Councilman Smith.

[Time: 00:40:38]

Councilman Smith: Maybe this is a question for the applicant or Brad, I'm not sure which. Why do we have the Olive Garden site included in this application? There is no -- there is no project or development proposed for that site.

Applicant Representative John Berry: Mayor, Councilman Smith, the owner of that site is currently Darden Restaurants who also owned the former Red Lobster site. They looked at this as a way to create joint planning on this site, which is always a good thing in terms of city planning. As part of this process, so although there are no plans to do anything on that northern parcel and the stipulations say we can't do anything on that property, without coming back to council, it ensures that this property will be jointly planned. For example, there's a substantial public plaza and pedestrian access way through the site, from Scottsdale road to 71st that will constitute about 3,000 square foot plaza, a tote of about 11,000 or 12,000 square feet of land dedicated to the city for pedestrian and plaza purposes that will create the edge between these two parcels. By bringing these parcels together, we create a better plan, a better pedestrian plan in the future. So if they come, if they elect to, it will be part of a unified development. So in essence, the larger the parcel, the more planning and hopefully a better end result for the city.

Councilman Smith: I hear what you are saying and maybe I'm asking the city attorney or I don't know who I'm asking, but the documents that we were given said explicitly that even though the Olive Garden has no plans to develop at this time, the proposed manning will allow them to redevelop, consistent with the downtown plan if they desire. I find it awkward that I'm looking at approving zoning district improvements and development plan for a parcel of land that I have no idea what will be built there, other than the reference somewhere in the packet that said we will have 68 units on a box of some description.

Applicant Representative John Berry: Mayor, Councilman Smith, if I might and certainly the city attorney or Brad are welcome to weigh in here. But the stipulations cover this. If you look at your packet, in stipulation number 2b, as in to be or not to be, it says the site two, it shall develop with existing condition, which means the Olive Garden restaurant and is limited to reasonable repairs and alterations only. Any changes, any changes to site 2, meaning the Olive Garden, shall be subject to additional public hearings before the development review board, planning commission as a separate zoning map to develop the plan. You are not approving anything blanket. You are not approving anything that would allow them to do anything. If they do anything other than reasonable repairs to the Olive Garden restaurants, they must come back through as a new zoning case before you, the development review board and the planning commission and most importantly the community.

Councilman Smith: I hear what you are saying and I -- I guess my concern is that I see this -- these kinds of interactions when an applicant comes to us and asking for the approval of development plan, I see this as our only opportunity to negotiate on behalf of the citizens, or our client, if you will. And I'm uncomfortable including a blank piece of land. Normally we get at least something on the back of an envelope that says what will be done but we don't even have a back of the envelope here. It's just this site two is swept into this approval and regardless of what I think of site one, I'm uncomfortable with including site two and I don't know whether others share my discomfort or not.

Applicant Representative John Berry: Mayor, again, Councilman Smith, one of the advantages to our clients, is by uniting these parcels, all of these stipulations, for example, dedications of right-of-way which is a benefit to all of the community, pedestrian walkways, landscaping, access those

fundamental building blocks of a quality city are united and unified so that you don't have to worry about the next person who comes along in getting those. You have gotten them now as part of this, plus you are essentially getting two bites at the apple. So from the citizen's perspective, you are getting all of these benefits of a larger parcel where you are extracting those from us as part of the zoning case and these stipulations and secondly, you are not limiting the citizen's ability to have more input or to negotiate with us. You are doubling it, because you have the opportunity now, but more importantly, when that site comes back to the north, you have the explicit right to enter into negotiations again. So rather than limiting the number of bites at the apple, you are affording the citizens and yourselves two bites at the apple.

Councilman Smith: I hear what you are saying. I think would have had two bites at the apple, even if it was not included with this zoning. You mentioned the opportunity that this gave us for negotiating dedicated right-of-ways and so on. I assume you are talking about this walkway down the side, the north side of the building and to the public plaza and --

Applicant Representative John Berry: Mayor, Councilman Smith, no. For example, if you look on page -- that's included, of course, but also included are all the infrastructure and the dedications. So we have just talked about in the bond election call for that election, which congratulations. All of those infrastructure and dedication requirements also apply to site one, my understanding. So you are getting those now. Not later. So you are getting all of these benefits now. If we only had the one application for site one, you would have no legal ability or right to get those dedications of all of those stipulations, for example, and infrastructure and dedications. You wouldn't have the right to get those until some point in the future, who knows when, when Olive Garden or their successor comes in and asks pore something from you. You are actually able to get things now that you wouldn't be able to get until some undetermined time in the future which benefit our citizens right now.

[Time: 00:48:05]

Councilman Smith: Well, I guessing you back to this -- to the public walkway on the north side of the site one, to the -- what was described as the public plaza, a little area of 100 by 60 or maybe it's 100 by 50, I'm not sure what it is, the stipulation, I think is 50 by 60 feet or something. The implication in the application was that this was something that the applicant was offering as part of the package. This is one. Amenities that is being offered to the citizens of Scottsdale, as an inducement for this project, but if I did my math right, I think reality is that you are actually trading square footage. In other words, you would pay -- you would be paying us for Angus drive abandonment. You would be paying us for 17,600 square feet, but, in fact, you are not paying us for 17,600 square feet, you are paying us for 8,000 square feet less than that, because you are having us deduct from our receipts the amount that would otherwise go into this little plaza and the walkway along the north side of the building, is that true? And I don't know whether, again, I'm asking staff or you, John.

Applicant Representative John Berry: I will let the staff respond as to the math.

Current Planning Director Tim Curtis: Mayor and members of council, Tim Curtis with the city

planning department. There's a lot to this case. There's previous abandonment of Angus for the first case and then there's this supplemental abandonment for the current case here tonight. When you deal with the math, there's a lot of components to it. There was land that was previously abandoned before and in exchange for that abandonment were some other access easements to the interest of the city and then with this abandonment, there's additional provisions in terms of compensation or consideration to the city as part of this master plan package deal.

You are right, currently we have Angus that runs through the property for vehicles and pedestrians and bicycles and so forth and the abandonment includes a variety of items for consideration to council to grant the abandonment. Some of it is cash. Some it is with easements and the replacement of a strong pedestrian connection that connects 71st and Scottsdale road, just as we have it today, just in a different format. So in terms of the exchange, there is value to be considered with that and so with the council consideration of the zoning, it includes the council consideration of the abandonment and the offering of consideration for that.

Applicant Representative John Berry: Mayor, Councilman Smith, I can expand on that a little bit.

Councilman Smith: Actually, I would hope that you would contract.

Applicant Representative John Berry: You don't want a lawyer to do math. And I'm not considering that I'm doing math. Under the terms of the stipulations we have only taken credit for half of that plaza and half of the 15-foot right-of-way. So the city is getting the cash value on that abandonment, plus only half of the plaza and half of the dedication of the pathway through there. It's 15 feet wide. We only took credit for half of that. That means as a result of unifying these cases, you have assurance that you will get the other half of that walkway for free, when the Olive Garden site comes in. Without unifying these parcels, you have no assurance that you would get the other half of that walkway. With this case, you have assurance and you haven't double dipped for asking for a credit for the entire walkway, only our half.

Councilman Smith: I don't know which answer I liked less, but, you know, the math is not complicated. I mean, I have a little bit of problem with abandonment of Angus Drive. We abandoned the first in 2011 and the second area tonight. And once we do, that there's no alignment between that and Scottsdale Road. There's no line of sight between the two. Someone is building an apartment building on top of Angus. And the fact that we are going to sell Angus for what amounts to \$300,000 an acre, lesser amount, of course, because it's not a full acre we are selling.

But the package that we were given saying that says this was a monetary contribution to the city in the amount \$78,700. Nobody is making a monetary contribution. Somebody is buying Angus drive, minus half a sidewalk and a public plaza. I'm bothered by this for several reasons. We mentioned verbally that it's an apartment building and my concern is that Scottsdale is today and has been in the past something very, very special. And we became something special because of all of the amenities that we as a city provided. Libraries, more libraries than any other city in the valley. Fire stations, police stations, parks, dog parks, community centers, all of this stuff, and we did this because we -- we had the collective wherewithal among our citizens to provide the funding for these kinds of services

and now we are going to bring in -- I don't even know how many citizens. How many residents are expected that will be in this complex?

Applicant Representative John Berry: There are 300 -- Mayor, Councilman Smith, there are 349 units if you approve it, and the -- I think it's 1.5 or 1.6 residents per unit is what the calculation that's used. I wanted clarify for the record that we don't know if this will be apartments or condos and I didn't take time to talk about that in the presentation. We don't know whether they are be condos or apartments. They are being built as if they could be condos and we won't know until the market tells us when we are under constructed, and whether they will be rented first and sold in the future, but they are being built with the amenities as if they could be sold as condominiums. We don't know what they will be and we have been very transparent through the process. I wanted to clarify that.

Councilman Smith: The thing here says 374 units.

Applicant Representative John Berry: I think it's 349 on this parcel -- 365, is that what you said Kevin? 375, I'm sorry. See, I told you I was bad at math.

Councilman Smith: And I wanted that on the record.

Applicant Representative John Berry: Yeah, don't worry. It's there.

[Time: 00:56:19]

Councilman Smith: The general plan and our intent in providing for increased density downtown was to enhance the economic viability of city. There's no question in my mind this enhances the economic viability, the 375 people that move these little units as renters or condos. What size are these units?

Applicant Representative John Berry: Average size is approximately 875 feet or 890 feet.

Councilman Smith: This is just so dissimilar to what Scottsdale is now. The average value of a home in Scottsdale now is \$350,000. These will probably be a couple hundred thousand dollars. I don't know what the income comparison is, but it's -- if we bring in a bunch of people that expect the same services that we have -- that has made Scottsdale special in the past and we hope will continue to make it special in the future. If we bring a bunch of folks in that, in a sense can't pay their share, much less attract tourists to pay 20% of the obligation, I just don't know what drum beat we are marching to here. I don't know what change we are trying to impose on the city. I don't know what demographic goal will be in. Greater mass will make it more exciting.

I'm -- I would like to -- I presume the council is going to approve this. So maybe I'm just spinning my wheels here but at a minimum, I would like to figure out how to construct a motion that says I exclude the olive garden site to this motion. I don't know whether it's an alternate motion. Maybe counsel can help me on what I'm trying to articulate. I want to test the waters for at least removing the olive garden site since we don't have a clue there.

City Attorney Bruce Washburn: Council member, you could do that as an alternate motion. It's not the opposite of the existing motion to -- is this a pending motion? I'm sorry. I lost track.

Mayor Lane: Yes.

City Attorney Bruce Washburn: So it's not just the opposite of the pending motion. So you could make an alternate motion to approve the resolution with the exception of the Olive Garden site.

Councilman Smith: But what if I don't want to make a motion to approve the resolution, I just want to remove that from consideration? And then we'll decide later whether we want to approve the site or not.

City Attorney Bruce Washburn: I'm sorry. I don't know what -- I'm not sure I know what that motion would look like. A motion to --

Councilman Smith: I would like to make a motion to remove site two from the applicant's request as stated in item number 22 -- or item number 23. I would like to remove site two.

City Attorney Bruce Washburn: With all due respect, the applicant gets to request whatever they want to request.

Councilman Smith: Can I make a motion to deny a portion of the request then?

Mayor Lane: Mr. Washburn, I'm wondering from the standpoint of the agenda, particularly if it's taken by itself, whether the removal of a portion of it is an agenda item. We are voting on the item or not voting on the agenda. Just a thought as regards that. I'm just -- when we talk about amending the proposed motion and resolution, you are taking the resolution as a whole, I would think. Just to say we will have a motion to change what we are voting on, I don't know. I realize it's a little bit on a different line.

City Attorney Bruce Washburn: Mayor, council frequently votes on motions that are made to approve a resolution with an amendment to the resolution. We just did it with respect to --

Mayor Lane: I'm not saying that. I'm talking about specifically just removing it. Not voting on the resolution as amended but just voting on a deletion from it.

City Attorney Bruce Washburn: Yeah.

Mayor Lane: I understand. It's a little, as far as I can see it's a gray area and I do see and maybe this will be helpful for both of us.

City Clerk Carolyn Jagger: Or it could make things worse.

Mayor Lane: You are shaking your head.

City Clerk Carolyn Jagger: Here's what I would like to suggest to the city attorney and see if he agrees. I wonder if the councilman could propose an amendment to the motion and they could vote on the amendment and then go forward with the vote on the original motion, if the amendment fails.

City Attorney Bruce Washburn: You -- okay. You are going to have to trust me on this one, madam clerk. That's exactly what I was going to suggest. That is the appropriate way to handle this.

Mayor Lane: I'm sorry to have interrupted your train of thought.

City Attorney Bruce Washburn: It's to request the motion maker to exclude the parcel.

[Time: 01:01:47]

Applicant Representative John Berry: Mayor, members of the council before you act on this motion, we spent well over two years on this process and brought together a lot of desperate owners to put together the plan that we have before you, which we think is a great plan. I cannot stress strongly enough how vigorously we would oppose this amendment. I would also like to note that the people, whether they are owners or renters that would occupy these units are an interesting demographic and we found this in the city, which is the average age of people that are moving into apartments, not condos, because you have to make more and be perhaps a different demographic to open the condo or the unit, but the average age of people moving into these apartment units are 44 to 42 years old. Average income is about \$130,000. These are not just millennials who are working for Yelp and Zenefits and creating a secure corridor for us, the highly educated millennials that many cities are competing to attract and attracted to Scottsdale. These are people who no longer want 4,000 or 5,000 square feet in north central Scottsdale and they want to be within the downtown. They are not people who want to walk to the bar district and crawl home. These are people that are empty nesters and want to enjoy the amenities you all and we all over the last decades have created in our downtown. The average age, that's the average! And the rents are higher than what people are expecting.

Our downtown is attractive and we believe that this \$60 million investment by taking out underutilized vacant land and abandoned gas station and a shuttered restaurant is a great benefit for downtown, and for our largest employer, Honor Health across the street. So we would respectfully request that you not vote in support of any amendment to delete any of this property from application. Thank you.

Mayor Lane: Thank you, Mr. Berry. Mr. Washburn, do I see that you were duly on the screen.

City Attorney Bruce Washburn: I wanted to make one other point. I think if somebody comes in with an application for a rezoning or whatever and then the council is going to change the application so that it's different from what they have requested, that the applicant has a right to withdraw the application. In other words, you can't force them to rezone their property in a manner different from

what they requested. You can change it and then they have -- they have the option to say, oh, yeah, fine we accept that change but if they don't accept the change, you don't get to rezone their property. It would not be a good idea to rezone their property without giving them an attorney to withdrawal the application.

Mayor Lane: Understand.

Councilman Smith: Let me ask Mr. Washburn something, if I may. What I was suggesting was not a rezoning the property or demanding that the applicant rezone the property. I'm just saying we don't change the zoning at all on site two. Just leave it alone.

Applicant Representative John Berry: Mayor, Councilman Smith, I never deem to speak for your learned and esteemed city attorney but I think the point that needs to be made is that it's the applicant's property and the applicant's application. It's not the city's. As a result, we are the ones who have a right to withdraw a portion or all of the application. The city does not unilaterally have the right to remove a portion of our application from our request. I think we have the right to have a hearing on the entire application and to have you vote it up or down, or we have the right to withdraw a portion of it on our own as applicants have done in these very chambers. And we have the right to withdraw the entire application and walk away and let the property remain as it is for an indeterminate. I think it's an intrusion of government, for the government to step in to say that we want you, as government, we will force you to remove a portion of the property from the application. Thank you.

[Time: 01:08:22]

Mayor Lane: Mr. Curtis, do you have a request?

Current Planning Director Tim Curtis: Yes, Mr. Mayor, and members of the council. I would like to caution the council in any type of zoning case that has associated development plan about making significant changes from the dais regarding the development plan and in this case, it may sound simple to just chop off the north half of it, but the analysis that was done and the development plan was based off of the whole. The public outreach and the community vetting was done as a whole, and so I think that there are consequences albeit they may end up being favorable consequences depending on what the council considers, but there are consequences that I think need further evaluation and make sure that we understand what that means, because there could be some density issues, based off of this. Again, the whole development plan was analyzed and contemplated as a whole.

I don't think we fully understand the implications of just removing the entire north half of this development plan. So we would always caution about that and if there are certain concerns that the council has about any rezoning case or the development man and they want to contemplate serious changes to that, then it would probably be in the best public interest to discuss a continuance and vet this out to make sure that we are making the right decisions, again, because this type of thing and the calculations haven't been contemplated and we need to make sure that we have it well understood in terms of the other development standards that apply.

Mayor Lane: Thank you, Mr. Curtis. Now if the applicant were to make the decision themselves would it bear the same consequences that you refer to?

Current Planning Director Tim Curtis: Mayor, members of council, absolutely. Again, the analysis is based on the whole.

Mayor Lane: Yeah. Yeah. Okay. Thank you.

Councilman Smith: Mr. Mayor.

Mayor Lane: Yes, councilman?

Councilman Smith: I think I need to wrap up my comments in some way or another, and what I'm hearing is that it's just not possible to get from here to there in terms of limiting site one from the development. I would be less than outspoken if I didn't say I was disappointed that staff can say that they have evaluated a development plan on a piece of property which they have no idea what will be developed there. I have no idea how you would analyze the development for 8.5 acres when what's sitting there is a restaurant and there's no presentation of what will be built there. If you did that somehow magically, then I guess I can applaud you. But I will certainly oppose this project. I'm hearing the applicant say that goodness wait and see what kind of people move here. They are going to be wealthy folks. They are going to be adding to the economic vitality of the city. That was only moments later, however, Mr. Berry, after you said we don't know whether these will be apartments or condos and who will rent they will and we don't know what we will do with site number two. I am going to be opposing this. I guess that's the only point we have.

[Time: 01:10:01]

Mayor Lane: Thank you, councilman. Councilman Phillips?

Councilman Phillips: Thank you, mayor and if I may say to Councilmember Smith, welcome to city hall. You know, all due respect, all these other properties that surround it and the various heights that past councils have given. I didn't vote for any of those and I don't care that past councils gave more height than they should have and therefore it's okay. The same with this property itself, it's supposed to go to -- it could go to nine stories, I never would have voted for that either.

Most people know, multifamily magazine even knows, that multifamily housing is basically over. You know, they have gotten all of their approvals. They are building them now. Another 10,000 coming. I can't see point of doing that. But especially on Scottsdale Road and especially in downtown Scottsdale. And how you figure out who is going to live in these, you know, if you get 350 units and two people-in each one of them, that's 700 people on Scottsdale Road. I think that's insane.

And not to know if it's condos or apartments. You can't say when we find out when we start building

because they are built totally different. The only way to do that is to build the condos and sell them and then all the condo owners rent those. At 800 square foot, that's really probably a divorced dad or somebody. I can't see who would want to live in an 800 square foot apartment. That's a loft.

You can't tell people what to build. But for me in the downtown, I would rather see a commercial hub there, creating revenue for the city, perhaps 100 million or more than to see another multifamily housing project in the middle of our downtown right on Scottsdale Road. And after council approves, this you can sit and wait a year or two and say, I don't really want to build apartments and I will put it up for sale with this new zoning. No, I'm not going to vote for this. I don't know what the rest of the council has in mind but enough is enough. Thank you.

[Time: 01:12:25]

Mayor Lane: Thank you, councilman. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, mayor, well, my objection to this is very simple. Previous councils have already approved too many high density, high rise housing units in south Scottsdale, especially in the southern part and the downtown area. Residents are upset and very angry. These already approved condos and apartments haven't yet been built but when they are built, they will negatively impact the quality of life, by increasing traffic congestion, infrastructure costs and blocking the views of the current residents. We do not need to approve more high rise, high density buildings.

When I talked to Mr. Barry and several of the other people regarding this project, they were telling me that this was something the hospital wanted, the city wanted because it would create homes for people who worked in the hospital, who would have to travel. I worked almost my entire adult life. When I was hired for a job, I assumed it was responsibility to travel to and from that job if I wanted to keep it. I did not expect either my employer or the city I worked in to provide my living quarters. If it's so important for these folks to live close to the hospital, or the city, or any other employer in Scottsdale, we already have many options for them to choose from. Some not very far from the hospital. It is not the responsibility of our current residents to degrade their quality of life to make it easier for others to move to Scottsdale. I will be opposing this project on those grounds.

[Time: 01:14:16]

Mayor Lane: Thank you, councilwoman. Councilwoman Korte.

Councilmember Korte: Thank you, mayor. Well, no good deed goes unpunished. And I apologize to the applicant. You came before us choosing to make a better quality project for our downtown that has brought together and assembled some blighted areas in our downtown and apologize. This is very fitting for this space. It is I'm going to attract that individual that chooses to work, live and play and learn in downtown Scottsdale and whether that person works at Scottsdale healthcare or down in our entertainment district, it doesn't matter. It provides an alternative. It provides a diversity of housing options for the demographic that actually we would like to attract, that 40 to 42 or 40 to 45, that's a demographic we would like to attract. And honestly, I'm surprised that someone

would be as dismissive of a demographic that chooses to live in a smaller footprint as not worthy of living in Scottsdale. I find that unattractive. So I will be supporting this. Thank you.

[Time: 01:15:44]

Mayor Lane: Thank you, councilwoman. You know, there's obviously a couple of different, very diverse or very different points of view as regards housing, both options in downtown Scottsdale. A lot of it has to do with certainly market demand, and those things do change. This isn't any doubt about it. It changed back in 2006, 2007, when we eliminated 6700 apartments by virtue of going to ownership. These things do transition. So this is a -- there's actually a need and there is a market and there is a reason for the current demographic shift into downtown. It's because downtown has become revitalized and alive and it is attractive. And it has a great reputation for just exactly that.

And frankly for the companies that do lend themselves to our economic engine, they are here with employees that certainly a certain percentage of these folks are living, working and thriving in this housing that is downtown, closely associated where their business is located. It's a reliever and almost every community is around us and somewhat envious of how we put this together, it's a reliever of traffic issues overall. It's an accommodation to a group of people that we have been seeking to attract and we have become noteworthy in that respect. Now the demographic as it translates has now become attractive to another group of people who may be making changes in their life as far as that higher age and higher income group that may be transforming to a simpler lifestyle with closer proximity to the amenities that have become so attractive.

Realizing there are two points of view, and they are both appreciated for their point of view. I don't necessarily subscribe to the one. I subscribe to one which I think is much more of a dynamic builder for Scottsdale, and keeping our downtown and these areas alive and thriving and moving forward, in a positive evolution as we need to be as a city to certainly to grow and to thrive and to be welcoming, frankly to all manner of folks. If we have some difficulty with the kind of people that might live in these apartments, I think that's somewhat of a difficult position for us to take as a council. Whether they don't seem to meet the standards that may -- may like to think we need to have here. I don't even think that's the case but certain highly educated that's part of the conversation.

As far as this development is concerned and what is presented to us tonight, I don't have any difficulty with the fact that site two is included in it, with the stipulations that have been indicated. Frankly, I think it's a very, very positive way to look at this. I would much sooner have a development like this, designed as it is and it's been presented, which I think is a very good design, but to have it frank, with those amenities that serve the folks that will be right there. They don't have to get in their car. They can go to some of those amenities. They are right there as a matter of routine.

And this population also tends and has a real support -- supports, in large part all of the merchants and amenities in downtown. Certainly we love and we thrive on the 9.1 million visitors we see every year and we like to have them eating in the downtown restaurants and visiting cultural shops and the galleries and the whole realm of things, even the entertainment district, as far as that's concerned. It's good for our economy. These things have a tendency in an indirect way to pay very well into our

economy. They do contribute significantly beyond just the housing and that's the way housing is. There's the indirects that we always talk about and frankly, they are hardly even indirect.

So as far as evaluating the development as it's been presented, I think in its entirety with site two, it's certainly entirely legitimate and I think that certainly there is just a -- a sense of opposition to anything that may smack of multifamily housing and therefore some issue or another needs to be taken with it. So I don't subscribe to those objections and I think this is a good project and I certainly do support the motion that's on the table.

And for that, we have no further comments. I will call for the motion. I'm sorry, to call for the question. And we are ready then to vote. Those in favor please indicate by aye. Those opposed with a nay. Aye.

The motion passes 4-3 with Councilwoman Littlefield opposing, Councilman Smith opposing and Councilman Phillips opposing.

Applicant Representative John Berry: Thank you all for your time.

ITEM 24 – PUBLIC HEARING ON THE PROPOSED FISCAL YEAR FY 2015/16 PROPERTY TAX LEVY

[Time: 01:21:02]

Mayor Lane: Thank you all very much. All right. That moves us on to the next couple of items. And the situation due to the continuation of last night's regular meeting motions on the regular agenda items 24 and 25 should reflect a date of June 23rd, 2015, rather than June 16th for the proposed tax levies to be assessed by ordinance. Just as a note, because item 24 as it currently reads -- I think it still reads this way, yes is the public hearing on the proposed fiscal year 2015/16 property tax levy. And there's follow-up action which would be approve of a motion to levy the proposed property taxes to be assessed by ordinance on June 16th. That date should be June 23rd. So with that in place, we are now set for the public hearing on the proposed fiscal year 2015/16 property tax levy. This is the public hearing and we have Lee Guillory in front of us here to go through that. Please Ms. Guillory. Welcome.

Finance Director Lee Guillory: Thank you Mayor Lane and the council. This is the public hearing on the proposed '15/16 property tax levy and rate. Based on guidance from the council in April, the proposed primary tax levy does not include the 2% allowance. It does include a growth amount related to new growth on the tax rolls of \$265,523. So the primary property tax levy in total that would go to the general fund would be \$26,009,870. I apologize, we have the wrong presentation on the screen. I don't see anybody manning the booth.

Mayor Lane: We will have to go over that one!

Finance Director Lee Guillory: So the primary property tax would also include the 2014 tort claims that total \$1,312,809. Those receipts would be booked into the city's risk fund and not the city's

general fund. So Brian, I'm hoping you are putting up the property tax presentation. The total proposed primary tax levy amount would be \$27,322,679. This is a decrease from the prior year's primary property tax levy, and would result in a primary property tax rate of .5293 cents per \$100 of assessed valuation. So both the levy and the rate would be dropping.

In addition, there is a secondary property tax, which is used to pay debt service on general obligation bonds, that have been authorized by the volunteers. For fiscal year '15/16, the debt service payment required is \$32,742,732, and would be reduced by a use of the debt service reserve million of \$5,000,967. So thank you, Brian, the net of the secondary property tax levy would be the \$32,227,765. Again, this would be a reduction from the prior year or '14/15 secondary levy. It would result in a secondary property tax rate of .6244 cents per \$100 assessed valuation.

So this is the current '14/15 levies and the proposed '15/16. The top line is the primary taxes, which I just covered. Second portion is the secondary. You see both the levy and the primary and secondary tax rates, which is just the levy divided by the assessed valuation. The bottom of the screen shows that the entire levy, both primary and secondary would be \$59,550,544. The total combined rate would be \$1.15 -- let me restate that 1.1537 cents per \$100 assessed valuation.

As the mayor also indicated, tonight's action is also the actual hearing. By state law, we must wait a minimum of 14 days before you would don't the actual ordinance. So we would be coming back on June 23rd for you to adopt the ordinance related to the property taxes, not the June 16th, as it shows on the screen. I'm open for questions.

[Time: 01:26:47]

Mayor Lane: Thank you, Lee. We will start with Councilmember Korte.

Councilmember Korte: Thank you. I move to approve the levy for the proposed '15/16 property taxes to be assessed by --

Mayor Lane: I don't think we are here to -- or this is for the hearing itself, is it not?

Finance Director Lee Guillory: That is correct.

Mayor Lane: Oh, I'm sorry. Yes. This would be on the 23rd rather than the 16th, as indicated.

Councilmember Korte: Right on the 23rd.

Mayor Lane: Motion for approval.

Finance Director Lee Guillory: Tonight, because this is a hearing, I do need a motion to proceed with approval of the ordinance on June 23rd. So this is a motion tonight as well.

Mayor Lane: So approval, it's a motion to levy the proposed --

Councilmember Korte: Do you want me to do it?

Mayor Lane: All I do know is this is a hearing. It's a motion to approve -- to move forward to the actual approval.

Finance Director Lee Guillory: That's correct.

Mayor Lane: On June 23rd. I'm sorry. I apologize if that's the way that language is intended to be read. Okay. Pardon me.

Councilmember Korte: Should I just move forward now?

Mayor Lane: Never mind. Never mind.

Councilmember Korte: So, I approve a motion to levy proposed fiscal year '15/16 property tax levies on June 23rd, 2015.

Councilwoman Littlefield: Second.

Mayor Lane: The motion has been made and seconded. Would the second like to speak toward it at all? Okay. Okay. Then there's no public testimony. There's nothing recorded here. We are ready to vote if you approve with a ye, and nay with opposed. And unanimous approval. To move forward to the approval.

ITEM 25 – PUBLIC HEARING ON PROPOSED FISCAL YEAR 2015/16 MUNICIPAL STREETLIGHT IMPROVEMENT DISTRICT EXPENSES AND PROPERTY TAX LEVY (BY DISTRICT)

[Time: 01:28:41]

Mayor Lane: All right. Lee, I think you are probably here for us on the next item, item 25. And again, we have the same situation, with regard to the motion to levy the proposed taxes. That will be on -- to be assessed by ordinance on June 23rd again. So that's the change that we have on item 25, which is the public hearing on the proposed fiscal year 2015/16 municipal street light improvement district expenses and property tax levy. Ms. Guillory. I promise not to interfere.

Finance Director Lee Guillory: The city has 355 street light districts throughout these boundaries. So these districts provide street lights to the property owners and the property owners are assessed a property tax to pay the electricity costs of running these street lights. So the -- the estimated cost for '15/16 energy costs for the various streetlight districts total \$584,000. That's actually the levy amount. The proposed levy. The actual energy costs are -- are estimated to be slightly less at \$577,000. So the actual levy, though, is by district, 355 districts and again would total \$578,400 for fiscal year '15/16.

So tonight's action is actually the hearing at which point you will take a motion to officially adopt the ordinance at the June 23rd meeting of the council.

Mayor Lane: Okay. I'm always looking for volunteers in that regard and now I screwed that one up. Do I have a motion to approve?

Vice Mayor Milhaven: I'll do it.

Councilwoman Littlefield: I approve a motion to consider the adoption of the proposed fiscal year 2015/2016 streetlight property tax levies during council's June 23rd, 2015 meeting.

Vice Mayor Milhaven: Second.

Mayor Lane: Motion is made and seconded. I think we are ready to vote. All those in favor, please indicate with an aye. Those opposed with a nay. It's unanimous. Thank you, Ms. Guillory. Okay.

ITEM 26 – FINAL PUBLIC HEARING ON THE FISCAL YEAR 2015/16 BUDGET

[Time: 01:31:19]

Mayor Lane: To item 26, and the final public hearing on the fiscal year 2015/16 budget. Of course, in this case, it's the request to solicit public testimony on the 2015/16 operating budget and capital improvement plan as tentatively approved on May 12th, 2015. We have Ms. Doyle here in front of us. Welcome.

Budget Director Judy Doyle: Good evening, mayor and members of the council. Tonight is our final hearing on the 2015/16 budget. This will go ahead and mark what you did on the tentative budget on May 12th. You will have the opportunity to either reallocate those expenditures that we adopted at the tentative budget or reduce them, but this evening you are not able to increase them.

Tonight's presentation will be very brief. We are just going to walk through some of the key items that are included in the '15/16 final budget. As we have mentioned our city manager did bring forward a balanced budget and incorporated the priorities that we have received from you, council, through our various budget discussions. The budget also includes the equivalent of a 3% to max for divisions allocate to employees who perform well. Donna Brown, our H.R. director, came forward before you on April 28th to receive guidance and direction on our city's pay program. The police officer compensation on March 3rd, council gave direction to include a 3% fix in year one, and up to 5% step program beginning in year two. We have included additional funding for police overtime in the '15/16 budget. This will put the hours that are budgeted for overtime more in line with the prior five-year actual hours used.

Public safety personnel as we indicated, the personnel retirement system is seeing over a 7% increase related to the reversal of some pension reform changes. Additional fire personnel, we added 12

personnel to the fire department in '15/16 to help address firefighter vacancies, attrition, employee reliability factors and the increasing of the leave accrual rate, all of which was reported in that 2013 staffing audit.

And then based on counsel's direction on April 21st and again this evening, we will move forward with the 2015 bond program. So we have included an additional 20 million of contingency in our C.I.P. This is budget authority only, obviously that would be paid for with bond funds. This is just to ensure we have the spending authority to move forward if needed. And then, of course, property tax per your direction, we did not include that 2% allowance.

So this evening, after this public hearing, we will reconvene per state statutes into a special meeting to formally adopt the budget. And then as we have indicated, the mayor and Lee Guillory that June 16th date has been moved to the 23rd for the public hearing and final adoption of the tax levies. And with that, I'm happy to take any questions that you might have.

Mayor Lane: Thank you, Ms. Doyle. And I see no questions or other testimony to be given on this. So I would accept a motion.

Budget Director Judy Doyle: Mayor and members of council this is no motion required in this.

Mayor Lane: I should have figured.

Budget Director Judy Doyle: When we reconvene into the special meeting, that's where we will need to adopt the ordinance.

Mayor Lane: Okay. So this is -- so then we are just at the hearing point. There are no additional cards on that. There's no comments from the council here and so thank you very much for the presentation. Okay.

So we are then -- we have no further public comment. We have no petition items. Mayor and council items. I would ask for a motion for

Councilmember Korte: So moved.

Mayor Lane: Adjournment. Second for the adjournment?

Councilwoman Klapp: Second.

Mayor Lane: We are adjourned. And we will then reconvene since we did go ahead and start this meeting last night.

SPECIAL MEETING ITEM 1 – FINAL ADOPTION OF FISCAL YEAR 2015/16 BUDGET ESTIMATES

[Time: 01:36:13]

Mayor Lane: We will reconvene the special meeting and with the one agenda item and that is the final adoption, I get my chance now, of a fiscal year 2015/16 budget estimates and Ms. Doyle, I don't know if there's further commentary on your part, but you are welcome to come back if you would like.

Budget Director Judy Doyle: Mayor and members of the council, no we don't have any formal presentation.

Mayor Lane: Then I would accept a motion since there are no other comments indicated unless this is a comment to councilmember Korte.

Councilmember Korte: No it was a motion. Move to adopt Ordinance 4217 setting the final budget estimates for fiscal year 2015/16 operating budget operating budget and capital improvement plan as tentatively approved on May 12th, 2015.

Councilwoman Littlefield: Second.

Mayor Lane: A motion made and seconded. Any further comment? Seeing none, I think we are then ready to vote. All those in favor please indicate aye and nay if you oppose. Aye. It's unanimous. So that completes the special meeting agenda. I would --

Councilwoman Klapp: Move to adjourn.

Mayor Lane: I would thank everyone. And I have a motion to adjourn.

Councilmembers: So moved.

Mayor Lane: It's done and seconded. We are adjourned. Thank you very much.