

**SUMMARIZED MINUTES  
SCOTTSDALE CITY COUNCIL  
REGULAR MEETING  
TUESDAY, MARCH 5, 2013**



**CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251**

**CALL TO ORDER**

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:11 P.M. on Tuesday, March 5, 2013, in the City Hall Kiva.

**ROLL CALL**

Present: Mayor W.J. "Jim" Lane  
Vice Mayor Suzanne Klapp  
Councilmembers Virginia L. Korte, Robert W. Littlefield, Linda Milhaven  
(participated telephonically), Guy Phillips, and Dennis E. Robbins

Also Present: Acting City Manager Dan Worth  
City Attorney Bruce Washburn  
City Treasurer David Smith  
City Auditor Sharron Walker  
City Clerk Carolyn Jagger

**PLEDGE OF ALLEGIANCE** – Councilman Robbins

**INVOCATION** – Mayor Lane requested a moment of silence.

**MAYOR'S REPORT**

Mayor Lane announced that Scottsdale Unified School District has 30 National Merit Scholar finalists this year, at least one from every public high school in Scottsdale.

**CITY MANAGER'S REPORT** – None

**PRESENTATIONS/INFORMATION UPDATES** – None

**NOTE:** IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN BY THE CITY COUNCIL. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

## **PUBLIC COMMENT**

- Former Councilman and Bond Task Force Member Wayne Ecton spoke in support of the 2013 Scottsdale Bond Program.

## **ADDED ITEMS**

**Added Items:** Resolution No. 8223 requires that with limited exceptions, the agenda language, the Council report, and any supporting material described as being attached to the Council report shall be made available to the public at least ten days prior to a scheduled Council meeting. Material that is not timely made requires a separate vote to consider whether the item will remain on the agenda or be continued to a future date.

### **A1. Added Items**

The supporting materials for Item No. 8 will be added to the agenda less than ten days prior to the meeting and will require a separate vote to remain on the agenda.

**Request:** Vote to accept the agenda as presented or to continue the added item(s) to the March 19, 2013 Council meeting.

## **MOTION AND VOTE – ADDED ITEMS**

Councilman Robbins moved to accept the agenda as presented. Vice Mayor Klapp seconded the motion, which carried 7/0.

## **MINUTES**

**Request:** Approve the Regular Meeting Minutes of February 5, 2013.

## **MOTION AND VOTE – MINUTES**

Councilman Robbins moved to approve the Regular Meeting Minutes of February 5, 2013. Vice Mayor Klapp seconded the motion, which carried 7/0.

## **CONSENT AGENDA**

### **1. 99 Cents Only Store No. 164 Liquor License (6-LL-2013)**

**Request:** Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 10 (beer and wine store) liquor license for a new location and owner.

**Location:** 7919 E. Thomas Road

**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210,  
[tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)

### **2. Teatro Pizzeria Liquor License (9-LL-2013)**

**Request:** Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for a new location and owner.

**Location:** 32409 N. Scottsdale Road, Suite 107

**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210,  
[tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)

- 3. Permanent Extension of Premises for Brugos Pizza (2-EX-2013)**  
**Request:** Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for Brugos Pizza.  
**Location:** 34505 N. Scottsdale Road  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 4. 74<sup>th</sup> Street and McDowell Road Redevelopment Abandonment (8-AB-2012)**  
**Request:** Adopt **Resolution No. 9333** approving the abandonment of the Culver Street right-of-way between the 74<sup>th</sup> Street and 75<sup>th</sup> Street alignments, located between parcels owned by the applicant, to facilitate construction of a multi-family residential development with Planned Community District (PCD) zoning.  
**Location:** Culver Street between the 74<sup>th</sup> Street and 75<sup>th</sup> Street alignments  
**Staff Contact(s):** Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)
- 5. Adaptive Recreation Building Remodel Architectural Services Contract**  
**Request:** Adopt **Resolution No. 9325** authorizing Architectural Services Contract No. 2013-033-COS with Architectural Resources Team, Inc., to provide design services for the adaptive recreation building remodel project.  
**Staff Contact(s):** Derek Earle, Acting Public Works Executive Director, 480-312-2776, [dearle@scottsdaleaz.gov](mailto:dearle@scottsdaleaz.gov)
- 6. Groundwater Conveyance Pipeline and Sewer Line Acquisition of Easements**  
**Request:** Adopt **Resolution No. 9327** authorizing the acquisition of various easements along McDonald Drive from Cattletrack Road to Hayden Road for groundwater conveyance pipeline and sewer line.  
**Staff Contact(s):** Derek Earle, Acting Public Works Executive Director, 480-312-2776, [dearle@scottsdaleaz.gov](mailto:dearle@scottsdaleaz.gov)
- 7. Scottsdale Airport Engineering Services Contract**  
**Request:** Adopt **Resolution No. 9302** authorizing Engineering Services Contract Modification No. 2012-131-COS-A1 with Stantec Consulting Services, Inc., for airport engineering services.  
**Staff Contact(s):** Gary Mascaro, Aviation Director, 480-312-7735, [gmascaro@scottsdaleaz.gov](mailto:gmascaro@scottsdaleaz.gov)
- 8. CIP General Fund Capital Contingency Transfer and Purchase of Real Property**  
**Request:** Adopt **Resolution No. 9343** authorizing Real Property Purchase Agreement No. 2013-040-COS, in the amount of \$565,000, for flood control purposes; and a CIP General Fund Capital Contingency transfer in the amount of \$565,000 to a newly created CIP project titled DC Ranch Lot Acquisition to record the purchase.  
**Staff Contact(s):** Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

9. **Scottsdale Housing Agency Annual Plan**  
**Request:** Adopt **Resolution No. 9310** approving the Public Housing Agency Annual Plan for FY 2013/14 for the Housing Choice Voucher Program funded through the United States Department of Housing and Urban Development (HUD); authorizing changes to the Scottsdale Housing Agency's Administrative Plan; and accepting additional Housing Choice Vouchers that may become available.  
**Staff Contact(s):** William Murphy, Community Services Executive Director, 480-312-7954, [bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)
10. **Audit Committee Recommendation for Historic Preservation Commission Sunset Review**  
**Request:** Adopt **Resolution No. 9335** accepting the Audit Committee's recommendation and authorizing the continuation of the Historic Preservation Commission.  
**Staff Contact(s):** Sharron Walker, City Auditor, 480-312-7867, [swalker@scottsdaleaz.gov](mailto:swalker@scottsdaleaz.gov)
11. **Monthly Financial Report**  
**Request:** Accept the FY 2012/13 Monthly Financial Report as of January 2013.  
**Staff Contact(s):** David N. Smith, City Treasurer, 480-312-2364, [dasmith@scottsdaleaz.gov](mailto:dasmith@scottsdaleaz.gov)

#### **MOTION AND VOTE - CONSENT AGENDA**

Councilmember Korte moved to approve Consent Items 1 through 11. Councilmember Phillips seconded the motion, which carried 7/0.

#### **REGULAR AGENDA**

12. **Las Aguas Rezoning (8-ZN-2012)**  
**Requests:**
1. Adopt **Resolution No. 9251** declaring "Las Aguas Development Plan Public Record" as a public record.
  2. Adopt **Ordinance No. 4056** approving a zoning district map amendment from Highway Commercial District (C-3) to Planned Unit Development (PUD) with Amended Development Standards; approving a Development Plan to construct 154 multi-family residential units; finding that the Planned Unit Development (PUD) district criteria have been met; and determining that the proposed zoning district map amendment is consistent and conforms with the adopted General Plan on a 5± gross acre site.
- Location:** 6640 E. McDowell Road  
**Presenter(s):** Kim Chafin, Senior Planner  
**Staff Contact(s):** Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

Mayor Lane noted that the applicant for Item 12 was requesting a continuance.

### **MOTION AND VOTE - ITEM 12**

Councilman Robbins moved to continue the Las Aguas rezoning request to April 9, 2013. Vice Mayor Klapp seconded the motion, which carried 6/1, with Councilman Littlefield dissenting.

#### **13. CVS Pharmacy at Scottsdale and McDonald Non-Major General Plan Amendment and Rezoning (5-GP-2012 and 10-ZN-2012)**

**Requests:**

1. Adopt **Resolution No. 9323** approving a Non-Major General Plan Amendment to the Scottsdale General Plan Land Use Map from Office to Commercial on a 1.56± acre site for Case No. 5-GP-2012.
2. Adopt **Ordinance No. 4069** approving a zoning district map amendment from Commercial Office (C-O) zoning to Central Business (C-2) zoning; and finding the zoning district map amendment is consistent and conforms with the adopted General Plan on a 1.56± acre site for Case No. 10-ZN-2012.

**Location:** 6045 N. Scottsdale Road

**Presenter(s):** Brad Carr, Senior Planner

**Staff Contact(s):** Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

Councilwoman Milhaven declared a conflict of interest and explained that she would not be voting on the item.

Senior Planner Brad Carr gave a PowerPoint presentation (attached) on the CVS Pharmacy Non-Major General Plan Amendment and Rezoning request.

Jason Morris, applicant representative, gave a PowerPoint presentation (attached) regarding the CVS development project, which is part of a larger Hilton Village redevelopment project. Mr. Morris emphasized that that this project will revitalize the entire Hilton Village with upgrades to all existing buildings. The project also supports the Scottsdale Character Area Plan by updating aging buildings, revitalization, and reinvestment along Scottsdale Road.

Mayor Lane opened public testimony.

The following individuals spoke in support of the Non-Major General Plan amendment and rezoning request:

- Leo Bauman, Wells Fargo
- Gordon Keig, Scottsdale citizen
- Lisa Marshall, Scottsdale citizen

The following individuals spoke in opposition to the Non-Major General Plan amendment and rezoning request:

- Terry O'Neill, Scottsdale citizen
- Lanny Van Eman, Scottsdale citizen
- Arthur Chambers, Scottsdale citizen
- Mary Baker, Scottsdale citizen
- Janis Van Eman, Scottsdale citizen

Discussion:

- Current Planning Director Tim Curtis explained that the City had not stipulated to a site plan because the site is adjacent to an existing center and stipulating to a site plan can limit flexibility in tying the sites together. For most other uses at this location a use permit is required. Additional criteria must be met for adult oriented businesses; thus, excluding them at this location and addressing resident concerns.
- Mr. Morris explained that the lighting foot candle does not extend beyond the property and is buffered to the south and the east by other uses. There are no plans to have the CVS opened as a 24-hour location.
- Senior Planner Brad Carr said once the new building is completed, there will be room on the property for additional buildings within the Hilton Villiage Shopping Plaza.
- A Councilmember asked how the footprint of the new building will compare to the existing building. Mr. Morris explained that the two multi-story office buildings, totaling 17,000 square feet and surrounding a courtyard, will be replaced by a single building with a smaller 13,000 square-foot footprint. This will allow for improved circulation to the retail stores at the Hilton Village. The new footprint will be approximately 25% smaller than the existing building.
- Mr. Morris noted that CVS has agreed to make landscaping improvements south along Scottsdale Road, in accordance with the City's Scottsdale Road Improvement plans. The site plan takes into consideration the drainage retention area, increases parking by five spaces, adds open space area, improves the streetscape, and includes a connection to the retail shops.
- Mr. Morris said there were at least four different opportunities for public input regarding the proposal. In addition, the Homeowners Association was contacted but declined an offer to do a presentation at a board meeting.
- A Councilmember believes there could be a more appropriate use for the site and that the request should have gone through the Development Review Board before coming to the Council.

**MOTION NO. 1 - ITEM 13**

Councilmember Phillips moved to continue the CVS Pharmacy Non-Major General Plan amendment and rezoning request for 30 days. The motion died for lack of a second.

**MOTION NO. 2 AND VOTE - ITEM 13**

Vice Mayor Klapp moved to adopt Resolution No. 9323 approving a Non-Major General Plan Amendment to the Scottsdale General Plan Land Use Map from Office to Commercial on a 1.56± acre site for Case No. 5-GP-2012 and adopt Ordinance No. 4069 approving a zoning district map amendment from Commercial Office (C-O) zoning to Central Business (C-2) zoning; and finding the zoning district map amendment is consistent and conforms with the adopted General Plan on a 1.56± acre site for Case No. 10-ZN-2012. Councilmember Korte seconded the motion, which carried 5/1, with Councilmember Phillips dissenting and Councilwoman Milhaven declaring a conflict of interest.

#### 14. **City's Proposed Fiscal Year 2013/14 Rates and Fees**

##### **Requests:**

1. Presentation by Acting City Manager Daniel Worth and Water Resources Executive Director Brian Biesemeyer on the proposed FY 2013/14 rates and fees.
2. Provide possible direction to staff regarding the City's proposed FY 2013/14 rates and fees.

**Presenter(s):** Daniel Worth, Acting City Manager; Brian Biesemeyer, Water Resources Executive Director

**Staff Contact(s):** Daniel Worth, Acting City Manager, 480-312-2800, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)

Acting City Manager Daniel Worth gave a PowerPoint presentation (attached) on the proposed rates and fees for WestWorld; Community Services' proposed rate adjustments, which includes the proposed rates and fees for the Scottsdale Sports Complex; and the Enterprise Funds rates and fees policy.

##### Discussion:

- Mr. Worth explained that the 80 percent increase in fees at WestWorld is a reflection of the industry standard for pricing of the new Tony Nelssen facilities.
- Mr. Worth said the cost recovery is operational cost recovery and, to an extent, capital cost recovery. He noted that the presentation from a year ago showed a project they were counting on, which projected a \$200,000 per year increase on existing rates and fees; \$500,000 for a half year, and \$2.0M for a full year on new events put through the facility. Part of that increase was to reduce a reliance on the General Fund to pay for the operation of WestWorld as a whole. That increased revenue is something the City could put toward part of the debt for building the facility.
- Mr. Worth said the rate structure is competitive, noting that WestWorld facility users were included in the discussion of rates. Events and shows did not attribute the rate increases to their decision to leave. The new facility has already booked \$154,000 worth of new shows, with an additional \$62,000 in negotiations.
- Mr. Worth explained that a qualified respondent to the Marketing Request for Proposal has been interviewed; however, alternate marketing solutions are being vetted and will be brought to Council for consideration in the next few weeks.
- Mr. Worth stated that after school services were not included in the presentation because no changes are proposed at this time.
- Parks, Recreation, and Human Services Director Jan Cameron reported that just prior to establishing a fee for the after school program approximately 1,100 young people enrolled. The enrollment number has dropped to approximately 400 and the exact cause of the drop has not been identified. The bell schedule changed at the same time that the rates were imposed, which could account for the drop in enrollment. A Councilmember commented that the after school programs serve an underserved population and asked staff to research the reasons for the drop in enrollment.
- Mr. Worth explained that the film fee will apply to commercial photographers, who will be required to self-identify and go through the reservation process for approval. Community Services Executive Director Bill Murphy added that the film fee will apply to City parks and will not apply to the Civic Center Mall.

Water Resources Executive Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the Water and Water Reclamation proposed rates and fees.

Discussion:

- In response to whether evaporation is a cause for water loss, Mr. Biesemeyer said water loss could include evaporation, but a greater percentage of loss is seen on the metering side.
- A Councilmember asked how much of the four percent increase that is being proposed is directly affected by membership in the Multi-City Sub-Regional Operating Group (SROG). Mr. Biesemeyer replied that approximately one-third of the capital charges are attributed to the City's commitment to SROG.
- Enterprise Finance Manager Gina Kirklin explained that the City is required to hold three reserves for the Water and Sewer Enterprise Funds. The operating reserve must hold between 60 and 90 days' worth of reserves for operating expenses. The replacement and repair reserve is a debt covenant requiring that two percent of tangible assets be set aside in case of an emergency. The final reserve is a debt requirement to hold a revenue bond reserve equal to the highest debt payment for the life of the revenue bonds.
- Mr. Biesemeyer explained that rates have not increased since 2007, but the cost for water meter replacements have increased. The City repairs some meters, but those that do not meet the brass composition mandates are replaced, which increases costs.
- Staff was asked to redo the proposal and to spread out any necessary increases over a number of years.
- Discussion focused on Scottsdale's method for accumulating funds in rate-based utilities compared to other cities. It was pointed out that Scottsdale does not charge high fees in the Enterprise Funds and then use overhead charges to move money into the General Fund. The rates should be considered from the perspective of the general health of the Water and Sewer Fund and meeting the financial criteria for the Enterprise Fund. Mr. Biesemeyer responded that the water consumption price comparison was intended to show relevancy with other cities. Proposed rates are based on the City's costs. Staff will retool the proposed rate structure and bring it back to Council for consideration.

**15. City's Proposed Fiscal Year 2013/14 General Fund Revenue Assumptions**

**Requests:**

1. Presentations by Tax Audit Manager Susan Christensen on Sales Tax Revenue Forecasting Methodology, and City Treasurer David N. Smith on the revenue assumptions in the development of the City's FY 2013/14 budget and five-year financial forecast.
2. Provide possible direction to staff regarding the City's proposed FY 2013/14 revenue assumptions.

**Presenter(s):** Susan Christensen, Tax Audit Manager; David N. Smith, City Treasurer

**Staff Contact(s):** David N. Smith, City Treasurer, 480-312-2364,  
[dasmith@scottsdaleaz.gov](mailto:dasmith@scottsdaleaz.gov)

Tax Audit Manager Susan Christensen gave a PowerPoint presentation (attached) on sales tax revenue forecasting methodology.

Discussion:

- Some Councilmembers believe 2007 is becoming less relevant as the peak year for comparison purposes, because it was a period of high spending and overvalued property. Ms. Christensen responded that 2007 is used for comparison to understand how drastic the economic shift was for Scottsdale. Staff will take the irrelevance of 2007 into consideration for next year's forecast.
- Some Councilmembers found the summary, which indicates FY 2013/14 as a percentage of the peak year, interesting. It shows that retail sales tax continues to be the driver for the City, not necessarily tourism and construction. A comment was made that by placing added focus on retail sales the City could generate even more revenue to support services that are enjoyed by Scottsdale residents.
- Interest was expressed in seeing a shift in the percentage of change year-over-year in areas such as construction and automotive.
- A Councilmember commented on the peak year for automotive, which is directly attributed to the height of Motor Mile along McDowell Road. While the City will not see the tax revenue impact of Motor Mile again, McDowell Road can make up some of the tax revenues in other ways if the City creates and implements a plan.

City Treasurer David N. Smith gave a PowerPoint presentation (attached) on revenue assumptions in the development of the City's FY 2013/14 budget and five-year financial forecast. Mr. Smith explained that franchise fees are not included because those dollars are set aside until the end of the year and any dollars left over revert to the City's General Fund. Mr. Smith said the City is in discussions with Epicor about a possible franchise election, similar to the Southwest Gas Franchise Election.

## MAYOR AND COUNCIL

### 16. **Boards, Commissions, and Task Force Nominations (Note: Interviews and appointments scheduled for April 9, 2013)**

**How the Board and Commission Nomination Process Works:** The Council will review applications submitted for the board and commission openings under consideration. From this applicant pool, the Council will select nominees for further consideration. While welcome to attend, applicants will be contacted if nominated and do not need to be present at the meeting to be considered for nomination.

Board of Adjustment (*two vacancies*) - Councilmember Korte nominated Marty Goodman and Sergio Martinez, Mayor Lane nominated Sajid Mahmud, Vice Mayor Klapp nominated Paul Garry, and Councilman Robbins nominated William Adler.

Environmental Quality Advisory Board (*one Engineering/Planning vacancy*) - Councilmember Korte nominated Stephen Hermann.

McDowell Sonoran Preserve Commission (*one vacancy*) - Councilman Littlefield nominated James Heitel and Councilmember Korte nominated Janice Friebaum.

Neighborhood Advisory Commission (*one vacancy*) - Mayor Lane nominated Michael Auerbach, Vice Mayor Klapp nominated Todd Mazon, and Councilwoman Milhaven nominated Joe Meli.

Tourism Development Commission (*one Hotelier vacancy*) - Vice Mayor Klapp nominated Carl Grupp, Councilwoman Milhaven nominated Randal Ortiz, Councilmember Phillips nominated Richard Alt, and Councilmember Korte nominated Camille Hill.

**PUBLIC COMMENT** - None

### **CITIZEN PETITIONS**

#### **17. Receipt of Citizen Petitions**

**Request:** Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

**Staff Contact(s):** Carolyn Jagger, City Clerk, 480-312-2411, [cjagger@scottsdaleaz.gov](mailto:cjagger@scottsdaleaz.gov)

No citizen petitions were received.

**MAYOR AND COUNCIL ITEMS** - None

### **ADJOURNMENT**

With no further business to discuss, the Regular Meeting adjourned at 8:41 P.M.

**SUBMITTED BY:**



**Carolyn Jagger**  
City Clerk

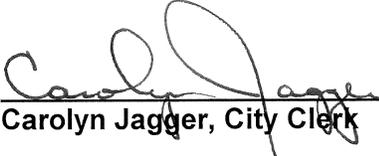
Officially approved by the City Council on April 9, 2013

### CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 5th day of March 2013.

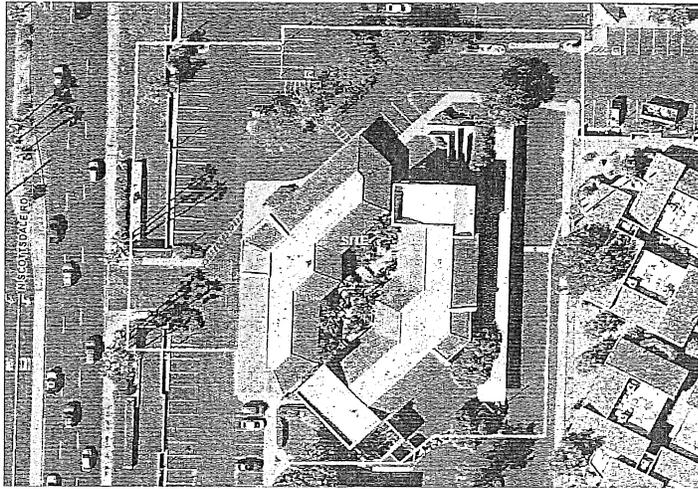
I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 9th day of April 2013.

  
\_\_\_\_\_  
Carolyn Jagger, City Clerk



## CVS Pharmacy



CLOSE AERIAL

5-GP-2012 & 10-ZN-2012

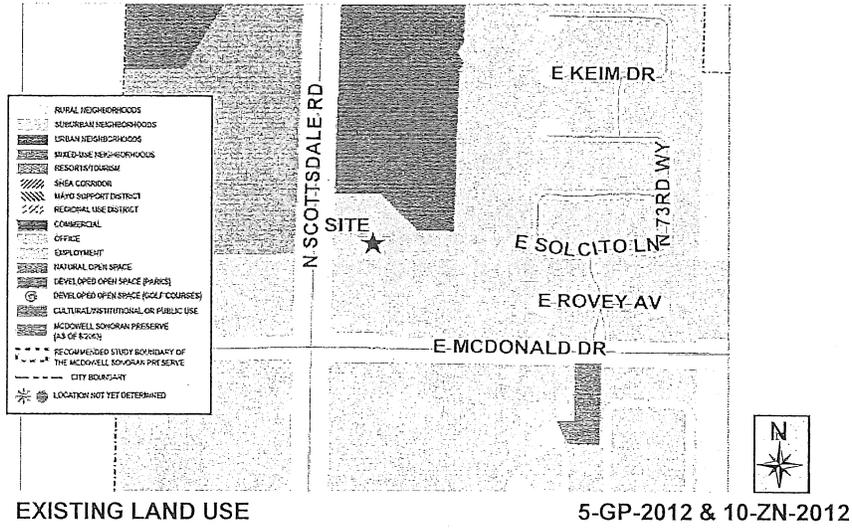
## CVS Pharmacy

- Decision regarding the proposed Non-Major General Plan Amendment from Office to Commercial
- Decision regarding the proposed zoning district map amendment from Commercial Office (C-O) zoning to Central Business (C-2) zoning

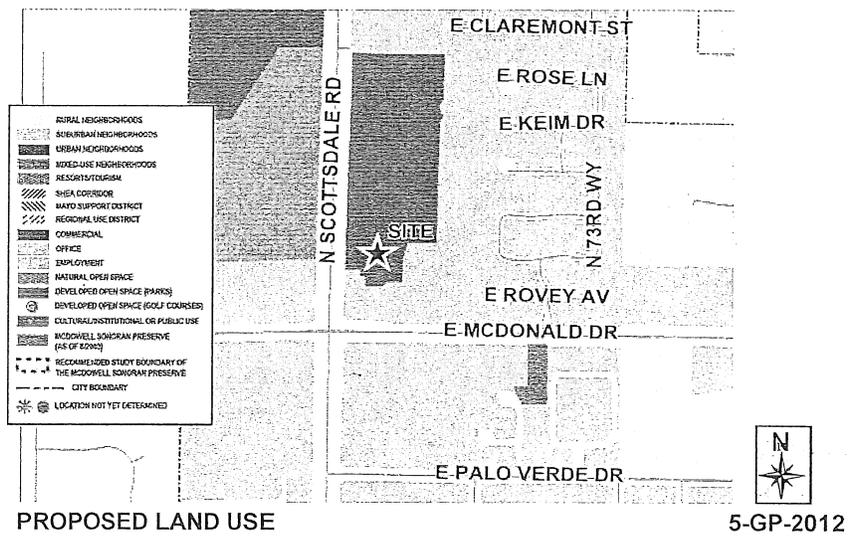
REQUESTS

5-GP-2012 & 10-ZN-2012

# CVS Pharmacy



# CVS Pharmacy





## CVS Pharmacy

### Development Information

- Existing Use: Office
- Proposed Use: Retail pharmacy
- Parcel Size: 1.56 acres (CVS site) / 10.5 acres (center)
- Building Size: 12,900 square feet
- Building Height Allowed: 36 feet
- Building Height Proposed: 30 feet
- Parking Required: 43 spaces (CVS only)
- Parking Provided: 64 spaces (CVS only)
- Open Space Required: 23,520 square feet
- Open Space Provided: 23,617 square feet

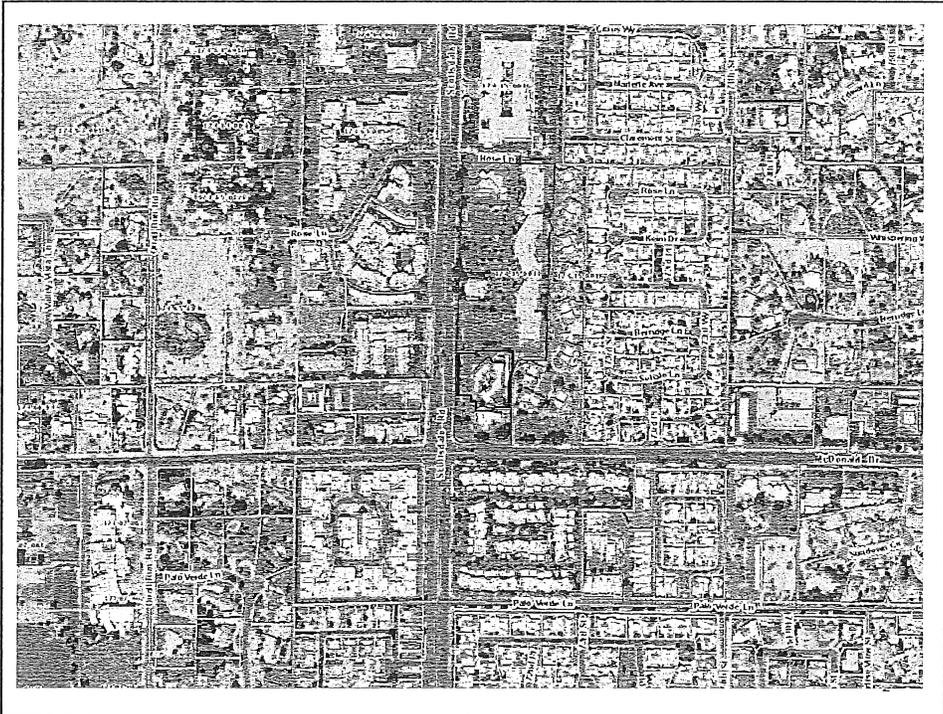
\* Planning Commission heard the cases at their January 23<sup>rd</sup> hearing and recommended approval with a 5-0 vote.\*

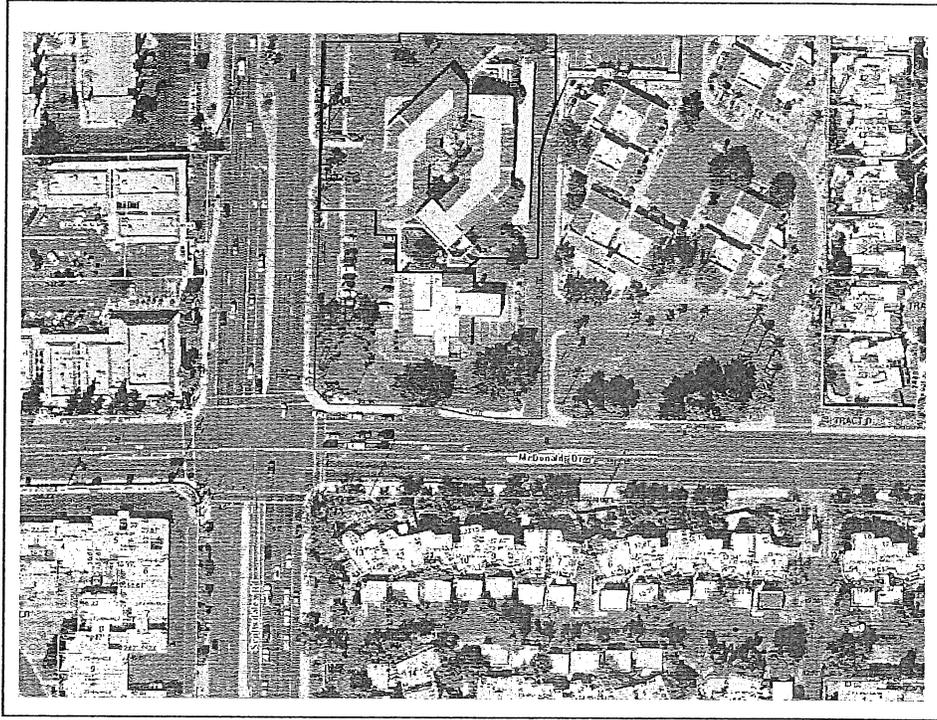
5-GP-2012 & 10-ZN-2012

NEC of  
Scottsdale & McDonald

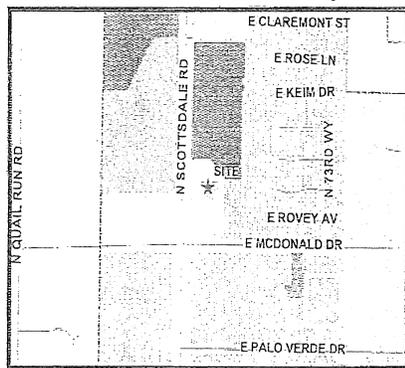
5-GP-2012

10-ZN-2012

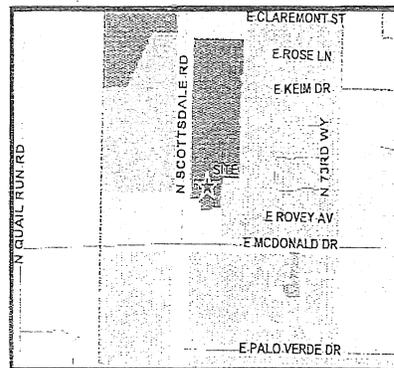




## General Plan



**Existing GP Map**  
Office



**Proposed GP Map**  
Commercial

## General Plan

- Encourage a variety of land uses that create synergy within mixed-use neighborhoods.
- Promote development patterns consistent with surrounding uses and character.
- Sustain economic well-being of the city through revitalization and redevelopment efforts.
- Support the reuse of underutilized properties.
- Encourage redevelopment in established areas of the city.
- Support growth areas that enhance transportation systems and infrastructure.

5

## South Scottsdale Character Area Plan

- Promote reinvestment and revitalization along the Resort Corridor.
- Sustain a mix of land uses that complement the area's tourism and hospitality services.
- Support investment that updates aging commercial properties.
- Encourage new business that expands the community's tax base.
- Encourage commercial properties to engage in property and building beautification and/or improvements.

6

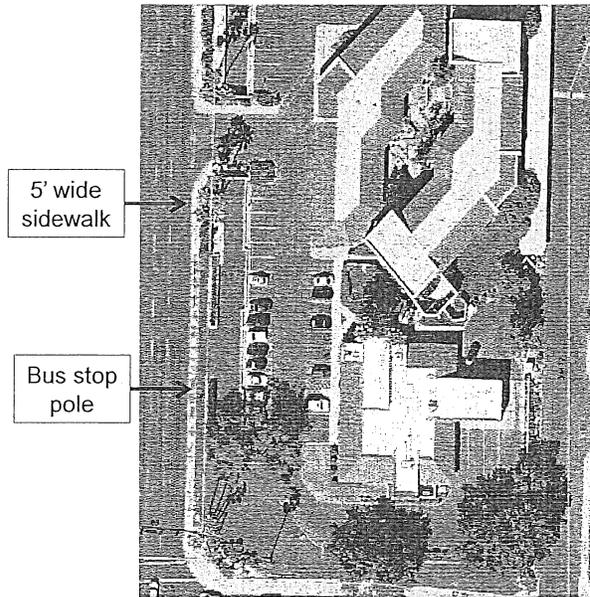
## Zoning



## Hilton Village Redevelopment Plan

- Renovate and revitalize shopping center.
- Replace 2-story, 17,236 sf office building.
- Add single story, 12,900 sf retail building.
- Enhance design and architecture that ties retail building to overall shopping center renovation.
- Improve parking and on-site circulation.
- Implement Streetscape Design Guidelines.

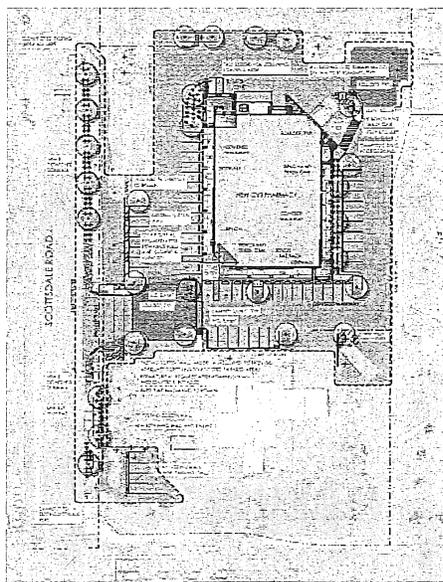
## Existing Streetscape



- Attached, narrow sidewalk
- No shade
- Minimal plantings
- Limited bus stop amenities
- No streetscape design

9

## Proposed Streetscape

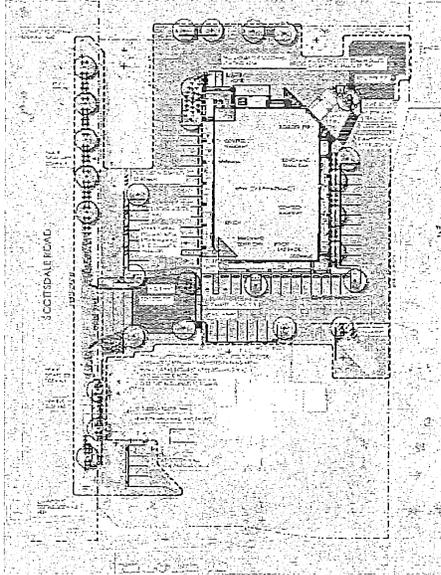


Improve existing landscape depth with better pedestrian design and significantly more plantings and shade:

- Detached, 8' sidewalk
- Enhanced landscape plantings between street and sidewalk
- Shade trees
- Improved bus stop and bench
- New retaining wall and railing
- Better pedestrian design
- Improved streetscape

10

## Neighbor Concerns: Parking/Circulation



### Parking

- 5 more net parking spaces
- Less parking demand than office
- 21 surplus parking spaces

### Circulation

- Improved site circulation
- Direct, open entrance
- No queuing on Scottsdale Road

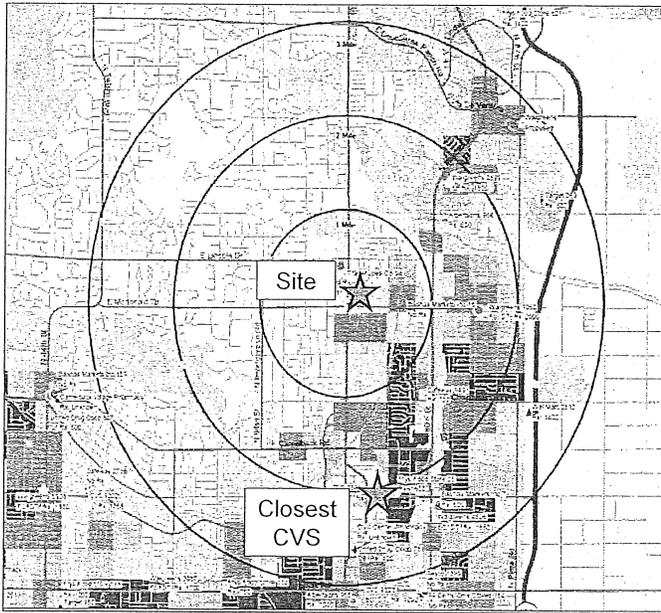
11

## Neighbor Concerns: Traffic

- 42,200 existing daily trips along Scottsdale Rd.
  - CVS traffic increase will have a “negligible effect”
  - 2% of traffic volume
- Scottsdale Road designed for greater traffic capacity (55,000 trips).
  - 1998: 70,500 trips
- Compared to existing zoning
  - Existing zoning potential: 1,884 daily trips
  - Proposed CVS: 1,998 daily trips
- Site design and access eliminate queuing on Scottsdale Road.

12

## Market Conditions Map



- Closest CVS: Indian School and Miller Road
- 33,000 households in the trade area
- Lack of commercial west of Scottsdale Road.

13

## Summary

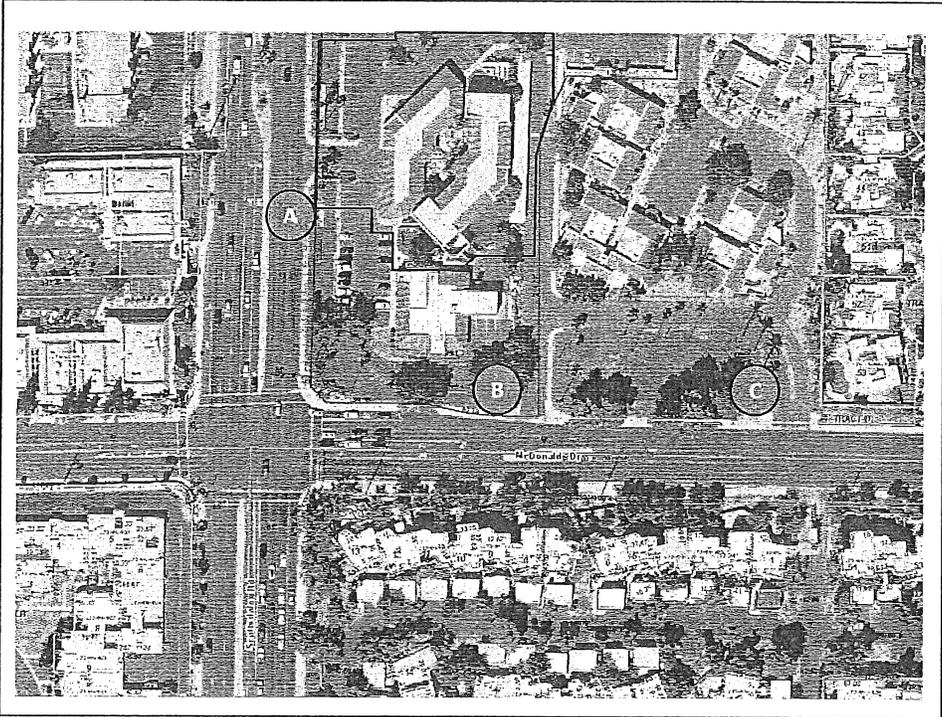
- Consistent use, zoning and GP designation with shopping center.
- Supports goals and policies of GP and Character Area Plan.
- Redevelops underutilized property.
- Integral part of shopping center revitalization.
- Improves part of shopping center revitalization.
- Existing roadway is designed to support greater traffic capacity.
- Implement Scottsdale Road Streetscape Design Guidelines.
- Trade Area demonstrates area is underserved.

14

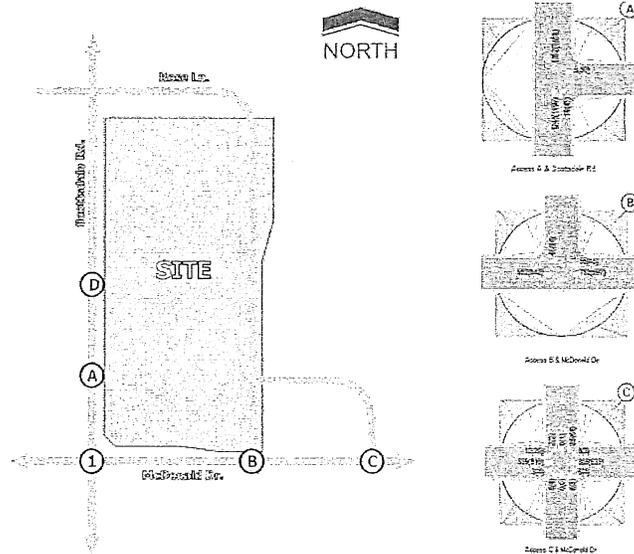
NEC of  
Scottsdale & McDonald

5-GP-2012

10-ZN-2012



## McDonald Drive Access



17

### Outreach

- Notice letters
- Open house meeting
- Site posting
- Email outreach
  - October 1<sup>st</sup>, 5<sup>th</sup>, and 24<sup>th</sup>.
  - November 12<sup>th</sup>
  - December 12<sup>th</sup>

#### Adam Baugh

From: Susan Robertson <slc\_robertson@yahoo.com>  
 Sent: Wednesday, December 12, 2012 2:22 PM  
 To: Adam Baugh  
 Subject: Re: Meeting

Adam, I'm sorry, but I must have deleted your previous email. At this time, we really have no reason to meet with you. We plan to attend the various meetings scheduled for January, February and March just to listen to the plans, etc., and hopefully make our voices heard, even though it is probably a far accomplish. Thank you for your continued interest.

Susan Robertson

On Dec 12, 2012, at 6:16 AM, Adam Baugh <adam\_baugh@wms.com> wrote:

Ms. Robertson,  
 I wanted to follow up on the prior emails I sent you regarding our routine application for CVS/pharmacy. Please advise if you would like to meet to discuss the proposal.

Thank you,  
 Adam

G. Adam Baugh, Esq.  
 Wichey Morris PLLC  
 2525 E Arizona Biltmore Circle -A-212  
 Phoenix, AZ 85016  
 Ph: (602) 233-0500  
 Fax: (602) 212-1787

18

## **FY 2013/14 Rates & Fees Changes**

---



City Council  
March 5, 2013

## **Non-Enterprise Rates & Fees Policy**

- Annual review to determine direct and indirect cost of service recovery rate
- Acceptable recovery rate and associated rate and fee changes approved by City Council
- Proposals for rates and fee changes submitted by:
  - Community & Economic Development -Planning & Development
  - WestWorld
  - Community Services
  - Public Safety - Fire
  - Public Safety – Police

## **Non-Enterprise Rates & Fees Change Proposals**

- New rates estimated to increase General Fund revenue by \$494,650 for FY 2013/14
  - \$ 37,500 Community & Economic Development
  - \$ 400,000 WestWorld
  - \$ 54,340 Community Services
  - \$ 2,810 Public Safety – Fire
  
  - \$ 10,000 Public Safety – Police (Risk Fund)

## **Community & Economic Development**

- Wireless Communications Facilities in Right-of-Way
  - Proposed increase of 3% for new or post July 2009 installations
  - Proposed increase of 6% for pre-July 2009 (“Grandfathered”) installations
    - Rate published for FY 2012/13 did not include 3% increase as anticipated
  - Additional General Fund revenue of \$37,500 for FY 2013/14

## WestWorld

- Anticipated opening of Tony Nelssen Equestrian Center
  - Establish rental rates for new facilities
  - Revise current rental rates for existing arenas, parking lots, and labor
  - Revised fee methodologies for miscellaneous charges
  - Remove obsolete charges
- Additional General Fund revenues of approximately \$400,000 for FY 2013/14 based on new rates for new facilities as well as increased existing rates

## WestWorld

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
Equidome w/new Paddock	Per Day	\$1,250	\$2,250	\$1,000	80%	\$88,600
Arena 3 & 5A Rental Fee	per Day	\$350	\$500	\$150	43%	\$24,285
Arenas 4,5,6,7,8 Rental Fee	per Day	\$250	\$300	\$50	20%	\$18,090
Field East or West - 4 hour or less rental	per rental	-	\$450	\$450	n/a	\$ 1,800
Stall Clean Up/Manure Haul Off - previously two fees now combined	per Stall	13.75	14.00	0.25	2%	\$18,000
Clean-Up Labor Rate	per Hour	\$16.50	\$20	\$3.50	21%	\$30,800
Misc /other	varied					\$4,300
Total additional general fund revenue						\$185,875
Note: When Rental Fees change, corresponding Move In/Out Fees and Warm Up Fees also change Move In/Out Fees = 33% of Base Rate Warm Up Fees = 50% of Base Rate						

## WestWorld – Tony Nelssen Equestrian Center

### Proposed Rates for anticipated rentals starting in FY 2013/14

FACILITY RENTAL CHARGES	MOVE-IN/OUT 33% of Base Rate	WARM-UP 50% of Base Rate	DAILY BASE RATE	LIGHTS	HVAC
Tony Nelssen Equestrian Center (TNEC) Rental Rates					
TNEC Facility includes North Hall, South Hall, Equidome & Paddock	\$2,800	\$4,250	\$8,500	Incl.	Incl.
Equidome & Paddock	\$750	\$1,125	\$2,250	Incl.	Incl.
<i>TNEC North Hall</i>					
North Hall : Commercial Use (minimum 20,000 sq. foot rental required)	\$1,650	n/a	\$5,000 min or \$.15 / sq. ft.	Incl.	Incl.
North Hall: Use as Equestrian Vendor Space (when renting the Equidome)	n/a	n/a	\$.25/ sq. ft.	Incl.	Incl.
North Hall: Arena (1 available)	\$500	\$750	\$1,500	Incl.	Incl.
North Hall: Use as stalls (per stall)	n/a	n/a	\$25	Incl.	Incl.
<i>TNEC South Hall</i>					
South Hall: Commercial Use	\$825	n/a	\$2,500	Incl.	Incl.
South Hall: Use as Equestrian Vendor Space (when renting Equidome)	n/a	n/a	\$.25/ sq. ft.	Incl.	Incl.
South Hall: Use as stalls (per stall)	n/a	n/a	\$25	Incl.	Incl.

## Community Services

- Annual review of Programming and Rental Fees Schedule resulted in the following proposals
  - McDowell Mountain Ranch Skate Park
    - Establish new fees
  - Scottsdale Stadium:
    - Revise various rental rates and establish four new miscellaneous fees
  - Indian School Park (ISP):
    - Demand for fields by Youth Leagues necessitates removing ISP from Youth Sports Allocation rates and establishing Youth League rates
  - Scottsdale Sports Complex:
    - Revise various rental rates and establish vendor fees
  - Other New Fees:
    - Film fees for non-reservable park locations
    - Memorialize card fees for replacement access cards
  - Correct administrative errors on FY 2012/13 schedule
- Additional General Fund revenues of \$54,340 for FY 2013/14 based on estimated participation

## Community Services – McDowell Mountain Ranch

The following new fees are being proposed effective July 1, 2013:

Program/Fee	Fee Assessed	Proposed FY 13/14 Fee	Revenue Anticipated
<b>McDowell Mountain Ranch Skate Park:</b>			
Skate Park Access Fee – 6 Month Pass	Each	\$26	\$3,900
Skate Park Access Fee – Daily Drop In	Each	\$1	\$100
Skate Park Event Fee – Hourly Rate, Small Event 50 or fewer attendees	per Hour	\$70	\$560
Skate Park Event Fee – Hourly Rate, Large Event 51-125 attendees	per Hour	\$100	\$800
Skate Park Event Fee – Daily Rate	per Day	\$800	\$1,600
<b>Total Additional General Fund Revenue</b>			<b>\$6,960</b>

## Community Services – Scottsdale Stadium

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
<b>Scottsdale Stadium Fees:</b>						
Field Usage Fee – Hourly, Stadium Rate	per Hour	\$75	\$100	\$25	33%	\$2,725
Field Usage Fee – Hourly, Commercial Rate	per Hour	\$94	\$125	\$31	33%	\$1,240
Field Usage Fee – Daily, Stadium Rate	per Day	\$480	\$600	\$120	25%	\$1,680
Field Usage Fee – Daily, Commercial Rate	per Day	\$600	\$750	\$150	25%	\$450
Stadium Film Fee – Stadium Rate (new fee)	per Day	n/a	\$60	\$60	n/a	\$120
Stadium Film Fee – Commercial Rate (new fee)	per Day	n/a	\$120	\$120	n/a	\$240
Stadium Linen Rental Fee – Stadium Rate (new fee)	per Linen	n/a	\$7	\$7	n/a	\$70
Stadium Linen Fee – Commercial Rate (new fee)	per Linen	n/a	\$10	\$10	n/a	\$100
<b>Total Additional General Fund Revenue</b>						<b>\$6,625</b>

## Community Services – Indian School Park (ISP)

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
<i>Establish the Following Youth League Fees at ISP:</i>						
ISP Field Usage – Youth Leagues	per Hour	\$3	\$22	\$19	633%	\$1,820
ISP Lighting Fee – Youth Leagues	per Hour	n/a	\$15	\$15	n/a	\$480
ISP Field Prep – Youth Leagues	per Game	n/a	\$25	\$25	n/a	\$150
<b>Total Additional General Fund Revenue</b>						<b>\$2,450</b>

## Community Services – Scottsdale Sports Complex

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
<i>Scottsdale Sports Complex:</i>						
Standard Field Prep Fee	per Layout	\$35	\$50	\$15	43%	\$3,700
Custom Field Prep Fee	per Layout	\$50	\$75	\$25	50%	\$2,000
Youth Field Rental	per Hour	\$12	\$24	\$12	100%	\$17,480
Adult Field Rental	per Hour	\$15	\$30	\$15	100%	\$7,700
Vendor Fee (first vendor included in event fee; new fee for each additional vendor after the first vendor)	per Vendor Per Event	n/a	\$100	\$100	n/a	\$6,000
<b>Total Additional General Fund Revenue</b>						<b>\$36,880</b>

## Community Services – Other

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
<b>Film Fees:</b>						
Park Non-Reservable Area Film Fee – Resident	per Day	n/a	\$30	\$30	n/a	\$90
Park Non-Reservable Area Film Fee – Non-Resident	per Day	n/a	\$45	\$45	n/a	\$135
Park Non-Reservable Area Film Fee – Commercial	per Day	n/a	\$120	\$120	n/a	\$1,200
<b>Other:</b>						
Card Fee – memorialize existing fee for replacement of lost cards	each	n/a	\$5	\$5	n/a	-
<b>Total Additional General Fund Revenue</b>						<b>\$1,425</b>

## Community Services – Schedule Corrections

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
<i>The following fees are missing from or incorrect on the FY 12/13 Fee Schedule and will be corrected for the FY 13/14 Fee Schedule :</i>						
Facility Reservation – Commercial	per Permit	Omitted	\$7	-	-	-
Club SAR Daily Admission - Non-Resident	per Day	\$4.50	\$5	\$0.50	11%	-
Facility Room Rental (Indoor) –Medium – Commercial Rate	per Hour	\$45	\$60	\$15	33%	-
Court/Tennis – Tournament	per Match	\$4	\$5	\$1	25%	-
<b>Total Additional General Fund Revenue</b>						<b>minimal</b>

## Public Safety

- Fire Department
  - Establish two new fees for classes
- Police Department
  - Revise Off-Duty fee

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amount	% Change	Revenue Change
<b>Fire:</b>						
Community Emergency Response Team (CERT) Class (new fee for materials costs)	per Participant	n/a	\$35	\$35	n/a	\$1,750
CPR/First Aid Combo Class (new fee)	Per Class	n/a	\$44	\$44	n/a	\$1,060
<b>Total Additional General Fund Revenue</b>						<b>\$2,810</b>
<b>Police:</b>						
Off-Duty Insurance Waiver	per Hour	\$9	\$10	\$1	11%	\$10,000
<b>Total Additional Risk Fund Revenue</b>						<b>\$10,000</b>

## Rates & Fees Policy

- Enterprise Funds–
  - Water, Water Reclamation, Solid Waste, Aviation
  - 100% recovery of all direct and indirect costs of service
  - Rates based on multi-year financial plans with rate stabilization

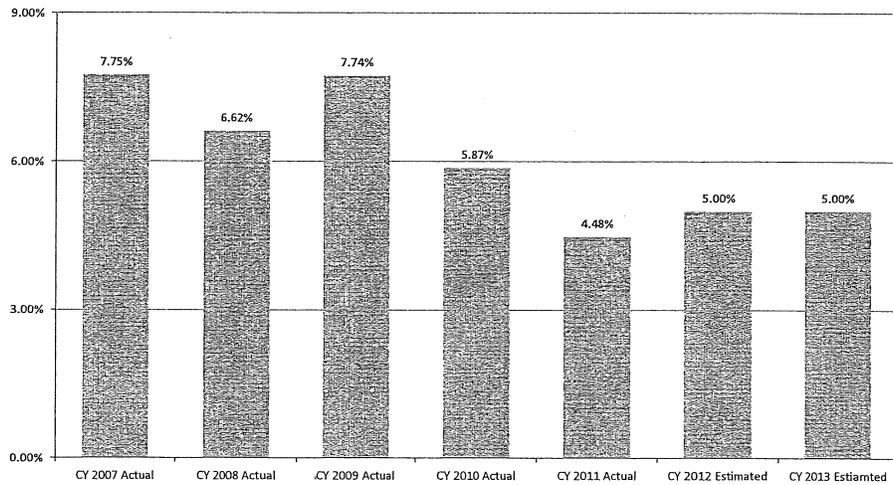
## Enterprise Rate Change Proposals

- Solid Waste
  - Last increase: 2% effective July 1, 2009
  - No rate increases planned for FY 2013/14
- Aviation
  - Last increase: Twin Engine & Jet Transient Parking Fees approved for increase August 23, 2011 to bring to market
  - No rate increases planned for FY 2013/14

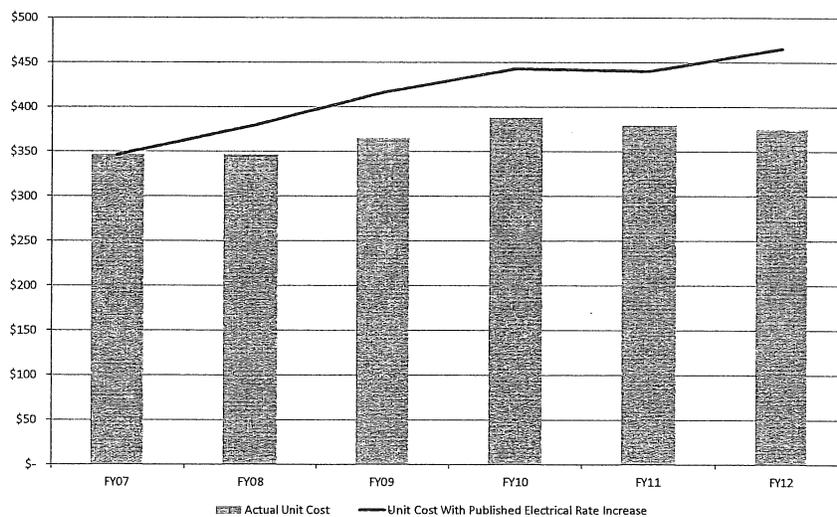
## Enterprise Costs

- Water and Water Reclamation
  - Operating cost decreases for indirect charges and treatment filter media
  - Operating cost increases for electric, cost of water and to comply with federal regulations
  - Includes capital costs for aging infrastructure needs and regulatory compliance.

## Enterprise Efficiencies Lost and Unaccounted For Water



## Enterprise Efficiencies Water Resources - Electric Cost Per Million Gallons



## **Enterprise Rate Change Proposals**

### **Water Resources – Water**

- No Rate increase proposed
  - Last rate increase was 2.5% in November 2009
- Additional clarifications to Water rate structure implemented FY 2012/13
  - Refine definitions for customer types, i.e. residential, multi-family, irrigation, etc.
  - Introduce an irrigation-specific rate structure
  - Flat stormwater fee
- Service fee changes proposed to meet cost recovery requirements for various services

## **Enterprise Rate Change Proposals**

### **Water Resources –Water Reclamation**

- Proposed rate increase of 4%
  - Last rate increase: 3% effective July 1, 2009
- Rate changes proposed in FY 2013/14 for rehabilitation and replacement of aging infrastructure
  - Revised rates in Water Reclamation anticipated to generate approximately \$1.4 million in additional revenue annually
  - Incorporate the environmental fees into the basic revenue requirement and remove the additional rate structure component

## Water Service Charges - Services/Misc.

Service/Fee	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
Tiered Irrigation Structure/Customer Types	Varies	Varies	Varies	n/a	(\$23,500)
Storm Water Fee	1%	\$0.85	Varies	n/a	\$23,090
Same Day Service Charge	\$35	\$37	\$2	6%	\$800
Check for Water Leak Service Charge	\$35	\$53	\$18	51%	\$540
Shutdown Water Main Charge	\$100	\$230	\$130	130%	0
Move Water Meter (up to 15ft)	\$275	\$322	\$47	17%	\$470
Raise/Lower Water Meter	\$105	\$200	\$95	90%	\$950
Tamper with Meters Charge	\$100	\$500	\$400	400%	\$60,000
Unauthorized Service Line Connection	\$100	\$500	\$400	400%	0
<b>Additional Water Fund Revenue</b>					<b>(\$437,650)</b>

\*Revenue change based on forecasted participation

## Water Service Charges - Water Meters

Meter Charges	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
5/8" Meter Only	\$70	\$225	\$155	221%	\$310
3/4" Meter Only	\$95	\$248	\$153	161%	\$306
1" Meter Only	\$140	\$296	\$156	111%	\$312
1.5" Meter Only	\$270	\$443	\$173	64%	\$346
2" Meter Only	\$350	\$535	\$185	53%	\$370
					<b>\$1,644</b>
5/8" Meter & Installation Service	\$675	\$940	\$265	39%	\$1,325
3/4" Meter & Installation Service	\$700	\$960	\$260	37%	\$1,300
1" Meter & Installation Service	\$810	\$1,117	\$307	38%	\$30,700
1.5" Meter & Installation Service	\$1,180	\$1,895	\$715	61%	\$2,145
2" Meter & Installation Service	\$1,545	\$2,155	\$610	39%	\$1,220
					<b>\$36,690</b>
Fire Sprinkler - 1.5" Installation Only	\$915	\$1,558	\$643	70%	\$3,215
Fire Sprinkler - 2" Installation Only	\$1,190	\$1,725	\$535	45%	\$2,675
<b>Additional Water Fund Revenue</b>					<b>\$5,890</b>

\*Revenue change based on forecasted participation

## Water Service Charges - Hydrant Charges

Service/Fee	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt.	% Change	Revenue Change*
Hydrant Meter Deposit – 1" Meter	\$200	\$300	\$100	50%	\$5,000
Hydrant Meter Deposit – 3" Meter	\$1,000	\$1,200	\$200	20%	\$20,000
Hydrant Meter Account Establishment	-	\$15		n/a	\$2,250
Hydrant Meter – Installation & Removal	\$15	\$100	\$85	567%	\$12,750
Hydrant Meter – Relocation Fee	\$10	\$50	\$40	400%	\$1,200
Unauthorized Fire Hydrant Connection	Varies	\$500	Varies	n/a	0
<b>Additional Water Fund Revenue</b>					<b>\$41,200</b>

\*Revenue change based on forecasted participation

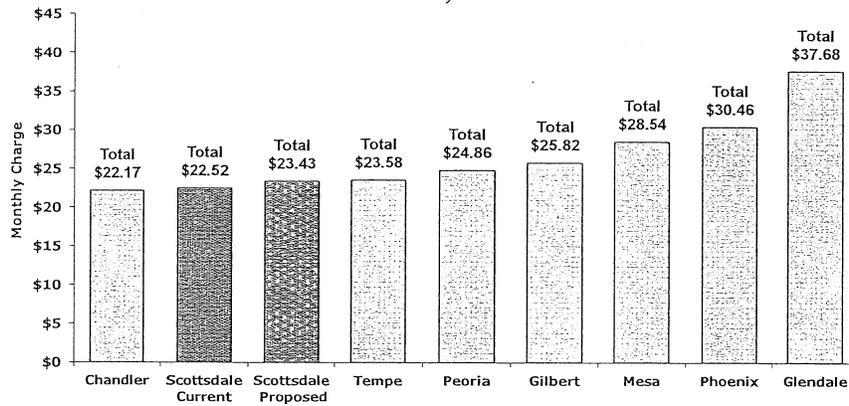
## Water Reclamation Charges

Service/Fee	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt.	% Change	Revenue Change*
Sewer O&M and Capital Rates	Various	Various	Various	4%	\$1,392,330
Customer Service Fee	\$1.30	\$1.35	\$0.05	4%	\$3,890
Single Family & Non-residential Minimum Charge	\$14.29	\$14.87	\$0.58	4%	\$11,600
Multi-Family Minimum Charge, per dwelling unit	\$8.90	\$9.27	\$0.37	4%	\$370
Account Establishment Fee	\$7	\$15	\$8	114%	\$40,000
<b>Additional Water Reclamation Fund Revenue</b>					<b>\$1,448,190</b>

\*Revenue change based on forecasted participation

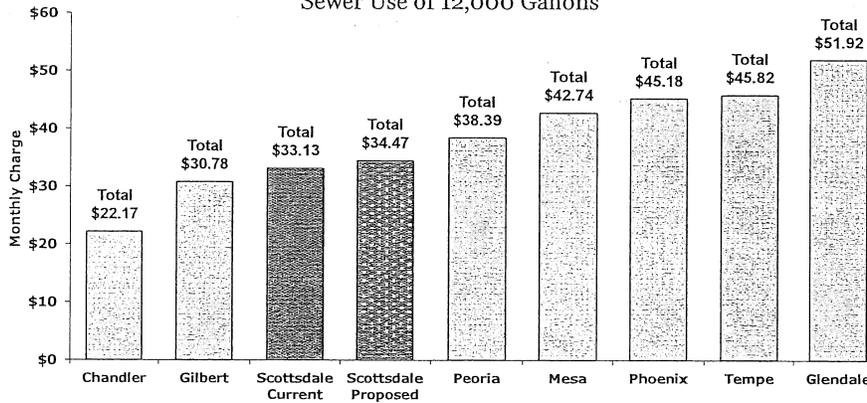
## Enterprise Rate Change Proposals Water Resources –Water Reclamation

Bill Comparison  
Sewer Use of 8,000 Gallons



## Enterprise Rate Change Proposals Water Resources –Water Reclamation

Bill Comparison  
Sewer Use of 12,000 Gallons



**FY 2013/14 Rates & Fees Changes**

---



City Council  
March 5, 2013

**Item 15**

Susan Christensen

**Privilege (Sales) & Use Tax Revenue  
Forecasting Methodology**

**Presentation to Scottsdale City Council  
March 5, 2013**

**Summary**

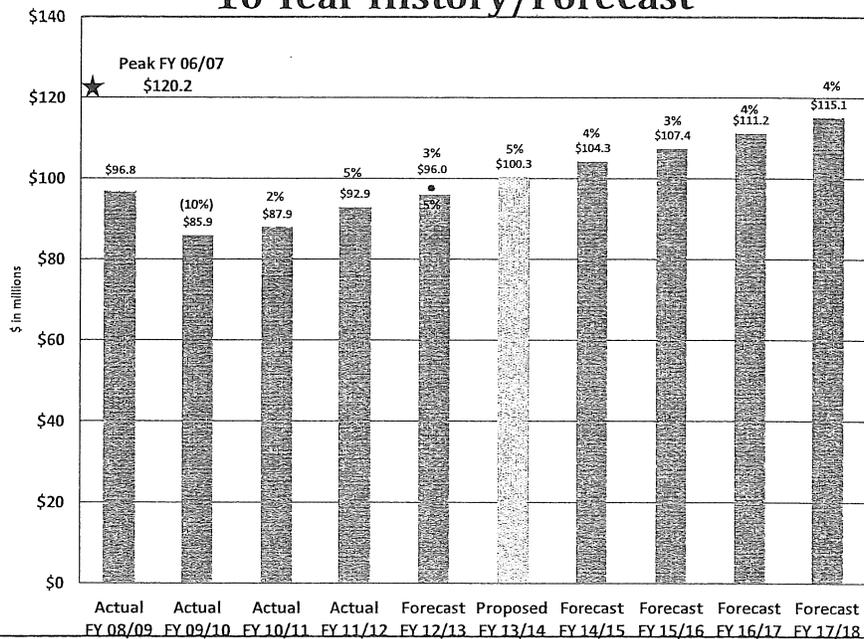
Forecasting is based on :

- Tax Reporting Histories – by Category
- Current Trends & Patterns
- Available Records – Building Permits, etc
- Economic Studies
- Other Reports

## Sources

- Taxpayer Reporting Histories
- “AZ’s Economy” –Eller College of Management
- Building Permits
- Smith Travel Reports
- USDA Cost of Food Index
- Consumer Spending Reports
- Articles from Arizona Republic, Reuters, Phoenix Business Journal, National Retail Federation, LA Times, Kiplinger, CoStar Advisor, AGC SmartBrief, Elliott Pollack, etc.
- Selected Car Manufacturer U.S. Sales Reports

## General Fund 1.1% Sales Tax 10 Year History/Forecast



## Sales Tax Categories

**Consumer Spending:.....54%**

Small & Large Retail.....)	
Misc Goods & Services.....)	41%
Groceries.....)	
Automotive Sales.....	13%

**Tourism & Entertainment:.....14%**

Hotel Lodging	
Restaurant & Bars	

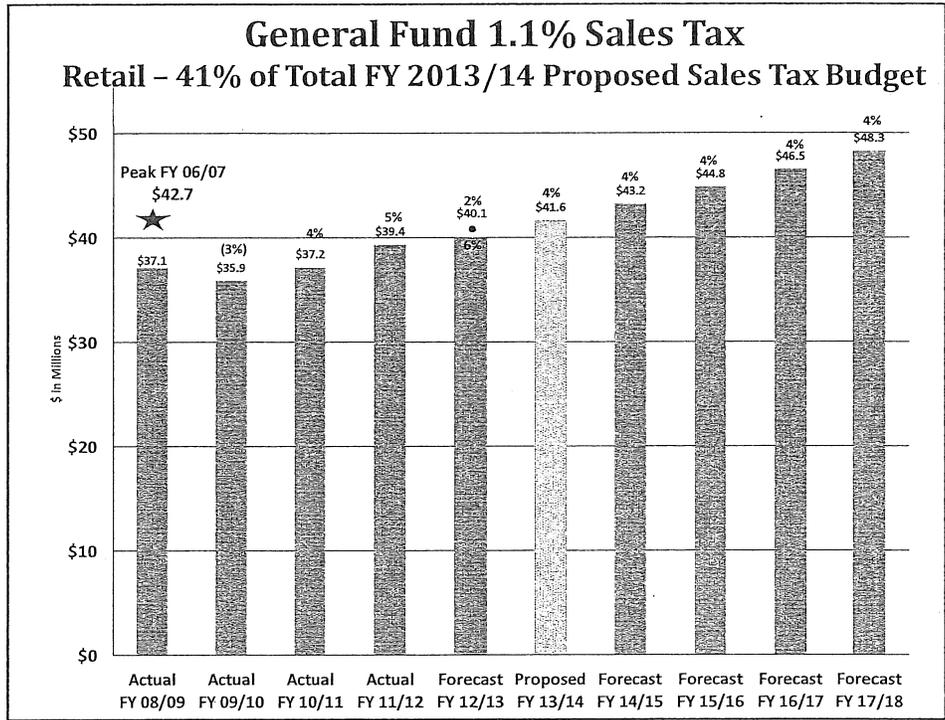
**Business:.....32%**

Construction.....	11%
Rental.....	14%
Utilities, Licenses, Penalties, Interest.....	7%

### **Consumer Spending: Assumptions/Indicators (Small & Large Retail, Misc. Goods/Services, Groceries) -**

FY 13/14 Budget: 4% Increase

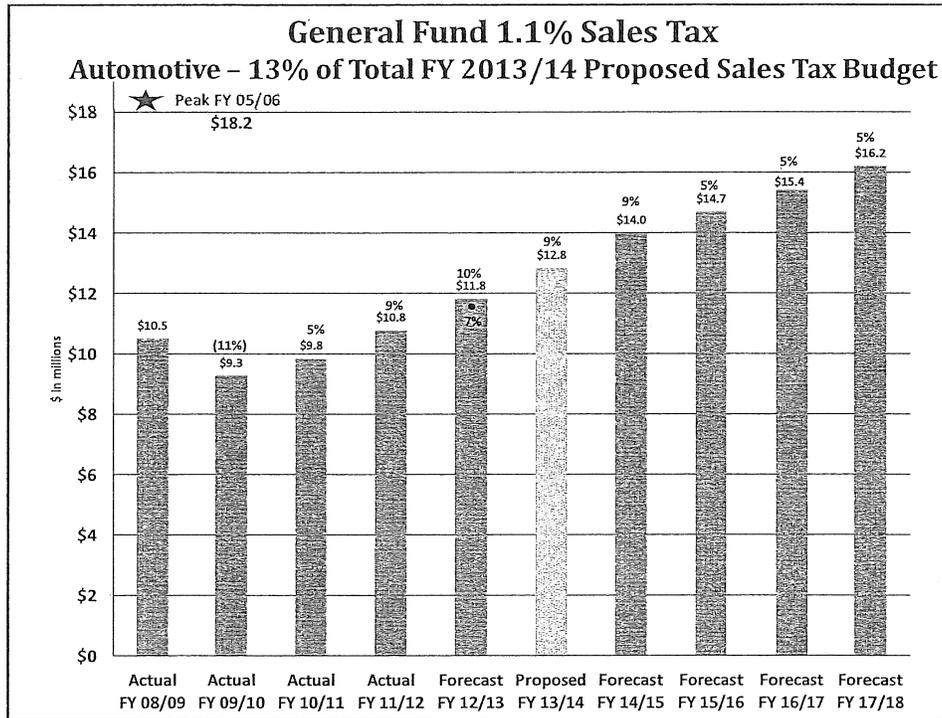
- Retail hasn't shown the same decline as other categories, but in FY 12/13 it is expected to grow less rapidly than budget (6% Budget; 2% Forecast)
- Proposed budget is only 3% below the peak fiscal year's revenue
- USDA indicates that the cost of food is expected to increase 3-4%



### Consumer Spending: Assumptions/Indicators (Automotive)

FY 13/14 Budget: 9% Increase

- FY 12/13 performance expected to exceed budget (10% versus 7%) and the category will continue to increase based on recent local and national trends
- High fuel prices are spurring purchases of more fuel efficient vehicles
- New automotive dealer anticipated opening during the fiscal year

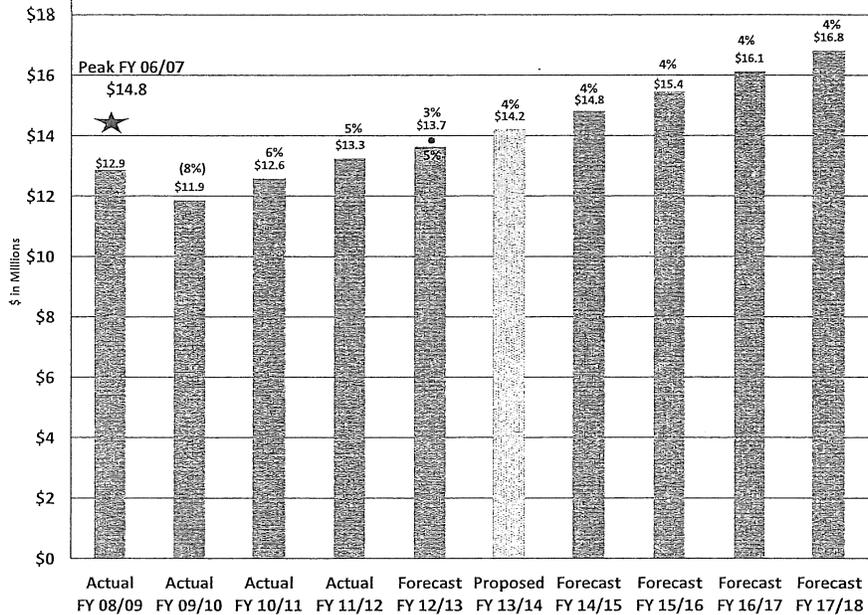


### Tourism & Entertainment: Assumptions/Indicators (Hotel/Motel, Restaurant, Bars)

#### FY 13/14 Budget: 4% Increase

- Consumers have been dining out more and restaurant prices are increasing
- Hotel occupancy is up
- Hotel rates continue slow recovery
- Proposed budget is only 4% below the peak fiscal year's revenue

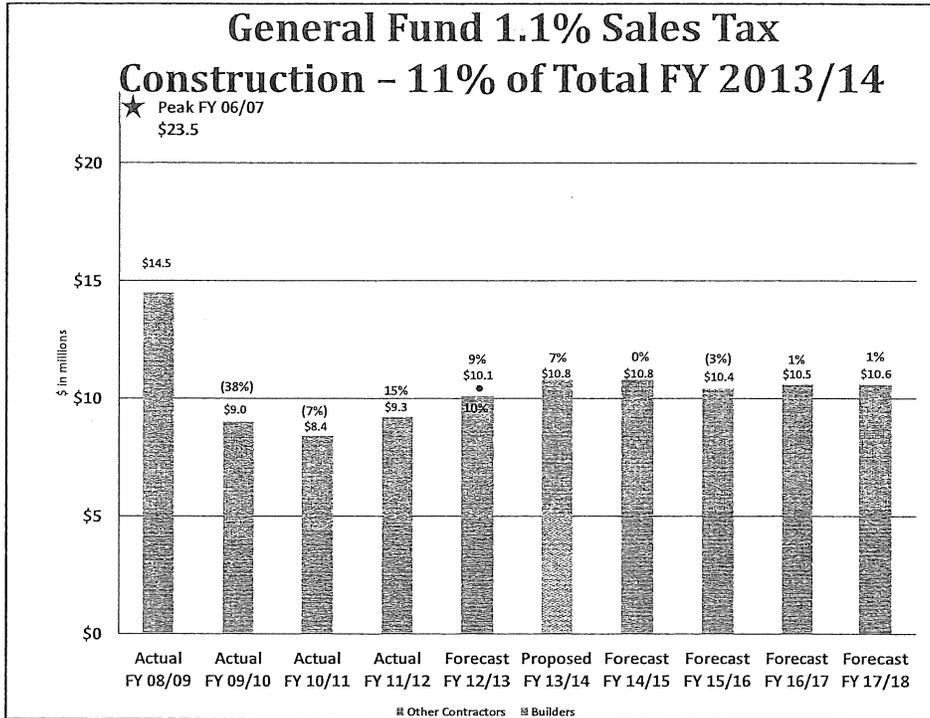
## General Fund 1.1% Sales Tax Tourism & Entertainment – 14% of Total FY 2013/14



### Business: Assumptions/Indicators (Construction)

#### FY 13/14 Budget: 3% Increase

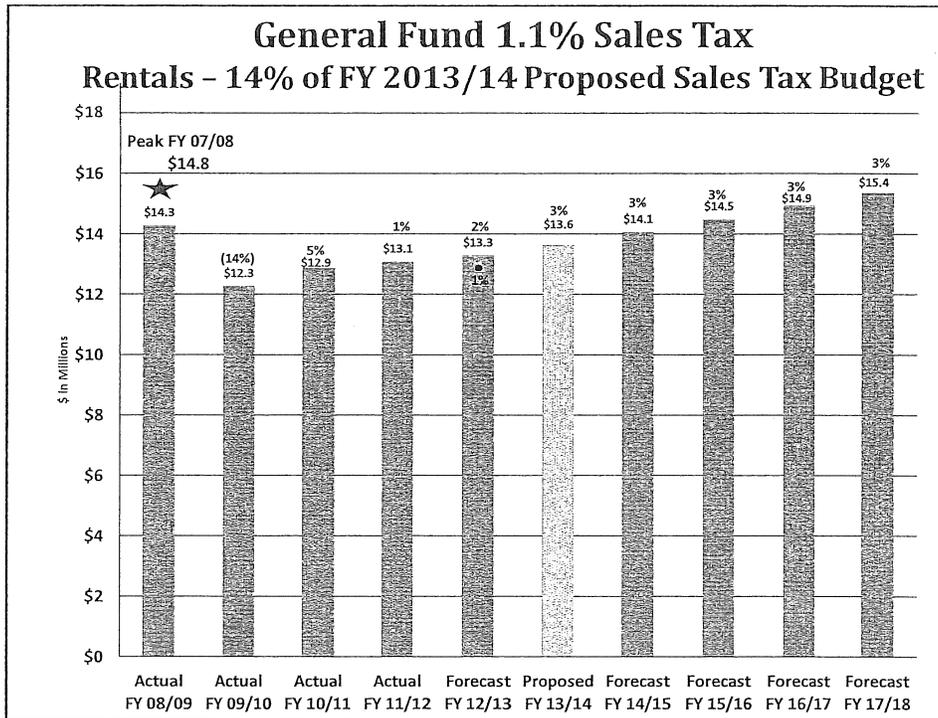
- Current demand for new residential continues to be low except for multi-family dwellings
- Market is still absorbing excess commercial inventory
- The land available for new construction is limited



### Business: Assumptions/Indicators (Rentals)

#### FY 13/14 Budget: 3% Increase

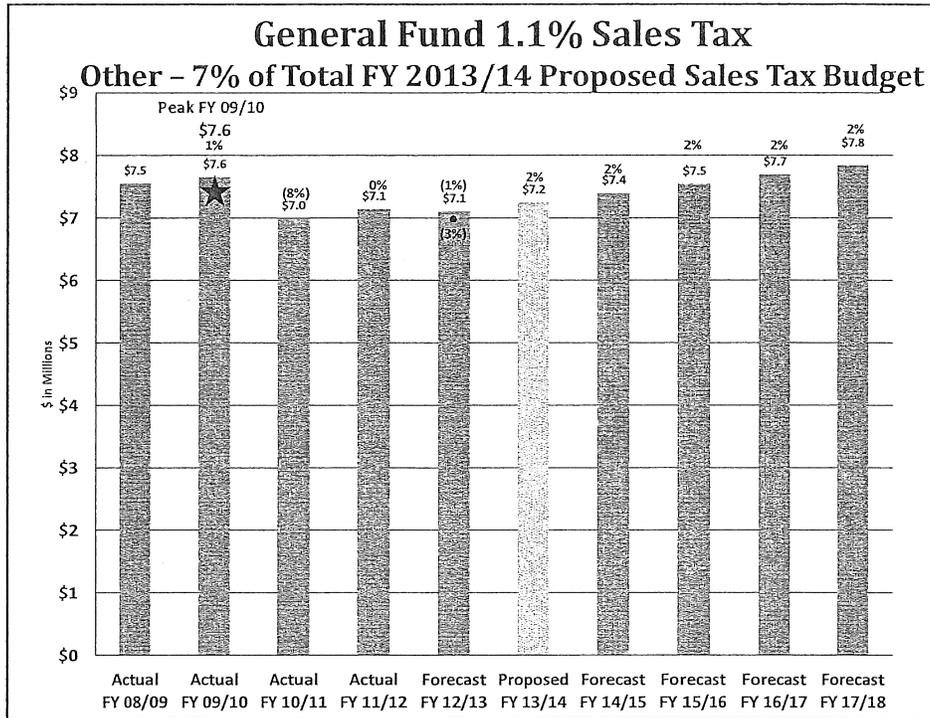
- Weakness in residential construction has been partially offset with growth in residential rental
- New apartments anticipated to begin renting during the last half of the fiscal year
- Commercial vacancy rates continue to decrease
- Office and industrial rental rates remain relatively flat
- Retail rental rates are starting to increase



### Other: Assumptions/Indicators (Utilities, License Fees, Penalties, Interest)

#### FY 13/14 Budget: 2% Increase

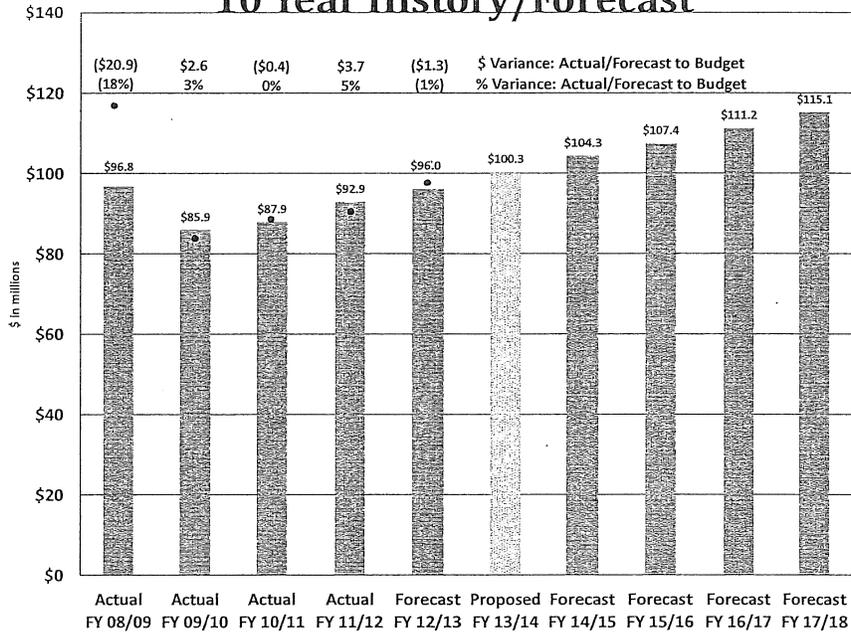
- Vacancies in commercial buildings reflect in consumption of utilities
- Increases in rented apartments will reflect in consumption of utilities
- SRP increased rates in Nov. 2012
- License fees are showing a slight increase
- Penalties and interest are forecast flat



### Other Factors

- Large one time audit recoveries
- Large unanticipated refunds
- Unanticipated closures of large retailers
- Large unanticipated taxable transactions by wholesalers/manufacturers

## General Fund 1.1% Sales Tax 10 Year History/Forecast



## Summary

Category	FY 13/14 Budgeted Change	% of Total FY 13/14 Proposed Budget	FY 13/14 as % of Peak Year
Retail	4%	41%	97%
Automotive	9%	13%	70%
Tourism / Entertainment	4%	14%	96%
Construction	7%	11%	46%
Rentals	3%	14%	92%
Other	2%	7%	95%
<b>Total</b>	<b>5%</b>	<b>100%</b>	<b>83%</b>

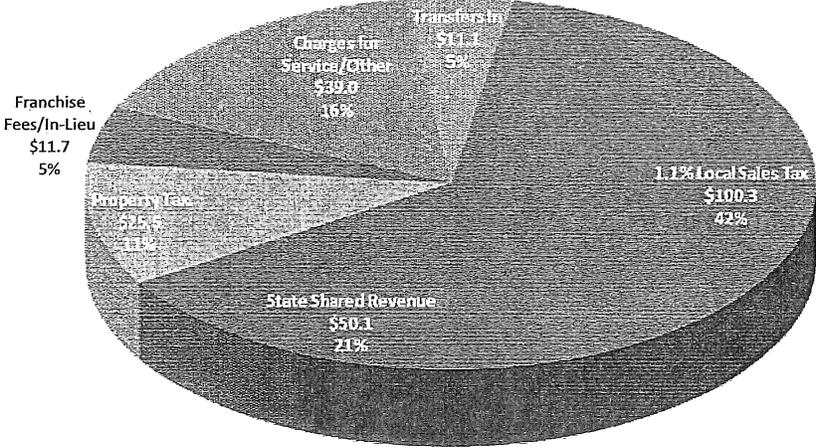
# Item 15

David Smith

## FY 2013/14 General Fund Revenue Assumptions

City Council  
March 5, 2013

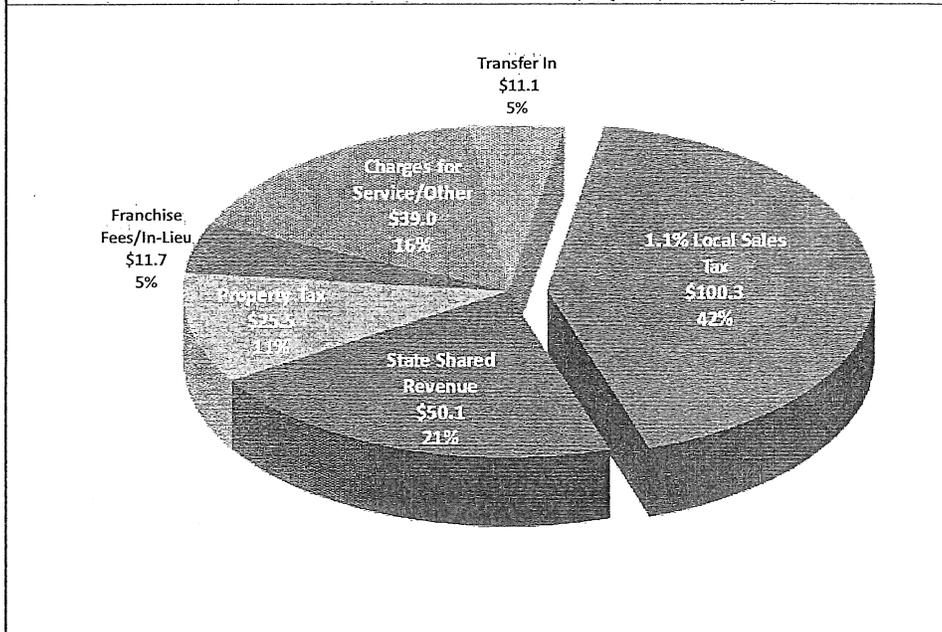
### General Fund Sources FY 2013/14 \$237.8M (in millions)



## General Fund Sources Five Year Forecast

Approved FY 12/13	Forecast FY 12/13	Source	Forecast FY 13/14			Forecast FY 14/15 Amt	Forecast FY 15/16 Amt	Forecast FY 16/17 Amt	Forecast FY 17/18 Amt
			Amt	\$ Chng Fav/(Unfav) vs. Apprd	% Chng Fav/(Unfav) vs. Apprd				
\$97.3	\$96.0	1.1% Local Sales Tax	\$100.3	\$3.0	3.1%	\$104.3	\$107.4	\$111.2	\$115.1
47.6	47.2	State Shared Revenue	50.1	2.5	5.3%	52.8	56.3	59.3	61.5
25.3	25.3	Property Tax—Primary	25.5	0.2	0.9%	26.5	27.7	29.1	30.5
11.2	11.2	Franchise Fees/In-Lieu	11.7	0.5	4.5%	11.8	11.9	12.0	12.1
31.5	33.1	Charges for Svc/Other	32.7	1.2	3.8%	35.3	36.3	36.8	37.7
7.1	7.1	- Indirect Cost Alloc	6.3	(0.8)	(11.3%)	5.7	5.9	6.1	6.2
6.4	6.7	Transfers In: - Enterprise	7.2	0.8	12.0%	7.2	7.2	7.2	7.4
2.7	1.5	- Tourism	3.5	0.8	31.4%	1.5	1.5	1.5	1.5
0.3	0.6	- Other	0.3	-	-	0.3	0.3	0.3	0.3
\$229.4	\$228.7	Subtotal	\$237.8	\$8.3	3.6%	\$245.4	\$254.6	\$263.5	\$272.4
-	0.6	Sales Tax Rebate	-	-	-	-	-	-	-
-	1.3	ASRS Settlement	-	-	-	-	-	-	-
29.2	29.2	Bond Proceeds for Nordstrom Garage	-	(29.2)	(100%)	-	-	-	-
\$258.6	\$259.7	Total	\$237.8	(\$20.9)	(8.1%)	\$245.4	\$254.6	\$263.5	\$272.4

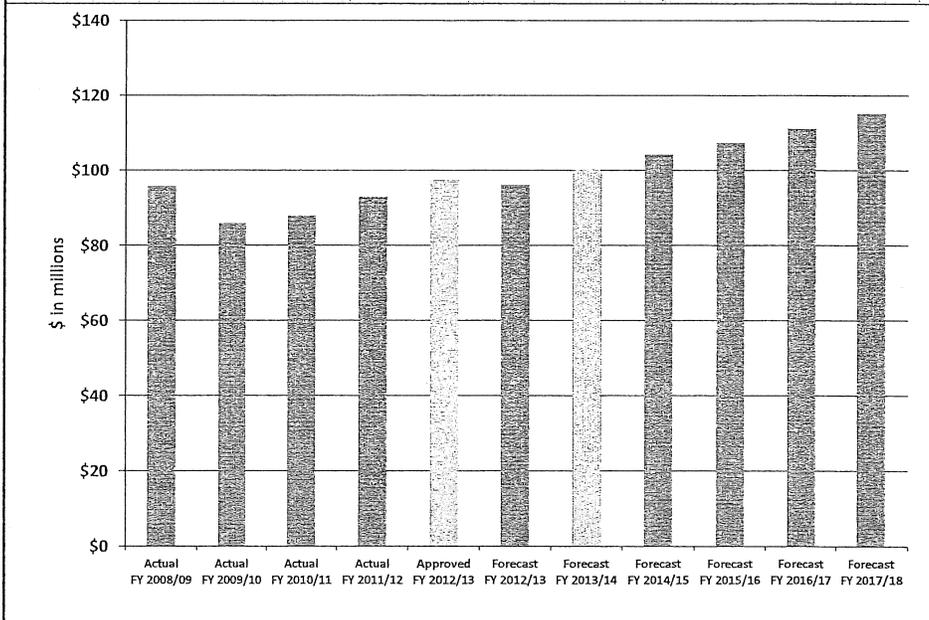
## General Fund Sources FY 2013/14 1.1% Local Sales Tax (in millions)



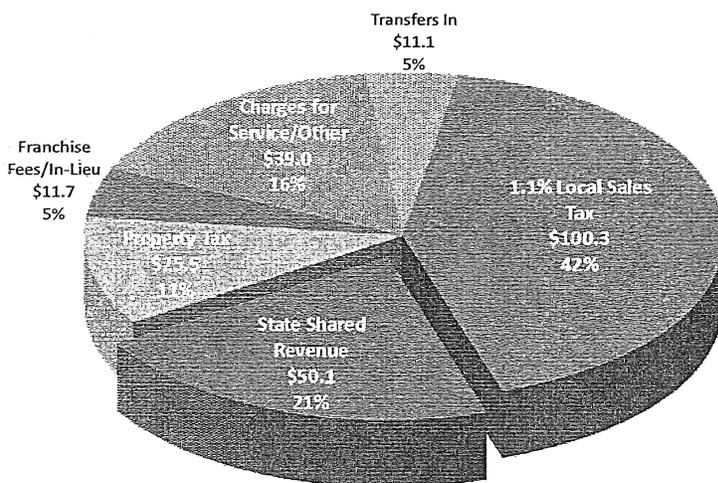
## General Fund Five Year Revenue Forecast 1.1% Local Sales Tax

Approved FY 12/13	Forecast FY 12/13	Source	Forecast FY 13/14			Forecast FY 14/15 Amt	Forecast FY 15/16 Amt	Forecast FY 16/17 Amt	Forecast FY 17/18 Amt
			\$ Amt	\$ Chng Fy/Unfyd vs. Apprd	% Chng Fy/Unfyd vs. Apprd				
\$16.9	\$16.2	<i>Consumer Spending:</i>							
		Small retail stores	\$17.0	\$0.1	0.5%	\$17.9	\$18.8	\$19.7	\$20.7
10.6	10.2	Large retail stores	10.6	-	-	11.0	11.5	11.9	12.4
6.7	6.5	Misc goods & services	6.8	0.1	1.0%	6.9	7.0	7.2	7.3
7.1	7.1	Grocery & convenience	7.3	0.2	3.0%	7.4	7.6	7.7	7.9
11.5	11.8	Auto sales & maint.	12.8	1.3	11.7%	14.0	14.7	15.4	16.2
		<i>Tourism/Entertainment:</i>							
4.8	4.9	Hotel & misc sales	5.1	0.3	5.6%	5.3	5.6	5.8	6.1
9.1	8.8	Restaurants & bars	9.1	0.1	0.6%	9.5	9.9	10.3	10.7
		<i>Business:</i>							
10.6	10.1	Construction	10.8	0.1	1.2%	10.8	10.4	10.5	10.6
13.0	13.3	Rental	13.6	0.6	4.6%	14.1	14.5	14.9	15.4
4.7	4.9	Utilities	5.0	0.3	6.2%	5.1	5.2	5.3	5.4
2.3	2.2	License, Penalty & Int	2.3	-	-	2.3	2.4	2.4	2.5
\$97.3	\$96.0	<b>Total 1.1% Sales Tax</b>	<b>\$100.3</b>	<b>\$3.0</b>	<b>3.1%</b>	<b>\$104.3</b>	<b>\$107.4</b>	<b>\$111.2</b>	<b>\$115.1</b>

## General Fund 1.1% Local Sales Tax 10 Year History/Forecast



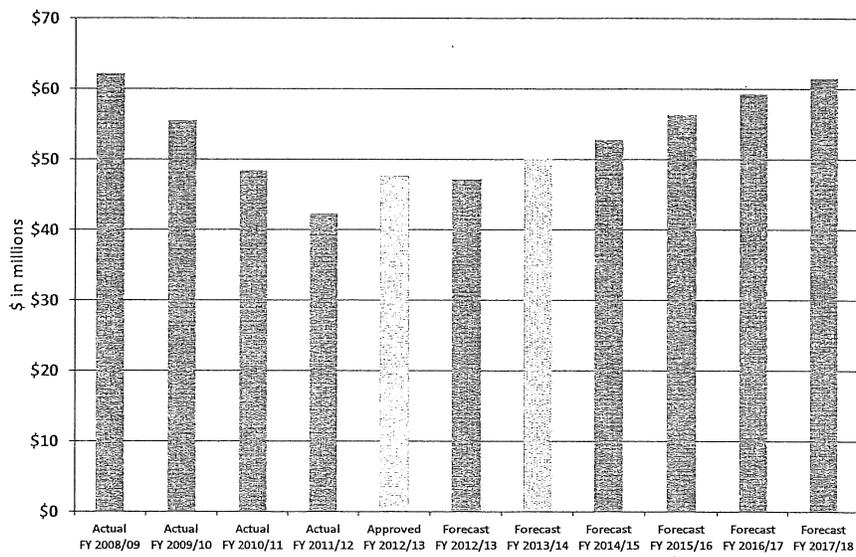
**General Fund Sources FY 2013/14**  
**State Shared Revenue (in millions)**



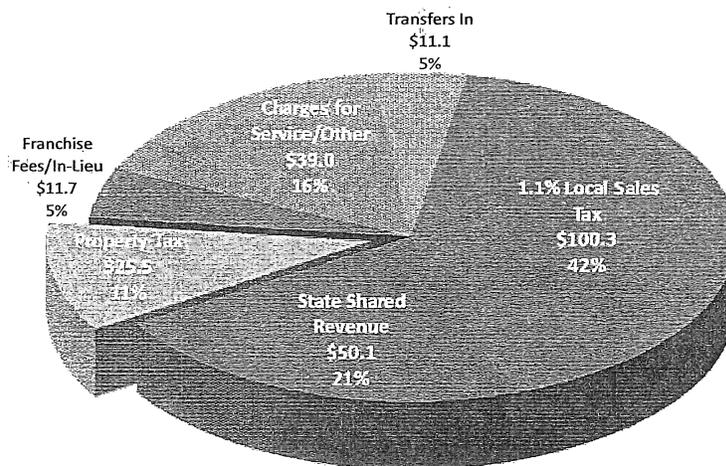
**General Fund Five Year Revenue Forecast**  
**State Shared Revenue**

Approved FY 12/13	Forecast FY 12/13	Source	Forecast FY 13/14			Forecast FY 14/15 Amt.	Forecast FY 15/16 Amt.	Forecast FY 16/17 Amt.	Forecast FY 17/18 Amt.
			Amt.	\$ Chng. Fav/(Unfav) vs. Apprd.	% Chng. Fav/(Unfav) vs. Apprd.				
\$18.2	\$18.0	State Sales Tax	\$18.7	\$0.5	2.9%	\$19.8	\$21.2	\$22.3	\$22.4
22.2	22.2	State Income Tax	24.2	2.0	8.9%	25.4	27.0	28.4	30.0
7.2	7.0	Auto Lieu Tax	\$7.2	0.0	0.3%	7.6	8.1	8.6	9.1
\$47.6	\$47.2	Total	\$50.1	\$2.5	5.3%	\$52.8	\$56.3	\$59.3	\$61.5

## General Fund State Shared Revenue 10 Year History/Forecast



## General Fund Sources FY 2013/14 Property Tax (in millions)

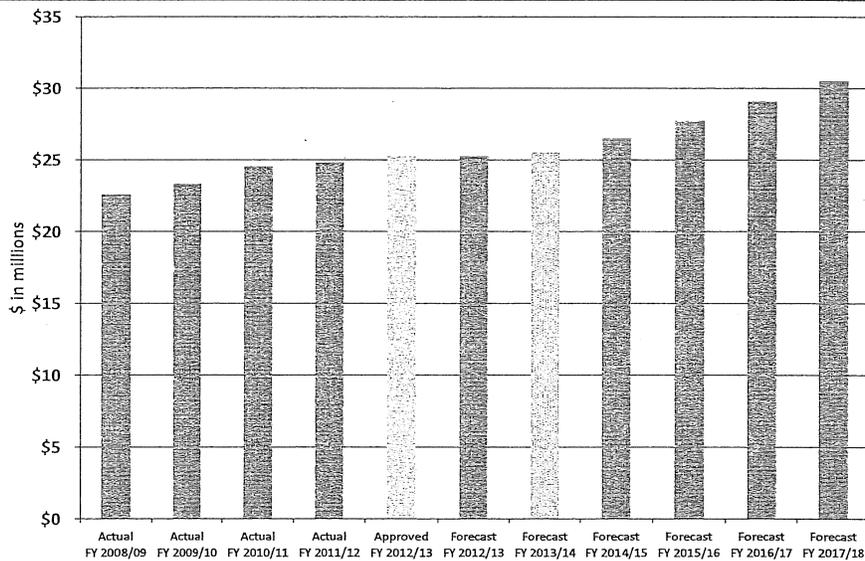


## General Fund Five Year Revenue Forecast Property Tax - Primary\*

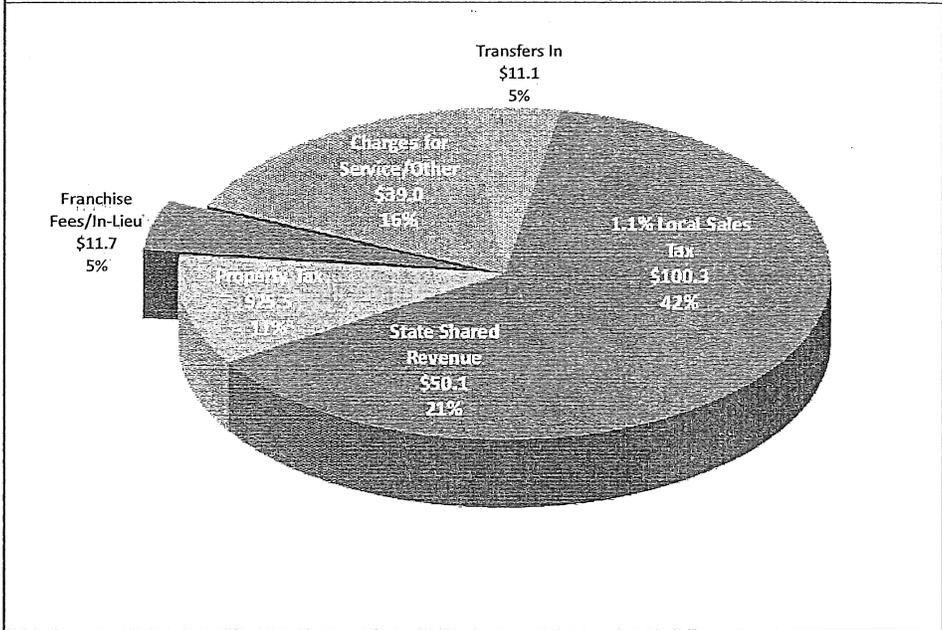
Approved FY 12/13	Revenue	Forecast FY 13/14			Forecast FY 14/15 Amt	Forecast FY 15/16 Amt	Forecast FY 16/17 Amt	Forecast FY 17/18 Amt
		Amt	Chng. Fav/(Unfav) vs. Apprd	% Chng. Fav/(Unfav) vs. Apprd				
<b>Property Tax – Primary:</b>								
\$25.0	Prior Year Base	\$25.3	\$0.3	1.0%	\$25.5	\$26.5	\$27.7	\$29.1
0.3	New Construction	0.2	(0.1)	(22.1%)	0.5	0.7	0.8	0.8
\$25.3	<i>Subtotal</i>	\$25.5	\$0.2	0.9%	\$26.0	\$27.2	\$28.5	\$29.9
<b>Optional Increases:</b>								
n/a	Prior Year: 2% + 2%	-	-	-	-	-	-	-
-	Current Year: 2%	-	-	-	0.5	0.5	0.6	0.6
0.2	Tort Recovery (Risk Fund)	0.1	(0.1)	(32.0%)	0.3	0.3	0.3	0.3
\$25.5	<i>Total</i>	\$25.6	\$0.1	0.5%	\$26.8	\$28.0	\$29.3	\$30.8

\*Secondary Property Taxes are assessed annually in amounts necessary to service outstanding G.O. Debt

## General Fund Property Tax - Primary 10 Year History/Forecast



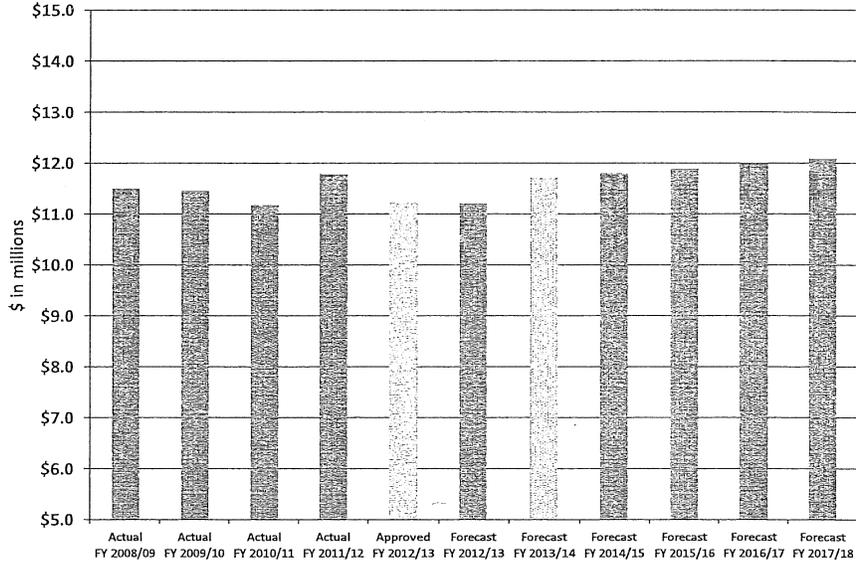
**General Fund Sources FY 2013/14**  
**Franchise Fees & In-Lieu Tax (in millions)**



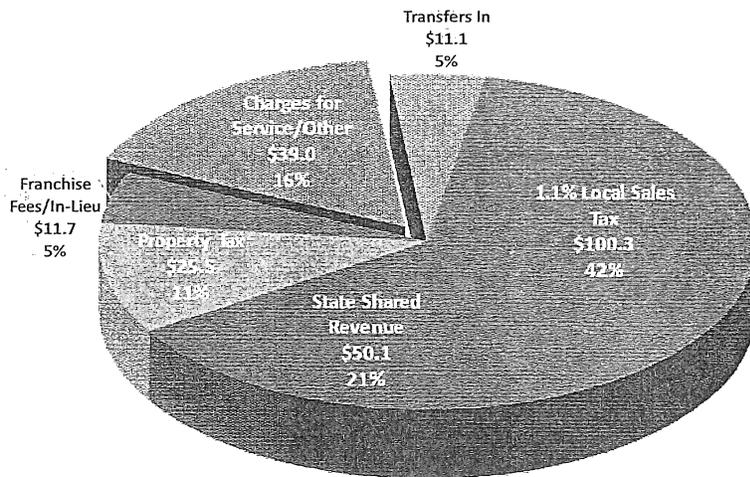
**General Fund Five Year Revenue Forecast**  
**Franchise Fees & In-Lieu Tax**

Approved FY 12/13	Forecast FY 12/13	Source	Forecast FY 13/14			Forecast FY 14/15 Amt.	Forecast FY 15/16 Amt.	Forecast FY 16/17 Amt.	Forecast FY 17/18 Amt.
			Forecast Amt.	\$ Chg. Fav/Unfav vs. Apprd.	% Chg. Fav/Unfav vs. Apprd.				
\$6.9	6.9	APS Franchise Fees	\$7.3	\$0.4	6.1%	\$7.2	\$7.3	\$7.4	\$7.5
1.1	1.1	SWG Franchise Fees	1.1	-	-	1.3	1.3	1.3	1.3
3.0	3.0	Cable TV Franchise	3.0	-	-	3.0	3.0	3.0	3.0
0.2	0.2	Salt River Project Lieu Tax	0.3	-	-	0.3	0.2	0.2	0.2
\$11.2	\$11.2	Total	\$11.7	\$0.5	4.5%	\$11.8	\$11.9	\$12.0	\$12.1

### General Fund Franchise Fees/In-Lieu 10 Year History/Forecast



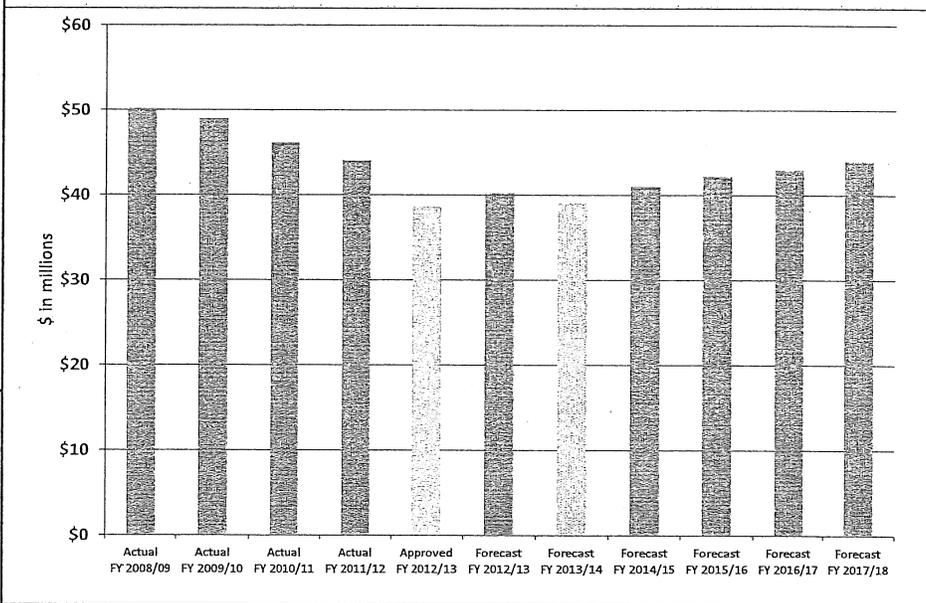
### General Fund Sources FY 2013/14 Charges for Services/Other (in millions)



## General Fund Five Year Revenue Forecast Charges for Services/Other

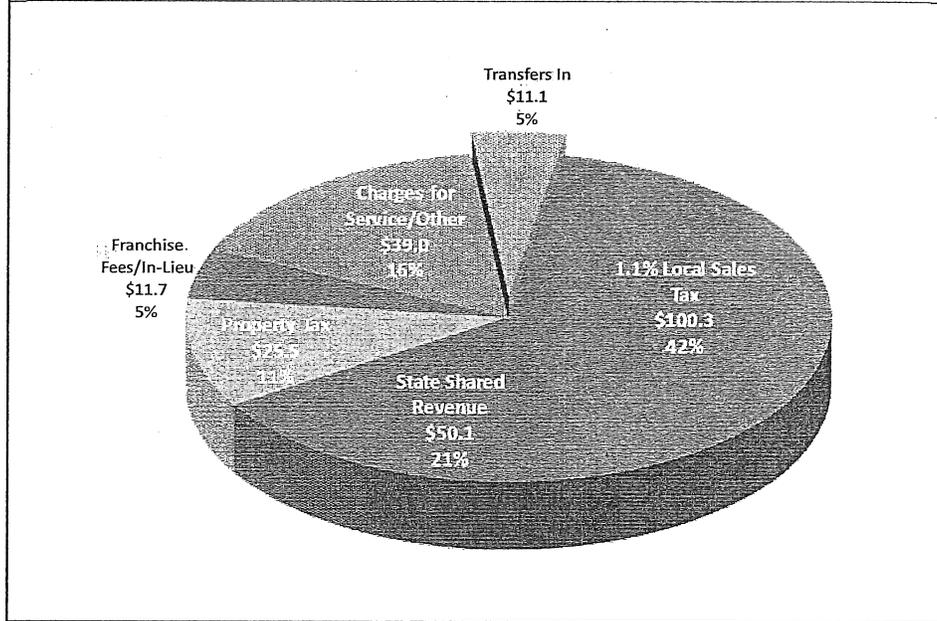
Approved FY 12/13	Forecast FY 12/13	Source	Forecast FY 13/14			Forecast FY 14/15	Forecast FY 15/16	Forecast FY 16/17	Forecast FY 17/18
			Amt.	\$ Chng. Fav/(Unfav) vs. Approval	% Chng. Fav/(Unfav) vs. Approval				
\$5.9	\$5.9	Licenses, Permits & Fees	\$6.1	\$0.1	2.5%	\$6.1	\$6.1	\$6.1	\$6.2
2.7	2.7	WestWorld	3.2	0.4	16.1%	5.2	5.2	5.2	5.2
7.0	7.0	Fine & Forfeitures	7.0	-	-	7.1	7.3	7.4	7.6
6.1	6.2	Misc, Prop Rental, Intergovernmental	6.3	0.2	3.3%	6.0	6.3	6.4	6.4
8.7	10.2	Building Permits	9.3	0.6	7.0%	9.8	10.3	10.4	10.6
1.1	1.1	Interest Earnings	1.0	(0.1)	(10.4%)	1.1	1.2	1.3	1.7
7.1	7.1	Indirect/Direct Cost Allocation	6.3	(0.8)	(11.3%)	5.7	5.9	6.1	6.2
\$38.6	\$40.2	Total	\$39.0	\$0.4	1.1%	\$41.0	\$42.2	\$42.9	\$43.9

## General Fund Charges for Service/Other Revenue 10 Year History/Forecast



## General Fund Sources FY 2013/14

### Transfers-In (in millions)



## General Fund Sources Five Year Forecast

### Transfers-In Amounts (in millions)

Approved FY 12/13	Forecast FY 12/13	Source	Forecast FY 13/14			Forecast FY 14/15 Amt	Forecast FY 15/16 Amt	Forecast FY 16/17 Amt	Forecast FY 17/18 Amt
			Amt	\$ Chng. Fav/(Unfav) vs. Apprd	% Chng. Fav/(Unfav) vs. Apprd				
\$0.3	\$0.3	Special Programs:	\$0.3	\$-	-	\$0.3	\$0.3	\$0.3	\$0.3
-	0.3	- 30 Day Tow	-	-	-	-	-	-	-
		- Other							
1.5	1.5	Tourism:	1.5	-	-	1.5	1.5	1.5	1.5
1.2	-	- General Fund	2.0	0.8	70.7%	-	-	-	-
		- WW Support							
6.4	6.7	Enterprise Franchise Fees	7.2	0.8	12.0%	7.2	7.2	7.2	7.4
\$9.5	\$8.9	<b>Total</b>	\$11.1	\$1.6	17%	\$9.0	\$9.0	\$9.0	\$9.2

## General Fund Sources Five Year Forecast

Approved FY 12/13	Forecast FY 12/13	Source	Forecast FY 13/14			Forecast FY 14/15 Amt.	Forecast FY 15/16 Amt.	Forecast FY 16/17 Amt.	Forecast FY 17/18 Amt.
			Amt.	\$ Chng. Fav/(Unfav) vs. Apprd.	% Chng. Fav/(Unfav) vs. Apprd.				
\$97.3	\$96.0	1.1% Local Sales Tax	\$100.3	\$3.0	3.1%	\$104.3	\$107.4	\$111.2	\$115.1
47.6	47.2	State Shared Revenue	50.1	2.5	5.3%	52.8	56.3	59.3	61.5
25.3	25.3	Property Tax-Primary	25.5	0.2	0.9%	26.5	27.7	29.1	30.5
11.2	11.2	Franchise Fees/In-Lieu	11.7	0.5	4.5%	11.8	11.9	12.0	12.1
31.5	33.1	Charges for Svc/Other	32.7	1.2	3.8%	35.3	36.3	36.8	37.7
7.1	7.1	- Indirect Cost Alloc	6.3	(0.8)	(11.3%)	5.7	5.9	6.1	6.2
6.4	6.7	Transfers In: - Enterprise	7.2	0.8	12.0%	7.2	7.2	7.2	7.4
2.7	1.5	- Tourism	3.5	0.8	31.4%	1.5	1.5	1.5	1.5
0.3	0.6	- Other	0.3	-	-	0.3	0.3	0.3	0.3
\$229.4	\$228.7	Subtotal	\$237.8	\$8.3	3.6%	\$245.4	\$254.6	\$263.5	\$272.4
-	0.6	Sales Tax Rebate	-	-	-	-	-	-	-
-	1.3	ASRS Settlement	-	-	-	-	-	-	-
29.2	29.2	Bond Proceeds for Nordstrom Garage	-	(29.2)	(100%)	-	-	-	-
\$258.6	\$259.7	Total	\$237.8	(\$20.9)	(8.1%)	\$245.4	\$254.6	\$263.5	\$272.4

## FY 2013/14 General Fund Revenue Assumptions

City Council  
March 5, 2013