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CALL TO ORDER

[Time: 00:00:09]

Mayor Lane: IT'S GOOD TO HAVE YOU WITH US FOR OUR REGULAR MEETING. I'D JUST LIKE TO CALL TO ORDER OUR REGULAR MEETING OF OCTOBER 8, 2013. WE'LL START WITH A ROLL CALL, PLEASE.

ROLL CALL

[Time: 00:00:14]

City Clerk Carolyn Jagger: MAYOR JIM LANE.

Mayor Lane: PRESENT.

Carolyn Jagger: VICE MAYOR VIRGINIA KORTE.

Vice Mayor Korte: HERE.

Carolyn Jagger: COUNCILMEMBERS SUZANNE KLAPP.

Councilmember Klapp: HERE.

Carolyn Jagger: BOB LITTLEFIELD.

Councilman Littlefield: HERE.

Carolyn Jagger: LINDA MILHAVEN.

Councilwoman Milhaven: HERE.

Carolyn Jagger: GUY PHILLIPS.

Councilman Phillips: PRESENT.

Carolyn Jagger: DENNIS ROBBINS.

Councilman Robbins: HERE.

Carolyn Jagger: CITY MANAGER FRITZ BEHRING.

Fritz Behring: HERE.

Carolyn Jagger: CITY ATTORNEY BRUCE WASHBURN.

Bruce Washburn: HERE.

Carolyn Jagger: ACTING CITY TREASURER LEE GUILLORY.

Lee Guillory: HERE.

Carolyn Jagger: CITY AUDITOR SHARRON WALKER.

Sharron Walker: HERE.

Carolyn Jagger: AND THE CLERK IS PRESENT.

Mayor Lane: THANK YOU. JUST A COUPLE ITEMS OF BUSINESS, WE DO HAVE CARDS IF YOU LIKE TO SPEAK ON ANY TOPIC ON THE AGENDA OR ON PUBLIC COMMENT. THERE IS THE WHITE CARDS THAT THE CLERK IS HOLDING UP OVER THE HEAD. THE YELLOW CARDS ARE FOR WRITTEN COMMENTS, NOW SHE CAN SHIFT GEARS, FOR ANY COMMENTS YOU MIGHT HAVE AND WE'LL BE READING THROUGH THE PROCEEDINGS. WE DO HAVE POLICE OFFICERS DAVE PUBINS AND JASON GLENN HERE TO ASSIST YOU AND THEY'RE RIGHT OVER HERE TO MY LEFT. THE AREA BEHIND THE COUNCIL DAIS ARE RESERVED FOR THE COUNCIL AND STAFF. WE DO HAVE FACILITIES ON THE SOUTH SIDE UNDER THE CLEARLY MARKED RESTROOM SIGNS FOR YOUR CONVENIENCE.

PLEDGE OF ALLEGIANCE

[Time: 00:01:28]

Mayor Lane: TONIGHT WE HAVE GIRL SCOUT TROOP 2068 WITH THEIR LEADER, TRACY SABA TO LEAD US IN THE PLEDGE. IF YOU WOULD, LADIES.

I PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA AND TO THE REPUBLIC FOR WHICH IT STANDS ONE NATION, UNDER GOD, INDIVISIBLE, WITH LIBERTY AND JUSTICE FOR ALL.

Mayor Lane: THANK YOU, YOU MIGHT WANT TO TURN THAT MICROPHONE AROUND AND INTRODUCE YOURSELVES AND TELL US WHAT SCHOOL YOU GO TO AND MAYBE YOUR FAVORITE SUBJECT.

Girl Scout Troop 2068: MY NAME IS KYLIE AND I GO TO ANASAZI ELEMENTARY SCHOOL, AND MY FAVORITE SUBJECT IS SCIENCE. HI I'M GRACE, I GO TO ANASAZI ELEMENTARY SCHOOL AND MY FAVORITE SUBJECT IS MATH. MY NAME IS MEGAN, I GO TO ANASAZI ELEMENTARY SCHOOL, AND MY FAVORITE SUBJECT IS MATH. MY NAME IS EMMA, I GO TO MISSION MONTESSORI, AND MY FAVORITE SUBJECT IS MATH. MY NAME IS Karen, I GO TO SCOTTSDALE PREPARATORY ACADEMY, AND MY FAVORITE SUBJECT IS ART. MY NAME IS ANNA ROSA, I GO TO ANASAZI ELEMENTARY SCHOOL, AND MY FAVORITE SUBJECT IS ART. MY NAME IS EMMA, I GO TO ANASAZI ELEMENTARY SCHOOL, AND MY FAVORITE SUBJECT IS READING.

Mayor Lane: THANK YOU VERY MUCH LADIES.

INVOCATION

[Time: 00:03:16]

Mayor Lane: FOR THE INVOCATION THIS AFTERNOON WE WELCOME PASTOR PAUL NEWMAN FROM THE SCOTTSDALE BIBLE CHURCH, WHO WILL PROVIDE US WITH THE EVENING'S PRAYER.

Pastor Paul Newman: THANK YOU MAYOR. LET US PRAY. OUR HEAVENLY FATHER, WE ASK YOUR BLESSINGS ON THE MEN AND WOMEN OF THIS CHAMBER WHO HAVE THE RESPONSIBILITY TO GOVERN THE CITY OF SCOTTSDALE. HELP THEM TO BE TRUTHFUL, HONEST AND HONORABLE IN ALL THINGS. MAKE THEM INTELLECTUALLY HONEST FOR THE SAKE OF RIGHT AND HONOR AND WITHOUT THE THOUGHT OF REWARD. GIVE THEM THE ABILITY TO BE CHARITABLE, FORGIVING AND PATIENT WITH THEIR FELLOW MAN. ESPECIALLY WE PRAY THAT THE CONCERN BE FOR ALL THE PEOPLE REGARDLESS OF STATION, RACE OR CALLING. WE ASK BLESSINGS ON OUR PRESIDENT, OUR GOVERNOR, THE MEN AND WOMEN OF THE MILITARY, THEIR FAMILIES AND KEEP THEM SAFE, FOR THEY SACRIFICE SO MUCH FOR OUR FREEDOM. I PRAY THIS IN THE NAME OF MY LORD AND SAVIOR. AMEN.

MAYOR'S REPORT

[Time: 00:04:29]

Mayor Lane: THANK YOU PASTOR. NEXT ORDER OF BUSINESS IS MY REPORT. I HAVE A COUPLE OF THINGS TO COMMENT UPON. NUMBER ONE IS THE OBVIOUS THAT WE DO HAVE SOME FRIENDLY FOLKS FROM THE NORTH TO VISIT US THIS AFTERNOON, WITH MUCH HOOPLA, HAVE COME DOWN TO CONSIDER WHETHER OR NOT WE HAVE ISSUES IN COMMON OR ISSUES TO SHARE OR WHETHER WE HAVE A CHALLENGE ON OUR HANDS. IT'S ALL IN GOOD FUN, WE WANT TO WELCOME THEM HERE. WE DO UNDERSTAND FOR YOUR ENJOYMENT WE DO HAVE SOME MUSIC OUTSIDE AND THERE ARE SOME OTHER DISPLAYS OF WESTERN HERITAGE THEY WANTED TO BRING TO US FROM THE FAR REACHES OF THE NORTHWEST PART OF SCOTTSDALE. THEY WILL BE MAKING SOME COMMENTS AND PRESENTATION WITH OUR NORMAL REQUEST TO SPEAK. THEY WILL BE HEARD FROM IN A LITTLE BIT.

EACH OCTOBER COMMUNITIES ACROSS THE NATION RECOGNIZE AFTER SCHOOL PROGRAMS DESIGNED TO KEEP KIDS SAFE, CONTINUE LEARNING AND HELP WORKING FAMILIES. THE CITY OF SCOTTSDALE SUPPORTS THE VALUE OF EDUCATION BOTH INSIDE AND OUTSIDE OF THE CLASSROOM AND THIS YEAR WE CELEBRATE A UNIQUE NEW COLLABORATION WITH THE SUSD AND THE CITY'S AFTER SCHOOL PROGRAMS, AND THANK ALL PROVIDERS OF AFTERSCHOOL PROGRAMS.

TONIGHT I'M ISSUING A PROCLAMATION FOR THE ANNUAL LIGHTS ON AFTER SCHOOL CAMPAIGN. HERE TO RECEIVE THIS DOCUMENT TONIGHT IS MS. AMY MOORE, AMY IF YOU COME FORWARD, PRINCIPAL OF NAVAJO ELEMENTARY SCHOOL, ONE OF OUR PARTNERS IN OUR EXPANDED LEARNING PILOT PROGRAM. ALONG WITH HER ARE STUDENTS FROM THE NAVAJO PROGRAM.

[Time: 00:06:17]

FIRST OF ALL, I'LL GO AHEAD AND READ THE PROCLAMATION. IT READS

WHEREAS, THE CITIZENS OF SCOTTSDALE STAND FIRMLY COMMITTED TO QUALITY AFTERSCHOOL PROGRAMS AND OPPORTUNITIES BECAUSE THEY PROVIDE SAFE, CHALLENGING AND ENGAGING LEARNING EXPERIENCES THAT HELP CHILDREN DEVELOP SOCIAL, EMOTIONAL, PHYSICAL AND ACADEMIC SKILLS. THEY, ALSO, SUPPORT WORKING FAMILIES BY ENSURING THEIR CHILDREN ARE SAFE AND PRODUCTIVE AFTER THE REGULAR SCHOOL DAY. IN ADDITION, STRONGER COMMUNITIES ARE BUILT BY INVOLVING STUDENTS, PARENTS, BUSINESS LEADERS AND ADULT VOLUNTEERS IN THE LIVES OF YOUNG PEOPLE, THEREBY PROMOTING POSITIVE RELATIONSHIPS AMONG YOUTH, FAMILIES AND ADULTS. THESE PROGRAMS ALSO ENGAGE FAMILIES, SCHOOLS AND COMMUNITY PARTNERS IN ADVANCING THE WELFARE OF OUR CHILDREN; AND WHEREAS, THE CITY OF SCOTTSDALE HAS PROVIDED SIGNIFICANT LEADERSHIP IN THE AREA OF COMMUNITY INVOLVEMENT IN THE EDUCATION AND WELL-BEING OF OUR YOUTH, GROUNDED IN THE PRINCIPLE THAT QUALITY AFTERSCHOOL PROGRAMS ARE KEY IN HELPING OUR CHILDREN BECOME SUCCESSFUL ADULTS; AND WHEREAS, LIGHTS ON AFTERSCHOOL, A NATIONAL CELEBRATION OF AFTERSCHOOL PROGRAMS ON OCTOBER 17TH, PROMOTES THE IMPORTANCE OF QUALITY AFTERSCHOOL PROGRAMS; AND WHEREAS, SCOTTSDALE IS COMMITTED TO INVESTING IN THE HEALTH AND SAFETY OF ALL YOUNG PEOPLE BY PROVIDING EXPANDED LEARNING OPPORTUNITIES THAT WILL HELP CLOSE THE ACHIEVEMENT GAP AND PREPARE YOUNG PEOPLE TO COMPETE IN THE GLOBAL ECONOMY; AND NOW, THEREFORE, I, W. J. "JIM" LANE, MAYOR OF THE CITY OF SCOTTSDALE, ARIZONA, DO HEREBY PROCLAIM OCTOBER 17TH, 2013 AS LIGHTS ON AFTERSCHOOL DAY IN SCOTTSDALE AND BE IT FURTHER PROCLAIMED THAT SCOTTSDALE ENTHUSIASTICALLY ENDORSES LIGHTS ON AFTERSCHOOL AND WILL CONTINUE TO PARTNER WITH THE COMMUNITY IN INNOVATIVE AFTERSCHOOL PROGRAMS AND ACTIVITIES ENSURING THE LIGHTS STAY ON, AND THE DOORS STAY OPEN, FOR ALL CHILDREN AFTER SCHOOL.

CONGRATULATIONS, THANK YOU.

MR. BEHRING, I UNDERSTAND THERE IS NOT A MANAGER'S REPORT. OKAY, THANK YOU VERY MUCH. AND THERE ARE NO PRESENTATIONS OR ANNOUNCEMENTS AT THE MOMENT.

PUBLIC COMMENT

[Time: 00:08:48]

Mayor Lane: WE DO HAVE SOME REQUESTS FOR PUBLIC COMMENT. AS I MENTIONED BEFORE, WE DO HAVE SOME OF OUR VISITORS WHO WOULD LIKE TO SPEAK. PUBLIC COMMENT IS RESERVED FOR CITIZEN COMMENTS REGARDING NON-AGENDIZED ITEMS WITH NO OFFICIAL COUNCIL ACTION TAKEN ON THESE ITEMS. SPEAKERS ARE LIMITED TO 3 MINUTES EACH WITH A MAXIMUM OF 5 SPEAKERS. THERE WILL BE ANOTHER OPPORTUNITY FOR PUBLIC COMMENT AT THE END OF OUR MEETING. OUR FIRST REQUEST TO SPEAK IS MAYOR VINCENT FRANCIA, TOWN OF CAVE CREEK.

[Time: 00:09:32]

Cave Creek Mayor Vincent Francia: GOOD EVENING MAYOR, MEMBERS OF THE SCOTTSDALE COUNCIL. FOR THE RECORD MY NAME IS VINCENT FRANCIA AND I'M THE MAYOR OF CAVE CREEK. SINCE WE HAVE JUST BEEN DESCRIBED AS SCOTTSDALE'S MOST NORTHWESTERN NEIGHBOR OR SUBURB THAT INDEED GIVES US, POINTS US TO THE REASON WHY I'M HERE, THAT WE ARE THE WEST'S MOST WESTERN TOWN. I DO NOT JOURNEY HERE ALONE, I'M WITH MY FELLOW COUNCILMEMBERS, IF THEY WOULD STAND PLEASE. I'M HERE WITH FRIENDS, NEIGHBORS, FELLOW CITIZENS, THE CACTUS SHADOWS HIGH SCHOOL MARCHING BAND, WHICH IS IN THE JURISDICTION OF SCOTTSDALE, IS HERE WITH US TONIGHT. WE ALSO HAVE ROJA, WHICH IS A WESTERN RED-TAILED HAWK THAT RESIDES IN CAVE CREEK, HERE IN THE KIVA TONIGHT. MY REASON FOR BEING HERE IS TO REITERATE AND REAFFIRM A CHALLENGE THAT THE COMMUNITY OF CAVE CREEK HAS ISSUED TO SCOTTSDALE AND IT HAS TO DO WITH YOUR MOTTO WHICH STARTED SOME 66 YEARS AGO AS TO BEING THE WEST'S MOST WESTERN TOWN. WE FEEL, THAT IS CAVE CREEK FEELS, THAT WE ARE NOW THE WEST'S MOST WESTERN TOWN. THAT LIFESTYLE THAT HAS TO DO WITH THE WEST, THAT HAS TO DO WITH A CERTAIN ETHIC, IS PRACTICED IN CAVE CREEK AND SCOTTSDALE HAS CHANGED. CHANGED FOR THE BETTER I MIGHT ADD. IT HAS EVOLVED, YOU ARE A WORLD DESTINATION CITY, YOU ARE THE ENVY OF EVERY OTHER CITY IN THE VALLEY IN TERMS OF THE ENTERTAINMENT THAT YOU OFFER, BUT YOU ARE NO LONGER WESTERN, CAVE CREEK IS. WITH THAT IN MIND, AS PART OF THE OLD WEST TRADITION, WHEN YOU CLAIM SOMETHING, YOU LEAVE YOURSELF OPEN TO CHALLENGE AND WE DO SO CHALLENGE. AND I DO CHALLENGE YOU, MAYOR LANE, ON SATURDAY, NOVEMBER 2ND, WHEN WILD WEST DAYS IS IN FULL SWING IN CAVE CREEK, TO MEET WITH ME AT HIGH NOON, WHAT OTHER TIME COULD WE POSSIBLY MEET, FOR A SHOWDOWN IN THE PARKING LOT OF THE HORNY TOAD. AGAIN, THANK YOU FOR ALLOWING ME TO SPEAK. THIS HAS BEEN FUN FOR CAVE CREEK, IT HAS BEEN TONGUE-IN-CHEEK BUT WE'RE ALSO DEADLY SERIOUS IN OUR CHALLENGE SO WE HOPE TO SEE YOU ON WILD WEST DAYS. THANK YOU.

Mayor Lane: THANK YOU MAYOR, I APPRECIATE YOUR COMING DOWN AND TALKING TO US ABOUT THAT. THE NEXT REQUEST TO SPEAK IS ADAM TRENK, I BELIEVE, COUNCILMAN.

[Time: 00:12:22]

Cave Creek Councilman Adam Trenk: GOOD EVENING, MAYOR, MEMBERS OF THE COUNCIL. MY NAME IS ADAM TRENK, I'M THE VICE MAYOR OF CAVE CREEK, THE COMMUNITY TO YOUR NORTHWEST. I WANT TO THANK EVERYONE HERE PARTICIPATING, ESPECIALLY THE COUNCIL OF SCOTTSDALE FOR BEING GOOD SPORTS. WE'RE HERE TO ADDRESS WHAT I THINK IS A TOUCHY SUBJECT. THE WEST'S MOST WESTERN TOWN, THAT'S A BOLD STATEMENT. WESTERN IS A WAY OF LIFE. IT MEANS MORE THAN 6-SHOOTERS, TEN-GALLON HATS, AND COWPONIES. AFTER ALL, IF

THAT'S ALL IT TOOK TO BE WESTERN, THOSE HORSES WOULD HAVE LEFT SCOTTSDALE STABLE A LONG TIME AGO. THOSE THAT LIVE BY THE CODE OF THE WEST, THOSE THAT TRULY EMBODY IT, OFTEN DEPART FROM THE EASY ROAD. THEY MAKE THEIR OWN TRAIL, AND THEY LEAVE THE CREATURE COMFORTS BEHIND. BEING WESTERN MEANS EMBRACING YOURSELF FOR WHO YOU TRULY ARE, APPRECIATING YOURSELF AS AN INDIVIDUAL, AND THE UNIQUENESS OF YOUR COMMUNITY. IT DOESN'T MEAN PRETENDING TO BE SOMETHING YOU'RE NOT AND IT CERTAINLY DOESN'T MEAN TAKING YOURSELF TOO SERIOUSLY. I WOULD SUGGEST THAT YOUR CLAIM TO THE WEST'S MOST WESTERN TOWN MAY SPEAK FOR ITSELF IN THIS REGARD. BEING WESTERN MEANS BREAKING BOUNDARIES, FORGING NEW FRONTIERS IN WORK AND IN PLAY WITHOUT APOLOGY. I USED TO LIVE IN SCOTTSDALE, AND IT'S A GREAT CITY WITH A LOT TO OFFER. YOU HAVE WORLD-RENOWNED SHOPPING MALLS, GOLF TOURNAMENTS, THE BIGGEST CAR AUCTIONS AROUND, AND A BUNCH OF GREAT EVENTS AT WESTWORLD THAT EVEN INVOLVE HORSES. YOU HAVE SOME OPEN SPACES AS WELL. BUT DESPITE ALL THESE WONDERFUL ATTRIBUTES, SCOTTSDALE LACKS THE CHARACTER AND AUTHENTICITY OF CAVE CREEK WHEN IT COMES TO BEING WESTERN. SCOTTSDALE IS, SHALL WE SAY, A LITTLE TOO COMMERCIAL. IT'S NOT AN INDICTMENT, IT'S JUST A FACT. ON THE CONTRARY, HOWEVER, OUR LITTLE TOWN OFFERS RESIDENTS, ENTREPRENEURS, AND VISITORS WITH A ONE-OF-A-KIND OPPORTUNITY TO EXPERIENCE THE SPIRIT OF THE OLD WEST. WHEN IT COMES TO WESTERN, WE HAVE IT. RURAL ENVIRONMENTS, OPEN SPACES, BIKER BARS, SALOONS, HONKYTONKS AND BUCKING BULLS EVERY SINGLE WEEKEND. WE HAVE A DISPROPORTIONATE ABUNDANCE OF GALLERIES AND MERCANTILES THAT SELL ONE-OF-A-KIND LOCALLY MADE GOODS AND WELCOME THOSE FROM ALL WALKS OF LIFE. AND SO I RECKON IN AN EFFORT TO SHOW APPRECIATION, FOR ALL THOSE THAT MAKE OUR TOWN WHAT IT IS, WE'RE BRINGING THE FIGHT TO YOUR DOOR. JUSTICE DEMANDS THAT A SPADE BE CALLED A SPADE, AND NO LONGER CAN WE IN CAVE CREEK SIT IDLE WATCHING CAVE CREEK CLOAK ITSELF IN AN ILL-FITTING MOTTO. SO IN A SPIRIT OF FAIRNESS WE CHALLENGE YOU TO YOUR TITLE. A SERIES OF GAMES AND GOOD FUN. BUT NO MATTER THE OUTCOME WE ALL KNOW THE TRUTH. CAVE CREEK IS THE HOME OF THE TRUE WEST. AND FOR THOSE WHO WANT A TASTE, WE INVITE YOU TO CAVE CREEK OCTOBER 16 AND 17 FOR THE BIGGEST LITTLE CULINARY EVENT IN ARIZONA. AND IF YOU WANT TO EXPERIENCE WESTERN IN FULL FORCE, BE IN CAVE CREEK NOVEMBER 1ST THROUGH THE 3RD FOR THE BIGGEST AND BADDEST WILD WEST DAYS THIS CONTINENT HAS EVER SEEN. THANK YOU VERY MUCH.

Mayor Lane: THANK YOU COUNCILMAN. NEXT IS REG MONACHINO. PARDON ME IF I MISPRONOUNCE THAT.

[Time: 00:15:56]

Reg Monachino: GOOD EVENING MAYOR, VICE MAYOR, MEMBERS OF COUNCIL. MY NAME IS REG MONACHINO, I'M A COUNCILMEMBER FROM THE TOWN OF CAVE CREEK. I WANT TO SHARE WITH YOU THIS EVENING A BIT OF CAVE CREEK'S WESTERN HERITAGE. MUCH IS SAID ABOUT THE FIVE C'S OF ARIZONA. BUT IT WAS ALSO GOLD THAT DREW THOUSANDS OF PEOPLE TO ARIZONA. IMMIGRANTS WERE TOLD THAT THE STREETS OF AMERICA WERE PAVED WITH GOLD. THEY KNEW HOWEVER THAT YOU COULD FIND YOUR OWN GOLD WEST. IS THERE ANYTHING MORE ICONIC ABOUT THE WEST THAN THE RUSH FOR GOLD. CAVE CREEK WAS IN FACT FOUNDED IN 1886 BY PROSPECTORS AND HARD ROCK MINERS SEARCHING FOR THE PRECIOUS METAL. BACK THEN THERE WAS NO SCOTTSDALE FASHION SQUARE WHERE YOU COULD SIMPLY GO AND BUY GOLD ALONG WITH A CHICKEN SCHAWARMA AND PITA JUNGLE. THE GOLDEN REEF AND GOLDEN STAR MINES ON

CONTINENTAL MOUNTAIN WERE LOCATED WITHIN THE CAVE CREEK MINING DISTRICT FROM THE 1880'S UNTIL AROUND 1940. THE REMAINS OF THAT MILL WERE HAULED DOWN FROM CONTINENTAL MOUNTAIN TO THE CAVE CREEK MUSEUM. IT IS A TEN STAMP MILL THAT CRUSHES ORE TO SEPARATE GOLD FROM THE ORE. IT HAS TAKEN THREE YEARS TO RESTORE IT TO ITS ORIGINAL OPERATING CONDITION. THE CAVE CREEK MUSEUM NOW HAS THE ONLY TEN STAMP MILL IN THE STATE OF ARIZONA. THE OPERATING MILL CONTINUES CAVE CREEK'S WESTERN HERITAGE. IN THAT SPIRIT, I PRESENT TO THE COUNCIL THIS GOLD-BEARING PIECE OF QUARTZ. IF YOU BRING IT UP TO CAVE CREEK, THE WEST'S MOST WESTERN TOWN, WE WILL MILL IT FOR YOU. NOW YOU DO HAVE GOLD IN FASHION SQUARE, BUT IN CAVE CREEK, WE STILL MINE FOR IT AND WE DON'T GO TO JAROD. THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN. NEXT IS RICK KIDDER FOLLOWED BY PATTY BADENOCH.

[Time: 00:18:59]

Scottsdale Area Chamber of Commerce President Rick Kidder: MAYOR, MEMBERS OF THE COUNCIL, I HAVE NEVER BEEN TEMPTED TO SAY HOWDY, BUT, HOWDY. MY NAME IS RICK KIDDER, I RESIDE IN SCOTTSDALE, AND I'VE COME HERE THIS EVENING REPRESENTING THE SCOTTSDALE AREA CHAMBER OF COMMERCE TO ADDRESS THE WORK STUDY SESSION THAT FOLLOWS THIS MEETING. THE CHAMBER'S ECONOMIC DEVELOPMENT ADVISORY COUNCIL HEARD THIS MORNING FROM THE SCOTTSDALE GATEWAY ALLIANCE, A GROUP OF POSITIVE VOICES ADVOCATING FOR THE SOUTHERN PART OF OUR GREAT CITY. THESE COMMITTED INDIVIDUALS ARE DEDICATED TO HELPING MCDOWELL ROAD COME BACK, TO MAKING WHAT WAS ONCE ONE OF THE MOST VIBRANT PARTS OF OUR CITY ALIVE AND VIBRANT ONCE AGAIN. THEIR WORK IS GRASSROOTS AND CONSTRUCTIVE DESIGNING THEMSELVES AROUND THE CONCEPT MAKING A CONCRETE DIFFERENCE IN MCDOWELL FROM AN ECONOMIC LIVABILITY PERSPECTIVE. MCDOWELL ROAD IS A GATEWAY TO OUR CITY. IT HAS TOO OFTEN IN THE PAST SOLD ITSELF SHORT. IT MAY NEVER AGAIN BE SCOTTSDALE MOTOR MILE. BUT THE AREA HAS TOO MANY ASSETS NOT TO BE SUCCESSFUL. SKYSONG IS ONE OF THOSE GREAT ASSETS AND MANY OF YOU HAD THE CHANCE TO ATTEND THE GROUNDBREAKING OF THE NEXT PHASE OF THAT KEY PROJECT. SOME OF SCOTTSDALE'S ASSETS INVOLVE THE GREATEST AXIOM OF REAL ESTATE: LOCATION, LOCATION, LOCATION. IT IS FIVE MINUTES FROM TWO FREEWAYS, THE BEAUTY AND ALLURE OF PAPAGO PARK, THE DESERT BOTANICAL GARDEN AND THE PHOENIX ZOO LIE AROUND THE CORNER. DOWNTOWN IS A STONE'S THROW AWAY WITH SHOPS AND RESTAURANTS, ARTS AND CULTURE, TOURISM AMENITIES AND SPRING TRAINING. SKY HARBOR IS WITHIN 15 MINUTES. NEW HOUSING OPTIONS ARE SPRINGING FROM THE GROUND EVEN AS WE SPEAK. YOU HAVE MADE MCDOWELL ROAD A PRIORITY AND RIGHTFULLY SO. WE AT THE CHAMBER HAVE ALSO MADE MCDOWELL ROAD A PRIORITY FOR NEW INVESTMENT, CREATIVE IDEAS AND NEW ENERGY. WE STAND READY TO ASSIST THE CITY, PRIVATE INTERESTS, AND ALL THOSE WHO SHARE THE COMMON DESIRE FOR THE REBIRTH OF MCDOWELL AND A NEW AND EXCITING FUTURE FOR THE HEART OF ORIGINAL SCOTTSDALE. MCDOWELL ROAD HAS ALWAYS BEEN A POINT OF PRIDE FOR OUR GREAT CITY AND WHILE IT'S EXPERIENCED SOME PAIN AS IT TRANSITIONS TO A NEW ROLE, WE CANNOT ACCEPT THAT CURRENT CHALLENGES HAVE BECOME THE PERMANENT CONDITION. GIVEN THE RIGHT SET OF CIRCUMSTANCES, INVESTMENT WILL CONTINUE TO COME TO SOUTHERN SCOTTSDALE JUST AS IT ALWAYS HAS. WITH YOUR HELP, AND WITH YOUR VISION, OUR GATEWAY WILL ONCE AGAIN SHINE. THANK YOU FOR YOUR TIME THIS EVENING.

Mayor Lane: ACTUALLY WE DO TRY TO ASK FOR NO CLAPPING, TRYING TO CREATE A NON-THEATER ENVIRONMENT. NOW WE HAVE PATTY AT THE PODIUM.

[Time: 00:22:03]

Patty Badenoch: GLAD TO BE HERE. THIS IS MY FAVORITE SPOT IN THE WHOLE WORLD. I'VE BEEN HERE FOR 40 YEARS. I LIVED IN BALTIMORE BEFORE THAT AND BEFORE THAT I LIVED ON A RANCH OUT IN WADDELL. EVERY TIME I TRIED TO GRAB A TENNIS RACKET OR SOMETHING ELSE OR FIND A HORSE IN BALTIMORE I THOUGHT GOD PLEASE WE'VE GOT TO GET BACK AND I'M GOING TO LIVE IN SCOTTSDALE. IT'S THE WEST'S MOST WESTERN TOWN AND THE LONGEST HORSE-DRAWN PARADE, THE PARADA DEL SOL AND A WHOLE BUNCH OF WONDERFUL THINGS THAT MAKE THIS PLACE THE BEST OF THE BEST. THE WEST'S MOST WESTERN TOWN IS ENDEARED IN MY HEART AND I WOULD NEVER WANT TO GIVE UP THAT MOTTO. THANK YOU.

Mayor Lane: THANK YOU PATTY. THAT COMPLETES THE PUBLIC TESTIMONY. THANK YOU ALL FOR YOUR COMMENTS.

ADDED ITEMS

[Time: 00:23:05]

THE NEXT ORDER IF BUSINESS IS WE HAVE SOME ADDED ITEMS. REGULAR ITEM 12A WAS ADDED TO THE AGENDA ON OCTOBER 3RD. DO I HAVE A MOTION TO ACCEPT THE AGENDA AS PRESENTED OR CONTINUE THE ADDED ITEM TO THE NEXT SCHEDULED COUNCIL MEETING, WHICH IS OCTOBER 22, 2013.

Councilman Robbins: MAYOR, I MOVE THAT WE ADD 12A TO THE AGENDA.

Councilwoman Milhaven: SECOND.

Mayor Lane: MOTION'S BEEN MADE AND SECONDED.

Councilman Littlefield: IS THIS BEING ADDED TO THE REGULAR OR CONSENT.

Mayor Lane: REGULAR. THAT'S WHERE IT IS. OKAY, SO THAT MOTION HAS BEEN MADE AND SECONDED. ALL THOSE IN FAVOR INDICATE BY AYE, AND REGISTER YOUR VOTE. TALLY IS UNANIMOUS.

MINUTES

[00:24:01]

Mayor Lane: NEXT ITEM OF BUSINESS IS A MOTION TO APPROVE THE SPECIAL MEETING MINUTES OF SEPTEMBER 10, 2013; REGULAR MEETING MINUTES OF SEPTEMBER 10, 2013 AND EXECUTIVE SESSION MINUTES OF JULY 1, 2013 AND JULY 2, 2013. DO I HAVE A MOTION TO APPROVE?

Vice Mayor Korte: SO MOVED.

Mayor Lane: MOVE AND.....

Councilwoman Klapp: SECONDED.

Mayor Lane: SECONDED. NO FURTHER COMMENTS OR ADDS OR DELETES WE ARE NOW READY TO VOTE. ALL THOSE IN FAVOR INDICATE BY AYE AND REGISTER YOUR VOTE AND NAY IF YOU OPPOSE. TALLY IS UNANIMOUS.

CONSENT AGENDA

[Time: 00:24:44]

Mayor Lane: NEXT ITEM IS CONSENT ITEMS. WE HAVE A REQUEST TO PULL ITEMS 7 AND 11 SO WE WILL GO AHEAD AND DO THAT. CONSENT ITEMS 1 THROUGH 10, ABSENT NUMBER 7, IF I HAVE A MOTION TO ACCEPT.

Vice Mayor Korte: SO MOVED.

Councilman Robbins: SECONDED.

Mayor Lane: THIS IS ITEMS ONE THROUGH TEN, EXCLUDING SEVEN AND ELEVEN BEING MOVED TO THE REGULAR AGENDA. WE'RE READY TO VOTE ON THOSE ITEMS. ALL THOSE IN FAVOR PLEASE INDICATE BY AYE AND REGISTER YOUR VOTE AND NAY IF YOU OPPOSE. THE TALLY IS UNANIMOUS. WE HAVE MOVED ITEMS 7 AND 11 TO THE REGULAR AGENDA SO THEY WILL PRECEDE AGENDA ITEMS 12 AND 12A, BUT I MIGHT MENTION THAT ITEM 12 WAS WITHDRAWN BY THE APPLICANT.

REGULAR AGENDA

ITEM 7 – THOMAS ROAD BICYCLE LANES AND ENHANCED SIDEWALKS CONSTRUCTION BID AWARD

[Time: 00:25:50]

Mayor Lane: STARTING WITH ITEM 7 ON THE REGULAR AGENDA, IS MR. WORTH HERE TO SPEAK TOWARD IT?

City Engineer Derek Earle: MAYOR LANE, DEREK EARLE, CITY ENGINEER. WE DON'T HAVE A FORMAL PRESENTATION BUT WILL RESPOND TO ANY QUESTIONS.

Mayor Lane: OK, THEN I'LL ASK COUNCILMAN PHILLIPS IF YOU'VE GOT A SPECIFIC QUESTION.

Councilmember Phillips: THANK YOU MAYOR, I DO HAVE SOME SPECIFIC QUESTIONS. I DON'T KNOW IF YOU'D LIKE TO ANSWER THEM OR MR. WORTH. LOOKING OVER AT THIS, YOU'RE ASKING FOR \$4.3 MILLION DOLLARS FOR THIS ENHANCED BICYCLE LANE AND SIDEWALKS. LOOKING AT IT, IT SAYS

CAPITAL CONTINGENCY FUND, TRANSPORTATION TAX \$700,000 AND REALLOCATION BOND 2000, \$1.6 MILLION, SO WHERE'S THE OTHER \$2 MILLION COMING FROM?

Derek Earle: MAYOR LANE, COUNCILMAN PHILLIPS, ACTUALLY, DOUBLE-CHECK THE CIP, A MAJOR PORTION OF THAT IS ALREADY ALLOCATED FROM BOND 2000 PROCEEDS. THE BALANCE OF THAT IS INDEED, IF YOU'LL EXCUSE ME FOR JUST A MOMENT. AS A MATTER OF FACT, THE BALANCE OF THAT IS BOND 2000 PROCEEDS, SO THAT'S CURRENTLY FUNDED WITH BOND 2000 PROCEEDS. THE INITIAL FUNDING THAT IS BEING REQUESTED TONIGHT IS ADDITIONAL FUNDING TO PROVIDE SUFFICIENT BUDGET TO COMPLETE THE PROJECT.

Councilmember Phillips: OKAY, SO YOU'RE REALLOCATING ANOTHER PROJECT FROM BOND 2000 FOR \$1.6 MILLION.

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, THAT'S CORRECT. THOSE ARE EXCESS PROCEEDS FROM A DIFFERENT PROJECT THAT WE BELIEVE WILL BE REPLACED WITH FEDERAL GRANT FUND.

Councilmember Phillips: OKAY, THAT WOULD HAVE MAKE GOOD IF THAT WOULD HAVE BEEN GIVEN TO US AS INFORMATION. AND THEN CAPITAL CONTINGENCY FUND TRANSPORTATION TAX OF \$700,000, I ASSUME YOU NEEDED THAT MUCH MORE TO FINISH THE PROJECT AND THAT'S WHERE YOU DECIDED TO TAKE IT FROM AND THAT'S WHERE WE'RE SUPPOSED TO DECIDE TO ALLOW THAT TO HAPPEN.

[Time: 00:28:31]

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, THAT'S CORRECT.

Councilmember Phillips: OKAY. I THINK A PROJECT LIKE THIS, \$4.3 MILLION, IS WHERE WE'RE REALLOCATING BOND MONEY AND WE'RE TAKING CAPITAL CONTINGENCY FUNDS, PROBABLY SHOULD HAVE BEEN ON THE REGULAR AGENDA. SO I'M KIND OF CURIOUS AS TO WHY IT WAS PUT ON THE CONSENT AGENDA.

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, MOST PROJECT CONSTRUCTION AWARDS AND THESE TYPES OF TRANSFERS ARE GENERALLY PUT ON CONSENT AGENDA. WE'RE ALWAYS WILLING TO ANSWER ANY QUESTIONS IN ADVANCE OR ANSWER ANY QUESTIONS THE NIGHT OF IF THEY'RE CHOSEN TO BE PULLED.

Councilmember Phillips: I UNDERSTAND, I'M NOT ATTACKING STAFF ON THIS, THAT'S NOT THE PURPOSE OF THIS. I CAN SEE IF COUNCIL WENT OVER IT AND THIS IS HOW WE DECIDED TO DO IT AND THEN YOU BROUGHT IT BACK ON A CONSENT AGENDA AND WE VOTED FOR IT. BUT TO JUST PASS IT ALONG WITH A BUNCH OF OTHER THINGS, I DON'T REALLY THINK IS THE RIGHT WAY TO GO ESPECIALLY SINCE WE'RE REALLY MAKING THREE DIFFERENT DECISIONS HERE. I DON'T REALLY FEEL GOOD ABOUT IT. I DON'T FEEL GOOD ABOUT THE FACT THAT REALLOCATING BOND 2000 MONEY WHETHER IT'S LEFTOVER OR NOT FROM ANOTHER PROJECT, IT KINDS OF RINGS OF 2013 BOND WHERE YOU CAN TAKE MONEY AND REALLOCATE IT SO TO SPEAK. THE PUBLIC THAT VOTED ON IT BACK IN 2000, THAT WASN'T WHAT THEY VOTED ON, NOW WE'RE REALLOCATING IT. I AM NOT SURE IF IT IS THE CORRECT WAY TO GO ABOUT IT. I DON'T BELIEVE IT IS A PROPER WAY TO DO IT EITHER. LAST

MONTH WE TOOK OUT \$1.8 MILLION TO FIX A COUPLE OF PARKING GARAGES AND THIS MONTH WE ARE TAKING \$4.3 MILLION TO DO THE BIKE WALK ENHANCEMENT AND AT THE SAME TIME WE ARE ASKING FOR MORE PROJECTS AND WHEN WE CAN DO HALF OF THE PROJECTS THE SAME WAY. THE PROJECT COMING UP AND IT IS NOT SAYING THIS IS IN DIRE STRAIGHTS LIKE THE TWO PARKING GARAGES AND THOSE THINGS LASTED FOR 20 YEARS SO. I DON'T FEEL GOOD ABOUT THIS AND I AM GOING TO SAY I AM NOT GOING TO VOTE FOR IT, SO I GUESS THAT'S GIST OF IT, THANK YOU.

[Time: 00:31:02]

Mayor Lane: THANK YOU COUNCILMAN. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: IF THESE PROJECTS WERE IN THE BOND 2000, I THINK WE HAVE A RESPONSIBILITY TO FULFILL THOSE PROJECTS AND REMOVING FROM HAYDEN AND THOMAS SAFETY IMPROVEMENTS TO THOMAS AND HAYDEN BICYCLE LANES AND ENHANCED SIDEWALKS. IT SEEMS TO ME IT'S ONE AND THE SAME. IT IS JUST AN ACCOUNTING MOVE FROM ONE PROJECT TO ANOTHER BUT STILL MEETS THE INTENT OF THE BOND 2000. IT ALSO SEEMS WITH THE CONTINGENCY BUDGET, IT'S NOT ADDITIONAL FUNDS, THE \$700,000 IS GOING TO COME FROM THE TRANSPORTATION SALES TAX, BUT WE JUST NEED TO AUTHORIZE THE CONTINGENCY BECAUSE IT WASN'T IN THE ORIGINAL BUDGET. ALL OF THIS SAYS TO ME, IT MAKES PERFECT SENSE, IT IS NOT COSTING MORE. IT'S AN APPROPRIATE USE OF THE PROMISE THAT WAS MADE TO THE VOTERS WAS BOND 2000 SO I AM GOING TO MAKE A MOTION TO ADOPT THE RESOLUTION 9502.

Councilwoman Klapp: SECOND.

Mayor Lane: MOTION MADE AND SECONDED. WOULD THE SECOND LIKE TO SPEAK TOWARD IT?

[Time: 00:32:55]

Councilwoman Klapp: YES, AS WITH BOND 2000 AND BOND 2013, THE INTENTION IS THAT THERE ARE CERTAIN AMOUNT OF MONEY THAT'S POSED AS PART OF AN OVER ALL QUESTION. THERE ARE PROJECTS UNDER THAT QUESTION AND IT'S UNDERSTOOD THAT MONEY CAN BE LEFTOVER FROM ONE PROJECT THAT WOULD BE APPLIED TO ANOTHER PROJECT AS LONG AS IT'S WITHIN THE SAME QUESTION. THAT WAS TRUE IN BOND 2000, IT'S TRUE TODAY. SO THERE IS NO BAITING AND SWITCHING GOING ON HERE, THIS MONEY IS BEING SPENT WITHIN THE SAME QUESTION THAT'S ON BOND 2000 AS WELL AS, IF YOU STOP AND THINK ABOUT IT, PROBABLY 13 YEARS AGO, IT WAS ANTICIPATED THAT THIS PROJECT MIGHT HAVE BEEN A LITTLE CHEAPER THAN IT IS TODAY. WE CANNOT EXPECT IN BOND 2000 THAT IF WE ALLOCATED OF A CERTAIN AMOUNT OF MONEY, WHETHER IT IS \$2 MILLION OR \$3 MILLION ETC., THAT WAS GOING TO COST THE SAME AMOUNT IN 2013. IT MAKE SENSE THAT MONEY NEEDED FOR THIS PROJECT THAT WAS VOTED AND APPROVED BY VOTERS.

Mayor Lane: THANK YOU. AND I PROBABLY OUGHT TO MENTION AT THIS POINT IN TIME, I DID NOT ANNOUNCED IT EARLIER, THIS IS A FIRST MEETING COUNCILWOMAN KORTE AT THE IS NOW VICE MAYOR Korte, SO IF YOU LIKE TO SPEAK TOWARD THIS.

Vice Mayor Korte: THANK YOU MAYOR. QUESTION, MR. EARLE, IS THIS PART OF THE TRANSPORTATION PLAN AND HOW LONG HAS IT BEEN ON THE BOOKS AND ALL OF THAT?

Derek Earle: MAYOR, VICE MAYOR, I NEED TO GET THAT CORRECT, VICE MAYOR KORTE, THE HISTORY THAT I FOUND ON THIS PROJECT WAS IS THE CITIZEN'S BOND REVIEW COMMISSION VOTED IN 2005 TO ADD THIS TO THE BOND 2000 PROJECT THAT WAS CONSISTENT WITH THE INFORMATION PROVIDED ON THE BALLOT AND THE REASONS TOWARD THE BOND 2000 TRANSPORTATION FUNDS. THAT'S THE MOST RECENT HISTORY. SINCE IT WAS PUT ON THE BOOK THERE IS A SIGNIFICANT AMOUNT OF OUTREACH AS A RESULT. WE'VE BEEN HEAVILY ENGAGED WITH THE RESIDENTS ALONG THE THOMAS ROAD CORRIDOR TO TRY TO ENHANCE THE CORRIDOR. I MEAN THIS IS REALLY AS MUCH ABOUT BIKING AND LANDSCAPING AND ENHANCED LIGHTING AS ANYTHING SO IT IS ENHANCEMENT OF THE ENTIRE QUARTER AND VICE MAYOR, I AM NOT SURE IF I ANSWERED YOUR QUESTION CORRECTLY.

Vice Mayor Korte: JUST TO CLARIFY, THIS IS AN EXTENSION OF A 2000 BOND PROJECT THAT WAS REVIEWED BY THE BOND TASK FORCE AND THE EXTENSION WAS THEN REVIEWED, THE EXTENSION HAS BEEN REVIEWED BY THE BOND TASK FORCE AND APPROVED BY THE BOND TASK FORCE IN 2005, IS THAT WHAT YOU SAID?

[Time: 00:34:56]

Derek Earle: IF I COULD CLARIFY, THE FORMER BOND REVIEW COMMISSION, WHICH REVIEWED ALL THE PROJECTS FOR BOND 2000 DID THE REVIEW AND MADE THE RECOMMENDATION TO COUNCIL AND COUNCIL SUBSEQUENTLY APPROVED THE PROJECT FOR ADDITION TO THE CIP. I AM SORRY, I MISSTATED.

Vice Mayor Korte: NO, I MISSTATED IT. THE BOND REVIEW WHICH IS THE CITIZEN FOLLOW UP PROCESS THAT THE CITY HAS USED FOR EVERY BOND ELECTION THAT HAS PASSED SINCE THE 80s FROM WHAT I UNDERSTAND. CERTAINLY, THIS BOND REVIEW COMMITTEE HAS APPROPRIATELY ALLOCATED THE DOLLARS, SO THIS IS A GREAT EXAMPLE OF THE TRANSPARENCY THAT THE CITY PROVIDES AROUND THESE BOND PROJECTS. THANK YOU.

Mayor Lane: THANK YOU. VICE MAYOR. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: I ACTUALLY HAVE NO PROBLEM OF THIS PARTICULAR PROJECT. I THINK THE POINT HE WAS TRYING TO MAKE IS WE HAVE TO KEEP AN EYE ON THIS BOND MONEY, WE HAVE TO MAKE SURE THAT IT GETS SPENT THE WAY THAT YOU VOTED FOR. I THINK THAT'S THE WHOLE PURPOSE OF BRINGING THIS AND HAVING THIS DISCUSSION IS ABOUT.

Mayor Lane: THANK YOU COUNCILMAN AND I CONCUR WITH THAT, AND I THINK PART OF THE PROCESS AS WE GO THROUGH OF ANY KIND OF BOND ISSUANCE AND SPENDING FROM A DESIGNATED BOND ISSUANCE REQUIRES THAT THIS BODY AS WELL AS ANY BODY THAT'S APPOINTED BY THIS TO BE REVIEWED AS ITEMS COMING THROUGH, THAT'S PART OF THE PROCESS OF CHECKS AND BALANCES ON THIS PROCESS. COUNCILMAN PHILLIPS.

Councilmember Phillips: WE SPENT \$1.8 MILLION LAST MONTH IN CONTINGENCY FUNDS AND WE ARE SPENDING \$4.3 MILLION THIS MONTH AND WE HAVE A LOT OF PROJECTS ON THE UPCOMING BOND PROJECT THAT WE ARE ASKING OUR RESIDENTS TO PUT ON THE PROPERTY TAX WHEN IN FACT A LOT OF THESE THINGS CAN BE DONE WITHOUT HAVING PUT ON THE PROPERTY TAX AND I THINK THESE ARE EXAMPLES OF THAT. SO, THAT'S WHY I AM JUST SAYING YOU KNOW IT IS JUST, AND THE OTHER THING FROM THE TRANSPORTATION TAX, WE ARE TAKING WHATEVER MONEY WE CAN TO FINISH A 13-YEAR-OLD PROJECT, I CAN SEE THAT BUT THE POINT OF IT BEING IS THAT WE CAN DO THIS PROJECT WITHOUT HAVING TO DO THAT AND THEY ASK THE TAXPAYERS TO PUT MORE PROPERTY TAX ON THEIR HOUSES IN ORDER TO DO PROJECTS THAT WE CAN COVER ANYWAY. I DON'T THINK IT IS RIGHT AND I AM TRYING TO POINT THIS OUT AS AN EXAMPLE. THANK YOU.

Mayor Lane: PARDON ME. IF THERE IS NO FURTHER COMMENT, I THINK WE ARE READY TO VOTE. ALL IN FAVOR, WE HAVE A MOTION AND A SECOND. IF YOU ARE READY TO VOTE PLEASE INDICATE BY AYE. TALLY SHOWS IT WAS 6-1, COUNCILMAN PHILLIPS OPPOSING. THANK YOU VERY MUCH ON ITEM 7.

ITEM 11 – CITY TREASURER EMPLOYMENT AGREEMENT

[Time: 00:38:24]

Mayor Lane: WE'LL MOVE ONTO THE NEXT ITEM, ITEM 11. AND THIS ITEM IS THE CITY TREASURER EMPLOYMENT AGREEMENT AND THIS IS A REQUEST TO ADOPT RESOLUTION 9537 AUTHORIZING EMPLOYMENT AGREEMENT 2013-153-COS WITH JEFF NICHOLS, THE CITY TREASURER. MR. WASHBURN.

City Attorney Bruce Washburn: ON SEPTEMBER 17, THE COUNCIL VOTED TO APPOINT JEFF NICHOLS TREASURER AND THE CITY ATTORNEY TO PREPARE A CONTRACT WITH CERTAIN SPECIFIED TERMS IN IT. THE ITEM IS IN COMPLIANCE WITH THAT DIRECTION, I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

Mayor Lane: THANK YOU VERY MUCH. I DON'T SEE ANY QUESTIONS REQUESTED BUT COUNCILMAN PHILLIPS ASKED TO CHANGE OVER TO IT. I WILL START WITH COUNCILMAN ROBBINS.

Councilmember Phillips: NO QUESTIONS, I WANT A SEPARATE VOTE ON IT.

Mayor Lane: OKAY, ALL RIGHT. COUNCILMAN ROBBINS.

Councilman Robbins: I WILL MOVE TO RESOLUTION 9537 AUTHORIZING EMPLOYMENT AGREEMENT NUMBER 2013-153-COS WITH JEFF NICHOLS.

Mayor Lane: MOTION MADE AND SECONDED. IS THERE ANY REQUEST TO SPEAK TOWARD IT? IF NOT, THEN WE ARE READY TO VOTE. ALL IN FAVOR PLEASE INDICATE AYE AND D WITH A NAY. THE FINAL TALLY IS 5-2 WITH COUNCILMAN LITTLEFIELD AND COUNCILMAN PHILLIPS OPPOSING. THAT COMPLETES THE TWO ITEMS THAT WERE MOVED FROM CONSENT TO THE REGULAR AGENDA ITEMS.

ITEM 12A – BELLEVIEW PROPERTIES RECONSTRUCTION SERVICES CONTRACT

Mayor Lane: WE'LL THEN MOVE ONTO REGULAR AGENDA ITEM 12A, EXCUSE ME. AND, WE HAVE DEREK EARLE TO SPEAK TO US OF RESOLUTION 9539. THE PRECONSTRUCTION CONTACT NUMBER 2013-154-COS.

[Time: 00:40:26]

City Engineer Derek Earle: THANK YOU MAYOR AND MEMBERS OF THE COUNCIL. I HAVE A BRIEF PRESENTATION; BE GLAD TO ANSWER ANY QUESTIONS CONCERNING THIS ITEM. WHAT WE ARE ASKING COUNCIL TO CONSIDER TONIGHT IS THE AWARD OF THE FIRST PHASE OF CONSTRUCTION MANAGER AT RISK CONTRACT AWARD. JUST TO GIVE YOU A BETTER EXPLANATION OF WHAT THE CONSTRUCTION MANAGER AT RISK IS, IT IS A QUALIFICATION-BASED PROCESS OF SELECTING CONTRACTORS FOR CONSTRUCTION. IT IS PROVIDED FOR BY STATE LAW UNDER ARS TITLE 34. WE HAVE TO MEET THE REQUIREMENTS. THIS TYPE OF CONTRACT IS COMMONLY USED FOR PROJECTS WITH SPECIAL CHARACTERISTICS REQUIRING SPECIAL EXPERIENCE. THERE ARE TWO STEPS OF THE AWARD OF THE CONTRACT. THE FIRST STEP IS TO AWARD CONSTRUCTION PHASE, EXCUSE ME, PRECONSTRUCTION PHASE SERVICES WHERE YOU HIRE THE CONTRACTORS AND THEY WORK WITH DESIGNERS AS THE PROJECT IS DESIGNED TO HELP LOOK FOR AREAS TO VALUE ENGINEER OR IMPROVE THE PROJECT. AND FOLLOWING THE PROCESS, THE AWARD TONIGHT IS REQUIRED BY STATE LAW FOR THIS TYPE OF CONTRACT AND IT IS SIMPLY A SMALL AWARD WHERE WE PAY THE CONTRACTOR FOR REVIEWING AND PARTICIPATING IN THE DESIGN PROCESS. WE ANTICIPATE THAT DURING THE NEXT TWO WEEKS WE'LL FINALIZE THE PRICE OF THE PROJECT AND WE'LL BRING THAT BACK ON OCTOBER 22nd. WE'RE PLEASED THAT HABITAT FOR HUMANITY OF CENTRAL ARIZONA WAS THE SUCCESSFUL APPLICANT FOR THIS CONTRACT. THERE WAS A LOT OF DISCUSSION AT THE PREVIOUS SESSION ON THE BUDGET AS IT STANDS. WE WANT TO PUT THE INFORMATION UP HERE SO THAT IT WAS VERY CLEAR. COUNCIL HAS MADE THREE APPROPRIATIONS FOR THE PROJECT. THE INITIAL APPROPRIATION WAS FOR BOTH THE LAND PURCHASE AND CLOSING COSTS TOTALING \$300,000 AND THE LAND WE DID CLOSE AT \$275,000. WE ONLY SPENT LESS THAN \$5000 OF THE CLOSING COST SO THE REMAINDER \$20,000 IS A SAVINGS ON THE PURCHASE OF THE PROPERTY. AND MOST RECENTLY ON SEPTEMBER 10th, COUNCIL MADE OF THE ADDITIONAL APPROPRIATION OF \$800,000. THE FINAL COLUMN IS WHAT WE HAVE COMMITTED TO CONTRACT SO FAR AND THAT EXCLUDES THE ACTION TONIGHT. THE \$279,000 INCLUDES IN THE CLOSING COST AND MITIGATION OF SOME ADDITIONAL MONITORING THAT WAS NECESSARY AND I ALSO ACCOUNTED FOR THE DEMOLITION OF THE BUILDINGS WHICH HAS NOT BEEN STARTED AT THIS POINT IN TIME. WITH THAT WE ASK FOR ADOPTION OF RESOLUTION 9539, WE'LL BE GLAD TO ANSWER ANY QUESTIONS YOU MAY HAVE.

[Time: 00:44:27]

Mayor Lane: THANK YOU, IF YOU CAN GO BACK TO THE LAST SLIDE JUST QUICKLY SO JUST I AM CLEAR ON IT MYSELF. THIS IS THE LINE UP OF THE COST THAT'S HOWEVER IT IS COMMITTED TO AND/OR SPENT SINCE APRIL OF THIS YEAR, WHAT IS THE CITY IN TAXPAYER FUNDS FROM EITHER FEDERAL OR FROM OUR OWN COFFERS, WHAT HAVE WE SPENT PRIOR TO THIS AMOUNT IN APRIL OF 18TH THE INITIAL PURCHASE WHEN IT WAS GIVEN OVER TO CSA.

Derek Earle: MY UNDERSTANDING OF THIS IS THERE ARE \$850,000 OF FEDERAL FUNDS AND \$25,000. NO, \$825. OBVIOUSLY, I HAD TO LOOK FOR ASSISTANCE TO ANSWERING THAT QUESTION. \$825,000 IN FEDERAL FUNDING. TO MY KNOWLEDGE THERE'S NO CITY FUNDING ON THIS PROJECT.

Mayor Lane: SO THAT REPRESENTS THE \$825,000 PENALTY OR REFUND THAT WE WOULD HAVE TO DO IF IN FACT THAT WERE NOT CONSTRUCTED, OCCUPIED OR USED WITH QUALIFIED PARTIES PRIOR TO MARCH OF NEXT YEAR.

Derek Earle: MAYOR, THAT'S CORRECT.

Mayor Lane: SO \$825,000 IS NOT ONLY THE MONEY THAT'S SPENT OF TAXPAYER MONEY IN THIS LINE BUT ALSO BEING THE AMOUNT THAT WOULD HAVE TO BE REFUNDED BACK TO THE FEDERAL GOVERNMENT.

Derek Earle: MAYOR, THAT'S CORRECT.

Mayor Lane: UNDER THOSE CIRCUMSTANCES THAT I JUST SAID. OK, COUNCILMAN ROBBINS.

Councilman Robbins: THANK YOU MAYOR. YOU TALKED ABOUT THE CONSTRUCTION MANAGER AT RISK ON THIS PROGRAM, HOW OFTEN ARE WE DOING THIS AND WHY WOULD WE USE IT HERE AND NOT ON ANOTHER PROJECT?

Derek Earle: MAYOR, COUNCILMAN ROBBINS, WE ACTUALLY USE CONSTRUCTION MANAGER QUITE OFTEN AND WE USE THAT FOR THE REASON THAT MANY OF OUR PROJECTS THAT ARE HIGHLY PROFILE AND HAVE UNIQUE CHARACTERISTICS SUCH AS LEED CERTIFICATIONS, SIGNIFICANT TRAFFIC IMPACT BECAUSE OF THE WAY THE CITY IS LAID OUT AND WE'LL TYPICALLY ENGAGE CONSTRUCTION MANAGER AT RISK. IT IS A 2 STAGE QUALIFICATION PROCESS, YOU DON'T BID ON THE PROJECT, YOU SEEK QUALIFIED CONTRACTORS AND THEY GIVE YOU A VERY SIGNIFICANT SET OF INFORMATION ABOUT THEIR QUALIFICATIONS TO CONSTRUCT THE PROJECT. WHAT WAS UNIQUE OF THIS PARTICULAR PROJECT IS WE WERE SEEKING AN ORGANIZATION THAT HAD EXPERIENCE MANAGING VOLUNTEERED LABOR AND VOLUNTEERED SERVICES. THERE WERE TWO RESPONSIVE COMPANIES AND WE HAD SEVERAL OTHERS DID NOT RESPOND. IN THIS PARTICULAR CASE, HABITAT FOR HUMANITY OF CENTRAL ARIZONA HAS THE HIGHEST RATING OF THE INTERVIEW PANEL.

[Time: 00:47:20]

Councilman Robbins: WHEN YOU USE THE CONSTRUCTION MANAGER AT RISK, YOU ARE TRYING TO BE EFFICIENT AS POSSIBLE WHEN YOU ACTUALLY GOING TO BUILD THE PROJECT SO YOU ARE SAVING MONEY WHEN YOU ARE USING THIS PROCESS AND HAVE YOU TRACKED THAT OVER TIME OF HOW MUCH WE WOULD SAVE?

Derek Earle: MAYOR, COUNCILMAN ROBBINS, THE IDEA OF THE CONSTRUCTION MANAGER AT RISK, I THINK YOU SAID IT, IS TO BRING THE CONTRACTORS ON BOARD WHILE YOU ARE DESIGNING THE PROJECT RATHER THAN THROWING THE PROJECT OUT FOR BID AFTER IT IS DESIGNED AND FINDING OUT ALL THE THINGS THAT'S WRONG WITH IT. IN THE CONTRACTING INDUSTRY THAT'S WHAT LEADS TO CHANGE ORDERS. THE CONTRACTOR IS ENGAGED FROM THE BEGINNING OF THE PROJECT TO ALL THE WAY THROUGH. WE DO OUR OWN COST ANALYSIS OF THE PROJECT OUTSIDE OF THE CONSTRUCTION MANAGER TO VERIFY THE COST THAT THE COSTS ARE INDEED REASONABLE.

Councilman Robbins: SO WE ARE SPENDING A LITTLE MORE UP FRONT AND HAVING LESS CHANGE AND SAVING MONEY.

Derek Earle: YES, CORRECT.

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: WELL, WE ARE NOT SAVING MONEY DOING THIS, WE SHOULD NOT BE DOING THIS PROJECT, WE SHOULD BE CUTTING OUR LOSSES AND ONCE WE GET IN DEEPER, WE'LL NEVER GET RID OF IT AND WE'LL JUST KEEP PAYING FOR IT AND PAYING FOR IT. CERTAINLY, UNTIL ALL OF US IN THIS ROOM ARE GONE. IT IS A BAD IDEA AND I AM GOING TO VOTE NO ON IT.

[Time: 00:49:05]

Mayor Lane: THANK YOU COUNCILMAN. COUNCILMAN PHILLIPS.

Councilmember Phillips: MR. EARLE, GOING BACK TO THE MAYOR'S STATEMENT, LET ME GET THIS RIGHT. SO IF WE'RE PUTTING IN \$1.2 MILLION AND WE'VE ALREADY PUT IN \$800,000, OUR TOTAL WE'RE PUTTING INTO THIS PROJECT IS ABOUT \$2 MILLION?

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, THE CITY'S INVESTMENT OR CURRENT APPROPRIATION AMOUNT IS \$1,250,000. THE FEDERAL GOVERNMENT THROUGH HOUSING AND URBAN DEVELOPMENT ORIGINALLY GRANTED \$825,000 FOR THE ORIGINAL PURCHASE FOR THIS PROPERTY. THAT'S THE EXTENT OF THE HISTORY I KNOW AND WE ALSO HAVE BILL MURPHY HERE IF THERE ARE MORE SPECIFIC QUESTIONS.

Councilmember Phillips: SO WE'RE \$1.2 MILLION AND THE FEDS THREW IN \$800,000. IF WE DID NOT DO THIS PROJECT, WE WOULD HAVE TO RETURN THAT \$800,000?

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, THE \$825,000 FOR THE PURCHASE OF THE PROPERTY IS A FORGIVABLE LOAN. IF WE ARE ABLE TO MEET THE LOW INCOME HOUSING REQUIREMENTS FOR THE PROPERTY, OF THE PERIOD OF TIME REQUIRED, THEN THAT GRANT OR LOAN GOES AWAY FROM THE FEDERAL GOVERNMENT. SO I'M NOT SURE IF I ANSWERED THAT DIRECTLY.

Councilmember Phillips: NO, IF WE DECIDED NOT TO DO THIS....

Derek Earle: CORRECT. THAT \$825,000 WOULD NEED TO BE REPAID TO THE FEDERAL GOVERNMENT.

Councilmember Phillips: SO IF WE PAID THE GOVERNMENT \$800,000 AND DIDN'T DO THE PROJECT WE ARE BASICALLY SAVING \$450,000 INSTEAD OF PAYING \$1.2.

[Time: 00:50:45]

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, THE DIFFERENCE BETWEEN \$825,000 and \$1,250,000 IS APPROXIMATELY \$400,000. THE DIFFERENCE IS WE WILL END UP WITH THE ASSET, WE'LL END UP WITH AN IMPROVED ASSET, WHICH IS OCCUPIABLE APARTMENTS.

Councilmember Phillips: WHICH IS A NICE THING BUT THE CITY IS NEVER GOING TO MAKE MONEY OFF OF THAT OR AT LEAST FOR 100 YEARS AT A DOLLAR A YEAR OR SOMETHING LIKE THAT. I MEAN, I DON'T THINK WE'LL MAKE ANYTHING OUT OF IT. I HAVE TO AGREE WITH COUNCILMAN LITTLEFIELD, WE ARE NOT IN THE HOUSING BUSINESS. IT IS JUST GOING TO KEEP ONGOING, I AM NOT GOING TO BE VOTING FOR THIS EITHER.

Mayor Lane: THANK YOU COUNCILMAN. I BY NO MEANS HAVE TO AGREE WITH COUNCILMAN Littlefield BUT I DO IN THIS PARTICULAR CASE. I THINK WE HAVE A REAL PROBLEM WITH THE IDEA THAT WHEN WE TALK ABOUT TAXPAYER MONEY AND THAT'S FEDERAL AND OURS, CITY AND FEDERAL TAXPAYERS AND WE ARE TALKING ABOUT \$2.5 MILLION. I UNDERSTAND THERE IS SOME IMPROVEMENTS OF THAT NUMBER BUT IT IS ONLY POTENTIALLY A COUPLE HUNDREDS DOLLARS AND MAYBE, WE DON'T KNOW IT UNTIL IT IS DONE. WE DON'T KNOW IF WE'LL MAKE THE TIME FRAME WHERE WE'LL BE ABLE TO OCCUPY THIS FACILITY, THIS REBUILT FACILITY AND HAVE IT OCCUPIED BY THE END OF MARCH IN ORDER TO COMPLY WITH THE REQUIREMENTS AND NOT TO BE FORCED INTO REFUND CONDITIONS. AND THE OTHER SIDE OF THIS IS IF WE ARE JUST TALKING ABOUT TAXPAYER'S MONEY, WE ARE TALKING ABOUT \$2.75 GIVEN OF WHAT WE AUTHORIZED. IF WE WERE TO TURN AROUND AND TAKE THE STIPULATION OFF OF IT WHICH REQUIRES OF IT THAT THE USERS OF IT WOULD BE QUALIFIED FOR CERTAIN TYPES OF HOUSING AND THAT TOO HAS A TENDENCY TO REDUCE ITS VALUE. IT IS A MATTER OF THIS POINT IN TIME IT IS WHETHER WE GET INTO THIS BUSINESS WHICH I DON'T PREFER THAT WE DO. IT IS BEEN A LOUSY TRACK RECORD OF THIS POINT IN TIME AND IT IS HUGE EXPENSIVE AND WE RUN ALL KINDS OF ADDITIONAL RISK. IF WE WERE TO ACCEPT THE PENALTY \$825,000 WE WOULD NOT BE SPENDING THAT. GOD KNOWS THAT THEY DEFINITELY NEED THAT MONEY RIGHT NOW. I DEFINITELY SEE THEM WORK DOWN THE DEBT. NEVERTHELESS, I LIKE TO SEE EVERY CITY IN TOWN TO DO THEIR PART OF THIS. I WOULD SAY WE WOULD BE BETTER OFF IF WE LET THIS GO AND PUT IT IN THE MARKET WITHOUT STIPULATIONS AND IT MIGHT HAVE GREATER VALUE THAN THE \$275,000 THAT WE PURCHASED FOR IT AND IT WOULD NOT HAVE THE STIPULATIONS AND WE GO OUT TO THE MARKETPLACE AND WE GET THE HECK OUT OF THIS BUSINESS SO I WON'T BE VOTING FOR THIS EITHER. COUNCILWOMAN KLAPP.

[Time: 00:54:04]

Councilwoman Klapp: DEREK BECAUSE THIS IS NOW A PROJECT TO BE DONE WITH HABITAT FOR HUMANITY AND I KNOW WE AUTHORIZED \$800,000, DO WE HAVE ANY SENSE OF WHAT THE ACTUAL COST MAY BE BY USING HABITAT FOR HUMANITY.

Derek Earle: MAYOR, COUNCILWOMAN KLAPP, WE BELIEVE THAT THERE WILL BE SIGNIFICANT SAVING BUT I DON'T HAVE THE NUMBER TO PROVIDE FOR YOU TODAY. BUT, WE DO BELIEVE THAT WE'LL BE CONSIDERABLY CHEAPER THAN \$800,000 OF CONSTRUCTION FUNDS. WE ARE STILL DOING SOME ADDITIONAL NEGOTIATIONS AND MODIFYING THE CONSTRUCTION OF BUILDINGS TO MEET THE REQUIREMENTS OF OUR USE AND WE BELIEVE WE'LL SAVE MORE MONEY, BUT I DON'T HAVE A FINAL NUMBER TO PROVIDE YOU TODAY. WE'LL HAVE THAT IN TWO WEEKS ON THE 22ND.

Councilwoman Klapp: BUT IT IS UNLIKELY THAT WE'LL SPEND \$800,000 ON THIS.

Derek Earle: I AM DOING EVERYTHING THAT I CAN TO BRING THIS SOUTH OF THE POTENTIAL BUDGET.

Councilwoman Klapp: OKAY.

Derek Earle: I THINK THAT'S OUR CHARGE AND OUR GOAL. I HOPE AGAIN THAT WE ARE UNDER IT. I DON'T BELIEVE THAT WE ARE GOING TO SPEND EVERY DIME. I THINK WE'LL BE SIGNIFICANTLY UNDER THE BUDGET.

Councilwoman Klapp: I KNOW THAT THERE IS BEEN THIS SPOT THAT THIS PROPERTY IS GOING TO BE LEASED FOR \$1 A YEAR THAT'S BEEN COMMENTED ON UP HERE ON THE COUNCIL, BUT THERE IS A POTENTIAL THAT THIS PROPERTY COULD BE SOLD TO A QUALIFIED BUYER THAT WOULD USE IT FOR ITS INTENDED PURPOSES, I AM ASSUMING. IT IS NOT NECESSARILY SOMETHING THAT WOULD HAVE TO BE HELD ONTO BY THE CITY, IS THAT CORRECT?

Derek Earle: MAYOR, COUNCILWOMAN KLAPP, THAT'S CORRECT, IT COULD BE, WELL, TO AVOID OF THE \$825,000 THE PROPERTY HAS TO BE OCCUPIED WITH LOW INCOME INDIVIDUALS BY MARCH. OUTSIDE OF THAT, THAT IS THE REASON THAT WE CONTINUED TO FOCUS ON TRYING TO GET THIS PROJECT DONE BECAUSE WE BELIEVE WE HAVE CONTROL AND WE BELIEVE WE ARE ABLE TO ACHIEVE THE SCHEDULE AND THEREFORE TAKING CARE OF THAT ISSUE. IF WE WERE TO PAY BACK THE \$825,000 IN ESSENCE, ALL RESTRICTIONS OF THE PROPERTY WOULD BE LIFTED AND WOULD BE A NORMAL RESIDENTIAL PROPERTY OF THAT PART OF TOWN.

[Time: 00:56:41]

Councilwoman Klapp: I UNDERSTAND THAT. BUT IF WE DID NOT LIFT THE RESTRICTIONS, IT CAN STILL BE SOLD, IT IS NOT SOMETHING THAT HAS TO BE HELD BY THE CITY, IT CAN BE SOLD TO QUALIFIED BUYERS AND AS LONG IT IS USED FOR THE INTENDED PURPOSE.

Derek Earle: MAYOR, COUNCILWOMAN KLAPP THAT'S CORRECT, IT CAN BE SOLD TO A QUALIFYING PARTY AND STILL MEET THE REQUIREMENTS.

Councilwoman Klapp: OK. WELL I AM STILL SUPPORTIVE OF THIS PROJECT AND WILL BE VOTING FOR IT.

Mayor Lane: THANK YOU COUNCILWOMAN, COUNCILMAN ROBBINS.

Councilman Robbins: THANK YOU MAYOR. I WISH OUR FRIENDS FROM CAVE CREEK WERE STILL HERE BECAUSE THE HORSE HAS ALREADY LEFT THE BARN IN THIS CASE. WE HAD AS A COUNCIL THE OPPORTUNITY TO NOT ACCEPT \$825,000 FROM THE FEDERAL GOVERNMENT A YEAR OR TWO AGO. WE HAD THE OPPORTUNITY TO VOTE THIS DOWN ON A LAND PURCHASE ON 4/16 AND THE CLOSING COSTS ON 4/16. WE HAD THE CHANCE TO VOTE THIS DOWN ON THE DESIGN AND MITIGATION ON 7/1, AND FINALLY, SOME COUNCIL MEMBERS CHANGED THEIR MIND ON 9/10 AND DECIDED THIS WASN'T A GOOD EXPENDITURE. AT THIS POINT, WE ARE \$441,000 AND WE ALLOCATED OF ANOTHER \$800 AND WE'LL BE INTO IT FOR \$1.2250 REGARDLESS. IF WE GIVE BACK \$800,000 WE WON'T HAVE

AN ASSET. IF WE USE THE \$800,000 TO BUILD AN ASSET THEN WE HAVE SOMETHING AT THE END OF THE DAY, WHICH WE CAN USE, WHICH WE CAN SELL AND WHICH ALSO IMPROVES THE COMMUNITY AND THAT STREET BUILDING PROPERTY SO THIS AGAIN, THIS IS THE FIFTH TIME TO HAVE THIS IN FRONT OF US AND IF WE WEREN'T GOING TO DO THIS WE SHOULDN'T HAVE DONE THIS YEARS AGO. SO I'M DEFINITELY IN FAVOR OF THIS AND I'LL BE VOTING FOR IT.

[Time: 00:58:27]

Mayor Lane: THANK YOU COUNCILMAN. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: HE'S RIGHT, THE POINT IS YOU DON'T MAKE THE SAME MISTAKE OVER AND OVER AGAIN. IT WAS A MISTAKE WHEN WE GOT INTO THIS AND IT IS NOW TO CUT OUR TIME WITH IT AND GET OUT. I LOVE HOW YOU USE THE WORD "ASSET "HERE. FIRST OF ALL, WE ARE GOING TO THROW IN MORE MONEY TO IT. ANY NON PROFIT THAT'LL MEET THE RESTRICTIONS DOES NOT HAVE ANY MONEY TO BUY THIS, THEY WANT US TO DO THIS. THE PLAN WAS REVEALED LAST TIME WHEN HE HAD THIS WAS FOR THE NEXT FIVE YEARS WE ARE GOING TO ESSENTIALLY GIVE IT TO SOMEBODY WHO'LL THEN RENT IT OUT AT BELOW MARKET RATE AND PEOPLE CANNOT PAY MARKET RATES AND WE ARE NOT GOING TO GET ANY MONEY BACK. WHAT DO YOU THINK IT IS GOING TO HAPPEN AT THE END OF FIVE YEARS? WHAT'S GOING TO HAPPEN IS WHATEVER NON PROFIT THAT WE GIVE THIS TO, WHOEVER IT IS, THEY'RE GOING TO SAY, OH, YOU CANNOT SELL IT TO US NOW, WE HAVE POOR PEOPLE LIVING IT, WE'LL NEVER GET RID OF THIS THING. THIS THING IS LIKE A LEECH, IT IS GOING TO BE ON US AND IT IS GOING TO BE SUCKING BLOOD OUT OF OUR TREASURY FOR THE PERCEIVABLE FUTURE WELL BEYOND FIVE YEARS. SO I WOULD SAY IT IS A MISTAKE, YOU DON'T KEEP ON MAKING THE SAME MISTAKES OVER AND OVER AGAIN. LET'S CUT THE LOSSES AND NOT DO IT ANYMORE AND STOP THE BLEEDING.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILWOMAN MILHAVEN.

[Time: 01:00:10]

Councilwoman Milhaven: I GUESS I DID NOT HEAR COUNCILMAN ROBBINS SAY THAT HE THOUGHT IT WAS A MISTAKE. I THINK HE SAID WE HAVE AFFIRMED THIS DECISION OVER AND OVER AGAIN. FOR ME IT IS SIMPLE, \$800,000 FOR NOTHING OR \$800,000 FOR SOMETHING. WHILE WE CAN BE CRITICAL OF WHAT THE FUTURE CAN BE HERE, AFFORDABLE HOUSING IS NOT FREE HOUSING SO THERE WILL BE RENT ROLLS AND THERE SHOULD BE INCOME. I DON'T IMAGINE WE ARE GOING TO GIVE THIS AWAY, I AM COMPLETELY SUPPORTIVE AND WILL MAKE A MOTION TO ADOPT RESOLUTION 9539 FOR THE PRECONSTRUCTION CONTRACT AND I'D LIKE TO COMMENT WE JUST SPENT ABOUT 20 MINUTES TALKING ABOUT \$10,000. THANK YOU.

Councilwoman Klapp: SECOND.

Mayor Lane: WOULD THE SECOND LIKE TO SPEAK TOWARD IT? OKAY, MOTION AND SECOND ON THAT. VICE MAYOR KORTE.

Vice Mayor Korte: QUICKLY, CAN YOU GO TO THE MAP OF BELLEVIEW AND TALK ABOUT WHAT THE USES ARE AND THE CURRENT STATE OF USES ON THIS STREET.

Derek Earle: I AM SORRY, WAS THAT A QUESTION?

Vice Mayor Korte: YES, IT WAS.

Derek Earle: PRIMARILY, THE USE IS RESIDENTIAL ALONG THIS AREA. THESE ARE OF COURSE, THESE ARE TWO UNITS. THERE IS AN ADDITIONAL UNIT I AM NOT GOING TO TELL YOU SPECIFICALLY WHICH ONE BUT IT IS IN THE AREA OVER THIS PART THAT'S ALSO BEEN FUNDED WITH HUD FUNDING. ALL OF THE REST OF THE PROPERTIES FROM HERE OVER ARE ALL RESIDENTIAL. NORTH THEY'RE SINGLE STORY AND THEY'RE SINGLE STORY ATTACHED UNITS. SOUTH, THERE ARE SOME MULTI STORIES APARTMENT BUILDINGS AND THERE IS A COUPLE OF VACANT LOTS POSTED FOR FUTURE DEVELOPMENT.

[Time: 01:02:09]

Vice Mayor Korte: ON THE SOUTH SIDE I BELIEVE FAMILY PROMISE IS OPERATING OUT OF THE SOUTH SIDE OF BELLEVIEW. AND ALMOST CHRISTMAS SHELTER IS DOWN THE STREET?

Derek Earle: I'M GOING TO HAVE TO LOOK TO MY LEFT TO BILL MURPHY.

Community Services Executive Director Bill Murphy: THAT'S CORRECT, VICE MAYOR.

Vice Mayor Korte: SO THIS IS AREA THAT IS IMPORTANT OF HUMAN SERVICES AND SOCIAL SERVICES RESOURCE FOR THIS COMMUNITY. I FULLY SUPPORT THIS AND WHEN YOU LOOK AT THE CITY'S SPENDING \$450,000 TO CREATE SOME HOUSING OPTIONS FOR OUR COMMUNITY, I THINK IT IS THE RIGHT THING TO DO, THANK YOU.

[Time: 01:02:58]

Mayor Lane: THANK YOU VICE MAYOR. JUST ONE THING TO CLARIFY, IS HOW THIS IS LINING UP. IT IS NOT GOING TO MAKE A WHOLE A LOT DIFFERENCE. WE ARE NOT TALKING ABOUT \$800,000 FOR NOTHING VERSES FOR \$800,000 FOR ASSETS. IT IS GOING TO COST THE TAXPAYERS \$2 MILLION. AND THERE ARE, IT WILL NEVER BE AT MARKET RATES. WHATEVER WE PUT INTO IT, WE ARE GOING TO GET LESS OUT OF IT OTHER THAN IT WAS SOMETHING OTHER THAN PROPERTY THAT WAS CLEAR OF THAT. BUT, I THINK, WELL, WE'LL LET IT END AT THIS BUT COUNCILMAN PHILLIPS, YOU HAVE A FINAL COMMENT?

Councilmember Phillips: MR. EARLE, DO YOU KNOW WHO PAYS THE PROPERTY TAX ON THIS?

Derek Earle: CURRENTLY THE PROPERTY IS NOT ON THE TAX ROLLS BECAUSE IT'S OWNED BY THE CITY.

Councilmember Phillips: SO THE CITY WON'T HAVE PROPERTY TAX IF WE FINISH BUILDING THIS.

Derek Earle: AS LONG AS THE CITY HAS OWNERSHIP, THAT'S CORRECT. ALSO, NON PROFITS AND OTHER OWNERS OF THAT TYPE WOULD NOT BE PAYING TAXES EITHER.

Councilmember Phillips: ALL RIGHT, WE'LL STILL BE VOTING NO ON MONEY ALLOCATION GOING INTO THIS PROJECT.

Mayor Lane: OK, THAT COMPLETES THE REQUEST TO SPEAK ON THIS SUBJECT AND THERE ARE NO CARDS ON THIS. IF THEREFORE, I THINK WE ARE READY TO VOTE. ALL IN FAVOR PLEASE INDICATE "AYE" AND THOSE OPPOSED WITH "NAY." THANK YOU VERY MUCH. SO THAT COMPLETES OUR REGULAR AGENDA OF THE ITEMS THAT WAS ADDED ON AND VOTED TO STAY ON THE AGENDA.

ITEM 13 – BOARDS, COMMISSIONS AND TASK FORCE NOMINATIONS

[Time: 01:05:08]

Mayor Lane: AND OUR NEXT ITEM IS MAYOR COUNCIL OF THE TASK FORCE NOMINATION AND I HAVE A GREAT LUXURY AND PRIVILEGE TO TURN IT OVER TO OUR VICE MAYOR, VIRGINIA KORTE.

Vice Mayor Korte: THIS EVENING, THE CITY COUNCIL WILL BE NOMINATING SCOTTSDALE RESIDENTS INTERESTED IN SERVING ON SEVEN CITIZEN ADVISORY BOARDS AND COMMISSIONS. THE SEVEN WITH VACANCIES ARE THE HUMAN SERVICES COMMISSION, JUDICIAL APPOINTMENT ADVISORY BOARD, LIBRARY BOARD, LOSS TRUST FUND BOARD, NEIGHBORHOOD ADVISORY COMMISSION, PARKS AND RECREATION COMMISSION, TRAILS SUBCOMMITTEE.

THOSE NOMINATED WILL BE INTERVIEWED AT THE CITY COUNCIL MEETING ON TUESDAY, NOVEMBER 19TH, AND APPOINTMENTS WILL FOLLOW EACH SET OF INTERVIEWS. LET'S GET STARTED.

IF WE CAN TURN, THANK YOU, RACHEL. HUMAN SERVICES COMMISSION, THERE IS ONE OPENING. THE HUMAN SERVICES COMMISSION PROVIDES ADVISORY RECOMMENDATIONS ON HUMAN SERVICES PRIORITIES AND PROGRAMS AND FUNDING ALLOCATIONS FOR SCOTTSDALE CARES AND CDBG GRANT BLOCK FUNDS AND HOME FUNDS AND GENERAL FUNDS. DUSTIN THOMAS IS ELIGIBLE FOR A SECOND TERM AND SUBMITTED HIS APPLICATION. THERE IS ONE VACANCY AND THREE APPLICANTS. I WILL ENTERTAIN NOMINATIONS AND I WILL START WITH COUNCILMEMBER PHILLIPS.

Councilmember Phillips: ROTH.

Vice Mayor Korte: DUSTIN THOMAS.

Councilman Littlefield: NO ADDITIONAL.

Mayor Lane: NO ADDITIONAL.

Councilwoman Klapp: NO ADDITIONAL.

Councilwoman Milhaven: NO ADDITIONAL.

Councilman Robbins: NO ADDITIONAL.

[Time: 01:07:00]

Vice Mayor Korte: THANK YOU. THE JUDICIAL APPOINTMENTS ADVISORY BOARD (JAAB) MAKES ADVISORY RECOMMENDATIONS TO THE CITY COUNCIL REGARDING THE APPOINTMENT AND REAPPOINTMENT OF FULL-TIME CITY JUDGES. KENNETH WEINGARTEN IS ELIGIBLE FOR A SECOND TERM AND HAS SUBMITTED HIS APPLICATION.

THERE IS 1 VACANCY AND 1 APPLICANT FOR THE JUDICIAL APPOINTMENTS ADVISORY BOARD. I WILL ENTERTAIN NOMINATIONS AND I WILL START THAT, I WILL NOMINATE KENNETH WEINGARTEN. THAT'S IT.

OKAY. THANK YOU, MOVING ONTO LIBRARY BOARD. THE LIBRARY BOARD ADVISES THE CITY COUNCIL ON GENERAL POLICY RELATING TO THE PROGRAMS SERVICES AND FUTURE DEVELOPMENT OF THE PUBLIC SCOTTSDALE LIBRARY. DOUGLAS SYDNOR IS ELIGIBLE FOR REAPPOINTMENT AND SUBMITTED AN APPLICATION. THERE IS ONE VACANCY AND TWO APPLICANTS. I'LL ENTERTAIN NOMINATIONS. COUNCILMEMBER LITTLEFIELD.

Councilman Littlefield: SYDNOR.

Vice Mayor Korte: MAYOR?

Mayor Lane: DOUGLAS SYDNOR.

Councilwoman Klapp: NO ADDITIONAL.

Councilwoman Milhaven: NO ADDITIONAL.

Councilman Robbins: NO ADDITIONAL.

Councilmember Phillips: SAME.

Vice Mayor Korte: NO ADDITIONAL.

Vice Mayor Korte: THANK YOU. MOVING ONTO THE LOSS TRUST FUND, THERE ARE NO APPLICANTS FOR THE VACANCY ON THIS PARTICULAR COMMISSION. NEIGHBORHOOD ADVISORY COMMISSION, THERE ARE TWO OPENINGS. THE NEIGHBORHOOD ADVISORY COMMISSION ADVISES AND MAKES RECOMMENDATIONS TO THE CITY COUNCIL ON POLICIES, PLANS, STRATEGIES AND PROGRAMS FOR THE PRESERVATION, IMPROVEMENT AND REVITALIZATION OF SCOTTSDALE'S HOUSING AND NEIGHBORHOODS. THERE ARE 2 VACANCIES AND 3 APPLICANTS FOR THE NEIGHBORHOOD ADVISORY COMMISSION. EACH COUNCILMEMBER MAY NOMINATE TWO PEOPLE. I WILL NOW ENTERTAIN NOMINATIONS AND BEGIN WITH MAYOR LANE, PLEASE.

Mayor Lane: JORDAN LEDBETTER AND TODD MAZON.

Councilwoman Klapp: DANIEL RUSSELL.

[Time: 01:09:16]

Vice Mayor Korte: THAT TAKES CARE OF THAT. MOVING ONTO THE PARKS AND RECREATION COMMISSION ADVISES THE CITY COUNCIL ON THE ACQUISITIONS OF LANDS, OPERATIONS, USE, CARE, AND MAINTENANCE OF PARKS AND RECREATION AREAS. ANNE WURTH IS ELIGIBLE FOR REAPPOINTMENT AND HAS SUBMITTED AN APPLICATION. THERE ARE 2 VACANCIES AND 4 APPLICANTS FOR THE PARKS AND RECREATION COMMISSION. EACH COUNCILMEMBER MAY NOMINATE TWO PEOPLE. I WILL NOW ENTERTAIN NOMINATIONS BEGINNING WITH COUNCILMEMBER KLAPP.

Councilwoman Klapp: ANNE WURTH AND WILLIAM FOLLETTE.

Councilwoman Milhaven: MICHAEL BOUSCHER AND SHERRY WOODLEY.

Vice Mayor Korte: THAT TAKES CARE OF ALL THE NOMINATIONS. FINALLY TRAILS SUBCOMMITTEE. THERE ARE TWO OPENINGS. THE TRAILS SUBCOMMITTEE OF THE TRANSPORTATION COMMISSION ADVISES THE COMMISSION AND PROVIDES A PUBLIC FORUM FOR ISSUES SURROUNDING PATHS AND TRAILS. THERE ARE 2 VACANCIES AND 1 APPLICANT. THE APPLICANT IS LINDA WHITEHEAD. I WILL NOW ENTERTAIN NOMINATIONS STARTING WITH COUNCILMEMBER MILHAVEN.

Councilwoman Milhaven: LINDA WHITEHEAD.

Vice Mayor Korte: THAT COMPLETES THOSE NOMINATIONS FOR THE TRAILS SUBCOMMITTEE. CITY STAFF WILL CONTACT THOSE NOMINATED AND PROVIDING THEM ADDITIONAL INFORMATION OF THE INTERVIEW PROCESS. I WOULD LIKE TO TAKE THE OPPORTUNITY TO SINCERELY THANK ALL THOSE WHO APPLIED TO SERVE ON A CITIZEN ADVISORY BOARD OR COMMISSION. EVEN IF YOU WERE NOT NOMINATED, YOUR APPLICATION WILL BE REMAIN ON FILE FOR ONE YEAR FOR CONSIDERATION AT A FUTURE DATE IF THERE ARE ADDITIONAL VACANCIES. SO THANK YOU.

Mayor Lane: THANK YOU VICE MAYOR. WELL, THAT COMPLETES THE BOARDS AND COMMISSIONS NOMINATIONS AND NOW I WILL OPEN IT FOR PUBLIC COMMENT.

ADJOURNMENT

[Time: 01:11:46]

Mayor Lane: WE HAVE NO FURTHER COMMENTS AND NO PETITIONS SO I WILL CALL FOR THE ADJOURNMENT. WE WILL ADJOURN TO OUR REGULAR COUNCIL MEETING. ALL IN FAVOR PLEASE INDICATE BY AYE, WE ARE ADJOURNED.

CITY COUNCIL WORK STUDY SESSION

CALL TO ORDER

[Time: 01:12:03]

Mayor Lane: IMMEDIATELY, MOVING ONTO THE NEXT ORDER OF BUSINESS WHICH IS TO CONVENE OUR WORK STUDY. MR. GRANT IF YOU'D LIKE TO MOVE TO THE PODIUM. I DON'T BELIEVE WE NEED TO HAVE ANOTHER ROLL CALL OR ANYTHING LIKE THAT AND EVERYBODY IS HERE HAS BEEN HERE FOR THE INSTRUCTIONS ON ANY OF THE DETAILS SO THE FIRST ITEM AND THE ONLY ITEM ON THE WORK STUDY IS A STRATEGY TO REVITALIZE THE MCDOWELL ROAD CORRIDOR. MR. GRANT IS HERE TO GIVE US THE OUTLINE.

ITEM 1 – STRATEGY TO REVITALIZE THE MCDOWELL ROAD CORRIDOR

[Time: 01:12:52]

Planning, Neighborhood and Transportation Administrator Randy Grant: MAYOR AND COUNCIL, THANK YOU VERY MUCH I AM PLEASED TO BE HERE THIS EVENING TO PRESENT THE FIRST OF THE COUNCIL'S CRITICAL OBJECTIVES GETTING MCDOWELL BACK ON TRACK. I APOLOGIZE FOR HANDING OUT THE POWERPOINT REVISIONS, I WANTED TO GO BACK AND CUT IT DOWN BY 10%. IN THE PROCESS OF CONSOLIDATING AND EDITING, CHANGED SOME OF THE PAGES AND RATHER THAN TRYING TO HAVE YOU FOLLOW ALONG WITH A VERSION THAT'S NOT ACCURATE, I WANTED TO MAKE SURE THAT YOU HAVE THE MOST RECENT COPY. I WANT TO ACKNOWLEDGE THAT THIS IS A GROUP EFFORT OF ECONOMIC DEVELOPMENT AND THE CITY MANAGER'S OFFICE AND TRULY IS A PLEASURE TO WORK WITH PEOPLE THAT ARE SO DEDICATED AND COMMITTED. JUST A LITTLE BIT OF BACKGROUND, WHEN THE CITY WAS INCORPORATED IN 1951, THE CITY BOUNDARIES WERE CAMELBACK ON THE NORTH, THOMAS ON THE SOUTH, MILLER AND THE ARIZONA CANAL ON THE WEST. IN 1957, MOTOROLA MOVED IN ON MCDOWELL AND BROUGHT IN 1,250 WORKERS. IN 1969, AS THE AREA DEVELOPED INTO A RETAIL CORRIDOR, THE FIRST VALLEY INDOOR MALL OPENED, LOS ARCOS MALL, AND FOR THE NEXT 25 YEARS, MCDOWELL ROAD HAD ONE OF THE HIGHEST VEHICLE COUNTS OF ANY ROAD IN THE VALLEY. A LOT OF TRAFFIC BUT AS THE COMPETITION FOR MALL PATRONAGE INCREASED AND OTHER MALLS OPENED UP, THE LOS ARCOS MALL LOST A BIT OF THE LUSTER IT ORIGINALLY HAD AND THE AREA TRANSITIONED INTO AN AREA OF AUTO DEALERSHIPS. IT BECAME AS THE MOTOR MILE AND THAT STAYED FOR SOME PERIOD OF TIME, BUT IN THE EARLY 2000S THE MODEL FOR AUTO DEALERSHIPS CHANGED. AND AS A RESULT OF THE RESTRICTIONS BY MANUFACTURERS FOR FREEWAY VISIBILITY AND BETTER ACCESS, A LOT OF THE DEALERSHIPS BEGAN TO LOOK ALONG THE NEW FREEWAY CORRIDOR FOR DEALERSHIP LOCATIONS. WHEN AN AUTO DEALERSHIP MOVES, THERE'S THE POTENTIAL TO GET ANOTHER ONE IN BUT IT HAS TO MEET THE DISTANCE RESTRICTIONS OF THE MANUFACTURER. A LOT OF DEALERSHIPS MOVED TO LOCATIONS THAT ANOTHER DEALER OF THE SAME MODEL COULD NOT BUILD.

[Time: 01:15:16]

SO WE ENDED UP WITH MANY AUTO DEALERSHIPS WHICH ARE HARD TO MOVE OTHER BUSINESSES INTO DIRECTLY AND SO WE ARE LOOKING TODAY AT REVITALIZING THIS CORRIDOR THAT'S GONE THROUGH A TRANSITION OVER THE LAST 20-30 YEARS. IN 2009, THE MAYOR IN THE INAUGURAL SPEECH COMMENTED THAT ONE OF THE PRIORITIES FOR YOUR TERM IS TO REVITALIZE THE MCDOWELL ROAD CORRIDOR. THIS IS BEEN EXPRESSED IN A NUMBER OF WAYS WHICH YOU IDENTIFIED THIS WAS ONE OF YOUR CRITICAL OBJECTIVES. THE PURPOSE OF THIS IS TO DEVELOP AND PRIORITIZE AND IMPLEMENT ACTIONS THAT PROMOTE THE REVITALIZATION OF THE MCDOWELL ROAD CORRIDOR. THIS IS BUILDING ON THE NUMBER OF PRIOR STUDIES AND THE LAST THING THAT YOU

WANT IS THE PROPOSAL TO DO ANOTHER STUDY. WE HAVE GOT A LOT OF BASELINE INFORMATION AND WE HAVE GOT A LOT OF GOOD DATA AND GOOD THINKING BY A LOT OF PEOPLE AND WE THINK THAT WE KNOW WHAT THE ISSUES ARE AND WE FEEL LIKE WE HAVE BEEN ABLE TO DO WHAT WE CAN DO TO ENHANCE THE MCDOWELL ROAD CORRIDOR. TWO DOCUMENTS THAT ARE IMPORTANT, ONE IS THE SOUTHERN SCOTTSDALE CHARACTER AREA PLAN IN 2010 AND THE OTHER IS FROM THE MCDOWELL ROAD/SOUTHERN SCOTTSDALE ECONOMIC TASK FORCE THAT WAS PRESENTED TO THE COUNCIL IN 2010. THE TAX FORCE SUMMARIZED THAT THE AREA EXPERIENCED SIGNIFICANT CHANGES AS A RESULT OF THE DEALERSHIP LOSS. AS A RESULT OF THAT TRANSITION, THE PROPERTY, THE RETAIL SALES TAX AND THE POTENTIAL FOR TOTAL SALES TAX HAVE BEEN REDUCED IN THE NEIGHBORHOOD AND THE NEIGHBORHOOD SERVICES HAVE BEEN COMPROMISED. THIS SHOWS YOU THE DEPTH OF THAT DECLINE. IN 2001 TAXABLE SALES IN THE AREA ALONG THE CORRIDOR WAS \$670 MILLION. IN 2008 IT WAS \$405 MILLION. IT REACHED A LOW POINT IN 2010 OF \$220 MILLION. IT IS BACK UP OF THE MOST RECENT YEARS OF \$282 MILLION BUT DOWN MORE THAN 50% OF WHAT IT WAS.

Mayor Lane: EXCUSE ME. I AM GLAD TO SEE THAT WE ADDED A COUPLE MORE YEARS ONTO THIS BECAUSE WHEN IT FIRST CAME OUT THE CONCENTRATION BETWEEN 2001 AND 2008 WAS A DIFFERENT PERIOD OF TIME AND CERTAINLY, WHAT IT SHOWED WAS THE EXTENT OF CHANGE OF THOSE YEARS. AND IT REALLY MADE SOME GREAT TRANSITIONS, YOU MENTION THE IDEA THAT THESE ARE PRIORITIES AND IT HAS BEEN FOR MYSELF AND WHAT I HAVE TALKED ABOUT BUT THE ECONOMIC SUMMIT THAT OCCURRED IN 2009 BUT ALSO THE TASK FORCE WE REFERRED TO REALLY TAKE A HARD LOOK AT WHAT IT WAS WE ARE EXPECTING FROM MCDOWELL ROAD, WE ARE EXPECTING THROUGH THE STUDY AND THROUGH THE OUTREACH AND STAKEHOLDERS AND A VARIETY OF CITIZENS AND LEADERS WHO WERE HERE WITH THE CITY REALLY CONCLUDED THAT THE SALE TAX PAID WAS NOT PROBABLY GOING TO COME BACK TO THE SAME EXTENT SIMPLY BECAUSE IT WAS NO LONGER GOING TO BE A RETAIL AUTOMOBILE DEALERSHIP ROW AS IT WAS ONCE WAS. JUST LOOKING AT THE TAX NUMBERS DOES NOT REALLY TELL OF THE AREA. I WANT TO POINT THAT OUT BECAUSE AS OF THE 2012 NUMBER THAT YOU SEE CREEPING BACK UP A LITTLE BIT, THERE IS NOT GOING TO BE THE GLORY DAYS OF AUTOMOBILE OR WHAT WE USED TO CALL MOTOR MILE SO IT IS A DIFFERENT CALCULATION OF WHAT WE LOOK AT IT NOW, WHETHER IT IS JOBS OR VITALITY IN THE COMMUNITY, I WANT TO POINT THAT OUT BUT I DO APPRECIATE ADDING OF THE ADDITIONAL YEARS TO IT, TOO.

[Time: 01:10:39]

Randy Grant: YOU ARE ABSOLUTELY CORRECT. IN FACT, WHEN YOU HAVE THINGS THAT'S HIGH VALUE AND VOLUME, AS THE AUTO DEALERS WERE AT THE TIME OF MOTOR MILE WAS IN STRIKING DISTANCE OF WHAT FASHION SQUARE WAS BRINGING IN TERMS OF SALES TAX REVENUES. THE TAX COLLECTED IN 2001 WAS ALMOST \$10 MILLION AND NOW IT IS DOWN TO \$7 MILLION, BUT IT HAS SHOWN AN INCREASE. IT IS GOING TO BE A TRANSITION OF USES, WE ARE NOT GOING TO SEE IT REBOUND TO THE LEVEL IT WAS BECAUSE WE ARE NOT GOING TO GET THE DEALERSHIPS BACK. WHAT YOU TEND TO SEE IS A LOT OF VACANT DEALERSHIPS. THE REALITY IS THERE IS A LOT OF FOR LEASE SIGNS EVERYWHERE. THE ECONOMY IS RECOVERING BUT IT TAKES AWHILE FOR EVERYTHING TO REBOUND AND WE HAVE THE ISSUE WITH THE DEALERSHIPS AND WHAT DO YOU PUT BACK IN THERE. HOWEVER, WHAT HAS OCCURRED SINCE 2000 IS A LOT OF INVESTMENT. YOU CAN LOOK AT THE PUBLIC SECTOR WITH THE SENIOR CENTER BUT THIS SKYSONG APARTMENT, WE HAVE A LOT OF HIGH END CAR DEALERS THAT ARE NOT HIGH VOLUME, BUT IF YOU WANT TO GET YOUR MASERATI TUNED

UP, THIS IS THE PLACE TO DO IT. LOTUS AND BENZ AND BEEMER AND A LEXUS DEALERSHIP BOUGHT INTO THE AREA. SO THERE IS A LOT OF REASONS TO BE HOPEFUL OF WHAT'S HAPPENING. IF YOU LOOK AT A DEALERSHIP AND YOU SEE THE VACANT SPACE AND YOU ARE LOOKING FOR IT TO BE FILLED. A LOT OF TIME PEOPLE BELIEVE THAT THE PUBLIC INVESTMENT IN AN AREA IT IS DETERMINED BY HOW MUCH CONFIDENCE THE INVESTORS HAVE IN THE AREA. THIS SLIDE SHOWS SINCE 2003, THERE HAS BEEN ALMOST \$240 MILLION IN REINVESTMENT BY THE CITY OF THE AREA. IF YOU TAKE THE PREVIOUS SLIDE WHICH WE ESTIMATED OF \$200 MILLION, ALMOST OF A HALF A BILLION DOLLARS INVESTED BY PUBLIC AND PRIVATE SECTOR ENTITIES IN THIS CORRIDOR. SOMETIMES THESE ARE NOT THE SEXY THINGS THAT YOU SEE AS YOU ARE DRIVING DOWN THE STREET BUT THE INFRASTRUCTURE IS AS IMPORTANT AS ANYTHING ELSE IN DETERMINING WHAT RE-USE CAN BE MADE THOSE FACILITIES. AND REINVESTING IN THE STRUCTURE IS A GOOD INVESTMENT AND THIS SHOWS THAT IT HAS BEEN DONE SIGNIFICANTLY IN THE AREA. THIS IS SOUTH OF DOWNTOWN AND SO IT IS SOUTH OF INDIAN SCHOOL ROAD.

Mayor Lane: PARDON ME, IF YOU WILL LEAVE IT UP FOR A SECOND. WHERE IS THE INVESTMENT IN 2004 AND 2005 ON THE LOS ARCOS PROPERTY? I AM TALKING ABOUT THE PURCHASE OF THE LAND, THE \$84 MILLION OR SO THAT WAS PURCHASED. ARE THEY INCLUDED IN THE NUMBERS HERE?

Randy Grant: I DON'T BELIEVE THAT'S INCLUDED IN THIS NUMBER. I DO HAVE THE, I HAVE GOTTEN IT BROKEN OUT BY INDIVIDUAL PROJECT. SKYSONG AND THE SITING UTILITY IMPROVEMENTS WAS \$32 MILLION BUT I THINK THAT WAS THE ONLY THING THAT WAS INCLUDED. IT DOES NOT INCLUDE THE TOTAL INVESTMENT.

Mayor Lane: THE PROPERTY ITSELF IS \$42 MILLION AND THE INFRASTRUCTURE IS TOTALED UP TO ABOUT \$82 SO IT HAS TO BE CLOSE TO \$40 MILLION. THERE WAS ANOTHER COMPONENT OF THE CAPACITY OF THE EAST INTO THE SKYSONG FACILITY THAT WAS PART OF THE INFRASTRUCTURE AND IMPROVEMENT BUT I DON'T BELIEVE WE INCLUDED THAT IN THE ORIGINAL DEAL. IT DOES SERVE TO ACCOMMODATE THE WHOLE AREA ON THE EAST SIDE OF SKYSONG BUT IT WAS ALSO REALLY SIGNIFICANT PROJECT, I AM WONDERING IF THAT'S ALSO IN THE UTILITIES INFRASTRUCTURE OF THE \$72 MILLION IF THAT'S INCLUDED IN THERE.

Randy Grant: WE DON'T HAVE THAT THERE IN THE INDIVIDUAL PROJECT.

Mayor Lane: WELL, IN THE REAL SENSE SINCE WE ARE TALKING ABOUT 10 YEARS AGO IN 2003. PUBLIC PRIVATE IF YOU WANT TO BUT CERTAINLY FROM THE CITY'S STANDPOINT OF A SIGNIFICANT INVESTMENT IN THE AREA, THAT WAS IN 2004. WE CERTAINLY SEE SOME DEVELOPMENT IN IT NOW BUT THIS IS QUITE A PERIOD OF TIME BEFORE. I WOULD SAY THOSE NUMBERS SHOULD BE ADDED IN THERE FOR LOOKING AT WHAT THE CITY AND WHAT THE TAXPAYERS HAVE DEDICATED INTO THIS INFRASTRUCTURE OTHERWISE, IT SHOULD BE INCLUDED IN THIS.

[Time: 01:25:03]

Randy Grant: WE'LL TAKE A LOOK AT THAT YOUR HONOR. CERTAINLY THE SLOW RECOVERY OF THE ECONOMY HAS TO BE FACTORED IN HERE. IN SPITE OF 3 OR 4 YEARS WHERE THERE WAS VERY LITTLE MONEY FREED UP TO HAVE THIS KIND OF RECOVERY AS SIGNIFICANT.

Mayor Lane: I AM SORRY, RANDY, JUST BECAUSE, ON BOTH SIDES OF THE EQUATION THAT YOU ARE TALKING ABOUT, PRIVATE SECTORS ARE AFFECTED BY THE ECONOMY BUT ALSO ON OUR SIDE FROM THE STANDPOINT OF POTENTIAL OF TAX RECEIPTS AND AVAILABLE FUNDS FOR CIP PROJECTS, PARTICULARLY DISCRETIONARY CIP PROJECTS.

Randy Grant: I THINK IT SHOWS CONFIDENCE ON THE PART OF BOTH OF THE PRIVATE AND PUBLIC SECTORS. SOME REALITIES FOR THE MCDOWELL ROAD CORRIDOR; IT'S LOCATED BETWEEN SIGNIFICANT ECONOMIC AREAS, FASHION SQUARE TO THE NORTH AND TEMPE MARKETPLACE TO THE SOUTH AND THAT'S SIGNIFICANT NOT ONLY BECAUSE OF THE SHORT DISTANCE THAT YOU HAVE TO GO FOR SHOPPING OPPORTUNITIES BUT BECAUSE SOME FRANCHISES WILL NOT ALLOW A COMPETING FRANCHISE WITHIN A CERTAIN DISTANCE. BECAUSE TEMPE MARKETPLACE OPENED UP THERE, SOME BUSINESSES THAT ESSENTIALLY HAVE BEEN LOCKED OUT OF LOCATING ON THE MCDOWELL ROAD CORRIDOR. IT HAS TO BE FACTORED INTO WHAT POTENTIAL THERE IS.

Mayor Lane: RANDY, THIS, TOO IF I MIGHT, YOU ARE TALKING ABOUT AN APPLICATION FOR THE PROPERTY THAT WE ARE NO LONGER LOOKING AT. IF WE ARE COMPARING THIS TO SHOPPING CENTERS TO THE SOUTH AND NORTH, I THINK THE INTENT OF THIS DISCOVERY OF THE MULTI USE OF A LOT OF THOSE PROPERTIES THAT WE'RE REALLY LOOKING AT A DIFFERENT RETAIL SET UP THAN A SHOPPING CENTER AND MOST OF THE FRANCHISES YOU ARE TALKING ABOUT WOULD WANT TO BE IN A SHOPPING CENTER. I WILL ONLY SAY THAT BECAUSE THAT MAY BE A HARSH COLD REALITY BUT WE ARE NOT LOOKING FOR LOS ARCOS TO RETURN.

Randy Grant: THAT'S CORRECT. A LOT OF PEOPLE IF YOU GO ASK THEM AND THEY'LL SAY, WHY CANNOT WE GET A TRADER JOE'S AND WE'LL TALK A LITTLE BIT ABOUT THAT IN THE NEXT BULLET. IT IS DIFFICULT TO GET INTEREST FROM SOME OF THOSE BECAUSE THE DEMOGRAPHICS IN THE AREA SIMPLY ARE TO A POINT WHERE THEY FEEL LIKE IT IS COMPETITIVE FOR THEM TO COME IN. WE ARE GOING TO SEE A DIFFERENCE IN THE TYPE OF USES THAT ARE LOCATING HERE THAN WHAT WE MIGHT HAVE EXPECTED IN PAST YEARS. REALITY THAT THERE IS A GREAT CACHE IN SCOTTSDALE AND YET THERE IS AN IMAGE ISSUE. THE AREA HAD THE STRENGTH OF THE MOTOR MILE IMAGE AT ONE TIME. IT IS MORE SIGNIFICANTLY LOST NOW BECAUSE THE VACUUM OF SUCH A STRONG IMAGE. AS YOU HAVE SEEN THIS EVENING, IMAGES ARE IMPORTANT TO THE POINT THAT OTHER CITIES COME IN AND ROB YOU OF YOURS. THE IMAGE IS IMPORTANT NOT ONLY THAT PEOPLE STEAL IT.

Mayor Lane: ATTEMPT TO.

Randy Grant: NOT ONLY IMPORTANT AS TO HOW PEOPLE FEEL COMFORT WISE IN INVESTING OF THE AREA BUT ALSO HOW MUCH PEOPLE VALUE THE AREA AS A PLACE TO LIVE OR A PLACE TO GO TO SCHOOL OR SHOP OR WHATEVER. ANOTHER REALITY IS THAT MANY PARCELS ARE SMALL AND/OR SHALLOW ALONG THIS CORRIDOR, PARTICULARLY ALONG SCOTTSDALE ROAD. SOME COMMERCIAL PARCELS ARE AS SMALL AS 3000 SQUARE FEET. YOUR OPTIONS ARE LIMITED OF REVISING IT. IT IS A CHALLENGE THAT HAS TO BE OVERCOME BUT THE MARKET HAS A WAY OF DEALING WITH THAT. OPTIONS WOULD INCLUDE FOR YOUR CONSIDERATION ESSENTIALLY DOING NOTHING AND LETTING THE AREA EVOLVE AND IT WILL REBOUND TO SOME EXTENT. THE OTHER EXTREME IS YOU CAN BECOME ACTIVELY INVOLVED AND REVITALIZATION TO THE EXTENT THAT THE CITY WAS INVESTING IN PARCELS. WE ARE LOOKING FOR AN INTEREST INVESTMENT IN OTHER AREAS. OPPORTUNITIES: I AM SURE YOU HAVE HEARD THAT STATE FARM IS OPENING UP A FACILITY AT TEMPE TOWN LAKE AND

INITIALLY GOING TO HAVE 3500 EMPLOYEES AND MAYBE AS MUCH AS 8000 INITIALLY, OVER A MILLION SQUARE FEET. THAT'S GOING TO INVOLVE YOUNG FAMILIES AND NEW EMPLOYEES LOOKING FOR A PLACE TO LIVE. IF YOU LOOK AT THE GEOGRAPHY, YOUNG PEOPLE ARE MOVING INTO THE AREA AND HAVE BEEN. THE AGE DEMOGRAPHIC IS GOING DOWN AS PEOPLE COME IN AND DO REMODELLING AND MAKE MORE CONTEMPORARY STRUCTURES. THAT'S GOING TO LEAD TO HOME VALUES RISING AS THEY ARE ALREADY ARE. WE BELIEVE THAT THE CORRIDOR IS POISED TO BE A DESIRABLE RESIDENTIAL NEIGHBORHOOD AND A UNIQUE TYPE OF USES AND MIXED USE OF EMPLOYMENT AND EDUCATIONAL AND SOME THINGS WE'LL TALK ABOUT HERE A LITTLE BIT OF OUT OF THE ORDINARY. THE CHALLENGE IS HOW DO WE AS A COMMUNITY CREATES AN ENVIRONMENT INTO WHICH THAT TYPE OF REINVESTMENT IS WELCOMED AND CAN BE RECRUITED AND CAN FLOURISH.

[Time: 01:30:34]

STRATEGY NUMBER ONE: DEFINE THE MCDOWELL ROAD CORRIDOR BOUNDARIES AND GET DIRECTION ON THE APPROPRIATE TOOLS TO CONSIDER IN REVITALIZING THE AREA. IT IS IMPORTANT FOR US THAT THE BOUNDARIES BE SET BECAUSE IT HELPS DEFINE WHAT OUR IMPLEMENTATION PLAN IS. THE MCDOWELL TASK FORCE LOOKED AT EVERYTHING SOUTH OF OSBORN. WE ARE SUGGESTING THAT IT BE EVERYTHING SOUTH OF INDIAN SCHOOL WITH THE EXCEPTION AS THE MAYOR POINTED OUT OF THE DOWNTOWN AREAS WHICH HAS SOME OF ITS OWN PLANS AND SO FORTH.

Mayor Lane: PARDON THIS, VICE MAYOR KORTE HAS A QUESTION.

Vice Mayor Korte: HELP ME UNDERSTAND THE INDIAN SCHOOL ROAD DEMARCATION. INDIAN SCHOOL PARTICULARLY IS STILL IN THE DOWNTOWN OVERLAY. I JUST NEED HELP WITH THIS.

Randy Grant: CERTAINLY MAYOR LANE AND VICE MAYOR KORTE. THIS IS MORE IN RESPONSE TO RESIDENTIAL DIVISIONS THAN THE COMMERCIAL DIVISIONS. THERE'S A NEIGHBORHOOD SOUTH OF INDIAN SCHOOL BETWEEN PIMA AND HAYDEN, GOING DOWN TO THOMAS THAT'S TRYING TO COALESCE INTO A NEIGHBORHOOD GROUP THAT CAN DO SOME IMPROVEMENTS ON THEIR OWN AND IS LOOKING FOR AN OPPORTUNITY TO ESTABLISH AN IDENTITY RATHER SEPARATE THAT OR CUT IT OUT OF THE AREA. WE FEEL LIKE THERE ARE SOME NEIGHBORHOODS LIKE THAT FROM EAST TO WEST THAT WOULD BENEFIT BY BEING IN THE STUDY AREA, THERE IS NOT ANY ADDITIONAL RESOURCES THAT WE HAVE TO SPEND, IT IS SIMPLY A PLANNING AREA TO HELP US UNDERSTAND HOW WE CAN ASSIST THOSE NEIGHBORHOODS.

[Time: 01:32:26]

Vice Mayor Korte: MY ONLY CONCERN IS THE AREA HAS BECOME SO BIG THAT EVERYTHING BECOMES DILUTED.

Randy Grant: VICE MAYOR KORTE, THAT'S A GREAT POINT AND WE HAVE TO BE CAREFUL THAT WE DON'T BITE OFF MORE THAN WHAT WE CAN CHEW. A BENEFIT OF THE AREA IS KIND OF, THERE IS A LOT OF LIKENESS BETWEEN SOME OF THESE NEIGHBORHOODS SO ESTABLISHING SOME PARAMETERS FOR THESE NEIGHBORHOODS IS GOING TO BENEFIT ALL OF THEM, RATHER THAN TAKING ON ADDITIONAL INCREMENT FOR EACH INDIVIDUAL NEIGHBORHOOD.

Vice Mayor Korte: ALTHOUGH INDIAN SCHOOL IS STILL CONSIDERED DOWNTOWN, THIS NEIGHBORHOOD CAN STILL BE CONSIDERED IN THE DOWNTOWN AREA, IT JUST SEEMS THAT WHEN I AM AT THE INTERSECTION OF INDIAN SCHOOL AND SCOTTSDALE ROAD, I AM HAVING A HARD TIME CONSIDERING THE McDOWELL CORRIDOR, VISUALLY. BUT WHERE OSBORN SEEMS TO BE WITH DIFFERENT USES AND MASSING OF BUILDINGS, SCOTTSDALE ROAD ITSELF AND MOVING OUT JUST SEEMS TO BE A NATURAL ORGANIC DEMARCATION.

Randy Grant: AS I MENTIONED WE WOULD NOT BE INCLUDING DOWNTOWN IN THIS AREA. THAT WOULD BE INDIAN SCHOOL SOUTH EXCLUDING DOWNTOWN. WE WOULD BE HAPPY TO LOOK AT OSBORN, THAT WAS INITIALLY WHAT WE THOUGHT WHEN WE GOT APPROACHED BY A NEIGHBORHOOD THAT WANTED TO BE INCLUDED. THERE IS CERTAINLY A LOT OF LOGIC TALK TO OSBORN AS WELL.

Mayor Lane: THANK YOU VICE MAYOR. TO ADD TO THAT RANDY IF I MIGHT. I AGREE ONE OF THE THINGS THAT WE DON'T WANT TO DO IS CAUSE A GEOGRAPHICAL JUMP. BUT, THE OTHER IS THE IDENTITY ISSUE WITH SOME OF THE NEIGHBORHOODS THAT WOULD LIKE TO BE ASSOCIATED WITH DOWNTOWN AND MORE OR LESS RIGHTFULLY ARE AND THEY PROVIDE A GREAT HOUSING OPTION FOR SOME OF THE DEVELOPMENT OF JOBS AND BUSINESSES DOWNTOWN. I WOULD PREFER TO HAVE A MORE DEFINITIVE LINE ON THAT EAST-WEST LINE THAN INDIAN SCHOOL. I THINK IT WOULD BE MORE APPROPRIATE. AND TO YOUR POINT MOST OF WHERE YOU MIGHT SUGGEST OR WHAT MIGHT BE DEVELOPING AND EVEN IN THE WAY OF THOUGHTS RIGHT NOW, OF THE 1 MILE SQUARE THAT'S BEING TALKED ABOUT BETWEEN THOMAS AND INDIAN SCHOOL, THAT'S CERTAINLY SOMETHING THAT CAN HAPPEN AND GO ON. THERE IS PLENTY SOUTH ON MCDOWELL ROAD THAT WE WANT TO BE CONCERNED WITH, I WOULD NOT GO TOO FAR NORTH WITH IT. AND JUST A THOUGHT OF SOME OF THESE CONCLUSIONS.

Randy Grant: THE FACT IS WE ARE GOING TO ASSIST THEM IN WHATEVER THEY CAN DO OF WHATEVER THEY'RE INSIDE THE AREA OR NOT. IF YOU'RE MORE COMFORTABLE WITH OSBORN AS A DELINEATION WE'RE FINE WITH THAT.

Mayor Lane: I DON'T SEE ANY OBJECTIONS TO THAT. COUNCILWOMAN MILHAVEN.

[Time: 01:35:42]

Councilwoman Milhaven: YEAH, WE ARE GOING TO SAY THERE IS NO OBJECTION. TO ME IT SOUNDS LIKE YOU ARE SUGGESTING IS TWO PIECES TO THIS. ONE IS THE NEIGHBORHOOD PLANNING. THOSE NEIGHBORHOODS SOUTH OF INDIAN SCHOOL LOOK A LOT LIKE THE NEIGHBORHOODS THAT ARE EVEN FURTHER SOUTH. FOR NEIGHBORHOOD PLANNING PARTICULARLY IF WE GOT A GROUP OF NEIGHBORS WHO ARE LOOKING TO PARTICIPATE, I CERTAINLY WOULD ENCOURAGE THAT AND SO FOR THE NEIGHBORHOOD PLANNING, I WOULD BE PERFECTLY OKAY TO GO AS FAR AS INDIAN SCHOOL, BUT I THINK BOTH MAYOR AND VICE MAYOR MAKE A GOOD POINT TO SAY FROM AN ECONOMIC DEVELOPMENT COMMERCIAL PERSPECTIVE OF LOOKING ALONG SCOTTSDALE ROAD AND UP AND DOWN MCDOWELL ROAD, COMING AS FAR NORTH AS NORTH OF INDIAN SCHOOL WOULD NOT BE APPROPRIATE. AS YOU SAID MR. GRANT, IF WE EXCLUDE THE DOWNTOWN, DOES IT TAKE US DOWN TO OSBORN OR WAS IT EARLE. IF WE EXCLUDE THE DOWNTOWN AREA FROM THE COMMERCIAL

PERSPECTIVE IT IS EARLE AND FOR RESIDENTIAL, I WOULD SAY YOU MIGHT AS WELL INCLUDE THEM. SO THAT'S MY TWO CENTS. SINCE THERE IS GOING TO BE A LOT OF THE DIRECTION HERE, WOULD IT BE HELPFUL IF WE HAVE MOTIONS TO DIRECT STAFF SO THAT RATHER THAN ALL SEVEN OF US TO COMMENT ON EACH?

Mayor Lane: I THINK WHEN WE GET DOWN TO THE PARTICULARS. IT IS SOMETHING WE'VE WRESTLED WITH BEFORE IN WORK STUDIES. WE'RE NOT MAKING DECISIONS BUT EVEN IN THE WAY OF GUIDANCE. AND FRANKLY I LISTENED AND HEARD WHAT YOU HAD TO SAY. I WANT TO MAKE A MOTION THAT WE CONSIDER THE BOUNDARIES ON OSBORN SIDE RATHER THAN GOING TO INDIAN SCHOOL. THIS IS NOT A VOTE BUT A GUIDANCE ISSUE. IS THAT APPROPRIATE MR. WASHBURN?

City Attorney Bruce Washburn: MAYOR, WE DISCUSSED BEFORE WHEN THE ITEM OF THE AGENDA IS DIRECTION TO STAFF, MY OPINION TO THIS IS ACTUALLY GETTING A SHOW OF HANDS TO SEE HOW MANY COUNCIL MEMBERS AGREE WITH THE DIRECTIONS WITH THE UNDERSTANDING THERE IS NOTHING BINDING ABOUT THAT. THERE IS NO LEGAL ACTION FINALLY TAKEN AT THAT TIME AND WHATEVER DIRECTIONS GIVEN SOMETHING STILL NEEDS TO BROUGHT BACK TO COUNCIL BEFORE ANY FINAL ACTION WAS TAKEN.

Mayor Lane: OKAY, THAT MOTION IS MADE, I DON'T KNOW IF IT WILL REQUIRE US TO HAVE A SECOND. IT SEEMS VICE MAYOR KORTE WOULD LIKE TO SPEAK TOWARDS IT OR SECOND, I AM NOT SURE.

Vice Mayor Korte: I LIKE TO SECOND WITH A CAVEAT.

Mayor Lane: ALWAYS A CAVEAT.

Vice Mayor Korte: I COMPLETELY UNDERSTAND THE ISSUE REGARDING NEIGHBORHOODS AND WHILE WE CAN SAY SOUTH OF OSBORN IS A DEMARCATION, JUST LIKE DOWNTOWN THAT BORDER ZIGZAGS FROM EARLE, AND THEN IT GOES NORTH AND I KNOW IT GOES NORTH TO OSBORN AND BACK AROUND MILLER. PERHAPS THAT'S WHAT WE ARE LOOKING HERE TO INCLUDE, WELL, TO BE MORE INCLUSIVE OF SOME OF THE NEIGHBORHOODS THAT SEEM TO PARALLEL FURTHER SOUTH. SO WITH THE CAVEAT OF.....

Mayor Lane: WELL, THIS IS A GUIDANCE ISSUE.

Vice Mayor Korte: SO I WOULD SECOND THAT AS A GUIDANCE ISSUE, OSBORN.

Mayor Lane: OKAY, WELL, WHY DON'T WE GO AHEAD. WE HAVE THAT ON THE TABLE AS IT IS RIGHT NOW. COUNCILMAN LITTLEFIELD.

[Time: 01:39:34]

Councilman Littlefield: IF I LIVE SOUTH OF INDIAN SCHOOL OUTSIDE OF DOWNTOWN, WHAT BENEFIT WOULD ACCRUE TO ME TO BE INCLUDED IN THE MCDOWELL CORRIDOR OR TO HAVE THE NAME MCDOWELL CORRIDOR ATTACHED TO MY HOUSE, WHY WOULD I CARE?

Randy Grant: COUNCILMAN LITTLEFIELD, THERE WILL BE NO TANGIBLE IDENTIFIABLE BENEFITS TO YOU. WHAT WE'LL MAKE AVAILABLE IS RESOURCES TO THESE NEIGHBORHOODS THAT THEY MIGHT NOT HAVE NOW, AND WE'LL MAKE THEM AVAILABLE TO ANYONE. SO WE ARE NOT GOING TO HAVE ANYTHING EXCLUSIVE TO THIS AREA, IT IS SIMPLY IDENTIFYING WHO WE ARE REACHING OUT TO.

Councilman Littlefield: AND THEN YOUR ANSWER BRINGS UP ANOTHER QUESTION, WHAT RESOURCES WILL WE BE PLANNING TO GIVE TO PEOPLE WHO ARE IN THE NAMED MCDOWELL CORRIDOR THAT WE WOULDN'T GIVE TO RESIDENTS IN OTHER AREAS.

Randy Grant: PROBABLY NONE. WHEN YOU GET SOUTH TO INDIAN SCHOOL, THE HOMES TEND TO TAKE ON THE SAME CHARACTERISTICS SO THERE IS AN EFFICIENCY IN DEALING WITH THAT TYPE OF RANCH STYLE HOME. IT IS GOING TO CARRY THROUGHOUT THE AREA.

Councilman Littlefield: SO MY POINT IS REALLY THERE IS NO DELIVERABLE HERE.

Randy Grant: NO.

Councilman Littlefield: THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILWOMAN KLAPP.

Councilwoman Klapp: I WOULD AGREE WITH THE COMMENT OF THE MAYOR. I DON'T LIKE THE IDEA OF DIFFERENTIATING BETWEEN COMMERCIAL AND RESIDENTIAL. SO I THINK IT WOULD BE CLEANER TO SAY THAT THIS AREA WHETHER WE CALL IT MCDOWELL CORRIDOR OR SOME OTHER NAME WHICH MAY BE DECIDED LATER SHOULD END AT OSBORN BECAUSE I BELIEVE THAT WE SHOULD RECOGNIZE THE NEIGHBORHOODS THAT ARE CLOSER TO THE MCDOWELL CORRIDOR AS BEING ALL PART OF THAT AREA, AND IF THERE IS ANOTHER NEIGHBORHOOD THAT SOMEWHERE ABOVE MCDOWELL AND THEY WANT TO BE INCLUDED, I UNDERSTAND THEIR DESIRE. BUT I BELIEVE THE LOCATION MAKES A DIFFERENCE AND I WOULD RATHER AS I SAID KEEP IT CLEANER AND HAVE A CUT-OFF LINE OF OSBORN AS THE AREA THAT WE ARE MOST CONCERNED ABOUT, EVERYTHING SOUTH OF OSBORN WOULD BE IN THE AREA OF THE MCDOWELL CORRIDOR, WHATEVER WE END UP CALLING IT.

Mayor Lane: THANK YOU COUNCILWOMAN. YOU KNOW, JUST ONE FINAL POINT I SUPPOSE TO THE IDEA OF THE DESIGNATED AREA BEING SOUTH OF OSBORN DOWN TO THE SOUTHERN BORDER BEING PART OF A NEIGHBORHOOD THAT WE ARE TALKING ABOUT BRANDING AND LABELING AND PROVIDING ATTENTION TO AND TO THE CORRIDOR WITH ECONOMIC ENGINE WITHIN IT, IT WOULD SEEM TO BE MORE APPROPRIATE. WHATEVER IT ENDS UP BEING LABELED, I THINK THERE IS SOMETHING TO BE SAID FOR WHAT WE ARE TRYING TO DO IS CONFINED OF THAT AREA AND SINCE YOU SAID EVERYTHING IS AVAILABLE, OTHERWISE, I DON'T KNOW IF THERE IS ANYTHING THAT NEEDS TO BE, YOU KNOW, DEFINED IN THIS PARTICULAR PLAN THAT WOULD NOT BE AVAILABLE SOMEWHERE ELSE. THE ONE MILE SQUARE THAT'S BEEN TALKED ABOUT, TOO, THOSE HOMES ARE ON LARGER LOTS AND WERE BUILT BY THE BUILDER THAT BUILT THE HOMES IN THE ARCADIA. THEY ARE ON A BIT OF A DIFFERENT LINE. IT IS PART OF THE AREA WE ARE TALKING ABOUT. SO IF WE REALLY WANT TO LOOK AT IT THAT WAY, THAT'S A LITTLE BIT DIFFERENT KIND OF NEIGHBORHOOD AND NOT THAT I DON'T THINK IT IS GOING TO MAKE THAT MUCH OF DISTINCTION OF HOW WE MAY OR ABLE TO

HELP THESE NEIGHBORHOOD HELP THEMSELVES. WE DO HAVE MY MOTION ON THE TABLE, I HAD IT SECONDED WITH A CAVEAT.

[Time: 01:43:40]

Councilwoman Klapp: I GAVE YOU A SECOND.

Mayor Lane: DID YOU GIVE ME A SECOND ON MY CLEAN ONE? WE'LL SEE HOW THAT GOES AS FAR AS GUIDANCE AND BASICALLY IS TO REDEFINE THAT LINE. I THINK WE ARE READY TO VOTE BY A SHOW OF HANDS, WHO WOULD GO WITH THAT MOTION? OH, JUST THE 3? OKAY, 4. ALL RIGHT, THAT'S THE DIRECTION OF THAT ISSUE, THEN.

Randy Grant: THANK YOU. THE NEXT FEW SLIDES ARE TALKING ABOUT TOOLS AND I WANT TO BE CLEAR STARTING IN THAT WE ARE NOT ASKING FOR VALIDATION OF THE TOOLS. WE ARE IDENTIFYING WHAT TOOLS MAY BE AVAILABLE FOR YOUR CONSIDERATION. WE WOULD PROPOSE THAT WE WOULD BE BRINGING BACK PEOPLE THAT WOULD WANT TO TAKE ADVANTAGE OF SOME OF THESE TOOLS AT A LATER TIME WHEN AN INDIVIDUAL PROJECT HAS BEEN PROPOSED. THESE ARE SOME OF THE TOOLS THAT ARE AVAILABLE FOR USE IN THE STATE OF ARIZONA AND HAVE BEEN OR ARE BEING USED BY OTHER COMMUNITIES. THE FIRST IS PUBLIC INFRASTRUCTURE DEVELOPMENT AGREEMENTS, PAYBACK AGREEMENTS, WHERE A DEVELOPER WILL FRONT THE MONEY FOR INFRASTRUCTURE IMPROVEMENTS IN THE PUBLIC RIGHT OF WAY THAT BENEFIT THEM AS WELL AS OVERSIZING FOR A PUBLIC BENEFIT. AND, THE CITY IN THOSE CIRCUMSTANCES WOULD AGREE TO PAY BACK FROM AN INCREMENT FROM THE SALES TAX GENERATED BY THE USE. THE SECOND IS REDEVELOPMENT DISTRICT. AS YOU KNOW THE LOS ARCOS REDEVELOPMENT AREA WAS DESIGNATED IN '95 AND '96 THERE WAS A REDEVELOPMENT PLAN APPROVED FOR THE REDEVELOPMENT AREA. SO A REDEVELOPED DESIGNATION CONTINUES TO EXIST ON THE SCOTTSDALE ROAD AND MCDOWELL ROAD CORRIDORS.

[Time: 01:45:39]

Mayor Lane: EXCUSE ME, ACTUALLY THAT DID NOT WORK OUT TOO WELL AS FAR AS AS WHAT IT WAS ABLE TO ENHANCE. THE ONE ITEM THAT CAME OUT WAS THE MASSIVE INVESTMENT IN PARTNERSHIP WITH ASU FOUNDATION WITH SKYSONG AND WE HAVE BEEN TOLD AT DIFFERENT TIMES WHEN WE HAVE CONSIDERED IF IT SHOULD BE REMOVED BECAUSE IN SOME CIRCLES IT HAS A DETRIMENTAL EFFECT ON PROPERTY OWNERS' VIEW OF THEIR OWN PROPERTY AND REDEVELOPMENT OF IT OR ENHANCEMENT OF IT. WE WERE TOLD THAT IT WAS REQUIRED BECAUSE OF ONE EXISTING AGREEMENT AND AS FAR AS I KNOW AND THAT'S THE ONE WITH THE ASU FOUNDATION. IS IT A REQUIREMENT THAT THAT DEVELOPMENT AGREEMENT EVEN BE MAINTAINED?

Randy Grant: I AM NOT AWARE MAYOR IF THERE IS ANY CONDITION OF THE AGREEMENT THAT WOULD REQUIRE IT, NORMALLY NO. NORMALLY, THE COUNCIL CAN MAKE A DECISION TO INCLUDE OR NOT INCLUDE, THIS AS A REDEVELOPMENT AREA AT YOUR DISCRETION. I KNOW THAT THE TASK FORCE, ONE OF THE TASK FORCE RECOMMENDATION IS THE AREA BEING REMOVED WITH THE THOUGHT BEING THAT THE DESIGNATION ITSELF IMPLIES SOME UNCERTAINTY TO PEOPLE THAT MIGHT INVEST IN THE AREA AND QUITE HONESTLY THAT THE DESIGNATION DOES VERY LITTLE GOOD

IF THE TOOLS ARE NOT APPLIED. SO, WE CAN CHECK ON THIS SKYSONG DEVELOPMENT AGREEMENT. I AM NOT AWARE THAT THERE IS ANY CONDITION ON THAT.

Mayor Lane: I KNOW RIGHT NOW WE ARE TALKING ABOUT SOME TOOLS THAT ARE AVAILABLE AND THAT HAPPENS TO BE ONE THAT'S IN PLACE, HAS BEEN IN PLACE FOR QUITE SOME TIME AND ALMOST 20 YEARS NOW AND THE ONLY CAVEAT THAT WE HAVE HAD TO EXISTENCE IS THE FACT THAT IT NEEDS TO STAY IN PLACE BECAUSE OF AN AN EXISTING RELATIONSHIP I THINK WHAT I AM HEARING IS THAT'S NOT REALLY NECESSARILY FOR US. THANK YOU MR. GRANT, COUNCILMAN LITTLEFIELD.

[Time: 01:47:55]

Councilman Littlefield: IS THAT RIGHT? 20 YEARS THE REDEVELOPMENT DISTRICT HAS BEEN THERE?

Randy Grant: CORRECT.

Councilman Littlefield: CLEARLY THERE HASN'T BEEN MUCH REDEVELOPING AND I THINK THIS IS SOMETHING, ONE RECOMMENDATION THAT WE SHOULD TAKE IS TO GET RID OF THE REDEVELOPMENT DESIGNATION. IT IS ACTUALLY AS THE MAYORS POINTED OUT MORE OF A POX THAN A HELP BECAUSE THE VERY WORD REDEVELOPMENT IMPLIES BLIGHT. THAT WAS A BIG ISSUE BACK IN 2002, WHEN WE HAD A DOWNTOWN REDEVELOPMENT DISTRICT. SO THAT'S CLEARLY OUTLIVED ITS USEFULNESS TO CHOOSE FROM AND CERTAINLY HAS NOT PRODUCED ANY USEFUL RESULTS.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILWOMAN MILHAVEN.

COUNCILWOMAN MILHAVEN: RANDY, EACH OF THESE DESIGNATIONS YOU SAID COME WITH DIFFERENT TOOLS AND I AM NOT ENTIRELY FAMILIAR WITH WHAT ALL THE TOOLS ARE AND I AM NOT ASKING YOU TO ELABORATE ON IT NOW. IF WE ARE OPEN TO CONSIDERING EACH OF THESE, IS THERE ANYTHING WE NEED TO DO TODAY OTHER THAN TO SAY THAT WE ARE OPEN TO CONSIDERING THESE IN ORDER TO MAKE THESE ACCESSIBLE FOR THE CITY. HOW DO WE SET THE GROUNDWORK THAT SAYS IF IT IS APPROPRIATE AND IF THE MAJORITY OF THE COUNCIL AGREED, IS THERE ANYTHING WE HAVE TO DO TO SET THAT UP.

Randy Grant: MAYOR LANE AND COUNCILWOMAN MILHAVEN, THAT'S EXACTLY WHAT WE WOULD ASK YOU FOR IS THE ABILITY TO BRING BACK ANY OF THESE TOOLS WITH ANY PROJECT THAT MIGHT COME IN REQUESTING THE USE OF THEM. WE'LL DO AN ANALYSIS OF THE ECONOMIC DEVELOPMENT DEPARTMENT HAS THE CAPABILITY TO DO AN ANALYSIS TO SEE WHAT THE BENEFIT IS TO THE CITY AND ULTIMATELY YOU WOULD BE DECIDING. THERE IS NO BENEFIT AS FAR AS I KNOW THAT THERE WOULD BE GAINED BY MAKING THE DECISION TONIGHT ABOUT WHICH ONE OF THESE TO USE.

[Time: 01:49:50]

Councilwoman Milhaven: I WOULD BE OPEN TO USING ANY OF THESE TOOLS. I WANT TO SHARE A POINT OF VIEW ABOUT REDEVELOPMENT DISTRICT BECAUSE 20 YEARS AGO WHEN THIS AREA WAS NAMED FOR REDEVELOPMENT AS WELL AS WELL AS DOWNTOWN, I WAS DOING BUSINESS LENDING HERE IN SCOTTSDALE AND I WAS LENDING TO BUSINESSES IN THOSE REDEVELOPMENT DISTRICTS. A

REDEVELOPMENT DISTRICT ALLOWS CERTAIN TOOLS TO BE USED AND IT DOES NOT MEAN THAT THE CITY IS GOING TO HIRE BULLDOZERS AND YOU ARE GOING TO WAKE UP ONE MORNING AND YOUR BUSINESSES GONE AWAY. SO WHILE WE CAN GET EMOTIONAL ABOUT WHETHER OR NOT WE'LL CALL A PART OF TOWN A REDEVELOPMENT DISTRICT OR NOT, FROM AN ECONOMIC PERSPECTIVE, I DO NOT SEE IT AS A HANDICAP, I SEE IT IS A BENEFIT TO THESE NEIGHBORHOODS AND SO I WOULD BE COMPLETELY OPEN TO THAT, THANK YOU.

Mayor Lane: THANK YOU COUNCILWOMAN, COUNCILMAN PHILLIPS.

Councilman Phillips: WE HAVE NOT GONE THROUGH ALL OF IT YET BUT I HAVE NEVER BEEN FOR THE REDEVELOPMENT DISTRICT, I THINK IT IS NEGATIVE TO THE CITY AND AS LONG AS WE ARE TALKING ABOUT IT. I'D LIKE TO SEE IF WE'LL HAVE A CONSENSUS TO GET RID OF IT NOW.

Mayor Lane: IF YOU WANT TO WE CAN GO THROUGH EACH ONE OF THEM INDIVIDUALLY, IF YOU WANT TO START WITH THAT ONE, COUNCILMAN, YOU ARE CERTAINLY ABLE TO DO SO. THIS IS A MOTION REALLY FOR GUIDANCE THAT THIS IS AN ITEM THAT WE WOULD NOT WANT TO BE INCLUDING IN THIS TOOL.

Councilmember Phillips: CORRECT, SO I WILL MAKE THIS MOTION ON A CONSENSUS BASIS TO NOT USE THE REDEVELOPMENT DISTRICT CONNOTATION ANYMORE.

Mayor Lane: I THINK THERE'S THE COMPONENT THAT WE WERE TALKING BEFORE. IT IS A REDEVELOPMENT DISTRICT RIGHT NOW. IT EXISTS AS ONE RIGHT NOW. WE COULD ASK FOR IT TO BE REMOVED, THAT'S THE REASON I HAD THE QUESTION OF WHETHER OR NOT IT'S REQUIRED IN THE SAME PLACE BECAUSE OF THE REDEVELOPMENT AGREEMENT WE HAVE.

Councilmember Phillips: WHAT I ASKED IS TO SEE IF WE'RE IN AGREEMENT TO REMOVE, WE CAN'T REALLY VOTE TO REMOVE IT RIGHT NOW.

Mayor Lane: BUT EVEN OF WHERE TO USE IT, MAYBE THAT GOES TO AN EASIER POINT. THAT WE ARE NOT INTERESTED THAT YOU ARE MAKING A MOTION OR NOT INTERESTED IN USING THE TOOLS WITHIN A REDEVELOPMENT DISTRICT AND YOU ARE NOT INTERESTED IN THE REDEVELOPMENT DISTRICT.

Councilmember Phillips: NO, THAT DOES NOT WORK. IT IS NOT THAT I AM NOT INTERESTED IN USING THE TOOLS OF REDEVELOPMENT DISTRICT BECAUSE THOSE TOOLS CAN BE USE IN OTHER THINGS, I AM INTERESTED IN NOT HAVING THAT DESIGNATION.

Randy Grant: MAYOR LANE, IF I MIGHT SUGGEST THAT WE WOULD CERTAINLY WANT TO FIND OUT ABOUT THE AGREEMENT WITH ASU BEFORE WE MAKE A DECISION. IF I COULD SUGGEST, IF YOU ARE INTERESTED WE WOULD BE HAPPY TO BRING IT BACK AS A SEPARATE ITEM WHETHER OR NOT TO REMOVE THIS, FOR FULL DISCUSSION.

[Time: 01:53:02]

Mayor Lane: I AM NOT SURE IF THIS IS THE RIGHT MOMENT TO DO THIS. IT IS GOING TO BE A MIX ON THE 7 BULLET ITEMS. MAYBE SOME OR ALL OF THEM ARE NOT GOING TO BE USED AND SOME OF THEM ARE GOING TO BE USED. I AM WONDERING IF WHETHER OR NOT THERE IS SOME WAY TO CRAFT A CONSENSUS OF OPINION..... WELL, ONE OF THE THINGS I THINK YOU HAVE IN HERE IS EACH OF THEM YOU REALLY DO TALK ABOUT WHAT'S AVAILABLE IN THE PUBLIC INFRASTRUCTURE DEVELOPMENT AGREEMENT.

Randy Grant: IT MIGHT BE GOOD TO GO THROUGH ALL OF THESE.

Mayor Lane: WE STILL HAVE SOME FOLKS WHO HAVE QUESTIONS OR COMMENTS. COUNCILMAN ROBBINS.

Councilman Robbins: I WAS JUST GOING TO CHIME IN ABOUT THE REDEVELOPMENT DISTRICT. TO ME IT IS A LEGAL DEFINITION AND A LEGAL DESIGNATION AND JUST BECAUSE WE DON'T LIKE THE TERMINOLOGY, WHICH I DON'T CARE FOR EITHER, BUT WE CANNOT JUST DECIDE IF WE DON'T LIKE IT ANYMORE WITHOUT TAKING SOME LEGAL ACTIONS SO I LIKE THE UPSIDE OF THE DOWNSIDE BEFORE I VOTE ON ANYTHING LIKE THAT. SO I WOULD THINK THAT'S A GOOD IDEA TO COME BACK UP ON A SEPARATE ITEM FOR THAT SPECIFICALLY. THANKS.

Mayor Lane: THANK YOU COUNCILMAN. VICE MAYOR KORTE.

Vice Mayor Korte: RANDY, WASN'T REDEVELOPMENT DISTRICTS USED PRIOR TO SOME OF THE STATE LAWS THAT WERE PASSED. IT IS 20 YEARS OLD HERE BUT IT IS ACTUALLY OLDER THAN THAT. IT HAS BEEN USED EFFECTIVELY IN DOWNTOWN WITH THE CAMELBACK/SCOTTSDALE ROAD AREA. IT WAS EFFECTIVELY USED THERE. I AM JUST CONCERNED THAT WE ARE JUST REALLY LEAPING TO SOME CONCLUSION THAT WE DON'T HAVE A BASIS OF KNOWLEDGE OF THE ADVANTAGES OR DISADVANTAGES OF REDEVELOPMENT DISTRICT AND IT JUST SEEMS THAT IT IS A LITTLE CONFUSING. WE TALK ABOUT REDEVELOPMENT DISTRICT AND THEN WE TALKED ABOUT GPLETS. BUT FROM WHAT I UNDERSTAND GPLETS CAN ONLY BE USED WITHIN A REDEVELOPMENT DISTRICT.

Randy Grant: MAYOR LANE AND VICE MAYOR KORTE, THEY CAN BE USE OUTSIDE OF A REDEVELOPMENT DESIGNATION. YOU CANNOT GET THE SAME AMOUNT OF PROPERTY TAX REDUCTION OUTSIDE OF A REDEVELOPMENT DISTRICT. YOU CAN ACTUALLY DO PROPERTY TAX ABATEMENT INSIDE THE REDEVELOPMENT DISTRICT BUT NOT AS MUCH OUTSIDE.

Vice Mayor Korte: THANK YOU. I WOULD SUGGEST THAT WE REALLY GET A LOT MORE INFORMATION AROUND THESE TOOLS BEFORE WE JUMP TO ANY CONCLUSIONS.

[Time: 01:56:02]

Mayor Lane: THANK YOU VICE MAYOR. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: I THINK WE AGENDIZE THAT AND HAVE A DISCUSSION AND IF WE DECIDE IF THERE IS NO VALUE IN IT THAN WE CAN VOTE AT THAT POINT TO TAKE IT OFF. I WOULD ACTUALLY DISAGREE THAT THE DOWNTOWN REDEVELOPMENT DISTRICT WAS A GOOD THING, THAT WAS A VERY CONTENTIOUS ISSUE BACK IN 1999 AND IN FACT THE ELECTION IN 2002 WAS PRETTY MUCH ABOUT

THAT. AND ONE OF THE THINGS WE HAVE TO LOOK AT HERE IS WE TALK A LOT ABOUT ALL THESE STUFF BUT IF WE LOOK AT WHAT ACTUALLY HAPPENS HERE THE REDEVELOPMENT DISTRICT HAS BEEN ON BOARD FOR DECADES AND NOTHING HAS HAPPENED. SO YOU KNOW I THINK JUST THAT ALONE, YOU HAVE TO QUESTION THE VALUE OF THIS THING. LET'S PUT IT ON THE AGENDA AND TALK ABOUT IT AND IF WE DON'T LIKE IT, WE CAN GET RID OF IT.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILWOMAN KLAPP.

Councilwoman Klapp: I'M CONCERNED ABOUT THE SAME THING AS COUNCILMAN ROBBINS, ABOUT THE LEGALITY OF THIS. THE REDEVELOPMENT DISTRICT IS A LEGAL TERM. I'D WANT TO HAVE A LOT MORE DISCUSSION. IT SEEMS TO ME THAT THERE ARE PROPERTY OWNERS DOWN THERE, AS I UNDERSTOOD WHEN THIS WAS RECOMMENDED THAT TO REMOVE THE REDEVELOPMENT DISTRICT THAT SOME PROPERTY OWNERS DID NOT WANT IT REMOVED. THAT WAS WHAT I WAS TOLD AND IF THAT'S THE CASE, THERE IS SOME VALUE OF THAT PROPERTY OWNER FOR HAVING A PROPERTY IN THE REDEVELOPMENT DISTRICT AND IF WE REMOVE IT, WE ARE TAKING VALUE FROM THEM WHICH IS ILLEGAL. WE NEED TO TALK ABOUT THE LEGAL RAMIFICATIONS OF TAKING SOMETHING FROM A PROPERTY OWNER THAT HAS A PROPERTY WITHIN A REDEVELOPMENT DISTRICT.

Mayor Lane: THANK YOU COUNCILWOMAN, COUNCILMAN LITTLEFIELD.

Councilman Littlefield: IF IN FACT THERE ARE PROPERTY OWNERS WHO WANTS TO RETAIN THE REDEVELOPMENT DISTRICT, WHICH I HAVE NOT HEARD, I HAVE NOT TALKED TO EVERYBODY. IF WE HAVE A COUNCIL MEETING WITH A FORMALLY AGENDIZED ITEM, THEY WOULD HAVE THE OPPORTUNITY TO COME DOWN AND SAY I WANT YOU TO KEEP IT.

Mayor Lane: THANK YOU COUNCILMAN. VICE MAYOR KORTE.

Vice Mayor Korte: I CAN CONFIRM WHAT COUNCILMEMBER KLAPP SAYS REGARDING TO PROPERTY OWNER DOWN THERE, HAVING BEEN A PROPERTY OWNER THERE FOR 40 YEARS. THE REDEVELOPMENT DISTRICT WAS A BENEFIT. IT PROVIDED STIMULUS FOR PROPERTY VALUES. THE OUTCOMES WERE NOT WHAT WE WERE HOPING FOR BUT CERTAINLY WITH SKYSONG MOVING FORWARD THAT WOULD NOT HAVE HAPPENED WITHOUT THE REDEVELOPMENT DISTRICT AND I WOULD JUST HATE TO, I WOULD NOT SUPPORT REMOVING THIS AS A TOOL BEFORE WE LOOK AT AN ENTIRE PACKAGE.

Mayor Lane: THANK YOU, VICE MAYOR, LET'S JUST LEAVE IT AT THIS. AS FAR AS THE REDEVELOPMENT DISTRICT, IT IS SOMETHING THAT WE'LL LOOK AT SEPARATELY. AS FAR AS ANY TOOLS CONTAINED WITHIN IT, RIGHT NOW IT IS COMPLETELY ON HOLD AND BUT WE'LL LOOK AT AND AGENDIZE WHETHER OR NOT WE'LL WANT TO MAINTAIN IT.

Randy Grant: THANK YOU. THE THIRD IS THE PROPERTY LEASE EXCISE TAX FOR GPLET. IT IS A FORM OF PROPERTY TAX REDUCTION OR ABATEMENT, DEPENDING ON THE AREA THAT IS ASSOCIATED WITH A PROPERTY OWNER DEEDING OVER THE PROPERTY TO THE CITY AND THE CITY LEASING IT BACK WITH THE ASSUMPTION THAT POTENTIALLY AT SOME POINT BY AGREEMENT THAT THE PROPERTY MAY BE REVERTED BACK FOR A NOMINAL SUM TO THE PREVIOUS OWNER BUT IT IS A WAY FOR THAT LESSEE TO BE ABLE TO GET SOME PROPERTY TAX REDUCTION AND SOME RELIEF AS A RESULT OF UTILIZING

THIS MECHANISM. IT IS UTILIZED INSIDE AND OUTSIDE OF REDEVELOPMENT DESIGNATIONS. IT'S USED AROUND THE STATE, WE HAVE A FEW EXAMPLES OF WHERE ELSE IT'S BEEN USED.

[Time: 02:00:28]

Mayor Lane: MR. GRANT, WE'VE SHIED AWAY FROM GPLET FOR A NUMBER OF YEARS. PART OF IT WAS TIED TO A CONCERN AS TO WHAT VALUE THE CITY GETS IN EXCHANGE FOR THE VALUE THAT'S GIVEN. IT'S A MUCH MORE DIFFICULT THING TO DEFINE IN SOME INSTANCES AND BECOMES COMPLEX. ANY KIND OF TAX ABATEMENT IN WHAT VALUE IS RECEIVED ON THE BASIS OF IT. EVEN TO THE POINT OF THE USE OF THE CITY'S FINANCE ROLE CAPACITY ON THE PROPERTIES ON LEASE-BACK. IT'S ONE OF THOSE IFFY AREAS. IT'S CERTAINLY NOT ONE OF THOSE I'M JUMPING OUT OF MY SHOES TO GET INVOLVED IN, BUT AT THE SAME TIME I THINK THAT IT ALSO HAS SOME LEGAL RAMIFICATIONS OR LEGAL RESTRICTIONS THAT WE HAVE WITH IT RIGHT NOW.

Randy Grant: MAYOR LANE, ALL OF THESE TOOLS ARE RELATED TO THE TIPPING POINT AT WHICH DEVELOPMENT MIGHT OCCUR. IF SOME OF THESE TOOLS ARE AVAILABLE AND IT WOULDN'T OCCUR IF THEY WERE NOT AVAILABLE TO BE UTILIZED. SO, AGAIN, ASSESSING THEM ON A CASE BY CASE BASIS IS REALLY THE ONLY WAY TO DETERMINE WHAT THAT TIPPING POINT IS.

Mayor Lane: RANDY, YOU'RE VERY RIGHT ABOUT THAT, BUT IN THE PAST, WE'VE HAD A LOT OF VERY EASILY OBTAINED TIPPING POINTS, AND FRANKLY ASSERTIONS THAT SOMETHING NEVER WOULD HAVE HAPPENED AT THE CORNER OF FRANK LLOYD WRIGHT. OBVIOUSLY, THAT WAS NOT TRUE. IT REALLY WAS NOT. BUT THAT BECAME A POLITICAL ISSUE AS WELL AS ANYTHING ELSE. WE HAVE BY DESIGN STAYED AWAY FROM THOSE, THAT GOES BACK TO PICKING WINNERS AND LOSERS. I PERSONALLY WOULD NOT WANT TO GET INVOLVED WITH THEM.

Randy Grant: WE DO HAVE A NUMBER OF THEM WITHIN THE COMMUNITY, SOME AT THE AIRPORT, THE FIXED-BASE OPERATORS, THE LITTLE RED SCHOOLHOUSE. WE HAVE A NUMBER OF DIFFERENT PROPERTIES IN DIFFERENT CIRCUMSTANCES, THAN WHAT WE'D BE TALKING ABOUT. BUT IT IS A TOOL. THE FOURTH IS OTHER DISTRICT DESIGNATIONS. HERE, WE'RE LOOKING AT THE INFILL INCENTIVE DISTRICT, AN AMENDMENT TO THE PLAN. SOME TYPE OF CITY INITIATED DISTRICT THAT MIGHT BE BENEFICIAL IN STIMULATING DEVELOPMENT THAT MIGHT NOT ORDINARILY OCCUR. THE FIFTH IS LAND ASSEMBLY FOR REDEVELOPMENT. THIS GETS TO WHAT THE HEART OF THE REDEVELOPMENT DESIGNATION USED TO DO. VICE MAYOR KORTE MADE A POINT THAT DESIGNATIONS HAVE CHANGED PARTIALLY BECAUSE OF COURT CASES THAT HAVE REDEFINED WHAT THE CITY CAN AND CAN'T DO, REGARDLESS WHETHER IT'S A REDEVELOPMENT DESIGNATION. THAT HAS BEEN ONE OF THE TOOLS, IS REDEVELOPMENT LAND ASSEMBLY. FOREIGN TRADE ZONES IS ANOTHER. IT CAN BE DESIGNATED BY THE CITY OF PHOENIX, SKY HARBOR AIRPORT BEING THE POINT OF ENTRY. AND FINALLY, ENTITLEMENT AND PROCESSING TOOLS, AND THIS GETS TO WHERE THE CITY MIGHT BE ABLE TO LOOK AT REDEVELOPMENT IN THESE AREAS, DIFFERENTLY THAN OTHER PARTS OF THE COMMUNITY, PERHAPS ATTACHED SOME SPECIAL EXPEDITED PROCESS, OR A NUMBER OF OTHER THINGS THAT WE MIGHT BE ABLE TO DO TO, TO STIMULATE REDEVELOPMENT. SO IF I COULD JUST GO VERY QUICKLY, AND I DON'T WANT TO STAY ON ANY OF THESE TOO LONG, BECAUSE I THINK THE DIRECTION THAT WE'VE GOTTEN IS APPROPRIATE. BUT I DO KIND OF WANT TO GO THROUGH. THIS IS, INFRASTRUCTURE AGREEMENTS ARE OFTEN WITH SHOPPING CENTERS THAT TYPE OF THING, WHERE AN EXTENSION OF INFRASTRUCTURE IS REQUIRED, THE CITY DOESN'T HAVE THE CAPABILITY TO

PROVIDE THAT TYPE OF CAPITAL INITIALLY, AND THE DEVELOPER PAYS FOR IT WITH THE DEVELOPER BEING PAID BACK WITH A PAY BACK AGREEMENT.

[Time: 02:04:34]

Mayor Lane: EXCUSE ME MR. GRANT WE DO HAVE A QUESTION OR COMMENT FROM COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: I SPENT A LOT OF TIME RESEARCHING AROUND THESE DISTRICT DESIGNATIONS AND I KNOW WE HAVE SOME FINANCIAL POLICIES AROUND HOW MUCH WE WOULD ALLOW THESE DISTRICTS TO TAX THEMSELVES, OR LEVER THEIR ASSETS. AS WE WALK DOWN THIS ROAD, I'D LIKE TO UNDERSTAND BETTER WHETHER OR NOT OUR POLICIES ARE APPROPRIATE, AND IN LINE WITH WHAT OTHER MUNICIPALITIES DO, OR WHETHER OR NOT OUR POLICIES ARE REALLY AN OBSTACLE TO USING THE PROPERTY OWNERS WHO WANT TO USE THESE DESIGNATIONS. JUST A COMMENT ABOUT SOME OF THE WORK, I THINK WE HAVE TO DO AROUND IT.

Randy Grant: GREAT POINT. AND IN FACT, THE CHARTER AMENDMENTS MAKE THE LANDSCAPE A LITTLE DIFFERENT FOR SCOTTSDALE THAN WITH SOME OTHER COMMUNITIES. I WOULD DEFER TO PEOPLE MUCH MORE EXPERIENCED IN THIS THAN I AM, TO EVALUATE, BUT IF I GET THE DIRECTION, I THINK YOU'D LIKE TO HAVE US COME BACK AND HAVE A DEEPER DISCUSSION ON SOME OF THESE TOOLS. REDEVELOPMENT AREA, AGAIN, IT WAS DESIGNATED IN '95. IT GOES FOR 10 YEARS, IN THIS CASE, THE 10 YEARS IS UP. IT WAS DESIGNATED IN '95, A DEVELOPMENT PLAN IN 1996. IT IS UP IN 2016. SO IT WOULD ESSENTIALLY SUNSET IN 2016 IF NOTHING IS DONE, OTHERWISE THERE ARE SOME BENEFITS AND CDBG DISCRETIONARY FUND BENEFITS THAT CAN BE APPLIED IN A REDEVELOPMENT AREA.

Mayor Lane: EXCUSE ME MR. GRANT. VICE MAYOR KORTE.

Vice Mayor Korte: WHAT DO YOU MEAN BY CDBG GRANT DISCRETIONARY FUNDS?

Randy Grant: IT'S MY UNDERSTANDING THAT THERE ARE SOME CDBG FUNDS THAT CAN BE UTILIZED MORE EASILY WITHIN A REDEVELOPMENT DESIGNATION THAN OUTSIDE.

Vice Mayor Korte: WE'LL LEARN MORE ABOUT THAT? THANKS.

[Time: 02:06:44]

Randy Grant: HERE WE GET INTO ENTITLEMENT TOOLS AND FEE AND PROCESSING TOOLS. HONESTLY, THIS IS THE PLACE NOW WHERE CITIES ARE DOING THE MOST TO TRY TO PROVIDE SOME RELIEF THROUGH PROCESSING, AND FEES. WHETHER IT BE AN OVERLAY DISTRICT PLAN DEVELOPMENT MODIFICATION, A NEW ZONING DISTRICT THAT MIGHT ALLOW SOME RELIEF IN DEVELOPMENT STANDARDS, THERE'S ALSO A PROCESSING MECHANISM THAT UTILIZES MATCHING FUNDS FOR SOME TYPE OF IMPROVEMENTS TO THE PROPERTY. AT ONE POINT, THE CITY WAS PROVIDING A MATCH FOR FACADE IMPROVEMENTS, THAT'S ONE OTHER THING CITIES ARE DOING TO TRY TO STIMULATE SOME IMPROVEMENT TO THE PROPERTY. OTHER DIRECT TOOLS, CFD'S, COMMUNITY FACILITIES, THAT I THINK YOU'RE VERY AWARE OF, TYPICALLY, WITH NEW DEVELOPMENT WHERE THE INFRASTRUCTURE

IS BEING PAID FOR BY PEOPLE IN THE DISTRICT, AND YOU ARE THE BOARD FOR THOSE CFD'S. IMPROVEMENT DISTRICT, LARGELY THE SAME THING, AN AREA DECIDES TO TAX ITSELF WITH A SPECIAL TAX FOR IMPROVEMENTS THAT ARE MADE. ENHANCED AS A PART OF REDEVELOPMENTS, THESE CAN BE MADE TO PROVIDE EXCEPTIONAL SERVICES ABOVE WHAT THE COMMUNITY WOULD DECIDE TO GET. WE HAD TWO EMSD'S IN DOWNTOWN SCOTTSDALE WHEN THE REDEVELOPMENT DESIGNATIONS WERE ON THOSE PROPERTIES. AND FINALLY, THE REVITALIZATION DISTRICT WHICH IS A RELATIVELY NEW STATE LAW THAT ALLOWS FOR PROPERTY OWNERS TO FORM THEIR OWN TAXING DISTRICT, AND PROVIDE INFRASTRUCTURE BENEFITS THAT WOULD BE BONDED. AND THE DISTRICT WOULD PAY FOR IT. IT ALLOWS FOR IMPROVEMENTS OTHER THAN WHAT IMPROVEMENT DISTRICTS WOULD BE USED FOR. YOU CAN ACTUALLY HAVE BUILDINGS AND OTHER TYPES OF IMPROVEMENTS, OTHER THAN INFRASTRUCTURE, PART OF THE BONDED FINANCING. LAND ASSEMBLAGE, MAKING DEVELOPMENT STANDARDS MORE EASILY. IT ALSO INCLUDES THE IDEA OF EMINENT DOMAIN. IN YEARS PAST, THEY HAVE PUT THEM IN A DESIGNATION THAT MIGHT BE MORE READILY REDEVELOPED. IT'S VERY CLEAR THAT THE CITY CAN'T USE EMINENT DOMAIN TO DO ANYTHING OTHER THAN INFRASTRUCTURE IMPROVEMENTS. YOU DO SEE EMINENT DOMAIN WITH STREETS WHERE SOMEONE REFUSES TO SELL. IT CAN BE USED IN THAT INSTANCE IN A REDEVELOPMENT DESIGNATION. IT STILL HAS TO MEET THE SAME TEST OF BEING A PUBLIC BENEFIT.

[Time: 02:09:47]

FOREIGN TRADE ZONES, YOU MIGHT THINK THIS HAS LITTLE APPLICABILITY, BUT THERE IS ROOM AT GENERAL DYNAMICS FOR SOME ADDITIONAL MANUFACTURING TYPES OF USES. THERE MIGHT BE SOME OTHER BUILDINGS THAT WOULD WANT TO TAKE ADVANTAGE OF THIS. THIS IS ONE OF THESE ADDITIONAL ADD-ON TOOLS THAT CAN MAKE A DIFFERENCE IN WHETHER OR NOT SOMEONE DECIDES TO UTILIZE THAT AND REDEVELOP A PROPERTY. SOME EXAMPLES IN ARIZONA, THESE TOOLS THAT HAVE BEEN UTILIZED THEY MAY WELL BE BECAUSE OF THEIR CHARTER RESTRICTIONS, BUT THESE ARE WAYS IN WHICH THESE TOOLS HAVE BEEN UTILIZED. eBAY AND PAY PAL AND CHANDLER RECEIVED INFRASTRUCTURE SUPPORT FROM THE CITY, CREATED A THOUSAND JOBS, AND CONTRIBUTED TO A JOB TRAINING FUND FOR UP TO A CERTAIN AMOUNT PER EMPLOYEE THAT WAS ADDED TO THE JOBS. AND THERE IS A PERFORMANCE MEASURE, IF THEY DON'T PERFORM IN CREATING THESE JOBS THEY HAVE TO PAY BACK SOME OF THAT BENEFIT. STATE FARM IN TEMPE, AS A RESULT OF A 2007 AGREEMENT WITH ASU, 1,000 NEW JOBS. IT'S REQUIRED TO PROVIDE THAT. THE ESTIMATE IS THERE GOING TO BE CONSIDERABLY MORE THAN THAT. BUT IT ALLOWS FOR PROPERTY TAX ABATEMENT, ALONG WITH COMMUNITY TRANSIT. SOME PAST EXAMPLES OF SCOTTSDALE INCLUDE THE MAYO CLINIC, WATERFRONT, DIAL CORPORATION, THE HENKEL BUILDING. FASHION SQUARE AND VALLEY HO, ALL AT TIMES THE COURT TESTS HAD NOT BEEN SO CLEARLY DEFINED ON WHAT YOU COULD INCENT, BUT THESE ARE EXAMPLES OF WHAT THE CITY HAS DONE IN THE PAST.

Mayor Lane: RANDY, IF YOU COULD PLEASE GO BACK TO THAT ONE. FASHION SQUARE MALL, ARE WE TALKING ABOUT THE PARKING GARAGE? OR ARE WE TALKING ABOUT SOMETHING ELSE?

Randy Grant: THERE WERE ACTUALLY TWO. ONE WAS THE PARKING GARAGE. THE OTHER ONE WAS RELATED TO NIEMAN MARCUS.

Mayor Lane: AS FAR AS THE PARKING GARAGE IS CONCERNED, OBVIOUSLY, WE HAD TO REMEDY, AND FIX THAT ONE THIS LAST, WITHIN THE LAST YEAR AND A HALF, AND RECOVER OVER \$30 MILLION ON A

DEAL THAT WAS STRUCK ON THAT, THAT WAS TAKING 90% OF EVERY DOLLAR MADE POST-1995 OF SALES TAX DOLLAR. WE SPENT 90% OF THAT BEING REBATED BACK TO PAY FOR IT. I WOULDN'T SEE THAT AS A GREAT EXAMPLE. I UNDERSTAND THAT TIMES ARE DIFFERENT IN THAT, BUT IT WAS OUTRAGEOUSLY, ONE-SIDED KIND OF DEAL. THE MAYO CLINIC, I WAS FAMILIAR WITH TGEN AND THE \$4 MILLION LOAN, BUT THE MAYO CLINIC HAD WHAT KIND OF SUBSIDY?

Randy Grant: I KNOW THE MAYO ITSELF WAS A PART OF AN INCENTIVE PACKAGE AT THE TIME.

[Time: 02:12:50]

Mayor Lane: AND DIAL, AND THE HENKEL CORPORATION, THEY EXPLICITLY SAID THEY WERE NOT. THEY WERE GIVEN SOME ASSISTANCE AS THE PROCESS WAS CONCERNED, BUT I UNDERSTAND AT THE TIME, THERE WAS NEVER ANY DISCLOSED SUBSIDY TO THEM.

Randy Grant: IT WAS AROUND \$400,000. I THINK IT WAS A LITTLE MORE THAN \$400,000. I REMEMBER LOOKING THROUGH IT EARLIER.

Mayor Lane: OKAY, YES.

Economic Development Director Danielle Casey: MR. MAYOR AND MEMBERS OF THE COUNCIL, I SO HAPPEN TO HAVE A LITTLE SPREADSHEET IN FRONT OF ME. I HELP RANDY OUT, SO HE DOESN'T NEED TO FOLLOW UP WITH YOU ON THAT. IN TERMS OF MAYO, AND THIS IS INFORMATION I WILL SAY IS FROM PREVIOUS ECONOMIC DEVELOPMENT STAFF MEMBERS. I DIDN'T PERSONALLY CALCULATE THIS. THE AUTHORIZED MAXIMUM CITY INVESTMENT WAS \$85,000 IN FEE WAIVERS FOR MAYO. AGAIN, A VERY SMALL INVESTMENT, AND WHEN YOU MENTION THE DIAL HEADQUARTERS, THE MAXIMUM CITY INVESTMENT WAS \$440,000.

Mayor Lane: THAT NEW PROPERTY TAX?

Danielle Casey: IN NEW TAX REVENUES, AND MAYOR, THAT WOULD MAKE SENSE.

Mayor Lane: OKAY. SO THOSE WERE STRAIGHT UP EITHER PERFORMANCE OR PROCESS ALLOWANCES WITH WAIVERS, AND/OR EFFICIENCY IN PROCESSING, OR A DIRECT TAX REBATE IN THE CASE OF HENKEL.

Danielle Casey: I THINK IT WAS VERY CLEAR THAT THE CITY BENEFIT DIRECTLY, GREATLY EXCEEDED THE INVESTMENT.

[Time: 02:14:37]

Mayor Lane: REMEMBERING TOO, I SAW SOME OF THE RATIOS, AND IT BECOMES A LITTLE ODD WHEN WE TALK ABOUT THESE THINGS FOR TAXES THAT WOULD OTHERWISE BE PAID UNDER ANY CIRCUMSTANCES, THEY'LL BE FIGURING A RETURN ON, ON THAT INVESTMENT BECAUSE THOSE ARE TAXES THAT WOULD HAVE BEEN PAID. IT DOES FALL IN UNDER NOT JUST POLICY, BUT IT DOES NOW FALL UNDER, OF COURSE OUR CHARTER, AND IN SOME INSTANCES, THE STATE CONSTITUTION. SO A NUMBER OF THESE THINGS ARE GOING TO BE IN A DIFFERENT LEAGUE THAN THEY WERE THEN.

WHICH I MIGHT JUST SAY AT THIS POINT IN TIME, IF THINGS PASS MUSTER, WITH REGARD TO OUR POLICIES AND AS WELL AS OUR CHARTER AND THE CONSTITUTION AND THERE IS VALUE FOR VALUE, AS IS VINDICATED AS BY LAW, I DON'T KNOW THAT THERE SHOULD BE PROBLEM WITH THE USE OF ANY OF THE TOOLS IF IN FACT THEY MEET THAT CRITERIA, CLEARLY.

Randy Grant: MAYOR, AND THE NEXT ACTION IS TO EVALUATE THE CITY'S ORDINANCES POLICIES AND PRACTICES THAT WOULD STIMULATE REDEVELOPMENT. THIS COULD TAKE THE FORM OF ZONING MODIFICATIONS THAT WOULD AFFECT THE FLOOR AREA THAT WOULD BE ALLOWED.

Mayor Lane: MR. GRANT, LET ME THROW ONE THING IN, UNLESS I BE MISUNDERSTOOD, THOSE ARE CLEAR DESIGNATIONS OF VALUE FROM VALUE. I KNOW WE TALK ABOUT TIPPING POINTS, AND THAT GOES OUTSIDE THE LEAGUE AS FAR AS I'M CONCERNED. BUT NEVERTHELESS CLEAR VALUE FOR VALUE UNDER JUST ABOUT ANY CIRCUMSTANCES.

Randy Grant: I COULD TELL YOU THAT OUR LEGAL DEPARTMENT HAS DRILLED THAT INTO US SIGNIFICANTLY.

Mayor Lane: I'M GLAD YOU HEAR THAT.

Randy Grant: SO THIS IS LOOKING AT OUR OWN PRACTICES AND OUR OWN ORDINANCE REQUIREMENTS. WE WOULD SUGGEST DOING THIS ON A REGULAR BASIS, IN FACT, THE ORDINANCE IS UPDATED ON A REGULAR BASIS. THERE MAY BE SOME ADDITIONAL THINGS WE CAN DO WITH THE PLAN TO PROVIDE SOME RELIEF. SOME OF THESE PROPERTIES ARE SMALL ENOUGH THAT WE'RE GOING TO HAVE TO COME UP WITH A WAY TO MAKE IT FEASIBLE FOR THEM TO REDEVELOP, AND REVITALIZE, IF WE EVER EXPECT THEM TO. THIS IS SOMETHING WE WOULD TAKE ON AS A MATTER OF COURSE, TO SEE IF WE COULD MAKE A DIFFERENCE.

CREATE AN ADAPTIVE REUSE POLICY OR ORDINANCE THAT WOULD ENCOURAGE THE REUSE AND MODIFICATION OF EXISTING BUILDINGS. A GOOD EXAMPLE OF THIS IS THE DESIGN GROUP THAT HAS GONE IN AT 70th, AND A DESIGN GROUP, 70th AND MCDOWELL, UTILIZING ONE OF THE DEALERSHIPS. ONE OF THE THINGS ABOUT REVITALIZATION IS UTILIZING EXISTING BUILDINGS IS MUCH CHEAPER THAN SOMEONE BUILDING NEW. HOWEVER, SOME OF THE BUILDINGS WERE BUILT AT A TIME WHERE BUILDING CODES MIGHT NOT ALLOW THE CONSTRUCTION THAT OCCURS, SO IF THEY DO SIGNIFICANT REMODELING, IT MAY TRIGGER HAVING TO PUT IN SPRINKLERS OR OTHER THINGS TO BRING IT UP TO CODE. IN SOME INSTANCES MAKING A BALANCE BETWEEN CURRENT CODE REQUIREMENTS, AND WHAT WAS REQUIRED AT THE TIME THE BUILDING WAS BUILT. SECOND STRATEGY, UPDATE THE ECONOMIC ANALYSIS FOR THE AREA, AND REACH OUT TO KEY STAKEHOLDERS TO UNDERSTAND CURRENT MARKET CONDITIONS AND TO FOCUS MARKETING EFFORTS.

[Time: 02:18:03]

THE LAST ECONOMIC ANALYSIS THAT WE HAD WAS 2009 CERTAINLY AT A TIME WHERE THE MARKET CONDITIONS WERE DIFFERENT, AND AS IMPORTANT AS YOU INDICATED THAT IT WAS FOR US TO THINK DIFFERENTLY BY THE USES THAT MIGHT GO IN THE CORRIDOR. WE THINK HAVING THE BASELINE IS IMPORTANT TO TARGET USERS AND BUSINESSES TO COME INTO THE AREA TO FURTHER THE CITY'S VISION. CONDUCT FOCUS GROUPS, WE'VE BEEN IN THE PROCESS OF TALKING TO PEOPLE IN

THE FINANCE AND DEVELOPMENT INDUSTRY TO UNDERSTAND WHAT MAKES A PROJECT FEASIBLE. CERTAINLY HAVING BOTH ENDS OF McDOWELL OPEN IS A HINDRANCE TO RETAIL DEVELOPMENT AS YOU INDICATED. A COUPLE OF THINGS THAT THEY FAIRLY CONSISTENTLY SAID, ONE IS THAT STREETScape PROJECTS MAKE A DIFFERENCE. THE SECOND IS HAVING AN IDENTITY FOR THE REGION IS REALLY ESSENTIAL TO CREATING MOMENTUM TOWARDS A REVITALIZATION OF A LARGER AREA. LARGER THAN A PROPERTY, SIMPLY HAVE TO HAVE SOME TYPE OF IMAGE THAT CAN BE GENERATED FOR PEOPLE TO HAVE THAT LEVEL OF INTEREST. WE'RE GOING TO CONTINUE TO HAVE THOSE FOCUS GROUPS. WE'RE PROPOSING TO HAVE THE URBAN LAND INSTITUTE AS AN ASSISTANCE PANEL TO PROVIDE EXPERTISE, AND A FORUM FOR OUTREACH. ANOTHER THING WE'VE HEARD IS THAT WE DON'T, THEY DON'T NEED AS MUCH CITY COMMITMENT OF RESOURCES. THEY NEED A COMMITMENT TO COOPERATE AND AN OPENNESS TO COOPERATE, AND TO PROVIDE THEM WITH THE TYPE OF WELCOME TO THE COMMUNITY THAT THEY WOULD RESPOND TO. ECONOMIC DATABASE DEMOGRAPHICS, AGAIN, LARGELY THE SAME THING. WE WOULD APPROACH ASU FOR ASSISTANCE OUT OF THEIR BUSINESS SCHOOL FOR CREATING METRICS TO DETERMINE WHETHER OR NOT WE'RE GETTING CLOSER TO THE REVITALIZATION GOAL. AS IT SHOWED INITIALLY IN AN EARLIER SLIDE PROBABLY IF YOU WERE JUST TO THINK ABOUT REVITALIZATION OF THE MCDOWELL CORRIDOR, YOU WOULDN'T BE ABLE TO COME UP WITH ALL THE THINGS THAT WERE SHOWN ON THAT SLIDE, AND THAT IS NOT UNLIKE THE ABILITY TO MEASURE CAPITAL PROJECTS. IF YOU WERE JUST LOOKING AT WHAT YOU SEE, YOU WOULDN'T COME UP WITH NEARLY \$240 MILLION IN THIS YEAR. BEING ABLE TO COME UP WITH IT IN AN AREA IS CRITICALLY IMPORTANT. UTILIZING RECRUITMENT EXTENSION PROGRAM, ESTABLISH PERFORMANCE MEASURES. TRACK BUSINESS INVESTMENT, AND ATTRACT AN INVESTMENT THAT PROMOTES THE VISION FOR THE CORRIDOR. ONE OF THE THINGS THAT WE WOULD ULTIMATELY ADVISE YOU IS THERE'S GOING TO BE SOME DIFFICULT DECISIONS IN PEOPLE THAT COME IN WITH A USE THAT MAY OR MAY NOT BE CONSISTENT WITH YOUR VISION FOR THE CORRIDOR. EVOLUTION WOULD DICTATE THAT A LOT OF USES WOULD COME IN. SCOTTSDALE HAS BEEN, HAS HELD A HIGH STANDARD IN THE PAST, SO I THINK ONE OF THE THINGS THAT WE WOULD BE LOOKING AT, AND NOT GETTING DIRECTION FROM YOU, BUT LOOKING AT, IS DO WE WANT TO HOLD OUT FOR EDUCATIONAL, INNOVATION, TECHNOLOGY USES ALONG THIS CORRIDOR, OR IS THAT IMPORTANT?

[Time: 02:21:45]

Mayor Lane: MR. GRANT, LET ME JUST MENTION I THINK THE LINE WE'RE TAKING WITH THE STRATEGY, NUMBER 2, CERTAINLY, MORE CONSISTENT, I THINK WITH WHAT WE'VE BEEN TRYING TO DO AND FRANKLY, HAVE HAD SOME MEASURE OF SUCCESS OVER THE LAST SEVERAL YEARS WITH, AND ONE OF THE THINGS THAT YOU JUST MENTIONED JUST NOW IS AN INTERESTING THING WHEN WE TALK ABOUT OUR OUR VISION, OR COLLECTIVE VISION IS FOR THE AREA. WE MADE A COMMITMENT A LONG TIME AGO, BACK IN 2004 THAT THE TECHNOLOGY AND INNOVATION CENTER WAS GOING TO BE THE HUB OF A TRANSITION, NOT ONLY FROM THE UNIVERSITY SYSTEM OF INTELLECTUAL PROPERTY, AND TECHNOLOGY AND PATENTS, BUT THAT WE WERE GOING TO TRY TO RETAIN THEM IN THE AREA. IN SCOTTSDALE, FOR SURE, BUT CERTAINLY, THE MOTHER HEN TYPE OF THING, WHERE THE CHICKS WOULD BE CLOSE BY. AT LEAST IN SOME CLOSE PROXIMITY, AND WE'D EITHER REPURPOSE, AND/OR REBUILD SOME OF THE CAR DEALERSHIPS. AGAIN, GOING TO THE FACT THAT WE WEREN'T EVER REALLY LOOKING AT THE IDEA THAT THE CAR DEALERSHIPS WERE GOING TO REEMERGE, AND BE OUR SAVIOR AS FAR AS TAX RECEIPTS WERE CONCERNED. IT WENT TO A REVITALIZATION OF THE ENTIRE COMMUNITY. THAT'S ONE OF THE PRIME FUNCTIONS THAT WAS SET OUT, AND WE WERE TOLD, AS

FAR AS SKYSONG WAS CONCERNED, WHAT IT WOULD DO. SO I DON'T KNOW THAT WE WANT TO GET INTO SOME KIND OF COLLECTIVE CHANGE HERE ON THAT AVENUE. I THINK WE'RE COMMITTED, AND I HOPE WE ARE, BECAUSE OF THE MAJOR INVESTMENT, CERTAINLY OF THE \$85 MILLION, BUT ALSO 200 YEARS OF NON-TAXABLE LAND WE WANT TO MAKE SURE WE GET BEST UTILIZATION OF IT THAT WE POSSIBLY CAN, NOW THAT WE HAVE IT. I WOULD HOPE THAT WE DON'T SORT OF REMAKE THE WORLD. I THINK WE'RE ON A PATH, AND IT'S A GOOD ONE, AND THAT WE'VE HAD ESSENTIALLY SOME MEASURE OF SUCCESS, CERTAINLY DOWNTOWN, IT'S MATERIALIZED, AND NO REASON WHY IT CAN'T MATERIALIZE WITH THE SAME PARTS ON MCDOWELL CORRIDOR. FRANKLY, THE ABILITY OF A WORKFORCE, THE ACCESSIBILITY TO THE REST OF THE VALLEY. IT'S GOT AN AWFUL LOT OF THINGS THAT ARE VERY, VERY POSITIVE THAT LINE UP FOR IT. SO, I'M CERTAINLY NOT ONE TO BE THINKING ABOUT WHETHER WE'RE PAYING PEOPLE TO COME HERE. I'D LIKE TO BE ABLE TO ENTICE PEOPLE TO COME HERE, AND FRANKLY, I'VE HAD A GOOD DEAL OF REINVESTED FAITH, BY VIRTUE OF THE KINDS OF THINGS WE'VE DONE, AND THEY'VE DONE IN SOME OF THE TECHNOLOGY FIELDS. OF COURSE, WITH THE CURE CORRIDOR INTO THE AIRPARK, THE BIOMEDICAL, AND BIOTECHNICAL FIELD DOWNTOWN IS STRICTLY, IS BECOMING ALMOST STRICTLY, OTHER THAN THE TOURISM ASPECT ITSELF, A TECHNOLOGY CENTER. AND I THINK WE'RE LOOKING AT THE SAME THING IN PHASE THREE OF THE OFFICE AND THE HOUSING DEVELOPMENTS TO THE EAST OF IT, AND ARE PLANNED FOR THE FUTURE, AND THE REINVESTMENT IN SOME OF THE AMENITIES, THE RETAIL AMENITIES. I GUESS THAT'S A LONG WINDED WAY OF SAYING, I'M CONCERNED ABOUT THIS, AND FRANKLY, COUNCIL IS FREE TO DO WHATEVER THEY LIKE, BUT I'D HOPE WE WERE AT LEAST OF A SIMILAR MIND THAT WE WANT THAT AREA TO DEVELOP ALONG THAT LINE, AND WE WANT TO MAKE SURE WE'RE MOVING IN THAT DIRECTION. SO THAT'S IT FOR RIGHT NOW, BUT LIKE I SAID, I DON'T KNOW WHAT KIND OF GUIDANCE WOULD COME OUT OF THIS, BUT I'D HOPE WE WOULDN'T VEER AWAY FROM SOMETHING WE INVESTED A GREAT DEAL OF TIME AND MONEY INTO. COUNCILWOMAN KLAPP.

[Time: 02:25:24]

Councilwoman Klapp: I'D BE HAPPY TO SPEAK TO THAT. I SEE SKYSONG AS BEING THE ANCHOR OF THE AREA. THAT IS WHAT IT'S BECOME. IT'S DEVELOPING A NUMBER OF BUSINESSES WITHIN ITS WALLS THAT SOME DAY MAY EVEN WANT TO SPIN OUT INTO LOCATIONS OUTSIDE OF SKYSONG, AND WE SHOULD WELCOME THAT ALONG THE CORRIDOR, AND I THINK WE MUST USE SOMEHOW THE WORD INNOVATION IN THAT AREA. I WOULD EVEN PROPOSE THAT WE CALL IT AN INNOVATION DISTRICT. AND USE THAT AS THE PART OF OUR PLAN. I KNOW IT WAS TALKED ABOUT, USING THE WORD PAPAGO IN SOME FASHION, BUT I THINK THE WORD INNOVATION OUGHT TO BE AT THE TOP OF THE LIST OF THE TERMS THAT WE'RE USING FOR THE AREA, BECAUSE SKYSONG, IT WILL HAVE, I BELIEVE, EIGHT BUILDINGS WHEN THEY'RE DONE AND THERE WILL BE MANY BUILDINGS THAT WILL PROBABLY GROW IN THE FUTURE YEARS THAT ARE OUTSIDE OF SKYSONG THAT ARE GOING TO BE RELATED TO MANY OF THE BUSINESSES THAT ARE WITHIN SKYSONG, SO THE MORE WE CAN ENCOURAGE THAT AREA TO BE CONSIDERED FOR ANY TYPE OF INNOVATION, OR TECHNOLOGY BUSINESS THAT WOULD RELATE. I THINK THE IDEA OF CLUSTERING TYPES OF BUSINESSES IN THE AREA, IS SOMETHING THAT WE NEED TO BE CONSIDERING, BECAUSE JUST LIKE WE TALKED ABOUT, THE QUOTE CURE CORRIDOR OF THE HEALTHCARE AND HEALTHCARE RELATED BUSINESSES ALONG SHEA BOULEVARD ALONG THAT AREA, I THINK IT WOULD BE MUCH MORE HIGH-TECH AND INNOVATION ORIENTED, IN MY MIND. AND I THINK THAT THERE ARE A NUMBER OF BUSINESSES WITHIN SKYSONG THAT ARE THINKING ALONG THE SAME FASHION. I TALKED TO A FEW BUSINESS OWNERS RECENTLY WHO SAID WE NEED THIS, AND WE NEED THAT, WHICH WOULD BE A SERVICE THAT WOULD SERVICE

THEM THAT COULD BE OF BUSINESS IN THE AREA, AND THEY'RE ALL VERY MUCH INNOVATION ORIENTED BUSINESSES.

[Time: 02:27:31]

Mayor Lane: THANK YOU COUNCILWOMAN. YOU KNOW, THERE'S A COUPLE OF THINGS THAT SHOULD BE MENTIONED I SUPPOSE. THE BUSINESSES THAT HAVE MOVED IN, NOT ONLY FROM THE INTELLECTUAL PROPERTY COMING OUT OF ASU AND THAT ENTIRE TECHNOLOGY AND INNOVATION LINE OF THINGS, BUT ALSO IT'S BECOME AN INTERNATIONAL PORTAL FOR BUSINESSES. SO INTERNATIONAL BUSINESSES ARE LOOKING FOR A PRESENCE IN THIS KIND OF ENVIRONMENT AND FRANKLY, IT'S ATTRACTED BUSINESSES FROM AROUND THE STATE, AND AROUND THE COUNTRY, YODEL, AND JOBING.COM JUST TO NAME A COUPLE THAT HAVE FOUND THEMSELVES A HOME AND FOR THE VARIETY OF REASONS, INCLUSIVE OF THE VARIOUS AMENITIES THAT ARE AVAILABLE ON THAT CORRIDOR. I'D AGREE WITH COUNCILWOMAN, OUR FORMER VICE MAYOR WITH REGARD TO THE TITLING OF IT TOO. BUT I DID TAKE MYSELF OUT OF TURN AND I APOLOGIZE FOR THAT. VICE MAYOR KORTE.

Vice Mayor Korte: THANK YOU, MAYOR. YOU KNOW, I'D LOOK AT WHAT WE HAVE INVESTED IN McDOWELL ROAD FOR THE LAST TEN YEARS WITH \$237 MILLION PLUS NON-ACCOUNTED FOR INVESTMENTS THAT THE MAYOR BROUGHT OUT WE'RE PROBABLY APPROACHING \$300 MILLION WORTH OF INVESTMENTS, AND WHAT DO WE HAVE TO SHOW FOR IT? YOU KNOW, IT HAS BEEN A TOUGH ROAD FOR THIS AREA SINCE REALLY ABOUT 2007 WHEN THE ECONOMY REALLY STARTED GOING DOWN. AND I REALLY LEAD IT, AND I'D LEND THAT FACT TO A LACK OF VISION OR A LACK OF FOCUS FOR THE AREA. IT'S REALLY TIME FOR US TO FOCUS AND IDENTIFY WHAT WE WANT THERE. WE, I THINK THE MOST IMPORTANT THING WE CAN DO IS, IS ATTRACT THOSE EMPLOYERS THAT PROVIDE THOSE WELL PAYING JOBS AND CREATE THAT CENTER OF COMMERCE THAT THE McDOWELL ROAD ONCE WAS, WITH THE CENTER OF COMMERCE THAT THE AUTOMOBILE CENTER WAS, THERE WERE 2500 EMPLOYEES ACROSS THOSE 32 FRANCHISED AUTO DEALERS THAT WERE THERE FOR QUITE A WHILE. SO WE DO NEED TO FOCUS. WE DO NEED TO IDENTIFY THOSE ARENAS WHERE THERE'S THE FINANCIAL INDUSTRY, OR IT'S THE HEALTH, OR THE TECHNOLOGY, OR IT'S INNOVATION AND RELATED TO SKYSONG. WHATEVER THAT IS, WE NEED TO BRAND IT, AND WE NEED TO GO AFTER IT.

Mayor Lane: THANK YOU VICE MAYOR. YES, COUNCILWOMAN KLAPP.

Councilwoman Klapp: I GUESS I SHOULD SAY THAT SKYSONG RIGHT NOW HAS 1,000 EMPLOYEES JUST WITHIN THAT BUILDING. SO THAT'S A SIGNIFICANT CHANGE THAT THERE IS A HEAVY EMPLOYMENT AREA THERE, AND I THINK THE ESTIMATE IS THAT IN THE FUTURE, THEY WILL CREATE \$8 BILLION WORTH OF ECONOMIC IMPACT IN THE AREA. THAT'S A SIGNIFICANT IMPACT ON SOUTH SCOTTSDALE, SO THAT TELLS ME THAT THERE'S ROOM FOR MANY, MANY BUSINESSES THAT ARE RELATED TO THE BUSINESSES THAT ARE GOING ON WITHIN SKYSONG THAT COULD BE LOCATED SOMEWHERE NEARBY.

[Time: 02:30:56]

Mayor Lane: THANK YOU COUNCILWOMAN. YOU KNOW, I WOULD JUST ADD TO THAT, THAT'S A VERY, VERY GOOD POINT AS FAR AS THE NUMBER OF EMPLOYEES IN ONE BUILDING, OR I SHOULD SAY, A FEW BUILDINGS THAT THEY HAVE THERE RIGHT NOW. AND OF COURSE, WHAT'S BEING ADDED WITH

THE THIRD ONE IS LEASED UP TO THE POINT OF ABOUT 75% RIGHT NOW TOO, WITH NEW BUSINESSES MOVING IN. BUT EVEN DOWNTOWN, ONE BUILDING THE GALLERY EXECUTIVE CENTER NOW HAS ALMOST GOT THAT 2,000 PEOPLE. SO IT'S A HUGE AREA OF THINGS FOR US. IT IS A TRANSITION, AND I'LL TELL YOU, THIS IS SOMETHING WE PROBABLY ALL NEED TO BE THINKING OF. THAT'S THE FACT THAT FOR YEARS AND YEARS AND YEARS, EVERYBODY WAS TRYING TO ENTICE THE RETAIL OUTLETS, AND BECAUSE OUR TAX BASE IS SO HEAVILY WEIGHTED ON SALES TAX, THIS IS QUITE A TRANSITION, WE DO ENTERTAIN 8.5 MILLION PEOPLE, AND WE HAVE SALES TAX GENERATED OUTSIDE OUR CITY AND TAX BASE, BUT IT'S A CHANGE TO OUR LOOK AND FEEL. WE'VE MADE A SIGNIFICANT INVESTMENT DOWNTOWN, OR I SHOULD SAY, McDOWELL ROAD. NOT SO MUCH DOWNTOWN, THAT'S MOSTLY PRIVATE, BUT WITH ASU AND SKYSONG IT'S PROVEN, IT'S COMING ALONG. IT HAS STEPPED UP A BIT NOW, AND I'D SAY IT IS AN ATTRACTION UNTO ITSELF AND IT WILL FEED THE AREA. MY ONLY POINT EARLIER WAS, AND I PROBABLY SHOULD HAVE LEFT IT AT THAT, IS THAT WE'RE TRANSITIONING THE ECONOMY IN THAT AREA. IT'S A WHOLE DIFFERENT DIALOGUE OF WHAT WE'RE LOOKING TO ACHIEVE DOWN THERE. IT'S NOT NECESSARILY, WE'RE GOING TO BE BACK TO THE SAME KIND OF SALES TAX FIGURES, BECAUSE THOSE SALES TAX FIGURES MOVED UP TO FRANK LLOYD WRIGHT AND NORTH SCOTTSDALE ROAD IN LARGE PART. THOSE ARE TRANSITIONS IN HOW WE MAKE THAT NEIGHBORHOOD GREAT. SO I AGAIN, WE'RE ON UTILIZING DATA, AND RETENTION EXPANSION PROGRAMMING FOR THE AREA. I WOULD ONLY FURTHER SAY ON THAT, I THINK THAT THE ECONOMIC DEVELOPMENT DEPARTMENT HERE IN CONCERT WITH OUR ALLIES AND FRIENDS AND AGENCIES HAVE DONE AN OUTSTANDING JOB OF DOING EXACTLY THAT, AND PAINTING A PICTURE, AND PROMOTING THIS CITY OF SCOTTSDALE FOR JUST THESE KINDS OF ENTRANCES, AND THEY'RE ON IT. THERE'S A LOT OF PEOPLE HELPING US, CERTAINLY, THAT ARE AGENCIES THAT WORK WITH US, BUT NEVERTHELESS, IT'S A SOLID EFFORT. SO WE WANT TO STAY ON THAT TRACK, AND I THINK WE CAN DO IT. I'LL SAY ONCE FOR THE RECORD, I DON'T WANT TO SEE US GET IN THE WAY. ANYTIME WE'VE MANIPULATED THE MARKET IN THE PAST BY PICKING WINNERS OR LOSERS OR INCENTIVES THAT AREN'T A TRUE VALUE FOR TRUE VALUE, WE ARE DISTORTING THE MARKET. WE'RE PICKING SOMEBODY OVER SOMEBODY ELSE, AND CHANGING THE MARKETPLACE. THERE'S A BIT OF A PHILOSOPHICAL APPROACH TO IT. BUT I THINK IT'S VITALLY IMPORTANT THAT WE'VE GOT A VITAL AREA AND WE TALK IT UP. STOP TALKING IT DOWN, IT'S A GREAT AREA. IN FACT, MY WIFE AND I JUST DROVE DOWN THERE FROM STEM TO STERN, AND WE WERE LITERALLY AMAZED AT THE AMOUNT OF COMMERCE IN THE AREA, THE AMOUNT OF REDEVELOPMENT OF THE INDIVIDUAL SMALL COMPANIES, REBUILDING THEMSELVES AND THE REACTION THEY'RE GETTING. NOTWITHSTANDING THE FRY'S WHICH SEEM TO BE SOMEWHAT LAGGARD FOR A TIME. WE LIVED IN THE AREA FOR A LONG TIME TOO, BUT NEVERTHELESS, IT WAS LAGGARD FOR A LONG TIME. THEY DUMPED \$2 MILLION, AND MADE THAT PLACE. EVERYBODY TELLS ME IT'S SPECTACULAR, I HAVEN'T BEEN IN IT, BUT THE PARKING LOT'S FULL. THAT LEADS US TO WHAT HAPPENS TO LOWES. THE MOST EXPENSIVE LOWES, THAT LOWES EVER MADE UP TO THAT TIME, BECAUSE WE MADE IT SO. BUT NEVERTHELESS, THEY ARE COMING TO THE POINT WHERE THEY'RE DOING WELL. THERE'S A LOT OF GOOD THINGS TO SAY ABOUT WHAT HAS TO BE ACCOMPLISHED. NONE OF IT IS GOING TO HAPPEN OVERNIGHT, WE JUST KEEP WORKING ON IT. SO TO THAT SLIDE, I THINK WE'RE ON A GOOD BASIS. I WOULD REALLY TRULY LIKE TO SEE US CONTINUE ON IT.

[Time: 02:35:04]

Randy Grant: I DIDN'T PLAN IT THIS WAY, BUT THE NEXT SLIDE IS EXACTLY WHAT YOU SAID. LOOKING FOR GAME CHANGERS, TECHNOLOGY, INNOVATION, EDUCATION, ESTABLISH MOMENTUM IN THE

INCUBATOR USE WOULD SPIN OFF THAT STAYS IN THE AREA. SO THAT VALIDATION IS REALLY EXACTLY WHAT WE ARE LOOKING FOR.

Mayor Lane: YOU KNOW, IF I MIGHT RANDY, BECAUSE IT'S SO APPROPRIATE AT THIS POINT IN TIME, JUST TODAY, MEETING IN AN ECONOMIC DEVELOPMENT COMMITTEE FOR MAG I'M A MEMBER OF, ONE OF THE FOLKS MAKING A PRESENTATION IS A COMPANY RIGHT HERE IN SCOTTSDALE, TALL WAVE, AND THEY'RE MAKING A PRESENTATION TO THE ENTIRE AREA OF MAG. THEY ARE A PHENOMENAL GROUP OF PEOPLE. THREE AND A HALF YEARS IN THE MAKING, IT MAY SOUND LIKE SMALL POTATOES AT 25 PEOPLE BUT THEY INSTITUTED CONTESTS AND PROGRAMS RIGHT NOW, ISSUED FOR BIO-MEDICAL. THEY'VE HAD 170 APPLICANTS OF SMALL COMPANIES MOVING FROM PROTOTYPE TO COMMERCIALIZATION, AND THAT'S THE AREA OF THEIR SPECIALTY. 130 THAT APPLIED. THEY'VE WHITTLED IT DOWN, AND SELECTED FROM THAT GROUP, 30 THAT WILL BE ENTITLED TO MONIES FROM VENTURE CAPITALISTS, I SHOULD SAY VENTURE MANAGEMENT, TO HELP THEM THROUGH THE COMMERCIALIZATION. WHAT THEY'RE TRYING TO DO RIGHT NOW WITH US, AND WITH OTHER CITIES IS TO MAKE SURE THOSE CITIES, WHO HAVE COME FROM AROUND THE COUNTRY STAY HERE IN ARIZONA THAT WE'VE MADE A NAME FOR OURSELVES IN THAT REGARD. SO WE WANT THEM HERE. THESE ARE, YOU KNOW, THE EARLY MICROSOFT. THE EARLY GOOGLE, OR YAHOO PEOPLE. THESE HAVE GOT SOME FANTASTIC IDEAS AND ARE LOOKING TO FIND A HOME, A RECEPTIVE HOME. THEY'RE NOT LOOKING FOR A HANDOUT, BUT WANT TO BE IN A GROUP RECEPTIVE TO THINGS. IT SOUNDS LIKE I WENT OFF ON A SPEECH THERE.

Randy Grant: THE NEXT STRATEGY IS TO ESTABLISH A BRAND OR IDENTITY FOR THE CORRIDOR. THIS IS A UNIQUE PLACE BECAUSE IT'S CLOSE TO EVERYTHING. YOU'RE CLOSE NORTH, SOUTH, TO DOWNTOWN SCOTTSDALE, TO TEMPE, EAST FREEWAY, SOUTH FREEWAY, WEST PHOENIX, PAPAGO PARK, THE ZOO, BOTANICAL GARDEN. IT'S REALLY IDEALLY LOCATED TO FLOURISH. AGAIN, GETTING BACK TO HOW DO WE CREATE AN ENVIRONMENT FOR THAT TO HAPPEN? EXPLORE CREATING A THEME, OR SPORTIVE THEMES AND TARGET PROJECTS TO PROMOTE THEM. AGAIN, TECHNOLOGY, INNOVATION. ENCOURAGE PARTNERSHIPS WITH PRIVATE ENTITIES, INCLUDING THE GATEWAY ALLIANCE TO MARKET AND PROMOTE THE McDOWELL CORRIDOR. WITH AREAS THAT ARE UNDERGOING REVITALIZATION, PART OF THE BIGGEST THING IS FOR INVESTORS TO ESTABLISH CONFIDENCE. BECAUSE THAT CONFIDENCE BREATHES MORE CONFIDENCE, AND ONCE YOU'VE ESTABLISHED AN IDENTITY FOR THE AREA, AND CREATED THAT MOMENTUM, THE CHALLENGE IS GETTING IT STARTED AND CREATING MOMENTUM. EVALUATE THE COSTS AND BENEFITS OF ANY PUBLIC IMPROVEMENTS THAT WOULD MAKE THE CORRIDOR MORE CONDUCIVE TO REVITALIZATION, WHETHER IT BE THE THEMED DISTRICTS BANNER PROGRAMS. THE MOTOR MILE USED TO HAVE A BANNER PROGRAM THAT WAS VERY EFFECTIVE, PEDESTRIAN CONNECTIONS AND AMENITIES. I WENT OUT ONE DAY AND WALKED THE ENTIRE McDOWELL CORRIDOR, AND IN THE SHAPE I'M IN, THAT'S A COMMITMENT. BUT IT'S INTERESTING. I'VE DRIVEN PAST THIS A THOUSAND TIMES, AND IT NEVER REALLY HIT ME UNTIL I WALKED PAST IT. ON EITHER SIDE OF THE BRIDGE, THERE IS A 6-FOOT BERM OF DECOMPOSED GRANITE, WHICH IS EXACTLY THE RIGHT HEIGHT TO OBSCURE YOUR VISION FROM THE MOST IMPORTANT RECREATIONAL ASSET IN THIS COMMUNITY. IT WAS REMARKABLE TO ME THAT WE PUT THAT KIND OF AMENITY BEHIND A BERM, WE DIDN'T PUT IT BEHIND IT, BUT THAT IT CONTINUES TO EXIST AND TO PREVENT VISIBILITY TO A TREMENDOUS RECREATIONAL ASSET.

Mayor Lane: EXCUSE ME ONE SECOND. VICE MAYOR KORTE HAS A COMMENT OR QUESTION.

Vice Mayor Korte: I'M SORRY, I'M VOCIFEROUS TONIGHT, BUT THIS IS A PASSION OF MINE, THIS WHOLE CORRIDOR; BACK TO PUBLIC IMPROVEMENTS. I INVITE YOU TO WALK ALONG THE AREAS WHERE YOU KNOW, WE'VE SPENT OVER \$50 MILLION ON LANDSCAPING, AND BENCHES, AND TREES. AND SO MUCH OF THAT LANDSCAPING THAT WE'VE INVESTED IN IS GONE. IT'S DEAD, AND HASN'T BEEN REPLANTED AND SO I INVITE EVERYONE TO, TO VIEW THAT FOR YOURSELF, BECAUSE AS YOU SAID, STREETSCAPING IS AN IMPORTANT AMENITY FOR ANY INVESTOR, AND WE'VE GOT THE INFRASTRUCTURE OF THE WATERING SYSTEM. WE JUST NEED TO GET THE PLANTS BACK IN AND TAKE CARE OF THEM.

[Time: 02:40:22]

Randy Grant: I WALKED PAST A BUSINESS THAT HAD THESE BLACK THREADS STICKING OUT OF THE GROUND, I WALKED UP TO THEM, AND THEY WERE ALL DRIP IRRIGATION SYSTEMS WITH NO PLANTS AROUND THEM. THERE WAS PROBABLY 100 OF THEM. IT WAS REMARKABLE. IT BECAME JUST A SEA OF DECOMPOSED GRANITE.

Mayor Lane: ONE MORE QUESTION, OR COMMENT FROM COUNCILMEMBER ROBBINS.

Councilman Robbins: THANK YOU MAYOR, ONE ON THE COST OF IMPROVEMENTS, YOU TALKED EARLIER THAT WE'VE MADE \$237 MILLION IN PUBLIC IMPROVEMENTS OVER THE PAST TEN YEARS AND TURNED THAT INTO, OR BASICALLY, THE PRIVATE SIDE WAS \$200 MILLION, SO WE HAVE SOME RECORD TO GO ON AS FAR AS WHAT THAT'S DONE IN THE PAST. I'M ASSUMING THAT'S GOING TO ENTER INTO YOUR CALCULATIONS, AND THAT'S THE KIND OF THING YOU'RE LOOKING FOR.

Randy Grant: THAT IS CORRECT. ONE OF THE THINGS THAT WAS INCLUDED IN THAT ROLL UP, IS THE LANDSCAPING THAT OCCURRED ON EAST McDOWELL. IN FRONT OF LOWE'S, THE STREETSCAPING IS COMPLETELY DIFFERENT. THOSE ARE THE KIND OF THINGS THAT ADD VALUE BEYOND WHAT YOU INVEST.

Councilman Robbins: AND THEN THE SECOND THING IS, SO WHEN ARE WE TAKING DOWN THE BERM?

Randy Grant: I THINK THAT WOULD BE A GREAT IDEA.

Mayor Lane: HE ALREADY DID IT. HE'S OUT THERE WITH A SHOVEL.

Randy Grant: UNFORTUNATELY, RIGHT NOW WE DON'T OWN THEM. BUT, IT'S AMAZING. I'M NOT SURE THEY COULD BE DEVELOPED. SO THAT'S A BIT OF A DILEMMA.

Councilman Robbins: OKAY, SO I GUESS BEFORE WE LET THAT GO, WHAT ARE WE GOING TO DO TO FURTHER THAT IDEA? ARE WE GOING TO CONTACT THE LANDOWNERS, IS THERE GOING TO BE SOME TYPE OF A DEAL WHERE WE SAY, WE'LL TAKE THAT DOWN AND LANDSCAPE IT?

[Time: 02:42:23]

Randy Grant: WE WOULD CERTAINLY TAKE YOUR DIRECTION ON THAT, AND MAKE THAT CONTACT.

Councilman Robbins: OKAY, I THINK THAT WOULD BE A GOOD THING TO DO.

Randy Grant: FOURTH STRATEGY IS TO IMPROVE LINKAGES TO NEARBY COMMUNITIES. I'M NOT GOING TO SPEND A LOT OF TIME ON THIS, BECAUSE IT SPEAKS VERY SPECIFICALLY TO TRANSPORTATION IMPROVEMENTS, EXTENSION OF ROUTES, COORDINATION WITH SYNCHRONIZATION OF TRANSIT, AND OTHER COMMUNITIES. IT'S SIMPLY RESPONDING MORE EFFECTIVELY TO THE CONNECTIONS THAT WE HAVE WITH OTHER COMMUNITIES. SO THERE ARE FIVE OF THESE THAT INCLUDED, THE FIFTH ONE IS TO FOCUS ON CREATING A CONTINUOUS CONNECTION FOR PEDESTRIAN AND BICYCLE MOVEMENT BETWEEN THE ARIZONA CANAL AND THE INDIAN BEND WASH. YOU SEE A LOT OF PEOPLE ON THE CANAL, THE UNDERPASS AND EVERYTHING IS BEAUTIFUL. MAKING THAT LINKAGE SEEMS CRITICALLY IMPORTANT.

Mayor Lane: EXCUSE ME, AGAIN MR. GRANT. VICE MAYOR KORTE HAS A QUESTION OR COMMENT.

Vice Mayor Korte: MAY I ALSO SUGGEST IN THAT 4.4, THAT A LINK AN BETWEEN THE INDIAN BEND WASH, THERE'S NO EASY WAY TO GET OUT OF THE INDIAN BEND WASH ONTO McDOWELL. IT DOESN'T EXIST. IF THERE COULD BE A NICE, EASY, PEDESTRIAN/BICYCLE PATH GETTING OUT OF INDIAN BEND WASH AND ONTO McDOWELL AND A PEDESTRIAN AND PASSIVE TRANSIT LINKAGE, ALL THE WAY TO PAPAGO PARK AND THE CANAL, THAT WAS, WELL, IT'S BEEN LONG TIME TALKED ABOUT.

Mayor Lane: THANK YOU VICE MAYOR. I MIGHT JUST SAY RANDY, IF, IN THIS AREA WHEN WE'RE TALKING ABOUT THE LINKAGES, ONE OF THE THINGS THAT WE'VE BEEN WORKING ON, WITHOUT A GREAT DEAL OF SUCCESS WITH THE PAST ADMINISTRATION OF PHOENIX AND MAYOR AND COUNCIL IS GETTING A FOOTPRINT OF THE CITY OF SCOTTSDALE IN PAPAGO PARK AND WITH THE MARICOPA INDIAN COMMUNITY AS WELL AND THEIR EFFORTS ON THAT. BUT WITH THE REAL INTEREST HAS BEEN MADE WITH REGARD TO THE OLD AUTO MALL THAT IS DOWN THERE AT THE NORTHEAST CORRIDOR, WHICH IS 64th STREET AND McDOWELL THAT HAS A TREMENDOUS PROSPECT FOR A GREAT GATEWAY FOR US COMING IN FROM THE WEST. HAVING A SAY IN THE DEVELOPMENT, OR THE NON-DEVELOPMENT OF PAPAGO PARK IS GOING TO BE TREMENDOUSLY IMPORTANT FOR US, ESPECIALLY SINCE WE MAY BE TAGGING OUR NEIGHBORHOOD WITH IT. WE DO HAVE PROBABLY THE MOST RESIDENTS THAT ABOUT THE PAPAGO PARK AREA. COUNCILWOMAN KLAPP.

Councilwoman Klapp: I'D LIKE TO ADD ONTO THAT. I KNOW THE MAYOR BROUGHT UP THE PAPAGO PARK IDEA THE LAST TIME WE TALKED ABOUT MCDOWELL ROAD. I THINK IT'S AN IDEA THAT WE NEED TO GET MOVING ON. IT'S BEEN TALKED ABOUT NOW FOR SEVERAL YEARS. I SAT ON THE PAPAGO PARK EXECUTIVE COMMITTEE AND IT WAS DISCUSSED THERE. THE COMMITTEE HASN'T MET FOR A LONG TIME, BUT I KNOW THERE WAS SOME INTEREST EVEN ON THE PHOENIX SIDE, SO WITH CHANGES THAT WE'VE HAD IN CITY MANAGEMENT THERE IN THE CITY, I THINK IT WOULD BE APPROPRIATE IF WE WOULD ASK OUR CITY MANAGER TO WORK WITH THE NEW INTERIM CITY MANAGER IN PHOENIX AND SEE IF WE CAN EXPLORE THAT IDEA BECAUSE THERE'S SOME GREAT BENEFIT FOR BOTH CITIES. I KNOW THAT THEY MIGHT NOT SEE IT THAT WAY, BUT I BELIEVE THERE IS A BENEFIT TO THEM AS WELL IF SCOTTSDALE WOULD ACQUIRE A SECTION OF THAT PARK. BECAUSE IT COULD BE A NICE SCOTTSDALE QUALITY PARK AND THAT WOULD BE NICE TO BE SITTING NEXT TO PHOENIX. I THINK IT WOULD GIVE THEM GREAT BENEFITS WITH WHATEVER THEY WANT TO DO THE LAND NEXT TO THE PARK, AND OF COURSE IT'S A BENEFIT TO THE SCOTTSDALE NEIGHBORHOOD, AND IT WOULD ALSO LEND ITSELF

IDENTIFYING THE WORD PAPAGO WITH THE McDOWELL AREA. I THINK IT'S A GOOD IDEA TO SEE IF WE CAN EXPLORE THAT AND MAKE IT HAPPEN.

[Time: 02:47:12]

Randy Grant: THE FIFTH STRATEGY IS TO WORK WITH RESIDENTS IN AND AROUND THE CORRIDOR. YOU CAN'T HAVE A STRONG COMMERCIAL CORRIDOR WITHOUT STRONG NEIGHBORHOODS AND VICE VERSA. PARTICULARLY IN AN AREA WHERE THERE'S HOUSING THAT'S AVAILABLE TO SUPPORT THE EMPLOYMENT, TECHNOLOGY USES THAT WE'RE LOOKING FOR ALONG THE CORRIDOR. ONE OF THE THINGS THAT WAS MENTIONED EARLIER WAS RESOURCES TO PROVIDE HOMEOWNERS WITH REMODELING RENOVATION IDEAS. THE BIGGEST THING THAT WE HEAR FROM PEOPLE MOVING INTO THOSE HOMES IS THE INTERIORS WERE DATED, AND THEY WANT TO HAVE BIGGER KITCHENS, THEY WANT TO HAVE MASTER BEDROOMS THAT ARE BIGGER, AND WE HAD ESTABLISHED A RELATIONSHIP WITH ASU SOME YEARS AGO TO PROVIDE REMODELING IDEAS FOR PARTICULARLY THESE FLOOR PLANS. AND WE WOULD PROPOSE THAT WE CREATE THAT PROGRAM FOR DESIGN ASSISTANCE, AND PROVIDE IDEAS FOR PEOPLE NOT DOING THE ARCHITECTURE FOR THEM, BUT PROVIDING THEM WITH IDEAS ON REMODELING THAT MAY ADD VALUE TO THEIR HOMES, MAY MAKE THEM MORE USEABLE FOR CONTEMPORARY USERS, AND TO ULTIMATELY ADD VALUE TO THE AREA. ALSO, WOULD LOOK TO SUPPORT PROGRAMS LIKE OPERATION FIX IT TO PROVIDE ASSISTANCE FOR HOME REPAIRS AND MAINTENANCE FOR PEOPLE THAT CAN'T AFFORD TO DO SO.

Mayor Lane: EXCUSE ME, MR. GRANT. COUNCILMAN ROBBINS.

Councilman Robbins: THANK YOU. ON THAT, I THINK THAT'S A GOOD IDEA ABOUT DESIGN ASSISTANCE TO RESIDENTS SO THEY CAN SEE THE POSSIBILITIES. DID YOU SAY PARTNERING WITH ASU? I CAN JUST SEE US HAVING ASU STUDENTS DOING SOME SORT OF A PROJECT, OR HAVE SOMETHING TO SHOW PEOPLE, SAY THIS IS WHAT IT COULD BE, OR THIS IS WHAT IT WOULD LOOK LIKE. STUDENTS WOULD BENEFIT, AND RESIDENTS.

Randy Grant: EXACTLY, TO CREATE OPTIONS FOR PEOPLE TO CONSIDER. IT'S KIND OF AN IDEAS BOOK FOR WHAT MIGHT BE DONE WITH THOSE PARTICULAR FLOOR PLANS, AND THERE'S ENOUGH CONSISTENCY IN THE FLOOR PLANS IN THE AREA, THAT IT SEEMS TO BE DOABLE, AND WOULD PROVIDE SOME VALUE. 5.2, SUPPORT NEIGHBORHOOD EFFORTS TO SUPPORT IDENTITY, PRIDE AND INVESTMENT. ULTIMATELY MAKING THIS AREA AN ARRAY OF DESTINATION NEIGHBORHOODS WITH NAME RECOGNITION SUCH AS ARCADIA, ENCANTO AND THAT KIND OF THING.

Mayor Lane: EXCUSE ME, MR. GRANT, COUNCILWOMAN KLAPP.

Councilwoman Klapp: JUST TO COMMENT REGARDING THAT IDEA IN CONCERT WITH ASU. I WOULDN'T FORGET SCOTTSDALE COMMUNITY COLLEGE EITHER. I WOULD THINK THERE WOULD BE STUDENTS THERE THAT CAN PROVIDE SOME HELP AS WELL. THEY HAVE PROGRAMS AT THE COMMUNITY COLLEGE THAT WOULD LEND ITSELF TO THIS IDEA.

[Time: 02:50:15]

Randy Grant: GOOD, THANK YOU. TO CREATE A DESTINATION, WE WERE KIND OF KEYING ON THE SCOTTSDALE GATEWAY PLAYING OFF OF THE ALLIANCE, IT COULD BE THE PAPAGO PARK. IT'S NOT AS IMPORTANT WHAT IT IS, IS THAT IT'S REPEATED, AND USED CONSISTENTLY AND ENGRAINED ABOUT THE POTENTIAL FOR THE AREA. HERE'S WHAT WE'RE HOPING TO DO NEXT, UNLESS YOU TELL US OTHERWISE. FIRST IS TO BROADEN OUR PERSPECTIVE, LOOK AT THE LARGER AREA, EVALUATE OUR ORDINANCES AND PROCESSES. ENGAGE THE CITY OF TEMPE, AS WELL AS OUR NEIGHBORS TO THE EAST AND WEST. PROVIDE DESIGN AND TECH RESOURCES TO NEIGHBORHOODS, CONTINUE TO EXPAND OUR FOCUS GROUP ACTIVITIES, UTILIZE RESOURCES TO PROVIDE TECHNICAL ASSISTANCE. REBRAND THE CORRIDOR, AND MARKET THE SCOTTSDALE GATEWAY, OR WHATEVER IT ENDS UP BEING CALLED, FOCUS ON RECRUITING HIGH VALUE BUSINESSES AND PROVIDE YOU WITH A QUARTERLY REPORT ON PROGRESS. I KNOW YOU'RE VERY APPRECIATIVE THAT I CUT THIS PRESENTATION DOWN TO 10%, BUT I APPRECIATE YOUR PATIENCE, AND THIS HAS GIVEN US A GOOD DEAL OF DIRECTION THAT WE CAN TAKE FORWARD.

Mayor Lane: WELL THANK YOU MR. GRANT. APPRECIATE IT. A LITTLE BIT OF A STRUGGLE ALWAYS AS WE GO THROUGH SOME OF THESE THINGS, BUT WE MAY HAVE SOME REMAINING QUESTIONS. I'LL START WITH COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: THANK YOU MAYOR. GREAT JOB. I'D LIKE TO UNDERSTAND BETTER WHERE THE DISCOVERY TRIANGLE IS. WHEN WE TALK ABOUT COLLABORATING WITH PHOENIX AND TEMPE, I KNOW THESE TWO CITIES PARTICIPATE IN THE DISCOVERY TRIANGLE. IT WOULD BE GREAT IN MAKING SURE THAT WE ARE, WE'RE NOT DOING ANYTHING INCONSISTENT, OR GETTING IN THE WAY, SO THANK YOU.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILWOMAN KLAPP.

Councilwoman Klapp: I JUST WANTED TO THANK YOU, I THOUGHT YOU DID AN EXCELLENT JOB OF CAPTURING THE MANY THINGS WE THROW AT YOU, AND I THINK THE NEXT STEPS THAT YOU HAVE LAID OUT HERE MAKES SENSE TO ME, THAT I THINK YOU'RE ON THE RIGHT TRACK, AND I APPRECIATE ALL THE WORK THAT WENT INTO THE THOUGHT AND THE WORK THAT WENT INTO BRINGING BACK TO US, SOMETHING THAT'S CONCRETE. THANK YOU.

Mayor Lane: THANK YOU COUNCILWOMAN, VICE MAYOR KORTE.

Vice Mayor Korte: NICE JOB RANDY. I KNOW IT WAS A GROUP EFFORT, A TEAM EFFORT. WHO'S ALL ON THIS TEAM WORKING ON THIS? CAN YOU SHARE WITH ME?

[Time: 02:53:04]

Randy Grant: YES, IT'S ACTUALLY A LOT OF THE CURRENT PLANNING STAFF; DON HADDER, TIM CURTIS, KIM CHAFIN, A LOT OF THE ECONOMIC DEVELOPMENT STAFF, AND BRENT STOCKWELL. IT GOES REALLY BEYOND WHO I COULD NAME RIGHT HERE. THE ORGANIZATION HAS REAL SINCERE INTEREST IN THIS. AND IT'S BECOME A BIT OF A PASSION FOR PEOPLE.

Vice Mayor Korte: GREAT. THAT'S NICE TO HEAR, THANK YOU.

Mayor Lane: THANK YOU VICE MAYOR. I THINK THAT ENDS THE COMMENTS AND QUESTIONS, AND I WOULD JUST WANT TO SAY THANK YOU VERY MUCH, AND THANK YOU PARTICULARLY FOR DROPPING OFF 10% OF IT.

Randy Grant: THANK YOU.

Mayor Lane: THANK YOU VERY MUCH, RANDY, NICE JOB. AND THAT IS IT. THAT IS THE ONLY ONE ITEM THAT WE HAVE.

ADJOURNMENT

[Time: 02:54:04]

Mayor Lane: ALL WE HAD TO DO WAS SAY THAT'S IT. WE GOT THE FIRST AND SECOND ON THAT. ALL OF THOSE IN FAVOR OF ADJOURNMENT SAY AYE. WE ARE ADJOURNED. THANKS VERY MUCH.