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#### **ROLL CALL**

[Time: 00:00:22]

Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you very much. The normal directions that we usually give. If you have been to a work study before, you probably recognize the fact that we are not in our standard configuration, which is down there on the floor. We want to make sure that we had sufficient room for you all down on the floor and we do use up those chairs. We have sort of a face-to-face -- it's not confrontational but it's good for communication in a work study. So you are not seeing that but that doesn't mean it's anything less than a work study because we are up here. And the other thing is we need to break that down for the regular meeting. So we don't -- we won't be doing that.

The rest of this does apply, and that is it's -- as it starts out to say less than formal setting. It's not the case, but to discuss specific topics at length with each other and the city staff. That's the primary reason for a work study. So we don't typically -- in fact, years ago, we did not take any comments from the public on it. It was strictly a work study session, but in any case, it provides an opportunity for staff to receive direction from the council, and there's no decisions that are made here. It's strictly a directional item that comes to -- from the council to the staff and for the public to observe.

**PUBLIC COMMENT**

[Time: 00:02:48]

Mayor Lane: So that being as it is, we do provide cards, for five, and we have the stated limit for that, of people who would like to speak to the subject, which we would like to do at the beginning of the proceedings and the yellow cards, which I think have been allocated but if you have anything further to -- that you would like to have us see in writing, you can fill out one of those cards. That explains what we are here to do and we have no public comment cards. Is that correct Ms. Jagger?

City Clerk Carolyn Jagger: Not open call, but one to the issue at hand.

Mayor Lane: Okay. With that being covered, we are relatively informal. So we just get right to the work of this. We don't do anything. We don't talk to anybody. We don't have any presentations or any of that stuff. This is an opportunity to speak to the one item in the work study, which is what the cards are for. So we'll start with that. So we can get on with the staff and with our conversation on it. So we start with French Thompson. French, yeah, right there in front of me.

[Time: 00:03:21]

French Thompson: Thank you for having me here.

Mayor Lane: Would you just for the record state your name and also your address.

French Thompson: My name is French Thompson, 7148 East Main Street, Scottsdale, Arizona. Thank you for letting me be here because you are my city council. You guys are the ones that represent me. You represent the arts, the city of Scottsdale has been very heavily involved with arts for years. I moved here from Colorado for the arts specifically in 1979. And I -- and this is a hot button subject right now, the events, the special events, and I think one of the issues really is the definition of what is an event and I would just like to say that I'm not -- I'm representing partially the gallery association, but we're not trying to put anybody out of business. That's a misconception. We are paying attention to our businesses. We are working hard doing our businesses and we are adapting in our businesses, but this is special events.

An event is an event. It's a small time thing that happens occasionally. Right now the special events thing has been going on for over 20 years and there are galleries about what the city council and what staff is doing for special events has been going for 20 years! And you guys don't listen to us. Administration, after administration doesn't listen to the galleries there's businesses that go out of business because of this and you keep having retails come in, in direct competition and the height of our season that takes money out of our pockets, and you say pay attention to our business, don't pay attention to their business. They are doing fine. They will continue doing fine. They are not events.

They are small businesses in the winter that pop up and take money out of the top of the season, which we need for me to be able to pay for my rent and my employees and everything else all year around. I'm open every single Thursday night all summer long. Are these other businesses that you call events open every weekend? Some of them are open 70 days in a row in the wintertime.

That's not an event, people! That's not even a festival. If you have a Renaissance festival, that doesn't compete with anybody in the city that has a Renaissance festival. If you have an arts quote/unquote festival, that's selling the same product that your businesses that are here year round are selling, they are in direct competition to us and that's not fair. I just want to tell you, I would like to see some fairness, and this has been going on for over 20 years, that the city loves these -- these tents and these pop up things. Do you really want to be known for the city that has the best retail tents? I mean, that's where it is. Or would you like to be known for the arts and the arts districts? So I could go on and I don't want to because I really think that this is all about fairness and I just want to ask all of you to just think about the fairness of these businesses that are called events that are just retail businesses. That's the low hanging fruit to call it an event. It's not. It's a small business.

Mayor Lane: Thank you, Mr. Thompson. And let me just maybe remind everyone, so that we have the best use of our time there. There is no decision being made here tonight. The own thing we are looking to do is to review the events ordinance and to take input as to how that might be reconsidered or changed or otherwise streamlined or made better, one way or the other for all that are involved with that process. Certainly understand Mr. Thompson's concerns but I want to make sure that we are -- that that's what this is about. Whatever information you can give us, those that would like to speak, with regard to what it is you are looking for, as far as this event ordinance is concerned. That's the kind of input we are looking for. Thank you again, Mr. Thompson. I appreciate it.

Mr. Bob Pejman.

[Time: 00:07:43]

Bob Pejman: Does this work?

Mayor Lane: Yes, it does. You need to turn it.

Bob Pejman: How do you turn it on?

Mayor Lane: No, it's on. It's on the screen right now if you want to take a quick look. Yeah, there you go. There you go. Perfect.

Bob Pejman: Okay. Mayor Lane, members of council, my name is Bob Pejman, I own a gallery in downtown Scottsdale called Pejman Gallery. It's located 7165 East Main Street. I'm also a professional artist and I'm a working artist. I have done this for about 25 years, and I know the country pretty well as far as the art destinations, and with that knowledge, I can tell you that no other city within the U.S. has as many art events as you have here in Scottsdale.

And I want to point your attention to the list that I have provided here. In this list, you can see that there are 246 events, art events that are being run in Scottsdale right now. 67 of those events are the artist events alone and then you have another 37 miscellaneous events and all of these are permitted through the special events ordinance. So you have about 104 days of events that are

regular special events, but to add to, that you have to add some events that are regulated by C.U.P.s, celebration of fine art is 71 days. The Fine Art Expo is technically in Phoenix, but it's really marketed as a Scottsdale fine art expo. So you add all of this up and you have 248 art event days.

A lot of them occurring simultaneously during the season that we are dealing with. I want to point out, again, no other city in the U.S. has as many art event days as we have in Scottsdale. And these events take place in the peak season. And the peak season is when the gallery needs to make the money in business, to stay afloat in the off-season. You are not doing this to any other industry. You are not doing it to the auto industry. You are not doing it to the fashion industry. The art industry is the only industry that has this amount of ridiculously heavy competition pointed at it.

Let's look at some comparative art markets, Carmel, Santa Fe, Naples, Laguna Beach, most of these markets have weekend shows. Take Sedona, they have weekend shows. They have high school shows that happen one weekend. The rest are weekend trinket shows, nothing serious. Laguna is the only exception where they have more shows but bear in mind that Laguna Beach is a 12-month market, where if there are two months of art fairs that come into Laguna, Laguna has 10 more months to recuperate from them. Scottsdale really only has three or four months and if you load it up with 245 heavily promoted art events, it's no wonder that we are even staying in business.

The other chart shows that since 2007, 60 galleries have shut down. And we are not saying that all of them shut down because of the events, but the events have been a contributing factor, and when you look at the situation right now, we have 25% vacancy rate. There are 18 vacant spaces. The rents are down 40%. You are losing rent tax. You are losing sales tax. You are losing income tax. It's a really bad situation for the city.

What we are asking for, going back to the initial chart is that obviously the events that run with the C.U. P.s and in the case of fine art expo, that's outside Phoenix, those don't fall under the regulation of the special events ordinance, but the 100 odd events that do, we are looking to limit those to 30 days and if you add the whole thing up, in the event that we can reduce to 30 days, you still have 30 days, plus the 71 days, plus the other 75 days or 71 days. So you still pretty much at 170 days which is way over -- and I would argue that it's a combination of events in those five months with the reduction. Thank you for your time. Any questions?

Mayor Lane: We don't take questions or give questions. Thank you, Mr. Pejman. Ms. Sonnie Kirtley.

[Time: 00:12:57]

Sonnie Kirtley: Good afternoon Mayor Lane and councilmembers, my name is Sonnie Kirtley. I'm the chairwoman of C.O.G.S., Coalition of greater Scottsdale. 7904 East Chaparral Road, Suite A110, PMB 127, Scottsdale, 85250. Are my three minutes up?

You know, in organizing anything, you always begin with the what. And the what in this case is the definition. And as you look at the screen, this is the zoning ordinance definition of a special event.

We are not even following that now. Look at the red underlining. We encourage that the next special events definition draft that comes to the city council, specifically describe the type of activities that are special events and, importantly, separate out what is an event and what is a business. Also ask our 48 approved special events a year in the same property are a special event? And because the committee is already including public property, alleys, plazas, trolley bridge, streets in their approval process, and it's not in the ordinance, we recommend that they include the public property in their completed definition. Thank you.

Mayor Lane: Thank you, Ms. Kirtley. Next is Mr. Phillip Sacks.

[Time: 00:14:50]

Phillip Sacks: My name is Phillip Sacks. I own Sun More Gallery, 7171 East Main Street, Scottsdale. Sun More used to be at 7135 East Main Street. It is no longer in business. We closed this year, after trying to do some work, but we've had some issues. Obviously, we fight with the tents. We fight with the economy. But one of the problems that we have found, since being here.

I have been at the DeRubeis Gallery, and we are now getting to our fifth year. Just this past Thursday, during art walk, we are open seven days a week during the season. We are open five days a week during the year and every Thursday night we are there. Some people came into the gallery. They were Canadian and they asked, is this the art walk? We heard it was all outdoors. It was up at the bridge. How come -- where is this? And then I asked where did you hear all of this about? And they said, well, we were staying at one of the hotels, the Westin, and the concierge told us. Wonderful. Isn't that wonderful? They are telling them art walk at the bridge. Not art walk on main street, where it is, even in the summer that's where it is.

So I don't understand when you have a tent event, that is going on and a permitted time on a Thursday, when it's on Main Street, and all of a sudden we are competing with some tents that are businesses, just like we are, but they are there for Thursday. They are there for Sunday and they are gone. I'm there seven days a week, trying to make a living. And it's very difficult to compete that way. It's the same thing with -- I know that we are not really discussing the Celebration of Fine Art, because it's a different point, but it's still 72 days of an event. That's not an event. Barrett Jackson is an event. The Arabian horse show is an event, but how could you call 100 businesses under one tent an event? You don't call Fashion Square mall an event. They are there all year round but they are under one roof. So go get it. So maybe we can come to some kind of a cohesive plan where you could think about events as being an event and not just businesses. Thank you.

Mayor Lane: Thank you, Mr. Sacks. Next and final one is Audrey Thacker.

[Time: 00:17:34]

Audrey Thacker: Hello, I'm Audrey Thacker, I will be the new tenant at 7061 Sixth. I understand it's for staff to present their recommendations to updating the special event ordinance and we look in

order to being a part of that deliberation and as always, we will support reasonable resolutions to all concerns. I'm aware that the S.G.A. has submitted a formal petition regarding our Thursday night markets and limiting the number per days for art-related events. I'm here to show you the positive nature of Artisan Markets and how I believe that collaborating with the S.G.A. could provide benefits, driving more traffic to everyone. Artisan Markets is established at the Waterfront in 2009. Our Thursday night events attract roughly 1500 people on a weekly basis. And our Sunday night market attracts roughly 3,000 to 5,000 people. Our events provide an experience to visitors and residents that's vibrant, animated and successful. We have never set out to cause harm to any business or group of businesses and know firsthand that collaboration can work.

Artisan Markets is pro gallery and pro small business. We will continue to remain a team player and insist on driving activity to the traffics and nearby restaurants and galleries on both Main and Marshal. We have been serving as a downtown concierge service with our well-informed information booth, directing traffic to all areas, including but not limited to those listed above. This model works and has been effective with areas such as 5<sup>th</sup> Avenue, where I'm now the vice president of the merchant association. Many of the merchants enjoy the benefits of the market by participating as vendors and/or leaving marketing collateral at our information booth. The same offering are given to the galleries.

As a business owner, I understand that competition is healthy and that constant change and evolution is necessary in order to grow and be successful. Artisan Markets is a stakeholder in the community and has the same rights to conduct business in the city of Scottsdale as do gallery owners and other entities. It's not the role of government to level the playing field as the S.G.A. has requested. Thank you for your time.

#### **ITEM 1 – REGULATION OF SPECIAL EVENTS**

[Time: 00:20:20]

Mayor Lane: Thank you, Ms. Thacker. That does conclude time for comment on our singular work study item. So, again, as we were saying earlier, we are here to discuss the regulations of special events and, of course, we have the city code that lines that out and those regulations are tied to that code. So the request here is for presentation, and discussion and possible direction to staff regarding the city's regulation of special events including possible changes, public outreach efforts, and timelines for revisions of the special events ordinance. And we do have, I believe, Cheryl Sumners here, the events manager as a presenter and Steve Geiogamah in support.

Events Manager Cheryl Sumner: Thank you, Mayor Lane, members of the city council. I'm Cheryl Sumners. I'm the events manager in the tourism and events department. As mentioned, we are here today to discuss events and regulations. We have an existing special events ordinance that's been in place for 23 years. One thing I want to try to start with a little bit of background information. This is a brief and I will try to get through this as quickly as possible so we can get to the meat of the discussion, which is kind of related to the events and our thoughts and our input. But if I can just do this brief presentation quickly. Just to kind of build a framework around events in Scottsdale. I'm

going to run through about eight slides to just kind of reflect on the types of events that are in Scottsdale.

In this case, we have parades, such as the Parada Del Sol and we have Hashknife. We have many fund-raisers and galas. This is the regional taste that's out at the waterfront area. We have street events. This is an example of a pep rally that's being held in Indian plaza. It was for the Boise State football game. I think you can see the band in the top part of the screen all dressed in white. We have a variety of markets that are recurring. We have the food truck caravan on the left, artisan markets in the upper right and the old town farmers market that occurs in downtown Scottsdale. Sporting events such as the Phoenix waste management open, that draws more than 500,000 spectators in the week-long event. We have street festivals. This is an example of the craft brew festival that was held over on Brown Avenue. We are home to several automobile auctions. And then finally we do have several walks and races. This is an example of the P.F. Chang's rock and roll marathon. Portions of the full and the half race routes do go through the city streets. So we do know a few things about the events.

Staff took a look at the last three years from 2012 to 2014, and this slide is just trying to provide a bit of a snapshot of the information we found. I'm going to begin with the pie chart in the upper left-hand corner. And when it comes to the duration of an event, the duration tends to be by majority a single day use event. That represents about 64%. Certainly there's other classifications. Some events are for weekends and some are week long and others are monthly and then we do have some recurring that activate for 12 or more days during the year. We have seen a trend over the last three years in the category of the four to seven day range which typically just means there's a tendency or a desire now to have more multi-day events. There's also a few bar charts that are shown here. One of these represents how many of the event requests utilize public property. And about half and I'm not sure if I mentioned on average, we receive 250 application requests annually. So, again, this is saying about half of those are seeking to use public property, and that can be in many forms, streets, alleys, sidewalks, public plazas, et cetera. We also know that about 40% of the events are new events this year. And then finally, we do get asked where in Scottsdale are these events occurring? And very consistently, about half of those events are in the downtown area.

We get asked what do I need to do if I want to hold a special event in Scottsdale? What's required? The city requires what is called a special event permit. This permit is reviewed by the city's special events committee. This committee is an interdepartmental working group. It's comprised of several city departments, police, fire, transportation, code enforcement, risk management and, of course, tourism and events. The committee meets weekly with the special events applicants hasn't that typically happens within ten days of when an event applicant submits. The special events committee applies the existing event regulations and those outline what the role of the committee is, which is to promote events while protecting nearby neighborhoods, providing for safe traffic and emergency care, and protecting the public's health safety, and welfare. The location of events that the committee reviews is citywide. The exception to that is we do not review any events that occur at our established city venues, such as WestWorld, the Civic Center Mall, Scottsdale Stadium, our parks, et cetera, because they have existing processes in place.

Up on the screen is a matrix table that was included in your packets and it tries to outline some of the key topic issues that have surfaced over the past years. It highlights what the current regulations are, along with some of the questions that have come up, and what I would like to do is just quickly over the course of the next few slides kind of have a picture or an image that relates to these key topic issues, and then at the end, I will put the matrix back up on the screen for further discussion.

The first topic is that of event definitions. As mentioned earlier, and was up on the screen, our current definition -- our current special events definition includes events on private property that occur outside. So some of the questions that arise is should public property be included with that? Should the inside of an establishment be included, as well as the outside? Should the definition on what is considered an event be changed? Types of events, our current ordinance covers a small list. I think we see carnivals, special vehicle sales, haunted houses, church bazaars and festivals. So Scottsdale has several events.

This is an example of a typical event extension that is when a business will expand out whether on public or private property and create an event-like atmosphere through tenting and lighting and fencing. Here's another example of an art event, this is the canal convergence on the waterfront and then finally, we do have block parties and celebrations at the street festival.

The questions that surface include: Are there types of events that we would like to encourage? Are there types we would like to discourage? Should some of these types be excluded from the special events ordinance? You may have 48 event days and no one event can be more than 30 consecutive days. So the question becomes: Is 48 too many? Is it too few? The event process, our current ordinance has one process for all events, regardless of size, whether small, for 50 people, or large for 500,000 people. And so the questions become: Should there be different levels of processes based upon if it's a simple event or a complex event?

Street closures, those occur and one of the things I wanted to point out about this slide is that this is actually a street. This is Indian Plaza and what they have done is they placed turf along the street. This was an all-day corn hole tournament. Now the current regulations do not address street closures. So the questions that come up are related to, should there be criteria developed related to street closures such as how often can a street be closed? Do businesses along the industry need to approve it? If so, what percentage? Is there a difference between a small street closure like a block or maybe in front of a few streets -- in front of a few businesses, excuse me, versus one that has multiple street closures such as a parade or a race right.

Live entertainment, it is not addressed in our current ordinance, but yet it is key to many of the events requests that we receive. So the question is do we want to regulate the amplification as part of the special events and what would that criteria look like? This slide is a business on Scottsdale road that's doing a Cinco De Mayo event, and in the background, there's a flatbed truck. On that flatbed truck is a five band that's playing in towards the establishment and the patrons.

This slide is representing conditional use permits. It's a several event extension and it highlights a little bit about the confusion that we have related to the special events process, as well as the

conditional use process. How do they relate to one another? Can they overlap? Can somebody do both? This image is of the Waterfront. I will start by saying this was not here 23 years ago when the event ordinances were adopted, however, it does show the entire length from Scottsdale road to Goldwater, and it is used quite frequently for events. We have annual events like the Italian festival. Original Taste. Viva benefit fund-raiser, canal conversion, and then we do have a recurring event called the Artisan Market. The question for the Waterfront include, how do we want to program that area? Do we want small events? Do we prefer large events? Are there certain types of events that we want out this? Do we only want them for certain days?

And then last is the key topic of public property for event use. This is just kind of a quick glance of all of those little colors that are showing public property that have been used for special events. So the green lines are indicating streets. The red circles are plazas and the yellow squares are public parking lots. So the question is: Should the city receive any additional compensation for use of public property for event use?

I will summarize on our next steps. That 23 years have passed since our ordinance was adopted. It's seen very little changes. And yet we know that there have been changes in the event industry. It's possible that our community desires changes, and, of course, event standards and practices have changed. So if the council would desire to revisit those regulations, staff would return to council with an action item, to initiate that. Our next step would then begin public outreach, with public meetings and community conversation. We would create a web page that we place on our website, with the end goal to return to city council, with a draft ordinance in early 2016 for discussion and decision. So as promised, here is the matrix of those key policy questions that we went over. We recognize that we are just starting the event process today in those discussions and we are not expecting to have all the answers but we would certainly like to open it up for discussion and input and feedback related to these topics and, of course, anything that's even not up here because we know it doesn't capture everything. Thank you.

Mayor Lane: Thank you very much, Ms. Sumners. It was a very good presentation and display of the issues at hand and a pathway as to how we start the conversation. I don't see a particular question right now. That always stirs a question. So I will start with Councilman Smith.

[Time: 00:38:39]

Councilman Smith: Thank you, mayor. Well, this is the end of the presentation, right? Now we talk about these items. I have a couple of questions before we address the list here. Obviously, the ordinance that we are looking at is an ordinance for public or private property events. And obviously, as well, some point in time the city, the staff, the council, whatever, morphed this into a review and approval of events on public property. Did that happen at some date and time or is this a recent event or has it always been applicable to public property as well?

Events Manager Cheryl Sumner: Councilman Smith, Mayor Lane, the review for public property by the special events committee has just been a practice for the 20 plus years.

Councilman Smith: My only point is it seems to be a practice that is outside the existing basic zoning ordinance, unless somebody reads it differently than I do, and maybe my question is to Steve or Brent or somebody like that. The special events ordinance means a temporary outdoor use on private property. It seems fairly clear. Don't all answer at once.

Assistant City Manager Brent Stockwell: Mayor Lane, Councilman Smith, members of council, so special event ordinance in the zoning ordinance and it's in the zoning ordinance that all the private property in the city has to comply with it. It implies that the city is going to use another process for events on public processes and I think what Cheryl is trying to point out ever since the inception of the special events ordinance, the special events committee has been using the same process and the same regulations for events on public property where they were not otherwise spelled out in public ordinance, like WestWorld or elsewhere. They have done separate fees and permits for.

[Time: 00:38:39]

Councilman Smith: Well, as a preamble statement, I guess I would say that we should have -- in my opinion, we should have a separate ordinance for public property. Because I think the issues are really extraordinarily different. When we allow an event on public property, we are essentially allowing the use of citizen assets and that's quite different than allowing an individual property owner to do something on his own individual property. So I think for sure, we need something that talks about events on public property and I think the criteria would be quite different.

And I think somebody -- one of the speakers mentioned what should the definition be and you even have your first item, the event definition. I think there should be a distinction between what I call temporary specialty events and temporary specialty retail. And if an activity has as its primary purpose, the sale of merchandise, then that's a temporary specialty retail and if it has as its objective entertainment, banjo playing, whatever you want to call it, racing, then that's an event. But I think I would urge the staff to distinguish between those two and, again, I think those two would be regulated quite differently. They would be allowed quite differently.

I think one of the things that we heard from one of the speakers was that it's an unfair competition if we allow citizen assets like the waterfront, like sidewalks, streets, allow citizen assets to be used in a retail event which is in a sense in competition with existing businesses. It's not -- somebody made the comment it's not the role of government to level the playing field. It's also not the role of government to tilt the playing field, which brings up a question you did not cover and I have a curiosity about.

Is there a rate schedule of what people pay or does an event, large, small, big, wide, all pay the same number?

Events Manager Cheryl Sumner: Councilman Smith, Mayor Lane, they all pay the same amount, small, big, simple, complex, so that cost is \$87 for review fee and then if you are on private property, \$105 and public property \$159 for the permit.

Councilman Smith: Per day or per what?

Events Manager Cheryl Sumner: Per request. So it depends on the event days that they are seeking approval for.

Councilman Smith: So take the one that was pointed out on the screen, earlier, the Artisan Market that wants to do six months -- I forget how many days it was on Thursday nights and Sunday nights, what will they pay, \$159 per night or --

Events Manager Cheryl Sumner: Councilmember Smith, they would pay \$159 for the season.

Councilman Smith: That's a pretty good deal. I think that illustrates what is the issue. If I understand you correctly, we are allowing the use of public property, owned by taxpayers and in part paid for by some of the galleries and other businesses in town. We're allowing a temporary specialty retail activity to occur on that property for \$159, covering a period of time of six months, two nights per week. Did I state that correctly?

Events Manager Cheryl Sumners: Councilman Smith, you did. I probably should at least point out that that's also an area that's governed by the Salt River Project on behalf of the Bureau of Reclamation and I do know that there's additional permit fees that occur through that agency.

Councilman Smith: Who owns the waterfront? Is it owned by SRP or is it owned by the city? Maybe I'm asking the city attorney that, I don't know.

Assistant City Manager Brent Stockwell: Let me jump in because this was precisely the question I wanted to clarify. On the Waterfront, that's federal government property that's managed by Salt River Project. So the city issues a permit and then the person that wants to do an event there then goes to SRP and works with them to get a license agreement for that piece of property. But I think you have done a good job of pointing out one of the many reasons why we have this item before you, because there's a lot of things that really need to be cleaned up in this special events ordinance.

[Time: 00:42:08]

Councilman Smith: So maybe my summary on that particular item is that we ought to have some type of rate schedule that -- and I don't know how to say this, but in a way so that we as the government, and even we as the government in combination with SRP or anyone else involved, that we are not unfairly disadvantaging any business in our city. That's just not our role, and I think the galleries oftentimes are the complainants here because they are a group that have a fairly common interest, but these are folks, they know competition. They know how to compete. They compete with one another, literally next door to each other, all up and down Main Street and Marshall Way. They compete every day. They know how to compete. They don't know how to compete when the government comes in and in a sense gives anyone an unfair advantage.

And I think they welcome events but they welcome events that create a dynamism that hopefully

people will come into their shop and buy something. I'm not sure I can see the sense of an event which has as its primary purpose just the sale of merchandise. So my comment on the event definition, yes, it definitely should specifically describe public property. It should have a definition that specifically describes temporary specialty events versus temporary specialty retail and the two should be treated quite differently. There should be a rate schedule for -- particularly for public property. And I'm sorry it took us 23 years to get this question on the table, but here it is! I'm going to yield the floor to somebody else and perhaps come back. Thank you.

[Time: 00:44:14]

Mayor Lane: Thank you. Yes, we have very limited time here today to discuss this issue, and I think that certainly, it may be a very strong start. I do know that Councilwoman Klapp and council -- Vice Mayor Milhaven would also like to speak, but so do I and I'm on this list as well. I'm not sure whether we just need to reschedule this to another time, because I think that what you have communicated to us here, I think is in good stead, as far as the questions that need to be asked, the areas that need -- of concern.

I think Councilman Smith did outline some of the concerns, and identified them. As you went through it, I think we also got that same type of identification of some of the issues that need to be concerned. So I guess I'm going to use a little bit --

Councilwoman Klapp: Could I expand a little bit on what David said, if you give me a moment.

Mayor Lane: That's fine. I know you were in line, but there's some prerogative. I will go ahead and let you do it. If I was getting ready to shut it down.

[Time: 00:45:03]

Councilwoman Klapp: Okay. I will try to be brief and I would tend to agree with the things that councilman Smith said, and I just want to put it in a little different light, and I believe that as I understand it, we need to have a removal of special events from the zoning ordinance and treat it separately, and that's what we are talking about. It's moving special events to a different ordinance. I don't see any reason why we can't combine public and private properties under one special events ordinance, but it should be separated from the zoning ordinance. So that's one issue.

The second issue that he was addressing, I very much agree with and you showed the picture of the canal bank. If you look at the canal bank, and the size of it, in total, including the bridge, I believe that we should have a separate ordinance for the canal bank. Just like we have different management of WestWorld, we have different management of the mall, we have, you know, different oversight of various parts of city, this is a critical area in the city, and we really need to have a greater discussion about how you manage activities on the canal bank separate from just a special events ordinance, because if you look at the amount of square footage that is around there, including the canal bank and let's say we give an operator use of that whole canal bank, essentially, for a couple hundred dollars, compare that to -- that we charge at WestWorld, \$1,200 per day to represent the

Polo field, per day!

And we're charging nothing for three months use of all of that land, including the bridge. And while we are doing that, we are keeping pedestrians off the bridge. We are impeding other things that could occur in that area. We are keeping other events that might occur, that could come in, but we have granted one operator use of the canal bank for three months. So I think this whole area of the canal bank needs to be looked at as an area to be managed separately. We know it's federal land and we know that we are getting permit fees from it, but we are not getting enough permit fees from it to cover the cost of maintaining, securing, and all of the things that we have to do for the canal bank for any of those events.

Those are the big things I would stress tonight to do that, on top of, I believe we should give careful consideration to how we program that particular canal bank so that it does not compete with the businesses in the area. So those events that we are considering, we really need to consider whether or not an event is in direct competition with both those residents nearby. So, you know, so that we don't create problems that are being brought up by the gallery district today. So those are of the just top of the head things but there's many, many other things we need to address. We don't have enough time. This is a very complex issue, and I think we need to give enough time at another council session where we can really iron out other things that I know a lot of people up here have concern about. Thank you, Mayor.

[Time: 00:48:22]

Mayor Lane: Thank you, councilwoman. Yeah, and I think we are going to have to end it. I've got a few comments that I would like to make first, but I guess it's very simply put. What we are doing here is to just give guidance to move forward in consideration of these areas. You've gotten a certain amount of input right now as to some of the areas that we're concerned about. There's been some input that's been brought in by others, as well as for consideration.

The items that you had initially indicated open the definition, whether we would like to encourage or whether we exempt or otherwise, those are things that I think that the encouragement is not part of an ordinance or a regulation. It's a matter of public policy as it relates to downtown development and revitalization, and activation. So the important components that we absolutely have had trouble with for a number of years that I think really do need to be determined, definition, and frankly, the cost, I suppose, on public land use, but street closures and live entertainment are two areas that have left us with a void of certain measure of control on those things.

Now, the point do we want to encourage? That's something we will have to figure when some things come back. But where have problems developed in the past without regard? Well, trying to get those merchants that are on street closures and frankly, how they are impacted by live music and those kind of things as to how we can continue, I think and keep activating downtown in accordance with our own market studies to get that accomplished.

I guess I do have a couple of council people who would like to speak towards this. We can do one of

two things. We can reschedule this for another full session on this or we could go with what has been said thus far, if there's some agreement on some of the things that we have said, if there is. So I will leave that to you right now, but what I'm going to say, is that I'm going to ask to adjourn this meeting and it may be subject to another meeting if we decide to --

Vice Mayor Milhaven: I would like to have an opportunity to give my -- [ Off microphone comment ]

Mayor Lane: Okay. Very good. Then we will try to reschedule this meeting back again. Do you have a certain amount of information. Please retain it so we don't have to go through it again, as far as that is concerned.

Events Manager Cheryl Sumners: Thank you very much.

Mayor Lane: Thank you very much, Ms. Sumners. Thank you. Then I would just leave it that there's a consensus that we will go ahead and reschedule another work study on this subject to make sure we get all the input from the council that they desire to have. So with that, we don't have any other mayor and council items on this particular meeting. So I would ask for a motion to adjourn the work study.

#### **ADJOURNMENT**

[Time: 00:51:42]

Councilwoman Klapp: Move to adjourn.

Councilmember Korte: Second.

Mayor Lane: And seconded. All those in favor of adjournment, please indicate by aye. Pardon me for all of those who came for the work study that we were not able to get it completed. So we will be rescheduling it so we can have that input. There will be another opportunity.