

SCOTTSDALE CITY COUNCIL  
WORK STUDY SESSION MINUTES  
TUESDAY, MARCH 24, 2015



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

## CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 5:04 P.M. on Tuesday, March 24, 2015 in the City Hall Kiva.

## ROLL CALL

Present: Mayor W.J. "Jim" Lane  
Vice Mayor Linda Milhaven  
Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield,  
Guy Phillips, and David N. Smith

Also Present: City Manager Fritz Behring, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

## MAYOR'S REPORT

Mayor Lane invited the public to the March 28, 2015 grand opening of the Kovach Family Trail located in the McDowell Sonoran Preserve.

### 1. Desert Discovery Center

**Request:** Presentation, discussion, and possible direction to staff regarding any future action related to the Desert Discovery Center concept.

**Presenter(s):** Kroy Ekblaw, Strategic Projects/Preserve Director

**Staff Contact(s):** Fritz Behring, City Manager, 480-312-2800, [fbehring@scottsdaleaz.gov](mailto:fbehring@scottsdaleaz.gov); Kroy Ekblaw, Strategic Projects/Preserve Director, 480-312-7064, [kekblaw@scottsdaleaz.gov](mailto:kekblaw@scottsdaleaz.gov)

The following spoke in support of the Desert Discovery Center:

- John McEnroe, Scottsdale resident
- Melinda Gulick, Scottsdale resident
- Mike Surguine, Scottsdale resident
- Christine Kovach, Scottsdale resident
- Joan Fudala, Scottsdale resident

**NOTE:** MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

Strategic Projects/Preserve Director Kroy Ekblaw gave a PowerPoint presentation (attached) on the history of the proposed Desert Discovery Center.

There was general consensus to: (1) Issue a new Request for Qualifications (RFQ) to include construction, maintenance, and operational costs and funding mechanisms; (2) explore placement of the facility, including the Gateway Trailhead and alternate locations outside the Preserve; and (3) explore potential impacts to the Preserve Ordinance.

**MAYOR AND COUNCIL ITEMS – None**

## **ADJOURNMENT**

The Work Study Session adjourned at 6:25 P.M.

**SUBMITTED BY:**



**Carolyn Jagger**  
City Clerk

Officially approved by the City Council on \_\_\_\_\_

**CERTIFICATE**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study Session of the City Council of Scottsdale, Arizona held on the 24<sup>th</sup> day of March 2015.

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

**DATED** this 14<sup>th</sup> day of April 2015.

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**Carolyn Jagger, City Clerk**

**CITY COUNCIL  
WORK STUDY SESSION**

**MARCH 24, 2015**

Desert Discovery Center

**Presentation Overview**

- ▣ **Review of past ideas and history**
- ▣ **Considerations for next steps**
- ▣ **CC direction**
  - **DDC - yes or no to proceed**
    - **If yes what are next expected steps:**
      - Location
      - Public funding
        - Capital improvements
        - Maintenance and operations costs
      - Issue new Request For Qualifications (RFQ)
      - Other input

## History - Timeframe

### Early Ideas

- 1985 – Florence and Jerry Nelson – Troon North/Estancia Zoning case
- 1986-1999 – Private and COS studies
- ❖ 1990's - Preserve Concept develops and gains support

### Renewed Interest

- 2004 – Private Citizens Committee
- 2005 – COS study by Nichols Tourism Group & Weddle Gilmore Arch.
  - ✓ 2006 – COS Financial Services – Business plan
- 2007 – COS – Preserve Gateway Trailhead Approval (phase 2 – DDC)

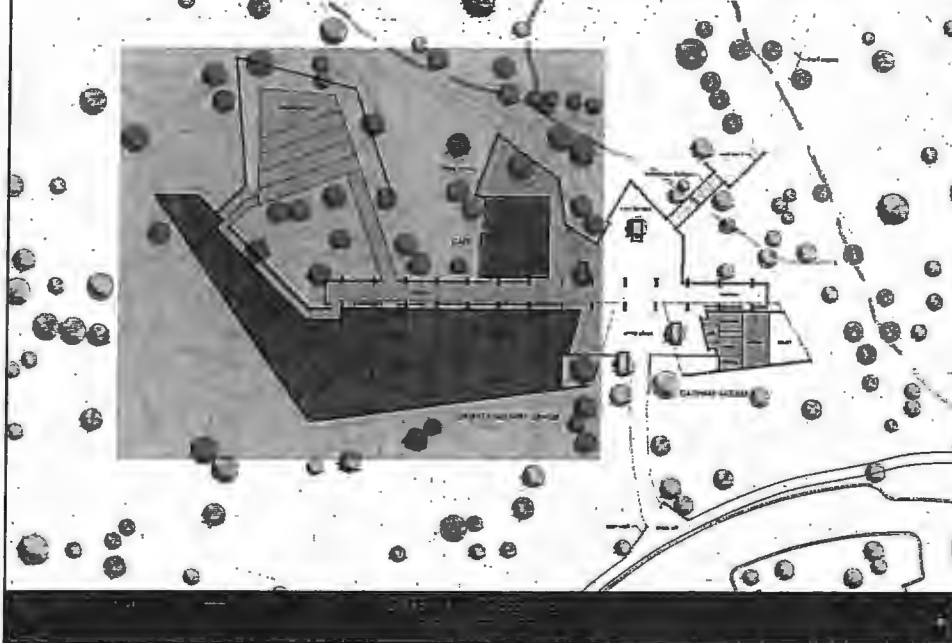
### Detailed Analysis

- 2008 – DDC Phase I Feasibility Study completed
- 2010 – DDC Phase II Feasibility Study accepted by CC
- March 2012 – DDC Phase III Feasibility Committee report to CC
  - ✓ September 2012 – Request for Qualifications (RFQ) for the DDC Concept – no response
  - ✓ May 2013 – DDC Phase III Feasibility Committee – Site Location Analysis

## History - What is the DDC?

- ☐ Range of past concepts/studies
  - Simple visitor center
    - Limited tourism appeal
  - Large destination education facility
    - Regional/national/international appeal
  - Recent interest - enhance Research/Education
    - Appeal to potential Private Financial Donors
  
- ☐ What should it be?
  - Key input issue for operator/donor

### 2007 Gateway and DDC Plan



### 2010 – Existing Gateway TM with DDC



### DDC Evolving Conceptual Plan

Swaback Partners | City of Scottsdale, Desert Discovery Center

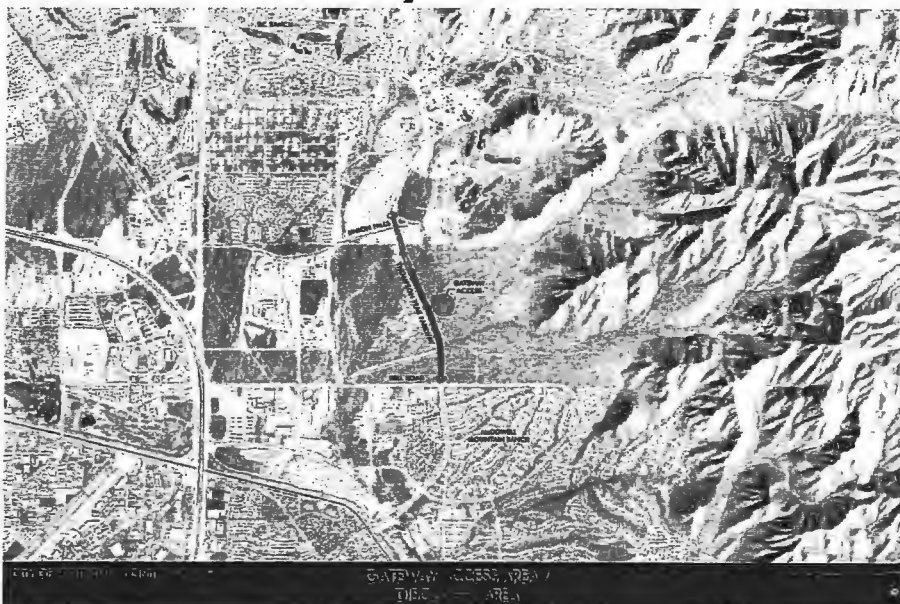
DDC Phase III

6

## History - DDC Location?

- ▣ Original concept started with Pinnacle Peak
- ▣ Concept evolved in late 1990's to focus on the Gateway Trailhead
  - In or out of Preserve,
  - Possible environmental concern if in Preserve and proposing "intense" uses in conflict with Ordinance
- ▣ Other locations?
  - COS 80 acres in Bell rd. tourism corridor?
  - Downtown?
  
- ▣ Key input issue for operator/donor

## Gateway Location



## History – Estimated Costs

- ▣ Ranged with variety of concepts:
  - \$3-5M - Early estimates
  - \$15-30M - Estimates from late 1990's to mid 2000's
  - Up to \$74M - Estimate from 2010 - Phase II report
    - ▣ \$62M – Buildings/site, exhibits, design, project management, FF&E and contingency
    - ▣ \$12M – Startup budget, operating reserves/endowment
  - ▣ Most estimates do not include a cost for land

## History - Funding Ideas

- ▣ What portion of capital costs should be public
  - Input from Phase III committee suggested:
    - 2/3 Public funds
    - 1/3 Private funds
- ▣ What funding options have been considered?
  - City excise tax - General fund commitment,
  - New sales tax -requires voter support,
  - New bond funding - GO or MPC,
    - Repayment options may require vote,
  - Existing Bed tax - TDC support and CC approval,
  - Existing Preserve tax (MSPC, TDC and CC - No),
  - Private (donors), etc.
  - Combination of above?



## History – Who Operates and Pays

- ▣ Maintenance
- ▣ Staffing
- ▣ Utilities, etc.
  
- Phase II report projections identify  
    yearly operating deficit from \$1-3M/yr
  - Requires yearly fundraising
  - or General fund commitment?

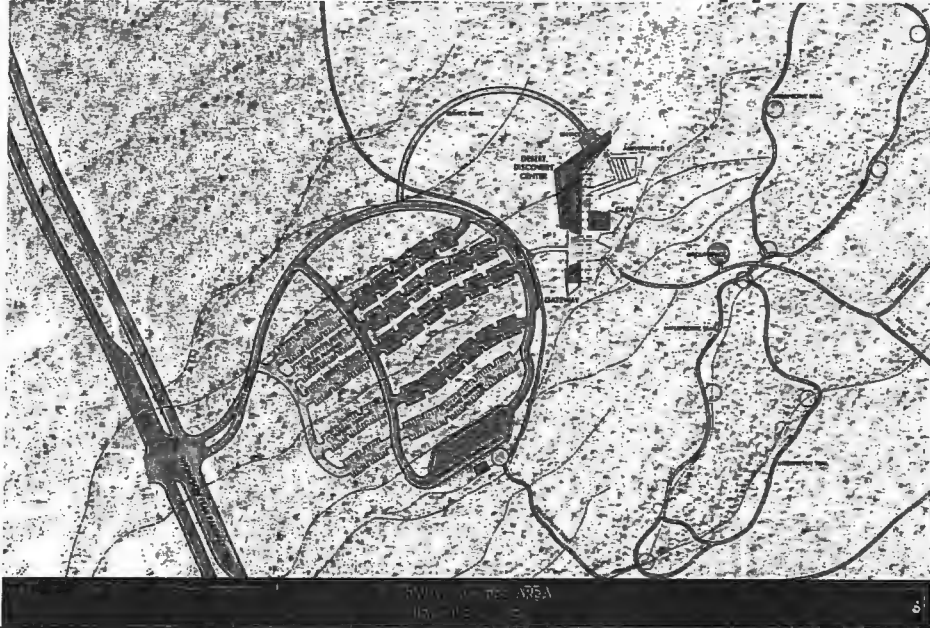
Phase III committee recommended all daily operations should be through a Private Non-Profit Operator

- Public funds only for major maintenance replacement
- Private funds for all daily operations, staffing and maintenance

## History - Zoning/Land Use

- ▣ Approval process - dependent on location and what uses are actually proposed
  
- ▣ Gateway TH – 9/18/2007 CC approval:
  - ▣ Municipal Use Master Site Plan (10-UP-2006):
    - Gateway Trailhead (phase I) - completed
    - Site Plan included a DDC concept - (15, 000-20,000sf) - not built
    - Development is required to conform to site plan
      - Any significant change shall be subject to Planning Commission and City Council Public Hearings
  
- ▣ Other locations - would depend on where and what is proposed:
  - Likely need a Municipal Use Master Site Plan Approval

## 2007 - Gateway Trailhead Approval



## History - Preserve Ordinance

- ▣ If DDC is to be in Preserve
  - Could conflict with Preserve Ordinance
    - ▣ Dependent on details
    - ▣ Activity/lease/commitment of land
  - Amend Preserve Ordinance?
    - ▣ Option to create exception or bubble within the ordinance
      - Alcohol - No consumption of liquor (Beer by permit)
      - Food and merchandise - No sale of food, beverage or merchandise
      - Hours of operation - Open from sunrise to sunset
      - Event operations - Permits required for special events
      - Other?
  - Option to remove DDC site from Preserve designation?
    - ▣ Charter would require public vote for 6 plus acres

## History - Public Funds/Process

- ▣ Design and Construction
  - Project using tax dollars and on City land will require
    - ▣ Public procurement process
- ▣ Contract for management functions, responsibilities, operating costs, etc.
- ▣ Profit vs. Non-Profit - fundraising required

## CC Direction - Overview

- ▣ Staff seeking CC direction
  - DDC - yes or no to proceed
    - Yes - what are next expected steps:
      - Location
      - Public funding
        - Capital improvements
        - Maintenance and operations costs
      - Issue new Request For Qualifications (RFQ)
      - Other input

## CC Direction - Proceed?

- ▣ DDC Yes or no?
  - No - no further action required DDC concept(s) will not be pursued.
  - Yes - need direction on the following:

## **CC Direction - Location**

### **▣ Location**

#### **1 - Gateway Trailhead**

##### **➤ In Preserve**

#### **1.a. - Gateway Trailhead**

##### **➤ Remove land from Preserve**

#### **2 - Or alternate locations outside of Preserve**

- 80 acres of COS land north of Bell road and 94th Street
- Other ?

## **Gateway and 80 acres Location**



## **CC Direction - Location**

### **▣ Location**

**1 - Gateway Trailhead**

➤ **In Preserve**

**1.a. - Gateway Trailhead**

➤ **Remove land from Preserve**

**2 - Or alternate locations outside of Preserve**

- 80 acres of COS land north of Bell road and 94th Street
- Other ?

## **CC Direction – Public Funding**

### **▣ Capital costs (\$3-75M)**

**1 - No public funding or;**

**2 - Yes to some public funding:**

▣ **How much?**

- 25% public
- 50% public
- 75% public
- 100% public
- Other %

## **CC Direction – Public Funding**

- ▣ **Capital Costs (\$3-75M)**
  - **From what options for funding source(s)**
    1. General fund, (Yes) (No)
    2. New sales tax, (Yes) (No) - Public Vote Required
    3. New bond,
      - **Repayment Source**
        - A. General Fund (Yes) (No)
        - B. Existing Bed Tax (Yes) (No)
        - C. Property Tax (Yes) (No) - Public Vote Required
    4. Existing bed tax, (Yes) (No)
    5. Existing preserve tax, (Yes) (No)
    6. Other?(what?)

## **CC Direction – Public Funding**

- ▣ **Operational costs (\$1-3M/year)**
  - 1 - No public funds or
  - 2 - Yes to public funds for maintenance and operations:
    - A. How much?
      - 1) Only maintenance of major elements(a/c, paving, exterior walls, roof, etc.
      - 2) 50%
      - 3) Full yearly costs?
      - 4) Other %
    - B. Source of Public Funding
      - 1) General Fund or other - long-term maintenance for facilities
      - 2) General Fund or other - daily maintenance and operations

## CC Direction – New RFQ

Issue a new Request For Qualifications (RFQ) for interested parties?

- Phased RFQ - with required deadlines / benchmarks

- 1) Explain their vision for:
  - What it should be;
  - How to Plan it;
  - How to locate it,
  - How to fund it;
  - Design and Phase it?;
  - How to maintain it; etc.
- 2) Size/scope of project parameters
  - Small – visitor center
  - Medium
  - Large – discovery, research, education, infotainment, events, etc.?
  - Food and event service – size of facilities?
- 3) Zoning/Preserve Ordinance impacts
- 4) Public Involvement Process
- 5) Public Vote Interest

## CC Discussion

- ▣ Additional discussion
  - Questions,
  - Answers,
  - Direction,
  - Other, etc.