Call to Order/Roll Call

The meeting of the Neighborhood Advisory Commission was called to order at 5:01 p.m. A formal roll call was conducted, confirming members present as stated above.

Public Comment

There were no members of the public who wished to speak.
1. **Approve Draft Summary Meeting Minutes March 27, 2019**

Chair Fabiano called for comments and/or corrections.

VICE CHAIR MIRALDI MOVED TO APPROVE THE MINUTES OF THE MARCH 27, 2019 MEETING AS PRESENTED. COMMISSIONER CROMARTY SECONDED THE MOTION, WHICH CARRIED 4-0 WITH CHAIR FABIANO, VICE CHAIR MIRALDI, COMMISSIONERS CROMARTY AND PUTMAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

2. **Overview of Scottsdale's 2018 Citizen Survey Results**

Rachel Hudgens, Management Intern, City Manager's Office, stated that the survey is typically conducted every two years in partnership with the National Research Center. This time, 1,600 households in Scottsdale were contacted with a 21 percent survey response rate. In general, there have been few changes in the last couple of years. Generally, citizens enjoy a high quality of life and a strong sense of safety throughout the City of Scottsdale. The economy is a priority, even as it is given high marks.

In response to a question from Commissioner Putman, Ms. Hudgens said the percentage of error relates to the relatively small number of responses. The more people who respond to the survey, the smaller the potential margin of error.

The top priorities by residents include overall feeling of safety, which is interpreted as indicating that maintaining qualify of life is important to Scottsdale residents. For lower rated topics, it is important to note that the 35 percent who prioritized volunteering is a higher percentage than the country's overall average of 25 percent.

Areas of interest to the Commission include community indicators. Residents would generally recommend living in Scottsdale. Sense of community is low on the percent positive, but is marked as a priority at 83 percent. Natural environment is a high priority, as is quality of new development and build environment. For facilities and services, 83 percent of residents have visited a neighborhood or City park. In general, single family homes rate Scottsdale as place to live higher than residents living in multifamily homes. Single family homes typically report visiting a pool more than residents in multifamily homes. Single family homes report less housing cost stress than multifamily home residents. Residents who own their homes rate the overall quality of life higher than other residents. Homeowners are more likely to visit with neighbors, have more sense of community and plan to live in the City over the next five years in a higher percentage than those who rent. Renters rate the overall built environment, quality of new development and mobility ease higher than those who own their homes.

The survey is split into geographic categories:

- Southern Scottsdale
Residents in Northern Scottsdale rate the overall quality of life, appearance and feeling of safety higher than residents who live in Southern Scottsdale. Residents in Central Scottsdale rate their neighborhood as a good place to live overall and the appearance of Scottsdale higher than Southern Scottsdale residents. Residents in Northern Scottsdale experience housing cost stress less than residents in Southern Scottsdale. Residents in Northern Scottsdale rate the preservation of natural areas higher than Central Scottsdale. Residents in Central and Northern Scottsdale rate the quality of natural environment higher than residents in Southern Scottsdale. Northern Scottsdale residents reported talking and visiting with their immediate neighbors more than residents in Southern and Central Scottsdale. Central and Northern Scottsdale report using public libraries and other services, such as rec centers, more than residents in Southern Scottsdale. Residents in Southern Scottsdale reported visiting a neighborhood park or City park more than residents in Northern Scottsdale.

Chair Fabiano inquired as to the City's goals or intent in conducting the survey. Ms. Hudgens provided an example regarding water quality and water taste responses have been an issue for the water department. The responses have been used to address the issue.

Megan Lynn, City Manager's Office, stated that another reason for the surveys is an effort to benchmark Scottsdale against other cities. Results are available on the City website and are used as a resource by the City's executive team. In response to a question from Commissioner Putnam, Adam Yaron, Project Coordination Liaison, said that there are a number of contributing variables by geography and staff may use the information to respond to community needs and desires over time.

3. 2019 Boards and Commissions City Council Work Study Session Overview

Ms. Hudgens discussed the February 12th session, which covered the purpose, powers, duties, numbers, organizational structure, and alignment with City goals and Council priorities as well as the roles and interactions with the mayor, City Council, staff and public. Most of the bodies are advisory, with some being task specification and some quasi-judicial. Approximately half of the bodies are supported by the City's Community and Economic Development Division. Staff facilitated three stakeholder feedback sessions with board and commission members, staff liaisons, executive and management level staff.

For feedback purposes, four questions were asked:

- What is working well
- What practice you may be interested in adopting
- What could be amended
• What is not working well and should be abandoned

Emerging themes:

• Consistency
• Public bodies have differing purposes, powers and duties
• Potential inconsistencies in projects and tasks
• Clarity in terms of appropriately flexible work plan
• Improved communication for board members and staff liaisons

There several action items underway to address direction from City Council:

• Look at ordinance establishing a veteran’s commission to advise the City Council on matters related to veterans
• Advocate and promote veteran services.
• Obtain grants and make recommendations to the City Council for allocation to veterans’ groups and other organizations

Staff is currently working on a draft ordinance with public outreach to occur over a six-week period.

Another area of direction from City Council was to do analysis and recommendations on the purpose, power and duties proposed by the Environmental Quality Advisory Board. Staff departments working on the issue include Planning & Development Department, City Manager's Office and City Attorney's Office.

City Council also directed development of an ordinance extending term limits for board and commission members to reflect that once six consecutive years of service on the same board or commission is reached, there should be a one year break in service before the member is eligible for reappointment to the same board or commission for one additional three-year term. Another ordinance will add a provision to City Code, similar to the existing absentee provision that any board or commission member having more than a 25 percent annual recusal rate may be removed from the board or commission.

Lastly, City Council directed a review for potentially expanding the McDowell Sonoran Preserve Commission membership to 11 members as part of the sunset review of the Commission. It is currently on the sunset review schedule for October of 2020.

4. Scottsdale's Economic Opportunity Zone Overview

Josh Utterback, Economic Development Specialist, stated that Opportunity Zones are a community development program established in 2017 to encourage long-term investments in economically distressed areas. Opportunity Zones were included in the 2017 Tax Cuts and Jobs Act. Each state was given an opportunity to submit zones to the U.S. Treasury. Opportunity Zones are low income (20
percent poverty rate or 80 percent median family income census tracts) and nominated by governors. None of Scottsdale qualified for the poverty rate, but there were three census areas that qualified for the median family income category.

Opportunity Zones are designed to incentivize new equity investments in low income communities. The incentives relate to tax treatment of capital gains and tied to the longevity of investor stake in a qualified opportunity fund.

There are three core tax incentives:

- If the investment is held for a minimum of five years, the taxable amount of the capital gains reinvested is reduced by 10 percent.
- If the investment is held for seven years, the taxable amount of capital gains reinvested is reduced by an additional five percent, bringing the total reduction to 15 percent.
- After holding for ten years, there is a permanent exclusion from taxable income on the capital gains from the investment in the Opportunity Fund.

The two selected Scottsdale zones are:

- Downtown census tract
- Northwest corner of Scottsdale and McDowell

Mr. Utterback reviewed examples of tax benefit calculations. The intent is to promote an influx of capital to areas in need of investment. It is also an opportunity for small business and startups to raise capital. Specifically, in regards to Scottsdale, it has the potential to add to property values.

Commissioner Cromarty commented that during the Reagan administration, there was a similar initiative in industrial areas. Mr. Utterback stated that the program had similarities; however, it was determined differently and did not use census tracts or give states the power to choose their own opportunity zone areas. The groups most interested at this time are tax increment financing groups, groups already involved in 1031 exchanges, private equity groups and one-off investors.

In response to a question from Commissioner Cromarty, Mr. Utterback stated that Papago Plaza is not included in one of the zones.

5. **Staff Updates**

Mr. Yaron thanked Vice Chair Miraldi and Commissioner Putman for helping with the improvement project at Agua Linda Park. He provided photos of the event. The next NAC meeting is May 22nd.

6. **Adjournment**

With no further business to discuss, being duly moved by Commissioner Cromarty and seconded by Vice Chair Miraldi, the meeting adjourned at 5:49 p.m.
AYES: Chair Fabiano, Vice Chair Miraldi, Commissioners Cromarty, Putman
NAYS: None