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#### **CALL TO ORDER**

[Time: 00:00:02]

Mayor Lane: Good afternoon, everyone. Nice to have you here with us. I would like to call to order the September 21<sup>st</sup>, 2015 city council meeting. We will start with a roll call, please.

#### **ROLL CALL**

[Time: 00:00:13]

City 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: And the Clerk is present.

Mayor Lane: Thank you. There are cards if you would like to speak on any of the topics on our agenda that are available. Those are white cards that the city clerk Ms. Jagger is holding up over her head. If you would like to give us some written comments on any item on the agenda, they also have those yellow cards that you can write your comments on. We will read them through the proceedings. We have Scottsdale Jason Glenn and Dave Schurr here directly in front of me you have need for their assistance and we have emergency -- if you have any medical emergencies, the Scottsdale fire department representative is here -- can you put their hand up. They will be hard to find if they are not here. In any case, if you come by that kind of incident, certainly the police officers can get you in touch with that kind of help as well for that kind of help.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:34]

Mayor Lane: So this evening, we have Daisy troop 2244 with their leader Elizabeth Reynoso who will be leading us in the Pledge of Allegiance. Ladies, if you can come up to the microphone and face the

flag and if everyone could please stand if you can.

Daisy Troop 2244: 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 very much, young ladies. And now if you will turn the microphone around and one by one, if you could introduce yourself, let us know, give us your name, the school you go to and your favorite subject.

Sarah: My name is Sarah. I go to Great Hearts and my favorite subject is math.

Dylan: My name is Dylan. I go to Great Hearts. My favorite subject is math.

Kinsey: My name is Kinsey, and I go to Great Hearts and my favorite subject is art.

Olivia: My name is Olivia. I go to Great Hearts and my favorite subject is science.

Kate: My name is Kate and I go to Great Hearts and my favorite subject is art.

Mia: My name is Mia. Yeah, I go to Great Heart.

Rowan: My name is Mia -- I mean, Rowan and I go to Great Hearts and my favorite subject is art.

Cece: My name is Cece and I go to Great Hearts and my favorite subject is music.

Talia: My name is Talia and my favorite -- I go to Great Hearts and my favorite subject is art.

Brooke: My name is Brooke and I go to Great Hearts. My favorite subject is art.

Mayor Lane: Thank you very much, ladies. Nicely done all the way around.

## **INVOCATION**

[Time: 00:04:44]

Mayor Lane: The invocation, for the invocation we have Pastor David Joynt from the valley Presbyterian with us this evening.

Pastor David Joynt: Thank you. You know when I said yes to the mayor and the council, I didn't know I had to follow anything that was that cute.

Mayor Lane: You can give it a shot.

Pastor David Joynt: I will do my best. Let's bow our heads and pray. Heavenly Father, we thank

you for this beautiful place in which we are privileged to live, where mountain heights raise our heart rates and where mountain vistas take our breath away. We thank you tonight for our police and first responders who are ready for impending weather to respond to every crisis and difficulty. We thank you for our business owners and workers who provide the resources for our town and our families. We thank you for our faith communities that call us out of ourselves and to connection with you and one another. And tonight we ask your special blessing on our city council and the mayor. Give them wisdom and vision as they make this a place, where joy and justice and care and compassion come together and where all God's children thrive. We ask this in your great name and all God's people said, amen.

### **MAYOR'S REPORT**

[Time: 00:06:04]

Mayor Lane: Thank you. Thank you, pastor. Tonight we have a special proclamation that reminds us of the importance legendary teachers had in our lives. I'm sure like most everyone from time to time, I reflect on those teachers in my past that really had a tremendous impact on me and made a difference. For the occasion, we do have an official proclamation and I will read it for the day.

Whereas the city of Scottsdale believes we have all had special teachers that made significant differences in our lives, and whereas those teachers demonstrated a unique skill allowing them to transform their deep content, knowledge, into life-changing student learning and whereas the citizens of Scottsdale highly value the excellent education provided by dedicated teachers in this community, and whereas we often do not fully understand and recognize the profound influence teachers have on our future, until we have lived our future.

Whereas it's important to take time to fully recognize the legendary teachers in our lives, I therefore, Jim lane, mayor of the city of Scottsdale do hereby proclaim September 24<sup>th</sup>, 2015 as legendary teachers day in Scottsdale and encourage our entire communities to take time on this day to contact a legendary teacher in your life and express your gratitude for the difference they made to you.

That's the official proclamation. I want to congratulate all of our individual legendary teachers, all that are out there.

We would like to highlight one of Scottsdale, and that's John Selkirk. He taught for 30 years. Not only does he encourage kids to stay healthy and physically active, but teaches them about anatomy and physiology. Every year, Dr. Selkirk teaches kids about a different system in their body. I would like to thank all the parents that submitted videos of their children explaining what Mr. Selkirk taught them, but we would -- we could only pick one. Here is the Roe family who thanks to Mr. Selkirk knows all of their muscles.

Roe Family: Bicep, tricep, deltoid, obliques gluteus maximus, quadricep, hamstring. Thank you, Mr. Selkirk! We love you! You're the best!

Mayor Lane: So please help me welcome John Selkirk who will accept the proclamation on behalf of the legendary teachers in our community. Mr. Selkirk, if you can come forward. I would also like to say thank you to Nick Clements who came all the way from Tucson this afternoon to be here for this presentation to the Scottsdale Unified School District and Mr. Selkirk. If you would like to come forward and make a presentation, maybe say a few words, I would appreciate it.

[Time: 00:10:13]

Dr. Nick Clements: Well, I am honored to be here. And I wouldn't let a little rain get in the way of this. This may be hard to fathom for all of you in the front row, especially, but, you know, two years ago, I get to that point in my life that it was time to retire. And I woke up the next day, the day after I retired and I was basically paralyzed. I couldn't move because I had two questions I needed to answer. How did I get to this point in my life which was a wonderful after 37 years in education, nine years as a superintendent, it was a wonderful place to be in my life, but more importantly, where do I go from here?

Well, I was able to answer the first one and it helped me answer the second one. The first one was actually pretty easy. I was -- I went into this career because of some teachers in my life. Mine was Mr. Sorrell. He was my P.E. teacher. He was my math teacher. I grew up in a small town. He was my driver's Ed teacher and I still remember the first day driving, the man was the most patient guy in the world. I almost had the car go into a river. It's a long story, but he hung in there with me, and it struck me that these folks really set the path for my life and they didn't even know it at the time, but they did.

So I thought, they're legends. I think about them all the time. I should do something about it. And that's the second the pay it forward. So I decided I would not only write down my stories about my legendary teachers. I would put them in a book and then I would take the royalties of the book and give back to teachers. In small \$100 grants that surprise teachers because as you know, you spend more than \$100 out of your pocket already for your kids. And while we are waiting for salaries to catch up -- I'm not going to get political -- I need to do something individually. And one is designate legendary teacher day on the 24<sup>th</sup>. It's going to be the fourth Thursday in September every year, take time, reflect. If you can contact that legendary teacher, get ahold of them. Email, call, text. It will make a huge difference in their life and yours to do that.

And in honor of you being selected as a legendary teacher, I have the book, "the legendary teachers stories, how to catch a swamp frog" and all the royalties go into this grant and I will give you \$100 grant. You can use it any way you want from our fund that's funded from the legendary teacher book. Congratulations.

And we have a second book out, it's called legendary leadership lessons and don't take this the wrong way, mayor, but I will give you a legendary leadership lesson book. And thank you for honors teachers and helping this become a national event in five years. That's our goal, a national event, national legendary teacher day. Thank you, city of Scottsdale.

Mayor Lane: Well, thank you very much, Mr. Clements and also congratulations, again to Mr. Selkirk. Great video too. Our next couple of business, we do have preserved for public comment, but we have no public comments. So we can miss that.

**MINUTES**

[Time: 00:14:46]

Mayor Lane: So our business then, I would accept a motion, unless there are any questions, adds or deletes to our minutes of -- to this motion to approve the regular meeting minutes of August 25<sup>th</sup> and August 31<sup>st</sup>, 2015 and work study session of August 31<sup>st</sup>, 2015. Do I have such a motion?

Councilmember Korte: Moved.

Councilwoman Littlefield: Second.

Mayor Lane: The motion has been made and seconded. All those in favor, please indicate by aye. I think we have to wait one second. There we go. We are unanimous in acceptance of that. Thank you very much.

**CONSENT AGENDA**

[Time: 00:15:24]

Mayor Lane: Moving on then to consent items 1 through 8. We have a request by Councilman Phillips to pull consent item 8 for a presentation, I presume? A separate vote only? Okay. Then so be it. We will then -- if you can accept a motion -- or can I receive a motion to accept the consent items 1 through 7? We can move on to those.

Councilwoman Klapp: I move that we accept items 1 through 7 on the consent agenda.

Vice Mayor Milhaven: Second.

Mayor Lane: The motion has been made and seconded on the consent items 1 through 7. I think we are ready to vote. No further comment on those items. All those in favor please indicate by aye and register your vote. Aye. It's unanimous on items 1 through 7.

**ITEM 8 – PERMANENT EXTENSION OF PREMISES FOR THE VIG AT PASEO VILLAGE (10-EX-2015)**

[Time:

Mayor Lane: And then the remaining item for just a separate vote only is item number 8, and just for the record, let me indicate what we're talking about here. This is a permanent extension of premises for the Vig at Paseo village, this is 10-ex-2015 and a request to consider forwarding a recommendation

of approval to the Arizona department of liquor licenses and control for a permanent extension of premises for a series 12 restaurant state liquor license. And, of course, that is located at 7345 North Via Paseo Del Sur. So that's the item that we are now -- I will seek a motion on. Oh, I'm sorry. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, mayor. Yeah, I was going to pull this myself because I had a question, a couple of questions I would like to ask of staff. I have received several emails on this issue, and a couple of phone calls from people who are concerned regarding the increase in noise, traffic, the hours that the Vig would be open, the hours of delivery in the mornings that come in very, very early, and these are people that live right behind it, that are very close and I was wondering if their concerns have been addressed on this.

Planner Meredith Tessier: Mayor Lane, Councilwoman Littlefield, I will have the applicant address their operations.

Andrea Dahlman Lewkowitz: Good afternoon, mayor lane, council members, my name is Andrea Lewkowitz, I'm the attorney for the applicant, and this is Tucker Woodbury. We are prepared to answer any questions.

Mayor Lane: Councilwoman Littlefield.

Councilwoman Littlefield: I received a couple of telephone calls and emails from people who live in the surrounding area behind the Vig on this expansion and they are concerned about the delivery schedules early, early in the morning that come in. They are very loud and wake everybody up in their homes. Also about the increase in travel, the lights, the noise in the evenings and I was wondering if you have addressed any of these issues with the residents that there are.

Tucker Woodbury: Well, we certainly have addressed the issues with the residents. We have had a couple of neighborhood meetings which we sent out letters for, and they attended and most of the -- most of them came back in support, once we kind of explained what our plans were for the expansion and we are doing for an extension of premises. In terms of hours of operation, they won't change. It's the same hours we have been licensed to operate at from the very beginning. And in terms of the deliveries. I think the earliest delivery is 8:00. I don't know exactly what their -- what times they are suggesting that our -- so that pretty much normal business hours. The food deliveries from Shamrock, which, you know, they start their routes from their distribution center at 7:00. So maybe they might get to us by 7:45, I'm not sure, but the liquor department -- the liquor deliveries don't come until usually 10:00 or so, once our bar manager gets there to receive the orders. So I'm not -- I don't know if that helps.

Mayor Lane: Thank you, councilwoman. Is anything with regard to the issue at hand here today affect any element of the concerns maybe that have been expressed? I mean, the expansion of this patio does not do anything to any of the operations, the issues of delivery or otherwise.

Tucker Woodbury: No, it would not.

Mayor Lane: Okay. Thank you. All right. I think that's it. We have no further questions on that.

Councilmember Korte: Mayor, I move to forward a recommendation of approval to the Arizona department of liquor licenses and control for permanent extension of premises for series 12 state liquor license at the above premise.

Vice Mayor Milhaven: Second.

Mayor Lane: The motion has been made and seconded. Would the second like to speak to it at all? Okay. Okay we are ready to vote for approval, just as was indicated with the motion. So all of those in favor, please indicate by aye. All of those opposed with a nay. The motion passes 5-2 with councilwoman Littlefield and Councilman Phillips opposing. Thank you very much.

Tucker Woodbury: Thank you.

#### **ADJOURNMENT OF REGULAR MEETING**

[Time: 00:21:27]

Mayor Lane: And that actually completes the -- we have no further public comment, no petitions or otherwise. So then we -- I would accept a motion to adjourn our regular meeting.

Councilmember Korte: So moved.

Councilwoman Klapp: Second.

Mayor Lane: Moved and seconded. All of those in favor of adjournment, please indicate by aye. They are adjourned on the regular meeting.

#### **WORK STUDY SESSION**

[Time: 00:21:50]

Mayor Lane: Now we are moving right into our work study session which is a bit of a different animal, for those of you who are not aware of it, this is a continuation of a work study session we had back, I believe -- when was that? Was that the 31<sup>st</sup>? Yes, the 31<sup>st</sup>. And so we will not, even though we usually receive commentaries, limited only to five, that was completed with the first -- the first work study session, which we are now continuing. So we will go ahead and start from there. And go immediately to presentations.

Assistant City Manager Brent Stockwell: All right, my name is Brent Stockwell, city manager's office. You already had a presentation on this item three weeks ago. So I won't go through that whole

presentation again, although we could pull that back up if you would like us to. We have taken the matrix that we kind of ended the presentation with on 391<sup>st</sup> and put it in a format that may be more easy to go through, and that identifies each of the key policy issues. So you will see the matrix that we handed out has a number of key policy questions on that and as you get into your discussion, we can roll right through each one of those issues and look at those and you can ask questions about those, provide feedback to us, ask any questions that you have of us.

If I may just say one more thing, I know there might be some question about why we are spending so much time on special events now. And I think back to well over six months ago, when we first started working on this. The strategic support of tourism and visitor events is one of the council's priorities and it's one of those things that we need to really make sure that we get right because events in Scottsdale attract people from across the country, across the world, and also regionally into Scottsdale for -- and support the hotel industry and support the restaurants and everything that we have in the community. But it's important that we get that right because we need to make sure that those events are done well and don't provide a hardship on our local residents and our neighborhoods and our local businesses.

And so that's what we are looking for in revisiting the special events ordinance and have 30 years, is to look at that and say, have things changed? Is there new direction? Is there new feedback, the council and the community want to provide so that we can get that right? And when we can get that right, by knowing exactly what events the council and the community does want to have in Scottsdale, and what types. Events the council and the community wants us to slow down and look at in more detail, then we can accelerate the approval of those events that the community wants and then we can slow down the others. So it's really important to get this right and we were really looking forward to this conversation getting feedback from you.

After we go through the questions, one other piece of business that we do want to take care of is to talk about the outreach plan that was included in your package, and if there's no objections after tonight's meeting, with the feedback that we received from you, staff is going to start that process of doing outreach with the intent of coming back to you with an ordinance based on the feedback you provide in early 2016. Thank you, Mayor.

Mayor Lane: Thank you, Brent. So with that, then, do we want to -- are you going to make the presentation? I'm sorry, or --

Assistant City Attorney Brent Stockwell: I can help facilitate you through it, so I could go and kind of advance each slide and you can use that to get feedback. We can do it that way if you like.

Mayor Lane: Otherwise, it's just a matter of working with what we have here and discuss each item as we go through it.

Assistant City Manager Brent Stockwell: Yes. The work study is your opportunity to discuss these issues in depth and get more feedback from us. So the first policy question is the special event definition. And just to go quickly through the slide on the screen. The special events was originally

done to cover events on private property. When you go back to the time this was created it was a gap. It was created to allow temporary events on private property. Of course, there were events on public property at that time, Parada Del Sol goes back way before then.

There was a note on the screen, and this was not clear in one of the responses at the first work study. And that is the city street ordinance requires special events and city rights of way to follow the special events ordinance requirement. Another piece about the definition of the special events ordinance is it only covers outdoor events. And as we know it, at times, there might be actually indoor events that are of such a magnitude that impact the community that you might want to include in that regulation as well. So just a couple of key issues this is how it will work each time.

There's a summary of how the current ordinance is and some key issues for you to identify if you have any feedback on that or not and then you might find that there are some questions that you have that we haven't identified. And then let us know about those things and we will include that in the work on bringing the ordinance back.

[Time: 00:27:24]

Mayor Lane: If I was to talk on this original item, the matrix as the top item, it appears that there's been some response to the concern that special events were not covered under the ordinance as it stands with private property. I had understood that there was also a follow-up or there was an additional ordinance or an amendment that was made for the public property item that directed back to the private -- the ordinance for special events on private property.

Assistant City Manager Brent Stockwell: Yes.

Mayor Lane: Is that sufficient or is there still confusion about whether or not the ordinance applies or not? One hand it exclude it's and on the other hand it includes it.

Assistant City Manager Brent Stockwell: One thing to think about, when you have two different parts in of city code that refer to similar processes, that can be confusing for people to find. You know, they might look in one location for one and it's actually in the other. So really the issue that we were trying to identify here is bring that into one ordinance so that anyone that is looking at the special events ordinance has all the pieces relating to special events that area.

Mayor Lane: Obviously it took us a while to find it, much less somebody who is looking at the special events ordinances to find that there was this back and forth in it. So if we are looking at that particular element, as to whether or not public property should be included in the private property element of the special events or it should -- certain events be covered, I hear from what you are saying and from the standpoint of clarity to the public and maybe even because there are different sets of circumstances that might apply, public versus private, I think my -- my thought on it would be that we probably should clean up the ordinances in order to have separate designation within the ordinance for private versus public property. And leave it at that. Now, what formed that takes and what exceptions or differences there might be between it, it really runs along the gamut right now where

we are treating them both the same. So what I guess I would suggest is whether or not there are circumstances that we have identified as a city, whether or not there are circumstances where we need to consider a different application of the law, fees or otherwise as it relates to public property versus private.

Assistant City Manager Brent Stockwell: Mayor, if I may and the city already does that. The city for events such as WestWorld or Scottsdale stadium or in parks already has set up a separate process.

We set up a different process on those public properties as well. Really, what we are talking about is that kind of gap area, where events are requested in areas that we don't otherwise already have fees and processes in place.

Mayor Lane: And understand, Brent, right out here, it's controlled by the cultural council. They are on a different slate all together. What they do do, that we don't with the public property. They manage our public property in that regard. So that's -- they have a different set of rules. Whether or not we should not consider -- for those public properties that we now have special events for, whether we should follow some similar lead, as to how they handle it, and the specific addition, I suppose that we have not considered in the past, is whether there's a lease component for this space, for a period of time, rather than just the special event fee. And so I don't know whether that's something that's clarified by breaking them out, for those public properties that we as a city specifically manage ourselves through the special events process versus private property.

Assistant City Manager Brent Stockwell: And mayor, I may have actually opened that door myself. That's the last key policy question of a series of key policy questions. That's one of the reasons why we have that on there is to kind of bridge that gap in those areas that aren't otherwise going or events that are longer duration, that occur on a recurring basis.

Mayor Lane: There are some others that have comments on this too. So I want to let this go a little bit. Obviously, I think one thing about it, for clarity, as we were talking about, for the public's perception of how we are handling private versus public, some breakout of this, should public property be included in the ordinance? I would say generally, yes.

And I would -- to answer that question for myself, and should inside events be covered? I'm not quite sure what that's meant to be inside buildings or inside versus outside buildings.

Assistant City Manager Brent Stockwell: Yes, Mayor, right now, if a special event is entirely inside a building, it is not covered by a special event ordinance.

Mayor Lane: I see.

Assistant City Manager Brent Stockwell: However, there could be uses inside that building that are very similar to, you know, outdoor events, you know they might have impacts on parking. You know, so if an event is an office building but it's used for a big gala celebration or something like that, and that's just an issue that has come up from time to time and we just wanted to identify that to see if

that's something you want us to look into and consider, and revise special events.

Mayor Lane: For one, yes, I would like to see that considered too. Obviously the final analysis will be what might be suggested, whether that's going to be marketable or otherwise sustainable kind of process. But with that, I will let it go to Councilwoman Klapp.

[00:33:15]

Councilwoman Klapp: We started touching on this the last time we had this conversation. And I had some time to think about it since then. And so my thought process on it has changed just a tad. I would suggest that we -- we do include private property in and ordinance that we have two different ordinances, one that's for public property, and one for private and one of the reasons being is there is a great deal of difference on the use of public versus private, as well as if a commercial business wants to use public property, that should be regulated, I think, differently than if a commercial business wants to use private property. So that would mean that it would make more sense to me that we have two separate ordinances that deal with private versus public. That would be one thing.

And then you mentioned that we will right now have the cultural council that manages the mall and we have WestWorld managing the WestWorld events and we have got all of these other things that are kind of managed through special events and I still believe as I mentioned before, that the waterfront area should be set up under a whole different process such as the mall, such as WestWorld, to be managed separately by someone would be designated to head that up and not through a special events committee. I think someone should be like the downtown manager or something should be the person that manages that process because that way we can -- I believe the city can better manage what's happening down there and maybe even vary the kinds of events that are occurring there, such as they do at WestWorld and the mall. I believe for a variety of reason it's would make more sense to me to have a separate -- a separate process for managing that whole waterfront area and so that would be maybe outside this special events ordinance, something different, just as WestWorld is outside of the special events ordinance. So that way we can get our hands around the way that area down there is being managed today.

Does that cover -- oh, as far as inside events, again it has to do with is it a public building or a private building. If it is a public building, it should be addressed in the ordinance to public properties and if there's a special event for ordinance for private properties, it would be -- it would be addressed a little differently, because it would be different types of uses that would go into private. We have to obviously consider that if it's a private property, they have a right to -- they have certain property rights that they can -- that they follow in order to use billings and we might not want to have the same regulation on their internal building but we should be addressing the use of our inside public buildings. I have think that covers this section, as far as I'm concerns.

Assistant City Manager Brent Stockwell: And then some, I might add. I think you have identified issues that are coming up on future slides. So just to clarify that back. So on the waterfront, what we might do is a parallel process that would create kind of a waterfront use ordinance, similar to how we have a Scottsdale civic center mall ordinance and that would go through a parallel process to lay

out what the kind of goals and the aims are on that and also how that area would be managed and programmed. And that would be separate then, kind of a -- separate than the special events ordinance.

Councilwoman Klapp: That's the way I see it, yes.

I think it's a pretty important area that ought to be managed separately.

Mayor Lane: Thank you, Councilwoman. Vice Mayor Milhaven.

[Time: 00:37:19]

Vice Mayor Milhaven: Before we get too far into the weeds, I want to make some pretty broad statements and we may have alluded to this, but, you know, we have got significant bed tax revenues with the purpose of trying to create events in order to support our tourism community and we have a lot of really smart hard-working people trying to figure out what kinds of events we can create. We have even spend money, our bed tax money to help feed events and so we are at an interesting crossroads here where on the one hand, we are doing all we can to invent new events, feed new events, and expand events that we have and yet there's other -- there's other folks who would like to see us control our events and so we are at an interesting crossroads.

For my -- for my opinion, I think we need to do what we can to make it easier to do events, not harder. If we are going to look at fees, we need to remember that we are seeding a lot of these events and it seems silly to charge more fees to then give bed tax dollars to pay those fees. It seems like a counterproductive use of resources.

If we have places where there are gaps in our current ordinances, I certainly think that we need to address what those are but tonight, should inside events be covered? , I don't know. You know, I think what we need to do is have the public outreach and say, well, for example, and what are the pros and the cons of each? You know, inside my private building versus inside a public building certainly applies.

And so to summarize, I think we need to recognize that events are important to our tourism community, that we continue to make it possible for our events to thrive, recognize -- I do think that the events are good for lots of our community there. When there are more people there, there are more people there. The people don't like the entertainment districts, too many bars and restaurants but the bars and restaurants are all together because it attracts more people and they are all more successful and so, right, the fashion square mall, the retailers put themselves together and they attract more people and they are all more successful. If we have events that will bring people downtown, I think it's good for the entire downtown. So I would like to see us encourage the events and I would like to rather than spend too much time in the weeds that I don't know, develop the list, what are the pros and cons for some of these issues but generally, I support the events.

I want to say another word about our downtown, some of our downtown businesses because I'm

sympathetic to some of the businesses that feel as though these events are intruding upon them and I think that we can help them by doing some, perhaps hiring some consultants to help them understand how their industries are changing and talk about the galleries in particular. When I hear gallery owners saying that they are selling \$40,000 pieces of art over the Internet, it says to me that this' a fundamental change in that industry and I am sympathetic. I'm not sure that our event policy is really helped or hurt your businesses.

What I would like to see the city do is hire an tree specialist who could help advise us on how we can support the gallery industry. I'm not convinced that our events policy is part of it and perhaps I'm wrong and a consultant would tell us differently. Thank you.

Mayor Lane: Thank you, Vice Mayor. Councilman Phillips?

[Time: 00:40:50]

Councilman Phillips: Thank you, mayor. So my two cents worth on this event definition, I'm not sure I would include the public property or maybe under event definition in d, a, private property and all of that and then the b, public property, because there's so many different variables. Public property will have to have stronger enforcement and you will have to have safety issues because you are out in the public with whatever you are doing, which you wouldn't have with a private one. I think it's totally different. You have got electricity, where is that coming from? So I would keep those two separate.

Inside events, if it's -- like you said, if it impacts the outside somehow, then it would have to be addressed. So I think that would be part of that subsection also.

Separate waterfront, you know, that's something I haven't thought of, but I'm not really keen on that right now, just because I think we will get too many things for so many areas. I don't know if we'll be able to figure it out without having to do something like that.

And bottom line is whatever we come up with, I'm going to have to side with the brick and mortar, because they were here first. They have been here for 30 years and we shouldn't be bringing in events that negatively affect them. So we have to make sure that when we, you know, work with more success downtown, it doesn't negatively impact other people. So that's something we have to take care of.

And while I'm talking, we did have a petition and we have to make sure that we address that petition, because the council did agree to it. Thank you.

Mayor Lane: Thank you, councilman. Councilman Smith.

[Time: 00:42:30]

Councilman Smith: Thank you, mayor. Well, I agree with, I think, the outline of issues that

Councilwoman Klapp put forward. We can walk through this page by page, I suppose, but I think some of us have a concept in mind that absolutely there should be a separate ordinance for public land. I'm not even sure you incorporate in the existing ordinance. I think it may be an altogether different because as Councilman Phillips said, there's so many differences between the two and what controls you want and property rights versus public rights and so on.

I think to my question, I mean, I don't even see on this slide, when I talk about event definition, I thought we would address perhaps what is an event. And I think if you are talking particularly in the public properties, I think you wanted a minimum to define the difference between an event, which has as its primary purpose retail sales, versus an event which has as its primary purpose entertainment or, if you will, something other than retail sales as its primary purpose. And it is the first one of those that I think most of us are concerned about. Events which are primarily for the purpose of retail sales. This comes to light because we have talked about an event where we are essentially renting or giving free space to 70 retailers. And we have a great number of retailers in the downtown area that are paying a good deal of rent and electricity and all other matter of expenses.

I think we want to be in a situation -- and I don't disagree with Councilwoman Milhaven that we need to be promoting events. I would disagree if we should be promoting free retail space for folks. I don't think that's our purpose. And I'm not even limiting the impact because I do think impact should be considered but I'm not even limiting the impact to what is the impact on existing gallery owners. If you will give free space on city property, to someone to conduct a business, much less subsidize someone, then I think we have created an adverse impact on the multitude of empty properties down in the city. Those properties are empty. Those storefronts are empty because no one will rent them. And why should you, if you can get property for free from the city? I think there's a huge issue to consider primarily for public events that are retail oriented.

So for my two cents, I do want a public perfect property section or frankly a different ordinance, and I do want a definition between retail having as its primary focus and other retail. And I think the kinds of issues that you will consider, if you are talking about retail is you will consider the fair market value of the site that you are giving them and as Councilman Phillips mentioned whether they are getting electricity or getting it out of the light pole, you will consider whether they are providing parking.

Don't forget many of the people in the downtown area are required to provide parking for their business and if there's not adequate parking, then what do we do? We charge them this phantom number for in lieu parking, but you don't just open a business? Downtown Scottsdale without providing parking. And here again, we have got multiple businesses, rent-free that are getting free parking.

So -- I guess I wouldn't let this slide go by without saying, I know that your note here says that you found the reason for why you are doing public events using the private ordinance, and I think you know too that I -- and I have looked at this and think it is an absolute do loop. You created one ordinance which is explicit. It says explicitly that those events held on commercial zoned properties are subject to the provision of the zoning ordinance and only those, only for use on private property. And so how you can in a separate ordinance say that for public right-of-ways which I guess includes

streets and roads and I don't know what right-of-way is, but to me, it didn't include bridges but it does, I guess. But how you can say that that ordinance will be governed by an ordinance which says explicitly it doesn't govern it is creative writing at the best.

Indeed the only thing in the private ordinance that would even approach governing these situations is the portion of it that talks about the loud sidewalk sales and that says the sidewalk sales are exclusively conducted in front of or adjacent to the retail store. We must have a separate ordinance and designate by what authority we regulate these events. Thank you, mayor.

Mayor Lane: Thank you, up councilman. Councilwoman Littlefield.

[Time: 00:47:52]

Councilwoman Littlefield: I was kind of surprised to learn that these ordinance has not been updated in so long. It's a very important ordinance. It's used throughout the entire city, almost every day of the year and it made me wonder and this is just a little bit of an aside, that perhaps we ought to look at other ordinances also that might need updating and bringing into line to the current needs that Scottsdale has as opposed to those needs that were there so long ago. And it's just a thought for future funding.

I have some concerns about the special events ordinance and the approval process. To answer this question, yes, I believe that it should cover public property and it should explicitly say so and have an ordinance that does so. But in general, I think that we should keep in mind that our goal here is not to advance one particular group of businesses at the detriment of another.

The whole purpose of having these ordinances is to enhance Scottsdale's economy. If one is going up and one is going down, that's not enhancement. That could be very negative. And so that's kind of the purpose of the entire ordinance is not being met when we do that.

I would like to have a more precise definition of what a special event is, like many other of my colleagues have said. I think when these rules were first written, it was envisions that a special event would be infrequent, short term, and the exception, rather than the rule. Now we have special events that run continuously for months on end. A special event that runs for is no longer special. It actually becomes a part-time ongoing business and in my view it should be regulated as such as subject to the same rules and regulations as any other business here in Scottsdale. No more. No less.

I kind of went on a little different route from some of my colleagues here and I thought, we need to separate special events not only on public and private properties, but also as profit and nonprofit events. They have different goals. They have different needs, and perhaps they have different rules and regulations that could help them. Nonprofit events would be community events that may or may not be on public right-of-way. So you have a four-way grid there and it may not occur, but annually, or semiannually.

An example of that would be game night parties. They sometimes block off roads and use public right-of-ways. Sometimes they do. Public charitable events, that would be an example of a nonprofit using public right-of-way, and public property, the Parada, the Hashknife Pony Express. It enhances Scottsdale's reputation, our cache and encourages civic participation and enjoyment for our citizens and our guests.

Staff should have determine appropriate fees, if any, street closures, needs for safety, traffic, all of that stuff should be included with it. And they should come back to us for our finding. I think those kind of special events should be a separate category, whether they be on private or public land. Again, I think both should be covered. And I think that's what I want to say at the moment. Thank you.

[Time: 00:51:48]

Mayor Lane: Thank you, councilwoman. I suppose what I don't want to have happen is get too much maybe as Vice Mayor said, down into the weeds on this and trying to keep this as straightforward and simple an approach that -- and give some kind of guidance as a correction we need to go. There's already been certainly even with the first item, even though we hit on a couple of other items that you have on your PowerPoint here, we have had a variety of approaches, just to the definition.

I think one of the things that we uncovered it took a little while for our staff to uncover is the fact that in 2013, we actually modified and did have a provision for public special events. And it referred back to the private -- the long standing private special events program. I think somehow or another, keeping these together, you will have occasions certainly where a special event is entirely private. You will have some special events that are entirely public, and you are going to have crossovers between the two. So keeping them somewhere in the same space in any case with provisions that will allow for it to be defined, maybe in some of the other ways that we talked about defining them, but keeping it together, between promotional or awareness type of events, I mean, we have all kinds of ethnic and racial and other kinds of civic events that are for an awareness and for education purposes and they are more than likely nonprofit.

A lot of these events are run by nonprofits which brings in another element that they will bring in some nonprofits. I don't think we change it. There's not just one price for anything that's out there. But if, in fact, we will talk about a nonprofit, is it truly a nonprofit and where is the money going and how do we have to track that in order to are confirm that?

We talked about, between retail and what I would consider promotional type of events. Retail, obviously is a for-profit, even if they are giving the proceeds over to some charity which is a lot of times what we see. So we will have to think a little bit about how we categorize these areas that were in this definition. Because I'm all in favor of making some -- or giving, I should say, some consideration for nonprofits and maybe for strictly promotional or activity-related kinds.

Events that are there just to entertain and maybe even educate. But I do think that on just a general level, I think this addresses some of the concerns that have been expressed about our current policy

as it relates to this. And that is the use of public property, without any additional compensation to the city. How far do you go with that, without -- and I share the concern the Vice Mayor expressed, before you somehow or other damage not only an image and a reputation of working to have these kinds of activity, to keep the downtown vital and operating and with people within it downtown, activating an area which is actually part of our overall business development study that's now in the process of being implemented as it relates to tourism in downtown by the task force. So we need to go one way or the other, and I frankly certainly favor the idea of creating those kind of activities levels.

I don't know how many people are around when downtown was dead as a door nail for a long -- for long periods of time, not just in the summertime. And, of course, part of process of what we are trying to do is make sure that it is engaged. The difficulties we've had with this, specifically with the gallery district has been a change in the environment, in the marketplace, along with just a general overall downturn.

I think three basic things we have to look at in the sense of fairness of it is in leasing property that's public property there. Needs to be some additional cost to that. I'm not putting a cost on it. I would like to make sure that we are within a market place that even though I think Scottsdale is a premier location to have an event, and I think that's certainly worth something, there should be maybe some additional costs and certainly some additional costs to leasing public property. Public buildings, I know we talked about inside. I would definitely feel it falls into that category, absolutely! Whether it's under the other terms of a special event or not, is beside the point.

The booking of an area, and one thing that we do have, and we pay money too actually, the cultural council to manage not only the facility but also the grounds around it, inclusive of the grounds around here and city hall, has provided, frankly, another element for them to recover on that, and certainly to fund our cultural council and all of that. But it also has put into place a process and a procedure that has been accepted and it certainly is more costly to anybody who is having something in this area than it is where we are just -- just extracting maybe a special event fee. But the leasing of the property, the booking of the property, and now I'm talking about whether or not -- you are certainly not going to put two events on the same piece of dirt or the same piece of roadway, but that booking has to be conscious of the surroundings and that too.

We need to give consideration to potential conflict. That's a tougher one to sort of nail down but I think we need to think hard about how we look at that whole picture, what we are leasing, what its value is and when we are booking it and frankly, if there are conflicts that we can -- that are notable and understood in a given area. And, again, I don't have an answer for that last one, even though it's been a product of certain amount of real concern.

[Time: 00:58:13]

So I guess I have touched upon the types of events, but types of events that should be encouraged. I don't know that we need some real consideration for the kinds of -- just exactly to that question, that's the first bullet point under the key issues that you have here.

The types of events to be encouraged. I think that depends upon where it is. And now, you know, we are talking about all city properties across the city. But in downtown, we should properly be looking at something that is -- and, again, by definition, somehow or other, compatible with our downtown and how that works with the entire environment.

Types of events to be discouraged. That's another thing. We have an event that is scheduled, that's sort of a -- well, it's a bit of a car race, I suppose. Grand Prix with miniature cars and that. Is that something to be discouraged or encouraged? It seems like it's received some support from the merchants only because it brings a crowd down and creates a bit of hype on the area. Is it arts and culture? Not necessarily. Is that the only thing we are looking for? We had dog events downtown. I don't know who makes that call or that judgment.

When you think of the bookings and the conflict, it's something else. Are there events that should be exempted from regulation? My answer to that would be no. I can't imagine what the circumstance is, that is entirely exempt from regulation.

We have a bit of a problem with that right now, in that our special events do not really define some of the requirements even under the law and under our current ordinances in other areas as to whether or not they apply. We need to have everyone at least living within the same guidelines.

Should nonprofits be regulated differently than commercial? I suppose that's a matter of maybe pricing rather than anything else.

Should events be restricted from zoning district or not? By zoning district or not? That calls for a lot of judgment calls, and I'm not sure, unless somebody decides that they think it's important that we have very, very specific criteria within each of the individual districts. We are undoubtedly going to have some crossover things. There are districts that might say that we don't want the Parada in our neighborhood or in our area.

And that's just not something that's going to necessarily meet their mission, but it is something that's important to the city or I believe it is, anyway. So the type of events.

I guess what I'm trying to do here. What we are really here for is to look at the ordinance. There are all kinds of concerns that are out there. I would like to have the ordinance address those concerns, even the six that have been brought forward by the gallery association and I think that incorporating those concerns into our look on this, and either figuring that -- well, either determining that it works or it doesn't, given the marketplace and other considerations, but it needs to be at least considered. I think that's a staff consideration to come back with us on the ideas on that. The allowed event days, that goes a little bit to my booking issue. I think that's something that we need to be at least looking at. Whether it's length or whether it's the time of -- during the week or whether it is the connected time. When I say length, I should say, I suppose, how many days within a year. I'm not particularly concerned about how many days during the year. If you have an event that's a good event, and they book it, why would we want to have it go vacant if, in fact, it's going vacant is a detriment to our overall scheme of things? But consecutive days, I can sort of understand

that.

Are we looking to have events booked to activate downtown? I think it's important to consider what type of limitation we put there and how it would be valued by the overall downtown. Is this too many? I'm not sure to what point -- too many of allowable dates? You know, that's a hard one for me to address.

Assistant City Manager Brent Stockwell: So mayor, if I may, all of the issues that we are identifying in these key policy questions, they are not hypotheticals. Each one of them is based and feedback that we have received, either one way or the other, from either the community or from, you know, people that plan events over the years. And so what we were trying to do is identify for you the types of questions that might come up in the review of the -- in the review of the ordinance and if you have feedback on any of them, to let us know. If you don't have feedback at this point in time, let's let it go through the process and get that input from the businesses and the residents and the people that plan events and then come back to you with some ideas for them. I'm not trying to make you answer every question as you go through this, but I did want to let you know that each one of these, there's an example or specific examples behind each one of them.

I think Councilman Phillips mentioned at some point to make sure that the petition request come up, and, you know, as we have gone through each one of these, each one is touching on questions that the petitioner has asked about. So in some cases, it may be kind of broad, impacting all events. It may -- in some cases it might be specific to a certain event.

And to go back to the previous slide, when we are talking about are there types of events that are encouraged or discouraged. Really what that is code for, as you develop the regulations here in the ordinance, you can make requirements more lax to encourage events, and you can make them more stringent to discourage other events. Where it says some categories this type of an event is only allowed twice per quarter, or two times per year. What those are attempts to do is place limitations on those types of events, that aren't present with events more generally. So like the car shows or the sidewalk sales, instead of saying you can do that 48 times a year or 30 days in a row, it says you can do that twice a year or, you know, a couple times a quarter. So that's all we are trying to identify here.

Based on the feedback that you all have received and the observations that you have, is there something you want us to come back with? By no means am I asking you to go point by point and answer every question.

[Time: 01:05:36]

Mayor Lane: I understand that, Brent. I appreciate you saying so. I think it's important that item by item, we look at it and we say, hey, we are -- we are concerned about this particular aspect, or we are not. And I suppose in some instances, I don't necessarily have an immediate objection, or promotion to it.

There's one overriding concern I have with this process that somehow or other, we don't muck it up a

bit, just by virtue of making it easier more complicated, maybe more expensive outside the marketplace, and we end up doing damage in some areas. I just -- it just occurred to me something I said earlier, about inside but we've got a lot of venues now that are city property and some of them are managing and controlled by others, specifically either contracted and -- you know, contracted in most cases. So that doesn't apply necessarily to them. But the careful area when we get into this as to whether we have some additional authority over that, and whether or not we get ourselves involved in something we probably aren't --

Assistant City Manager Brent Stockwell: And you are watching an important issue that we anticipated might come up on one of the later slides.

Mayor Lane: Okay, well, I don't know how many slides we have actually gone through, but nonetheless, I will leave it at that right now. Councilwoman Klapp.

[Time: 01:06:57]

Councilwoman Klapp: Well, if you wouldn't mind going back, because I only addressed slide one. So you have now advanced through several, and I know the comment was made that we are getting into the weeds here but this is what you asked us to do, is to get into the weeds and so I'm fully prepared to do that. If you want philosophically my feeling about this, then I do want to encourage special events, however, on the other hand, if you look at our marketing strategic plan, it says one of the key elements is to work with our present businesses and retain them, and so my feeling is we do not create special events that negatively impact our current businesses in Scottsdale. So, I mean, there's -- there's -- it's great to encourage events, but if we are doing it at the detriment of our existing businesses, then I believe we are heading down the wrong path. And we really need to be careful of that.

So you know, should there be events discouraged? Yes, we should discourage events that are created by a commercial business to use public property that competes with our existing businesses. I have think that should be discouraged and not encouraged. If they want to take an event, then take it to private property, not to public property. That would just be a pretty logical way of approaching it, in my mind. So from, you know, if you go through some of these other areas, those are -- that's probably my major comment here on this particular question, is what should we be encouraging and what should we be discouraging?

You know, when you are looking at the kinds of events that have been created in Scottsdale, and this goes right back to the gallery association problem, which the events are occurring, we have encouraged a lot of art events throughout the city. And I'm talking about physical art, three-dimensional arts. But we don't do much with theatrical events. I don't think the galleries have a problem with three or four days or the art festival in the middle of the mall. It creates excitement for art in particular. That's a great event.

But if you have an event that lasts for 48 or more days, that actually does compete with other businesses, I think that should be reduced significantly. And I don't believe in the case of an event

such as the market on the waterfront that it should be it should be held on a Thursday night. I just think that should be thought through, that we have this long standing art walk on Thursday nights in downtown, and yet we are encouraging another art-related business nearby to operate on Thursday night. I have think it should be moved to another night, or, you know, in some ways looked at because it is in competition with an existing business and it could be there's another type of an event that would be created that might compete with some existing businesses.

I think a good example would be if we had a -- if we had some car dealership that wanted to put on public land for about 48 to 60 days a year tents that would sell cars do you think that the car dealers city of Scottsdale would not take issue with that?

Mayor Lane: Please, I'm sorry. There is no applause and there is no booing. So -- thank you.

Councilwoman Klapp: I'm using that as an example. Anyone who owns a business. I have a retail business. And I can probably feel this more closely than others. If we are allowing events in the city, three and four days are not a problem. In the shopping center where I'm located if there was an event in the middle of the parking lot for a few days, I don't care. If somebody wants to put something in for 50, 60, 70 days and competed with my business, I would have a real issue of that. Those are some good examples.

We have to think clearly about long-term events that are in the city, that are run by commercial operators. I'm not talking about a nonprofit, but commercial operators. Councilman Smith referred to retail. I referred to commercial because some things may be other things that are not quite retail but they are still commercial businesses. Those are the kind of things that we need to be very careful about encouraging, commercial businesses using public property to create an event that is great for them, but for other businesses in town, it can have some real long-term problems. That would be my comments on types of events.

I will let others mention what they want on this slide and then the allowed event days. I don't know if you want me to continue on. I think probably other people want to speak about this. I will come back.

Mayor Lane: Thank you councilwoman. Councilman Phillips.

[Time: 01:12:32]

Councilman Phillips: Well, you push the button and you wait to talk and then by the time you are called on, you forget what you wanted to talk about. Allowed event days, when they were separate, if you have a separate event for the private and a separate one for public, those could be different also. The private ones could be 48 event days and 30 private.

Public, I think is totally different. Even if you cut it in half, 24 days and 15 public, you know, maybe they can be concurrent if no other event is coming up but, folks if you saw this list of events, it's unbelievable. There's got to be like 500 of them. It's Italian festival, wiz kids festival, bikers for

boobies, cowboy Christmas, I mean, it's just hundreds of them. So our staff was just working overtime to approve an event and this event person had to get his event going because they have to advertise, you know, and get everything going to make sure that their event is successful. And you have 100 people waiting behind you. Staff is pressured to say, I didn't, we will give them this event.

We condition make it so complicated that -- we can't make it so complicated that staff doesn't know what criteria it falls under. Let's not make it too complicated. It's t just takes too long because we have too many events going on.

Zoning districts, that's probably has to be looked into, because you don't want beerpolooza in the gallery, and that sort of thing. We have to say, no, it doesn't fit into that zoning because of the size of that area. That's something that we have to look into.

And a different review process for each one, you know, again I don't want to make it too complicated but if we -- if you can make it into separate categories then the review would be different. I understand you have a hard undertaking here to figure out this ordinance that works best for everybody all the time, but it's not going to be easy.

Thanks for listening to my suggestions and the rest of council. I'm sure that we will come up with something that works pretty good most of the time.

Mayor Lane: Thank you, councilman. Councilman Smith.

[Time: 01:15:01]

Councilman Smith: I do share your opinion that when you press the button, you forget what you were going to. I think the scenario of what Councilwoman Klapp was trying to do it, whether it was profit, or nonprofit, we will know what we mean. You will know what we mean when we say we want more regulation on a business which is going to compete with an existing business. Councilwoman Klapp indicated she comes to this from the perspective of the small business owner.

I guess I would share with all of you, I too come with it from -- to it with that same perspective, as you may or may not know for many years, my wife and I owned a small business in Scottsdale. And we actually suffered the detriment of competing with the Scottsdale city government for a number of years. She had a publication and the city decided to do a similar publication subsidized. It's not right that the city used the power of government and the tax dollars to compete with individual businesses.

I want to go on record as saying, I do not agree with hiring a consultant or whatever the manner might be to figure out what is going on at the galleries and their changing businesses. These people know how to run their business. They have been doing it in many cases for many, many years. And I applaud them for making it through the recession, most of them here, I applaud them for sustaining their business in spite of adverse competition, from the city. And all they are asking now is that the city please not do anything to harm them. I do not think it's our responsibility to go in there and

figure out what's happening in their business and how we can help them run their business better. They know how to run their business if we would leave them alone.

I'm also not concerned with us going to muck up, I think was the phrase, the -- the special events that we have here in the city. If we muck up the ones that are for retail, I'm all for it. But if we do this carefully, we will actually increase the emphasis on events that drive the kind of enthusiasm, the vibrancy and the visitation to downtown that is beneficial to the city and beneficial to the people who have made an investment as merchants there.

Many of these questions, I think, will become very clear if you begin with the premise that you are going to have an ordinance that has two prongs, well, three if you count events on private properties but two prongs for the public property events. Is it retail or is it commercial or is it for-profit or whatever the definition is, and is it something else? And for the something else, be quick. Be efficient. Promote them, bring as many as you want. Let them stay as long as they want. But for the ones that are retail and profit driven and competing with the existing merchants and taking up parking spaces, whatever, absolutely. I think for my vote, I want -- I want significant control over them. And I think that will drive your definition on all the remaining questions. Thank you, mayor.

Mayor Lane: Thank you councilman. Councilwoman Littlefield.

[Time: 01:18:33]

Councilwoman Littlefield: Thank you. I concur with Councilwoman Klapp and Smith. That's what I was trying to get to, as I said, public or private property and profit or nonprofit. If you have businesses competing with low overhead, no overhead and driving the customers away from the brick and mortar businesses, these businesses will suffer. We should not be the arbitrators to determine what businesses fail in Scottsdale and that's what we are doing right now with what we are doing.

I think that kind of should be discouraged. It should be at least put on an even playing field with the brick and mortar businesses.

We can't -- you know, my husband and I came from a small business scenario. You can't compete with a business with no cost if you have cost. Your prices are going to go up to cover your costs. It has to. And there's just no way to do that and survive as a business. We should not be doing that. So that is one thing, especially on public land.

I do think for profit businesses should be in a separate category and I think they should have different rules and regulations. And this is the area where most of the problems come for this ordinance. The number one problem is we need to fix the fee base and the fee construction.

I did do some research on this, and I have researched various other cities and what they charge and stuff like that. We are very, very under charging any business that's running on our public lands. And we are literally giving it away. If you take out the cost of the electricity, which they get for free, it more than covers the cost of the permit fee and we have given them special events money on top of

that. We are actually paying tease people to be on the bridge to compete with our brick and mortar businesses. That to me is a little outrageous. And I think that we need to take a real good look at what the other cities are doing in this area and be competitive, not over, but be competitive with other markets. And I think that's vital.

Councilwoman Klapp is correct that we can't ask the impossible of our current businesses and since the whole purpose and idea of the ordinance itself is to enhance business, and enhance profit, and the economy here in Scottsdale, then we need to be doing those things that do that, and that do not detract from the businesses that are here at hand. Thank you.

Mayor Lane: Thank you, councilwoman. Vice Mayor Milhaven.

[Time: 01:21:34]

Vice Mayor Milhaven: I think it's interesting there's sort of philosophical versus the practical side of some of these issues and I think we may be setting ourselves up for an impossible situation. Let me give you examples, nonprofit, versus commercial. What is the practical different between an event promoter running an event to make money versus a membership organization hiring an event producer and paying them a fee to run that? The practical impact is you have exactly the same event, whether it was run by commercial business or a nonprofit.

If we say we don't -- so then you go to the what's the -- what is the event, what is the use? And so we say we don't want to compete with existing businesses then what we are saying is don't sell stuff. So if we don't sell stuff, there aren't a lot of events that make sense. So most of the events, you know, where it's set up, it's hard to charge an entry fee because of the spaces. So then you've got to sell T-shirts, CDs, music, food, and if we say you can't sell stuff, then the event can't make any money. It can't cover itself whether it's for -- even if it is for a nonprofit. You need to look at what uses are appropriate. If we say you can't sell stuff. Then there would be no point of having an event.

We talk about costs. The city covers its costs. We don't run profit centers. We just charge fees to cover our costs and so as long as the fees are covering our costs I don't know why we need to charge more.

The other is, it's equal access. Anybody can step up and make an application to use this space. And so I don't see the difference between an event that runs for 30 days or 31-day events if the practical implication is the same to the business community. And so while some of this is interesting philosophical conversation, practically speaking I don't see how you make a distinction and preserve the event. Thank you.

[Time: 01:23:37]

Mayor Lane: Thank you, Vice Mayor. I share the same concerns regarding the definition and the application of it. There's a consensus that we should be looking at it commercial versus not-for-profits but as Vice Mayor just pointed out, that's going to be a little more tricky. It will be

trickier than we think, if we are -- unless we just want to somehow or other deny the opportunity for someone to have commercial activity with an event. And I know that some members here have indicated they don't care whether that goes away. I think that that's short sighted when you think about what it does lend to it.

And I'm going to say that there are a variety of different gallery owners. Some are doing well and some are doing very poorly. Maybe on the overall, it's poorly. But some have record years. So there's some component here. We are not exactly putting our finger on it. And that is exactly -- is it just anecdotal that the labeling and the reputation of Scottsdale through events goes toward some of those events we would like to encourage in downtown in order to continue to build that reputation? Or are they sucking the business away from the bricks and mortar?

I think a couple of things that the gallery association has made very, very clear and one is that we are giving away private property, where they are paying for their land and their facilities. That is inherently -- there's something wrong with that. I get that. They are both paying sales tax. So that tax is covered. But they have got one significant overhead factor that they don't pay for and I get that completely.

Head-to-head competition within a given area, I even get that to a degree but I think some of that is anecdotal. I'm not sure who is bringing what to the table as far as the marketplace development is concerned. We have concluded whether it's rightfully or wrongfully in our study by experts and people who have advised us on economic and business development in our downtown that events are a positive. Major survey on our branding which just took place just within the last several months indicates that people -- visitors here look for these kind of -- they look for events that organize their communities and it becomes an added component of a Scottsdale experience whether you see that is a positive or a negative, that's what they are telling us. So we have a task force that is at least in that direction.

I think there's some fixes that we can do to this policy without mucking up or frankly dismissing commercial activity in any of these. And still at the same time, bring the activity level, bring the marketplace up, and give us a reputation for the kinds of things we want to have the reputation for. One of the reasons when we talk about the type of events to be encouraged or discouraged, I think there's a certain amount of that going on that stands to be refined, but this is careful territory. Because I think we are seen as a great destination by 9.1 million visitors and in surveys, they are indicating yes, they like the arts and culture, yes, they like events in that area thing.

How do we make it work for everybody? We are not in the business up here, any of us to try to hurt anybody or to promote anybody, or to favor somebody some side or the other. We are also not going to do your business for you, as councilman Smith said, that's not where we are supposed to be, either. We are not hiring consultants for certain segments of businesses that are having difficulty within their industry or within their individual business to find a way for them. That's not what we are in the business of doing.

So where do we find ourselves? I think -- I think that you probably accumulated -- and there are

some additional comments to be made. But beyond what I have said, for myself, I'm leaving it in part to you, to consider the comments that have been brought before us and the comments made here, to -- and when I say you, obviously I'm talking about staff in general. You are the universal or the multiple you, the plural you. But in any case, I think it's important that we look at the city issue.

You know, I was thinking to myself as we were talking about this, because an awful lot of what we are seeing is, hey, this is damaging some. This is damaging the galleries, this or that. I'm not sure who is bringing what to the table when we talk about our market development. I really don't know that. I don't know how well they are working and they are advertising their marketing for themselves and would is bringing people to Scottsdale for art? Who is bringing them? The galleries? Certainly they have for years. But we can see that that's not necessarily been -- for years, that's not been a positive. It's been a change in the industry and change in the marketplace. So we can't make it up. All we can try to do is provide the services within the city as best we possibly can and a fair and equal basis and not to exclude private enterprise that comes in for event. We can't say, hey, you can come but you can't recover anything on that. That's -- number one, it's not necessarily serving some of the people that have come to visit us for that very reason.

And the other is that it's just not going to be a sustainable kind of picture. So we are in the midst of changing our ordinance. Simplifying, clarifying, redefining some things, and reconsidering what cost factors are involved, what kind ever booking and what kind of arrangement, proximity or otherwise that we may at least want to consider. Duration of issues that we may want to make sure that we have a better mix or spread on things. Those are all things that need to come back to us. So that's my final comment on it, this evening.

I think -- I hope you have gotten -- either that or you can relisten to it. I know sometimes it's a little convoluted. But nonetheless, head back to the tape. I either prompted a roll yup of everybody wanting to make additional comments and their own clarification, but -- Councilmember Korte.

[Time: 01:30:28]

Councilmember Korte: Thank you, mayor. This is clearly a very difficult situation here. I'm not quite sure how we have gotten to this point except that I personally met with some gallery owners about four or five months ago and listened to your concerns. And still believe that the free market is one of the most important regulatory aspects or factors that we can support here as a city.

So if we go back years ago, years ago and I'm thinking late 1990s, early 2000s, you know, downtown Scottsdale was pretty dark. I'm on the east side of Scottsdale road, we had boarded up buildings, the small businesses that used to occupy those billings were long gone and on the west side, we had, as many of us smoke of many of the rubber tomahawk T-shirt type of stores and it certainly didn't offer our visitors the type of retail experience that was sustainable and kept our visitors coming back.

So we talked about in the tourism industry, talked about how can we activate downtown because as we know, a -- a viable downtown won, one that it full of people and not just cars, but full of people, is critical to the sustainability of any community, particularly tourism community, that we are. So we

started talking about events, and that supporting events, particularly downtown, would activate and bring people downtown.

As we review the number of special events, it's estimated that over 50% of our special events occur downtown. Now, how many of those events are for retail sales? Special sales, however you want to say it versus another purpose.

Well, I have to ask, and I think this would be a research point for staff is through the last five or seven or ten years, those events that were for other purposes, whether it was a dog show down 5<sup>th</sup> Avenue, whatever that other purpose was, I'm sure that there were many of them, how many were viable? How many of them came back the second year or the third year or the fourth year? How many of them activated and brought people into downtown? Versus the retail? So the art markets, the artisan market, how long has that been viable? How many people does it bring to downtown? How does it -- how does it fulfill that mission of activation? Downtown? I think that's an important question.

Because I believe that -- I believe that if we rely on the Parada Del Sols, we will go back to a very dark downtown. So I think we need to be careful and we have seen the impact of government regulation in all of our businesses. I think the last thing we want to do is make this more complicated for any event vendor -- for any event vendor. And if we -- when we dismiss market trends and dismiss what the visitor is coming to Scottsdale to look for, and the convention and visitor bureau has some great data on that, then we will lose any successes that we enjoy today in our downtown and in activating our downtown.

Mayor Lane: Thank you councilwoman. Councilwoman Klapp.

[Time: 01:35:17]

Councilwoman Klapp: I wanted to address one comment that I would respectfully take issue with. And that is by characterizing that we would have events where we would sell stuff, which is where -- and those we wouldn't, I am okay with events that sell stuff, as long as those events are no longer than about seven days. That's my point of clarification. So there's nothing wrong with having profit making entities or nonprofit events holding events that are short term. It's the long term ones that are the problem, not the short term ones. So that's where I take issue, and, you know, as far as the gallery districts themselves, there's some people that are highly successful and there's others that are struggling. That's true in any business.

But even the highly successful galleries are extremely resentful of the fact that there is an event that lasts for 60 days or more that is selling stuff that competes with them, even those. And, yes, I believe in the free market system, but I think it should be -- we should not be tilting the market toward people that want to use or public property for their private businesses.

I think we should activate the areas with a number of event producers that will come in instead of tying up an area -- a large area of downtown with one producer, for a number of days. We should be

activating that area with different days to make it more interesting for people to go to the area instead of the same vendor being there for a long period of time. So, you know, I'm not against selling stuff. I'm not against the art, the event in the mall. I think it's great. They have sell a lot of stuff there and I think the galleries are actually accepting of the art event in the mall. They think that's great because it shows that people are interested in the art. And they sell stuff all the time.

But it's -- they are not there for 60 days in the middle of the mall and if they were, I think we would see another problem from people saying, wait a minute, we are tying up our city mall for 60 days, for an event where they are selling art. So it really has to do with the length of time. You have that as one of the sides. So an event is short term, probably no more than seven days that. As an event. Anything longer, it's a business, if it's run by a special operator, it's a business. So we have to think about what are events versus what's an actual business that's operating particularly on public property. On private property, it's a whole different story, I think. Do people have rights to use their private property? So that will be probably my last comment on this discussion, unless something comes up that I feel is a burning issue.

Mayor Lane: Thank you, councilwoman. Councilman Smith.

[Time: 01:38:11]

Councilman Smith: Thank you, mayor. I guess everybody is getting their final, final comments. It is important, the philosophical issues are important. It will guide the development of the policy, if you understand the philosophies. You know, like many of my colleagues up here, I'm a big proponent of free market. I spent my whole career in the free market environment. But I would point out, it's not free market if the government interferes, in the government offers free land, free electricity, free whatever. That's not the free market anymore. So I encourage you, yes, put in a free market constraint in what you are looking at. And it most certainly will apply to many of the retail ventures.

I also don't share any illusion that it will be difficult to figure out the retail or they are incidentally retail compared to a non-retail entertainment purpose. We had a vision to bring visitors into the downtown area to bring vibrancy into the downtown area and somehow that morphed into let's bring a bunch ever sellers of stuff out of tents -- tents. How about that that's vibrancy.

If you want to know in my opinion, what brings people to art. They don't come so see stuff sold out of a tent. We gained a reputation of arts community because of the foundation of fine art, the foundation that many of the gallery owners, the business they are participating in. People will actually come to town to look at the fine art. People do not come to town, in my judgment, to visit what's being sold in a white tent on Thursdays and Saturdays or Sundays or whatever it is. I very much want to protect the reputation of arts and culture in a community. But unless we protect that foundation, and when I talk about protecting it, I'm talking about not doing things that will overtly distort the free market system.

That's what I urge you to put into the ordinance being something that will not disadvantage other people, whether it's restaurants, people who depend on public parking and now we consumed it in

some other way. There are all kinds of ways that you are actions seemingly well intentioned can adversely affect the businesses that are, in fact, the foundation of our arts and culture. And I hope you -- I wish you every success. Thank you.

Mayor Lane: Thank you, councilman. Councilman Phillips.

[Time: 01:41:15]

Councilman Phillips: Thank you, mayor. Well, to Councilmember Korte's comment, I was looking for a rubber tomahawk. No. If anybody was selling one.

And I would like to see more Parada events. I would like to see more western events. I grew up that way. A lot of people think that the west is old, and out with the old and in with the new. That's up to the event producers and the store owners who bring their product in. People don't want to see it, you will go out of business. So that's not really for us to decide.

Events versus a business, that's probably the big question. You know, two weeks is an event and three weeks is a business model, then that's what we -- staff -- I guess staff will have to decide or we will help you decide, that but that's a tough one. How far do you have to go before you say wait a minute this is a business. And they are pretending it's an event. That's a tough one.

Parking is also a huge issue. If brick and mortar stores have to pay their annual parking fees and then they are used up by an event that comes in twice a week, and your people can't park there, that's not really fair either. They don't want to put up barricades saying no parking for anybody because then they can't come to your store eater.

That's another huge -- store either. That's another huge issue. When they bring these events in, you know, what the expectation is for them, as far as that goes, parking and how many people it's going to draw, public safety, electricity, all of these kind of things that have to measure in, you know, \$149 a year just doesn't cover. So as councilman Smith said, good luck to you on that. We will try to help out. I have think council had a lot of great ideas on both sides of the issue and hopefully staff will be able to work with that and come back with us.

But the only reason I pushed my button, I wanted to ask the city manager or the city attorney, if the petition has been addressed tonight, I don't have it in front of me. So I don't have exactly the wording as it came back to you.

Acting City Manager Brian Biesemeyer: Mayor, Councilman Phillips, I had it up. My intent was to bring those back to you, just to make sure that everyone felt they were covered.

Councilman Phillips: Okay. So somebody just handed me the petition here. So let's see, reserve Thursday night, traditional art walk. I don't know if we talked about that. That wasn't addressed. I can address that. I think Thursday nights should be for the art walk in that area. Designate art walk is grandfathered city signature event, I think we don't have signature events anymore, isn't that

correct?

City Manager Brent Stockwell: Yes, that's correct.

Councilman Phillips: We call it something else.

Assistant City Manager Brent Stockwell: The most important thing is to figure out what the request is asking for and when I sat down with the petitioners, one of the big pieces they are asking for is more money. So part of that is more money to promote the art walk and I think the other part is that respect that these related to the first item and that is that it's seen as a key event for the city, and that we don't compete with it, if I have stated that correctly. I'm getting a little bit ahead possibly.

Councilman Phillips: Okay. And then number three, the special events and read, write, define. We talked about that. We need to improve a maximum of 30 takes of events. Special events should not compete with or have adverse monetary and put traffic on the local business. I have think we have discussed that. We requested the council to sign off on every special event, and permit prior to issuance to the ordinance. We didn't address that specifically. But I think that's a little too specific. I think that's part of the ordinance that we will be discussing. I guess with all the reserves, it's really probably the only one that wasn't addressed and I don't know if the rest of council wants to bring that up or not. But, you know, I for one I think they should have that right.

Assistant City Manager Brent Stockwell: I know we have made sure that the agenda was written in such a way so that you could address it. That was the main thing that we were trying to do.

Mayor Lane: Thank you, councilman. Councilwoman Littlefield.

[Time: 01:45:45]

Councilwoman Littlefield: Yes, I would like to reiterate if a special event runs for months, it's not a special event. It's a part-time business and it ought to be regulated as such. And there's a couple of other things here too. One thing we ought to consider when we don't charge for our public use of property, is we are cheating the taxpayers out of hundreds of thousands of dollars in revenue that we are not collecting. And that we are ignoring. But we are asking them to raise their property taxes to support bonds. We need to get back to the proper use of this money and to the proper use of our public lands.

Another thing is we are actually paying artisan markets to book there with the subsidy that we are giving them of the \$15,000. They pay no rent. It's a for-profit business. I hope they are making a profit, but they are paid by the city to be there. And I think that's wrong, if it doesn't bring the letter of the law for a gift clause, it breaks the intent and so I think that's something that we need to consider.

I especially want the staff to look at the six issues that listed on the petition and I do like and support the request for the city council to sign off on every special event permit prior to issuance to ensure

adherence to the ordinance. They don't have to be done item by item, but they can be done on consent like the bar license owners. We can pull it from consent and pull it on the regular agenda for input. This would allow council to take responsibility, which they should, and it also allows each one of these events, wherever they are, to be noticed to the public and so it could be placed on the agenda, for them to comment, for them to be aware of it, and to have a council discussion if we so wish it. I would also like to change the approval so that -- and this is why I want this, in part so that it's not just an administrative action, but that it requires council approval, and so that would change it and make it something to look at.

One other item that I would like staff to consider is to reinstate the signature event, redefine it and these are some suggestions. Do you haven't to take them all. It's just something to think about. Uniquely Scottsdale, repetitive annually, with a track record of 20 years greatly adds to our renowned reputation, our cache, and brings a go-to destination feel to it, for tourists and visitors and residents alike. And these events, that we designate to be signature events to Scottsdale, and Scottsdale alone, would receive unique and protected status.

Scottsdale should have a maximum number of days for art-related special events and a number of days maximum for our art event in any one particular location. Thank you.

Mayor Lane: Thank you, councilwoman. Councilwoman Korte.

[Time: 01:49:49]

Councilmember Korte: Yes. I'm would like to see some research in national trends regarding high end -- the high end art industry. So, for example, what is the impact of Internet sales versus walk-in sales to brick and mortar. What are the historical sales in our competitive -- our competing arts cities, whether it's Santa Fe, those -- where are those competitors and what is -- what are their trends? What are they seeing? I would like to see, really what is happening on a national basis.

[Time: 01:50:02]

Mayor Lane: Thank you, Councilwoman. Just a question as to how much do we pay and from where for the Thursday night art walk?

Assistant City Manager Brent Stockwell: For the -- how much do we pay for the Thursday night art walk?

Mayor Lane: How much do we contribute to that?

Assistant City Manager Brent Stockwell: It receives community event funding and that amount in the most recent year was \$17,000 and then the city helps to support and I have a summary that I put together somewhere. Let me pull that up for a second. Otherwise I will have to go from memory. So it totals to about \$90,000. It's one of the four funding programs that the council authorizes. And they could get up to \$30,000 and I know there's a request in for that amount right now. Then

downtown street entertainers, the city is contributing about \$75,000 to \$100,000 to that, around \$50,000 is to help activate the west main street area and the marshal way area. We also put art walk street pole banners up. They cost under \$9,000, and the walk cows cost under \$12,000. We do some rack card printing for art walk, and do a monthly distribution of those cards, the 30 top area hotels, those are actually delivered by the singing cowboy, and then the downtown map and guide map, out of total cost of about \$6,000, roughly about \$1,500 of that would be attributable to the art gallery in our district area. So you are doing all that math in your head, you would end up around \$90,000.

That doesn't include the Scottsdale Convention and Visitors bureau and marketing support, which is paid through the city bed tax funds. It also doesn't include the city support facilities that are provided to all downtown, such as parking, landscaping and all those items.

We have been working with the gallery association since the very first meeting question have with them, to help identify what additional requests that they would have, that would feel that they would -- that would better support the businesses in that area and we just received that yesterday, and are working them with to keep moving forward on that.

Mayor Lane: And estimated -- by your -- I guess maybe you have added it beyond your head maybe with a calculator, but about \$90,000, they are looking to increase that by another \$13,000 on the one category. I'm talking about the 17 to 30,000, at least that's the request that's in. And no other requests that are in, other than we have asked if there's something else we can do.

Assistant City Manager Brent Stockwell: That request is in. I received an action plan from the Scottsdale gallery association late last night that asks for additional items and we are working with them, coming up with the CVB to see how much that would cost and then we will look to see how much bed tax funds are in the existing budget or downtown funds within the existing budget and that may require us coming back to the council and saying, here's this request. Are you interested in funding them?

That being said, I will say that, we will probably shortly be followed by requests from the other specialty retail districts, old town and 5<sup>th</sup> Avenue and there on. But there this is from the initial meeting that we had. We have been working with them to identify what their needs are and what we can do to better support those galleries and it's really culminated in this request that we just received.

Mayor Lane: Okay. And the area that you are talking about covers is the downtown as defined by 9 -- well, we might consider the gallery district or the --

Assistant City Manager Brent Stockwell: So when we are talking about --

Mayor Lane: I mean on the 90,000 now.

Assistant City Manager Brent Stockwell: I'm sorry?

Mayor Lane: On the 90,000.

Assistant City Manager Brent Stockwell: On the 90,000, that's really just to focus on the art walk, what we do to support the art walk as an event.

Mayor Lane: Okay. That does bring it down to a very defined area. We are talking about the art walk area?

Assistant City Manager Brent Stockwell: Yes. And that would be Main Street and Marshall Way.

Mayor Lane: Okay. And as it is right now, that would move to about 103,000 if they move to 30,000?

Assistant City Manager Brent Stockwell: If they were approved, 13,000 additional community event funding.

Mayor Lane: Okay. Just what does the TDC or any of the bed tax funds, what gets allocated to the Artisan Market and/or fine arts?

Assistant City Manager Brent Stockwell: The Artisan Market on the Waterfront, that event, they do not receive any funding for bed tax.

Mayor Lane: Okay.

[Time: 01:55:39]

Councilwoman Klapp: They get some other funding.

Assistant City Manager Brent Stockwell: I'm sorry, I can't --

Councilwoman Klapp: Excuse me, I don't mean to jump in, don't they get some special event funding as well.

Assistant City Manager Brent Stockwell: Not the art -- not the Thursday and Sunday Artisan Market on the Waterfront. There are other events that they also participate in. You are thinking of the --

Councilwoman Klapp: The \$15,000 that they receive, what is that for? Don't they receive around \$15,000 for something? Then I saw it on a list --

Assistant City Manager Brent Stockwell: I don't know if you are thinking of, like, the Celebration of Fine Art.

Councilwoman Klapp: No. No.

Mayor Lane: I just went over the list and there's no funding for it. They just had that list delivered for some other events that they were trying to get to. Well, I suppose that says something about the commitment that the city has already engaged with, with the gallery district. The other thing I suppose, I don't want to leave us with at least mentioning the fact that the city committed literally millions of dollars to the Museum of the West. There's other reasons for that, but where it's located, would specifically bolster up the bricks and mortar of the gallery district and to help and these are anecdotal too, that has helped and maybe in some of the western art dealers more than others, I don't know. I'm not sure what the breakdown is between the types of art that are available in each of the galleries.

But my real question really went and what I was asking are because when we do these promotions, the gift tax was brought up -- I'm sorry, the gift prohibition, both in our charter and both in the state constitution. One of the things that we require is an in-kind exchange, not gifting to anyone unless they are doing something for the city of Scottsdale. And a lot of times that's interpreted as to how do they market their event and Scottsdale at the same time in using these monies. I don't know whether or not we ever designated that as a requirement, the marketing side of it, and ever reviewed whether that's actually what has happened.

But that -- that is a little bit of a concern when we start talking about gifting and the accusations that certainly on the one hand, the city has undervalued the lease of public property and I think we have. I concluded that as well. Not necessarily that it was an intent to gift. I think it was a misapplication of our regulations as far as the events on public land. We did not extract that.

Now, any other venue that we have on city property and whether the cultural council handles it or WestWorld, under their management or anywhere else, or even now to the Museum of the West, they all manage those properties and leased the land for events, period, inside or outside. I'm not sure that we, at the very least shouldn't be looking at some kind of consistent program from those contractors that lease public land or city land, and use that as at least an initial guide because it's still within -- presumably within the marketplace, and it would be more appropriate. I'm sorry.

Assistant City Manager Brent Stockwell: So Mayor, I can't see your screen. So I don't know if other people are waiting to speak. Otherwise, I can kind of wrap up.

Mayor Lane: I do have two others that already swore to me that it was closing remarks.

Assistant City Manager Brent Stockwell: You were getting to a point that I was going to use in the wrap-up. Go ahead and I will wait.

Mayor Lane: Okay. Honestly, that's okay. Maybe the thought is gone. I think I pretty much completed what my thinking was, and my concern is how we are handling -- I understand it, \$90,000 and a request for another \$13,000, how we are handling that as far as gift -- potential gifting is concerned and whether we are getting value for value.

Assistant City Manager Brent Stockwell: Well, Mayor, if I could, the community event funding agreements, they get an amount and return for whatever we are getting, either through matching or, you know, so that has tape into consideration in the agreements and the councils approved agreements a couple of months ago. That language is covered in there. The rest of these improvements are improvements on public property that are, you know, aesthetics improvements or marketing the downtown in general and so I imagine we can take a look at that a little bit more through the same light, but in terms of the community event funding agreements that is tape into consideration.

Mayor Lane: Well, at this point in time, it obviously hasn't been working and maybe there's a reassessment as to what really we should be doing, as far as all of it is concerned. So if it's not -- you know, if it's not doing the job being we need to reassess that. So that's -- well, anyway, that's the conclusion of my thoughts on that, but Councilman Smith, if this time, you promise that it's --

[Time: 02:01:08]

Councilman Smith: This is my final, final, final set of comments. First of all, I did want to go on record with the point that Councilman Phillips brought up, the petition that was presented, and I do also prefer that we follow, number one and number two. Number one being reserved Thursday nights exclusively for the traditional art walk event as the only art-related event for Thursday nights and designate Scottsdale art for signature event, whether it's grandfathered or not, I don't know.

Number six on their list was, indeed that the council sign off on events and I would agree with the council that the council should probably sign off on a certain category of events and that is events which are retail oriented, again, using my definition or anybody else's, and -- and/or events that are of long duration. I will leave you to define those terms, but I don't think we need to be signing off on everything, but certainly, if it's retail, and long duration, I think we need to take a look at what impact it will have on other people, existing businesses.

Then finally, I want to address the point that you just brought up, which was the funding that we do downtown, \$90,000, maybe another 13, \$103,000 and I want to share my observation that this is an embarrassingly small number. I say that because the citizens of Scottsdale have spoken repeatedly that one of the values that they hold most dear for the city is our reputation as an arts and culture community. And I tried to figure out here in the long hand since I can't bring a calculator, what percentage of our general fund budget we are spending on this, it's something less than 1/10<sup>th</sup> of 1% of the general fund budget that we are spending to promote what the citizens say is one of the most valued portions of our city. I don't view this as prompting up galleries. It's not a gifting issue. We are not giving anybody anything. We are spending city taxpayer money to promote one of the principle virtues and characteristics of the city that they consider valuable and durable, iconic and whatever.

I would tell you this, if you want to make sure that we are getting value, ask any one of the gallery owners to share their advertising budget and I'm sure they will tell you, they may spend \$90,000, but they do that in the first four days of the year. I mean, this is a business which thrives on advertising

and communicating with the public and I think collectively, they can show you they are spending millions that are enduring to the benefit of the city and helping to establish that reputation as an arts and culture community. And we as a city should be doing no less. Thank you.

Mayor Lane: Thank you, Councilman. Councilwoman Korte.

[Time: 02:04:14]

Councilmember Korte: Well, thank you, Mayor. \$90,000 to Scottsdale Gallery Association, correct?

Assistant City Manager Brent Stockwell: No, it's not \$90,000 to the Scottsdale Gallery Association. The only thing that's going directly to the Scottsdale Gallery Association is the \$17,000. The rest are other activities that are related to Art Walk that the city is investing in.

Councilmember Korte: So the city has \$60,000 in some way, whether it's the decals on the sidewalk, or of that nature. Is there any matching dollars from the gallery association?

Assistant City Manager Brent Stockwell: For that other portion?

Councilmember Korte: The \$17,000.

Assistant City Manager Brent Stockwell: There is on the community events program. So as Councilman Smith just mentioned, they have an association and they are collecting fees from the association, and they are marketing that as well.

Councilmember Korte: Thank you. One short last comment that I'm taking -- not taking council members Smith's lead, you know, it's really important that as we move this process that it's important to be sensitive to all the ramifications of the decisions related to this ordinance because when we change the events ordinance, it will impact the Scottsdale farmer's market. It will impact the food truck caravan and the center bird artists and the taste and many other events across the city. It will impact. And if with make this ordinance so difficult to navigate, you know, these individuals, these are business owners and -- and they will most likely look for other communities to do business, and take their business elsewhere. And I think that is very much a concern that we create an undue burden on these special event vendors, that they just pick up their goods and leave.

Mayor Lane: Thank you, Councilwoman. Well, that concludes the testimony that we have got indicated from any of the councilmembers, thus far. So gather it all in Brent.

Assistant City Manager Brent Stockwell: Do you want me to attempt a quick wrap up?

Mayor Lane: That probably would --

[Time: 02:06:40]

Assistant City Manager Brent Stockwell: So the thing I heard from most of the councilmembers is we need to address the fee and the use schedule for public properties. So that's something that was a gap, where we covered all of these other areas. We have a gap here and we need to address that, probably as quickly as possible. To me, based on the comments you made, that's probably the first order of business. That's something that takes 60 days to notice any changes in fees. Council has to decide on it and it would take 30 days beyond that to be enacted. That's something that can go on, even before the ordinance would come back to you, and I'm getting the sense that that's something you want to close that gap.

The second thing that I heard is trying to figure out what we are going to do with public property in the downtown to do special events on it, particularly in the waterfront, because right now, it's really -- it's first come, first serve, whoever puts in this application, then, you know, the committee just reviews those as they get them, and approve them, in most cases, as long as there's not -- well, they approve them in most cases, I will just leave it at that.

One the other pieces is looking at what the council in the community and the downtown merchants want to have in that area and to make sure we have an ordinance in place around that, similar to the other uses that we have like civic center mall and WestWorld and stadium and so on and so forth. I heard that piece of work in there as well.

Then with the special events ordinance, we capture a lot of different information about distinguishing between public and the business uses, the commercial uses and the not-for-profit uses and then also some changes that might need to occur on private property as well.

And so what I was thinking in that is that given the information that you provided, right now, we could go ahead and move forward with the public outreach process, and Brian, if you could help me get that slide up. It's the very last slide. And I just wanted to highlight that and then if there's no objection, we will start working on that, with the intent to come back to you in early 2016 with an ordinance that's been thoroughly vetted by the community.

So three components on here. The first one is continuing outreach to the downtown Scottsdale merchant associations and other interested groups. So anyone who wants to have a presentation on the special events ordinance, wants to provide feedback, wants to learn about that, staff is willing to do that. There's also a number of public meetings that we have already reserved the space so that we can have those public meetings, both in small group settings to answer individual questions that people might have, but also some larger settings and those will begin in October, continue to November and December, and the goal there was to continue to refine the ordinance as we go through that. And then the third step in that is that there would be a website created that would include the public meeting dates and times, communication efforts, draft language, the ability to comment. So they were collecting all of that information as they go through that, so that when the ordinance comes back to you in early 2016, you have all of that kind of background, and then you also have a proposed draft ordinance that takes into consideration the things that you talked about today.

I will say, because it wasn't unanimous, all the things you had to say, we might have to create some

options in some areas so that you can say, well, we can go this way and this way and you can have that discussion. It might take more than one meeting for the council to kind of wade through and decide on that. That's the direction we would head in from here unless there's any objection or clarification at this point.

[Time: 02:10:30]

Mayor Lane: I have to say, Brent, it's a pretty good summary from a lot of different testimony on it. As you say there may be some modifications and slight differences, sometimes even in definition. I think one of the most careful areas that we will have to concern ourselves is into defining what we want to encourage or discourage. The booking aspect and conflict I think there's probably a strategy or a calculation that can be given as to how we might avoid, you know, a head-to-head conflict in a given area. But defining a lot of things as commercial and otherwise, and whether it's encouraged or not, I'm not all together sure the ordinance is going to either provide the kind of definition and/or the latitude when it gets down that where we may be wanting to encourage one thing or another and maybe not some other things. It becomes a little bit more subjective, I suppose and I'm always cautious when we move in that direction.

Councilman Smith.

[Time: 02:15:38]

Councilman Smith: Are you really going to let me talk again?

Mayor Lane: Okay. No forget that. Remove that. He's done! We need a summary.

Councilman Smith: It begins with a question. Since this is such a long public outreach period of time, it might be six months or longer, a year before we finally button this up. What do we do in the meantime? I mean, should we be bringing back some of these I will call them suspect or questionable agreements for council approval? That might be a solution I would recommend. I have think we need something that carries us over this interest rim when we are busy drafting. I don't know that we can do public event special events but that's my non-lawyer versus the lawyers. Thank you, Mayor.

Mayor Lane: That's a question and I suppose I'm not sure who is to answer it, necessarily. I have to think we need to go through the process. You had mentioned the one thing that would be step one or the first order of business as far as the cost of public lands.

Assistant City Manager Brent Stockwell: That seems to be the comment that I heard most, let's address that issue. That will require about 90 days to get through but it's a notice that we have to give it. We don't have to have the -- all the -- I don't think we have to have all the rates and fees set when we give that notice. We need to give notice. We will be looking at that issue, and then setting that. That seems to address a big piece of that, but what we'll do is we will regroup after listening to your conversations and seeing if there's something on an interim basis that could perhaps

be brought back. Be brought back more quickly to give direction. The thing that to think about in all of this too, is that what the ordinance does and what the fee structure is, and, you know, there are fees that are approved for this. They may not be as comprehensive and there might be gaps in them for, you know, rights of way and street closures and all of those things, but that's a process that's in place and anyone on public or private property that's coming and wanting to do something in the city, is going to come and intersect with the ordinance the way it is now and the fees the way it is now.

One thing to think about is -- I think this is the point you are raising. How are we going to deal with all the things that are coming in? You know, dozens of special events come in, you know, if you think about it, so 250 special events a year and we are heading into special event season coming in and so all of these requests are coming in, how do we deal with these requests coming in, in the interim period before we have a new ordinance or a new fee schedule or a new plan for the waterfront or a new contract with someone that might help us promote and manage those events. I think that's a bit of a stickier question.

Mayor Lane: But, Brent, that's almost part of a due process when you are making law and not necessarily in the execution of it, but I think we can't circumvent the idea and change laws before we go through a process that is more or less established and considered strongly before we implement it. We have been living rightfully or wrongfully with the situation as it is. We will make some corrections that are available to us quicker than some, but I think we have got to go through a process. Otherwise, we are denigrating our adherence to our own process in the law and I would suggest that we try to, in the interim, force some different equation on folks. We will work as quickly as we can on this but I do think that we need to -- we need to go through a proper process and a change in the law.

Assistant City Manager Brent Stockwell: I wanted to clarify and figure out a way to address that concern. I think it is one as you said that has to go through that process.

Mayor Lane: Councilman Phillips.

[Time: 02:15:53]

Councilman Phillips: Thank you, mayor. This will be my final also. Yeah, and going along with what we are talking about here, you know, maybe it's going to be another six months or no. There might be the -- the feeling of some certain business owners to try to rush through their contract before it gets done. I feel like everyone had the Artisan Market come to us, we might not have approved it. And so, you know, you don't want to be sitting here talking about this and then it comes through again and then we said, well, you approved it again and we were talking about changing it. So I understand, you know, you don't want to make laws in the interim, but I don't know if there's a way you can even put it on hold for the more controversial ones because you know you would be giving something away that may not be in favor with the council at the time. So I know that's a little bit of a sticky subject but it will come up.

Mayor Lane: Thank you, councilman. Okay. With that, I think we have -- I think with your recap

and with the follow-on, I think we are in pretty good stead. So thanks very much, Brent and I appreciate you working through it with us. It would have been far tougher. Yep. That's the only item that we have on the -- that was remaining on the agenda for this evening. With, that I want to thank everybody for listening and abiding by the rules of decorum here. Thanks very much for all of that and I think we have at least gotten a great deal of information out and I think we will be in good stead to get the staff working on this, and hopefully to everybody's satisfaction. Again, thanks for everybody for their inputs previously and for being with us tonight. So, with that, I would accept a motion to adjourn.

**ADJOURNMENT**

Councilwoman Klapp: Motion to adjourn.

Vice Mayor Milhaven: Second.

Mayor Lane: All of those in favor of adjournment, please indicate by aye. We are adjourned. Thank you very much.