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CALL TO ORDER

[Time: 00:00:03]

Mayor Lane: Good evening, everyone. Nice to have you here with us this evening. I would like to call to order, the August 29th, 2017 City Council meeting. It's approximately 5:05.

ROLL CALL

[Time: 00:00:14]

Mayor Lane: We will start with the roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Suzanne Klapp.

Vice Mayor Klapp: Here.

Carolyn Jagger: Councilmembers Virginia Korte.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: David Smith.

Councilman Smith: Present.

Carolyn Jagger: City Manager Jim Thompson.

Jim Thompson: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:36]

Mayor Lane: Thank you. Some items of business. We do have cards if you would like to speak in Public Comment and/or for any of the agenda items. It looks like we have a few already. But nonetheless, that's the card over the clerk's head over here to my right and there's a yellow card if you

would like to give us some written comments that we would read through the course of the proceedings. We have Scottsdale police officers, Jason Glenn and Tony Wells here to assist if you have any need for them and their services. Please look for them. The area behind the Council dais are reserved for the staff and the Council. We do have restroom facilities under that exit sign over there, to my left. And if you are having any difficulty hearing the proceedings, we do have a hearing assist headsets available and you can obtain them from the clerk's desk over here to my right.

PLEDGE OF ALLEGIANCE

[Time: 00:01:30]

Mayor Lane: This evening, we have got Troop 194, and their leader Priscilla Sanders here to lead us in the pledge, if you would come forward, please, ladies.

Troop 194: 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, and if you would, please go ahead and introduce yourself. Let us know what school you go to and what your favorite subject is.

I'm Genevieve and I go to Hohokam, and my favorite subject is art.

Hello. My name is Casey. I go to Hohokam, and my favorite subject is art.

Hello. My name is Alex and my favorite subject is art, and I go to Hohokam.

Hello, my name is Ryan and I go to Hohokam Elementary School, and my favorite subject is science.

Mayor Lane: Thank you very much, ladies.

INVOCATION

[Time: 00:03:11]

Mayor Lane: For an invocation this evening, we have Pastor Lou Fitting, the Seventh Day Adventist Church. Pastor, if could you come forward, please.

Pastor Fitting: Thank you Mayor Lane and Vice Mayor Klapp and distinguished Councilmen and women. And guests and citizens of the city of Scottsdale. I want to thank you for the privilege of inviting me to be here to be a part of the invocation this evening, and I would like to invite you at this time to please bow your heads in prayer.

Loving Father in heaven, we come to you tonight, first of all thanking you for the privilege that we have to live in these United States of America. For the freedoms that we enjoy, the freedoms that came

with a cost, we know. We thank you for that privilege tonight. We do not take it lightly. We pray tonight secondly, Father, that you would be with our fellow brothers and sisters, citizens, who are in the lower regions of our country, those who have found themselves victim to tropical storm Harvey. We pray tonight that you would truly be the peace in the midst of this raging storm, that you would bring comfort, that you would bring healing, that Father, once again, very soon you will restore order and peace and joy.

Help us, surrounding communities, to be able to rally to their aid and do all that we can as if it were our families, and it may be some of our families that are represented here tonight. God, I pray for wisdom for our Councilmembers. I know that there are some difficult decisions that will be addressed tonight. Some very important ones and so I pray that you would grant them wisdom in their decision making and I pray, Lord, that we as citizens can present our thoughts that they will be considered but ultimately in the end when the decisions are made, we will honor our leaders by supporting them and moving forward as one. Thank you again for your promise to be with us as we seek your presence. In Jesus' name, amen.

Mayor Lane: Amen. Thank you, pastor.

MAYOR'S REPORT

[Time: 00:05:55]

Mayor Lane: I have a little bit of a report this evening and it is a proclamation proclaiming Scottsdale Parks and Recreation Month. It just says a note of some informational background.

I will go ahead and read this and whereas our Parks and Recreational programs services green spaces and facilities are vitally important to establish, to establishing and maintaining the quality of life in our community, ensuring the health of all citizens and contributing to the economic and environmental well-being of Scottsdale citizens and visitors; whereas the Parks and Recreation program builds healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally and physically disabled, and also improve the mental and emotional health of all citizens. And whereas the Parks and Recreation areas improve water quality, protect groundwater, prevent flooding and improve the quality of the air we breathe, provide vegetation buffers to development and produce habitat for wildlife. And whereas our parks and natural recreation areas ensure the ecological beauty of our community, provide a place for children and adults to connect with nature. So whereas the city of Scottsdale recognizes the benefit derived from Parks and Recreation resources I therefore the Mayor of Scottsdale, Jim Lane, proclaim, September of 2017 as Scottsdale Parks and Recreation month. If you would, please, if I could ask Kira Peters and Reed Pryor to come to the front, I would appreciate it.

If you don't know, our Parks and Recreation programs are top notch and are award winning, year by year. It's really one of the finest, one of the greatest features of our great city here in Scottsdale and it's recognized throughout the country.

PUBLIC COMMENT

[Time: 00:08:33]

Mayor Lane: So our next order of business is Public Comment. And Public Comment is reserved for citizens comments regarding non-agendized items of which no official action will be taken on these items. The comments are limited to issues within the jurisdiction of the City Council and speakers are limited to three minutes with a maximum of five speakers. There will be another opportunity for Public Comment at the end of our meeting if there's any need. And we do have four requests to speak on Public Comment. We will start with Roberto Duran.

[Time: 00:09:24]

Roberto Duran: Thank you, Mr. Mayor, ladies and gentlemen of the Council. My name is Roberto Duran, president of the Coronado Estates Homeowners Association. I came before you on March to present a petition from the property owners of our community and our Quattro neighborhood between the Coronado golf course and Miller Road. Transcript of that meeting reads that Councilman Phillips made a motion, seconded by Vice Mayor Klapp to direct the City Manager to investigate this matter and prepare a written response to the Council with a copy to the petitioner, unquote. The vote to approve was unanimous.

I'm here on behalf of the petitioners to ask what happened to that directive. On July 6th, four months after the presentation, we received a copy of an interoffice memorandum dated June 12th, 2017, that the City Manager sent to you regarding, quote, report Coronado golf course, unquote. I'm here to say that this memorandum is an insult to our status as tax paying residents of Scottsdale and it should be an insult to you. This so-called report contains no evidence that the City Manager conducted any investigation of the issues raised in our petition.

It focuses entirely on a letter submitted on May 23rd, by one of our residents legitimately concerned about the ongoing failure of the Parks and Recreation department to help minimize the damage caused by errant golf balls from the ninth tee. Our petition asked this Council to order the City Attorney and the City Manager to enforce relevant city ordinances and the provisions of the golf course lease and supplemental parcel agreement between the city and Otonoroc L.L.C. dated November 1, 2005.

This memorandum doesn't even mention the golf course agreement. Our petition contains copies of citations and notices of violations served on your hired operator, that we believed were not being properly enforced by your legal and administrative department. The memorandum fails to acknowledge that the existence of unapproved, unattractive telephone poles is in any way the result of a series of failures beginning in April 2015 by the zoning enforcement and Parks and Recreation department to take timely corrective action to stop it. On March 7th, we indicated the City Manager had preemptively negated the quality provisions of the golf course agreement.

In the memorandum, he states that, quote, the definition of modern or attractive could be debated as

the lessee is proposing to install poles and netting and not rebuilding a club house, unquote. He offers no evidence that he debated with or consulted anyone in concluding that high netting supported by telephone poles that can be seen towering over our community from Miller Road is, quote, high quality, safe, modern in design and attractive in appearance as required by the golf course agreement yet, he has approved a building permit that will incorporate the illegally installed poles.

Are you prepared to go on record that you are not concerned about the aesthetics of structures built in Scottsdale? Ladies and gentlemen of the Council, we are not opposed to a protective fence. We just don't believe a reasonable case has been made that it should be 50 feet high and supported by unsightly telephone poles that were installed without a permit. Three minutes are not enough.

Mayor Lane: I'm sorry, your time has expired. If could you wrap it up.

Roberto Duran: There's not enough time to provide you a critique, a complete critique. Mr. Porter will continue to point out how it fails to address the issues we raised in our presentation on March 7th.

Mayor Lane: Thank you. And it would be Richard Porter next.

[Time: 00:13:33]

Richard Porter: Good evening, Mr. Mayor and members of the City Council. My name is Richard Porter and I live at 2647 North Miller Road, and in the Coronado Park Estates. As Mr. Duran has already stated, the reason that we are here tonight is because the City Manager has failed to deliver on his directive that you gave him on March 7th. First of all, the report that he sent you to completely ignores the June 19th, 2015 civil hearing, wherein false and misleading statements caused the municipal court to dismiss this citation, issued by your Code Enforcement officer. And this was followed by the disastrous decision by the head of the Code Enforcement not to appeal the decision.

Despite knowing that it had been made on erroneous interpretations of the building code and that there was an audio transcript of the entire hearing available. We have a copy of that transcript and would be glad to share it with you upon your request. The City Attorney told us that he knew nothing about the incident until after the structure, the statutes of limitations had taken effect. So by his admission, it appears that the City Manager is not bothered by his subordinates making faulty decisions, but we hope that you do. After three months in the making, the quality of the City Manager's investigation, I think, becomes more questionable when you consider that seven out of the ten meetings and 11 out of the 17 permitting events that are listed in his history timeline all happen after the starting date of his assignment.

This tells us for the most part that he wasn't investigating anything, but just documenting the new events as they happened, while wasting the time of the staff and energy on a problem that should have been solved two years ago. None of his entries explain why the remedies for the breach of contract that are provided to the city in Section 9 of the golf course lease were not applied. So naturally, our question to each of you tonight is what real answers did you get out of that report and will they justify allowing this misguided project to continue despite the subpar performance of your

employees?

Two years ago, when we first saw the start of this ugly structure, we were, we imagined that our concerns would require us to come before your sympathetic ears in the city that prides itself to be the most livable in the country. To create that reputation, your predecessors on this Council had a vision and their administrators had a commitment, however, today, your administrators don't share that vision and we hope you do and will direct them to either get on board or go elsewhere.

So tonight, we ask you to reject this so-called report for failing to meet the standards that you expect in response to a proper request from the residents of Coronado Park Estates and that you consider the compromise that we offered in our petition, stating that if the poles are not removed, that they are required to be shortened and match a transparent screening. Thank you for your time.

Mayor Lane: Thank you, Mr. Porter. Next is Mike Norton. Okay. Thank you. Then next would be Sonnie Kirtley.

[Time: 00:17:31]

Sonnie Kirtley: Good evening, Mayor Lane, Vice Mayor Klapp and Councilmembers. Sonnie Kirtley, C.O.G.S. chairman. Our address is on file. Community Council of Scottsdale is one of our oldest residential advocacy groups. They have been here more than 20 years. They provide monthly speakers at the Granite Reef Senior Center, speakers could be administrators from the city, Councilmembers, staff members, members from the state government, yes Joe Arpaio was a speaker. It's a tremendous service for all of these years. I have to report that today chairman Jim Getty died and it is our hope that with the support from C.O.G.S. that the community Council of Scottsdale will continue, continue to provide public speakers for the public to enjoy at the Granite Reef Center. So we will miss him. He died of multiple medical issues. It was a tough struggle this past year. Thank you.

Mayor Lane: Thank you, Sonnie and certainly our condolences on that loss. That completes the Public Comment at this time. So thanks for the, thank you very much for the input.

CONSENT AGENDA

[Time: 00:18:49]

Mayor Lane: I will move on to our Consent items. And these items one through 28, I have no calls for any, any comments on that. Yes, Councilwoman Littlefield.

Councilwoman Littlefield: I would like to pull number 17, please.

Mayor Lane: Okay. Pull it or move it to Regular?

Councilwoman Littlefield: Move it to Regular Agenda, please.

Mayor Lane: 17. Okay. And that is the 101 restaurant conditional use permit 3-UP-2017. That finding that the conditional use permit criteria has been met and adopt Resolution 10879. Okay. That item will be moved to a Regular Agenda item. Okay. So now Councilmember Korte?

Councilmember Korte: Yes, Mayor. I move to accept Consent Agenda items 1 through 28 with the exception of number 17.

Mayor Lane: The motion has been made to accept the Consent items absent item 17.

Councilwoman Milhaven: Seconded.

Mayor Lane: Seconded by I think Councilman Phillips. And so the motion is made and seconded. We are then ready to vote if there's no further comment. All those in favor of the Consent items as indicated, please indicate by aye and register your vote. All right. And it's unanimous, 7-0 on that. So thank you very much for that. That does, if you happen to be here for any of those other Consent items, just feel free to stay with us, if you would like or if you would, please, leave quietly. Okay. Since we just added 17 to the Regular Agenda, we will move on to the Regular Agenda items which will now include 17 and 29, and we will start with item 17.

REGULAR AGENDA

ITEM 17 - 101 RESTAURANT CONDITIONAL USE PERMIT (3-UP-2017)

[Time: 00:21:02]

Senior Planner Keith Niederer: Thank you, Mayor, members of the City Council. I'm Keith Niederer with the city's Planning Department and the case before you this evening is case 3-UP-2017, a request for conditional use permit for live entertainment at the future 101 restaurant. The site is located at the northwest corner of loop 101 and Frank Lloyd Wright Boulevard. The building was constructed several months ago. It's going to be a future restaurant, however, the business is not yet open. To the north we have the C.A.P. canal, with the golf course beyond. To the east, you have the elevated Loop 101 freeway with commercial beyond. To the south, you have additional commercial center, and to the west more commercial. Here's an expanded view. Again, the building is constructed, however not yet open. It's wrapped by parking on the north and west sides. The zoning on the property is highway commercial, C-3. Here is a picture of the existing building. It does have two exterior patios as well.

Again, the request this evening is for a conditional use permit to allow for live entertainment, and live musical performances. The application is not for a bar after hours or adult uses. There will be no external live entertainment, however, there will be speakers out on the patio that will play the music that's being performed indoors. The nearest residential use is about 1600 feet away to the east, at the southeast corner of 90th Street and Frank Lloyd Wright and there's an additional residential use, approximately 3400 feet to the northwest across the golf course. Here's the conceptual site plan.

Again, there will be a stage where the musical performances will occur, as well as the dance floor. And that concludes staff's presentation. Mike Leary the applicant is here and can answer any questions you may have, as well as staff. Thank you.

Mayor Lane: Very good. Thank you, Keith. Does the applicant want to come forward then, please?

[Time: 00:23:49]

Applicant Michael Leary: My name is Michael Leary, Scottsdale resident and I'm prepared to answer any questions that you have.

Mayor Lane: Okay. Councilwoman Littlefield?

Councilwoman Littlefield: Thank you, Mayor. Thank you Mr. Leary, and you are the one I wish to speak with.

Michael Leary: Good.

Councilwoman Littlefield: All the way from before I was even elected to this Council, I have had questions regarding the building of this building, what it looks like. It's very unique building and a lot of the people in the commercial areas, I'm not even talking about residential, but the commercial areas are concerned about it. One of the things they are concerned about is late night, live entertainment going out into the neighborhoods, that it will affect their businesses. I understand at Planning, it was approved for two nights a week. And now you are asking for seven nights a week until 2 a.m. in the morning. Could you kind of tell me why you need that much?

Mike Leary: Well, that actually came from the owner. The anticipation, this use permit is basically to allow the ability. There's been no plan specifically to have specific nights or even to have any live entertainment. The ability to be able to have it any night of the week would be allowing any type of acts that might be available that are in town on another venue to be able to come. So he just purely wanted for the flexibility. It's doubtful that it will be Monday through Thursday. But he still wanted to take advantage of there might be venues that might be able to come.

Councilwoman Littlefield: Okay. And the other concern that a great many people had, actually most people had was looking at this building, they are concerned that this is adult entertainment, and they do not want to have that in the area moving the bar district, basically, up to their commercial businesses. So could you confirm for this Council that that is not going to happen and that that is not in the plans for the future for this to happen?

Michael Leary: I have a real short answer for you. There has never been a plan to have adult uses at that restaurant. There isn't any plans to have it at this restaurant. There won't be any plans to have it at this restaurant, and there can't be any adult uses at this restaurant. The adult use provisions have locational criteria. This site doesn't make it. So even if it a future owner wanted to

come to you and say, yeah, we want to put it there, he can't even make an application.

Councilwoman Littlefield: Thank you very much. You have relieved the minds of many people. Thank you.

Mayor Lane: Thank you Mr. Leary. And thank Councilwoman. Seeing that there's no further questions, this may be a motion. Councilwoman Korte.

Councilmember Korte: Thank you. Yes, it is a motion to approve zoning case 3-UP-2017.

Mayor Lane: The motion has been made.

Councilwoman Milhaven: Second.

Mayor Lane: And seconded. Councilwoman Milhaven. Any further comment by the second or, all right. I think we are then ready to vote on the motion. All those in favor, please indicate by aye. Those opposed with a nay. Aye. Motion passes unanimously. Thank you very much.

**ITEM 29 - SCOTTSDALE FASHION SQUARE MALL REZONING AND INFILL INCENTIVE DISTRICT
(25-ZN-2015 AND 1-II-2016)**

[Time: 00:27:33]

Mayor Lane: We will move on to our Regular Agenda item, number 29, which is the Scottsdale Fashion Square Mall Rezoning and Infill Incentive District 25-ZN-2015 and 1-II-2016. We have Bryan Cluff, senior planner moving forward to speak on behalf of the staff's presentation. Mr. Cluff, welcome.

[Time: 00:28:10]

Senior Planner Bryan Cluff: Thank you, and good evening, Mayor Lane and members of the Council. As you stated, I'm Bryan Cluff, senior planner with the city's Current Planning department. And this is the request by Scottsdale Fashion Square for a Zoning District Map Amendment and Infill Incentive District request.

The subject site is located at the Scottsdale Fashion Square property. You can see bound by Scottsdale Road on the east, and Highland Avenue on the north, and identified with the yellow boundary here. And I would just like to point out that the Dillard's is not part of the zoning district map amendment application. Here's a closer look at the site. You can see the Waterfront development to the south and Optima Camelview just north of the site. And this request is for zoning district map amendment to the current downtown regional use planned block development, including a development plan with amended development standards, as well as an infill incentive district request to amend one of the Planned Block Development District setback requirements adjacent to a downtown boundary.

The Downtown Plan identifies the site as downtown regional type two, which calls for regional serving commercial and retail uses, large-scale residential development, and is intended to accommodate the greatest intensity in the downtown development. This plan is a component of the conceptual development plan, which helps establish a framework for future development of the Fashion Square property. There are primary development areas identified by the light hatching while still including the whole property as viable for potential development. And the applicant will provide more detail as to the vision of what the future development may include.

This is a brief summary of the development information. I would just like to highlight a couple of points. The existing square feet at the mall is about 2.1 million square feet. The floor area ratio that would be allowed with the rezoning as well as proposed would allow for about 3.9 million square feet-commercial land use. The building height allowed under the planned block development with bonuses is 150 feet, which does include rooftop appurtenances. Density allowed would be 50 dwelling units per acre, but the applicant has limited themselves to 25 units per acre as stipulated and within the development plan.

[Time: 00:30:41]

This plan identifies the achievable building heights in combination with the setback requirements as proposed by the applicant. This plan in combination with the plan we saw on the previous slide establishes a three-dimensional development envelope which will direct future development on the property. The green lines on this plan indicate the downtown boundaries, and the plan block development district does have particular setback adjacent. At the northwest and the southwest portions of the site, you can, the development plan does comply with the planned block development and you can see the stepback on the building heights here in this area and down here with the sloping up of the height.

The other portion of the downtown boundary on the northeast here is the area that the applicant is proposed to use the infill incentive district and we will get into a little bit more detail on that later. The next couple of slides will illustrate in section view the proposed building setback requirements around the development plan. The most common occurrence around the property is the graphic on the left which demonstrates what is proposed at a typical street frontage which would be applicable at Scottsdale Road, Camelback/Highland and Goldwater. The proposed setback is consistent with the current entitlements for Fashion Square up to the point of 90 feet here. And the area above 90 feet would be the subject of the request tonight, and the red dashed line here indicates what the current downtown ordinance would require in this condition.

And on the right here would be a typical situation at an internal street such as Marshall Way and this is also consistent with the downtown requirements. The top graphic here illustrates the typical setback at the downtown boundary and this is what we typically see along Highland and at that southwest corner at the downtown boundary. The exhibit here on the bottom is the applicant's proposal to further restrict the setback and the setback requirements specific along highlight on the west side of Goldwater Boulevard, which is adjacent to the single family development.

So what they've done here is in that specific location, increased the setback requirement from 20 feet to 45 feet. Except for specific requirements for setbacks and stepbacks, adjacent to the downtown boundary, the downtown development district allows the applicant to propose their own development standards and with the exception of those step backs, the development standards as proposed mirror the ordinance of the downtown zoning district. The applicant has also added requirements to include an average setback of 56 feet and increased open space and limitations on the area of building that can exceed 90 feet in the areas along Highland, across from Optima and then also on Camelback across from the Waterfront. And the development standards and design guidelines have been established to conform with the urban design guidelines and architectural design guidelines, as well as the Downtown Plan.

And then back to this graphic again, I will draw your attention to the northeast portion of the site. The infill incentive district boundary is identified with the black dashed line here. And the request for the infill incentive is illustrated here, comparing the standard requirement of the Planned Block Development District in black so the black line here would be the typical requirement adjacent to the downtown boundary. The green line here, up to 90 feet, represents the existing entitlements that Fashion Square has at that location of the site and then the red identifies the increased building height that the applicant is requesting. And the Development Review Board heard and made a recommendation on the development plan. Recommended approval on December 15th, 2016 and Planning Commission heard and made a recommendation for approval open June 28th. There has been a substantial amount of citizen involvement and communication throughout the process of this application, including public comment in support, and public comment in opposition with most of the opposition coming from the northern side of the application boundary. And that concludes staff's presentation. I would be happy to answer any questions and the applicant is also available.

Mayor Lane: Thank you very much. We will go ahead and hear from the applicant then.

[Time: 00:36:02]

Applicant John Berry: Mayor, members of Council, for your record, John Berry, in Scottsdale. Since the day that Winfield Scott founded Scottsdale, has there been an industry more critical to quality of life than tourism? And every once in a while, the city likes to remind us of the critical importance of tourism and recently a few months ago the city issued this press release noting that visitors to Scottsdale generate more than \$37 million sales tax revenue each year, money that stays in our community to repair roads, maintain libraries, train emergency responders and provide other services.

The infusion of visitor cash helps Scottsdale residents enjoy a quality of life that's annually rated among the nation's best. Why do those 8.6 million visitors a year come to Scottsdale? And again, this is from the same city press release. Mayor, members of the Council, the single most popular activity that draws people to Scottsdale is shopping! Where do those visitors come to shop? Let's look at the analysis from the Phoenix Business Journal last year.

It's Scottsdale Fashion Square that brings in the bulk of visiting shoppers according to Travel and

Leisure, Fashion Square is the 24th most visited shopping mall in the country with around 12 million people. I think we can all agree that Fashion Square is critical to our economic health and to our quality of life. So how do we protect this important asset? Well, in other communities, for an economic engine like this, what would they do? They would throw taxpayer money at them, subsidies, tax abatements, but in Scottsdale we do it differently. We have a better way to do this.

And that is simply add five more floors to the already permitted zoning at this site, five more floors. And very limited areas to allow hotels, residential and office. That's it! No taxpayer subsidies. Five floors more than what's already permitted allows this community to protect and sustain a critical tourism attraction and economic engine. It will generate more sales tax. It will generate more bed tax. It will generate more taxes for transportation, more taxes to preserve the Preserve and it's the 8.6 million visitors a year that pay it, not Scottsdale residents. It helps keep our quality of life high, and our taxes low.

[Time: 00:38:47]

Now, our five more floors expected at the mall, not only were they expected at the mall, they were encouraged and anticipated. This is from your City Council staff report. The proposed development is consistent with and encouraged, it doesn't say, well, maybe if you do this, or maybe if you do this, encouraged by the Downtown Plan. The Downtown Plan and PBD district also anticipate, anticipate buildings of this height; this is not a surprise. So not only is our request in conformance with the General Plan, in conformance with the Downtown Plan as I just showed you, it's also in conformance with the Downtown Town Hall findings. It's in conformance with the Downtown Task Force recommendations. It's in conformance with the infill incentive district policy. It's in conformance with the downtown design and architectural guidelines and it's in conformance with Scottsdale sensitive design principles.

Now in spite of this long litany of things we are in conformance with and the long standing public plans that encourage height at this location, there are still some groups of residents who are opposed, primarily at Optima and the Waterfront. It's groups of residents, not the homeowners associations. Now, we have been working and listening with the community for 22 months. Almost two years. And in those 22 months, we made substantial changes. But as you will hear tonight, those changes aren't enough for some.

And I would like to take a moment to thank Councilwoman Milhaven who served on DRB last December and she heard the concerns of residents from Optima and Waterfront at that hearing and she came to us and she said, I think if we all work together, we can do better. And with her leadership, we have done better, substantial changes but, again, not enough for some. One of the things that's changed in those 22 months since we long ago filed this application is when we filed the application, we weren't certain what was going to happen to that Barney's store on Scottsdale Road. It was empty. So we asked for the flexibility to maybe put 150-foot buildings on that parcel where Barney's is along Scottsdale Road.

You know what, things have changed. Now instead of requesting 150 feet there, this is from the DR

application, there will be a one-story building on a portion of that, that will house a large electronics retailer that we can't name. But it just goes to show, and it should give comfort to you and the community that Macerich is a long-time partner with the city and the community. The request for 150 feet has been withdrawn from the application and it's no longer part of it for the Barney's site along Scottsdale Road.

Over the last 22 months, we also looked at traffic. Traffic as you can imagine has been an issue. I'm not going to try to explain it. I'm going to read the traffic engineer's summary. A detailed regional traffic, I want to underline the regional traffic analysis was conducted that identified the need for certain traffic improvements for a 20-year build out. This was a 20-year horizon. Scottsdale Fashion Square represents only 47% of the new traffic in the area over the next 20 years. But we've committed to constructing and funding 100%. In some instances, hold on to your chairs, intersections will perform substantially better than they currently operate today.

[Time: 00:42:28]

Mayor and members of the Council in conclusion, our downtown is a success. People want to live here. There are hotels lined up to build in downtown Scottsdale. Our residents like downtown. They like what they see there. And they use downtown. In fact, last year in September, Macerich sponsored a survey of 602 most likely to vote in the city, and what they found surprised me. 86% report visiting downtown Scottsdale an average of 10 times in a typical month, and just 14% report they do not visit downtown at all in a typical month. Scottsdale Fashion Square has higher positive ratings than Herb Drinkwater ever had, which is pretty phenomenal, 94%. Now, change is difficult and over the decades, there's been opposition as the mall has evolved from a Rodeo ground and my bet is back in the day people complained about too much traffic at the intersection. There have been concerns about more traffic, more height, more density, changing the character of our community, changing the character of our downtown.

But you know what? As downtown has evolved, Mayors and City Councils, sitting where you have sat have had the vision and executed the leadership to say, we support this important and critical component of our downtown. And the results are evident today. Fashion Square is much more than a mall. However, we cannot be complacent. We cannot sit still. We cannot pine for a past that never was through memory-dimmed rose-colored glasses. We can't go back to the past. We have to look forward.

Tonight, you can continue to protect and sustain our downtown. Tonight you can implement the city's Council approved strategic plan whose number one priority in your City Council and our city's strategic plan, economic strategic plan, number one priority, grow existing economic drivers. The third ranked priority, focused efforts and investment in strengthening key employment and business centers including downtown. We are not asking you to invest. We are asking you to simply approve five more floors in limited areas that are otherwise permitted today in the current zoning. Mayor and members of the Council, we respectfully request your approval this evening for a proposal that conforms and implements all city approved plans for our downtown. It's supported by your professional staff. It comes to you with a unanimous recommendation from your Development

Review Board, that comes to you with a unanimous recommendation for approval from our Planning Commission. Mayor and members of the Council, I'm happy to answer questions now or wait until after Public Comment. Thank you.

Mayor Lane: Thank you, Mr. Berry. We have a significant number of requests to speak. Some 40 cards that I see. And what I'm going to do in a sense of efficiency and what we do typically when we have this volume of cards, I'm going to reduce the number of minutes that are available for each card. There are a couple of instances where some folks have combined cards for some added time and I will consider that certainly on the basis of the number of cards up to three additional. And we'll move it to, even at two minutes, we are still talking about over an hour. So what I would ask is certainly if there's just a request to support one position or another, even if it's just to follow someone with the same vice certainly feel free to make that known as briefly as you possibly can and we can move on. But in any case, we do want to give everybody an opportunity and we want to make sure that the Council is in a position to receive the message in an effective and efficient way. So it will be two minutes per, with the stipulations that I just mentioned. We will start with Sasha Weller.

[Time: 00:47:25]

Sasha Weller: Mayor Lane, Vice Mayor Klapp, members of Council, thank you. My name is Sasha Weller, I'm the president of the Scottsdale Firefighters Association. I'll be brief. I am with the Scottsdale Firefighters Association, you have seen us here before and speaking typically on issues of bond measures and the like, and we have never, ever weighed in on a zoning case. But tonight is a little bit different. The Scottsdale Fashion Square is far more than a zoning case. It's an economic engine for this city. It's a vital part of our downtown. It brings in significant amount of revenue that continues to support issues that are vitally important to the community, in my world, public safety being the most. So from this perspective of the Scottsdale Firefighters Association, this is just a hugely impactful redevelopment that will help sustain the future of public safety for this community which I think everybody would agree is vitally important. The citizens of Scottsdale have grown accustomed to a high level of service in this city, provided both by the police department, the fire department, parks and recs and all the services that the citizens have grown accustomed to in this community. As many of you know, I grew up here. I chose to stay here and serve my community, in large part because of those services. So I would ask you to approve this. Thank you.

Mayor Lane: Thank you, Mr. Weller. Next will be Kathleen Livingston. And will be followed by Wayne Ecton.

[Time: 00:49:08]

Kathleen Livingston: Good evening. My name is Kathy Livingston, 8449 East Columbus Avenue in Scottsdale. I'm a native Phoenician. I have been a Scottsdale resident for many decades and have shopped at Scottsdale Fashion Square since it had Goldwater's, Leonard's Luggage and Guggie's. I have seen many changes throughout our town over time. I worked at Westcor for almost 30 years and had the privilege to be part of a team that transformed Scottsdale Fashion Square into one of the premier destination malls of the southwestern United States. On behalf of my family, friends and

neighbors, we all look forward to and support the expansion of Scottsdale Fashion Square, which continues to be a flagship mall that we all frequent. Thank you.

Mayor Lane: Thank you, Ms. Livingston. Wayne Ecton then. And Wayne will be followed by Julie Newell. I should say former Councilman Wayne Ecton.

[Time: 00:50:16]

Wayne Ecton: That's quite all right. I am Wayne Ecton. I live at, I was a Councilmember from 2002 to 2010. And I'm a member of the Downtown Scottsdale Economic Vitality Coalition. My wife and I have lived in north Scottsdale, mid-Scottsdale, and downtown. So we have experienced the whole ball of wax. We have always supported the growth of new businesses and living facilities. Why? Scottsdale is unique. One of a kind in this size city. Where else in the U.S.A. can you live, enjoy, and walk to amenities like Fashion Square, Old Town businesses, hotels, Civic Center, parks, hospital, Waterfront Canal events, shops and stores, public art, multiple restaurants and for some, not Martha and I, bars and night clubs. I was a member of City Council when Optima and Waterfront were approved. I remember well the large number of crowds that came to speak against it.

We now have some of those same residents that have moved into these facilities wanting to limit somebody for their benefit. So it's kind of a turnaround, kind of difficult, but that's normal. I understand it. It happens even in the residential community. We should thank Macerich for their desire to maintain and strengthen their investment and the astronomical amount of tax revenue that they bring in, goes to help the operating expense and maintain and update our infrastructure. I encourage each of you to vote yes for what is right for Scottsdale, not no because your personal feelings are against taller buildings and increased activity downtown. Thank you.

Mayor Lane: Thank you, Councilman. Next is Julie Newell, and she will be followed by Mark Hiegel.

[Time: 00:52:42]

Julie Newell: Good evening, Mr. Mayor and members of the City Council. I thank you for the opportunity to step up here and ask that you approve this proposal this evening. My family and I moved here to Scottsdale in the Scottsdale area 1959. And in that time, Scottsdale Road ended at Lincoln Drive. It was a desert after that. And between Lincoln and McDonald, to the east was a cotton field. If we didn't have progress in this city, we would still have a cotton field and we would still have desert past Lincoln Drive off of Scottsdale Road. Progress is important for the growth of the city, and it is important that you approve this building for the progress of the city. It has progressed a lot in the years that I have been here and I have seen only wonderful improvement. I think this will be another wonderful improvement. Now Fashion Square is not a mall anymore. It's an experience and that's the only way that this mall is going to survive. As most of you know, malls are dying at a pretty rapid rate, because they are not enhanced. They do not progress, and they do not add features to them that are unique that make them want to come in. This would do that. This project would bring people in. It would enhance it and make it a greater experience, and that way it would increase the revenue that you folks have. I don't know what the numbers are. I heard somewhere

around 9 to 11% of taxes that come in for the city come in through the Fashion Square. Please, approve this project. Thank you.

Mayor Lane: Thank you, Ms. Newell. Mark Hiegel. Followed by Christina Lanoue.

[Time: 00:54:33]

Mark Hiegel: Good evening, Mayor, Vice Mayor and esteemed Councilmembers. My name is Mark Hiegel and I'm a resident of Scottsdale and live at 7100 East Lincoln Road. As a Scottsdale resident, my family and I have been patrons of Fashion Square for almost 40 years and yes, we also shopped at Goldwater's. I have seen many changes that make sure it remains relevant and the best place to shop in the southwest. Scottsdale Fashion Square is one of the catalysts in downtown and it helps to drive other business in the downtown area. As we all know from last night's Experience Scottsdale presentation, Fashion Square is a key destination for our tourists. Those tourists number just under 9 million in the city's own tourism surveys show that. Shopping is the number one reason tourists come to Scottsdale.

Additionally, as you know, and I have already heard, it is currently a shopping destination for around 12 million annual visitors and shoppers. The city's tax revenues amount to around \$13 million or almost 7% of the city's tax revenues and they employ 3500 people and its continued success is important to the overall success of this city. Fashion Square needs the flexibility and to add additional uses such as office and residential in order to continue to be one of the top malls in the southwest. Scottsdale's Fashion Square is part of the fabric of this community and significantly contributes to local charities and is home to wonderful venues such as Desert Stages Theater. Thank you for your time.

Mayor Lane: Thank you, Mr. Hiegel. Christina Lanoue, followed by JoAnn Griffith.

[Time: 00:56:25]

Christina Lanoue: Honorable Mayor Lane and Councilmembers, good evening. I'm Christina Lanoue, I'm the senior vice president for Macerich. I have been proud to oversee the Scottsdale Fashion Square but for over 30 years in the shopping industry, I have watched a one of a kind mall evolve into the powerhouse it is today. When a mall succeeds at this level, it's no accident. Of course, it takes the resources and the commitment of a dedicated ownership to ensure the property is always in sync with what the retailers and the shoppers want today, but it also takes a supportive communication and a visionary leadership such as yourself to look at what's next in positioning this economic engine for continued success.

Scottsdale Fashion Square, as you know, is an economic driver for the city and we have all heard this tonight, but it's also an integral, it's also an integral part of the success of Scottsdale's vibrant downtown. Today, we have an incredible opportunity before us to market demand and transforming certain areas of Scottsdale Fashion Square into a complimentary mixed use development. The Scottsdale Fashion Square of the future. Your vote yes tonight will ensure the ongoing vitality of

Scottsdale's most important asset for the long term. Thank you for your time.

Mayor Lane: Thank you very much, Ms. Lanoue. Jo Ann Griffith. And Jo Ann is also speaking for Bob Griffith. Jo Ann, if you need, or did we switch roles? This is then Bob? Mr. Griffith?

Bob Griffith: Yes, sir.

Mayor Lane: Okay. Very good. If you need with the additional time three minutes.

[Time: 00:58:11]

Bob Griffith: You should have something up on the screen. There we go. All right. It seemed like we are being cut short here. So I will accommodate. Mayor Lane and Councilmembers, thank you for having me, I'm Bob Griffith, 7127 East Rancho Vista Drive, unit 4002. I'm one of the principals of the mall oversight group that filed a legal protest group seeking a super majority vote in this matter. Let's see, we want to jump ahead here. Okay. So now our mall is an island in the midst of a tourist oriented downtown commercial district with a mix of emerging multifamily and preexisting single family residents and not adjacent to a freeway. Therefore at risk from an access standpoint and to a significant extent, depending on a more local customer base.

In a nutshell this means, one, building a customer base in close proximity to the mall, instead of discouraging downtown dwellers with smothering over development and a nonhuman scale that's off putting. Two, including a richer mix of products and services that more completely serve the proximate neighborhood. It's called urban infill. Real urban infill, something worthy of the investment that many of us infill believers have made in the downtown district already. Not maybe this and maybe that, which is what we are getting out of the mall development folks.

So to do this, we need a plan, a real plan and not what you are considering, and what you are considering today is not a plan. It is just a request for additional mass and height to 150 feet wherever a structure has not already been planted on the mall property. Except for the Macy's store and garage where no foreseeable plans for redevelopment are being contemplated. With rights no additional height beyond what the existing code permits, simply purchased for a ridiculously nominal fee and no other redeeming attribute.

In the recent neighborhood past Optima was required to commit a detailed plan. The same for Safari, Blue Sky, Broadstone, Safari Two and Peacock. Why then the lowest possible standards for the mall if it is so important to our community? Finally, our attorney wants the following statement put on the record regarding our legal protest. We timely filed our legal protest on 14 July 2017 under the current city code derived from the then existing state law. Two, this protest was then and now sufficiently described by the owners of property in the north cardinal protest area. Three, the public part of this rezoning process in which we have been fully and constructive participants is an extended one that requires continuity of treatment under the law. Okay? It looks like it says zero up here and....

Mayor Lane: Thank you very much. I appreciate your adherence to that. Next is Betty Drake. She will be followed by Rick Touton.

[Time: 01:01:47]

Betty Drake: Good evening, Mayor, members of the City Council. My name is Betty Drake. 8003 East Del Tornasol Drive.

Mayor Lane: And I might want to add a former Councilman.

Betty Drake: A former D.R. member, Planning Commission member, and City Councilman and currently one of the co-chairs of the Downtown Scottsdale Economic Vitality Coalition. With Scottsdale Fashion Square, alive, well, thriving and serving the city, we really do have it all within our whole downtown area. You know we have got the complete package. You can buy a cowboy hat in Old Town. You can get your cowboy on at the Museum of the West. You can get artwork on Main Street. You can eat just about anywhere you want, and shop until you drop. No problem! We have got it all. It's all, it's a real attraction to locals, to residents as well as tourists.

We have talked a lot about the tourism industry. It's increasingly seen as a great place to live, where you can walk and in a very convenient way and live in an active energized area. A lot of people are finding this, the trend of the future these days. I also see Macerich's needs in these uncertain times for flexibility. When an opportunity comes long, they need to be able to say yes, right now, not yes, after we go through a two-year process of amending the entitlements. The opportunity will pop like a balloon! So this application gives Fashion Square the tools it needs long term. It gives us open space. It gives us public art, and all of the amenities Scottsdale is famous for. I trust Macerich will do a first-class Scottsdale job and I urge you to support this application.

Mayor Lane: Thank you, Ms. Drake. Rick Touton, followed by Ray Sachs.

[Time: 01:04:11]

Rick Touton: Good afternoon, Mr. Mayor and Vice Mayor Klapp and Councilmembers. Ever since Scottsdale Fashion Square was built in '61, as an open air mall, and has since evolved into the premier mall that it is today, and also along the way has become one of the largest economic drivers for Scottsdale, not just downtown Scottsdale. Scottsdale Fashion Square generates a significant amount of Scottsdale's total sales taxes which has been already pointed out today. By drawing not only the Arizona consumer but also the tourists to downtown Scottsdale, where they spend their retail dollars and also pay their portion of the sales taxes. Throughout its life, Scottsdale Fashion Square Mall is one of the best performing malls in the state. It's one of the few malls in the nation to still be performing well under the current changes in the retail industry.

The increasingly competitive and evolving retail industry is driving the evolution of mall development to mixed use developments, where increased entertainment, hospitality, residential and office uses are incorporated into the malls. Scottsdale Fashion Square's zoning request will allow it to retain the

premier mall status by allowing it to adapt to the changing retail industry and to be able to continue to evolve with the mall industry. Keeping its integral asset into as part of downtown and Scottsdale itself. As, because of these reasons, I do support the zoning request made by Scottsdale Fashion Square and also my name is Rick Touton and I am a resident and a downtown business owner. Thank you.

Mayor Lane: Thank you, Mr. Touton. Next is Ray Sachs, I believe it is. I'm sorry? You can correct me at the microphone, but I apologize for that. Additional cards from Eileen Cohen, and Valda Sachs.

[Time: 01:06:40]

Ray Sachs: Thank you, it's Sachs, like Maurice B. Sachs. Yes, I am a member of the mall oversight group that supports the mall expanding, but I came here 25 years ago for the sunny skies that reflect the southwest in spirit of Scottsdale and I got all of that from your own brochure that you hand out. Recently the press reported that Scottsdale's standard for many years was 60 feet height for building structures, and it has worked well for both commercial and residential needs, for a successful growth of Scottsdale. Macerich has asked the right to build to 90 feet, has the right, I'm sorry, to build to 90 feet and nobody is objecting to that. 50% more than the 60.

Where are any plans for developing within this approved 90-foot height? Why isn't this height sufficient for building an office or hotel? It works well throughout Scottsdale. The zoning request is 150% more than what has been normal for Scottsdale. At the development planning committees, Macerich showed drawings of what 90 feet and 150 feet would look like. Naturally, and you can see it up on the board, naturally, the 90 feet looks look a warehouse and the 150 feet quite good. They first took these photos from my terrace facing Highland and the mall.

And what I did was I did an overlay of their architectural drawings. The one on the right is a 90-foot and on the left is supposed to be 150 feet. You can see from the overlay it does not have five to six additional floors for the 60 additional feet. It's only added three floors, typical of the type of information provided by Macerich to Camelview Optima during the last year. Let's talk about the party that is going to do all of this building. Macerich has not been successful. Earning first quarter 2017 is down 82% from first quarter 2016. Earnings second quarter 2017 is down 60% from first quarter. Is this the reason there are no plans to show what can be done with the approved 90 feet?

Mayor Lane: Mr. Sachs, your time has expired, if you could please wrap it up.

Ray Sachs: Well, okay. I think that we are changing what Scottsdale looks like when we start adding high-rises. They bring additional help needed and fire protection and security and traffic. And you are being asked to approve 150 feet without one detailed idea of what they're going to do with it. You know quite well, they will be selling this property to someone else that can build it.

Mayor Lane: Thank you very much Mr. Sachs. Next is Pei Tao followed by Kevin Gambill.

[Time: 01:11:16]

Pei Tao: My name is Pei Tao. The case of Scottsdale Fashion Mall request by Macerich is highly controversial because the application stresses every bit of the quality of life of the nearby community. Before I came to this meeting, I asked myself: As a community member what I can ask from you, the Mayor and the Councilmembers. My understanding that is the responsibility of Councilmembers is to represent the needs of the people in our community. We vote for the Councilmembers who are out there, cares and listens to what their community needs, and what they are interested. This is my understanding.

I don't know as a Councilmembers, what you're understanding for your job. Macerich paid Mr. Berry for his services. So Mr. Berry can legally and has the legitimacy to present the company. Macerich hired a P.R. company by Mrs. Susan Bitter Smith, who is the mother of Planning Commissioner Prescott Smith. So Mrs. Bitter Smith has moved the blog for the company within this application. We as Scottsdale see this paid not with the money, but our democratic currency and trust to you. So you have the legitimate right to represent our needs and interests.

Here our community have almost 300 signatures that collectively present the objection for Macerich to build multiple 150 feet tall buildings in such small areas which will change Scottsdale's skyline forever and bring traffic nightmare and late night noises to the areas. I ask you to vote no to protect this sustainability and the interest of Scottsdale communities, not the company. Thank you for your attention.

Mayor Lane: Thank you, Ms. Tao. Kevin Gambill, followed by Penny Brown.

[Time: 01:14:00]

Kevin Gambill: Mr. Mayor and Councilmembers, my name is Kevin Gamble and I live at 7117 East Rancho Vista Drive in Scottsdale. I'm a resident of Camelview Optima. I would like to point out that the Camelview Optima complex represents over half a billion dollars relative to property taxes. This is a significant amount of money and should afford us some influence on the development of our neighborhood. As I think you know, our group has filed a legal protest with greater than 40% of the eligible residents signing this protest. This equates to over 300 owners.

I'm not going to reiterate all the reasons our group opposes this change in zoning. Instead, I will appeal to your morality. From the beginning, Macerich has misrepresented this development. The initial development, showed an upscale grocery store. Sadly, the actual request does not agree with this vision. No grocery store and very little retail. Next after many meetings with the residents and the Macerich team, we received a number of stipulations which when you analyze them, were actually no change from the original plan and were just clever words to make them look cooperative.

And another fact, one member of this Council was acting as a de facto representative for Macerich in these meetings. When our legal protest was duly filed, Macerich had representatives pressuring some of the signatories to rescind their previous submittal. This does not pass the smell test. In order to silence groups such as ours, the state legislature, in deference to the developers passed a law

changing the criteria for a legal protest, thus making our legal protest null and void in your lawyer's opinion. This is an immoral method of suppression of citizen rights. We disagreed with the zoning change and filed a legal protest in good faith, only to have the rules changed. The only right and moral thing for you to do as a Council is to respect the desires of affected citizens and vote no on this proposal and ask Macerich to come back with a true spirit of collaboration. Thank you for your time and I hope morality wins out.

Mayor Lane: Thank you. Penny Brown followed by Chris Layman. Well, I certainly know you as Denny, but the way this is written, it's definitely capital "p."

[Time: 01:16:34]

Denny Brown: Okay. I like your beard. Hi, guys. Denny Brown, 8140 East Elm Drive, Scottsdale, Arizona. I thought I would point out in case you haven't noticed, nobody is really excited about passing bonds in Scottsdale. Nobody is real excited about raising taxes in Scottsdale. But we have rising infrastructure costs that we have to deal with. We have rising personnel costs we have to deal with. So I guess we have to talk about the money.

The other night, I got to hang out with a bunch of smart people from the downtown Scottsdale Economic Vitality Coalition. That was great! And our buddy over here, Mr. Nichols presented. First of all, he took us 30,000 feet and we were looking at Scottsdale. Then he brought us down about 20,000 feet and we are looking at Old Town. Now you get down to old town, you can't miss Fashion Square. Fashion Square contributes 7%, I think it is, of our total sales tax dollars in the city of Scottsdale. Now, if you want to put that in national context, I have got over 300 malls in the United States that are closing or going south.

But we have a mall that is contributing 7% and wants to make some changes to be a sustaining contributor our economy. I think we should be approving these guys. There's something else. I'm looking at this pie chart of Old Town Scottsdale and there's this wonderful, diverse, revenue streams and something hit me. You know, there's a synergy here. We can't isolate the areas like entertainment district and the mall, and the gallery district. All of these areas are supporting each other. They are all contributing to this wonderful tapestry that's the Scottsdale healthy economy. Come on, guys, let's support the mall. Okay? Cool beans. Thank you.

Mayor Lane: Thank you, Denny. I have a penmanship issue. Chris Layman. Is that correct?

[Time: 01:18:58]

Chris Layman: Mayor and members of the Council, my name is Chris Layman and for past 18 years I lived at 4709 North 70th Street which is up there, I'm about 180 feet just north of where the Camelview Theater used to be. Over the years, I have seen many new developments in the area. Some good. Some not so good. I'm not really certain how a dog park got behind in our backyard. Oh, well.

All the improvements, though, that we have seen done at the Fashion Square over the years, have

been very tasteful and have added character to the neighborhood. With Fashion Square playing a crucial role to the livelihood of not just Old Town but the greater Scottsdale area, allowing them this, allowing them this zoning flexibility will ensure that they grow and thrive, while many retailers around the city and state are continuing to decline. If the mall begins to decline, all the small shops and restaurants in Old Town decline. Nobody wants to see this happen. I would hope that you would grant Fashion Square this rezoning request. Thank you.

Mayor Lane: Thank you very much, Mr. Layman. Next is Steven McConnell who is speaking also for Sue Lexar, Leah Weiss, and Jill Weiss.

Stephen McConnell: Does that give me five minutes.

Mayor Lane: No, not quite. Four minutes. If you don't need it, we'll appreciate it.

[Time: 01:20:32]

Stephen McConnell: I live at 7175 East Camelback Road on the Scottsdale Waterfront residences and I have lived there for the last 10 years. Thank you for all of your service, Mr. Mayor, Vice Mayor and Councilmembers. I'm decidedly pro-business and progress, new jobs and Scottsdale's growth. I have spent the last year becoming familiar with the Fashion Square rezoning proposal. I addressed the Development Review Board and the Planning Commission with my concerns. I met multiple times with John Berry, with Linda Milhaven, Susan Bitter Smith, Andy Greenwood, and Scott Nelson and Bryan Cluff. I met with the gang. They are all highly intelligent and friendly people that tried to find compromises. I'm appreciative of their efforts.

Everyone wants Fashion Square to be successful. I participated in multiple meetings at my condominium, the Scottsdale Waterfront residences and with our good neighbors at the Optima. Unfortunately, compromises did not include sessions, concessions on setbacks, stepbacks, height, and density. I stand tonight in opposition of the rezoning request and in support of the hundreds of Waterfront and Optima residents who oppose it. After meeting with Susan Bitter Smith and Linda Milhaven at the Waterfront, we circulated a petition and within a few days we got 25% of our members to sign up on that petition. I could easily get three-quarters of my community to sign that petition in opposition. But it didn't have any relevance for a legal protest.

And then like Optima, our H.O.A. board has decided to remain neutral, but many of those board members are in support of our opposition. So I'm not opposed to 150 feet development. We live in 150-foot building ourselves, but you need proper setbacks and stepbacks. So the petitioners wanting 78 feet from curb to the 150-foot limit on, at Camelback and Scottsdale and 58 feet at Highland. And that's just not sufficient. Note, and John Berry was responsible for getting this from this Council, we have 207-foot setback at the Waterfront on one cardinal direction and 175 on the other. When you drive down Camelback Road and you look up at the Waterfront, it's out of sight. It's not a big issue. This infill plan, though also is requesting for 1,580 residential units and people don't seem to focus on that. Boy, that's like 16 Waterfront towers.

That's a lot of square footage, and there's like 4 million square feet when you, the devil is in the detail on this petition's request. And I'm up for giving them something but I don't know if I'm up to giving them 4 million square feet. If this rezoning is approved, the crystal ball shows high-rise caverns along Camelback, Scottsdale and Highland Avenue. We already have a sewer system and density and traffic issues will get much worse. Could have as many as 10 Waterfront-style towers at Fashion Square, depending on what the developer chooses. Stipulations that are in place can easily be changed.

I predict Macerich's land value tonight goes up \$50 million when you say yes. So Macerich is very happy about this hearing. And the motto of Scottsdale will change. The west's most western town will become the west's most Chicago-like town with those towers all over the road. And in summary, hundreds of neighbors of Fashion Square are represented here tonight in opposition. There are 60 plus acres at Fashion Square with plenty of room for several hundred 150-foot towers. I'm not opposed to that, that are properly setback, not jammed along the street. The Macerich zoning request permits those towers to be right on the street. I say grant them a lesser number of 150-foot sites with proper setbacks and protect those of us most impacted.

Mayor Lane: Thank you, Mr. McConnell. Next is Nikki Steward, followed by Chris McCarthy.

[Time: 01:25:27]

Nikki Steward: My name is Nikki Steward, I live on East Chaparral Road. I don't have anything long prepared but I'm in favor with moving forward with this.

Mayor Lane: Thank you, Ms. Steward. Chris McCarthy. Followed by Barry Graham.

[Time: 01:25:55]

Chris McCarthy: Mayor and members of Council, my name is Chris McCarthy. I will try to be as brief as Nikki, but it's probably not going to happen. I live at 7161 Rancho Vista Drive, unit 2005 which is in the Optima Camelview. I have been involved or attended all of these meetings starting with the DRB, Planning Commission, and then again tonight, and in the past nine months I have pretty much attended all or most of our H.O.A. meetings that discussed this issue that have brought out who is in opposition and who is for. As I say that out loud, that's a commentary of my social life, but that beside the point. Even in the Optima Camelview which appears to be the main source of opposition, there are not even a majority of residents opposed. Our number of 40%, I think that might be a little high. I know there are over 700 units. I don't know how many residents there are but I know many residents like myself have always been in favor of the project. So I just want to reiterate that there are residents that Optima, including myself and those in the surrounding neighborhoods who are in favor of this project and we would like to see that go through.

Mayor Lane: Barry Graham followed by Troy Ellis.

[Time: 01:27:19]

Barry Graham: Thank you, members of the Council, my name is Barry Graham, 7842 East Monterosa Street and I'm with the Downtown Scottsdale Vitality Coalition. Presenting on behalf of Wally Chester tonight. The point of this letter is to have you think back about the former Mayors and the City Councils that had to risk careers to do what was right for the city. They kept questioning us, challenging us, finding acceptable compromises with us and encouraging us to give Scottsdale an iconic result. We had many nay-sayers and those that wanted to limit our vision at every stage but the city leaders stuck with the vision and you can see the result. Things keep evolving and today brick and mortar retail is being challenged on many fronts.

Scottsdale Fashion Square must evolve too. It must become more things to more people. It must become a place for more than just shopping. It must become a place where people live, work, raise families and start careers and recreate. That's a challenging vision, but we can have it done before and Macerich, pardon me. That's a challenging vision but we have done it before, and Macerich can and will do it again. I know the developers are talented, competent and visionary. They developed iconic properties nationwide. They are strong financially and committed to delivering the best developments possible. I urge you not to settle. Don't be comfortable with the now and the present. Reach for the future with a partner who will make Scottsdale Fashion Square the new model for an interactive urban complex all of Scottsdale and the set the bar for the country and again that's on behalf of Wally Chester. Thank you.

Mayor Lane: Thank you, Mr. Graham. Troy Ellis followed by Helen Wolfe.

[Time: 01:29:26]

Troy Ellis: Councilmembers thank you for the opportunity to speak here. I'm Troy Ellis, represent a group of nearly 300 homeowners who filed a protest action to stop this request. Our group wants a quality product across street and we want Fashion Square Mall to be successful. But it's too narrow to have 150-foot buildings with appropriate setbacks from the curb.

Macerich has not compromised significantly on height, setback from the curb or density. Even with the stipulations Macerich could park, looming 150-foot buildings directly across the street. We knew when we filed the protest action that it would come down to seven votes and we humbly request that you deny this variance so that Macerich can listen to and partner better with the community. Thank you.

Mayor Lane: Thank you, Mr. Ellis, Helen Wolfe.

[Time: 01:30:52]

Helen Wolfe: My name is Helen Wolfe. I represent my husband and I. We live at 7121 East Rancho Vista Drive. We are proud residents of Camelview Optima. We purchased at Camelview Optima because of the mall. We love it! It gives us an opportunity that very people do, to keep our car parked in the parking garage and we can do absolutely everything we need to do within walking

distance. We want them to be successful, but when I was approached by some of our neighbors telling us that the mall was going to build buildings on Highland Avenue that were twice the size of our building, Optima, I became afraid. It is not what we purchased.

Our purchase agreement when we bought at Optima was the height restrictions for Scottsdale were to be 90 feet. Now Mr. Berry, who is paid \$375 an hour, and is the gun, the hired gun for all the big developers in Scottsdale, and you have two rows of people that work for him. Can you imagine how much money is being paid here right now for these people that are working for the developer? I am a resident. I am a person that voted you in. Representation for the people by the people. 150 feet is not appropriate. Please, I flew in from our summer home in Wyoming, for this meeting. That's how important this is. It's not, they are not going to be unsuccessful if they have to stay at 90 feet. We hardly approve that. Please, they will make taxes at 90 feet. Do not approve the height of 150 feet. Thank you.

Mayor Lane: Thank you, Ms. Wolfe. Next is Billy Malkovich, followed by Shalegh Silkey.

[Time: 01:33:37]

Billy Malkovich: I live on 5701 East Windsor. And previously 7141 East Rancho Vista. I'm a former Optima resident. One of the things that attracted me to Optima and one of the things that I most miss about living at Optima is easy access to great amenities like Fashion Square. We have heard time and again tonight, about how the mall industry is struggling and we in our city have a great mall that's thriving. So I'm here in support of this great project. Thank you.

Mayor Lane: Thank you, Mr. Malkovich. Shalegh Silkey.

[Time: 01:34:31]

Shalegh Silkey: This is Shalegh Silkey. I have resided there for 14 years with my family. I am a woman-owned business owner here in Scottsdale as well, since 2011, and I hope that you prove this project. It sounds extremely exciting and I hope it goes through. Thank you.

Mayor Lane: Thank you, Ms. Silkey. Pete Palmer, please. Followed by Bill Crawford.

[Time: 01:35:17]

Pete Palmer: Hello Mayor Lane. My name is Pete Palmer. I live in the Scottsdale condos. I'm on the board and head up the neighborhood committee. I'm going to talk to you about traffic concern as Mr. Berry highlighted. We are going to have, with this project and multiple projects we are going to have a significant increase in traffic growth in the area. I have had the opportunity to meet with your project planners and city traffic planners and your city traffic management center.

I would like to thank the City Manager and his staff who are very open and collaborative and communicating efforts by the city to mitigate these traffic concerns. We understand there are

several key traffic-related efforts going on to mitigate these. First of all a traffic signal management center study is coming up this month, which we would like to make sure that is done, with special focus on our area. Macerich has made some proposals as part of this, that offers traffic adjustments to help and we would ask you to consider those. Internal budget requests by the city to install conduits to run fiber optic cable, this has the potential to significantly enhance how we manage traffic right here.

And by the way, Camelback doesn't have any of those right now. And this will also, if you put them in help the businesses who will need fiber optic conduits. And there's a control center that will use advanced A.I. like technology to improve efficiency. So there are A.I. solutions not engineering solutions that we can potentially apply. Therefore, I request the city support funding for the infrastructure of fiber conduits as a high priority for future projects. If successful, the fund will expand the use of the adaptive control system and lastly, to reduce the burden on the city's fund consider making approval of new projects including a pay to play perfect for traffic control conduits. Thank you.

Mayor Lane: Thank you, Mr. Palmer. Next is Bill Crawford. He's also speaking for Debbie Crawford, Joy McLeod and Anita Fisis. Four minutes.

[Time: 01:37:46]

Bill Crawford: Thank you. I appreciate that very much. Greetings, Mayor and Council. I'm Bill Crawford. I live at 4601 North 73rd Street. I have been a downtown business owner and resident with my wife Debbie for 20 years. And I'm also one of the co-chairs of the Downtown Scottsdale Economic Vitality Coalition. As we gather here tonight, we know that this is not just another zoning case. As a matter of fact, this may be the most important decision that you make as a Council.

This is about reaffirming Scottsdale's partnership with its most significant economic contributor to Scottsdale sales tax. This is about securing the future needs of the centerpiece of downtown Scottsdale. This is about protecting the vitality and the economic success of downtown Scottsdale. This is about keeping Fashion Square the number one destination for visitors. Your decision tonight is about doing what is best for the greater good and the overall future of Scottsdale.

As elected officials, I'm sure that you are interested in data that reflects the interest of the voters. What do the citizens of Scottsdale want? Well, according to the 2016 national citizens survey, a staggering 86% recognize that we currently have a vibrant downtown and they strongly support it. Fashion Square is in good hands. The applicant is a successful and responsible custodian of one of Scottsdale's most valuable assets. Looking to the future, they are asking for the ability to approve this project with a massive capital investment. They are not seeking subsidies or tax breaks. They are investing their own money to the benefit of the entire city.

Fashion Square is a success despite trends in the industry and special circumstances. There's no freeway by this mall. There's no high density population center. And there's fierce competition, Kierland Commons, Scottsdale Quarter, Desert Ridge, and more coming. Pima Indian community is

building a competing mall and the Ritz on Indian Bend is building another mall and this is a concern. The continued success of Fashion Square is vital, not only to downtown, but to all of Scottsdale, because Fashion Square produces 7% of our total sales tax.

How big is Fashion Square's draw? Let's put it in perspective, Arizona's top tourist attraction is the Grand Canyon with 4.4 million visitors a year. Fashion Square, 12 million. Scottsdale gets 8.6 million. And Scottsdale Fashion Square, 12 million. According to surveys most people who come here to Scottsdale come here to shop. Two landmark cases preceded this request, the Waterfront and Optima.

I'm astonished by resistance coming from a few residents from of these massive developments. The Waterfront was opposed at 150 feet. It was the largest and most significant zoning case in the history of Scottsdale. It's not only been since accepted but images are used nationally to promote Scottsdale's vibrant downtown. It seems to me that fighting height and density while you are perched atop the highest residential project in Scottsdale is the height of hypocrisy. The Optima was fought by nearby residents. It was going to ruin the neighborhood and change Scottsdale and it's now one of the premier properties in downtown. Fighting density while living in a massive residential project is just plain dense. I hope and I know that, well, I know for a fact that an overwhelming majority of the residents of both developments strongly support the applicant and this project. So today, I ask your support for this project, for the greater good of the economic vitality of downtown Scottsdale and remember, no city can be great without a great downtown. Now it is my pleasure to present to you for the record, a combination of letters and signatures of 477 people who support this project.

Mayor Lane: Thank you, Mr. Crawford. If you could leave that at the Clerk's desk, that will be just fine. Thank you very much. Next is Rhett Doolittle, followed by Amber Sukkert.

[Time: 01:42:57]

Rhett Doolittle: Rhett Doolittle, resident of Scottsdale, on East Mariposa Drive. I lived in Scottsdale for 15 years and also own a business in Scottsdale. And currently on a plan, I mean, we just hired five employees on Monday and currently on plan to hire about 50 employees over the next 12 months. Obviously, I'm out of space where I am now and I want to stay in Scottsdale and its projects like these that we need to approve to make it a continued destination for recruiting and hiring and making Scottsdale a place to be. So I'm full support, I'm in full support of this project.

Mayor Lane: Thank you, Mr. Doolittle. Next is Amber Sukkert, followed by Ashley Sukkert. Okay, it would still be the same two minutes though.

[Time: 01:43:54]

Amber and Ashley Sukkert: Right. We're going to make it short and sweet. Amber Sukkert. And Ashley Sukkert. This is the second presentation we've seen. We want to make it short and sweet and say our approval for the expansion. Thanks.

Mayor Lane: Very good. Thank you, Amber, thank you, Ashley. Next, I believe, it's Jack Bizarre. Please feel free to correct me. I would concur.

[Time: 01:44:49]

Jack Razor: My name is Jack Razor, 6038 East Sunnyside Drive. I have been with Westcor since 1972. I will make this extremely short. I know that will please you. My partner Wally Chester sent a very nice letter outlining the history of Scottsdale Fashion Square. And working with the city for almost 20 years. Macerich then picked up the gauntlet and has been running with it for almost another 20 years. The bottom line to me, and I will skip all of this is what this will allow, it's looking into the future. It's not going to happen today but eventually, we need plenty of places for people to live in and around Fashion Square. It will be a very attractive place. As many of these people live nearby.

We want to have the ability to do more hospitality for more guests, who eat at our restaurants and go to our movie theaters and shop at our stores. We want more places there for workers so you can actually work, play, live, in close proximity to downtown Scottsdale. And obviously, all three of those help to support retail which has been attacked the last 10 or 15 years, unlike anything we have seen and Fashion Square is one of the survivors and the good news for that, for the city of Scottsdale and certainly for our companies. I thank you very much.

Mayor Lane: Thank you, Mr. Razor. Next is Brian Campulski, followed by Kerry William Rose. Okay. So Kerry William Rose.

[Time: 01:47:06]

Kerry William Rose: I actually started with a six-minute speech and I have cut it down by hopefully a third. So I will pick a paragraph and start reading from there and honorable Mayor Lane, members of the City Council, my name is Kerry William Rose. I reside at 2626 East Arizona Biltmore Circle in Phoenix. I have been a Desert Stages Theater board member since 2004 and I'm here to speak on behalf of Macerich and their plans for Scottsdale Fashion Square.

I would like to give you some background on how I became involved in this project. Now I cut out a lot of that background but I will skip to the next paragraph. At the bottom of the page. Again, I know I sound like a proud father because I am. But my daughter Kimberly Rose is just one example of the many thousands of children whose lives and families have been dramatically impacted by Desert Stages and that dramatic impact for the last 13 years would never have happened without the city of Scottsdale and Macerich. I promised Jerry Cullity who is the founder of Desert Stages I would help him get a new space for the theater. So we looked at several.

And I met with Jon Chase who was in the Scottsdale Development department for many years, and ask him to call me if he heard of anything that might work. In the fall of 2003, Jon called. He said he had heard about an issue with the building on Scottsdale Road. I told him I knew the building and set

a meeting. We were able because of Macerich's extreme generosity to get a lease on the 6,500 square foot building at the corner of Highland and Scottsdale Road. Macerich then and always has wanted to do everything in their power to support worthwhile causes and they knew that nonprofit Desert Stages fit the bill. Thank you, Jon Chase and the city of Scottsdale and thank you, Macerich.

We opened our first show there on May 14th, 2004, with Jerry Cullity's "Cinderella." Everyone I have worked with at Macerich has been unbelievably supportive of Desert Stages in so many ways but the person we owe the biggest debt of gratitude to is Scott Nelson. And the classic Westcor Macerich honorable style, Scott has always kept his word and always gone to bat for us. Since Jerry's passing, I and other Desert Stages volunteers and actors have sought to do everything possible to help Lori continue indefinitely Jerry's legacy.

To that end, we have always maintained a great relationship with Macerich and since my first meeting with them since the theater in 2003 I have talked with them countless times about somehow keeping us on site at Scottsdale Fashion Square. We discussed many options over the years but the one we focus on most, more than six years ago, was the one we finalized in May when we signed the lease for 12,318 square feet in the heart of Scottsdale Fashion Square. Andy Greenwood thank you for helping us and being available for so many meetings and after-hour calls and, again, Scott Nelson, you have no idea how much I and everyone associated with Desert Stages appreciates your tireless loyalty, thousands of children and their families from all over the valley are and will be forever grateful. By the way, the new Desert Stages just opened to a full house on August 16th with what else, but Jerry Cullity's "Cinderella." Thank you again, Macerich.

No one can go wrong with approving anything that Macerich has planned for Scottsdale Fashion Square, one of the most successful malls in the country. They are experts in the field. They love the city. They love its residents and they love their tenants and they give back. Last and certainly not least, they have been and always will be 100% honorable. Mayor Lane and Councilmembers, hopefully it's clear from my comments that Macerich and Scottsdale Fashion Square add value to the city. Not only does the mall provide a significant component of sales tax....

Mayor Lane: I'm sorry, Mr. Rose, I added some time because you had an extra card, but if you could....

Kerry William Rose: Thank you so much. I just would hope that you would approve their proposal.

Mayor Lane: Thank you very much. Next will be Bruce Shapiro.

[Time: 01:51:52]

Bruce Shapiro: Thank you, Councilmen and Mayor. I live at 7181 East Camelback. A long-time resident of downtown Scottsdale. I have a great respect and admiration for Macerich and its owners. They have done a great, they made some major investments in the mall and I have great respect for John Berry.

My objection to the zoning tonight has more to do with the fact that it's carte blanche zoning without really understanding what it is Macerich is going to put on the property and I, they want to take the square footage from 2 million square feet as it is today, to up to 6 million square feet, in other words triple the size of it, and we don't know what they are going to put there, except that it's going to be residential or a hotel or office or whatever they decide to do.

So I think it's a major leap of faith. I would much prefer it be a measured approval. I'm pro-growth, pro-height, pro-mall, but I'm not naive enough to give them carte blanche approval. I think if we do allow them a slate to grow the project, which we all want, we should at least put time limits on it, or limit it to this specific developer, Macerich has proven themselves to be a good developer. But like any public company, they could easily be bought out and now have an unknown entity to deal with. So I would like to see some wisdom brought in to the approval process if it goes that way and limit the amount of time that they have to perform and limit it to the specific developer. Thank you for your time.

Mayor Lane: Thank you, Mr. Shapiro. That completes our public testimony on this and I want to thank everybody for their cooperation in getting the information communicated and we appreciate all of that input. So Mr. Berry, if you would like to respond to questions of the Council and the comments?

[Time: 01:54:08]

John Berry: A couple of quick thoughts. The number of support speakers outnumber those opposed. I would also note that there's a group of folks here that really, you didn't hear much from and that's because we worked very hard with them and Macerich has been a great neighbor for decades. There's a single family residential neighborhood with one-story homes that have been there for decades right across the street from the mall on the north side. They are not in the downtown boundary. Optima and the Waterfront are actually inside downtown, the downtown boundary and I had the privilege of representing both of those cases.

This Kiva was filled with people who opposed Optima and the Waterfront case but those single family homes to the north, immediately adjacent with one-story homes, there was not a single speaker or card submitted in opposition tonight. Those are people closer to the proposed 150-foot and the Macerich property line than Waterfront or Optima. One of those homeowners Chris Layman showed up and spoke in support. Those are also folks who withdrew their opposition to the case and rescinded their prior positions of the legal protest and obviated it under the old statute for the new statute. There would not be a three-quarter vote in place this evening.

Change is difficult, but downtown is a vibrant and the important economic engine for the city. Scottsdale Fashion Square is the heart of our downtown. And as one of the speakers said without a vibrant and successful downtown, so goes the rest of the city. We have been there before! Do you remember what downtown used to be like, 1961. Do you remember downtown? Do you remember when having a parking problem would have been something we appreciated, when you could find a parking spot anywhere? When there was no traffic problem in downtown, when stores

were closing? And people were moving north. It was going north, not anymore! Downtown is the epicenter of Arizona. It's right here. We are in downtown right now, and it's all happening right here. And if we want that to continue, like all of those prior Mayors and Councils, we have to take a visionary role and see into the future and say, we need to do the right thing. And the right thing right now is five more floors. Happy to answer any questions that you have. Thank you.

Mayor Lane: Thank you, Mr. Berry. We will start with Councilwoman Milhaven.

[Time: 01:57:16]

Councilwoman Milhaven: Thank you, Mayor. As was noted in some of the comments earlier, I presided over DRB last December, when the project came forward and met many of the neighbors who are here today and I shared many of their concerns, about the impact that this project was going to have on their community and that day at that meeting, I made a comment. I said I going vote to move this project forward and when it comes to City Council, I would like to see some significant changes made to address the concerns of the neighbors and I think I got a phone call within 24 hours that said, please come to my office. Meet with the Macerich folks and tell us what you have in mind. Tell us what you want to do. And in the intervening months, I found Macerich to be open, cooperative, collaborative. They put things on the table to improve this project that I wouldn't, I don't know that I would have asked for, but I was thrilled to take. I'm very excited to see this project move forward. Perhaps Macerich did not go as far as some neighbors would have liked. I do want to share since December, some of the changes that they made to the project.

I know they have been outlined before but I want to emphasize these because what I heard the neighbors talk about is setbacks which for the novices, how far from the curb can the buildings start to go up. Stepbacks, which is once the building goes up, how far does it need to go back from the curb, so how is the building tiered if you will. They talked about height and they talked about density.

Well, after the DRB meeting in December, Macerich stepped up and said, the current downtown requirements require that the building be 20 feet from Highland. We are willing to agree to an average of 54 feet from Highland. So the setback from Highland is two and a half times what's required. And because it's an average of 54 feet, what that means is for every foot of building that's only 20 feet from the curb, there has to be a foot of building that is 72 feet from the curb. So I think that is a significant compromise that they are giving back to the community and to the citizens to say it is much more generous than what is currently required in the zoning and by what is currently allowed.

The second thing they did, I said to them I am very concerned about open space. I worked with staff and said can you do some massing of what is currently allowed. If we vote no, what can they build. Some folks said let they build what they could build. They could build a 90 feet monolith 20 feet from the curb all the way across. I said that's not good. And so their application was for 150 feet.

I said, well, 90 feet, one big monolith of 90 feet is a bad idea, 150-foot monolith is a worse idea; what they agreed to was to say that 30% of the footprint of that pad off of Highland and they have done a comparable off of Camelback, 30% will be open space, no building. They also agreed that part of that

open space would be an open courtyard as it is comparable to the Scottsdale Quarter. An open courtyard that's usable. I think that's fairly significant. That's on 30% of the footprint.

They also agreed that they would not go over 150 feet on, let me make sure I say this the right way. The portion of the parcel that would be allowed to be 150 feet would be less than half. So less than half of the parcel can go to 150 feet. So what we'll see is some staggering of the buildings. That addresses some of the neighbors' concern about shade and impact, because with the varying heights it creates more variety. So, yes, they have asked for more height but they limited themselves on how tall they can go across the, the parcel. So they have given on setbacks.

The stepback is fairly consistent with what is required. They have asked for height but limited themselves to height. And then density piece, they restricted themselves to fewer residential units than allowed. I think all of that shows that they are trying to do something that's meaningful and important. There's also lots of other details that are in the development plan we didn't hear a lot of about that were concerning to the neighbors. Like, well, if you have an open plaza, can you connect it to the middle of our building and it would complement our building. They said yes. The neighbors said we don't want signs shining in our windows and can you limit the lights that will shine through our windows and they said yes, and that's in there. Folks said, well, if you are going to have open space, we want to make sure that we have mature open space, mature trees and mature palms so that we have shading that makes that space more usable. They have identified that and stipulated to that, in this case.

[Time: 02:02:45]

And that's just a couple of the details. There's many, many more. But it's already been a long night. There's many more details that Macerich agreed to in order to make this project much more agreeable to the neighbors. I hear some of you, you would like some more, but I think they have gone a very, very long way. So for me tonight, you know, folks said it, right, a vibrant downtown is what is going to drive a great community. I think we need to think of our community in several different pockets, right?

We have got our really charming south Scottsdale neighborhoods. We have got our sort of suburban middle of the city and we have got our rural north of the city and then we have our downtown. And downtowns across this country are turning into more live/work places. And our community needs to respond in the same way. Somebody at an event grabbed me and said why do we need to approve all of this height? And I said, well, because people want to live and work in our downtown and that's what's going to keep our downtown vital. And so I think that height has its place. I think in the downtown, where we have seen the boundaries is where it belongs.

I think for Macerich to take a long-term view on what is going to happen at the mall, right, we, right, I used to, hey, I, my parents bought my graduation gift at Leonard's Luggage so I could go away to college. And I brought my prom dress at Los Arcos and I used to go ice skating at Metro Center and occasionally we'd head over to Fiesta Mall. All of those malls are dead or dying. And so for Macerich to look and say, what is the future of retail? Can we add some residential or office?

That's what this zoning is doing. It's adding residential and office. I think they are being very smart and flexible. We don't know what the future holds but if more people want to live and work in our downtown, I'm all for it. So I'm very excited about this project.

And I think, I'm optimistic, you know, I know that the legal protest doesn't stand under the old rules or the new rules. I'm optimistic that my colleagues will see the wisdom and we'll get enough that the legal protest wouldn't have mattered. I think at the end of the day this is a really good project.

Since I have taken all of this time, I will take this opportunity then just to make a motion. I'm sure we will hear from my colleagues but I would like to take the opportunity to make the motion to adopt Ordinance 4299, approving a zoning district map amendment on 56 plus or minus acres, adopt Resolution 10717, declaring development plan Fashion Square as a public record, and adopt Resolution 10506, authorizing development agreement 2017-077-COS.

Councilmember Korte: Second.

Mayor Lane: The motion has been made and seconded. Would the second like to speak to it?

[Time: 02:05:35]

Councilmember Korte: You know this proposed mixed use development is consistent and encouraged by our Downtown Plan. Our Downtown Plan is part of our core downtown for many, many years. In fact this plan anticipates that this height and appropriate setbacks and stepbacks will be realized. This is nothing new. There's no question that the land of shopping malls or the land of Oz, they have changed. The landscape has changed for shopping malls and continue to change.

We don't need to talk about those that are no longer here, Los Arcos was close to my heart. But successful malls are diversifying. And they are creating the office and the residential and the resort uses and those opportunities will feed the retail stores. Those opportunities will also feed those diversified, those diversified uses will also feed our downtown merchants and we know our downtown merchants need that support.

The critical importance of sustaining our Scottsdale Fashion Square and that's with the possessive our, because we have all lived with it for a long time and we all love our mall, rests in the fact that today 70% or 71% of our sales tax revenues in our downtown come from Fashion Square. 71% of our sales tax revenues and 7% of our city tax revenues comes from Fashion Square. It's the heartbeat of our downtown. And this is an investment of millions of dollars by Macerich, a company with a proven track record. And one that is, that has listened to our citizens, has listened to our concerns here sitting on City Council and has been a consistent contributor to our, for our community for many, many years. So I am in total support of this and I look forward to the first groundbreaking.

Mayor Lane: Thank you, Councilwoman Korte. Vice Mayor Klapp.

[Time: 02:08:23]

Vice Mayor Klapp: Well, I will be supporting this case. I think it's important to support Fashion Square. Many, if not all of us last night proclaimed how important it was that we focus on downtown, and in the context of the conversation last night, it had to do with, bringing in more tourists, increasing business in downtown, particularly to support the smaller merchants in downtown. And I think that Downtown Denny Brown said it best, that there is this synergy that is created by a strong shopping center in the downtown area, that supports all of the surrounding smaller businesses. So that means that if all of us really believe that we should be focusing more on improving downtown, promoting downtown, and encouraging more business downtown, then I can't see why anybody on this Council wouldn't support this project for improvements to Fashion Square and for all the amenities that we will be providing to not only our tourists, but to our residents in the city. So I wholeheartedly support this plan.

Mayor Lane: Thank you, Vice Mayor. Councilman Smith.

[Time: 02:09:46]

Councilman Smith: Thank you, Mayor. Let me ask some questions of the staff if I can. And, John, you are welcome to stand there as long as you want, but I think my questions are for the staff. Jump in if you have the answer. For staff, if my understanding is correct this 150-foot allowance is for the entire 56-acre site; is that correct?

Brian Cluff: Mayor Lane and members of Council, if I could clarify that, the graphic that was up on the screen previously that showed the building heights and stepbacks, the 150 feet is limited to only the areas that were shown with the hatched red shading. It's not the entire 56 acres.

Councilman Smith: And what will be the height for the other areas then?

Brian Cluff: The majority of the rest of the site is still at 90 feet.

Councilman Smith: How many buildings might be built at the 150-foot height under whatever we might approve tonight? One building? Two? Five? Ten? How many can be built?

Brian Cluff: Councilman Smith, that's a little bit hard to determine. We know the areas that could potentially have 150 feet, but depending on the footprint of the building, it could be multiple buildings of smaller foot prints or less buildings with a larger footprint.

Councilman Smith: The root of my question is this, and we had some discussion of this several weeks ago. I guess by your interpretation of the bonus provisions, the applicant can pay one bonus amount for an extra 66 feet and then that 66 feet can be added to any number of buildings that ultimately are built on the property; is that correct? With no additional payment?

Brian Cluff: Councilman Smith, that would be correct. The bonus provision would be included for the areas that are requested 150 feet within the development plan, not building per building.

Councilman Smith: So somebody who has a 20,000-foot site and they want to build a building now pay \$750,000 and somebody who has a 56-acre site might build several buildings will we will pay the same amount?

Brian Cluff: Councilman Smith, that's correct.

Councilman Smith: The comment was made on the staff report on page 6 that one of the advantages is the residential components will add to the population of downtown residents. And I gathered that that's a goal that's in somebody's mind or articulated or whatever. Do you have any hunch of how many thousands of people we need to add downtown before we will have achieved our goal?

Planning and Development Director Randy Grant: Mayor Lane, Councilman Smith, I don't have the answer for that. I know the 2.0 study that's underway is going to recommend a number of residents in the downtown. I don't have that figure for you right now. It's a couple of thousand residents any way.

Councilman Smith: You are referring to the study that projected out to 220 and said the population, 2020 and said the population increase would be x by that point in time or something?

Randy Grant: Councilman Smith this is the study that's currently underway, that's a function of the tourism department, that's going to recommend changes in the downtown to accomplish the level of vibrancy that has been desired and part of that is adding new hotel rooms, adding new residential units. I'm I just don't have the number that they are going to be recommending right now.

Councilman Smith: I think for projects like this in the future, it's important for us to understand, I mean, adding population is not an open-ended good idea. At some point, the reality of population maxing out may occur. I don't know if it does here because it doesn't say. The comment says in the Council report that the transitions of scale, height and intensity are addressed at the northern boundary and at the southwest corner where it, where the project borders other development types. But it says that the site does not adjoin other urban neighborhoods or development types. Is that, how do you excuse the Optima bordering or the fact that it does, in fact, border on Optima on the north side?

[Time: 02:14:51]

Brian Cluff: Councilman Smith, the Downtown Plan designates the regional use type two as the urban neighborhood in this area of the downtown. The Optima Camelview, as well as the Waterfront are within that same urban neighborhood.

Councilman Smith: I think in the simplest terms, I'm just saying, is it, the transition of scale, height and intensity are normally addressed where it aligns with other communities or other neighborhoods or whatever, but you seem to dismiss the alignment that it has with Optima on the north. Maybe I'm misreading your words.

Brian Cluff: Councilman Smith, the Planned Block Development District requires the additional setback and stepback requirements particularly along the downtown boundary because that's the transition out of the downtown area. Optima Camelview, although at a lower scale of development is still within the same zoning designation and neighborhood as are the mall project.

[Time: 02:15:19]

John Berry: Mayor, staff, Councilman, if I could for maybe just a second. The Downtown Plan and the zoning take into account that Optima and Waterfront are all part of the downtown neighborhood and have a certain type of zoning. Let me give you a bad analogy, but a piece of property can have commercial office zoning and they have the ability to, they may choose to put a one-story office on there. That same commercial office zoning would allow a four-story office as well. So whether someone chooses to put a one-story office there or a four-story office, it's anticipated in the planning that it could either be one or four stories, as long as it's office. So in this instance, when the Hoveys brought through the Optima case, they chose the parapet of 76 feet. And with the Waterfront, at the time, there was no zoning category that allowed 150 feet. So we had to use some other mechanism and that allowed the 150 feet at the Waterfront site. So irrespective, the neighborhood that's being referred to in the staff report is that portion of downtown as a neighborhood with Optima as part of that neighborhood. I don't know in a lawyer ever clarifies anything, but....

Councilman Smith: A question again for staff. Returning to the bonuses, would bonuses be available. Are they purchasable, if there's such a word on an infill site, if I come in with an infill project can I ask, buy my way up to 150 feet?

Brian Cluff: Councilman Smith, members of Council, if you have a Planned Block Development District and obtained that zoning, then you would be able to utilize the bonus provisions.

Councilman Smith: So the bonuses are not just available for the Planned Block Development District but they are available for infill project site as well?

[Time: 02:18:29]

Randy Grant: Mayor Lane, Councilman Smith, they are available on the infill project if the infill incentive district is applied. As the way the ordinance currently stands, bonuses are available for planned block developments. They also can be available for infill incentive developments. We haven't seen one of those in a number of years. So typically, you are only going to see bonus incentives with planned block developments.

Councilman Smith: Well, the, that's probably the only questions I have. I studied this project as I'm sure everybody has. I tried to understand and by the way, I mean I want to echo what everybody is saying. I have the greatest admiration for Fashion Square and their importance to our community, and their contribution to our community. I don't think of them so much as a taxpayer as much as having a business that in fact, that generates a lot of consumer tax, taxable spending, but that may be

a nuance. The truth of it is, their business is very, very valuable to our city.

And to tell you the truth, I have tried to figure out, how is this going to enhance that business? How is it going to make that business better? Or how is it going to make the city revenues better? And I'm not able to get my arms around it because it's a, it is a conceptual plan as it says. The potential future uses, they say may include a whole lot of things but not limited to that but may not be that after all. It's going to be a mix of uses. They say it will encourage a high quality of life, but I look and look and look, and can't figure out how it's going to do that. I don't think height alone increases the quality of life. It certainly doesn't for the neighbors that look at it. It says it's going to value Scottsdale's unique character and lifestyle and I can't figure out how it's going to do that. I don't know how to determine the quality contribution of this project without knowing what the project is other than a few areas where we are going to build mixed use residential commercial, whatever.

I'm, I'm troubled on a much smaller scale by the use of the infill district up at the corner. It's obviously a strategy to modify the setbacks and, the setbacks, the wedding cake effect of the buildings that might be built on Scottsdale Road and the reason they are using that is the rationale, I guess, from what I read is that, well, it's going to be on Scottsdale Road, number one.

[Time: 02:21:38]

And number two, it's right across from Blue Sky. If any of you remember Blue Sky, that's an enormously bad project in my opinion, that was approved years ago. The only good news is it hasn't come out of the ground and may never. But to rationalize this height and this setback, based on the fact that it's on Scottsdale Road and across from a potential large development across the street, I think defies the whole notion of the planned block development which says very explicitly that the projects on the downtown boundary may not be modified. And that's why they are choosing not to do the planned block there. They are doing the infill district.

And I'm also, I'm sensitive to what many of the neighbors have said tonight, most commonly the folks at Optima, but elsewhere as well. Projects that we do are supposed to be the wording, I think we use is context sensitive in terms of their massing, their setbacks and their setbacks. And I'm not sensing that this is sensitive, in spite of the concessions that Councilwoman Milhaven may have negotiated. The, it doesn't seem to be enhancing the neighborhood in my opinion. I find nothing that talks to me about why it needs to be 150 feet. Actually, did I find a statement that talked about why it needed to be 150 feet, and it was on page 6 of the Council report and it was a simple sentence that said additional height may encourage users who may not otherwise consider the site based on its existing entitlements. Now parsing that sentence, it just means that if we give them 150-foot entitlement over the whole parcel, it will be a more valuable piece of land. And they will have more valuable land to offer to somebody for development.

And I don't think, I don't think that's our objective here. I certainly don't object to enhancing someone's property value if it doesn't detract from somebody else's and I certainly don't mind doing it if there's a compelling reason. So I think a yes vote for this is giving just a carte blanche for doing whatever on the 56 acres. I think the infill is, up in the corner is just a strategy to avoid what was

otherwise a very, a very plain, black and white requirement that, where these projects touched the downtown boundary. They are not to be amended. To give the bonuses of 150 feet for quality of life improvement, I don't know whose quality of life is being improved. It's hard to imagine that the existing citizens are having their quality of life improved. So in my mind, that's what a yes vote is and that's why I have trouble with it. A no vote on the other hand, would be saying I'm not voting against the project. I don't, I don't know what the project is. There's such ambiguity. I would love to see specifics, as we do on most other projects.

Sometimes I would see it on the back of an envelope but we don't even have that here. So I would like to see specifics. I would like to see the setbacks and the stepbacks sensitive to the city that we have all grown accustomed to, in terms of not having the powering effect of somebody said Chicago. I would like to have them come here with an agreement from the neighbors, certainly after 22 months of working on this project, you would think that with the one neighboring development that they have, they would have reached some agreement.

[Time: 02:09:40]

Most fundamentally, I just would like to see a rationale for the 150 feet. Most of the positive comments were comments about Fashion Square and its great contributions to the city and I don't disagree a bit but I don't see how another office building is going to help Fashion Square or how another residential building is going to help Fashion Square. So it is described as a conceptual future plan. I would like to give them a conceptual future approval. And I guess by that, I'm going to offer an alternative motion that this case be continued to a future date when we can have more specific agreements with neighbors, a rationale for the 150 feet and more specifics about what the project is going to encompass.

Councilwoman Littlefield: I will second that.

Mayor Lane: I would ask that we refrain from clapping please, or booing. That's not, just trying to keep in the decorum. I appreciate your sentiments. We have a motion for a, the wording was a continuance? Until which time?

Councilman Smith: A motion for continuance to a future date.

Mayor Lane: No, stipulated as to what the...

Councilman Smith: I beg your pardon?

Mayor Lane: Stipulated to a date or no date or completion of some....

Councilman Smith: I'm not picking a date certain. I'm picking it more in terms of what I would like to see at that point in time which is a more definite understanding of why we need 150 feet, a more definite understanding of an agreement with the neighbors. A more definite understanding of what is going to be built on the sites.

Mayor Lane: Okay. All right and that's the second on that? There is a motion and a second on that. Is there any discussion on that particular item?

[Time: 02:28:09]

Councilwoman Littlefield: I will speak. Sure. Thank you, Mayor. I think I'm just going to go ahead and say what I have been thinking about on this. This is very difficult. Everybody wants Fashion Square to succeed, and they want it to be profitable, no doubt. I did not object to Fashion Square wanting a facelift or to modernize its mall. Nor do I object to building a hotel on premises to replace the old one that was torn down. Or building some residences on the site. We all know what the struggles are with malls across the country today and there's absolutely no reason to believe that Scottsdale is immune from those forces. Diversification is a good means to achieve growth but I would like to know what that diversification entails.

I for one applaud the desire to have Fashion Square buck the trend of malls, and to move it forward. I hope they succeed. However, I don't want that success to be at the expense of our current residents and I think there can be no doubt that many citizens who live in this neighborhood are very concerned. It's important to recognize that almost 300 citizens who live in Optima and the Waterfront areas signed petitions against some of the heights requested here tonight. And while a few removed their names when the legal protest was said to be invalid, I believe at last count it was five or six. Still, close to 300 citizens have not. Their concerns are still real and valid. And I believe it is our duty as their representatives to listen to what they have to say. We are all here after all to represent them.

The growth scale of this project is immense. It goes three times what is there now. Ten Waterfront towers, that's immense. Across the board 90 feet with towers at 150 feet, wherever they want to put them. It's not limited and I have never, ever seen such flexibility, I guess is the word on a contract or on a proposal to come before this Council for approval when we don't even know what is going to be built. That's why I seconded this motion because I want more definition and I want to know where this stuff is going to be. I also, I have to keep going back to the citizens. Their questions and their concerns boil down to two major issues.

First, traffic. As it relates to congestion, especially along Highland. The new elements of Fashion Square will cause a huge influx of traffic on a transportation system that is already burdened with stop-and-go traffic. Adding so many more vehicles will cause an enormous increase on our current congestion in the downtown and, I'm sorry, I don't believe that it won't. It's only common sense to say it will.

Second, the tall buildings across the board, 90 feet, up to 150-foot towers requested by the developer is a push for the entire area to grow dense and to grow high. This is a legitimate fear of the residents that live in the area. And many are worried that they are going to drown in the shadows and the traffic this project will bring. And that will be a huge decrease in their standard of living and their quality of life and in turn may well reduce the values of their properties which they bought under a

different understanding.

This isn't just one or two people. These are not people who are necessarily against development. They are, these are 300 residents! Almost 300 residents signed these petitions because they are genuinely worried and concerned about the possible negative consequences to themselves and their homes and their neighborhoods. I don't believe we should just look the other way and ignore them. Or to say they are just trouble makers or problem people. They are not.

[Time: 02:32:56]

They are citizens of the city. They are more important to me than the money the city may or may not gain from this. There is no guarantee of success in this project or this endeavor, and we have to live every day with what is built there and the residents that live in this area have to live every single day with this project, if it's built. At the very minimum, the very, very minimum, I would say we need to limit this developer to this developer that only he gets this project limit in height and we need to limit the time. I found those to be very good suggestions.

Otherwise, we are doing nothing but increasing the value to the developer to do what he will on the project when he will and sell it to whoever he wills. That's not how the city should responsibly act on redevelopment in our downtown. So I will not be supporting the original request because of these concerns. They have not been addressed and they have not been addressed adequately with our Scottsdale residents. I hope that this project can come back to us and be approved. And I'm hoping that there will be adequate converse with the Scottsdale residents and with the developer for mutual satisfaction. Thank you.

[Time: 02:34:26]

Mayor Lane: Thank you, Councilman. I would ask if you would refrain from that, please. Thank you, Councilwoman. Councilman Phillips. Do you want to say something on this? Do you want to vote on it? All right. Then there's no further comments on this particular item.

I suppose I will make one comment before we vote and that is my great concern is really how it might even be accomplished to satisfy the requirements of what needs to be defined before it would be acceptable. What I'm hearing really, is that there's probably not a level of acceptability, at least on the one hand. So my concern would be whether we all see this as whether it's defined sufficiently or not. It's a market issue. As far as the elements of determining now that a zoning change, whatever judgment comes down on it, is dedicated to a specific owner that's not, it's not even legal for us to do that. It goes with the land and not with the particular property owner at a time. So if we decide to do it, that's the way that has to go. And then the other is that putting a time limit on it has not been something that's really acceptable in the zoning change too. So we do take a chance. There is not any doubt on those two factors.

As far as defining what they build, within the zoning, if it's allowed, they are able to build as it is. That's a chance. That a determination and how we decide to vote on this one way or another. It's

not that we can be that selective about it or frankly even be that defined as to who owns the property or what the timetable is on it. So I won't be supporting the continuance motion in any case. But with that, I think we are then ready to vote. The motion is on the table for a continuance under the circumstances as described. All of those in favor, please indicate by aye and those opposed with a no. Everybody has to do it again. The motion fails 4-3, with Councilwoman Littlefield and Councilman Smith, and Councilman Phillips approving of that motion. But it does fail. So proceed on with the original motion. Oh, yeah. Okay. So we are still having a conversation on that.

[Time: 02:37:23]

Councilman Phillips: Yes, Mayor? I voted for that continuance because I remember when the Blue Sky project was here. We did put a stipulation on it. It had a sunset clause of two years if they didn't build on it. Now when they did after the two years is they dug an 8-foot hole and poured some cement and said we are building. And you can see two years later, there's still nothing there. I wanted to give you the benefit. And that's why I voted for that.

I have a lot of thoughts that I have written down from people that have talked and so it's kind of haphazard and when you go on this long, and you listen to everybody talking, you want to make a point on that topic but then you move on to a different topic. I have a couple of questions for Mr. Berry. I saw a picture before. I was wondering if you could show us conceptual drawing of, with the stipulations of what this project would look like from Highland south.

[Time: 02:39:13]

John Berry: Is this what you were referring to, Councilman?

Councilman Phillips: Yeah, that's a good rendition of it.

John Berry: Mayor, Councilmembers, Councilman Phillips, this is a conceptual, and I think exaggerated graphic of what 90 feet under the current zoning would look like with 20-foot setbacks and the setbacks required by the current entitlements in place today if we never appeared in front of you again. This is a conceptual drawing, again, trying to take some of the requirements that Councilwoman Milhaven described in her, literally months of meetings with Optima Waterfront residents.

To give you an idea of what happens when you take more height is you can create more open space. You can create more view corridors. Although the view from Optima is to a parking garage on the site of Macy's and the Harkins theater. The Optima buildings are 76 feet to the top of the mechanical on the roof. So any 90-foot tall building across the street, anything above 76 feet across the street from Optima will block whatever view they have, whether it's 76 or 776 feet, it will block their view. One of the advantages to height is creating a lot more open space and a lot more view corridors and a lot more openness to the development.

Councilman Phillips: Is that stipulated in this, that that would have to be in there?

John Berry: Mayor, Councilman, yes, the standards that Councilwoman Milhaven described and she left some of them out, there's a lot of them, are embodied in the stipulations that are attached to your report. If this project is approved, the stipulations that Councilwoman Milhaven and the residents and my client negotiated would be part of the requirements. I would also note that any and all developments that come back have to go through the Development Review Board process. This is not a carte blanche that you start building tomorrow with whatever the heck we want and I would also note that I use the example of that Barney's site where we asked for 150 feet but we didn't use it. So I think people are catastrophizing.

Looking at the worst case scenario. We need the flexibility to respond to the market conditions that the Mayor was describing. The stipulations do take into account the traffic improvements that we described, the compromised solutions that Councilwoman Milhaven described and a lot more.

Councilman Phillips: Can you put that picture back up, please?

John Berry: Yes, sir.

[Time: 02:42:58]

Councilman Phillips: So basically, what Optima had in the past, was Days Inn, the old Days Inn, when was that built, 1960? I don't know. It was an old building. Anyway, that was, you know, an ugly view. I'm sorry to Days Inn, but, so probably glad to see that go. Of course now it's, it's a dirt lot and the city may gravel it so you don't have dust and stuff. And you don't have that much of time. Now we are talking about putting something on it.

Well, I have heard the comments that, you know, it's going to ruin our views and we will see this concrete wall. Well, for one, you had a view of Days Inn. So that's gone, thank God. And then if we build the concrete wall, 150 feet high with the windows and a block like that, then, yes, you would have a terrible view. But the view you're going to get with this, is probably the best view you're ever going to get. You will get pretty much a park view and would you rather look at that than air conditioners on top of a roof. So I feel like this project goes through, it's probably the best we are going to get for what is coming up. When we are talking about, are these the, we're talking about dwellings. Are we talking about condos or apartments?

John Berry: Mayor Lane, Councilman Phillips, also just go back to your prior comment. There's nothing wrong with looking at air conditioners. I just want to say that.

Councilman Phillips: I don't even like them.

John Berry: I'm sorry, your question was?

Councilman Phillips: Are these going to be condos or apartments?

Mayor, Councilman Phillips, we don't know. Again this is a 20-year plan. We don't know. We will respond to the market.

Councilman Phillips: And that's a good point right there. This is a 20-year plan?

John Berry: It is.

Councilman Phillips: So you don't know, but I would assume, and maybe I shouldn't assume anything, but, you know, with the brownstones to the south and Optima to the north, and Optima to the west on 68th Street, these are going to be quality no matter what it is and these are probably going to be 2,000 square feet, no matter what it is and they will probably be \$1 million plus, no matter what it is.

So these are going to be affluent. And that's pretty much what our downtown is right now. So when you look at, like, Scottsdale Road and Osborn, those apartments and I don't know how many there are. It looks like about 6,000, I didn't vote for that. And I don't even really see how that was going to benefit our downtown. Maybe because we have more residents down there, but other than that, you know, it doesn't help the view. Things like that, I didn't vote for. I didn't vote for the Tom Scott either. I didn't vote for the building over here behind the Galleria which was another 110 feet pretty much straight up because I didn't see how that was going to benefit our city either. That's good, Mr. Berry, I don't want to make you stand up that long. What else didn't I vote for? I pretty much didn't vote for anything.

[Time: 02:45:22]

I'm, when I first ran for office, I mean, that's one of the platforms I ran on is the height and density. And, in fact, one of the first groups I spoke to is a group called Community Council, which Sonnie brought up earlier and I'm sad about Jim Getty. That's very sad. But there was a woman there, and if she don't mind her name is Patty Badenoch and I was candidate there. She asked me, why do we need more people in Scottsdale? Why do we have to keep bringing more people into Scottsdale? And I couldn't answer that question but she did get me thinking, why do we have to? Why does more people have to come to Scottsdale? Can't we just put up a wall and say no more people?

We love it the way it is. The reality is no, we can't and especially in the last couple of years, the studies have said that over 2 million people will be moving here, metro Phoenix. So Scottsdale is going to get its share. We can't say no. We can't say, no, you can't come in. They are going to come in anyway. So in my mind, we better be building some quality properties so we get quality residents. That's how I look at it.

So as far as the apartments or condos are concerned, I'm not worried about this. I really think this will be like the brownstones. It will be more quality, that's only going to enhance our downtown. I don't think it's going to detract from it. This infill district, I was against that. But that horse has left the barn. This is not the first one that has come on up, you know. I have mentioned a bunch already and there will be a lot more along the way, on Optima on 68th Street, it's 11 stories. It's not

going to stop. It will keep coming.

What we have to do is focus on a quality product that will be good for our downtown and enhance our downtown. And at the same time, they will help tourism because at the same time, the other platform I ran on was tourism. I believe that Scottsdale was a tourism town. It wasn't back in the '50s. It was a farming community but when people saw how beautiful it was, it became a tourist attraction. So we have to maintain that and we have to maintain that because they pay most of our taxes. They pay for all the amenities that we have and if we don't, we pay for them. And if we pay for them, that means our property taxes go up. Our sales tax goes up. We pay for everything. So to me, you know, if tourism pays 20% of our taxes, let's make them pay 30%. Let's make more tourism. Why not? Why not be that way? So we have to do things regrettably, maybe you don't like that encourages that tourism.

[Time: 02:48:16]

Now, as far as Fashion Square goes, a lot of comments here about Fashion Square, but out of the ones that have been mentioned too, but imagine if Fashion Square closed down, like Fiesta Mall and Metro Center. I grew up in Phoenix, what an amazing concept, Metro Center, the mall of the world, you know? It was just incredible. They are tearing it down now! It's sad to see. You know? It just, nobody goes there. The mall went by the way. Fiesta Mall, it went away. Of course, Los Arcos in the past.

It's sad to see that happen but it didn't happen to Fashion Square and why didn't that happen at Fashion Square, it's because Fashion Square and probably through the genius of a lot of people, it wasn't through me, were able to market it as a destination. And I think it's like Mall of America in that respect. They know about Fashion Square in New York. They know when they come to Scottsdale, they know where to go. They know that's the mall to go to. And I think in a sense, maybe that's why some of these other malls have closed down. Why go to Fiesta Mall when you go to Fashion Square. It's just a much better mall.

As part of the destination, it's a tourist draw and so we have to maintain that too. We want to maintain that and we want Fashion Square to be here in 2050 and, you know, 2100, and on and Scottsdale will be here too and people will keep moving here to it at that same time and unfortunately and I'm against it, but it's going to happen. The buildings will continue to go higher because Scottsdale as they say is going to be built out by 2050. The first report I saw on that said by 2050, we will have 240,000. That's more like 350,000. When is it going to stop? How are you going to stop it? So all we can do is get denser and higher. When you get denser and higher, you reach a point where tourists say, you know what, I have this in New York. I have no reason to go to Scottsdale anymore.

So, you know, that's a question for future Councils and we are the ones to start with it, is to make sure that we maintain the best quality possible in Scottsdale so that when the people do come here, it's a great place to be and it stays a great place to be and the tourists will still want to come here. This is, all of these things, all of these thoughts are very tough for me because I have always been, I have been

for tourism but I grew up in Phoenix. Phoenix was a small town then. You know when I was a kid, Phoenix was 230,000. Well, Scottsdale is 230,000 now. I mean that's the progress, you know? And what we are seeing is the evolution of a city from, you know, 10,000 people in a farming community to a tourist attraction, where movie stars used to come here and do movies and stuff, that brought more people.

And, you know, as Mr. Berry pointed out, we did have a time where downtown almost died, when those people said, you know, let's go to the next trendy place and it almost killed us. But through wise decisions by other people, they managed to keep Scottsdale growing and we've kept it growing and I feel like this is going to be one more part of it. I have a comment here, Fashion Square is monumental to our society. While Scottsdale has historically has been opposed to height and density and so have I, we simply can't afford to deny Macerich their ability to keep up with the times and keep Fashion Square the destination and the tourist draw that is vital to us.

[Time: 02:52:09]

You know, the infill incentive district horse, that's already left the barn, we can't say we don't want any more height and density, it's already out. It's already coming. Blue Sky wasn't built, but eventually it will be or somebody's going to buy it and they will build something else. That's not going to go away. A gentlemen mentioned that, and I think Councilman Smith brought it up too, that we are giving carte blanche zoning by approving this. Well, guess what, every project that comes before us has been carte blanche zoning because Scottsdale doesn't have conditional zoning.

I tried to get that passed before in my first term, and I couldn't get Council approval to do it. It's all carte blanche zoning. We had one applicant who brought up a piece of paper with a handwritten drawing, this is what I would like to see and we approved it. It's all like that. It doesn't matter. You know, we approved this, we are approving zoning and once we approve the zoning, that allows whatever within that zoning to be built.

This happened on 64th and McDowell also. It was the same thing. They brought in a bunch of pictures, this is what we are going to build. This is what we are going to do. And I told crowd there, I said, no, that's not. You don't know what they are going to do. What you are approving is the zoning. I said but for that one, they had C-4 and they were changing it to C-1. Even though you don't know what they will build there, C-1 is better than C-4 which allows you to build anything. I think Councilman Smith brought up that point.

So what will Macerich do in the next 20 years, I don't know but I believe they will do something quality. They will always have been. And this is our downtown and nobody is going to move in or buy anything or move their expensive business to a bad area. They are going to do it in a good area. Macerich knows this. Everybody knows this. So whatever happens here is going to be good. I believe that and I believe as much as I don't like height and density, I believe that it's critical to our city and critical to our community and it's not really about what I like. It's got to be more of what I feel the city needs and going forward and going forward with tourism. I just feel like I can't say no to it. So I have faith and confidence that you will build a quality project in the future and that this will help

our downtown and so I will be voting for it.

[Time: 02:54:42]

Mayor Lane: Thank you Councilman. You know, I think it's probably pretty well understood that I'm certainly an advocate of a strong downtown and as you look around and we think about what other communities have done or what they have failed to do in maintain downtowns, they die. And so it's always been a big part of what I would want to advance and that's making sure that our downtown evolves and it creates an environment that as the marketplace changes that they are able to adjust to it. And that's what I think Westcor who preceded Macerich, certainly has been able to do through the years.

I've been here some 45 years now. I watched it go from essentially a Rodeo grounds to an initial shopping center, open air shopping center to what it is today. I mean, each step of the way it has been through the progress and the vision of not only city, the city's leadership, but also a great company. So if there's any doubt about who could pull this off and would has the expertise certainly as the financing, but also to recognize and know what the market is calling out for, it's Macerich. I have great confidence in that.

Whether or not there is a bad, a particular project with Blue Sky and what happened there and even there, the only condition we put on, it you had to start and we got played on that deal. But that is, that is something we would love to avoid. And I couldn't agree with Councilman Phillips more on just about everything he's indicated there. One is if we fail to make sure that there's an environment here, that people, we want people to succeed because when they succeed, the city succeeds. And that doesn't mean we are in total disregard of changes and how they may impact people.

John, I would ask you to maybe put that same picture up about, on Highland Avenue. And I, you know, from listening to some of the conversations that came from the neighbors, I do recognize, and I certainly understand and share some of the same concerns as to how these things develop. And I know that maybe a period may be an exaggerating and it's a massing, and who knows if it would be a 90-foot block with an alleyway between it more or less, but that is not an unusual application if you were to fully utilize what is there today. So do we want that kind of thing? And I don't think the residents in Optima want that kind of thing. I think that's important thing for us to consider, whether it's the open space and what I heard and is in the development agreement, itself. Of only 30% open space.

[Time: 02:57:46]

John Berry: Mayor, Councilmen, it's not in the development agreement. It's in your stipulations and the requirement is 30% area with no buildings on it.

Mayor Lane: Okay. So it's in the stipulations then. I'm sorry? Oh, I'm sorry. I can't take questions from the audience. I was going to ask staff where is that in the stipulation?

Brian Cluff: Mayor Lane and members of the Council, if I could clarify, it's actually in the amended development standards rather than the stipulations.

Mayor Lane: Oh, okay. But in any case, which is within the absolute agreement that's been set forth here as far as those changes are concerned?

John Berry: Mayor, just to clarify, the amended development standards are a required part of stipulations. The stipulations include the amended development standards. So just to clarify.

Mayor Lane: Okay. All right. Well, in any case, I think this particular adjustment responds to an awful lot. To Councilman Phillips' comments that something will happen there one way or another, and we are talking about somebody who has proven successful through the years in seeing what is not only possible but what is going to be a good investment for themselves and we understand that, but also for the city as far as an accommodation and moving the city forward. So, and one other element that has been important for us through the years is keeping downtown alive.

[Time: 02:59:27]

It's needed to be activated by not only residents which Optima is certainly part of that equation, but also by businesses and having people working downtown and having a live, work and play kind of environment that actually allows for people to walk, I think was one of the individuals who commented about the fact that one of the things that's enjoyed, and it's enjoyed by many people that live in downtown one way or another, and that's that they can leave their car at home and they can access most all of the amenities that downtown provides now.

And I do remember another time when we would have, we would have been just happy to have a traffic and/or parking problem because there was nobody here. It was a borderline ghost town at times but it's activated and moving well forward in a good fashion now. So I'm an advocate of moving along with this. I do think by definition, frankly, even conditional zoning this is maybe the only exception that I would talk about, that is a problem unto itself from the standpoint of constitutional property rights designating how you can use a zoning that you have just given to someone or that we have approved, in fact, as we are talking about here.

I mentioned a little bit before, trying to control somebody as to what they have to show us exactly what they are going to build. It's mixed use. That's the zoning. There's certain things that are allowed in that. If it's subject to the amended development agreements, within the stipulations, then that's the kinds of things that they commit to and if that's conditional zoning, it comes through a development agreement or the amended factors in those stipulations. That's about the extent of where we would be. So it's either we do it or we don't. And personally, I think it's in good stead. It's perfectly understandable as far as I can see within the general rules of what we would normally be considering.

And there's been considerations for everything that we can think about as far as the surrounding items and I think this is a particular area of concern. But the development and the density we have talked

about that and we have really strived to make sure that it's in our commercial cores and we do need to manage that and that's what our intentions are when working with anyone who is developing downtown. So I just, I think we were talking about one of the premier operators and developers in our city and have been for many years. And any other city and I know we are not just any other city, would probably be looking to subsidize them substantially to create this type of investment in their downtown.

Now that's not where we are. We don't do that. Nevertheless, there are these kinds of considerations and we are looking for quality, not just mass. So I think, I appreciate very much what's, what has been demonstrated here. I appreciate all the testimony. On both sides of the issues but I think there are a great number of people who have great history here in the town who understand and have watched how we have evolved successfully in our downtown. So I'm in favor of the original motion, but we do have some additional requests to speak. Councilman Smith.

[Time: 03:03:17]

Councilman Smith: Mayor, don't take that picture down yet, John. It turns out to be one of the most popular pieces of paper that you have there. My question to you, the items that Councilwoman Milhaven mentioned, the 54' setback and the 30% open space, all of those things are incorporated in, either the stipulations or the development agreement, they are memorialized and when the Council votes for, it that's what they are voting for, those changes.

Let me ask you a question of clarification on your comparative pictures here that are on the screen. First of all, I recognized one of the top, maybe the entitlement, but I think if you have the mind to build that it wouldn't be rentable, I don't think, to anybody. But my focus is on the one on the bottom. And the stipulation says that on Highland, the average setback will be 54 feet. I know this is just a hypothetical picture of what might develop there, but it looks like one building is setback, I don't know, maybe 20 feet and the other one maybe 40 feet. Do you achieve that 54 average by measuring from the curb for the middle grassy section all the way back to Macy's garage or how do you get there?

John Berry: Mayor Councilman Smith, the short answer is no. Both of these are conceptual. There will be specific plans that come back through for Development Review Board, instead of two buildings, you might have four smaller buildings. So it's, this is just very much a conceptual effort and I'd ask us not to focus too much on the specifics of it, but to recognize that this is the type of quality development that Macerich is certainly capable of and the requirements that are part of the zoning case would lend itself towards this quality development.

Councilman Smith: So then, and I accept the fact that these are conceptual. Because I think they are not even representative of 150-foot tall, it looks like they are 7 or 10 stories or whatever. But explain to me how you would achieve the 54. Is it the measurement back from the curb of Highland to all the new buildings that might go in? Is that how you do it?

John Berry: Mayor, Councilman Smith, these are in fact 150 feet to the top of the mechanical. We

are very assiduous in making sure that this is the case, so this is just the reason they may or may not be, you know, eight stories or 12 stories is because oftentimes at the ground level, that first floor may be 20 feet tall because you are putting retail or restaurants on the ground floor and then your office users some of them want much higher ceiling heights for the type of rent they will be paying. If it's residential, they might be a smaller roof, ceiling heights.

So it just depends, one of these could be hotel and one could be residential and one could be office, you can have any combination on this property. You measure this setback from the back of the curb. So it's the back of the curb, not the property line. So you measure 50 in this, I don't want to correct Councilwoman Milhaven but it's actually not 54 feet. It's 56 feet and the reason that Councilwoman Milhaven came to 56 feet is because that is the average setback of Optima across the street! So we are using the exact same average setback that Optima has and it would be measured like that for Optima and all of downtown.

Councilman Smith: Okay. Thank you very much.

John Berry: May I take this down? I have pictures of my summer vacation that are much better than this.

Mayor Lane: Thank you, Councilman. Thank you, Councilman. Councilwoman Korte.

[Time: 03:07:12]

Councilmember Korte: Mayor, allow for me to call for the question.

Mayor Lane: We will vote for call for the question? Do we have a second on it? Okay. All of those in favor of call for the question, please indicate by aye. And register your vote. All right. It's unanimous on call the question. We have the motion on the table. I was going to do it with a voice vote, actually, but what are we, and, we are quick on the trigger out there, Linda. Okay, the original motion to approve. And motion passes, 5-2.

John Berry: Thank you all very much.

Mayor Lane: So it's there. And Councilman Smith and Councilwoman Littlefield opposing it. Thank you all for your input. We appreciate everything that was contributed. We have continued business, if you could, well, actually, we are, there's no further Public Comments. No petitions, Mayor and Council items, hearing none, I will ask for a motion.

Councilman Phillips: Excuse me, Mayor. The gentlemen earlier, petitioned us to not accept the City Manager's last answer.

Mayor Lane: There's no petition.

Councilman Phillips: Ok, thank you.

Mayor Lane: Thank you.

ADJOURNMENT

[Time: 03:09:06]

Vice Mayor Klapp: Move to adjourn.

Councilwoman Milhaven: Move to adjourn.

Mayor Lane: I have a couple of motions. Those in favor of adjournment, please indicate by aye.
We are adjourned. Thank you again, everyone.