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#### **CALL TO ORDER**

[Time: 00:00:10]

Mayor Lane: Good afternoon, everyone. Nice to have you with us here today. And of course, it's Tuesday, March 19<sup>th</sup>. And I would like to call to order our meeting and it's approximately 5:05. Pardon us for being just a little late getting back out of Executive Session.

#### **ROLL CALL**

[Time: 00:00:20]

Mayor Lane: So we'll start, please, with a roll call.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

Carolyn Jagger: Guy Phillips.

Councilmember Phillips: Present.

Carolyn Jagger: Solange Whitehead.

Councilwoman Whitehead: Here.

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: 00:00:44]

Mayor Lane: Thank you. Just a couple of items of business. We do have cards if you would like to speak on any of the items on the agenda and there's the white cards that the city clerk is holding up over her head and the yellow cards are for written comments and they, for any of the items on the agenda and they will be read during the course of the proceedings. And we have Scottsdale police

officers, Nate Mullins and Tony Wells, up on the mezzanine there. The area behind the Council dais are reserved for staff and Council access only. There are rest rooms over there to my left under the exit sign for your convenience. If you have any difficulties hearing the proceedings of our meeting, there are hearing assist devices over here at the clerk's table over here, again to my right. So please check with them or the staff there.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:41]

Mayor Lane: We will start the meeting with the Pledge of Allegiance. I will ask Councilwoman Whitehead to led us in the pledge.

Councilwoman Whitehead: 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.

**INVOCATION**

[Time: 00:02:11]

Mayor Lane: For the invocation, we have Xavier Salazar from the Scottsdale Bible Church. Pastor, please and welcome.

Pastor Xavier Salazar: Thank you so much for allowing me to be here. If you would like, could bow your heads while I pray for our meeting and while I take a moment to pray for our brothers and sisters in New Zealand as well. If you would like, you can bow your heads. Dear Heavenly Father, I thank you so much for the blessings that you have given us and continue to give us. Thank you for giving us the gift of life and health and everything that we need to get through each day. Thank you for our country as well and even the state that we live in. Thank you for the opportunity this evening to be brought together with a common sense of responsibility to serve our community and serve our city and serve our people of Scottsdale. Thank you, Father, for ordaining and governing authorities that govern with a sense of order and justice and peace. I profer blessings over our Mayor and City Council and all other appointed and elected City Council who serve for our people.

I want to pray for a couple of things. God I pray for wisdom today. Lord, I also play for a sense of welfare, and true needs of our people. God, I pray for justice and rightness. And Lord, I pray an ability today for us to work together in harmony. Last, God, I just would pray for our brothers and sisters in New Zealand, that you would help them during this time of maybe confusion and hurt and pain. And God, that you would bless the leaders of New Zealand with wisdom during this time. God, I pray all of this in accordance to your will and I say these things in Jesus' name, amen.

Mayor Lane: Amen. Thank you, Pastor.

**MAYOR'S REPORT**

[Time: 00:04:11]

Mayor Lane: You know, I suppose, worthy, with regard to the Christchurch, New Zealand, some 50 people murdered in that mosque and at least an equal number who were wounded and injured seriously. So I would just say that in whatever form you might want to take, to consider the extent of these kinds of tragedies and the extenuation of sorrow and grief to all of the survivors as well as to their families and to the community on the overall, and take an extra couple of minutes just to think about those kinds of things, that impact and how we might be able to continue in our minds and in our lives to try to resolve and reduce these kinds of instances. So I just say, let's take a moment to consult with our own inner self as to how we might be able to remember these folks and also remember the suffering that is imposed upon them. Thank you.

I have got a proclamation here for Brain Injury Awareness Month, and that proclamation, I will make a presentation here in a moment, but whereas this is a proclamation and this comes from the office of the Mayor, but whereas traumatic brain injury is a public health problem that impacts a reported 1.7 million people in the United States annually; and whereas, these individuals, 80 to 90,000 sustain permanent disability; and whereas the brain injury alliance of Arizona offer resources, survivor empowerment and education for all types of brain injuries; and whereas in Arizona yearly, there are 1233 deaths and 54,310 emergency room departments resulting in over \$574 million in hospital charges due to traumatic brain injury alone. Not including acquired, non-traumatic brain injury.

Whereas, unintentional injuries account for about 86% of the traumatic brain injury hospitalization and whereas among Arizona residents, traumatic brain injury resulted in emergency department visits, were the highest among children 1 year of age. Traumatic brain injuries are predictable and preventable through the understanding of associated risk, I therefore, Jim Lane, Mayor of the city of Scottsdale do hereby proclaim, the month of March as Brain Injury Awareness Month and I here unto set my hand and cause to be affixed the seal of the city of Scottsdale. I would like to ask or invite Mike and Pamela Murphy to the front to accept a proclamation and for a photo.

**PRESENTATIONS/INFORMATION UPDATES**

[Time: 00:08:08]

Mayor Lane: Our next order of business is a presentation AMWUA celebrates its 50<sup>th</sup> anniversary, and for that occasion, we have Brian Biesemeyer, our water resources director, along with Warren Tenney, AMWUA's executive director here to discuss that. Make that presentation, I should say.

[Time: 00:08:39]

Water Resources Director Brian Biesemeyer: AMWUA is one of the organizations that the city is active with and is the founder of. Mayor Lane represents us as the president of the board of

directors. I'm on the management board with AMWUA. AMWUA has been and continues to be a great advocate for good water management, water conservation and water sustainability and the, and the benefits and the support of its members. And tonight, I have the pleasure of introducing Warren Tenney, the executive director who has been with AMWUA for three years and has done an amazing job. With that I would like to invite Warren up for his presentation. Thank you.

[Time: 00:09:28]

AMWUA Executive Director Warren Tenney: Thank you. Thank you for this opportunity to meet with you this evening. You know, here in Arizona, we have always recognized that we live in an arid state, and therefore, you better wring out every drop of water that you can. And that is because in Arizona, water is what fuels our way of life, and is, and fuels our economy. Back in 1969, 50 years ago, Scottsdale city leaders joined with four other valley cities to establish the Arizona Municipal Water Users Association, or AMWUA. They did this because they knew that water does not flow according to political jurisdiction, and it would be better to work together on water policy issues.

Today, AMWUA consists of 10 valley cities that span from the Superstition Mountains to the White Tanks Mountains. We provide water to more than 3.5 million people. That is more than half of the state's population. We also provide water to the businesses and industries that are key to this state's economy. We are linked together and if one city in the valley experiences problems, we're perceived all as having problems with water. And so it's better to be working together in a forum that AMWUA provides.

During our 50 years, AMWUA has played an important role in many of the state's key water challenges. A few of our accomplishments include having a significant role in the 1980 groundwater management act as seen in the top photo. The groundwater management act has provided a secure foundation for managing the state's water. We work to secure an agreement between APS and our cities to provide reclaimed wastewater to cool the Palo Verde nuclear power plant. AMWUA helped to develop the concept for the underground water storage legislation that allows cities to store water in aquifers and use it as needed. We helped to establish the Arizona Banking Authority, which puts the Arizona Colorado River water to use by storing it for a dry day.

As seen in the photo on the left, AMWUA cities supported the modification of Roosevelt dam to increase the storage capacity in Roosevelt Lake. Most recently, AMWUA worked with its members about how best to implement the lower basin drought contingency plan here in Arizona, which we accomplished last month. One of AMWUA's ongoing and most significant contributions has been to help establish a water conservation ethic here in the Phoenix metro area and in Arizona. For nearly 40 years, Arizona has mandated conservation requirements for municipalities. In response, AMWUA brought together water conservation professionals from its member cities and established a regional water conservation program.

Through this collaborative effort, the cities have shared expertise and resources, launching programs and developing materials to help residents reduce their water use. Each of our members has programs and resources tailored to best assist their residents and businesses to use water efficiently.

Today, Scottsdale and the nine other AMWUA cities are recognized leaders in water conservation in this country. The benefit of these efforts is found here, where for the last 12 years, the city of Scottsdale has seen an overall downward trend in its water deliveries while seeing service connections increase by over 5,000. This water conservation ethic is how we have avoided needing to impose water restrictions during this time of prolonged drought. We want to increase awareness about these conservation programs so that the public knows what they can do to help, as they hear more and more about drought shortage DCP and climate change.

Today as we face shortages on the Colorado River, and deal with other water supply issues, it's all the more important that we collaborate together as municipalities. Going forward, AMWUA remains a forum to educate and inform our members as, as well as others to collaborate, to find solutions, and then to advocate on behalf of our members. A key function is facilitating discussion about water among the cities.

[Time: 00:14:47]

The AMWUA board of directors is comprised of the Mayor or a Councilmember from each of our cities, and we are fortunate to have Mayor Lane serving as the president of the AMWUA board. We do a lot of work with the water resources, advisors and conservation specialists from each of our cities since they are the troops on the ground working on water resources and conservation. As issues are identified and positions developed, we also work with our management board, which is made up of water utility directors own water managers from each of the cities. As we collaborate and agree on each of the issues, AMWUA advocates for our members as we work with the Arizona department of water resources, CAP, and SRP.

Our most important advocacy effort is to speak with one active voice at the legislature. What happens in one part of the state can have a ripple effect throughout. During this current session, we have been tracking and speaking up on over 20 water bills. A key guiding principle for us is does the legislation support the strong foundation we have with the groundwater management act and the assured water supply rules? AMWUA will continue to shine a bright light on what Scottsdale and our nine other cities do day in and day out to provide water.

The AMWUA cities collectively employ more than 2500 professionals to ensure that water is delivered every day of the year to homes, businesses and industries. Because we provide that water to small businesses and large industries, they are able to be the engine that drives this state's \$320 billion GDP. What binds the AMWUA cities together is our awareness that we must constantly be planning and investing in our water resources and infrastructure.

Because of this, we can share the message that a shortage on the Colorado River does not mean a shortage at our tap. We are prepared and will continue to prepare for potential shortages. AMWUA appreciates working closely with the city of Scottsdale for the last five decades. We are proud of what we have contributed in the last 50 years to this valley's economic success and way of life. Looking to the next 50 years, AMWUA is committed to collaborate with Scottsdale and our other members to protect Arizona's water resources and to advocate for the wise management of those

resources for the benefit of this valley and for Arizona. Thank you again for this, taking the time to let me share with you about AMWUA and appreciate your support.

Mayor Lane: Thank you, Mr. Tenney. Just a little bit of emphasis for what the cities are members, the ten cities that are members, you represent a very, very significant portion of the constituent water users, not only here in the valley, but in the state and it has become a, a force in a certain sense. Certainly there's advocacy involved but also a powerhouse of information. And as we just faced off, if you are familiar with the drought contingency plan that was put before the governor, AMWUA worked very closely with making sure the provisions of that not only recognized our needs but how we could work with the entire state. So it's been a very good organization for us and our participation in it through the years. And thank you again, Warren.

### **PUBLIC COMMENT**

[Time: 00:18:59]

Mayor Lane: Next order of business is Public Comment. And Public Comment is reserved for citizens' comments regarding non-agendized items with no official Council action taken on these items. Comments are limited to the issues within the jurisdiction of the City Council, and speakers are limited to three minutes each with a maximum of five speakers. There will be another opportunity for Public Comment at the end of this Council session, if there's a need for it. I will start with the, with Mr. James Rice.

[Time: 00:19:47]

James Rice: Thank you, Mr. Mayor, Vice Mayor and Council. I'm here to bring up an issue. I think it's been brought up many times before, dealing with panhandling or the term I prefer, vagrancy. I live in north Scottsdale and the last couple of days I have made an effort to address some of these vagrants, and to get some information from them firsthand. So they basically, there's a couple I talked to yesterday. I don't want to go into all the details. I know my time is limited. There was a couple on the southeast corner of Pima and Pinnacle Peak since at least September, by my count and I went and approached them yesterday and spoke with them. I didn't get a whole lot of information, but the little bit I got, they basically said that they were homeless, but they wouldn't say where they spend the night and how they are getting transported up there.

The key thing I wanted to bring out is when I asked them what is their objective, they said they just want money. Cash. And I asked them why not get a job? And the answer was, work doesn't, I don't want to work, basically. Work doesn't do it for me, which to me was astounding. These were people in their 20s. Healthy. Physically and mentally. Just basically wanted free handouts. And I think the situation is all throughout the city, obviously, but I know about where I live and I have seen it up there. And I think something needs to be done about it. It's becoming an epidemic. It's getting worse and worse. And some places it's already pretty bad.

And I just wanted to try to bring up the issue. I'm sure I'm not the first. Something needs to be

done. I made effort to call the police and engage some of these people. And the police, from what I can get them, their hands are tied. They didn't really do anything. They referred me to come talk to you because you create the ordinances and the laws for them to enforce. And then today I was also told that I need to talk to our federal representatives and to me, it seems like it just keeps getting pushed further and further down the road. I'm here tonight and I did talk to Councilwoman Littlefield earlier today.

I know we live in Scottsdale but the city of Phoenix does have an ordinance that is current as of January 9<sup>th</sup>, 2019, and it addresses some of the concerns I have. And I have copies of that I can give to you. And I would imagine the city of Scottsdale if it doesn't have something like that could easily implement something along this wording and because two of these people, they sit all day. They sit there all day on the corner. And the Phoenix ordinance mentions sitting. And I just think something needs to be done about it because with the panhandlers or vagrants or beggars whatever you call them. I have no problem helping out people genuinely in need but I do have a problem who don't want to do anything and admit to your face. I don't know if I need to leave this with someone.

Mayor Lane: The clerk's desk. Thank you, Mr. Rice. Francien Randall.

[Time: 00:23:13]

Francien Randall: Hello, I'm Francien Randall. I don't have a problem with vagrancy. I have a problem with your police department. I have been robbed five times in my house. The first time I was robbed was when I was moving. I was moving to my house in Montecito. I have a great big 3900 square foot home. The police came over and said it's all in her mind. I have a master's degree in health services. I used to be one of the chief leading investigators in health services. The governor asked me, the state hospital is losing its license certification. We need you to fix it. I was over there on detail for a year and I got the certification for the Arizona State hospital. And then one of your police officers during one of the investigations wrote down that this was possibly something mentally wrong with me because I, because of the robberies. They said I couldn't pinpoint, I could have misplaced these articles. That's a damn lie.

I have, I installed an alarm system. They weren't able to catch the people. Then I switched to A.D.T. which cost me \$1,500. Besides that, I had, am I getting this right? This is a wall that was going up from my home to my pool in the backyard. I had that blocked off. Cost me \$1,500. This was another, this is another door back here, also going from my family room to the pool, also I had that blocked off. I had bars put in all of my windows. There they are. There's the men putting in bars. I have five windows. They put in bars. Here's the other ones. They put in bars. Here are the men. These are the pictures that I had put in. All of this has cost me for another \$1,000. I had all the doors on my story, I mean my storage areas also locked.

And I'm telling you, that this department, what they said, one of the men on the police department said this was something psychologically wrong with me. They sent two, they sent a young lady who was mental health to my house to examine me and verbally talk to me and see how I was doing and progressing. I got a letter here, it's right, on March 4<sup>th</sup>. This is her boss. She said, I found nothing



wrong with you. Me. There's something wrong with your police department. They don't investigate. Not only was I robbed, the lady across the street was also, we're single. I'm a single woman. The woman across, she was robbed. Just because this is the 18<sup>th</sup> century, like these women are crazy. We need a police department who can go in there and find out what the hell is going on in our area. That's all I have to say.

Mayor Lane: Thank you, Ms. Randall. Mr. French Thompson.

[Time: 00:26:29]

French Thompson: French Thompson, 7148 East Main Street, Scottsdale, Arizona. Thank you, Mayor Lane, Vice Mayor Milhaven. I'm bringing this map back to you again. I wanted to show you that this blackened out area on the right side is the equivalent in dwellings as the squared out area on the left side. All of those homes in that neighborhood are going to be stacked up, one on top of the other to be in those areas right here. I just want to let you know that that entire neighborhood will be encompassed in those two little small areas. This right here happens to show how many cars are parked on this street in that neighborhood. These are not the ones in the carports. These aren't the ones in the garage. These are the spillover cars.

So I'm coming to ask you, as my City Council, to help protect the downtown. Here's a little photograph that happens to have within that short little area, there's ten cars parked on the street. In this photograph right here, which I'm not getting the whole thing on there, but there's 13 cars, 12 cars in that short little area right there. I just implore you to protect the Downtown Arts District. Development comes in with a lot of money. And we in the state of Arizona make a lot of money through development. I'm not against development. What I really don't want to do is see the downtown be overrun by spillover parking.

There was a parking study in 2015, one of the interesting things, it says that the issue with parking shortages is often related to where public parking is located, how visible it is and how far patrons are willing to walk, rather than the actual, you know, surplus and deficit. So does that mean that people are going to park over in Fashion Square, Nordstrom's parking lot and walk to the downtown? They are not going to do that. Let's be realistic.

And these homes are going to have that, that high-rise is going to have two cars per each unit. We have cars here. That's what we do in Arizona. Another thing that was said in that report, says during the peak parking period, more than 40% of all parking was vacant. Listen, they got to be dreaming and smoking dope to come up with those numbers. They can't even possibly be real. 40% is all vacant? Here's one of the things that I'm just saying is that we need to watch what the development does and have the developers supply enough parking for their developments. So I implore you, please watch over us and protect us. Thank you.

Mayor Lane: Thank you, Mr. Thompson. Next, Mr. Bob Pejman.

[Time: 00:29:52]

Bob Pejman: Good evening, Mayor Lane, Councilmembers, Bob Pejman. I own Pejman Gallery. The address is on the record. I want to talk about two items. The first one is employee parking in the arts district and the other one is in lieu program having to do with that. So what I ask you, if you don't care about anything at all, at least care about employee parking. Because the employees have to work there. They have to park there all day. And even if you are thinking meters down the road, they still got to park there all day. So they need spaces.

Let me give you an illustration. Legacy Gallery, 11 employees, they have three private parking spaces. My own building, about five people work there, I have zero parking spaces. There's a real estate office across the street from me. They are 15 to 17 Realtors, zero private parking spaces. Where do they park? First they take the public spaces and then they spill over to the street. And that's the situation right now. So right now, today, we start with a substantially reduced inventory of parking spaces for the customers. Because the employees are taking up about half of them already. Once Museum Square and Canopy Hilton open up, there will be substantial spillover.

Let's not kid ourselves. No study can prove it. Their employees will take up pretty much what's left from the remaining spaces. So at the end, we end up with a scenario, where the biggest part of the parking pie is going to be occupied by employees. So let's say 70, 80% is employee parking, leaves 20% or less for customers and we count on the customers to come down here and spend money, your tax revenues, we rely on that. They don't generate by employees, parking there and not spending money. Why are we in this shape? According to the city document, over 500 phantom parking spaces were sold over the past years to that general area.

But for every one of those parking, phantom parking spaces that was sold, there was supposed to be a real parking space generated or constructed in some parking lot. Some have. You have 130 spaces in the underground. You have 52 spaces behind First Avenue. Maybe there's some other ones but they sure don't add up to 500. I think they took the money and spent it elsewhere in old town.

And so we're in this situation right now. Look, we support Museum Square. But we are afraid about the parking cannibalization. The only way the city can address this right now is to, the only, the only option you have is one lot behind Panera Bread and I want to see if we can squeeze the most amount of space out of there and let's look at creative ways to increase the parking space around the hotels and any other solution. But we need to address this problem or it's going to really be bad down the road. Thank you.

Mayor Lane: Thank you, Mr. Pejman. Last and final is Kris Strauss.

[Time: 00:33:15]

Kris Strauss: Good evening Mayor and Councilmembers. My name is Kris Strauss. I'm the senior vice president of sales and marketing for Scottsdale-based Troon and Troon golf. We are the world's largest golf management company and we are founded here in Scottsdale and this is where our corporate home is. We employ 500 associates and have a number of great golf facilities here. I

wanted to provide some private comments related to our support of experienced Scottsdale and certainly the leadership from the city of Scottsdale on our collective efforts to market and brand Scottsdale as a destination.

Golf courses provide residents with recreational opportunities, places for wildlife, flora and fauna, but it also drives tourism. We executed some independent research with the Experience Scottsdale that showed that the average Scottsdale golf traveler stays six nights and plays six rounds of golf, and spends 50% more than the average Scottsdale traveler. So Scottsdale golf drives tourism, and the Experience Scottsdale staff, team and sales and marketing team recognize that, and they leverage. One thing is Scottsdale Golf Week, which just occurred in January. There was marketing put into place, in a variety of mechanisms.

The Golf Channel activation also included a return trip of golf travelers to the destination in the month of January, and the net result of that based on the Orca data, Orca is like our star report for golf performance, showed that occupancy increased by 7.1% that week to Scottsdale golf courses, and revenue per round increased 4.1%, over 22,000 golf rounds were played that week, driving green fee revenue of \$1.7 million. That's green fee revenue that we reap the benefits with sales tax dollars and also employ Scottsdale associates as well.

To recap, the 2018 results for the city of Scottsdale golf courses, Orca data shows and states that, that there was average round increase of 7, up to \$77 of 7.2% and course occupancy increase was pretty stable in 2018. On behalf of the Troon courses, we saw that rounds were up 7% over prior year, and average rates were up as much as 15%. So notwithstanding the recent weather events that we had in February, which snow doesn't really help golf business, 2018 was a very positive year for Scottsdale golf, and again, we are speaking in support of all the efforts with the Experience Scottsdale and the city of Scottsdale to promote the destination and promote the destination as a golf destination as well. Thank you.

Mayor Lane: Thank you, Mr. Strauss. That completes the Public Comment cards at this time.

#### **ADDED ITEMS**

[Time: 00:36:24]

Mayor Lane: So next order of business is we do have an added item. It's a Regular Agenda Item 22, was added to the agenda on March 18<sup>th</sup>, 2019, and that actually is outside the envelope of when we normally accept items on to the agenda. So it calls for a vote by the Council. And what I would ask for is a vote to accept the agenda as presented or to continue the, this added item to the next scheduled Council meeting which is March 26<sup>th</sup>, 2019.

Councilman Phillips: Mayor, I move to vote to accept the agenda as presented.

Councilwoman Klapp: Second.

Mayor Lane: As moved by Councilman Phillips and seconded by Councilwoman Klapp. All of those in favor, please indicate by aye and register your vote. Aye. And we do still have Councilwoman, oh. It took. All right. So that's unanimous and it will remain on the agenda as has been presented.

## **MINUTES**

[Time: 00:37:38]

Mayor Lane: Next order of business is really to request and to approve the Special Meeting Minutes of February 19, 2019, and Regular Meeting Minutes of February 19<sup>th</sup>, 2019. These minutes have been provided to us. If there are any adds, deletes or corrections, please indicate. If not, I will accept the request to approve those special meeting minutes.

Councilwoman Klapp: Move to accept.

Councilman Phillips: Second.

Mayor Lane: Motion has been made by Councilwoman Klapp and seconded by Councilman Phillips. We are then ready to vote. All of those in favor of accepting the minutes please register your vote. It's unanimous. Those minutes are accepted. Thanks very much.

## **CONSENT AGENDA**

[Time: 00:38:23]

Mayor Lane: We are moving on to Consent Items, 1 through 19 with one stipulation that you should be aware of is that Item 1, 92<sup>nd</sup> Street Cafe Liquor License, 12-LL-2019 has been removed at the request of staff. Item 1 is not included in the Consents. No vote is necessary on that. We do have a request to speak on Item 10. Mr. Ted Jenal, if you would like to come forward.

[Time: 00:39:03]

Ted Jenal: Good evening. My name is Ted Jenal. I live on North Boulder View Drive. I'm speaking in opposition to the request for proposal for the new development off Joy Ranch Road. There are 15 homes or lots in Vista Valle and mine is one of them. We all bought or built our homes predicated on the fact that the adjacent property was zoned with much larger 5-acre parcels. My wife and I came here from New York City. We were looking for some elbow room, and we were told by our Realtor that Scottsdale takes their zoning very seriously, and we had nothing to worry about.

Now, the owner of the property is entitled to do something with it, but we are looking at a proposal which is not at all for the same density as the adjacent neighborhood which is ours, R-143, but, actually one with about 25% greater density. It's kind of like a fake R-143. The advertised 15% more natural open space probably represents land that can't be built on anyway and that does not justify cramming

more homes into the buildable space. It is clear that this proposal was planned without consideration as to the effect on the adjacent neighborhoods. And the Scottsdale community has already been taken advantage of by somebody as the property is assessed as agricultural, which it clearly is not according to the city of Scottsdale standards.

The proposal is simply not fair to the surrounding community and it is not unreasonable for us to request that this development be planned according to the rules with a development that at least matches the adjacent neighborhood in terms of density and with some consideration as to the adjacent properties. Going from 5-acre parcels to parcels that are less than an acre is not fair to the surrounding communities. Thank you so much for your attention.

Mayor Lane: Thank you, Mr. Jenal. That's the only request to speak on the Consents, unless there's any question on that further, then.....

Councilmember Korte: Mayor?

Mayor Lane: Yes? I'm sorry was that, Councilwoman Korte.

Councilmember Korte: I would like to make a motion to approve Consent Agenda Items 2 through 19. Thank you.

Mayor Lane: All right. The motion has been made by Councilwoman Korte to accept the Consent Items 2 through 19.

Councilman Phillips: Second.

Mayor Lane: Okay and it's seconded by Councilman Phillips. All right. So any further comment? None seen. We are ready to vote on the Consents. All of those in favor, please indicate by aye and register your vote. And it is unanimous. So if you happen to be here, thank you very much. If you happen to be here for the Consents, feel free to stay with us. Otherwise, otherwise, please leave quietly.

## **REGULAR AGENDA**

[Time: 00:42:48]

Mayor Lane: We are moving on to the Regular Agenda items. Items 20 through 22. We'll start with Item 20, of course, and the presenter is our treasurer Jeff Nichols. Thank you. Welcome, Jeff.

## **ITEM 20 - MONTHLY FINANCIAL UPDATE**

[Time: 00:42:56]

City Treasurer Jeff Nichols: Thank you very much, Mr. Mayor, members of Council. Monthly

financial update for February 28, 2019, and I will try to go through this fairly quickly. As depicted, all but one variance within these revenue streams is positives. It's a little bit harder to pick it out on this, but it clearly shows out on this. With the only negative revenue stream being fines, fees and forfeitures. So looking at some of the issues, the tax is local. We are seeing higher franchise tax from APS. We are also seeing increases in the cable TV franchise fee, which we're looking at because despite the migration of customers that you always hear about to streaming services and the increases in cost of cable, people seem to be sticking with cable. I would be one of those people for my personal viewing choices and we're seeing a positive variance related to that.

Property tax is just due to a budget spread that \$400,000 favorable variances, going down a little bit farther, the charges for services, other, I had mentioned in the previous financial update, we have a reimbursement for some HVAC costs down at the Boys and Girls Club. We signed an agreement with them. So that was not budgeted. We had built those improvements previously and they agreed to participate in them. We are also seeing some higher than expected late fees and interest payments due to past due development fees. So, again, not a timing issue.

They are, we are seeing increased revenues from that, and we did see some increased revenues from the tournament players club, where we hold the TPC PGA event. Going down to license, permits and fees, \$400,000 or an 8% increase. The favorable variances primarily due to revenue received from public safety, fires ambulance contract, it was revenue that was earned in fiscal year '17/18, but we didn't receive it until '18/19, again, not budgeted for. So positive variance there. The building permits, the fees and charges we are seeing an uptick in residential development and sales and we are seeing a favorable variance in that as well.

[Time: 00:45:25]

Going forward, you notice as depicted on this slide, all but two variances, the revenue streams are positive. And more easily depicted on this, as far as the classes of sales tax within our operating sources. Looking at automotive, as reported previously, we have a car dealer that is starting to report sales tax related to services and sales that had not been reported before. He's been educated and they are doing that. And we are seeing an overall increase in automotive sales as well.

Looking at dining and entertainment, we are seeing a new restaurant open that's doing very well, was not budgeted for. But we are also seeing normal business fluctuations during this time of year as you can imagine. It's our business season. The places that entertain our visitors and feed our visitors are doing well this time of year. Looking at the food stores, you see \$800,000 positive variance of 18%. The majority of that variance related to a new grocery store that was opened and not included in our forecast. We didn't know when it would open. So we didn't forecast any revenues for that and now we will going forward.

And other activity, the 1.1 million, I'm trying to touch on the big ones here. 14% increase, and it's mostly related to a one-time audit payment. So, again, our audit staff is still going out. They are auditing vendors. We are working with the state to do that and we had a large recovery of one-time in that category. So going over to our personnel services, as depicted three categories have

favorable variances and three no variance, which you can see more easily here.

I will talk about personnel services in just a minute, but it's for contractual, we are seeing a favorable variance. One area is the city attorney's office due to lower than expected legal service costs. There's a favorable variance of about 400,000 within my office. We renegotiated our banking contracts and we are seeing decreased costs related to that. We are also getting credits now from some of these institutions that we do banking with, which help to offset the cost of those services.

And public safety police, we have favorable variances. We reduced the number of cameras, photo radar cameras, while the contract issue was being resolved. So we had decreased costs related to that program. I would like to report that those cameras are now back in use but the favorable variances is expected to remain through the end of the fiscal year. We also have lower than expected, Mr. Mayor, you touched on this before, lower than expected fuel costs within the police department.

[Time: 00:48:18]

This is the General, part of the General Fund portion, but I had asked staff earlier today, what our variances total for fuel cost to date, the amount is about \$400,000 from what we budgeted to what we are actually saving and the General Fund gets about \$100,000 of that favorable variance in fuel. Of course, you have the water fund and the other funds that are also enjoying that savings in fuel costs as well. I would like to say commodities from what we are hearing from staff and what the people in the budget department are telling me, the vast majority of savings is timing. We don't know whether that positive variance will remain at the end of the fiscal year. It's obviously not the majority of the positive variance within our uses category. Again, looking at pictorially, five categories have positive variances and one negative. We will show it here. Looking at salaries, within the police department, one of our largest departments, they are just hiring people. People retire. We hire their replacements and they are being paid less than the people that left. So we are receiving some savings in that area.

Overtime, the unfavorable variance, actually relates to, again, what, something I had mentioned before at the TPC course. I really don't like to say the name of the event. Let's just say it's held in Scottsdale and a PGA event but we had a lot more overtime than was expected or at least budgeted for in that area but I believe we also enjoyed more revenues as well. Looking down to retirement, one thing we are seeing is more officers opting nor the drop program. If they go into the drop program, we have some savings in the retirement area.

And what I had reported on with the contract workers although only \$100,000, that large 27% positive variance, that was related to expedited programming, programming in the department, and very few people are taking advantage of that. So we are not having those costs. You look at the majority of the slides, or the depiction here in the slide, the vast majority of the departments are either positive or no variance at all.

The other one is public safety fire. So even in areas where they are over budget, they are making up

for it in other areas. So, again, the 5.3 million total positive variance across all types of categories on the uses. And for the final slide, the source is at \$196 million. We are currently at 204. So we are seeing an uptick in revenue be much greater than we had forecast. And, remember, we budget. We are finance people but we are also accountants and we are conservative. I would rather budget low and come to you with good news about more revenues coming in than budget high and come to you with bad news about them not coming in. On the uses side, mostly driven by staff, but where we thought we would be at this point in time, we have a \$5.2 million positive variance overall, change in fund balance, positive \$12.9 million and with that, I will take any questions that you may have.

Mayor Lane: Mr. Nichols, I don't see any questions. Very well done. Thank you for the report.

Jeff Nichols: Thank you very much.

**ITEM 21 - COUNCIL CAPITAL IMPROVEMENT PLAN SUBCOMMITTEE RECOMMENDATIONS ON THE FY 2019/20 CAPITAL BUDGET**

[Time: 00:52:06]

Mayor Lane: Our next item is the Council capital improvement plan subcommittee recommendations on the fiscal year 2019/20 capital budget. The presenter is David Lipinski, the city engineer.

City Engineer Dave Lipinski: Good evening. I'm bringing to you the CIP subcommittee recommendations for the FY 2019 CIP. This is first time you will see it. You will see it three other times prior to adoption in April, May and June for the proposed tentative and final adoption of the budget. The budget process starts out in August and September with the divisions starting to put together all of their project requests working to make sure that their budgets are full and complete and they have all the background information. Those are submitted into the database for review by staff in October. They are submitted by funding category.

Staff goes through those in a series of staff committees to rank and prioritize those projects and ask any questions we have with the submitting department to get a prioritization completed, prioritization goes to the capital management review committee, which is headed by the city manager and it goes to the CIP subcommittee. Through three meetings, several presentations and different discussion questions and comment along the way, I'm presenting to you tonight the results of that. We will walk through each of the funding sources that are included in the CIP, starting with the General Fund.

For the General Fund, there were 103 projects submitted and \$490 million of requests. When we started these, this year, we had an available cash balance after last year's adoption of \$13.9 million that was left outside of the project requests last year. We have realized some higher than expected earnings. We did have one expense for the Drinkwater Bridge that came out of the General Fund. We are working with the process with MAG as being reimbursed and getting it into the ALCP program that occurred as the reduction of one problem. And a little bit of an uptick in sales tax forecast, leaves with us a cash balance starting the process at \$22.9 million. We add the fifth year, and so the CIP subcommittee had \$34.8 million to work with. The fifth year funding sources have broken down



into the food tax collection interest income over \$1 million. The 25% construction sales tax earning and interest earnings giving us 11.9 for the fifth year added to the CIP. This gives us a starting point of \$34.8 million to fund \$490 million worth of requests.

The list that comes forward is divided into two categories as out of the ranking process. The projects above the line keep the lights on, if you will. It's building repair and maintenance, replacing roofs and HVAC systems and computer servers and networks and radios. These are all capitalizable expenses and they hit the threshold of over \$25,000 and having a lifetime of over 25 years and creating or sustaining a capital asset of the city. They were placed on the top, on the CIP subcommittee agreed with the recommendation to do this, to keep the city functioning at the level it is and the employees able to provide the services that we currently provide.

Below the line, are the three next highest ranked projects that the CIP subcommittee decided to bring up and fund. The one clarification for the subcommittee is on the rescue fire truck. It shows 1.3 and it should be a split funding source. At the end of the day, it leaves a \$5 million cash balance in the General Fund. If all of these move forward. I can go through the presentation, and ask questions later or we can hit them as you have them. It's completely up to you.

Mayor Lane: I see no questions at this time, but thank you.

[Time: 00:58:11]

Dave Lipinski: Okay. The next one is the Transportation Sales Tax, this is the .2 sales tax that has been in place for about 20 years now. There were 53 projects submitted and \$211 million in requests. At the adoption of the CIP last year, there was a \$1 million cash balance available in the Transportation Sales Tax. We have, again, received some higher than expected earnings under the account. Again, you will see the Drinkwater Bridge cost come in and out of here. This is also was taken out of the Transportation Sales Tax and we're looking to reimburse that when we get the MAG ALCP funding to replace it.

Starting going into this process, we had \$7.3 million available in cash and added fifth year sources for 11.8. Which gave us a total of \$19 million to spend. On \$211 million worth of requests. The year five income tax is the 50% Transportation Sales Tax. The interest earnings isn't large enough to show when you are showing in million dollars increments. So.....

Mayor Lane: Mr. Lipinski, a couple of things that you pointed out on the CIP Transportation Sales Tax and the use of those funds. And both instances, where we are talking about some of the bridge expenditures that were coming out of the funds and reimbursement and it does highlight in red if ALCP the life cycle programs refund it out of prop 400 monies I presume.

Dave Lipinski: Yes.

Mayor Lane: Is that as iffy as this would sort of, or is it pretty well determined that this is a reimbursable item from the prop 400 money?

Dave Lipinski: Mayor Lane, we have gone through the process, the Transportation Department has shepherded this through. We hit four of the five steps to get the reimbursement and it's approved unanimously moving through this. Our forecast looks like it will definitely hit as a reimbursement.

Mayor Lane: So if that's the case, then the 1.2, plus the 3.7, so about 5 million?

Dave Lipinski: Yes. Correct.

Mayor Lane: Okay. Thanks. Thank you.

Dave Lipinski: So, again, starting in with the \$19.1 million cash balance, we have three kind of groups of projects here. The two projects at the very top are existing projects that needed some additional funding to move forward. These are both ALCP projects. They are funded out of the .2% sales tax as the .1% sales tax, those are approved in November, they are not a recognized funding source until July 1<sup>st</sup>. The payment overlay program and the projects through the middle are kind of the Transportation version of keeping lights on. It allows them to react to citizen concerns and staff concerns and Council concerns. They are a little bit smaller projects that Transportation is able to quickly react to and design and get constructed.

Those below the bottom line were the next highest ranked projects that were brought forward for funding. The CIP subcommittee brought three projects up and left a cash balance of \$1.3 million. Last year there was 1 million on the table. This is a recommendation moving forward. 50.1% Transportation Sales Tax. This was approved by the voters in November.

Mayor Lane: Excuse me. We have a question or I a, a comment from Councilwoman Whitehead.

[Time: 00:59:08]

Councilwoman Whitehead: I have a question. I'm assuming we will get an itemized list. When the money was diverted to repair the bridges, the money was taken away from a few different sidewalk and, I think past projects and one of the sidewalks was from Bell north on 94<sup>th</sup>, connecting with, I guess the DC Ranch paid for sidewalk. I wonder if that's, when I see sidewalk improvements, is that project included? Or is that not decided yet?

Dave Lipinski: Mayor Lane, Councilwoman Whitehead, the 94<sup>th</sup> and Bell sidewalk improvements were going to be done underneath the sidewalks improvement program. I would have to defer to the Transportation department to see where in the queue that project is and where their funding is. The majority of these dollar amounts that are at or into year five of the C.I.P. and so the funding is the not available until the fifth year but they are in the overall program.

Councilwoman Whitehead: Thank you.

Mayor Lane: Thank you, Councilwoman. Proceed, please, Dave.

Dave Lipinski: So the .1% sales tax that was approved by the voters in November, we will see a revenue from February 1<sup>st</sup>, when it came active to June 30<sup>th</sup> of approximately \$4 million, and then over the five years of the C. I.P., we will see a total tax revenue of \$64.1 million. This was used primarily to the ALCP projects and our match. We are showing a use of \$53.4 million to fund \$200 million of ALCP funding. Staff is still working with MAG. We have that funding available if we exceed our tax income and if MAG has any other funding available, we are in a great position to pick that up as the program moves forward.

For the stormwater fee, stormwaters submitted 27 projects and a total of \$58.6 million. The \$2 stormwater fee in 18/19 generated \$2.2 million, with \$1 increase projected for the five-year CIP. We are looking at about \$18.2 million in revenue from the stormwater fee. The first project to be handled about the stormwater fees, is the crossroads used phase one. This is the flood control improvements just north of and around the water campus north of the freeway. These, the design for this is currently underway. The preconstruction phase service came through earlier tonight. So these are moving. What we will do is once this project is funded, we will use the funding in the account to leverage TPC to fund this up front and then the other stormwater fee, we will work down the prioritization of stormwater projects in order to take those down over time.

[Time: 01:02:20]

Mayor Lane: Mr. Lipinski, does the County Flood District, does it also contribute to these projects? And is it included in this amount or is it, this is what we need to make sure we're contributing?

Dave Lipinski: Mayor Lane, this is our contribution amount. A portion is paid back over time. There's another portion of this project that's paid back over time by the Arizona State Land Department through sales and land in the future.

Mayor Lane: I see. Okay. And it's maybe a small matter really from the standpoint of our understanding of it, but when it says total project costs that particular project doesn't cost a great deal more than 14.5.

Dave Lipinski: That's correct. We should correct that on the slide. For the other funding sources, these are enterprise funds other sales tax and special revenue funds. These are funds that have their own dedicated income source. So they only compete against themselves. I have some information on these. I probably have experts here who can speak to any of the specific projects that you need. Starting aviation. You see the requests in the project. Some of that is moving project years if it was scheduled in year four last year, it's moving it to year three or two. So it's moving the timing of the project, not the cost of the project. The airport, they have some land acquisitions, some of the airport runway rehabilitation. They also have a future grants contingency that they keep funded every year in case any grants become available. They utilize a lot of grants for funding their projects.

Water and wastewater, another enterprise fund. They have the largest number of project requests, \$57 million in requests and 42 new or adjusted projects. A lot of theirs is rehabilitation within

existing facilities and the treatment plants, the wastewater treatment plants, water treatment and the reservoir and the booster pump station sites. Solid waste, they have two programs this year. One is for solid waste monitoring system. Track can help route optimization for all of their solid waste trucks and then the upgrades and improvement programs is an annual fund to maintain and upkeep the transfer station and other facilities at solid waste management. For the Preserve sales tax, the Pima Dynamite Trail Head, this is a budget adjustment to capture the entire cost of the project through the design process, they are actually building out a majority of the parking.

This is a large site. So to make sure that they have the budget as they move to construction this year, they need to make an adjustment. TPC Basin fund, this is a rehabilitation of the existing Midway Grill and the improvements there. And then from the Fleet fund, both north and south yard C & G compliance as the fleet converts from some, some of the fleet converts the solid waste trucks and some of the trolleys convert from natural gas over to CNG. They have to convert some of their facilities to work these vehicles. They have concerns about air turnover and ignition sources at the ceiling lines. So these are to modernize the facilities to handle the vehicles. With that, I can take any questions.

Mayor Lane: Thank you very much, Mr. Lipinski. I don't see any further questions, but very nice presentation. Thank you. That completes Item 21.

## **ITEM 22 - SCOTTSDALE STADIUM RENOVATIONS CAPITAL PROJECT**

[Time: 01:06:06]

Mayor Lane: And we move on to our Scottsdale Stadium renovations capital budget and our presenter here will be Mr. Bill Murphy, our Community Services Director. Welcome, Mr. Murphy.

Community Services Director Bill Murphy: Good evening Mayor, members of Council. So just to kind of give a brief history of where we started from. We had some discussions with the Giants back in 2015 about looking at a master plan for the stadium and for the operation for their player development expansion, which they foresaw was coming. So in 2015, we had those conversations. We have put together.....

Mayor Lane: I'm sorry, Mr. Murphy. Since this is a city project, it is your presentation and your presentation only, I will go ahead and take some of the comments from the public and I'm sorry to have gotten you up a little prematurely, but we will go to the requests to speak on this item. And we'll start with Mark Stanton.

[Time: 01:06:56]

Scottsdale Area Chamber of Commerce President & CEO Mark Stanton: Good evening Mayor, Vice Mayor, member of Council, I hope you are having a great evening. Mark Stanton, 7501 McCormick Parkway, Scottsdale Area Chamber of Commerce C.E.O. and President. Also a life member and past president of the Scottsdale Charros and tonight I'm here to give our encouragement and support for

the stadium renovations and plans. This type of renovation is a catalyst for economic development. It is a revitalization for the future of downtown. And it creates a quality of life initiative for the residents and importantly the business community.

So when you are looking at the plans and the expansion of the facility, which will give the multiuse purpose a long-term future growth for the quality of life, and for the economic vitality of downtown. We hope you take into account the fact that the legacy of spring training with the Charros and the Giants in partnership with the city has built a wonderful business attraction effort and a tourism effort which has, which has really resulted in incredible support for not only education initiatives but also for nonprofit groups that have received almost \$16 million in support over the years from the efforts raised between that partnership with the Giants and the Charros in the city.

Also I have to say with partnerships like the Scottsdale Charros and the investment and the commitment of the San Francisco Giants, I think you see an unbelievable team that will help to build on the future of spring training, which we know is an economic catalyst for so many initiatives for our community. So tonight on behalf of the Scottsdale area of chamber of commerce, we ask for your support and we ask for your approval for the renovation plans for the Scottsdale Stadium complex. Thank you.

Mayor Lane: Thank you, Mr. Stanton. Next would be Dennis Robbins, and he has one donated card from Todd Peterson. Dennis, you have up to five minutes.

[Time: 01:09:29]

Scottsdale Charros President Dennis Robbins: Thank you, Mayor. Good evening, Mayor and City Council. Thank you for your service to our community. So this is a big day. This is a big day for our community because our treasured Scottsdale Stadium will receive some much needed improvements. These improvements will retain the unique charm we all love, and at the same time, it will add targeted improvements that will keep our stadium the jewel of spring training baseball. This is big for the San Francisco Giants because it will improve the Giants' ability to continue to offer a premier spring training experience to our fans, and it will advance an important and vital partnership with the city and the Scottsdale Charros. This is big for the Scottsdale Charros. Because we will be able to continue to host spring training baseball at Scottsdale Stadium for many years to come. It will enable us to support the numerous Scottsdale charities with much needed financial support. It will also allow us to continue our decades long partnership with the Scottsdale unified school district, and to support the hundreds of students and teachers we partner with and recognize each year.

Now, Scottsdale Stadium is very important to our community. It is a symbol of our community since it has been built. It began when we were just a small town. The field was literally carved out of the corner of a local farm. The stands and the press box and the fences were all made of wood. The stadium was surrounded by the Boys and Girls Club, the Rodeo grounds, the city pool, the City Hall, and our library. Our only hospital was right across the street. The stadium was right in the epicenter of our community's life.

In the early days the Charros sold programs and tickets and concessions, and later we enlisted volunteers from the Boys and Girls Clubs of the hospital auxiliary to help us host spring training. But like Scottsdale, the stadium didn't remain the same. It evolved and changed with the times. In the late 1980s, a new stadium was envisioned. We asked our citizens to fund a new stadium, and the last time our community passed a major bond campaign, our citizens said yes to a new modern, multiuse stadium. In 1992, the current stadium was brand new, and it was the envy of the cactus league.

In 2005, our city again answered the call for additional upgrades to the stadium. Now we come together to renovate and upgrade a tremendous point of pride for our citizens. Our stadium remains an anchor in the downtown. It's still next to City Hall, our library, our center for arts and culture, a state-of-the-art level one trauma center and hospital is still across the street. Scottsdale Stadium remains a point of pride and a representation of why we call Scottsdale our Hometown. So we're especially excited about the multipurpose aspect of this stadium renovation. The ability for our community to have a 10,000 square foot multipurpose room is a game changer for old town Scottsdale. We have worked hard to support this part of the renovation for Scottsdale Stadium.

I want to take a moment to thank Jim Thompson, and Kroy Ekblaw for their hours of blood, sweat and tears that have gone into this agreement. They have done a great job of moving this process and project along. It's crazy to think that the master plan for this project was approved by City Council in September of 2016. The Giants, the Charros, the city, Hunt Construction and the design team have worked hard to get us this far. But we're not done yet. There's still work to do. We are working to agree on a long-term deal that will ensure this valuable partnership on our community continues for many years to come. And we have a lot of work to do here. But I'm confident that we can get there. So tonight, the Scottsdale Charros ask for your support of this M.O.U. The funding that supports these renovations and for your continued support to ensure that we have a final agreement in the weeks to come. Thank you very much.

Mayor Lane: Thank you, Mr. Robbins. Our former Councilman here as well. Next would be Alex McLaren.

[Time: 01:14:07]

Alex McLaren: Good evening Mr. Mayor and members of the Council, Alex McLaren, 7624 East Osborn Road. I live a stone's throw or maybe a baseball's throw from the stadium, and I'm here to give my strong support for the stadium. I see the fans going past our house down Osborn road to the stadium every, every time, every March and it is so exciting. I'm totally thrilled that it's going to be happening. When they started playing our neighborhood which is Peaceful Valley, the city provided us with signs to block off parking from the, from the people who might park there. And I put the sign out every day that there's a game.

There's three games left to stop people coming to park in our neighborhood. And so does Louise Lamb in her neighborhood, but the fans have always been very gracious in, you know, walking through our neighborhoods. I'm in strong support of this. I think it's going to be great for the city, great for the Charros and great for the Giants. And I think it's a good use of the, of the bed tax dollars, and I

look forward to the next phase as well. Thank you.

Mayor Lane: Thank you, Mr. McLaren. That completes the testimony from the public on this item and so if I could ask Mr. Murphy to come back to the podium for the presentation.

[Time: 01:15:51]

Bill Murphy: Thank you, Mayor. So as I mentioned earlier, we began the discussions with the master planning process, Dennis had mentioned, in September of 2016. We approved that master plan to move it forward. During that time, we, part of what we were looking for was the multiuse facility. Obviously the baseball improvements were essential to us to meet the demands, the growing demands that the Giants had mentioned to us but we wanted to address some fan amenities that we had heard about as well as what the Giants hear about. So the award for our design build contract was approved here by Council in July of 2018. At the same time, we had been working together with the city of Phoenix and the Giants for use to move the Giants from Indian School Park over to Papago Sports Complex, and so we completed that with their Council in April, and that lease was in place December 1<sup>st</sup> of this year that the Giants have that responsibility.

What this does for us, it opens up Indian School Park. Indian School Park, for many years, has been a shared use but not as fully used as we had hoped for both little league and adult leagues that we had. By opening up the park now, we have the ability for us to schedule quite a bit of adult sports, collegiate games. We are working on some other things that will be really exciting as we move forward. But these would be tournaments, club teams, little league.

We also have a commitment with the city of Phoenix that with the move the Giants over to Papago, that those folks that we're using, those fields over there, the high schools and the club teams would have the same opportunity in Scottsdale. And so we're looking forward to the fact that that's a great deal of revenue that could be coming to us that we had not seen in the past. The other part of this is that the, well McDowell Road corridor, this really serves as our west anchor into the city, and so we're excited about that as moving things along the McDowell corridor continuing.

Just to kind of briefly go through this with you, on the design for phase one, it will include a new club house. It will include in that club house a multiuse facility that we would space that would be 10,000 square feet. It also has a secondary area above that would be about 3300 square feet. So we have ample space within the building that we can use outside of spring training as well. The entry off the Drinkwater Boulevard would be opened so that it wouldn't be gated like it is currently right now. So when you see is the palm court today would be more open and that would be an entry for folks to come into the ball games.

We also are looking at the parking lot to actually make sure that we have the ability, if we need to put any kind of special event tents or use of the parking lot, we would be able to use that outside of the baseball season. The press box area, both the business side that the Giants currently use when they are here during the months of January through March, would be expanded and as well as our sound booth areas and to the north of press box area, would also be increased with some enhanced

renovations. The ticketing that currently sits right now at Gate B at the current club house would move down to the front entry area, and that would be adjacent to a small administrative area that we would be moving the city staff who currently occupy a small portion of the press box area down to the front level and we feel that that would be a lot more customer service oriented for us in the future.

As Dennis had mentioned and Mark, the Charros are a big part of this. They have a shaded area in mezzanine and this will help to enhance the experience for their clients who use that area for the stadium, for the ball games as well. Finally we look at the right field concourse which has some bleachers currently right now. There would still be bleachers but the idea is that we would have some standing room only mixed into there. So, again, part of what we have been talking about with the design team, with the Giants, with the Charros is offering other amenities so that people could experience a new experience at the stadium during the games.

[Time: 01:20:19]

So the binding memorial memorandum of understanding which you have before you tonight has commitments for phase one of this project, from the San Francisco Giants, for over \$15 million. The Charros and as you go through here, the Charros' contribution, as well as the city of Scottsdale. So the city of Scottsdale has \$30 million. We had \$5 million which we had requested from you before to move forward to do the design work, with' maximum commitment of us for the total project to be \$40 million which would include both phase one and phase two in the future.

All three parties intend to complete the baseball agreement. Today we have a baseball agreement that goes through 2025. We are all committed to spend as much time as we need to with each other to get that accomplished. We have meetings scheduled right now and then next week with the Giants and the Charros and we will begin to really go after the baseball agreement and try to work through most of those areas that we think should not be too difficult to resolve. Both the Giants and the city of Scottsdale have a concession agreement right now with a group, Arizona sports services. They, their agreements are both in place for both of us during this time.

The, we would be bringing forward a new separate agreement with the Giants and sports services for their use period during January and March, and we would also be looking for the city to complete our portion with the concessionaire from April to December. It would be part of the contributions as we look forward to phase one of two and a half million dollars as well as phase two, which could increase above \$2.5 million depending again on the scope and expanse of what some of that design may be in phase two. The construction will begin immediately.

Our last ball game is March 23<sup>rd</sup>, and in our discussions with our contractor, we talked about getting started as quickly as we possibly can because our window of opportunity to be ready by spring training of 2020, we want to make sure that we hit that date. Just some timeline, again, we are going to work diligently with each other. The Giants, the Charros and the city to complete the baseball facility agreement. We are hopeful also that we will get the completion of the concession agreement done, and we had mentioned the last time I was in front of the Council that we had put out a request for proposal and so we had awarded that to L. Williams Seedham Research Institute.



They do a lot of information for the Cactus League. They are working on an economic plan, return on investment for us and we should have that back within the next 30 days. We hope to have a meeting with them this week to see where they are at. They are working hard with the figures that we are collecting from the Giants, our concessionaire and the things we can provide to them from the city.

In mid-June, our GNP two would be coming back to the Council for authorization for phase one. So GNP-2 will be coming back to us at that time. With the hope and our discussions in July, that we would begin figuring out the cost in phase two. In August and September, Jeff has indicated that he would begin to project dates for the bond sale of the funding that would require. Our goal and what we agreed with the Charros and the Giants is that we would be ready by February 11<sup>th</sup> of 2020. So the spring training can begin on time and be ready and functional for the baseball end of things.

[Time: 01:24:15]

This is a glimpse from Osborn Road looking to the north at the new club house multiuse facility. This was the D.R. and we could get you some elevations of what the building will look like. Our city staff, our action plan, as we move forward, we are working closely on developing our marketing multiuse for the multiuse aspect of the facility. We actually have put money in the budget this year and shifted some dollars within the operation budget of the stadium to do marketing, but we also have commitment from Experience Scottsdale as well as the San Francisco Giants to assist us with that as well. We have begun some marketing with one of the events that Experience Scottsdale attended in the fall. So we are dedicated to getting that done. We are also looking at scheduling knowing we have a date final. And for them to transition over to Papago.

We will be looking at what kind of events we can secure. Some of those baseball events both at Indian School Park and utilizing the stadium demand that we do some planning in advance and so we are going to work on that to work towards that in the very near future. We also complete our business plan with the research institute out of A.S.U. We also will begin to look at, and it sounds somewhat funny since we are talking to you now about the budget for '19/20, but we have already kind of produced that. And usually for my team and community services, once we get the new budget in July, we try to sit down and see if there's some things that we need to identify and have those discussions as we go through the fall. So as we submit our budget in the fall to the financial office, we are ready to go. So this will be one area that for budget planning of what we would have, once more detail is evident, we will be able to take care of that.

We are working closely with the Giants on a transition over from Indian School Park to Papago. They already started some discussions with the city of Phoenix. They have done their preapplication. So they are things moving for them as well. And again, we will be preparing for the 2020 spring training operations. I wanted to just give you some update on what we had been doing also with our stakeholders. So over the course of the last 24 months, we have had event planners, hoteliers, we had internal folks within our departments, and we have opened ourselves up to any kind of suggestions, thing as we have gotten through the design. So we really reached out to a great deal of people. We also hosted an open house at the stadium in November. We did a circulation of a

whole square mile around the stadium to get any businesses or residents in that area. And so we had some attend that evening.

The packet that you see is the support letters from the Charros, from business leaders within the community for support of this project. We have also taken this to the DRB and part of what we have really tried very hard is to work closely with the planning department as we have designed and had discussions about design materials. We have kept them well-informed along the entire way. So we felt that the DRB approval was very beneficial in February.

This morning, we went to the Tourism Development Commission, and their vote was 6-1 in favor of us to utilize the tourism funds for this project. So I'm here to ask you for a couple of Resolutions to be approved. One is authorize the memorandum of understanding with the Giants and the Charros and adopting and authorizing the design build construction contract with hunt construction group in the amount of \$22,853,327 for GNP-1 of phase one of the stadium project. To also adopt Resolution 11368 authorizing the fiscal '18/19 budget appropriation transfer of a total of \$23,400,000, and to approve a one-time waiver of financial policy 21A. And with that, if there's any questions.

Mayor, I did want to let you know that there are some representatives from the San Francisco Giants. They were flying in unable to get a card in, but if you would like them to speak, they are here to do that as well. Mr. Jon Knorpp and Sara Grauf are both here.

Mayor Lane: Certainly, if they would like to come forward if they would like to say a few words.

[Time: 01:29:25]

San Francisco Giants Representative Jon Knorpp: Sorry for our James Bond entry. Mayor Lane, members of Council, thank you for having us. Today is a culmination of a long effort. We started this about three years ago with the master plan and a lot of challenges with us to try to update this facility to the needs of a modern baseball team. This is an ever changing process, probably more has happened in the last ten years in baseball and how the training has changed and how players interact with fans and how players interact with coaches and I think we have done a collectively amazing job of trying to take something in the middle of downtown Scottsdale and create a baseball facility that works.

As you know, most of the new team facilities are combined facilities out in the middle of the desert and/or vacant lots. And we are proud to be members of downtown Scottsdale and it's important to keep our home here. And so in keeping with the premises that we set up under the master plan to create a facility that not only works for our six to eight weeks here, but works for the rest of the year for the city was a very born goal of ours. And what we want to do tonight is cast our support and thank our city team, led by city manager Jim Thompson, Jeff Nichols, Bill Murphy, Kroy Ekblaw, Dave Lipinski, and the list is endless of people that we have worked with over the last couple of months, years, and I think culminated tonight in what you see before you is a really game-changing project not only for the San Francisco Giants but we think for downtown Scottsdale. So with that, I will let my colleague Sara Grauf and Amy Tovar who is our Associate Council and flew down with us as well. We

appreciate her efforts.

San Francisco Giants Representative Sara Grauf: Thank you. And to echo Jon's comments we certainly want to thank the city and definitely our partners with the Charros as well. We have been great partners with the Charros for quite a while and we are familiar with the work that they do in the community but over the last couple of years we became a lot more involved in Scottsdale and working with the tourism department to really understand how this community is changing. And I think this project provides a unique opportunity for us to extend our contributions to Scottsdale, well beyond what we do here in March.

So we're actually looking at this as a holistic opportunity for us to influence the community and provide better resources and support as the Giants' organization to a place that we definitely consider our second home. We just wanted to say thank you. Thanks to the city. Thanks to the Charros and we would appreciate your support of this project.

[Time: 01:31:54]

Mayor Lane: Thank you both very much. It's certainly important for us that the relationship is good between the Giants organization and ourselves and the Charros. So it's, it's a good team effort and I think we are not there quite yet, but I think we are in a committed and binding MOU, if we, if we agree to that tonight, then we are in, in good stead to go move forward quickly so we meet some of the deadlines. And I hope that's all solid.

Jon Knorpp: We appreciate that and you have our commitment to do that. I think all of us worked almost the entire weekend trying to get ready for today. So yes, you have that commitment.

Mayor Lane: Thank you. Well, I would say, if you want to say where you are, but we do have some questions. I will start with, or comments. Councilman Phillips?

[Time: 01:32:43]

Councilman Phillips: Thank you, Mayor. I did want to ask our city attorney, we basically have four requests here. So would a motion be on all four or would they have to be done separately?

City Attorney Bruce Washburn: You could do them separately, but they all need to be approved or not approved so I would think it would, because one doesn't work without the other, I think it makes sense to do all four. The last one is not the approval. Resolution. The last one is a motion because that's how we waive financial policies. So the motion would have to be something to the effect of to approve the Resolutions and also to waive the policy.

Councilman Phillips: Okay. Well thank you. You know, I just wanted to make the comment that I'm trying to think of the best way to say this. Since I have been on the Council, before I was on the Council, they approved WestWorld and I was here in the audience and I spoke on what a great thing this would be and I really liked. That I was on the Council when they approved the renovation of the

TPC. I was very proud to approve the Museum of the West, and I too he will, and I feel like this is the fourth tier of that to expand the Giants stadium. As former Councilman Dennis Robbins pointed out. The Giants and the Charros are a family to us in Scottsdale. The ballpark has been here forever. Everyone looks forward to it every year. This is an exciting evening for me. So I would say with that, that I will move to adopt Resolution number 11421, 11349, 11368, and move to approve a one-time waiver of financial policy 21a.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made by Councilman Phillips and seconded by Councilwoman Klapp.

[Time: 01:34:36]

Councilwoman Klapp: I have one question. Should we mention approve memorandum of understanding 2019-050-COS or is that implied in these four actions here?

Bruce Washburn: I believe approving the three Resolutions and the, and making the motion accomplishes everything that needs to be done.

Councilwoman Klapp: Okay. That was the question. But I echo what was stated by Councilman Phillips. This is a very important facility in the city of Scottsdale that as one speaker said, represents great economic development for the city and I think it's an important project that I would love to move forward to see improvements in the facility so that we can enjoy many, many years of the relationship between ourselves and the Giants and the Charros and all the people who come to the stadium, whether they live here or they are tourists. So I'm more than happy to second this motion.

Mayor Lane: Thank you, Councilwoman. Well, it doesn't seem like there's other comments on this. I would simply say thank you to all who participated in getting this to this point. We know that there's some pressure on it. It took some time and real effort, and at the same time, maintaining, I think, a good and cooperative relationship as we move forward. We still have issues, or things to work out. And I think it's to all of our benefit to make sure that that comes together in good form. We are appreciative of the relationship on an ongoing basis. I think this proves it. I think we are then ready for a vote. All those in favor, please indicate by aye and register your vote. Aye. It's unanimous. So we're on our way.

## **ADJOURNMENT**

[Time: 01:37:02]

Mayor Lane: Further Public Comment. Petitions, Mayor and Council items. Hearing none, I would ask for a motion to adjourn.

So moved.

Councilmember Korte: Second.

Mayor Lane: We did have a motion and a second. All those in favor of adjournment, aye. We are adjourned. Thank you, everyone, for being here.