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CALL TO ORDER

[Time: 00:00:02]

Mayor Lane: Good afternoon everyone. Nice to have you here with us.

ROLL CALL

[Time: 00:00:07]

Mayor Lane: I'd like to call to order our September 24, 2019 Meeting and it is a Regular meeting.

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.

Councilman Phillips: Here.

Mayor Lane: Guy, are you out there with us?

Councilman Phillips: Yeah, I'm up here.

Carolyn Jagger: And Solange Whitehead.

Councilwoman Whitehead: Here.

Carolyn Jagger: City Manager Jim Thompson.

Jim Thompson: Here.

Carolyn Jagger: Acting City Attorney Joe Padilla.

Joe Padilla: 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: 00:00:50]

Mayor Lane: Thank you. A couple of items of business, so we have everybody informed. We have speaker cards for the public agenda. They are the white cards over here to my right. And if you would like to give any written comments, it is the yellow card that she is holding up over her head. We have Scottsdale police officers Nate Mullins and Tony Wells here if you need any assistance as well as Ned Greenleaf from the fire department. Here to assist them. So, a show of unity between the two departments. The areas behind the Council dais is for staff and Council only. We have facilities for your

convenience. The restrooms are to my left under the exit sign. If you have difficulty hearing, we have hearing-assisted headsets that are available with the clerk's office staff. Just check with them and if you have a need, they will provide you with one.

PLEDGE OF ALLEGIANCE

[Time: 00:02:01]

Mayor Lane: We have the great pleasure of having Girl Scout Troop 1027 with us here today, and their leader Riley Palmer. Thank you very much for being here with us today. We are going to ask that you lead us in the pledge and any who can, please stand.

Girl Scout Troop 1027: 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: Ladies, if you would, introduce yourself. Let us know where you go to school and what your favorite subject is.

My name is Kiley Burke, I'm in fifth grade, I go to Cheyenne Traditional School and my favorite subject is math. My name is Jordan Johnson and I go to Cheyenne Traditional School, my favorite subject is lunch and social studies. My name is Jenna Johnson and I'm in fifth grade, I go to Cheyenne Traditional School and my favorite subject is science. Hello. My name is Gianna Flores, I go to Cheyenne Traditional School, and I'm in fifth grade and my favorite subject is art. Hi, I'm Brighton Palmer, I'm in fifth grade, I go to Cheyenne Traditional School and my favorite subject is recess. My name is Mia Wasserman, I'm a fifth grader at Cheyenne Traditional School and my favorite subject is writing. My name is Elizabeth. I go to Cheyenne Traditional School, I'm in fifth grade and my favorite subject is social studies.

INVOCATION

[Time: 00:04:12]

Mayor Lane: Thank you, ladies. Our invocation is from Pastor Bob Drew from the Scottsdale Bible Church.

Pastor Drew: Please join me in bowing our hearts as we pray. Dear God, on behalf of everyone today, I thank you for the provisions that we need for ourselves and others and the many relationships that we have been graciously given. Thank you for the opportunity that draws us together this evening with the common sense of responsibility to serve our community and the City of Scottsdale. Together, we agree with what you have established in the scriptures and that the people should obey the governing authorities and that you have ordained to promote peace, justice in the community. Accordingly, I pray for blessings on our Mayor and City Council and all of our other elected officials. And specifically, Lord, I ask that you grant them wisdom and a thirst for justice and what is right and discernment for what is best and not what is easiest. Peace in their personal lives and a calling to serve others. Please give them an assurance of what would please you as they work in and record our beloved city. In Jesus name, amen.

Mayor Lane: Thank you, Pastor.

MAYOR'S REPORT

[Time: 00:06:06]

Mayor Lane: First, I would like to read a proclamation for Spanish Heritage Month. For generations, Spanish Americans have played a pivotal role in our nation and community. Each year Americans in Scottsdale observe national Hispanic Heritage Month and celebrating the contributions of the Spanish merges that have come from parts of the Caribbean and other parts of South America. They have influenced our society by their rich traditions in faith, hard work, and patriotism. Many came seeking opportunity in the United States and Hispanic Americans have answered the call to serve in our armed forces. And Hispanic Americans have been a vibrant and important part of the culture and the City of Scottsdale and made numerous contributions to the City. I, Jim Lane, Mayor of the City of Scottsdale, declare October 2019 as Hispanic Heritage Month and encourage all Scottsdalians to celebrate the Hispanic Heritage Month. With that, I would like to ask the following people to come forward and accept the proclamation: Norma Saldana, Sylvia Dlott, Helen Gandara, Ana Lia Johnson, Ralph Noriega, Alyssa Valenzuela, Eugenio Munoz-Villafane, Kendall Edward, Sharon Cini.

The next item to report, I'd like to congratulate Scottsdale Water for their Environmental Excellence Award this past Saturday night. This organization demonstrated a meaningful impact for sustainable programs and serving as a model for environmental leadership. Congratulations to Brian, the Scottsdale Water Director and his staff for a wonderful achievement and they were certainly recognized by the entire environmental community with Arizona Forward with being at the forefront of environmental resources. It is a true congratulations to the water department. We should all be proud of them. So, let's give them a hand.

PUBLIC COMMENT

[Time: 00:10:42]

Mayor Lane: The next order of business is Public Comment. It is reserved for citizen's comments for non-agendized comments. They are limited to issues that are within the jurisdiction of the City Council. Speakers are limited for five minutes each. There is additional opportunity for Public Comment at the end of the meeting, if needed.

[Time: 00:11:23]

Sandy Schenkat: Thank you, Mayor and Councilmembers. This article was in Sunday's Progress. I hope that the Council and Mayor have read this article. This is extremely serious. I have been on the JAAB and therefore, I have concern. The chief judge is being scrutinized by the Judicial Conduct Commission. So, please be aware. Please make sure that our court is being run efficiently and properly. Because this is part of your responsibility. I don't believe that we are getting fair justice in Scottsdale City Court. Thank you.

Mayor Lane: Next would be David Ortega.

[Time: 00:12:42]

David Ortega: Hello, Mayor and City Council. Thank you for your service. I want to point out something that Barry Goldwater said, he said, "you don't have to draft a Mexican-American or a Latino, they always volunteer." That's really the story of the Hispanic culture as well. I'm speaking today about the upcoming Southbridge project and specifically, the Infill Incentive that has been proposed. You've seen an overhead where I was discussing the encroachment on Fifth Avenue, both under the street and a parking garage that's proposed. What I want to speak about today is the encroachment of the setbacks and the height restrictions.

At the present time, the South Bank, which we can say is successful, is only four stories high, actually. If you look at the comparison of what is being proposed, it is 2½ times larger than what was successful at the Southbridge. I'm speaking specifically because the applicant is asking for 66 more feet of height. And they are refusing to setback their building on the canal. The canal is on this side and the amenity that the City really showcases is crowded by that vertical side. On the other side, you have the Fifth Avenue amenity and shopping area, which is also encroached on by height. There is similar encroachment at the Rose Garden. There is an encroachment for the setbacks that are required, as well as the setbacks at the canal. They are proposing an Infill Incentive where they are requesting these extra 66 stories.

The code does explain there are provisions for that. However, there is a cost to that. It is approximately 1.7 million. It is not even guaranteed that the Council would allow that. If you look at the staff report, the purpose for the incentive they are applying for, the extra 66-feet. They also asking for a waiver of the \$1.7 million. So, they want a freebie. They want the encroachment and the waiver of the cost of the \$1.7 million and that's a gift and I don't think that we should be moving in that direction. Thank you.

Mayor Lane: Thank you, Mr. Ortega. Next, is Tori Lakes-Freedman. I'm sorry, you need to go to the microphone.

[Time: 00:16:16]

Tori Lakes-Freedman: Hello folks. My name is Tori Lakes Freeman....

Mayor Lane: If you would, Mrs. Freeman, can you move the microphone down?

Tori Lakes-Freedman: Can you hear me? You can hear me without that.

Mayor Lane: But the TV audience cannot.

Tori Lakes-Freedman: TV audience, hello. There we go. These kind of people, in the box, they picked them up a lot in 2017 and 2018 and they helped him not to have to go to the hospital all of the time. It is not just the police department, those fire people, there he goes. Those EMT people, they came out. One time, a fireman even fixed our dinner for us because I couldn't get out of bed. Hello! To all of these folks that did this wonderful stuff. I'm about to become homeless. I don't want to be homeless. I'm trying everything I can not to do. And it requires that you guys help me. I'm told I'm entertaining. It's up to you to decide if I am or not. I got kicked out of the rhythm room the other night because I had my

tap shoes on. They didn't like that. The young whipper snapper. But there's a lot of problems in our system.

I get \$128.32 from the musician's union a month. \$1,564 combined from Social Security a month. Our savings are totally depleted. I have, maybe, I'm hoping, \$344 in the bank. I will find out later. There is a car that I can buy for \$4400. It is a great car and Randy that owns Main Street Motors in Mesa. He doesn't want to become bigger. He wants to stay that way. He and I have the same dentist, which is Dr. Quinn. I call him Quinn, Gardner, anybody needs a great dentist, that's who you go to, and other doctors, I can help you with that too. I have insomnia, my longest day was 16 days. Chronic fatigue, fibromyalgia and I'm allergic to my own progesterone. Potassium problem almost killed me in 2016. You don't have to do all of that stuff, I've already done that stuff. You don't have to keep inventing the wheel or push the snowball up the hill, I've done that for us. Help me to be able to help other people, that's what I need your help for. And the last time that I was at one of these was back in Salisbury Mass back in the '80s, it was inside a school, and we had to have a quorum. We had to call people or knock on doors. So, thanks for having it inside. Air-conditioning and everything. And I'll stay for a while.

Mayor Lane: Thank you, Mrs. Freedman. That completes the Public Comment at this point in time.

CONSENT AGENDA

[Time: 00:19:38]

Mayor Lane: We are going to move right along to our Consent items 1 through 10 that we have in our report. Unless there is any questions from the Council, there is no public testimony on those items. I will accept a motion.

Councilmember Korte: Mayor, I move to accept Consent Agenda Items 1 through 10.

Councilwoman Littlefield: Second.

Mayor Lane: Motion's been made by Councilwoman Korte, seconded by Councilwoman Littlefield. All ready to vote, indicate by aye and register your "aye." I'm going to need a little help. Electronically, the screen is not showing me anything. Now, that we have gotten used to it, we are totally at its mercy. It says something "power button lockout." The screen is on, but no image other than the background screen. Is that something that is somehow up on the screen as well then? Okay. We'll be hanging in with at least, the voice vote, initially. All right. It was unanimous on Consent Items 1 through 10. If you are here for any of the Consent Items, you can stay with us if you like. Otherwise, you can exit quietly.

REGULAR AGENDA

[Time: 00:21:34]

ITEM 11 – VACATION RENTALS CODE AMENDMENT

ITEM 12 – NUISANCE PARTIES AND UNLAWFUL GATHERINGS CODE AMENDMENT

Mayor Lane: The Regular Agenda Items are 11 through 13. I should indicate that Item 13 on the Regular Agenda has rescheduled at request of staff. So, we only have Regular Agenda Items 11 and 12. They will be discussed together and frankly, anyone that wants to speak on these Items, 11 or 12, we are going to have one occasion to speak on both of them. Raun?

[Time: 00:22:15]

Planning and Development Area Director Raun Keagy: Joining me on this Item is Luis Santaella from the City Attorney's Office and Chief Popp from Scottsdale PD. Our request tonight is twofold. We are asking you to adopt two ordinances. Number 4416 which seeks to provide additional capabilities for vacation rentals and 4417, which seeks to add a nuisance party ordinance to our existing nuisance ordinance chapter 18.

Last year, the State Legislature passed House Bill 2672 that made a couple of changes to help us strengthen our ability to regulate short-term rentals and as we know, they are allowed in the City. We have had limited abilities to enforce actions on them. The state took some action and tonight's ordinance is intended to mirror those changes that the state instituted. Simultaneously, the City Council directed the City Manager's office and the City Attorney's office to review our chapter 18, which is our public nuisance ordinance and to bring back recommendations to strengthen that ordinance for and update it to better address unruly parties, and in particular to make it easier for us to hold property owners responsible for unwanted and negative activities occurring at their properties. Some of the key features of the short-term rental ordinance, the first one is it allows for us to specifically regulate that you cannot have a short-term rental for non-residential purposes. Including retail restaurant, banquets, event center, and specifically as you see at the end there, wedding venues. We've had quite a few complaints recently about short-term rentals that are being used exclusively for wedding venues on weekends and we don't believe that is an appropriate use, and this ordinance will allow us to enforce that. It also allows the cities to require the owner of short-term rentals to provide contact information, not only for emergency contact but the contacts of the short-term rentals of who is responsible for complaints and who is going to be able to respond to those. That information will also become available to the public.

[Time: 00:24:35]

Some key features of the nuisance party, this one is an assembly of persons, it may be a social activity and get together in a manner that may on some occasions constitute a substantial disturbance of the quiet enjoyment of the neighborhoods. This will be enforced by our police department. An unlawful gathering is similar, only it is different that it also involves spirituous liquors, minors, or illegal drugs, no matter who consumes them. That would be considered an unlawful gathering. That may or may not constitute as a nuisance party. How does it work? With the nuisance party ordinance, currently, the police department responds to complaints in the neighborhood and they are going to go out and address the situation and often times, they are able to quiet things down. They can do it through a variety of techniques. If they need to they can issue a disturbing the peace or disorderly conduct. What that does, it solves the problem right then and there. Our concern is what happens next weekend when it's a different group of people on the specific property and same type of behavior occurs.

We want to go back and hold the property owner responsible, to say you need to do a better job of

vetting the people that are coming to your property, the guests that are there, and if there is an issue, that you solve it in real-time and if not, you are going to be assessed a service fee. That service fee is the first feature of this. That doesn't take away any ability that we already have to allow for civil prosecution of the ordinance. This could be one or the other or in some cases, when it is a radical situation, it could deserve both.

We held a public open house a number of weeks ago and a vast majority of the people there were in support of the ordinance. They felt that the fee structure for the assessments was too low. We agreed. Based on that feedback, we are recommending instead of \$250 for the first response, \$1,000 for the second, \$1500 for the third and subsequent, we are now recommending a \$500 fee for the first response, \$1,250 for the second and \$2,500 for any response after that, that occurs within a 90-day period. We also reached out to the public and asked for feedback in a variety of ways. Most of the feedback we got were emails and a couple of actual handwritten letters. We received 61 responses, 54 the majority of those were supportive, encouraging us to support this and urging the ordinance to be adopted. The few that were a bit concerned, one or two were just basically concerned about the general over-regulation, a general welfare statement of that. And a couple of short-term rental operators who felt they are working hard to be a good neighbor and shouldn't be grouped into the non-responsible owners. When I talked to those people, I assured them, if they are being responsible, and they are conducting a short-term rental in a fashion that is not disruptive to a neighborhood, this should not be a problem for them.

So for the timeline, or what is next? If the Council adopts the ordinances, they will go into effect 30 days after adoption. We are currently creating a database to track the nuisance complaints and to gather responsible party information. In fact we have had the responsible short-term rentals come to us and provide us with the emergency information and the information that we need to hold, ask them who is going to be responding to the complaints. Finally, city staff received some concerns from the public about the requirement for landlords to provide tenant information to the police. These concerns have been evaluated and city Legal staff believes these provisions should be removed to avoid any potential legal issues. Therefore, any motion adopting the proposed nuisance party and unlawful gathering ordinance should include the removal of Section 18-123(a)3 and Section 18-125(c)3. With that, we are available to answer questions you might have.

Mayor Lane: Very good. Thank you. We do have a couple requests from the public and we probably definitely will be coming back to you on that. We are going to start with Terry Westfall.

[Time: 00:29:33]

Terry Westfall: Hello, Mayor, Vice Mayor, Councilmembers. I'm a Phoenix native and been in Scottsdale for 40 years and bought a vehicle at Ray Korte Chevrolet. Airbnb's short-term rentals are ridiculous. They shouldn't be allowed. They are ruining these neighborhoods. Long-term rentals, fine. But short-term rentals, in two years, we have one across the street from us in south Scottsdale and for two years, we have probably been woken up 70 times during the middle of the night. Car doors slamming, Uber, thefts, bringing these drunks home from these bars in Scottsdale and driving through your yards, it is ridiculous. I mean, we shouldn't have these. Short-term rentals are for hotels.

You know, you guys have to really understand, you wouldn't want one across the street from you

Mayor, or Vice Mayor. It is just crazy. We have had 17 guys staying in one house for three days at one time. The wife and I, we don't know what else to do but for me to come and talk to you guys about it. Nobody wants to be woken up in the middle of the night all of these times.

Right now, it is a little quiet. Wait until spring training comes. Wait until the Phoenix Open comes. These people are non-stop. 15 or 17 people leave this house at 10 o'clock in the morning. Two ladies come in a little red car and clean this house in 20 or 30 minutes and at 11 o'clock, another group of people come in. It is non-stop during spring training and everything that is going on in Scottsdale. I know that you guys feel for us and we wouldn't be having this meeting and it wouldn't be in the newspaper if it wasn't a serious problem. Thank you for listening to me.

Mayor Lane: Thank you, Mr. Westfall. Next is James Heffernan.

[Time: 00:32:28]

James Heffernan: Mayor Lane and Councilmembers. My family and I have resided in Scottsdale for almost 40 years. We reside just a half mile north of Downtown Scottsdale. I'm talking to you about agenda Item No. 12. I addressed you almost 3 years ago when the City was coerced to amend its regulations for short-term rentals. At that time I reported to you disruptive activities in my so-called neighbor's yard. Every weekend a new band of utterly irresponsible transients would arrive. One night, I heard a woman screaming with such intensity, I feared she was being attacked. The experience left me so shaken, that I barely got any sleep that night. No commercial property or would abide such behavior. But nowadays, it happens regularly in the city's residential neighborhoods. Fortunately my own personal situation has abated, but the scar left by the predictable disruptions won't soon heal. Since then, Scottsdale's problem has intensified. I attended the city's community meeting regarding the nuisance ordinance back in August. It was standing room only. Almost every citizen was dismayed or disgusted and some were outraged; some unfortunately were despairing in the way that the noise and the harassment was impacting their daily lives and that of their families, especially their children.

Make no mistake about it, short-term rentals are making a mockery of the City's residential zoning. They are enabling highly profitable, purely commercial enterprises to profit at the cost of ruining our residential neighborhoods. Even with the requirement to provide contact information, the onus is on the neighbors, while the owners of the properties sleep peacefully. Don't think for one moment that having a contact phone number is going to cause any owner's sleep to be disturbed. The residential character of the City's residential neighborhoods is under attack. So despite having concerns that the penalties involved are insufficient, I was unaware of the increase in the fees, so I applaud that. I endorse the proposed regulations concerning nuisance parties and unlawful gatherings as a step in the right direction and I applaud the City's approach to dealing with the growing affliction of short-term rentals. It won't solve the problem, but it is a step in the right direction. Thank you for your time. And PS, it can happen to any of you. I live in a fairly affluent neighborhood and it in no way prevents the problem from happening.

Mayor Lane: Thank you. Next is Sonnie Kirtley.

[Time: 00:35:52]

Sonnie Kirtley: Good evening, Mayor and City Council. My name is Sonnie Kirtley, I'm a 50-plus year resident.

Mayor Lane: Stop giving me phonetics.

Sonnie Kirtley: I know, this time I didn't phonetics for you. Next time I will. When we buy a home in a residential area, that zoning is a predictability that our quality of life, our peaceful enjoyment of our home and backyard is supposedly guaranteed because everyone is residential and then, comes along the state leadership and removes the 30-day regulation that protects us from the in and out hotels in our neighborhood. There are several problems with that. Number one, they don't have health inspections. Many of them are not logging in with the City to pay the sales tax for their great income and parties on the weekend. They have no code inspection and when they have 15 or 20 kids and usually, it is kids in the houses. The police department goes and knocks on the door and yes we only have six. The others are out the back door, they're up on the roof, and hiding in the garage. They are not allowed to go in without a warrant and check the heads in the beds.

There is a real serious problem with this and there is a movement in the state right now to get that changed. Let's hope that happens. At the open house, we had a nice crowd of people, there were very angry people because they are having experiences like the gentleman here. At the end of the meeting, I asked the question of the crowd before we broke up, how many people here think the fines are way too small? Every hand was raised. They did increase, but it's going to be like the entertainment district. That fine is cheap because of the income that is coming in. And the enforcement is going to be critical. When we are talking about enforcement, why is my police department having to spend their time away from public safety to knock on doors and break up parties? I think that it is a poor use of our trained public officials. Thank you to Raun Keagy and his team for raising the fines, for holding an excellent open house with public comment. And let's hope that this helps in some way because it is serious. I have two homes across the street from me that are being used. They can't be tracked by code enforcement because one is using the church to get the people, they're not advertising. And one is a Phoenix fireman and he is using the fire department to advertise and there is no way to track and prove that in fact they are doing it. My neighbors and I had lot of fun time picking up bottles. I didn't know there were so many liquor labels in my life.

[Time: 00:38:44]

Mayor Lane: Thank you. That completes the comments that we have on those two items. We may have some questions from the Council. Raun, I would like to ask one specifically. I certainly that what has been suggested here is a good step and a continuing step and it is all going to be dependent on enforcement, of course, as well. And it may be subject to other questions. My first question is that these fines have been increased. I didn't see any distinction between our residents and STRs, as far as these fines. Can you point that out to me or explain why it is?

Senior Assistant City Attorney Luis Santaella: Under state law, we have to treat short-term vacation rentals the same as any other residential use. So, we can't have different fines for short-term vacation rentals.

Mayor Lane: I appreciate that. One thing that has come to me from our state House representative,

John Kavanaugh, as you know, an advocate for reform in this area, but they have given an allowance to draw distinction between the two. Am I mistaken in that or did I get it wrong from him?

Luis Santaella: What he is referring to is an ability if a short-term vacation rental owner is adjudicated responsible or guilty of a city ordinance related to them then the City can report that to the Arizona Department of Revenue and the Arizona Department of Revenue can assess additional fines. So, our ordinances have to have the same fines for them, but they can get that additional penalty down the road from AOR.

Mayor Lane: Specifically, as an owner of an STR?

Luis Santaella: That is correct.

Mayor Lane: Thank you.

[Time: 00:40:51]

Councilmember Korte: Thank you, Mayor. Follow up on that fine question, is this comparable to other sister cities?

Luis Santaella: Honorable Mayor, and members of the Council the only city we're aware of that has a similar ordinance is Tempe and our service fees are double. We are restricted by state law in terms of how high, because basically, the service fee is a penalty and we can set by ordinance a maximum penalty is \$2,500.

Councilmember Korte: Are we also restricted for the number of days for repeats. So, currently, this potential ordinance is \$500, \$1250, and \$2,500 within a 90-day period. Is that 90-day period flexible?

Luis Santaella: That is correct. That period of time is flexible and could be changed.

Councilmember Korte: So, we could possibly set that time period, double that, or triple that, whatever we would like. So, to, shall we say, hold people responsible?

Luis Santaella: Yes, the Council could have a different time period if it so chooses.

Councilmember Korte: And can you tell me, since Tempe is the only other city with a similar type of ordinance, what is their time period?

Luis Santaella: Councilmember Korte, it is 90 days. Our ordinance is based on the Tempe ordinance.

Councilmember Korte: I would like to propose doubling that. 180 days. I think it would be, if we can't raise the fine, at least, we can increase the time period that these fines are incrementally increased or can be increased. Second question, you know, we talk about same statutes, statutes that apply to hotels and resorts. Are there any statutes that apply to short-term rentals? We talked about health inspection, code, a number of individuals allowed per bedroom or per bed, any of that, is that, or any of those things are a part of this statute or could be included in the statute?

Luis Santaella: Mayor and members of the City Council, so the nuisance party ordinance applies to all properties, regardless if they are owner occupied, short-term vacation rental, or rental. The state law requires us to treat these short-term vacation rentals the same as we would treat any other residential property. So, we have to treat them the same. What state law allows us to do, specifically, to short-term vacation rentals, the things that we can prohibit any non-residential use like an event center, a banquet hall, etc. And it allows us now, to obtain information and someone to handle complaints and that information can be released to the public and allows us to report to the Arizona Department of Revenue violations so they can assess an additional penalty. It is pretty limited what we can do specifically, to these types of properties beyond what we can do with normal residential properties.

Councilmember Korte: Thank you. I agree with one of our citizens regarding the fact this really takes our police department and our police personnel away from shall we say, other needs of our city. And it is unfortunate that it falls on our police department, but it does. And I would hope that the, last year, the League of Arizona Cities and Towns lobbied for a strict protocol regarding short-term rentals along with other cities such as Sedona. I think that Sedona is impacted very negatively with short-term rentals.

It impacts all of us in different ways that we don't think about, but it is not only our neighborhoods that are being destroyed and I completely agree with our speakers and it is also impacting our hotel resort industry but it also, our long-term rentals and takes that affordable housing component out of the market because our entrepreneurial citizens realize they can make more money on short-term than long-term. It has taken a large percentage of the long-term rentals out of the market and the long-term rentals provides affordable housing for our work force. So, the impact of this is deep, not only to neighborhoods, to our work force, and also to our industries. I will be supporting this with the change. So, I'd like to make a motion.

Mayor Lane: Please, go ahead. With the ordinance change that has already been suggested.

Councilmember Korte: With the ordinance change that has already suggested, including, yes, Mr. Padilla.

Acting City Attorney Joe Padilla: If I could, before you make the motion, I could have a quick conversation with Mr. Santaella, because that 90-day change appears in 3 or 4 sections, so I want to make sure that we are coordinating.....

Councilmember Korte: That's what I was going to include. Thank you.

[Time: 00:48:23]

Joe Padilla: I'm back. Mayor and Council, if we could take these in order with Item No. 11, if you are ready to move on that one, that would be appropriate. And when you go to Item 12, which is the nuisance party ordinance. Item 11 is the vacation rental amendment. The nuisance party ordinance is number 12. On that one, the motion should simply include that the 90-day time frame should be changed to 180 days wherever it appears in the ordinance, and we can make those changes.

Councilmember Korte: Thank you, Mr. Padilla. I intend to make two motions. First, I move to adopt Ordinance 4416 with the changes provided by staff.

Joe Padilla: If I could correct that, the changes provided to staff are part of the nuisance ordinance.

Councilmember Korte: So, I move to adopt Ordinance 4416.

Mayor Lane: Motion has been made. On Item 4416. Do we have a second on the Vacation Rentals Code amendment as stated?

Councilwoman Littlefield: Seconded.

Mayor Lane: Motion's been made by Councilwoman Korte, seconded by Councilwoman Littlefield. Anything to be said?

Councilwoman Littlefield: No, I agree with the motions as amended.

Mayor Lane: Then we are ready to vote. All those in favor indicate by aye and register your vote. Motion passes unanimously. That's the 4416. Ordinance 4416. We have the remaining Item No. 12, which is Ordinance 4417.

[Time: 00:50:32]

Councilmember Korte: Thank you, Mayor. I move to adopt Ordinance 4417 to also include the changes provided by staff in Section 18-123 3(a). And 18-125(c)3. And also change the time frame from 90 days to 180 days where that is appropriate within that ordinance.

Joe Padilla: If we could make a correction on that. The recommended city staff change is a deletion in Section 18-123(a)(3)(a).

Councilmember Korte: Yes, (a)(3)(a). Thank you.

Mayor Lane: And the time frame from 90 days to 180 days. Do I understand you correctly on that?

Councilmember Korte: Correct.

Mayor Lane: That's increasing the interval between violations?

Councilmember Korte: No, it increases the intervals for the escalation of fines per violation. So, for example, prior, the individual if they violated this ordinance three times within 90 days, they would be paying \$2,500 of fine. An incident. If it was 91 days, they would go back to the \$500 per incident. This one increases the time frame to 180 days to that.

Mayor Lane: I understand now. Very good. So, those are both included in the motion.

Councilmember Korte: Yes. Are you okay with that, Mr. Padilla?

Joe Padilla: Yes.

Councilwoman Whitehead: I will second it.

Mayor Lane: All right. Motion has been made. I'm sorry, who seconded it? Okay. All right. Very good. The motion has been made by Councilmember Korte and seconded by Councilwoman Whitehead. That takes care, well, we are ready to vote as far as that is concerned, unless there is further comment? All in favor indicate by aye and register your vote. Okay. It is now unanimous on Ordinance 4417 as amended by staff and also, by Councilwoman Korte on the time frame with the interval between as stated. That does take care of that.

But I'm going to ask one question on this or maybe just talk a little bit about where we go from here? As we hear some of the concerns that have been voiced by the constituency for literally months. Some of that is being addressed here and frankly, it is going to come down to enforcement and we all know that's a matter of availability, time, and awareness. Often times, it is complaint driven and we need to have citizens that are willing to do that. We want to make sure that we are not deputizing anyone, but nevertheless we want to make sure we have this actively involved otherwise it's not worth anything more than what we write on the paper.

[Time: 00:54:16]

I want everyone to know that we have been working with the League of Cities and Towns, all 91 cities that are members in the League of Cities and Towns in Arizona. Now, most of the cities don't have the kinds of problems that we have with STRs. There are cities like Sedona and Prescott and others in the general area here, Carefree and others that have a very similar problem. Sometimes, more intense and often times, less intense than us. And then, there are cities that are not involved at all. The trick on the state statute basis is to make sure that we align as many allies as we can in recognizing what the problem presents to us and probably more so than most other cities. We have been able to do that. And we have put together a committee with the Governor's blessing at this point in time. He was asked at a meeting recently as to whether or not, since having made a decision with some of the changes and modifications that were made in the last legislative session that, that would be settled matter.

There are some considerations for some unforeseen developments in this. As we all know, it began with the constitutional right that you, as a property owner, have an ability to rent out a room on a short-term basis or rent out your home when the Super Bowl is here or some other large event, and it has grown in proportions that have really created a much more commercialized environment in our residential communities and that's the impact that we see overall. There are a number of us that are working to see that the Legislature is aware and frankly we already know that they are aware. Even folks that were advocates of this protection of private property rights and the use of the property, everyone in this room that owns a home having that right to do. So, we're looking to see what steps might be to change this.

The concern that we have here, as you probably also well know, once something goes into effect, reversing it becomes a problem from the standpoint of you taking away from somebody. We are going to be trying to work quickly and trying to have a cooperative city and state in helping us in this matter

with the Governor and the Legislature. I wanted you to be aware of that and these are the steps that we are taking, and I think that these will be positive steps, positive implications and maybe, it will solve it. Those are some things to consider going forward. With that, the motion has been made, seconded, and voted.

We are completed on that subject and that takes care of our Regular Agenda items. Thank you for all of the input on that and for the work on the part of staff. Thank you very much. For us, there is no further Public Comment, or petitions, Mayor or Council items?

ADJOURNMENT

[Time: 00:57:30]

Mayor Lane: Seeing and hearing none, I ask for a motion to adjourn.

Councilwoman Klapp: Move to adjourn.

Councilmember Korte: Second.

Mayor Lane: Motion has been made to adjourn, all those in favor indicate by aye. The motion is unanimous. Have a good evening everyone. Thanks very much.