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**CALL TO ORDER**

[Time: 00:00:01]

Mayor Ortega: Hello, good evening. I call the September 20<sup>th</sup>, 2022 city council regular meeting to order. Clerk, Ben Lane, would you please conduct the roll call.

**ROLL CALL**

[Time: 00:00:14]

Clerk Lane: Thank you, Mayor. Mayor Ortega.

Mayor Ortega: Present.

Clerk Ben Lane: Vice Mayor Tom Durham.

Vice Mayor Durham: Here.

Clerk Ben Lane: Councilmembers Tammy Caputi.

Councilmember Caputi: Here.

Clerk Ben Lane: Betty Janik.

Councilmember Janik: Here.

Clerk Ben Lane: Kathy Littlefield.

Councilmember Littlefield: Here.

Clerk Ben Lane: Linda Milhaven.

Councilmember Milhaven: Here.

Clerk Ben Lane: Solange Whitehead.

Councilmember Whitehead: Here.

Clerk Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Clerk Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Clerk Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Clerk Ben Lane: City Auditor Sharron Walker.

Sharron Walker: Here.

Clerk Ben Lane: And the Clerk is Present. Thank you, Mayor.

[Time: 00:00:38]

Mayor Ortega: Thank you. Tonight we have Scottsdale Police Officers Dustin Patrick and Sergeant Brian Hiner, as well as firefighter Dustin Brown, should anyone need their assistance. We will begin with the Pledge of Allegiance. I will ask Vice Mayor Durham.

Vice Mayor Durham: 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 Ortega: All right. Well, we continue to keep the people of Ukraine in the forefront of our thoughts as they fight for their freedom and survival. So let's pause in silence.

[ Moment of silence ]

Mayor Ortega: Thank you. I want to remind everyone that the mayor and council breakfast will be held this Thursday at the Scottsdale stadium. It's a field house venue, and there will be a panel discussion. Our topic is water and how critical that is in our community, state, and, of course, Region.

You will be able to -- we expect over 260 people there. And breakfast is provided, however, if you are unable to attend, it will be livestreamed. And available for everyone. So, again, reminder this is a critical issue for Scottsdale. Next, I will call on our city manager Jim Thompson to provide the city manager's report.

City Mgr. Thompson: Thank you Mr. Mayor, members of council. I have nothing this evening. Thank you.

Mayor Ortega: Okay. Thank you. Next, we will move on to the Scottsdale arts update. And I call upon the executive president and CEO Gerd Wuestemann. How are you?

[Time: 00:03:24]

Gerd Wuestemann: Fantastic. Thank you for allowing me to be here tonight and spending a few moments to give an update in a slightly different capacity than usual. Tonight, I will speak on behalf of one of our major branches which is Scottsdale public art. There's been a lot of incredible movement in the public art program.

We are particularly proud of this program because it's the art that's for everyone, every day, every day. We estimate that every day 20 to 30,000 sets of eyeballs drive, walk, and ride their bikes past our amazing public art collection. And, of course, as fall weather beckoning, we are back in business with our cycle the arts tours.

These are wonderful ways to explore the 160 plus strong art collection in Old Town and near us on your bicycles. We do professional guided tours to all these wonderful pieces here, one piece next to the Museum of the West. As a quick reminder, our public art collection includes such iconic works as the prima freeway walls that we all enjoy driving up and town the 101.

The pedestrian bridge, the watermark, the giant horse head on Indian bend and the love sculpture and many significant pieces like all the fountains across Scottsdale, the windows to the west, the first piece in this collection, purchased back in 1973. Really visual program.

In recent days we installed this place at SkySong. It's a giant sun dial and 168 major works.

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Among installations, this is one of the newest additions. It's up at the Water Resource Cholla Center on the canal. It's a giant mural piece, colorful and lovely. We dressed up our new soccer fields with this installation by Mary Scheidel. It's reminiscent of mesquite branches.

And I think we have a little ceremony in a couple of days on the waterfront to finally inaugurate this beautiful new splash pad on south bridge in Old Town Scottsdale. Nicknamed pinball wizard. What many people don't know is we also installed a number of temporary public art works. Here is a parking lot in south Scottsdale, Indian School and Miller that got dressed up with these beautiful dancers caught mid-movement.

These pieces are designed to be up for three to six months and then go into public -- our public collection or to private collectors that purchase these pieces from the artists. In addition, here's some more pieces in a different location, and, yes, even water pump facilities can be dressed up to the perspective and high and lens of a gifted artist. Wonderful, colorful additions to our city scape.

[Time: 00:06:13]

Another hidden treasure of our public art program are the many exhibits we produce throughout the city, through the year in our community centers and libraries. Here we work with Jeff Zischke on this exhibit around Sonoran seed pods. He takes these macro images, super tiny seeds and magnified of these seed pods.

And if you see the orange thing floating in space on the middle, on the poster for the exhibit, we have Q.R. codes and you can use your phone to bring up a virtual reality model, of pieces now floating in space in front of you as you are walking through the exhibit and the landscape. It's an absolute fantastic endeavor.

We see lots of people take advantage of these free interests throughout the city. Sometimes when the pieces are relocating pieces, this is a piece by Jose Remuda that spent many, many years on the civic center. We had to take it down for the renovations. We felt because the piece reflects the McDowell mountains it would be better suited in a different location. We moved it to a pond near D.C. Ranch, where it looks over towards the McDowells which makes a wonderful connection. And sometimes we are in the business of maintaining things.

This is a small neighborhood piece that is 40 years old and somebody who apparently feeds to go back to driving school H. a bit of a mishap and on the right you see what happened after our crack team of stucco experts refurbished the piece. All joking aside, one the great challenges in public art is the maintenance and the conservation of these pieces. We now have 168 pieces in this collection, conservatively valued at 160 plus million dollars.

If you think about it, it's \$1 million per piece and the scrim walls alone on the Pima freeway are probably worth 10 times plus that. We have a relatively small fund and we will probably have to

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find \$1 million plus in the near future to do this. So it's one of the challenges that we are now hooking at want to address over the coming years. Onward to civic center.

I know all equally excited when we are reopening out here. I know in the current supply chain and construction business, we are a little bit delayed on some aspects but we will open two-thirds of this campus with the first magnificent event on January 22<sup>nd</sup>, with Super Bowl parties.

We have three magnificent, the love sculpture will come back to a location close to where it sat last. The windows to the west will be relocated from the east side of campus so there are finally window to the west in a prominent location. And, of course, our beloved yearlings will be fully restored and then be reseeded on the main street gateway piece sometime in early January to get ready for this reopening. Very exciting things. But, wait, there's much more.

[Time: 00:09:26]

For years, thanks to the guidance and leadership of our city manager, we talked about the Drinkwater tunnel. Shouldn't it indicate that there's a great art gallery on top. We are installing this wonderful piece by Bob Gardudis, a cast aluminum piece that as I like to call it reflects our western past, with the rope-like lasso design and guides us into the future and so another great addition here.

Scottsdale has grown tremendously. We are chock a block with building activities and such there's an increase on monies spent on public art because projects both public and private have to pay into this public art pool. We he have an increase number of positions coming to fruition but the staff levels have remained steady. Instead of 2010 four projects of public art projects per employee, and now we are at nine projects per staff. Taking a look the second street.

We are long talking about connecting this second street down to Museum of the West and into the gallery district which is beautiful, galleries and shod and this Ed Mell sculpture. And what we are proposing is to involve our public art program and an architect to hopefully create some kind of Gateway piece for the southern entrance into civic center campus so we can finally showcase all the fine art work that's presented in our various venues and civic center, guide people down the street to our gallery businesses to all of our friends in the community and also, of course, seasonally dress it up with different lighting schemes, et cetera.

Something we would be very excited and love to propose to the city to move forward. Which brings up a big opportunity. We will come back to you, the council on December 7<sup>th</sup> in a workshop session, to talk about a rewrite of our public art ordinance. The document goes to I believe 1983 and it's become a bit of a Frankenstein. If you keep editing and rewriting a document over parts of a decade, it gets a little unwieldy.

We may want to enter a conversation of can we push the envelope and move public art to other

parts of the city where they currently are not present. I want to give you a quick preview, canal convergence, it's celebrating its 10<sup>th</sup> anniversary this year. We're incredibly excited. It's a hallmark and a cornerstone. It's grown from 10,000 visitors to almost 300,000 visitors to the waterfront.

We won major international awards and it's become a free family friendly event with workshops, food and drink, lots of fun activities, where all of Scottsdale arts works together to really reach all of our community and make the community this gift of great public art. Here's a couple of quick previews.

[Time: 00:12:37]

A wonderful electronically charged van project that will be mobile alongside the canals. A piece that speaks to our challenges in terms of water rights, water access, shrinking ice floats, et cetera. And expressed in a wonderfully created way. Of course our beloved fire show is choreographed to '80s music by and large, I'm dating myself. Will be making a big comeback with Walter Productions. There's under water emergence and interactive projects that you can control with our iPhone as you are walking by.

There will be projection mapping installations against big building walls that we're very excited about. And because it's our tenth anniversary, we are actually going back and taking inventory and we have reengaged some with Chinook blast, and we wanted them to come back and propose a new piece for us to light up the night sky along the waterfront for the ten days of the show.

And I think this will be the highlight of the show, engaging pieces suspended over the canal. It's an exciting piece and if you have never been to canal convergence, I would like to conclude with this little flyover from last year.

So every time I watch, this I feel like we really are lucky to live and work in such a beautiful city and a great place. Think I public art is a big part of the city of Scottsdale. I would like to thank you for hearing me today.

Mayor Ortega: Thank you, Gerd. There's a monumental bronze piece, called Jasper. You are going in to work out and here's this fabulous piece. Also just to point out that public art is made possible by benefactors and the 1% for art. So that's part of the cost development that we all take ownership with and it's how so many of these amenities get built. I see Councilwoman Janik.

Councilmember Janik: Gerd, thank you so much for a delightful presentation to start our meeting. Thank you.

Gerd Wuestermann: Thank you. You're very welcome and thank you for having me here today.

Mayor Ortega: Well, moving on. I do want to mention as posted, there's always a possibility of an executive session per our newly amended rules of council procedure and this evening's posted agenda. At any time during tonight's meeting, the council may make a motion to recess into executive session to discuss and consult with attorneys and representatives of the public body to obtain legal advice on any applicable item on tonight's agenda.

[Time: 00:16:43]

If authorized by the majority vote of council, then the executive session would be held immediately after that vote and we would not be open to the public, but the public meeting would resume immediately following an executive session.

Next, we move on to public comment. Public comment is an opportunity reserved for Scottsdale residents and business owners and/or property owners to comment on non-agendized items that are within the council's jurisdiction. So we have a regularly published agenda, and any comments for any of those agenda items would be made when those agenda items come forward.

This is an opportunity for non-agendized public comment. As such, we do not permit advocacy for any candidate running for office, or any proposition on the ballot. That's not allowed by Arizona law. And it's deemed, you know, not within the council's jurisdiction. Upon hearing any public comment, we would not take any action on any non-agendized item and the speakers are limited to three minutes each. We have a beginning session for public comment. Later on, you will hear this admonition too, we don't need any clapping or jeering or whatever. Just slows down our meeting. So I appreciate that. And I would ask for your consideration to our rules, just as we observed decorum.

So at this point, I would open the public comment. We would have five speakers, three minutes or less, if you could be precise. Then after that, we would have an ending public comment and that's at the end of the meeting, another opportunity and in this case, we have seven people requesting public comment.

So we're allowing five now, and then I would ask Bridget Hay -- sorry, Sonnie Kirtley and James Mercier would be on the second session. Enjoy the meeting, because we'll get back to you later. At this point, we have, again, please come forward, tell us your name and address. We have David Clouse and Judith Clouse.

David Clouse: You want to say in passing before I start the art gentlemen who gave the presentation, was the reason we came here in 2012. So it was very nice. My name is David Clouse, and I live on East San Rafael Drive. I want to talk about unhoused individuals in our city. In noticing this change, I started looking at the reasons behind this and better yet, what are we doing about it?

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The homeless population in Scottsdale has grown from 39 in 2014, up to 114 this past January at the unsheltered street count. How many do we miss? I heard numbers three times that many. We will double again in the next five years if we don't change what we are doing. Homeless suffer from drug abuse, alcohol addiction and/or mental illness and we're not helping them like we could. Allowing someone to live outside in Scottsdale is not compassionate. It's the opposite.

The average life span of unhoused persons is only around 50 years of age and maybe we can do better. Greg Bestian told me that housing is the issue, and he is right on. He's right. Scottsdale currently uses Phoenix rescue mission but since it is outside of our city, homeless people can refuse their services. Offering housing allows people who don't want to help themselves. Some other municipalities are doing other proactive things.

[Time: 00:21:08]

One such city is Loveland, Colorado which is using some of their funds to offer housing to their homeless in large humanitarian tents that can be heated and/or cooled. These can be purchased relatively inexpensive and it's light years ahead out of leaving them outside. They have cleaned up 22 housing encampments.

I know a lot about the Martin vs. Boise, Idaho case, that has been going on since 2009. Maybe you should consider a challenge to the ninth circuit court case but there are hundreds of communities around the U.S. with the exact same problem. And everyone talks about the Idaho court ruling. Maybe the option is to pool our resources with other municipalities and request further guidance from the ninth circuit.

Their ruling was very vague and differentiating between sheltering and sleeping that even Harvard law review published a article asking why people are not asking additional questions. It quantified neither the range of laws from addressing the serious societal concern of homelessness. In closing, Allen Keith our local Fry's manager at 90<sup>th</sup> and Via Linda is really fed up to here. He has given me permission to use his name because of the problems that homeless people cause in his store. Many other stores report the exact same issue.

What we're doing now is not working well. I would love to discuss this further with any interested members and the mayor's office. I thank you for your time today.

Mayor Ortega: Thank you, sir. And Judith Clouse.

Judy Clouse: My name is Judy Clouse. In the past few years we have been noticing homeless individuals camped out in various parts of our neighborhood, including the Indian bend wash green belt. One particular man known as Kirk or Kurt or Church, has set up behind Leslie Pool supplies on 90<sup>th</sup> street on ADOT property, along the sidewalk on Via Linda and behind the Dutch brothers on 90<sup>th</sup> street.

This man has obvious mental health issues. He paces and wildly waves his hands in the air while talking to himself. He yells and swears at people passing by. We have spoke with Scottsdale police, and the Phoenix rescue mission all of whom offered him help multiple times. Some community members have misguidedly offered him food, water, ice, coolers, clothing, bedding and money in the name of compassion, but in is not compassion.

It is not compassionate to let someone sit outside 24/7, in sweltering heat, sleep on the ground within 3 feet of traffic, have no access to basic utilities or generally continue in this manner without short or long-term life solutions. Compassion is bringing this person to services that can help him physically and mentally. It is the duty and obligation of a civilized society to help individuals who cannot or will not help themselves.

Neighbors and area businesses report this man urinating and defecating in public, changing clothes in public, smoking pot, yelling at passersby and generally being a public nuisance. We have witnessed him littering multiple times throwing trash and water bottles into the street and putting it in a storm drain. As he moves his encampments he leaves behind trash that creates and eye sore in our community.

We have personally picked up trash in these areas fill garbage bags full of used and unused bottles, cigarette boxes, banana peels strung out over railings and air mate tresses. This is our Scottsdale neighborhood. We do not want to look like a dop. Our understanding is that he is claiming to be a resident of Scottsdale. He has no resident. He's becoming a menace.

[Time: 00:25:30]

Many of our neighbors no longer feel comfortable to walk to the store, the bank or restaurants in their own community for fear of this man and his erratic behavior. While we are requesting Scottsdale city council to act to correct this one problem in our particular neighborhood, we would also implore you to act to correct these problems throughout our city. We do not want Scottsdale to become another Portland or San Francisco with their looming homeless encampments and drug problems. We do not want to see tolerance misconstrued as compassion. We want to see Scottsdale retain its beauty and we want to love living here again.

Mayor Ortega: Thank you. And we do have your contact information. Next we have Denise McKew and Diego Flores.

Denise McKew: Good evening, mayor and council people. My name is Denise McKew. I live on 8706 East San Rafael. As a single woman, I bought in this beautiful Scottsdale area eight years ago. For the lifestyle, the security of the police, the culture, as we have seen, the arts, the beautiful parks, and the walking accessibility to the green belt and the stores. I'm accustomed to feeling safe and go about by myself but more frequently, I have had -- I've had to stop walking to some of my favorite stores due to a particular homeless man who has been living and camping

out at 90<sup>th</sup> street and Via Linda, particularly under the 101 pass.

Then moving on to Andreoli's restaurants, the bank, the cleaners and the grocery store. He's been there since March approximately. I have stopped and looked at him but could not understand the words he said except for a few obscene ones he was saying. I watched him flail his arms and limbs in all directions with no direct eye contact, as if he's lecturing to someone but there is no one there. He's definitely mentally disturbed. I have gotten only as close as about 50 feet from him.

I did not try to speak to him because from my E.R. experience, that could also elicit an explosive conversation or having him act out further. So as a single person, I chose not. I just observe. As a resident and taxpayer here, I don't feel safe anymore, walking alone to these shops and I have had to adjust my lifestyle.

In addition, maybe speaking from a nurse, what about his personal hygiene needs? I have seen him brushing his teeth and spitting on the sidewalk. In particular, how about his toileting needs? Where does he go? After all the Scottsdale park provides doggy bags for owners of dogs. What are we coming to? Unfortunately this problem is not going to go away.

Neighbors have been giving him food, clothing, umbrellas, coolers, blankets, pillows, money and of course he has grocery carts. All over he has been leaving garbage around boxes and water bottles. I have seen the drainage. Consequently, there are other homeless right around right there in the area. My concern is they are all going to all start bannin together and we are going to start look like a camp and I'm afraid of this turning into a San Francisco. This hurts me to see our beautiful community decline. Please let us know. Thank you for your time. Thank you.

[Time: 00:29:51]

Mayor Ortega: Thank you just to clarify a bit. We appreciate the word "we" what we can do is important to us at the city. Also, for the record, the -- our intervention groups have been able to assist over 240 people off the public right-of-way. So that is all documented. And we want you in this conversation. Thank you for being here.

Next, we will have Diego Flores, and then Dan Isaac. Do I have Diego Flores? Okay. Going, once, going twice. Therefore, I will call Sonnie Kirtley. And after that, we have Dan Isaac.

Sonnie Kirtley: Does this mean I'm a pinch hitter or something?

Mayor Ortega: Yeah, exactly.

Sonnie Kirtley: Thank you, mayor. Mayor Ortega, Vice Mayor Durham and councilmembers, my name is Sonnie Kirtley, I'm here as a member of the COGS board of directors. While the first draft of the tourist and strategic plan is under review, we would appreciate if the city council

would consider these questions as needing action to improve our tourism marketing program. First question: How diverse is the tourism marketing that we are doing right now? Let me put something on Elmo to help you see the image. Not much diversity here.

Second question is the current city marketing predominantly to people under the age of 40? It appears so, mostly young women ready for a tight out on the time. If this is a fact we know that most arriving groups of 4 to 8 and they spend their tourist money on short-term rentals and in the one square mile of our the bar entertainment district. They are not in our hotels or restaurants do.

We expect any revenue from this under 40 age group in our art galleries, our jewelry stores, our upscale restaurants? Doesn't happen. Is this costing the Scottsdale taxpayer? In 2011, city of Scottsdale spent \$1.2 million for public safety costs to patrol, manage, and mitigate issues in the bar district. Four years later, 2015-16, it was up to over \$3 million. Today, 25% of the police calls go into this one square mile area. Why are we promoting this age group as we are?

So the third question is, where are the images for those who can afford to spend some of their capital and revenue in our hotels, in our communities, in art galleries, our jewelry stores and our very unique art district. I guess now the count is six. If you take a look at Facebook, you are saying, oh, only young people look at Facebook. I have a Facebook account and I'm 84 years old. So there.

When you take a look at these ads, this is just from January to the current date. These are the number of ads on the city government website for Facebook. If you take a look at the promotion, it's right back to where we begin with our images. So the action that C.O.G.S. requests of you is that our city dollars should be spent to promote the wide variety of artists and retail shops that are here all year long.

[Time: 00:34:39]

Reassess the type of tourists to include more diversity and color, age, and social and family relationships. As a potential hotel guest, and retail customer. So we do better. We need a stronger focus and commitment to support our existing business owners and the distinct downtown districts. Thank you.

Mayor Ortega: Thank you Ms. Kirtley. That's 84 years young, right? Okay. Next we have Dan Isaac.

Daniel Isaac: Good evening. Daniel Isaac, 1350 East Onyx. My item is much easier for the homeless. I am here to once again express my dismay about our council meetings. At the last meeting, what should have been a 20-minute presentation on the Osborn by staff and the property's representative instead became mired for over an hour of discussion because of a personal preference.

Gratefully the project ultimately passed unanimously. For those who were not at the meeting, or for those who blotted in out of their memory this project was years in the making. Met virtually all requirements, setback, the square footage, the density, the number of units, the height, other than the solar panel and elevator shaft. The building codes, the parking, et cetera. It was unanimously passed by the DRB and the planning commission, which is almost unheard of nowadays.

It had virtually no opposition from owners in Scottsdale, residents or business owners. In fact, it had significant support. It provided housing for seniors, including assisted care and memory care, while being close to medical offices and the hospital. In short, the project ticked every box. Despite that, Mr. Mayor, you decided that your personal preference should trump legal rights and the needs of our city.

Instead of just posing a question on the setback, you presented your own slide show for 13 minutes! Longer than either the staff or the developers' presentation. And then you repeated your point several more times in response to challenges. You disputed staff's presentation and the developer regarding square footage entitlement. You challenged Vice Mayor Durham when he appropriately pointed out that you had left out an important detail in your comparison to other buildings.

You questioned the rendering developed by the architects as misleading. You incorrectly admonished Councilwoman Milhaven for making a motion. Falsely stating that the rules did not allow her to do so since it would preclude further discussion. You tried to force an 11<sup>th</sup> our change in the project that was years in the making based on your personal preference going so far as to make a motion that died for lack of a second.

I think the voters elected you to uphold the laws of our great city. If anything needs to be changed for any of you, by all means, make that change through the appropriate process. In the meantime, decorum necessitates that you do not pontificate, do not bully or misrepresent actions or statements of others, and do to the residents and property owners and by all means learn the rules of procedure and apply them equally to all. I thank all of you, even the mayor for ultimately approving the project, that checked all the project.

Mayor Ortega: You are done. You have three minutes. We are now going to conclude public comment and there's a second opportunity at the end of the meeting for any other non-agendized item. So therefore, I will close public comment.

#### **CONSENT AGENDA**

[Time: 00:39:00]

Mayor Ortega: Next, we move on to consent agenda items, 1 through 17, and for the record, item number 14 has been removed from the agenda. So the consent agenda would exclude item

number 14. At this point, we are able to review and admit any public comment on items 1 through 17, again, excluding number 14 which is not in the mix. At this point, seeing no public comment on any of the consent agenda items, I would close public comment.

We also have an opportunity for council to make any comment on the consent agenda items. And that would be if anyone needs a clarification. However, accordingly, seeing none, I would be open to a motion regarding the consent agenda items.

Vice Mayor Durham: Mr. Mayor, I would move to approve items 1 through 17 on the consent agenda, excluding item 14.

Councilmember Whitehead: I will second that.

Mayor Ortega: Thank you. I do seek -- oh. So we -- if we had any discussion? I see none. Therefore, we have a motion to approve consent items 1 through 17, excluding 14. Please record your vote. Okay. Unanimous. Thank you very much.

**ITEM 18 – SCOTTSDALE OFFICE REMODEL MINOR GENERAL PLAN AMENDMENT AND REZONING (1-GP-2022 AND 3-ZN-2022)**

[Time: 00:40:44]

Mayor Ortega: Next, we will move on to item number 18. Again, I will repeat the admonition, at some point, we will have an opportunity for the public to speak regarding item number 18. It's the Scottsdale office remodel minor general plan amendment and rezoning, case number 1-GP-2022 and 3-ZN-2022. Greg Bloemberg is our project coordination liaison. Hi, Greg.

Greg Bloemberg: Hello, Mayor Ortega and city council, Greg Bloemberg, project coordination liaison here to give you a brief introductory presentation for the Scottsdale office remodel. The site is located on south side of the McDonald drive, about 600 feet or so east of Scottsdale Road. It was previously occupied by a fire station, but that has since been vacated. Closer look at the property, a couple of things I want to point out on the site -- first of all this little dot that you can barely see and the fact that there's very little open space and landscape on the site, because it was used as a fire station.

That's one the things I wanted to show you on this slide. The existing zoning on the property is a single family zoning R1-43. If approved, this request would change the zoning to service residential, SR zoning. There's a lot more to my presentation than this, but it's not going forward. Oh, there we go.

The existing general plan land use designation is cultural institutional or public use. If this request is approved, the designation would change to suburban neighborhoods which is consistent with the surrounding community. So a brief summary of the request, and some background for you. Again, this is a minor general plan amendment from cultural institution or

suburban use to suburban neighborhoods. Accompanied with that is a rezoning request from R1-43 to SR.

The request is being processed so that the site can be repurposed, and existing vacant fire station would be converted to an office use. No additional floor area or building height is proposed with this request. And we have received public comment related to this request. There has been some neighborhood feedback I would like to go through with you.

There's general support from the surrounding neighbors with regard to the proposed land use, but there were some requests from the surrounding neighbors. One of those was an enhancement to the building design, without additional height. Another was to provide some enhanced landscaping for buffering around the perimeter. Another request was to raise the perimeter walls and then finally, mitigate trespass from site lighting. So the planning commission heard this case on August 24<sup>th</sup> and recommended approval with a 7-0 vote.

After the planning commission, the applicant has met with representatives from both communities to the east and the west and an agreement has been reached on several items. The applicant's presentation will go into those items for you. I wanted to give you a heads up on that. So three different graphics on this side.

The first is the site plan that I wanted to show you where the monitoring well. Is the middle graphic shows where the property was sold, and the buyer was required to provide an easement for access to that monitoring well which has to be left unobstructed at all times.

[Time: 00:45:10]

So that explains why the parking is all along the perimeter and there's no opportunity for parking in the middle of the site because they need access to that monitoring well. I wanted today show that to you. The existing driveway that's currently in place for the fire trucks will be removed and replaced with open space and landscaping. Again, no additional to the main building all, but there's parking along the perimeter. And landscaping will be enhanced.

One the requests from the neighbors is to provide some trees in the common area. Those are shown here along that western property line. The applicant again will go into that a little more detail with their presentation. So the recommendation by staff is to adopt, resolution, 12573, and adopt ordinance 4561, approving the zoning amendment from RS-3, to SR. That my presentation.

Mayor Ortega: Thank you. We have a comment or question from Vice Mayor Durham and then Councilman Littlefield.

Vice Mayor Durham: Thank you. It looked like the driveway on the eastern side of the property would be closed off in the front. Is that true or not?

Greg Bloemberg: Mayor Ortega and councilman Durham no, that is not true. That will be the access point for the property. There was, like I said a driveway at this location for the fire trucks but there's also a driveway here. So all the traffic will come off McDonald to get back there.

Vice Mayor Durham: I saw a reference to grass Crete. What exactly is grass Crete?

Greg Bloemberg: Mayor Ortega and Vice Mayor Durham, it's a driveway material, but it looks like landscaping. One the things that they want to do. He wants to display a vehicle in his building which is okay, as long as he's not selling anything on the property and he wants to be able to get the vehicle to that location without driving over landscape. So he's putting something grass Crete in that particular area and I think it will be used as part of the patio that he wants to do.

[Time: 00:47:44]

Vice Mayor Durham: Great. Thank you.

Mayor Ortega: Thank you. Councilwoman Littlefield.

Councilmember Littlefield: Excuse me, I just had a question about the monitoring well. What is it monitoring? Because we're taking a great deal of care keeping that open. I would like to know what its function is.

Greg Bloemberg: It's probably would have been helpful if I explained that a little bit. Mayor Ortega and Councilwoman Littlefield, it's a monitoring well that's part of the superfund effort. So they are monitoring water underneath this project. I think it goes back years to who Motorola, and a superfund was established. That's what the testing is for.

Councilmember Littlefield: Have you gone over this with Mr. Biesemeyer and it's all right with him?

Greg Bloemberg: Well, Mr. Biesemeyer is here and he's indicated he's aware of it.

Councilmember Littlefield: Thank you.

Mayor Ortega: And Greg also, just to clarify, the SR zoning would have a maximum height of 18 feet usually used for professional offices and not retail. In comparison to either R1-43 or 4, they permit a higher height. This one is 18 feet. What is the other height adjoining be?

Greg Bloemberg: Mayor Ortega and councilmembers, the R1-43 would allow 30 feet in height. So the fact that they are going to SR, they are restricted in a lower height.

Mayor Ortega: Let's move to the applicant and I call the architect forward. That would be Jamie Angulo.

Jamie Angulo: I'm Jamie Angulo, I'm working on the project at 7339 east McDonald drive, presenting for and with the diversified partners which are the new owners of the property. Let me see, this is the existing condition of the old fire house that was purchased by diversified partners.

[Time: 00:50:13]

As you can see in the pictures those are the two fire house garage doors which Mr. Walt Brown will use as one of them as a car museum to display more classical cars. As you can see from the site, just to reiterate, there is no proposed plans to add any square footage to the existing footprint there's no proposed plans to do any major site work that would cause any undo burden on the site.

We are, as stated before, providing additional land scape up front, a couple parkings up front and then the parking in the back. I do want to add to what was said about the monitoring well and this open space. In addition to, that we have to make sure that we leave the space open for trash pick up as they will come in and then they will have to backtrack and then go out again which is currently the way it's operated now.

So we will keep in mine with that site condition. And I would really like to use my time to focus on the great lengths that Mr. Brown has went to work on the solutions that were brought to our attention. I will start on the west portion. One of the -- kind of one the main things that was brought up was the HOA to the west has a straight visual to this building and due to the nature of the site, it is an elongated site which makes for an elongated building.

So we are proposing and Mr. Brown has agreed install and maintain six desert-friendly trees between the two properties. So he will be able to take that on. That responsibility. Additionally, he has agreed to contribute funds to Los villas HOA that will allow them to increase the height of this CMU wall. I think it's 6 feet. So they will increase that and that is acceptable structurally.

So he's going to provide additional funds to them to help them with that to aid in blocking the site from their residential to this new office. On the southern -- I will say the southwest portion, with this HOA, he's agreed to provide additional funds so they can enhance their landscape property on the other side of the wall on their property to, again, help with viewing the building.

So he is going to provide funds to the HOA so they can improve that landscape area. Specifically speaking to the lighting, there has been request and agreement for no site pole lighting. So no major site pole lighting that would help in prevent light shed on to the adjacent properties. So we would have the minimal exterior door lights and some lights in the landscape to provide wall washing lights. So minimal lighting that would still look very beautiful. Also adding a security

gate on this driveway, that would be operable during normal business hours.

And the point of that is to help with making sure that after hours when the residents come home for their evening routines that there's not an overspill of the office workers whether that be light or noise on to the adjacent property. So in addition to the business hours themselves having operating hours, there will be a security gate that would help eliminate any spillover from the office on to the properties. And this is the proposed elevation to reiterate. The fire house building was about 18 feet and the zoning that we would be going into is an allowed maximum height of 18 feet. So we would stay at the 18-foot total height.

[Time: 00:54:33]

We would go with the form color palette to be cohesive. We are not doing modern or dark or anything that would take away or be an eye sore to the adjacent properties or trying to enhance the property and the community. And these are the colors that we picked and this is approximately what the elevations will look like with the color palettes that we have chosen. And that's all I have if there's any questions for me.

Mayor Ortega: We have Councilwoman Janik and Whitehead. Do we have any public comment? We will go to Councilwoman Janik and then Whitehead and then public comment.

Councilmember Janik: Thank. My question is there any need to close portions of McDonald drive during your enhancement process.

Jamie Angulo: The only -- let me try to go back -- the only part that I could see that would be a temporary lane restriction. One the requests was to close the western driveway to allow a more clear flowing sidewalk that goes in front of the property east to west. So I would say there would be restrictions but not complete closures just to add this curb in where the driveway was.

Councilmember Janik: Do you have any idea about how long that would take?

Jamie Angulo: I would have to verify with general contractor to see about how long that would take. I can't answer that.

Councilmember Janik: Okay. And hopefully you will also notify the city when the road closure is about to occur?

Jamie Angulo: Of course. Yeah.

Councilmember Janik: Okay. Thank you.

Mayor Ortega: Thank you. Councilwoman Whitehead.

Councilmember Whitehead: You know, perhaps we should have the public speak first. I'm going to comment on the fact that maybe six or eight months ago, I started communicating with the public on this. So I'm pretty pleased. Can we have public comment and then I will comment afterwards. Thank you so much, mayor.

Mayor Ortega: Thank you. I indicate that there are two speakers for this item 18. I will ask Bridget Hay and then Larry Fink to please come forward. Had.

[Time: 00:57:17]

Bridget Hay: Good evening Mr. Mayor and councilmembers. Thank you so much for this opportunity. My name is Bridget Hay. I live on east McDonald drive in Los Villos. We had a lot of concerns but we had a productive meeting with Mr. Brown and his architect on September 6<sup>th</sup> and we have come up with a verbal agreement which will translate into a private agreement that involves buffering for us from the standpoint of landscape that Mr. Brown is providing and raising our wall to a consistent height of 6 feet and then a number of other items including light and that have already been mentioned.

With this verbal agreement which hopefully will be finalized by attorneys. You get attorneys involved and it slows things down. And Los Villos board of directors agree, we fully support Mr. Brown's development and the fire station project. Thank you.

Mayor Ortega: Thank you, your Los Villos was done by the same architect as city hall. Next we move on to Larry fink.

Larry Fink: Mayor Ortega, members of the council, my name is Larry fink, 7318 east Palo Verde Drive, I'm on the board of directors for the villa Palo Verde Homeowners Association. I want to show you -- well, I don't know how to pull up the map.

Well, anyways we are at the southwest corner. We have 20 units. We had a few concerns when this project started. We did meet with the applicant and got them resolved which included our concern of lighting. We were told that there would be splash lighting on to the walls from low voltage landscape lighting, and because we have a big view going right into the building and everything.

We had to come to an agreement in writing, whereby financial consideration would be made to our HOA for purposing of installing some pretty heavy foliage on our side of the wall that we will maintain and be in control of.

So we appreciate the process and Mr. Bloemberg's working with us to get this project done and then the applicant as well. And our association is on board and look forward to the completion of it relatively soon.

Mayor Ortega: Thank you, sir.

Larry Fink: Thank you.

Mayor Ortega: Next, we will close public comment and move on to Councilwoman Whitehead.

[Time: 01:00:16]

Councilmember Whitehead: Yeah, I just want to say that again, I can't remember how many months we have been communicating back and forth. I want to say this is just one of those success stories that a developer -- we have beautiful neighborhoods.

We have an unused fire station that was purchased and now owned privately and there's nothing better than when the applicant developer decides he will work with the existing community members to make it so that everybody wins it.

Sure makes our job up here on council -- and also, I want to point out that our community is -- the value of Scottsdale is the cumulative value of our neighborhoods. So thanks so much to both neighborhoods for that. So I would like to make a motion to go ahead and approve item 18 -- I have to put my glasses on.

Mayor Ortega: Let's dot readout on it.

Councilmember Whitehead: I motion to -- sorry? Mayor, did you have something?

Mayor Ortega: Just go ahead and read it.

Councilmember Whitehead: I have my glasses. I motion to approve Scottsdale office remodel minor general plan amendment and rezoning 1-GP-2022 and 3-ZN-2022, and adopt resolution 12573 approving a minor general plan amendment to the Scottsdale general plan 2035 future land use map and cultural/institutional or public use to suburban neighborhoods land use designation on a .65-acre site.

Adopt ordinance number 4561, approving a zoning district map amendment from single family residential R1-43 district to SR district zoning on a plus or minus .65-acre site. And I do just want to make a note on my motion, that we heard from both the applicant and the residents that there's a private agreement involved in this decision -- in this case. Thank you.

Councilmember Janik: I second.

Mayor Ortega: A motion and a second. Any further discussion? Councilwoman Caputi?

Councilmember Caputi: I just wanted to make one quick comment and that is that I actually

would have preferred to have single family residences here in an area that's zoned for single family, especially since we have a critical housing shortage in our community, but since as Councilwoman Whitehead pointed out, the neighbors are all -- they seem amenable to this, and so I was well would go ahead and approve the change but I just want to note that comment. Thank you.

Mayor Ortega: Thank you. Just to add to that, of course this was city property. It was surplus and there were multiple bidders on it. And we congratulate them on this. And move it forward. Please record your vote. Thank you. Unanimous.

**ITEM 19 – HAZEL AND AZURE – CAMELBACK (37-DR-2021)**

[Time: 01:03:40]

Mayor Ortega: Next, we'll move on to item number 19, it's known as Hazel & Azure camelback 37-DR-2021 and Bryan Cluff is our principal planner. He'll review how this case is coming to us as a -- similar to a DR case. Let's hear from the presenter and then the applicant.

Bryan Cluff: Thank you, Mayor Ortega and councilmembers. I'm Bryan Cluff with the city's planning. I will give you an overview of Hazel & Azure, this is a development review board application, and it's not typical for the council to review a DR application. So the reason it's under council review this evening ties back to a zoning stipulation from the 2011 zoning application at which time that council stipulated that the city council be the final design approving authority on the DR.

So the specific request this evening is that the city council uphold the development review board's approval of the site plan, the landscape plan and building elevations for this new mixed use development, that contained approximately 532 residential units, 14,000 square feet of commercial floor area on the 3.73-acre site. Additionally, the DRB's approval included the location for public art in accordance with the cultural improvement program.

So the site we're looking at this evening is on the east side of Scottsdale Road, and north camelback highlighted in yellow on the screen here. A closer look at the site shows the vacant development site. That was the location of the zoning approval. Subsequently went to the development review board and got approval and permits, one under construction and then died out.

So the site construction fence went out, the construction was started and never completed and it's been in that condition for several years. Here's a look at the existing zoning on site which is downtown regional and commercial office type two with the plan block development district overlay and the downtown overlay. It was the subject of the previous zoning action in 2011, so some key highlights of that previous zoning request are on the screen here. So I'll note the floor area.

This was blue sky, 3.79, Hazel & Azure which does include the residential flooring is 3.78. The density approved was 152 units per acre proposed with this project, it's at 142. The number of dwelling units approved at that density was 749 units and proposed this evening is 532 units. So the commercial area originally wasn't specified. It was flexible in the F.A.R. This project proposes over 14,500 square feet.

The main mass across both buildings and allowed an additional 5 feet 4 inches for mechanical equipment. And then 128 feet from the building canal. The original approval did include amended development standards that addressed setbacks and massing for the building and this project has been designed to conform with the original approvals.

[Time: 01:07:44]

It included some pretty specifications for the canal bank that required improvements to go from the subject site, extending down to Camelback Road. And as I noted previously, there was a specific stipulation that required the DR approval for final review. So getting into the proposed development, this is the site plan. So you can see Scottsdale Road here on the left side of the screen.

The project is separates into two masses two buildings. There's commercial floor area in the Hazel building here that fronts along Scottsdale Road, and commercial floor area. There's a smaller amount of commercial along the Azure building back here closer to the canal. Parking is provided separately for each building with below grade parking structures with access to those parking structures via this internal drive.

Building setbacks on Scottsdale Road or ranging from 28 feet to 47 feet. And as I mentioned before, the height for the Hazel building is 195 feet. One topic was pedestrian connections through the site and to the canal. The graphic here adds some specific pedestrian connections that will be made providing connections from Scottsdale Road to the canal bank at the intersection of Fashion Square Drive, where it's a signalized intersection, you can see these three points of access that will be provided to the canal bank.

And moving on to the landscape plan. This is the subject site zoomed in a little bit more. This is northern half of the Hazel building. And I will note the sidewalk and pedestrian improvements along Scottsdale Road. The overall width is 22 feet of sidewalk improvement. And through the review the application staff had emphasized the importance of pedestrian experience along Scottsdale Road, including providing shade for the pedestrian and activation of that street frontage.

You can see here -- oops, sorry. As I mentioned before, there are commercial floor area, along the street, on Scottsdale Road and you can see a couple areas here that have been designated for outdoor patio areas along the street to help activate that space. And with regard to shading on Scottsdale Road consisting of live oak trees and date palms. And it's specified with a 72-inch

box. So it's a mature sized tree from day one. And then this is southern half of the Azure building.

As you can see the streetscape continuing to the south and as you wrap around the corner, you can see the pedestrian, how they connect easterly towards the canal and then finishing out along the north and south side of the Azure building here. And the proposed building elevations. This is the Hazel building with frontage along Scottsdale Road.

As I mentioned the overall height of this building is 95 feet, and that's to the highest part of the mechanical equipment here. The overall mass is closer to 85 feet. The materials of the building consist of cast in place concrete, stucco, metal panels, stone and glass across the building. And then here the east building elevation, on the top. And the south on the bottom. And then moving along to Azure building which is the building that has the frontage along the canal bank. This is a taller building capping out at 128 feet. The materials are generally the same as the Hazel building, although a slightly lighter color palette.

[Time: 01:12:13]

And then the east elevation and the northeast elevation. Here's a perspective of the building from the Scottsdale Road street frontage. This is the Hazel building and then a perspective view from the canal. The document on the screen is what the original zoning case had spoken to. So starting on the bottom this portion of the site is about where the project frontage is.

So these improvements continuing down southward, picking up here and going all the way down to Camelback Road. So at this time, the applicant is proposing to make the canal bank improvements, however, there are sections of these -- the canal bank specifically the portions highlighted in red here, that they are still working with SRP and the Bureau of Reclamation on what type of improvements would actually be allowed within in area.

It's the canal bank right-of-way owned by SRP and so there's a lot of coordination required at this point and they are still working out the design. The areas of landscaping, they have been able to work to agreement on. When this went to the development review board, the exhibit you see on the screen was presented to the development review board to provide kind of a segmented or partial improvement of the canal bank improvements.

The DRB approved the politician, not including any -- application, not including any of this here. They wanted to approve everything and not a segmented approach. They added a stipulation to their approval to that effect.

Lastly, with regard to public art, these are the two locations that the applicant presented and was approved by the development review board. The location two being against the canal bank here and the location one over here at the entrance to the development. So, again, this did go to the development review board, it was August 18<sup>th</sup>, 2022 when they heard the case and

approved it with a 6-0 vote and the note you see on the screen is with regard to the stipulation that the development review board added regarding those canal bank improvements where they said they wanted to see the whole canal bank as one element rather than approving portions at a time.

So the way this is set up now, is if you were to affirm the DRB's approval, it would include that stipulation. And lastly, just reiterating the square footage this evening. I'm happy to answer any questions and the applicant is also here with a presentation. Thank you.

[Time: 01:15:20]

Mayor Ortega: Thank you, we will bring the applicant up. Jason Morris, Whitney Morris.

Jason Morris: As much as I would love to make this presentation because it was received so well as you saw by staff and the DRB, it's actually going to be as Mr. Steven Funk would be part of the genius behind this design, and as I said, this is an exciting project to bring forward and we are fortunate to be part of this development team because this is as you all well know, basically the missing tooth in that smile of a block that has been vacant for sometime.

And an opportunity to do it well, and go above and beyond which we believe we have done. That's some of the feedback we have received from staff as well as the DRB. We want to match the beauty and step up and do things that other projects haven't. I would like to point out that part of this presentation will focus on the shade structure and what the solution should be.

The mayor mentioned that in particular and it's something that we are very concerned with to make sure the walking experience -- it's a western exposure, but we are showing so much open space in terms of the public area, that you have heard we're putting in 72-inch box trees which I think you will see is unusual in a project of this nature.

But also, we are looking at the building, the sidewalk and the overall environment to make sure it's not only beautiful, but it's walkable and something that can be enjoyed by the pedestrians and the patrons of the retail up front. So with that, I will defer to the meister.

Steve Funk: Thank you, I'm Steven Funk, and we have Chris here with floor, who will be here to describe a little bit more of landscaping which is in the presentation we have for you today. So this project -- let me see. Okay. Thank you, Bryan for giving us the summary that we have here. So we will breeze through first couple of slides.

This is kind of a little bit repetitive of what Bryan had said and spoken to. Just to highlight we have two main masses on site a and site b, for Hazel and Azure. We have different buildings. We have different design motifs going on which addresses the kind of -- the feel and the vibe of each building.

Today, as you guys are well aware of, the site has been vacant for some time, since blue sky had abandoned their development plans some years ago. And this right here this is our main inspiration for the design of the building and the facade -- and the design of the facade. So we really like to use the Camelback Mountain and how it changes throughout the day and the texturing and the folding that we will see in the building elevations. And also playing off the color and the earth tones of how the mountain changes throughout the day.

And this is just -- we're continuing to just talk about the materials and using more earth tones. We do have stucco. We do have some metal panel accent. The building is a concrete structure as Bryan highlighted and we continue to pull earth tones and you will see that more in several of the renderings as we move through. Again, this is an overall site plan.

[Time: 01:19:30]

We have another slide that talks about this but one thing that I and Chris and his team have worked with quite a bit is making sure that we preserve these connections to the canal and not only preserve them but also enhance them. So this area that we call here we call this actually our art walk. And Chris can speak to this a little bit more.

We are engaging local artists to help design different types of motifs on the ground for graphics to help enhance more of the Scottsdale arts program. And this just kind of shows you more diagram that Bryan was showing in his portion. And as we go Hazel, this is where we really -- you see your first impression of the building as you drive down and as you can see, we have very deep pockets on the front of the facade.

This is one thing that we were to generate a building that's self-shading and provide outdoor spaces for each residential spaces. They can really feel that this is a home and they can hang out in and be in the heart of Scottsdale. The other thing with the folding panels that you see that go across the facade. This will help to reflect the different colorings of the panels and it will just clang characteristics -- change characteristics as it goes from sunrise to sunset.

This is kind of showing you a little bit more of an illustration of how we are highlighting with subtle light components. We have worked with different manufacturers to make sure that we minimize any sort of light bleed. We know that's something that we are sensitive to in this area for migration and so forth. And here you can start to see a little bit more of the development as you come along here where we have the heavy vegetation.

These here, I believe, are the live oak trees that will grow and be more dense and just provide even more shade along the walkway. And here you can see this is one of our inspiration images that we use to start off the project down here on the left-hand side where we put actually the elevation side by side to the mountain to really showcase that texturing. There we go. And another view. One thing -- oops.

Here what we wanted to highlight here is we have an atrium -- well, its a courtyard space that divides some of the masses between the right-hand side of the screen and the left-hand side. And this just -- sorry -- something. There we go. So on the left-hand side of the screen, one thing I wanted to highlight here, we are drawing in different earth tones and that's part of the coloring of the soils that we have here and the mountains and we want to bring some of that red coloring into stucco of the building on the left-hand side of the screen.

On the right-hand side, we wanted to make sure we have a distinct separation between both buildings. So we are addressing the left-hand side a little bit differently and it's going to be more reflective. So the left-hand side is the one that will be changing coloring more throughout the day. We also will try to look at ways to help activate the street level, not only with the retail that Bryan had mentioned earlier, but we also here on the right-hand side, this is your residential lobby, which will have a small cafe for gathering spaces and so forth. So it adds on to the retail without being retail.

But it's more of a community interactive space for the residents and up here on the second floor, we have a swimming pool that will have a water element that will hem activate and provide that kind of more of a cooling feel. And giver you that water noise that will feel a little bit more tranquil. And down here on the bottom, right here with the mouse is, we have two distinct Paseos or connections that are going from Scottsdale to the first floor parking garage. And then here we are ramping up the finishing to give that very enticing and warm feeling for a pedestrian. And just some more views of the building as we go through different time periods. Here, I will let Chris highlight a little bit more on the landscaping.

[Time: 01:23:31]

Chris Brown: Thank you, Steven. My name is Chris brown. I'm with floor and associates, working along with Steven and his team and ZOM Living we developed a streetscape here. I want to kind of echo what I already heard, I think from staff about the importance of this pedestrian experience that we have along Scottsdale Road.

Very critical that we do this correctly and we provide a very comfortable pedestrian environment that includes shade, including different types of elements, provides hard scapes that's consistent with the Scottsdale Road guidelines of the corners and throughout. So what we have here is a very enhanced pedestrian experience.

And speaking specifically to the shade, what we're proposing to do here is at the corners we are doing a double row of large date palms and this does a couple of things. By having the double road, we have a head-to-head type of shade pattern which provides significant shade, not only on the sidewalk, but also on the building facades as the day progresses.

And then in between that, we're providing this very strong element of these large live oak trees. And as it was previously mentioned, the developer is committed to doing very large initial

plantings of this. 72-inch will plant out at 8-inch trunk caliper, perhaps as tall as 14 or 15 feet, and provide a very solid canopy from day one.

One of the advantages of doing the vegetative, it provides late afternoon shade across this entire Paseo, including the food and beverage courts here. And to make sure that these trees are very viable and last for decades, we are proposing to plant these in a very long linear bioswale.

So where see the trees the entire length along there is sunken down 18 inches. It's approximately 8 feet wide and provides a very good growing environment for these trees. So from day one, we will have canopies that are above head height but they are going to be growing for decades and provide very deep beautiful shade throughout this entire pedestrian environment. Last thing I will mention we are very cognizant of water.

That was brought up earlier today, and we're designing the entire landscape to be compliant with LEEDS standards. So we will have a minimum water reduction of a typical landscape here at the ZOM project. I will turn it back over to Steven.

[Time: 01:26:26]

Steven Funk: And as we go through, you will see, again more shots. This is just showing a more enlarged area that we have with our pedestrian connection to go back to the leveling one parking garage and shows you a little bit more about the dynamic environment that we are creating with the level two, and the water element spilling over and then connecting visually with the retail down below.

And here you can get a little bit more of a grasp of the tree and the shade that will be affecting the main walkway. The one thing also to highlight here, we are part of the -- part of the -- right now the canopy is not currently in the design, but that's something that we are providing, and that will be part of the retail finish out. We make mention here there's a 10-foot continuous canopy that will be required to provide shading along the previous front.

While you don't see a clear description, a 10-foot canopy will be required by part of -- and to be in line with the DRB standards for this project. So -- and that is something that we will add on to the shading that you are not seeing here in this rendering. Then the other thing this gives you a little bit more of an insight to the self-shading elements and here you can see that we have recessed the windows here on the left-hand side by approximately 18 inches and we have done, you know, different simulations in the model to make sure that the windows will be shaded throughout the day.

These are something that somebody can really use as an outdoor living space. We applied the same sort of characteristic on the left-hand side but just using a different material. And this is kind of giving you -- looking into the building this is the main residential lobby. On the Hazel

building, and here we're just going with more modern and clean, timeless design as what we were shooting here for.

So -- as we go through here, this will be another thing. So I will let Chris fill in, but this is our amenity deck and one the things that we really stressed here, it's not shown in this view, but right here, you have your main fitness -- or your main residential lobby and then we are showing this connection.

You have a pristine view of Camelback Mountain, it's framed very beautifully. And you can see how we are interacting with -- you've got your club room right here. So that's what this space is right here, and if you are standing here, looking out, you will see the Camelback Mountain. Chris did you want to add anything.

Chris Brown: The only other thing I would add to this is there has been a big effort to connect the private residential areas with the community on the left-hand side of the pool this is actually water feature, that's completely visible from Scottsdale Road. So somebody walking along the pathway up by the pool will be able to interact with people in the pedestrian zone along Scottsdale Road and people driving by or walking by will see this illuminated water feature, vertical water feature appearing to fall out of this area at night. I think it will be very dramatic addition to the streetscape.

[Time: 01:29:50]

Steven Funk: Now we will move on to Azure. Azure is a little bit of a different color palette. But we are using some of the similar architectural features to create some of the self-shading. On this plan, one of the things we are doing we have an outdoor garden and courtyard area. These are the ground floor amenities for the residences. We are providing a nice landscaped high wall with access control that will help frame this art walk as you make your way towards the canal.

And one thing to highlight here on this, we have two red dots. These red dots represent -- we're currently in the discussions with artists but those will be three-dimensional art pieces, sculptural aspect. In addition to having mosaic tile pieces done -- that you are actually walking on, you will also have some points of interest to draw your eye with the 3d art.

As we go through the building, you can see a similar match-up where we are showing the texture of the building facade and how it compliments the Camelback Mountain. And here you can start to see the color palette that we are using on the Azure building. This will be your front approach as you come up to the Azure building. This is the main residential lobby. And then here we have kind of a turn off.

So that if we have ride share or something like, that we provide a space for them to be able to turn off so residents can come over here and catch their cab. That's a way that we wanted to highlight circulation in this area. And you progress through this area on the left, where these

cars are coming, we actually raise the street bed by about 6 inches to help the cars slow down to minimize -- well, to help reduce the car speed and help activate more pedestrian environments. This is a rendering in Bryan's presentation. This is looking back from the building on the canal side.

And we have run several models on the facade to see how it will self-shade itself throughout the day. This is something that we worked very closely with the DRB to make sure we met these standards. And then is injure front door approach as you are going into the residential lobby. And your main -- your first impression as you walk into this space. And we do have up here -- we are creating -- it's a work share program for the residents themselves.

They can check out their own little office space and this is the view looking back down towards the main lobby and out towards the pedestrian environment. And Chris, did you want to speak to this?

[Time: 01:32:54]

Chris Brown: Just very quickly. Very appreciative of the extra time you are giving us. This is the view of the courtyard that opens up into that large pedestrian connection between the canal and Scottsdale Road. Again, the approach here is to use desert-appropriate plant material. I love working in groupings of large accent material, for the drama and the color that that can bring into a landscape, and it's also very sustainable from a lot of different aspects. So this is very typical of the kind of plant palette that we are proposing both on the interior courtyards, the roof decks and the project perimeter.

Steven Funk: And this is the overall site plan of what we enlarged and were looking at earlier. Chris, anything on this?

Chris Brown: Just that that's all the way up top.

Steven Funk: This our level. We do have a pool deck up on level 12 of our Azure building and this is our view looking back towards Camelback Mountain.

Mayor Ortega: Okay. Thank you. I have allowed 18 minutes. So that's pretty thorough. And is there any public comment on this case? I see none. Let me give you some feedback as we are handling this case mainly from the aesthetics and function and how it affects the Scottsdale Road appearance. So I saw this case in 2009. I was on DR Board.

I actually was not a councilman then, but at that time, the request was for 1,250 units. And that was over 300 units per acre. At that time, the height was substantially higher. And it -- since -- what you are presenting today is, you know, 532 units. So when I heard the name blue sky, I was like they were really trying to break the sky up there. At the same time -- so you are coming back with an appealing -- I like the finish being different on the building on

Scottsdale Road. That's thousand they look. They don't look like just one building repeated next to another building. I think that's helpful.

The biggest problem and the criticism that I have is the west facing side, right? And there you have been able to handle, let's just say, I guess above 30 feet with some panels and so forth. Below that, on the building -- I'm not sure if it was Hazel or which one it was. That one seemed to have about 28 or 30 feet of glass facing west.

[Time: 01:36:02]

And as we look at what -- how we affect Scottsdale Road, people driving and so forth, there would be a substantial glare back on Scottsdale Road. And that is an area of concern because downtown we do want connectivity. We do want to be able to walk -- right now people cross from camelback, crossing Scottsdale Road pretty much to P.F. Chang and those rarely go the other way, north. That building just south of you has no covered walkways. And frankly, that corner has always been vacant or nearly vacant. It kills the merchandise.

That's not a good solution, and it's not consistent with what I believe we should have in our Old Town, which includes this area. Which is a covered shaded walkway. There's no substitute when you have 115 degrees for a covered shaded walkway. It gives you more -- it's more of a welcoming as you can see a shade and it will also reduce the amount of glare coming off to Scottsdale Road.

So in my opinion, this is what you have been able to handle in the higher levels but at pedestrian level, you haven't. I see that -- you know, you mentioned shading with palm trees, you know, at the corner. I don't know that I have ever known shade -- you know, palm trees to really shading and I think that's -- especially at the heat of the day when the shadows are away from there, you pretty much have a balance area there at that corner -- a bald area there at that corn. You have some positives because you have an outside patio along Scottsdale Road, which is pretty common.

You see that with daily dose. You see that with cold beer Cheeseburgers. You see that activity. Again, it is augmented when you have a covered shaded walkway. I don't believe it's achievable with just saying we are going to plant trees and call it a day. You have an opportunity because you have a screen wall, it looks like that with some tables right behind it sort of facing west or oriented that way.

I think that screen could easily become a post with cantilevered in both directions, maybe even to shade your seating 10 feet or whatever versus the umbrellas that look a little tacky after a while, frankly, out there in the -- you know, closer to the building. That's just not -- it's not adaptable to -- yeah, we want people to walk to Schumacher, okay? That's okay. Let them walk to Schumacher.

If they have a covered walkway, that, again, gives you some shelter at the middle of the day. It creates that connectivity that we don't have right now. So you have a good opportunity to do that. You know, I am -- we're not judging density or height right now. This is all been brought down to a scale, I think that I like and I would -- I would like to -- there's other comments coming forward.

I would like to support the project, however, I think you should have a minimum continuous walkway that will serve both your patio partially and then cantilever out towards the covered sidewalk, at least 10 feet. That's consistent with what we would -- we would encourage people to walk along that way. People coming south -- because, remember, there are people that stay at resorts to the south of there and they have no idea that they are walking in 110-degree temperatures coming into Old Town.

[Time: 01:40:18]

It is a practical thing that's our signature. Overall, the texture and the treatment on the SRP canal is very favorable. If there was -- and one of the -- as you good et cetera -- as you get it, of course, I like the generally low scale planting along Scottsdale Road, and you will be more successful right? You will be more successful when you can shade and allow for window shopping or people as they walk along there.

So we have two more comments, I will be glad to make a motion of support with some covered walkways at least along Scottsdale Road. I see Councilwoman Whitehead, Councilwoman Littlefield and then Councilwoman Caputi.

Councilmember Whitehead: I think the mayor said for anybody watching that this is not a zoning case, that, in fact, this is a DR case. And I think we're all really pleased that you have come forward with a far more appropriate sized project. I think this is beautiful. You know, I agree there could be some tweaks. I think there's some changes, but I'm kind of impressed with the 72-inch box trees. That was a discussion we had. Good job.

I think there's a lot of covered walkway and pedestrian access. And perhaps I won't get the support of the mayor -- oh, I want to add that I appreciate Bryan Cluff mentioning the stipulation from DR, the DRB and I agree with that. I'm glad that will go with my motion to approve Hazel and Azure camelback 37-DR-2021 and request pursuant to the ordinance 3909, 65-ZN-1992 number 7, the property owner is requesting the -- there's no ordinance in here. Oh, here it is.

The city council review and approve of the DRB application for the site plan, landscape plan, building elevations for the new mixed use development, with approximately 532 residential units and 14,610 square feet of commercial floor area and the location of public art on a 3.78-acre site with downtown/regional commercial office type 2 planned block development downtown overlay, D/RCO-2 PBD-DO zoning.

Councilmember Milhaven: Second.

Mayor Ortega: We have councilwoman Littlefield, Councilwoman Caputi and Vice Mayor Durham. Councilwoman Littlefield.

Councilmember Littlefield: This is a DR case, it's unusual for the council to here, and that's what this is and zoning has already been approved for this project. So that is not under discussion. I did have a question for you, though. Earlier it was said on the canal bank that what you wanted to design and create was still under discussions with SRP. Can you give me any kind of a time frame when you anticipate you can reach a conclusion on what you will be doing on canal bank itself.

Chris Brown: Thank you for the question. And the issue that's come up has to do with several different entities outside of the city of Scottsdale, including as was mentioned BLM, Salt River Project, but the Flood Control District of Maricopa County, because there's some existing large flood control infrastructure pieces through that piece that was kind of dashed out.

[Time: 01:44:14]

So we have been actively pursuing a design that will meet all of their criteria. Our client does not own the adjacent land where -- to the east or the southeast of our property. So we're able to work on the very end out at the corner. We're able to work on the area directly adjacent to our property, and we proposed some pretty nice improvements there, and our hope is we'll be able to work something out with flood control to be able to continue that between those pieces. Very minimally, it will take care of the SRP requirements.

Steven Funk: That's perfect. I also wanted to assure you, mayor and council, the stipulation that exists doesn't allow occupancy of the building until that has been resolved. So we anticipate the construction of the entire project will go on much longer than the development of the canal banks but they will both hopefully mesh so that the development of the canal bank precedes or is simultaneous with the construction of the building.

Councilmember Littlefield: That's exactly what I was wondering. Thank you very much.

Mayor Ortega: Councilwoman Caputi and Vice Mayor Durham.

Councilmember Caputi: Thank you. I was actually on the development review board when we approved this project and I just want to echo some of the my comments because I think it's a spectacular project.

This is main and main of our city and we really need to do something exceptional, which I think you have done an amazing job of, even the mayor pointed out this project is what, 10, 12 years

in the making and so this is our perfect opportunity to move something out of the pipeline and I'm very excited to help move it over. One of the things that we spent a lot of time discussing on development review board was the sort of exceptionalness of the quality of the building materials and you didn't even touch upon that in this presentation.

But I would just want to reiterate to everyone listening that that was one of the things that set this apart. Not only was it more -- less dense and less call as we pointed out, but the quality of the building is something we don't usually see and the development review board spent a lot of time going over that. You have made a lot of accommodations for shading and I just wanted to say that in reference to the quality comment, shading can come in many different ways and so I -- I really appreciate that you have made so many efforts to shade, not just in one particular way, but with the design of the building, with the orientation, with the depth of the facades and all the different ways that you have done, with trees, multiple layers of shading, and there is a lot more pedestrian connectivity and access. And I absolutely 100% support this project. Thank you for giving us such a wonderful job.

[Time: 01:47:13]

Steven Funk: Thank you.

Mayor Ortega: Thank you. Vice mayor Durham and then Councilmember Milhaven.

Vice Mayor Durham: Thank you, mayor. I agree with comments from everyone else. It is a very beautiful building. I was particularly happy to see the improvements along the canal side, because that's currently kind of a black local in our otherwise excellent bicycle and walking pathway system.

So I realize there will be some problems in coordinating with so many government entities but I really encourage you to do all you can do on fixing up the bike path, the walking path along that back of the project because I think that would be an excellent addition to the project and to Scottsdale connectivity both. Thank you, mayor.

Mayor Ortega: Councilwoman mail haven and then Janik.

Councilmember Milhaven: I am so excited to see this project this was back in 2011, I was a brand new councilmember. I think was one of the first zoning cases I looked at, and to give folks some perspective, back in 2011, we were still trying to come out of the recession, city tax revenues were continuing to decline. We didn't know how far -- how deep the bottom was going to be.

The safari had been knocked down 10 or 15 years before and so it was a vacant lot on the corner of main and main. The owner had come into ownership of the property out of bankruptcy because the beautiful Safari condos they built one of the buildings that's there now, and then

they were unable to complete it. We were looking at McDowell road was nothing but empty car dealerships and we were wringing our hands over what would happen with that property.

SkySong was more dirt lot than it was office complex, and so we were so excited at the time to approve the zoning case, believing that it would be an important investment in our community and important economic impact for our community. And it saddens me to see that it took us 12 years to get to this point. But I think we need to make -- I think we need to remind ourselves that you know, we sometimes take for granted folks who are willing to invest in our community, and we should not take that for granted if it takes us 12 years or 25 years if we go back to the demolition of the safari for folks to invest in our community.

As we look around our community and we see vacant lots and tired old office buildings, I think we need to be really thoughtful about what kind of investment we want to encourage in our community, work with developers for this kind of quality and not take for granted that there are people in line waiting to invest in our community because that's not the case. We need to be respectful, responsible and hold them to the highest standards that this project clearly has but not take for granted. I'm thrilled that it may be one of the last things I do during this term. Thank you.

[Time: 01:50:28]

Mayor Ortega: Thank you. Councilwoman Janik.

Councilmember Janik: I concur with what my fellow councilmembers have said. This is an outstanding project that will put us on the map for high-end construction, high-end design, engagement of the canal, and it's just a wonderful project. I want to clarify one point that I don't quite understand. With the Hazel building, I think you mentioned that on the Scottsdale side, there will be a canopy, a man made canopy that will extend out from the building. Can you give me a little bit of detail on that?

Steven Funk: Well, that's part of the requirements the actual zoning is along the retail store frontage we are required to 10-foot continuous canopy, and so we'll be working with the retail tenants in the design of that canopy structure.

Councilmember Janik: Okay. Thank you S. this what you were referring to with what you said that you --

Mayor Ortega: I also just wanted to consider it your patio, something that would be compatible. I heard that in the -- in acknowledging that. And then above 30 feet, even a 2-foot shading projection, where your big glass will help. You will find that out as you work out the details.

Councilmember Janik: Thank you.

Mayor Ortega: I congratulate you. Let's get this done and I do hear that we -- I think you will have a very successful retail use and other -- even when you said your lobby is on the Scottsdale Road side, having a -- you know, a permanent shading structure will really help. With that, I see no other comments. I would ask for us to record our vote. Congratulations. Unanimous.

Steven Funk: Thank you.

Mayor Ortega: Good luck.

**PUBLIC COMMENT**

[Time: 01:52:31]

Mayor Ortega: Next, we will move to the second opportunity for public comment. Public comment is allowed for any non-agendized item. Of and you can speak once at the beginning for 3 minutes. As such, council will take no action on any public comment. But the subject must be within our jurisdiction. We do not go for any electioneering or candidate statements or something for or against any proposition which may be on the ballot. At this point, we have a second opportunity for public comment. We have a gentleman, James Mercier. You are a patient man and I thank you.

James Mercier: Thank you very much, mayor and council for allowing me to come and speak. Because I'm sitting in the front row, there's a reason for that. These are my neighbors. And surprise, surprise, I'm going to talk about homeless. For last year, we have put up with a gentleman that apparently knows all there is no know about how to be homeless and avoid any type of help that the city has offered. And we've put up with it.

When my wife and I bought here six years ago, we made our list of what we wanted out of the next neighborhood that we were going to call home. And one of the top three things was access to the green belt. My wife walks the green belt five miles every morning. I ride ten miles on it every morning. We've seen homeless people come and go. What's been nice is that's part of the urban camping law.

So we know that those people will get removed. The gentleman in question has been down there, but he's been moved up to lots of other different places where he knows he's not going to get chased out of. But when my out-of-state friends come to visit, they are jealous because our car doesn't leave the driveway or the garage. We walk to the grocery store. We walk to our bank. I walk to my barber. Everything is walkable. Or it used to be. I'm not comfortable with my wife walking up to the grocery store anymore because that gentleman is up there. It's a challenge, really, for the law department more than probably you guys.

And my hats off for what the mayor has said earlier, over 200 people have found new homes. That's fantastic! Where I have been for the last two out of the last four weeks, our son is going through chemo up in Portland, Oregon and so we have flown up for two of the weeks to do the

transportation and that. And there's a city that that city council and mayor has stuck their head in the sand. And it's become very sad. He's been there 18 years. We have gone up and visited. We loved going downtown.

The Hilton is two big towers. It's now in bankruptcy. Two more hotels are about to enter bankruptcy. The mayor as I was reading the local news and that, at one point 2017-2018, their tourism income was \$5 billion. We're \$3 billion from what I understand, but they're over 700,000 population. So we're doing very well.

In that article, the mayor basically said, I don't know when that tourism dollar will ever come back. While I was there I found out that a federal lawsuit had been filed against the city by the people representing the disabilities act because those people can't walk sidewalks, roll their wheelchairs on sidewalks because of all the tents and all the homeless. This is -- this is a group that just spent the last five years with their head in the sand. I don't want to see us do that.

Back to the green belt. Coming and going to the hospital every day, we passed their green belt numerous times. I spent ten years -- my first ten years as an Ohio State trooper. I don't get scared very often. I wouldn't walk their green belt with an AR-14. I challenge you to get better. It's the law getting it together and figuring it all out.

Mayor Ortega: Thank you, sir.

James Mercier: Okay. Thank you.

Mayor Ortega: Okay. Next, we will move on to citizen petitions. Citizen petition is in our charter. That is the ability for any resident to petition our local government. We -- if so, that would have been filed at the clerk's office. Seeing none, therefore, there's no citizen petition. Oh, by the way, I guess I closed public comment. There were no other public comment. But we do take note and we have no action on citizen petition.

#### **ITEM 21 – BOARD AND COMMISSION NOMINATIONS**

[Time: 01:58:12]

Mayor Ortega: Next, we will move on to the mayor and council items. And in this case, we have item number 21, and 22. Item 21 is boards, commissions and task force nominations. I will now turn the floor and the meeting over to Vice Mayor Durham for the boards, commissions and task force nominations.

Vice Mayor Durham: Thank you, mayor. This evening, the City Council will be nominating Scottsdale residents interested in serving on citizen advisory boards, commissions, and committees. The Scottsdale City Council is responsible for establishing city policies and enacting laws in support of those policies.

The Council relies on volunteer, citizen-based boards and commissions to research issues and make recommendations in support of the Council's mission and goals. The information and recommendations provided by council-appointed advisory boards is a valuable tool in helping Councilmembers in their deliberations.

Appointments for these positions will be made at a Special City Council Meeting on Tuesday, October 18, 2022. Let's get started. At this time, we are deferring nominations for the airport advisory commission, and we'll consider those nominations at a later meeting.

The next category of nominations is for the board of adjustment. There's one opening on the board of adjustments. The Board of Adjustment is a quasi-judicial body that hears variance requests, appeals of the Zoning Administrator's interpretation/decisions, and decides on administrative decisions or zoning requirements, which create unnecessary hardships in the development of property because of exceptional or extraordinary conditions. Mr. Conan Deady has resigned from the board, effective October 2022. There is one vacancy and two Applicants. The applicants are: Travis Garcia. And Justin Laos. I will now entertain nominations for the Board of Adjustment. Each Councilmember can nominate one applicant. I will nominate Mr. Travis Garcia. Councilmember Caputi.

Councilmember Caputi: Justin Laos.

Vice Mayor Durham: As both candidates have been nominated, we can now close the nominations.

The next category is the building advisory board of appeals. There's one opening on this board of appeals. The Building Advisory Board of Appeals has the jurisdiction to recommend that minor variances in the electrical, plumbing and mechanical application of the Building Code be granted and that alternative construction methods or materials be allowed.

[Time: 02:01:54]

Julian Anderson's term expires in October. He is eligible for reappointment and has submitted an application for consideration. There is one vacancy and four applicants. The applicants are: Julian Anderson, Pete Eggspuehler, Floris Freshman, Steven Sussholz. I will now entertain nominations for the Building Advisory Board of Appeals. Each Councilmember can nominate one applicant. Councilmember Janik.

Councilmember Janik: I nominate Julian Anderson.

Vice Mayor Durham: Councilmember Littlefield.

Councilmember Littlefield: Julian Anderson.

Councilmember Janik: Mayor Ortega.

Mayor Ortega: No additional.

Councilmember Milhaven: No additional.

Councilmember Whitehead: No additional.

Councilmember Caputi: No additional.

Vice Mayor Durham: No additional. Julian Anderson is nominated. The next appointment are to the human relations commission, which advocates and promotes all dimensions of diversity. The Commission acts as an advisory body to the Mayor, City Council and staff to make recommendations on ways to encourage mutual respect and understanding among people, to discourage prejudice and discrimination, and to work towards cultural awareness and unity. Lawdan Shojaee resigned from the commission in August.

Marty Day's term expires in October. She is eligible for reappointment, however, she did not submit an application for consideration. There are two vacancies and seven applicants. The applicants are: Tina Drews, Matthew Keen, Marcie LePine, Cynthia Romagnolo, Kylie Staples, Joshua Stearns, Marietta Strano.

I will now entertain nominations for the Human Relations Commission. Each Councilmember can nominate two applicants. I choose to nominate Tina Drews and Marcie Lepine.

Councilmember Caputi: Tina Drews and Marcie Lepine.

Councilmember Whitehead: Tina Drews and Marcie Lepine.

Councilmember Milhaven: I would add Matthew Keen.

Mayor Ortega: No additional.

Councilmember Littlefield: Cynthia Romagnolo and Marietta Strano.

Councilmember Janik: No additional.

[Time: 02:05:03]

Vice Mayor Durham: Tina Drews, Marcie Lepine, Matthew Keen, Marietta Strano and Cynthia Romagnolo have been nominated.

Next, the transportation commission. The Transportation Commission advises the City Council

on matters relating to the safe and efficient movement of vehicles, transit, pedestrians, and bicycles. The commission provides a public forum to hear citizen complaints and requests regarding transportation matters.

Andy Yates resigned from the commission in January. Mary Ann Miller's term expires in October. She is eligible for reappointment and has submitted an application for consideration. There are two vacancies and five applicants. The applicants are: Emmie Cardella, Lee Kauftheil, Robert Marmon, Mary Ann Miller, Brian Silverstein. I will now entertain nominations for the Transportation Commission. Each Councilmember can nominate two applicants. I will start with Mayor Ortega.

Mayor Ortega: Mary Ann Miller and Emmie Cardella.

Councilmember Milhaven: I would add Robert Marmon.

Councilmember Whitehead: Emmie Cardella and Mary Ann Miller.

Councilmember Caputi: No additional.

Vice Mayor Durham: No additional.

Councilmember Janik: No additional.

Councilmember Littlefield: Emmie Cardella and Robert Marmon.

Vice Mayor Durham: Thank you, Emmie Cardella, Robert Marmo, Mary Ann Miller have been nominated.

Next is the veterans advisory commission, where there are two openings. The Veterans Advisory Commission Advises the City Council on veteran programs, policies and practices and serve as a community connection point for veterans and the community where they live.

Terms for Peter Palmer and Denise Pulk expire in October, and both are eligible for reappointment, however, only Mr. Palmer has submitted an application for consideration. There are two vacancies and eight applicants. The applicants are: Erika Acorn, Gerald Conover, Roger Day, Jane Legacy, Patrick Mazarella, John McHugh, Peter Palmer, Bethany Schilling. I will now entertain nominations. I will start by nominating Bethany Schilling and Peter Palmer.

[Time: 02:08:15]

Councilmember Janik: I nominate Gerald Conover and Patrick Mazarella.

Councilmember Littlefield: Peter Palmer and John McHugh.

Mayor Ortega: No additional.

Councilmember Milhaven: No additional.

Councilmember Whitehead: No additional.

Councilmember Caputi: No additional.

Vice Mayor Durham: Thank you. Gerald Conover, Bethany Schilling, Peter Palmer, John McHugh and Patrick Mazzarella have been nominated.

Mayor Ortega: Excuse me, I think because so many go single votes with no additional, I want to make sure that Peter Palmer shows up for my nomination. In other words they were quite a few singles which would –

Vice Mayor Durham: I nominated.

Mayor Ortega: I want to make sure that that is shown. We have so many singles and the same thing with -- I want to say Patrick Mazzarella. So that would be two there and that gets us a little bit more of what I reflected on.

Vice Mayor Durham: Thank you. This concludes our nomination process this evening. Individuals nominated will be contacted by city staff with additional information. I would like to take this opportunity to sincerely thank all who applied to serve on a citizen advisory board or commission.

Even if you were not nominated, your application will remain on file for one year for consideration at a future date if there are additional vacancies. Thank you, mayor and we are now concluded with the nomination process.

Mayor Ortega: Thank you. Excellent.

**ITEM 22 – OLD TOWN SCOTTSDALE RECYCLING AND OLD TOWN ALLEY REFRESH CAMPAIGNS**

[Time: 02:10:20]

Mayor Ortega: Next, we will move on to item 22 Old Town Scottsdale recycling and Old Town alley refresh campaigns. I would like to give the floor over to Councilwoman Janik.

Councilmember Janik: Thank you, mayor. Just a few comments on my part. I want everybody to know that the suggestions for this motion have come from owners in the downtown area, who are looking to enhance the way downtown looks to make people feel more welcome. And the idea about making it easier for the downtown businesses to recycle is the nudging from Andrew

Scheck.

So the idea to do this has come from very strong support with several of the councilmembers. I would like to make a motion to direct the city manager to develop and implement an Old Town Scottsdale recycling campaign and an Old Town alley refresh campaign prior to the holding is of the Arizona Super Bowl 2023.

Councilmember Littlefield: Second.

Mayor Ortega: Thank you. I have a motion and a second.

Councilmember Caputi: I love the idea of recycle and refresh. I just had a couple of questions about a little more detail because it just feels really vague to me. I've had some conversations with downtown business owners as well, and what I'm hearing is what does that look like with the recycling. I know people are very concerned with the alley way being busy already. If we put a recycle bin in there, what does that look like for parking? I have heard from a lot of downtown business owners that they don't use the city trash pickup and they are using other waste services such as waste management and republic.

And some of the other downtown business owners said that they have a regular pink bin like you do at home and they are putting that out already. In terms of the refresh, I just don't know what that looks like. I'm so happy that we want to refresh the alleys but before we devote city resources to this, I just -- like, what does it look like? I don't know. Maybe -- I don't know who would need to speak to that. But it just feels super vague.

[Time: 02:12:49]

I don't know if the city manager had anything to say or Councilwoman Janik, if you could just make it a little more -- I don't know -- I don't know what we are approving. That's all.

Councilmember Janik: Of course. Of course. I will give some general thoughts on where I see this going. First of all, we know that republic and waste management are involved in the solid waste. We will make sure that they are included if they want to be included in any of the efforts that we are going to undertake.

I think the biggest thing we want to do is get people to break down the cardboard, so that they don't need as much volume in the solid waste receptacle so, they can make that receptacle smaller and then get a recycle bin which would help reduce landfill, et cetera.

Councilmember Caputi: Are we talking about doing a mailing inside of a -- you know, electric bills or what does it look like? What sort of resources are we looking at? How would we change behavior?

Councilmember Janik: What we will do with the help of the city and David who is in charge of solid waste is we are going to make sure that the merchants know what services are available, and what the prices are for those services in terms of solid waste and recyclables.

And we are going to start with a prototype block where most of the merchants are using our services and then we will be able to measure the weight of the solid waste, see if it's going down, see if recycling is being enhanced and see if we can do it by occupying the same or less space than is currently being occupied. It is totally voluntary. It is supposed to be revenue neutral.

And I would hope -- and several of us will go through and actually try to give a personal touch, talk to the merchants, ask them perhaps will they consider being involved in it and see where it goes. We are not going to go great guns 100%. We will do it step wise and see how successful we are.

Councilmember Caputi: So like a social media campaign.

Councilmember Janik: Yeah. Yeah. I don't know, if Brent wants to add anything to this, because he's been the chair of the committee and he's done a very nice job.

Mayor Ortega: Sure and at this point we would leave it in the city manager's hands to report and look at how this could work. Was there another item? I will move on to Vice Mayor Durham.

[Time: 02:15:25]

Councilmember Caputi: I would want to know the cost. Thank you.

Mayor Ortega: Vice Mayor Durham and then Councilwoman Whitehead.

Vice Mayor Durham: Thank you, mayor. What's been said about the recycling certainly makes sense. I'm a little bit unsure what the refresh campaign is, though, if that's separate than and distinct and how much money is involved in the refresh campaign and what does that consist of?

Is it more planters along the streets or cleaning sidewalks or painting up fronts of buildings and I'm just interested in what the scope of the refresh campaign is. And the money for it.

Mayor Ortega: Good. So we may get some feedback on that. The city as a whole is spending over \$2 million, I believe on new flowers and other accoutrements in the sidewalk area. Whether or not some of this refresh idea, because we were also spending a lot in ADA ramping and all of those corners so we are completely ADA -- so as a look at it, more as a community buy-in as well, that we'll find out what our needs are. It's not necessarily exclusive to any private recycler or city taking on more duty. Councilwoman Whitehead.

Councilmember Whitehead: Well, I'm enthusiastically, I guess, thirthing the motion. I didn't know recycling in 2022 was still controversial. Our landfills are filling up, and replacing landfills is a heck of a lot more expensive than a few recycle bins. I go to cities all over the country, and actually, we're behind on this. It's rare that I go to a city that doesn't have you know, recycling -- you know, recycling containers alongside and also composting alongside trash.

So we definitely know that our ocean is about to have more plastic than fish we're told and here we are doing something about. And so I'm thrilled. What will our alleys look like? It will hard to make them look worse. So we have a real issue in our alleys and they are not safe. They are certainly not ADA compliant and they are not -- and they do not make for good tourism.

So I'm looking forward to seeing what the city manager can do and bring back to us and, yeah. Make our -- polish up our city, all corners and the environment too. Thank you.

Mayor Ortega: Thank you. Councilwoman Janik.

[Time: 02:18:21]

Councilmember Janik: Briefly, very simply, for me refresh and for many of us, means put the garbage in the bin instead of in the alley next to the bin. And hopefully if we can get a better balance of space utilization, through breaking down cardboard and recycling, there will be more space so the garbage is not on the street. And that definitely is revenue neutral. So thank you.

Mayor Ortega: Thank you. Okay. With that, we have a motion and a –

Mayor Ortega: Okay. With that, we have a motion and a second. Please record your vote. Okay. We are unanimous. Thank you so much. And next, we will be able to take a breather. We are going to adjourn. The regular portion of our city council meeting and we will reconvene a work study for the patient ones to look at two issues. Can we reconvene at 7:30? That's about eight minutes from now. Thank you.

[ Break ]

**CALL TO ORDER**

[Time: 02:19:58]

Mayor Ortega: I call the September 20<sup>th</sup>, 2022 city council work study session to order. You know, for the record, everyone is here as council and charter officers are present. Our work study is a less formal but agendized program whereby we can tackle, discuss, the topics which are agendized and known to the public. We also are able to give some general feel of where we are coming from as a council on the subjects, again, which are as posted.

**PUBLIC COMMENT**

[Time: 02:20:45]

We also provide the opportunity for public input. Public input regarding the two or the work study items. We allow a maximum of five commentators who would each receive three minutes to discuss and make their point. At this point, I have a listing of three who are -- sorry. Five. And we will call you forward. Please state your name, address, and the subject. You have three minutes. Let's start off with David mason and then Peter south.

David Mason: I'm David mason and I live at 33217 north 61<sup>st</sup> place here in Scottsdale. I want to thank -- I'm talking on the subject of the draft ordinance number 4566.

Mayor Ortega: Get closer to the mic. It would help.

David Mason: Draft ordinance 4566. I want to compliment mayor and city councilmembers for the important subject. I was a member of the Scottsdale short-term rental group and I'm glad to thank you and the staff for all the hard work on this issue. I commend you for making ordinance 4566, to protect the health and safety of Scottsdale residents and their neighborhoods and with provisions towards encouraging short-term rental owners and discouraging the irresponsible and insensitive.

4566 is worthy of full support and passage and should not be diluted. It protects residents and it helps towards managing the growth of short-term rentals already threatening the meaning and character of Scottsdale as homes are replaced by short-term rentals. To strengthen 4566, I offer some suggestions as provided in the markup, which should be included in the package recently handed out to you. They fall into this category.

The owners designees, are lodging property managers and should require with the same requirements in the other state. The next five are associated with no games that can be played. Penalties and fines should be associated with a property and transfer with ownership. Owners even if they are not natural persons should be clarified. If a property has been associated with a licensed revocation, the property should be penalized and not the owner.

In addition the owner should be penalized. It keeps the owner from merely changing the name of the ownership and going on with business as usual. Suspension should apply to the property, as well as to the owner. Also, failure to provide. And there's one in there, Section 1875 doesn't have any penalties. I think she should be. The online market operators should be able to maintain all the list of all the studies they have done on sexual predators and what their sources are. That's what we require of owners.

Most importantly on 877 -- on 177, currently it reads violations is, you know, are to be considered as one if there are multiple violations from a single police incident. It should be, I think may but are not required to be considers as one. If a police officer shows up and there's so

many egregious violations, he may say let's address them separately. I suggest under several others the court can be reduced to the fine to \$100. I think it should be reduce fines by 100. Short-term rentals are becoming an increasing problem for us all.

Mayor Ortega: Thank you for your work on that group. Next we have Peter south and John Hilderbrand.

[Time: 02:25:07]

Peter South: Good evening, my name is Peter south. I'm representing several owners of short-term rentals. We have several properties here in town. And I not only manage properties but I'm also the owner of properties. The reason I got into this business is because the memories that are created in short-term rentals. I have so many memories with my friends and communities.

It's foundations in community and people getting together and that sense of community is still here in Scottsdale. People getting together and in these short-term rentals and so I recently joined Arizona's responsible tourism board and we care about this industry and we care about our owners and we care about smart responsible regulation. A lot of our families, they rely on this income from these properties that they own. They rely on that income to pay for their lives and that's how I support my family. I have a wife and two kids in high school. This is how I support my family.

And so we care about our neighborhoods and we care about our neighbors. My rental is my first home. I still know the neighbors in that neighborhood and hosts know that an immaculate house is good for everyone. That's our business is to make beautiful houses in neighborhoods. We don't want bad guests. That's bad for us! And for our whole community. So we want to work with our neighbors. Work with the community and the city and some of these regulations are great. I want to point out a few that are undue burden on owners around town. A few of them is background checks. This is a difficult requirement from a privacy rights issue.

I'm also concerned about the violation system we are all for getting rid of bad houses but we're concerned that frustrated neighbors might call police and harass the people coming to this town and that poses a real risk to this town to have harassing of local business owners. That's what we are, local business owners. And short-term rentals. It's not just for traditional vacationers. It affects vacationers and long-haul truckers. People coming here for cancer treatment. I have someone at one of my houses for cancer treatment. It's not just party people coming here.

Another thing I noticed in the requirement was an occupancy requiring with six related adults. People come to these houses because they want multifamily experiences whether it's reunions or weddings or kids sports. They want to be under one roof. And so what I'm asking of the town sill is allow us -- council and allow us and the owners to work with you and you can hear our concerns about what we can do to help neighborhoods. We want to be good neighbors because

we know it's good for our business and we know it's good for the city of Scottsdale. Thank you very much.

Mayor Ortega: Thank you. John Hilderbrand and then Jonathan wicks.

John Hilderbrand: Thank you guys for letting me speak. My name is John Hilderbrand. I'm a resident in Scottsdale, also a host. I was born in Arizona, five generations deep. My grandfather was actually the mayor of Mesa some time ago. I say that because I have always learned to speak up for what you believe in, and this is why I'm here today. So thank you for your time.

[Time: 02:28:48]

I'm a board member in the community leader for Arizona for responsible tourism, also a board member of the Scottsdale alliance group. We focus on educating hosts for best practices. We held a webinar about the T.P.T. confusion. We had over 900 people join and we explained step by step on how to be in compliance. We are huge advocates for regulation and policy, but reasonable.

Arizona for responsible tourism is the largest statewide coalition in this organization. Vast majority of us hosts are located in Scottsdale and we do practice responsible host practices. We screen our own guests. We will have front door cameras. We have good neighbor policies that we share to other hosts that are maybe new or don't know all the regulations. Scottsdale is drafting a bunch of compliances as we work extremely closely with the state, on how to pass SB-1168.

A lot of those bills just -- 1168 just passed and we encourage the city to let that take place. We haven't even let that take place. There's a lot of things in place that we can take advantage of. A couple things, we just ask that we be a seat at the table. We would love to get input and help -- help regulate this. Sorry. We ask don't make regulations so complicated and cumbersome that it makes more people not want to or under the policy.

There's a lot of confusion right now and we are trying to educate people on that. A few bad actors should not spoil everything. There's a small percentage of people that we as good hosts are trying to educate and help get rid of. Keep it simple, 1168 outlines what cities can do for hosts, and with the permit process. Don't overcomplicate it which I stated earlier. That's pretty much it. I thank all of you guys. I would love to contribute as much as we possibly can with our organization.

Mayor Ortega: Mr. Hilderbrand, I have noticed your thoughtful emails and I appreciate that and you're well-spoken today. And just as a friendly question, you said you screen your prospects, right?

So could you elaborate that this is that a credit check or some red flag came up saying, you

know if there is something derogatory. It's such a big investment you are making, right?

John Hilderbrand: Correct.

Mayor Ortega: So what kind of screening would you normally do and that's all? Just a short –

John Hilderbrand: A lot of the platforms can't make a guest put their I.D. in registration. But as a host we can request that. In our community we don't let anybody book unless they are 100% verified on the platform. So they have to put in their driver's license, information, the platform will screen them, make sure they are real people and ask simple questions, what brings you to Scottsdale? Oh, I'm here with my family. What brings you to Scottsdale? Oh, we're here to party. Uh, no, thank you. We ask some simple questions.

Mayor Ortega: Super, I appreciate that. Next we go to Jonathan wicks. I show four speakers and there may be another name that I will get as well. So Jonathan wicks.

[Time: 02:32:30]

Jonathan Wicks: Mr. Mayor, Vice Mayor, my name is Jonathan wicks I reside at 3514 pinto lane in the southwest village. Personally, I'm a Scottsdale resident. Professionally, I'm a business owner. I'm the founder of well and good property services.

We are a servicing company that provides professional home services such as cleaning and linen services and home essentials. We do service the industry that involves the short-term rental industry and our goal as a company is to be providing a more professional experience across the board, making sure that homes are maintained properly, cleaned professionally and serviced as they should be.

I work with hundreds of hosts across the Scottsdale local area, as well as the Phoenix area as a hole. -- a whole. I know these hosts. And these hosts, they are members of our community. They stand for professionalism. They stand for decency.

I have personally seen firsthand what happens when giant management companies and owners don't care about the properties and don't care about the communities that they service. It is a problem and we have worked in our company to try to align with folks who are wanting to do this the right way. I also serve on the board of the Scottsdale short-term rental alliance and that whole community is a group of people who are committed to doing this the right way.

John mentioned that SB-1168 does provide cities now the opportunity to enforce the regulations and have requirements for these owners and hosts and I want to just simply say that the vast majority of the local hosts and own are completely ready to comply with feasible requirements and the ones that aren't are going to get found.

These management -- the giant management companies, the ones who don't care about the communities, the ones who are simply out to profit, we know who they are. We can tell you who they are. They are going to get found by this new ordinance, by the new bill that's in place. The question becomes: The feasible for the ones who actually are. And that leads me to this topic of the background checks. Background checks on each guest simply aren't feasible. Nor are they in line with any of the requirements for other companies in the hospitality and tourism industry. Obviously folks come to our city and stay at multiple different types of places and there's no such requirement, nor is there any problem specifically within the short-term rentals within in space.

So the administrative undertaking to even attempt to perform a full background check is so overwhelming it doesn't even factor in the financial costs, additionally a lot of folks come to our cities or stay at our properties on a last-minute basis. So there is a time frame that is required in order to do a background check which take a local family who has an air conditioning repair that is needed right away and they need an immediate place to stay because their home doesn't have air conditioning. We come to us to stay at one of our properties.

Imagine them waiting on a background check to clear. There are things that need to be addressed on a feasible basis. We are here and like John mentioned ready to deal with the feasible options. Let's make sure that we will catch the folks who are the bad actors. Let's make sure that feasible laws are in place within this ordinance.

[Time: 02:35:59]

Mayor Ortega: Thank you, Mr. Wicks. Next we have Sonnie Kirtley.

Sonnie Kirtley: Thank you, mayor and councilmembers. Lots to be said about short-term rentals. Mine will be about the definition. We have, many, many residents that have separate casitas and guest houses. And up until enforcement, our ordinance, our current ordinance that requires that the entire property be rented, have not been able now to rent their casitas as they have for many years to Mayo Clinic outpatients, to teams that come in for the Barrett-Jackson, groups that come in for the Arabian horse show and other special events.

Councilwoman Milhaven brought up a point when we discussed this before. Someone can put five or six casitas on a property and then you have a whole complex in a neighborhood. C.O.G.S. is recommending several things. Number one define the short-term rental as a possibility for a detached casita. Number two, there only be one allowed on a parcel. Number three, the owner would have the option as the owner to physically occupy the main house or physically occupy the casita. Why would that happen? If I owned a big house, my kids are long and grown. I could live in the casita when these groups come in like the groomers and the horse teams and so on and they need five rooms or something. They could use the main house. I could stay in the casita.

We have families that have been in this community for 30 and 40 years who have rented out their casitas. Some of them started out with the mother-in-law in the casita and the mother-in-law is now no longer around. They would like to continue getting that income from their property and I think that's only fair. Thank you.

Mayor Ortega: Okay. Thank you. That's five public comment. I do want to note that written comment has been submitted and are part of the record in this case, Linda Ambrose sent one.

**WORK STUDY ITEM 01 – COLORADO RIVER DROUGHT AND SHORTAGE UPDATE**

[Time: 02:38:25]

Mayor Ortega: We will have in order the presentation of our work study agenda, number one is the Colorado River drought and shortage update. Our presenter is Gretchen Baumgardner, water policy manager. And so the city code amendments related to short-term rentals is the next one after this one. Proceed.

Gretchen Baumgardner: Good evening, mayor and council. Oh, that's a hot mic! My name is Gretchen Baumgardner I'm the water policy manager. I have been here several times. I have a reputation of kind of bringing the room down because this is a serious subject and it's not always easy to talk about. So we come at you so often to really inform you.

We do that with our residents and our customers. Information is power to get in front of it and plan for it. As I talk through this, it's not always a pretty picture but hopefully at the end of it, there is a ray of light of all the things we have been doing. Okay. So first, I will talk about the 24-month study. Spoiler alert. We are in 2a or we will be in January 1.

And then the Bureau of Reclamation's announcement and updates, the condition on the Colorado River, both past and in the future. Our call to action, and then our conservation programs and update. So we will jump right to it. This is the 24-month study that the bureau puts out.

It's for the next 24 months two, years of Lake Mead which is the governing reservoir that will trigger a shortage. Tier 1, 2a, 2b and 3. So if Lake Mead is projected in January 1 of the following year to be in any of those, that's when we are in shortage. So January 1, we're in a Tier 2a shortage.

So what does that actually look like? I included this, what is called the tea cup diagram that, the central Arizona project puts out to showcase what we are looking at. This is basically the volume of Lake Powell and Lake Mead and Lake Powell has to transfer water into Lake Mead and the fun part about the game that we're playing here is there's call a physical -- where the physical level is and an effective level.

That's because the bureau held back some water from Lake Powell because they needed to save

the power pool at Lake Powell. That doesn't mean that it affects the governance of the system. So we are playing a little bit of a shell game here. So what we have to look at is the governance of the system is the affected level, not the actual physical level.

The next thing we want to look at here is the actual volumes of the lakes and then the volume of the lakes that it can contain and then the actual volume of the lakes that's there. You can see it's not very much right now. So let's talk about exactly where that this is. The hydrology of the past two years. This is the runoff that happens in the last two years water year '21 and '22. We had precipitation around normal, '21, 84% and '22, 91%. That runoff is not normal. We are getting hotter springs. We're getting windier springs.

That snow pack instead of turning into stream flow, it supplements into the atmosphere. So the aridification of the climate is concerning because electric's not a lot of certainty is this short term? What is next year going to look like? What is five years from now going to look like? And there's a lot of uncertainty in what the runoff could look like. Let's talk about what the Bureau of Reclamation has talked about.

Back in June and I wrote council a memo about this they made up a statement, saying we need to save to 2 to 4 million-acre feet. Those tea cup diagrams to save that storage. They gave us two months to come up with a plan. One the reasons why they came up with the 2 to 4 million number was they did their -- some modeling and no these are two of the models that they present to stakeholders and the orange that orange line will be Lake Mead if there's 76% average runoff and the green line is if there's 56% average runoff.

[Time: 02:43:11]

We got about 56% average runoff this year. If we get that, in a couple of years, Lake Mead can go no dead pool. So the Bureau of Reclamation says we need to do something now to save the system. The problem that is occurring is the dead line came and went. The seven basin states were not able to come to an agreement. Now, we're in 2022. The compact happened in 1922. So that's 100 years of the compact agreements, tribal settlement.

There's 100 years of worth of litigation, agreements and it snakes the system complicated and so to come to an agreement with the seven basin states, is a stuff thing to do. We weren't able to do it. They are still talking. We are waiting for the federal government to figure out what next calendar year looks like. This presentation is to come to you and say, we don't know what that looks like yet.

We're trying to plan everything around what we're going to guess what the federal government is going to do. So let's talk about what maybe potentially 2023 looks like. This is a confusing -- and I will have a couple of graphs here that will be kind of confusing but I will walk through them with you. This is the last several decades of what the inflow into Lake Powell looks like. So it ebbs and flows. Per the 1922 compact. You have to pass 7 million-acre feet.

Some years into Powell you get more than that and other years less than that. The last year you got much more less than, that which is causing Lake Powell and Lake Mead to lower. Calendar '22, we got an average of 6 million-acre feet. The forecast for calendar -- or water year '23 is potentially 8.3 million-acre feet. The minimum probability is 4.7 million-acre feet.

So there's still the potential for Powell not to get that inflow, which means it will be tougher for it to pass the water from Powell to Mead, which is critical for Mead's levels. So let's talk about what has happening historically on the river. Again, I know this is confusing. This is what the river will produce over the last century or plus, so since the inception of the system itself.

In the last century, not the last 22 years, but the 100 years before that, the system has produced around 15.2 million-acre feet on average. The driest period is around 13.1 million-acre feet. The last 20, 22 years we have seen an average of 12.3 million-acre feet. What scientists and climatologists are now having a conversation are, what does it look like in the future? What's the uncertainty? Are we going to stay at 12 are we going to stay at 13?

There's a lot of uncertainty in the system which means the governance has to figure out what it's going to follow and that's the conversation that the basin states are having and the federal government and it's a hard, challenging conversation, but we are doing our best to be a part of that and make sure that the state knows where we stand and how important our water supply is.

So let's step back for a second and what does a 2a -- because technically we are a 2a shortage January 1, we don't know anything beyond that or what the cuts look like. This is a colorful chart. The figure on the right is what is called a C.P. priority stack. So in western water rights, water is deemed by priority, junior priority users get their water cut first and senior priority users have the senior rate. So you kind of get first. Ag and NIA priority water, that's gone in a 2a. I color coded the graph on the left, and those are our priority water pools that we have available to us.

[Time: 02:47:04]

The vast majority of our water is either M&I or Indian leases from Indian settlements. So this is a figure that came out of our drought management plan that you approved in 2020. In a 2a we get shortage around 33, 3400-acre feet approximately what we don't know is what the federal government cuts could look like. It could potentially look like that Tier 3 or maybe even protection level.

Right now Scottsdale is water is going through a number of scenarios to plan for that so we can continue to deliver water to our customers. And this is also a figure I presented for you before and I included calendar year '21. One of those items we have done out of the many things we have done is continue to recharge our additional Colorado River water that we have rights to

and our treated wastewater and over the last several decades we have banked around 225, 230-acre feet. We couldn't call it on one year.

We would try to stretch that out to really make sure that we have a really great savings account. So what are some of the calls to act for ourselves and for our customers? We should be proud that we are the first city in the state to account act -- activate our drought management plan. We wanted to make sure that you and the customers we are the doing the best we can. We are not hiding it but getting in front of it. We expanded the messaging. We're increasing the groundwater capacity. We deployed our N.I.A. technology.

You approved the sustainable water management principles a month ago and committed to conservation and efficiency programs. What does that specifically mean in the drought management team meets every single month. That's a collective and collaborative body of did I visions and departments within the city to find ways to save water. So one of the things we have done is our park staff has been incredibly amazing. They got in front of this about two decades ago and so parks has saved water and been as efficient as possible but they are trying to hone in even further.

Our facilities guys, I want to really have a shout out to facilities because they are great partners with water conservation. They worked with us to find great water savings. We have done water audits in almost every facility that the city owns. One of the great things that came out of that, we built pay new rebate program and one things that we piloted with them, cooling towers is what cools a building hasn't they use a decent amount of water. We purchase for them 7 cooling tower optimizing controllers so they can optimize the cycling of those cooling towers. They put in that probably several months ago.

They are seeing an 8% savings on just optimizing and being as efficient as they can with something that's already in place. We are committed to that efficiency. So the idea of not only saving water but taking a process that's already in place and owning it in and using every single drop as efficient as possible. We talk about Xeriscape and taking out turf. Or a commercial entity. Those are the conversations we have with our customer.

[Time: 02:50:30]

We should be proud to be Scottsdale. We have one of the most robust conservation. There's many other valley cities listening to me. We have one of the most robust conservation systems in the state. This is just a swath of all will things we do. Will have large items. We have training videos, commercial audit programs, we did it with a facility. We had a meeting last week with SUSD we will start to partner with them and find ways to help they can save water. We have the HOA program.

We have our residential outdoor water efficiency checks to help customers be efficient and save water by just being mindful of how they use their water. And we have water smart portal. If you

get your water bill -- most people don't look at their water bill because in the past, it's only been a chunk of 30 days worth of water. That's not helpful. What is helpful is you can see your hourly usage, what your irrigation goes off at 6 a.m. When the irrigation goes off maybe in the middle of the day. Do you need to do that?

We can have conversations with customers of what they their water. I will go through a couple of things that the water smart portal. Does we turn on the leak alert. There's an algorithm, if it detects there's a potential leak, it could send an email or text message to a customer saying we think you have a leak based on this specific algorithm. We think you can check it and here's ways you can check it. The algorithm can tell whether it's outdoors or indoors and the vast majority are outside. We had great customer feedback from those.

They found leaks before they paid that couple of water bills and say why is my water bill so high? This tells them when they have a leak before they have to watch for the high water bill. This is a summary of some of the intense increases in our water conservation program. We had a call to the public to do better and we have seen drastic increases. So currently right now we do outdoor efficiency checks or audits for residential folks. Westerly just in the third month of the fiscal year and we have done 89. Last year, we did 150. It's 154% increase.

Our HOA fits 45% increase in interest and site visits our rebate incentive program, we have 392. I made this slide a week ago. This is -- it blows every other fiscal year out of the water. We have -- out of the last five years, I have a budget of this fiscal year 300,000, regular last fiscal year is 250,000. On average we spend about 200,000 for rebates. Again, this slide is not up to date because I made it a week ago. Right now we are at \$450,000. And the majority of those are turf conversions to desert adaptive landscape. With a number of those being HOAs. And our water waste complaints are increasing by 200 and we go ahead and that to them about water wait options and how to combat those. Can I get that Elmo on too?

[Time: 02:54:00]

So if anyone checked their email last night, you should have gotten an email that talked about our overseeding campaign and so we are trying to get -- when you message to someone, you message in a bunch of different ways. We've got our website. You should have gotten your email last night. We are doing social media. We have an earned media. We had a media outlet come and interview an HOA along with one of my staff, and we did a media buy. Do you have the video? We have a short video clip I would like to show you.

Audio from the video: Wow, I love what they did with their lawn. Check out all the brown. Beautiful!

Gretchen Baumgardner: Thanks. Will you go back to the presentation?

Mayor Ortega: And here we can tag on to that, Ms. Baumgardner because tonight we passed an

ordinance, which prohibits HOAs from requiring mandatory overseeding. So that's -- that's very important step that goes in tandem with what you are --

Gretchen Baumgardner: We put it on the consent agenda and worked with the city attorney's office to make sure that it was appropriate language. There are some HOAs in town that mandate overseeding and we had a number of customers who say I just don't want to. I want to do my part. I want to have a choice. And so we have now in code, it will take 30 days to put it in effect, but we can still message it, but you can't mandate to a customer to overseed in an HOA. They have a choice.

So bullet number two is a new rebate we have been working on. It's called a water management and efficiency rebate. That's one of the rebates we use with the cooling tower controllers. It gives us the opportunity to monitor technologies. There's an example there.

We have been working with an HOA, up near water admin and they are putting new components in and they are looking to save about 1 million gallons of water on an annual basis. There's a possibility to come back for code changes. We worked heavily with planning. There's a portion that is irrigation component. My staff have experts that have decades worth of irrigation expertise and wrote up some components of that.

[Time: 02:57:04]

Whatever you decide this in green building code but should it not be passed in a mandate, we would like to come back and bring that and put it into actual code. It's the strict prohibition. Anything less than 8 feet in turf, if a new commercial entity wants to come, in that's prohibited and one the reasons is the technology of rotors, you tend to overspray and it's also not -- nonfunctional turf.

Smart sense, smart irrigation weather controllers for all new commercial entities, we think that there's many valley cities that have started implementing that. We think it's a no-brainer that commercial entities should do stuff for that. We have a rebate for that and we believe it should inbound code and then irrigation requirements that can help with the efficiency and we are working with the sustainability and finding ways to build that process in for planning and then we're really committed to the precision conservation.

That's one the reasons why are we have the such a big conservation. We can have a conversation for what works for them so they can be stewards and still do their business. And with that, are this any questions?

Mayor Ortega: Thank you. Excellent. Councilwoman Janik.

Councilmember Janik: Thank you, mayor. I have a question that I had. Phoenix won't limit water use because California would take the saved gallons and it was a representative from the

management advisor for Phoenix Cynthia Campbell and she says the city won't mandate that the residents save water by initiating bans and it's because their belief that that just means California will get what we have saved. And I have heard this in many of my emails so we can build more high rises and other states will then get water at our expense. What is your response to this?

Gretchen Baumgardner: So first, the majority of people who have Colorado River water will still order the same supply. I will go back to this slide right here. What we do with the water saved is we put it in the ground for future uses for next year's use, for ten years of uses for our children's use. So saving water is for the future.

[Time: 02:59:50]

The complex governance of the system and if California is going to get it. California has senior rights technically everyone could go dry and California still has that right. It's complicated and is the federal government going to allow that. The central Arizona project is probably not going to dry, but we will probably have to do some heavy conservation to prove that we are putting other best forward. Why should not do something. We will be sustainable and resilient in a desert city. So that water is saved for our future.

Councilmember Janik: Thank you.

Mayor Ortega: Also looking at that slide, 225,000-acre feet what is our consumption as a city per year? Is it 50,000-acre feet or thereabouts or what would you just guess.

Brian Biesemeyer: Mayor, Brian Biesemeyer, executive director for Scottsdale water. Our consumption is around 90 million -- sorry, 90,000-acre feet, a little extra zeros in that one. About 90,000-acre feet overall for the city to put that in perspective, there's some other things that Gretchen didn't mention with that slide. We actually put more than that water in the ground and what she subtracts out is because we use some of the groundwater every year for peaking.

We put a lot of water in the ground. The last number that we got credit for was around 17,000-acre feet of water credits that we put in the ground and we used around 3,000. We got pumped out and another 5,000 is incidental recharge that we get credit for as well. So just to put a little clarity on that. Thank you.

Mayor Ortega: So then looking at that, again, we are fortunate to have a savings account, a water bank, but there again, it has certain limitations. Another item that we have enacted today was item number 4, I believe, which was the new aquifer storage up near legacy, and then also another injection well that could take water out of the aquifer. So that was covered by our coin satellite today.

Covering the plan, it's almost like saying we need larger pumps and pipes so we can take out

volume whether it's needed as well as inject volume because you only -- we only have certain sized straws, basically to sip out of the savings account and that's also a limitation on our accessibility to the savings account. You know, everything is very eye opening. Obviously we have -- the key moderator for our Thursday event and we will have full participation of our council. As well as all interested parties.

Other mayors are scheduled to be with us and, of course, it would highlight both the Bruce Halen with Salt River project. That's another part of the formula of surface water off the Verde and Salt River. That's what I call Arizona water, more Arizona water, right? But that has its limitations. They're not shipping it out to California or whatever. Obviously that's SRP delivery.

[Time: 03:03:39]

The other one, you know, CAP is and still remains three-quarters of our dependence on that water in our portfolio so that has -- that makes us significantly vulnerable, as well as we are prepared with our full portfolio. If we look at ex-of these measures, I kind of read that at the present time, we are a hair under Tier 2b. I don't know if I can say it that way.

In other words, in mid-August, we were not sure if we were going to get a 2b declaration. That's out of our control. That's upstream decision, you know from the feds. But at the present time, you know, last year we enacted the Tier 1 immediately. Have we enacted the Tier 2b or not waiting until January? Just a general question.

Gretchen Baumgardner: Technically, as it's written in code, you authorize a stage 2 of our drought management plan. You as a whole.

Mayor Ortega: Yeah, so it's a step gradual -- a gradual step. We just don't know how the snowfall or precipitation is going to occur that would you know, potentially stabilize tread water or whatever you want to say or not. Thank you. I don't see any other comments from us and let's move on to --

Gretchen Baumgardner: Thank you.

Mayor Ortega: Thank you so much.

**WORK STUDY ITEM 02 – CITY CODE AMENDMENTS RELATED TO SHORT TERM RENTAL PROPERTIES**

[Time: 03:05:20]

Mayor Ortega: The second one is the work study item for city code amendments related to short term rental properties. The presenter is Brent Stockwell, assistant city manager.

Brent Stockwell: Hello, mayor and city council, I'm here as part of an extensive team of staff

throughout the organization, that has been working on short-term rentals rental response. With me is deputy city attorney Luis Santaella and there's members from the fire department, fire department, code enforcement, city treasurer's office and the city manager's office that meet biweekly and work, daily on these issues.

The team is very dedicated and worked diligently to improve monitoring, enforcement and communications to ensure that Scottsdale is doing everything it can to manage the impacts from short-term rentals. So as you recall, we are on a journey that started in 2016. When SB-1350 was passed and the Arizona legislature short circuited cities and towns from prohibiting short-term rentals.

[Time: 03:06:46]

The short-term rentals working group of 12 Scottsdale residents including two councilmembers, Councilmember Janik and Councilmember Milhaven met six times over 12 weeks to develop nine recommendations. Those recommendations were ultimately approved by the city council. Dash that gave our team our Marching orders to proceed with implementing each of the recommendations.

We met with you in save and December of last year to update the vacation rental and nuisance party ordinances with a promise to advocate for necessary changes to state law to return needed short-term rental oversight to the city of Scottsdale and to continue to evaluate necessary public health and safety regulations and bring forth additional revisions when they are ready. That's why we are here tonight. The state legislature passed SB-1168 in June.

Governor Ducey signed it in July and it goes in effect later this month. We held off any other necessary public health and safety regulations so they could be considered at this time. So for context, the next two slides share with you a sense of the short-term rentals requests and also complaints over the past few years since the HB-2672 went in effect in 2019. That's the one that allowed us to require contacts and to implement some additional publication health and safety regulations.

Since the working group was formed in April of 2021. We had a surge of requests through the Scottsdale E.Z. website. That includes those providing contact information and short-term rental complaints. This is looking at could enforcement complaints. So those are properties without contacts. Properties acting as event centers and occupancy. You can see June 2021 when we are in the middle of the working group. It's important to place this in context.

According to the information from the technology provider and city systems we have identified about 2800 short-term rentals advertising or recently listing properties for rent in Scottsdale. Those are properties that we know are advertising and we know where they are located. In addition, there are at lost 1500 live listings in Scottsdale that we don't know their address.

We asked Airbnb and vrbo in identifying those properties but they are much more difficult to do even with technology and even with the staff team working on it. So that brings us to a total estimate of 4300 short-term rentals properties currently operating in Scottsdale. And currently about 2600 have provided contact information to the city.

For those of you keeping track, that number as only 800 back in April of 2021. So that's been a definite concerted effort but there's still a gap of about 40% of the rentals that haven't participated yet. So I'm very proud of the work of that team.

And if you haven't -- you really should search Scottsdaleaz.com and short-term rentals. There's information this for people that operate short-term rentals. It's for people who are neighbors next to short-term rentals, all of those different resources are there. To help people out and there's a set of questions at the end and videos from presentations that we have done.

So it's a great resource that you should take a look at if you are really interested in subject. So within this context, the topic nor tonight is twofold. First of all, implementing the provisions of SB-1168, and then second consider additional public health and safety regulations that could be implemented just for short-term rentals.

[Time: 03:10:49]

SB-1168 was a combined effort of legislative drafters online lodging marketplace representatives and so the representatives from Airbnb and vrbo and their lobbyists and the league of Arizona cities and towns and their lobbyists. It's a limited restoration for cities and towns primarily to require a license to operate and under a short set of circumstances in which the license could be revoked.

There are some unusual provisions there, and there's some language in there that's less than ideal. I can guarantee you the primary reason it's there, that's the way SB-1168 was drafted and that's the limited restraints that we have. That's probably the answer if you ask me why is it that way? Let's talk through key elements of the ordinance to regulate SB-1168 first. I won't spend a lot of this.

These are all the fees identified in the ordinance. Most of these are the maximums allowed under SB-1168. The first one in particular about the annual licensing fee. SB-1168 said that cities may set a fee not to set a fee not to exceed or \$250, whichever is list. The city treasurer's office is recommending setting the fee at \$250 because it's lower than the anticipated actual cost of the city to issue the permit.

And estimating cost we considered the cost of additional licensing to the licensing system we use, the centralized database and the credit card fees and computer servers and the staffing costs to review and mandated seven day review period. The they are fees here are either consistent with the limits of SB-1168 or they are set to give direction to a judge to encourage

compliance if it has gotten to that point and then there are fees in the ordinance that are not listed because they are set up elsewhere in city code.

Sometimes it's silent and it doesn't say what the fee is for that area and that's because there's already a fee schedule set in Chapter 18 or the property maintenance ordinance for that. SB-1168 set the criteria that cities can consider as requirement to obtain the license. They are summarized here. All of the allowable provisions were included in the ordinance and are summarized on the screen.

Since it is referenced here, and it's important to note that one the provisions that was already in state law was the ability for cities to prohibit short-term rentals from being used to house sex offenders. SB-1168 extended this in a couple of ways. First of all and remember this is the 1168 drafting committee, the industry lobbyists agreeing to what they felt were okay provisions for cities and towns to have to draft their license around. They included the ability to deny licenses to owners who are registered sex offenders. So that's in the law that we have. That's not something we came up with.

[Time: 03:14:22]

Second of all, they included the ability to require background checks to ensure there are no sex offenders staying at the short-term rentals. Remember, all of these short-term rentals are in residential neighborhoods and there are already laws about registered sex offenders and all that. So again this was agreed to by the industry lobbyists and includes an important exception that this requirement is satisfied if the website on which the rental is advertised performs the background check.

So if you are advertising on Airbnb, or vrbo which the vast majority of them are, this is something that the industry has agreed to do on their behalf and that would satisfied the requirement. That was -- so it appears to be a responsibility that the major platforms were willing to take on to protect public safety. I want to do something slightly different here because I know this is an important point. Rebecca is going to pull up an Internet browser. And I will show you what our intent on this is.

I think it will be very clear that we are not trying to make it a difficult requirement here. And it's actually the same requirement that the town of Paradise Valley has had in place since their ordinance was passed in January. So national -- oh, there's a little bit of a delay here. Do you know how hard it is to type with councilmembers watching you? Oh, there it pops up. This is the U.S. Department of Justice national sex offender public registry. You go up to this site and the search comes up.

Is anybody willing to have their name typed in. I will put my name in here.

[ Laughter ]

Brent Stockwell. I've got to acknowledge that I'm not a robot. This is the hardest part of the whole thing, because I've got to pick what things are stairs. So I think I got the three stairs there. And then results. It doesn't find any. Zero records, right?

So you might ask, well, what happens if you put in another name like John Smith. Well, John Smith will come up a ton of times because people -- particularly people that are registered sex offenders will give that as their name, right? But it will show what the address is and it's been talked about previously, the host can then have a observation back with the person renting it and ask them, hey, I did a sex offender -- I'm not allowed to rent to registered sex offenders, I did the search and your name came back, do you have any explanation for that? We wanted to put that out. That's the intent of this. It's not trying to do something more difficult.

Again, if you are with an online lodging marketplace like Airbnb, and vrbo, they said they will do that. Thank you for indulging me on that. Rebecca, let's get the slides back up. All right. So similarly, SB-1168 set a narrow set of criteria to deny a license. The very narrow criteria for issuing and ordinance that the state legislature gave for us to do that. Those are the criteria that we can deny it. Likewise, there was a narrow set to revoke it.

We have to go to court three times, for an ordinance that was established to protect public health and taste for a nuance party. So three strikes and then you head to a suspension process. For these three verified violations it will be done administratively in SB-1168. The other two circumstances, so these one strike you are out, that actually has to go to a judge as well. There's a lot of protections in place here for due process.

[Time: 03:19:08]

But mostly, those one strike and you are out things are for very serious things and things that the owner knowing and willingly did that and was found responsible for. So suspensions are for one year, but either the judge or the hearing officer can suspend them if it's found that this have taken place. It's not trying to be punitive, but a situation where we can have the right actions happen in our community most of the time. So to highlight really quickly on the one strike.

There were some conditions that were so serious that they felt that they warranted only one strike. And in the negotiations that went back and forth a lot between what as included in the three strikes and what was included in the one strike. What we have in our ordinance is what was allowed under SB-1168.

Okay here are a series of other requirements that are allowed by SB-1168. Of all of these, I want to focus particularly on the additional public health and safety requirements included in Scottsdale revised code 18-174. And again, most of these requirements, these are requirements that were just listed as things we can include in state law and so we're just including it in our ordinance. Again, this is a shift. These are the health and public safety things. What do we do for

these?

So state law requires cities to regulation short term rentals for the purpose of protecting the public health and safety if it's for the primary purpose of protecting the public health and safety. So the public policy issue is you can't put these requirements in just to make it difficult for or to try to drive them out of being short-term rentals. You have to build the case that these things are absolutely necessary for public health and safety.

Again, your team went through and the additional requirements, we reviewed state laws that are applicable to laws and we looked at other ordinances passed by other cities and towns, particularly the one passed by Paradise Valley and particularly the provisions that withstood a 14-87 review by the attorney general and were found to be consistent with existing state law. And so we made a series of these recommendations and they're included in here.

So remember, you can -- there's all this stuff that you can do just to comply with 1168 and the things on this slide are things that are special and unique to Scottsdale that you would do because you really want to protect the public health and safety, both the people that would stay there and the people that are in the neighbor's -- in the neighborhood around them.

So quickly let me go through those. So, they include requirements relating to trash and garbage. Trash issues are one of the most common complaints in solid waste, they have spent significant time addressing trash and garbage issues at short-term rentals. The interesting thing about this is these requirements are applicable to all the single-family residents anyway.

[Time: 03:22:40]

So we are already allowed to require short-term rentals to do what we require everybody else to do. The reason why we are putting it in chapter 18 is then that gives the ability for our short-term rentals code inspectors to include that as part of other issues they are addressing on a property. So that's the first one.

In addition, there are several fire and life safety requirements these are necessary because the renters are not as familiar with these homes as they would be in their own long-term rental or residence and it's important for the city to ensure that the rentals ensure they have such things as working smoke alarms. So there's a lot of things to be considered when we went through and talked with the fire marshal. We said this is the one that definitely needs to be in.

We need to make sure that they have working smoke alarms and there's a number of studies that outlines the importance of having these working no short-term rentals. If you go to most of the websites, the owners of the properties can identify all the safety features that they have at their site. So it's something that the online lodging marketplaces have already identified that people are looking for.

Next one, there's public health reasons to ensure that properties are cleaned between bookings and also that there's regular pest control treatment. These are necessary to prevent the spread of disease and also ensure a healthy experience in Scottsdale. Also, if the rental includes a swimming pool, hot tub that is accessible, to the renters, they have to comply with the barrier requirements. Most new construction would already do that. You already have to comply with that.

So this was a particular concern because there was a death from a child at a Scottsdale short-term rentals with a pool, and these are common requirements in new homes for hotels but many rentals predate these requirements and have not been updated and as renters are not familiar with the properties as they would be if they were in their home including this requirement is also recommended as well.

Finally for safe safety purposes there's a requirement that they provide a map of the floor plan to familiarize the renters with the access of exits and location of safety equipment. SB-1168 includes the ability to require neighbor notification. This was specifically included to encourage owners to share their contact information directly with neighbors and encourage neighbors to contact those property owners directly with concerns rather than having to go to the city every time because the city is the one with the contact information rather than the neighbors.

Like the other sections there are narrow constraints on how this must be done and how each property has to attest that the notification has been done and it has to be done before a property rents for the first time and it must be done any time of the contact information changes. Again, not requirements that Scottsdale staff thought up. These are requirements that were included in the legislation and signed by the governor. Last slide.

These are the major provisions in ordinance number 4566. This is very much still a draft process. We have reviewed and continuing to review all the public comment that came in about how to make the ordinance better. We are also meeting with industry representatives is. I have a meeting with Airbnb tomorrow. I couldn't get it set up before.

And I was reached out to by the alliance and we are setting up a meeting to talk to them as well. And I know we will be talking with the Scottsdale area association of Realtors because of their knowledge base and their concern about this. And we'll continue to monitor this. If you go to our website, [Scottsdaleaz.gov](http://Scottsdaleaz.gov), search short-term rentals, the link to this information is up at the top of the page and we appreciate everybody putting their input in here.

[Time: 03:26:34]

As all the people on the team know because they get every email that you get on short-term rentals and every email I get on short-term rentals. We have people that are very passionate on both sides of these issues and we're really trying to work very hard to make good public policy here but also to make sure that we're following through with the requirement and the guidance

that we committed to back when we started this effort, in April of 2021 to make sure that Scottsdale is doing all that it can do to protect against any negative impacts from short-term rentals. So last thing.

We are going to make my changes based on your feedback tonight, any other feedback that we get that makes a lot of sense and is consistent with the direction you get, we will bring back the revised draft for adoption on October 25<sup>th</sup>. So a little over a month from today and then keep in mind that any ordinance takes effect 30 days after adoption and then SB-1168 requires a 30-day grace period beyond that to give time for licensing.

So the licensing requirement would not take -- fully take effect until 30 days after the effective date of the ordinance or right before the end of the calendar year. It's holiday season. So you can get your -- before you celebrate the holidays, you can get your short-term rental license with the city of Scottsdale. We are ready to do this and we -- I really appreciate how long this has been already. I will stop my comments there.

Mayor Ortega: Thank you. Councilmember Janik and then Vice Mayor Durham.

Councilmember Janik: Thank you very much, mayor. Thank you, Brent. Very, very good presentation. I appreciate the fact that you referenced all the reviews by yourself and legal to make sure that we were doing the right thing for the right reason.

The own thing that I would wonder if it should be considered is renting out their casita. I don't know if that goes to a different department or that should stay with the work we are doing on short-term rentals.

[Time: 03:28:49]

Brent Stockwell: Let me comment on that briefly and I met with the landaus who wrote to you and Sonnie. I feel for them as well. I think the challenge is we haven't brought anything on this previous because we have gotten no indication from the city council that you wanted an expansion of the properties that short-term rentals could be held at.

And what would happen is I completely understand it and I would love to do it in just that one case but then it would be -- it would extend to more properties, right, and it would in essence turn a single family property into a multifamily property. And we really held the line and tried to enforce, you know, you can rent out a room in your house if you are there.

But if you are allowing a -- you know, because you have the freedom of association. You have the ability to do that. Once that becomes a casita, that's always been allowed. You condition have a separate family live there. You can't rent it out separately long term or single term. In addition to do this it would require a text amendment under the zoning ordinance, so it would go through a planning commission process.

It would also require a general plan amendment, also to be considered because you are taking all of these single-family properties and making them multi family. If you want to give us direction to start through the process, we can certainly do, that but I'm just explaining why even though we have been aware of this, it wasn't included in the ordinance that you had, and so -- that's the explanation I have for that.

Mayor Ortega: Are you done?

Councilmember Janik: I think we should probably indicate with raising our hand --

Mayor Ortega: That's not the subject right now. We are on the STR, not the text amendment. I think it's probably not relevant to what we posted in the study. Anyone can come forward and speak about the case. Continue if you had anything regarding this.

Councilmember Janik: You know we have all gotten tons of emails on this with hundreds of suggestions. And you are reviewing them as you said. If you see that are valuable that you have not addressed, how will you notify us that perhaps there will be some changes to what you presented today?

[Time: 03:31:19]

Brent Stockwell: So similarly to what we did last November when we had a work study session on the short-term rentals and then brought it back for final adoption a month later, we will have a red line version that explains the changes that we made and why we made the changes in that.

So I will definitely include that and then if we get any notable feedback that we can't include for some reason or the other, we will identify that for you as well. You may recall that we did that last year. We had a specific request for Airbnb, we disagreed with it. We didn't include it in the ordinance but we let you know about it so you could make the decision. Vice mayor Durham and then Milhaven and Whitehead. Vice Mayor Durham.

Vice Mayor Durham: I'm a little bit confused on the sex offender issue because a lot of comments said that Airbnb and vrbo don't do this, but you seem to suggest that they are doing the sex offender check that both of those are -- are they doing -- are they doing the sex offender checks?

Brent Stockwell: We would not have SB-1168 if Airbnb and vrbo did not support it. So I take that as an indication that they were willing to do that.

Vice Mayor Durham: Okay.

Brent Stockwell: I don't think that they are doing it today. It's something that they thought that they were willing to yield to and get the bill passed. It was something that was very strong that they were hearing from the public and also the other legislators concerned about that.

Vice Mayor Durham: Okay. My other question was -- and this came up in one of the comments. The -- the -- the ordinance says that in the 18-176 says that she shall perform a background check on every guest or renter. And I think that's the way it's written, it seems to me you can -- well, at first I was thinking about the owner. So it's every guest or renter.

[Time: 03:33:44]

So that means that there's got to be a background check both on the owner of the property and every guest for that specific stay?

Brent Stockwell: Yes, Councilmember Durham, Rebecca, can you put on the Elmo? So this is the specific -- this is the specific section that we're talking about.

Vice Mayor Durham: Yes.

Brent Stockwell: 18-176. And a, b, and c, are talking about a situation where you are offering it for rental and you are not working with an online logic marketplace.

Vice Mayor Durham: Right. Okay.

Brent Stockwell: D is the situation where -- and it says this the requirements of the section are satisfied or waived in the online lodging marketplace on which the vacation rental or short-term rental is advertised and performs the background collect. This language is exactly what's allowed in SB-1168.

So this is up west ones that it's slightly confusing, and may not be as practical as we may want to be but it also is consistent with the legislative authority we have been granted.

Vice Mayor Durham: But when a person makes a preservation, they don't have to list all of their guests, do they?

Brent Stockwell: Under this circumstance, they would.

Vice Mayor Durham: So your thought is under this new law, Airbnb or vrbo are going to have to request a renter to list all of their guests?

Brent Stockwell: Mm-hmm. Yeah. And I will get more information on that when I talk to Airbnb tomorrow and I will continue to explore that so I have an even better answer for you when we come back in late October, but yes, that's my understanding.

Vice Mayor Durham: And that would be a way of enforcing the eight person requirement, I think, right? Because if Airbnb says, you know, we have 12 guests listed, we would have the power to say no.

Brent Stockwell: So councilmember, that's an issue that SB-1168 really didn't give us the ability to address yet. As you may recall from when we talked about this previously, the occupancy limits in our code of a maximum of -- a family means a maximum of six adults and related dependent children. That's a very difficult thing to enforce and we actually need somebody willing to testify that they have evidence that more than six people were sleeping there overnight. That's a difficult thing.

It as conversation that we want to continue to have because as we have talked with people that are informed about this and the short-term rentals owners, they said that they can go in, in the platforms and put limits in how many people can rent in a place. And so we're going to continue to have that conversation with both renters and owners and also the platforms.

Here's the important thing in here. There is an attestation that you have to comply with all city, state and federal laws. The occupancy law for all single families is a maximum of six adults and their dependent related children. We will put that in the law. It's something that's more -- it's already a requirement of city ordinance. There's nothing new that we have to add in there. Perhaps the new tools that we have will give us a greater ability to do that.

[Time: 03:37:26]

Vice Mayor Durham: Thank you.

Mayor Ortega: Council woman Milhaven and then Whitehead.

Councilmember Milhaven: Thank you for the great work to do. I'm glad to see that we continued to refine. This as Councilwoman Janik mentioned, we got a bunch of emails and phone calls about folks who are looking for more specificity around what this means and concerns about who is going to interpret and what that means. And to do additional public outreach and get additional feedback, I think will be important to clarifying that and just to give you some examples.

For the sex offender, the review should be done 24 hours within the booking date. Is that the date they make the reservation? Is that the date they get the deposit? Or is the booking date the date of the stay? And so clarity around that. I understand the state -- this is the state's language, but I'm sure our attempts for clarify that's consistent with their intention would not be in violation of what direction they are allowing us to do but I think gives us the clarity to help the operators comply where we need to.

Other folks talked about, well we have to notify adjacent neighbor. Is it the block? Is it two blocks? If I walk around and hand out leaflets because they don't like the short-term rentals and they say they didn't get the notice how do I prove if I got a notice. If there's a new neighbor, am I responsible to notify the new neighbor? I think it's all examples of stuff that folks who want to be good factors who want to comply want clarity on and then the other thing that's not clear is how some of the enforcement would be?

So if I do a search of a guest and someone is a sex offender and I say that guy can't stay in the house? Have I met my obligation? What if that guy shows up anyway? As a good actor trying to comply do I say my job. Do I say, okay, buddy, I'm not renting to you at all because you are friends with a sex offender? I think we need that level of clarity. I'm pleased that you will listen to the stakeholder groups, that we are going to get additional input and to folks who are the good factors, I know this will give you extra work, but I think we are forced to do this, in order to protect our neighborhoods.

So I really appreciate that we have good actors that care about the neighborhoods unfortunately we have some bad actors who ruin it for everybody. Thank you, Brent, for doing the additional outreach and the additional clarity. I would not modify our ordinances about casitas and what it does -- I have every sympathy in the world for these folks.

I think Sonnie, the first time I heard, it why not in the property owner is on site. We heard from planning folks before that it would effectively change single-family zoning to allow two homes in a single family and I think that's an unintended consequence that I can't support. So thank you.

[Time: 03:40:49]

Mayor Ortega: Thank you, Councilwoman Whitehead and then Councilwoman Littlefield.

Councilmember Whitehead: Thank you, Brent, thank you, Luis. This has been a long, really unpleasant journey, not because of local owners. Brent mentioned that there's people passionate on either side. I have been on the phone at midnight on Saturday nights who have a wife and two children and a job and they are having just a nightmare of a time. And this is unfortunately common.

You -- there were no guns involved in that particular incident. So every single weekend, we are absolutely undermining the integrity of our neighborhoods, and we are undermining your profitable if we get rid of the bad actors then there's more customers for the good actors and I also want to kind of reiterate some of the things that Brent said. This is a limited restoration of local control. I would stress very limited.

There's a narrow set of conditions to revoke a license. I want to point to palm springs. They have a three strikes you are out. That's you the person, not the LLC or the address. What they found is complaints went down something like 75% and the number of short term rentals increased.

It did not by any means put anybody out of business but it got the unacceptable neighborhood disrupting players out of business.

So I'm disappointed with this because I don't think it helps you or our neighborhoods enough. I do think that if we and I just want to point out. You guys are sitting here -- we have 2300 registered, which is a huge pump up, but we have 4600. Clearly, clearly without laws and without penalties and without doing something different, we are not going to get compliance. We have to do something.

And I will tell you that many of the people that I know that are complaining about short-term rentals in their neighborhoods, the owners are not -- they are not even American. They are from some other country. So I certainly agree that the local owners overwhelmingly agree with good regulations and are not causing the problem because you are here and we can reach out and complain loudly instead of complaining to city council person.

So I do have some questions on what we do have. And I thought that was interesting that Brent pulled up how you check to see if somebody is a sex offender. That does look pretty minimal. And I want to comment that when you rent a home, a single-family home or a condominium long term, absolutely you require a list of every single person that will occupy that premise. I would like to definitely see that.

And the state law prohibits us, you know from adding extra burdens, but that's a reasonable request. It's good for the operators too. Who is staying in your house and then when there is a problem, at least you can tell the police who might be part of that problem. I do like the idea of requiring a list of all the occupants and then that will -- you talked about wanting -- the operators talked about wanting to be law abiding businesses. Well, the law says six adults.

[Time: 03:45:14]

We have to figure out a way to enforce. I am in Airbnb and vrbo all the time and I manage to do it without five other adults. Lots of memories. I think we will reduce the incidents that we are having. Almost all the time when I have a resident call me up or email me in the middle of the night, it's because there are not six men overlooking their fence and knocking on their door. There's a party. There's a large number of adults jumping off the roof naked into the pool. So usually if you limit it to six, you -- I think without data to prove it, I think it will reduce the incidents, the problem that we are having and reduce to the cost to the city.

One of the gentlemen suggested something that I really like. If the police go to a house and there's a party and there is underage drinking. This is one jumping off the roof and naked into the pool, and engaging in drugs. That seems like three violations to me and yet it seems like we are limited to just do one. Can you explain that?

Brent Stockwell: Yes, Councilwoman Whitehead, members of the council that's something that

is a specific requirement in SB-1168 and so when the comment was made earlier, Luis and I did look at SB-1168 draft and they require that if there's multiple violations related to the same event that counts as one verified violation. That's a limitation that we have and so when you think about the reasonable limits it will be three separate instances.

Luis Santella: Let me expand on this, the assistant city manager's comments. That would be multiple violations. They could be cited for the underaged drinking and the drug and potentially cited for public sexual indecency, what it -- and Brent is correct it counted as one verified violation in terms of revocation, but they can still be cited and penalized for all the additional violations.

[Time: 03:47:50]

Councilmember Whitehead: Okay. But that's still hard. If we sent the police back three time.

Luis Santella: If they were separate incidents but when you talk about drug use and underaged drinking, those are climbs and public sexual indecency, that's a crime. In the police were called out and observed those things, those people could actually go to jail. There are mechanisms in place to stop those behaviors. All of those things also, except maybe the jumping in the pool would count as nuance parties as well around gatherings. Thank you.

Councilmember Whitehead: Thank you. If we could clean up these instances, things would get better. I wanted to mention that I hear from residents all the time would have vrbo or Airbnb neighbors and comment that it's a local owner. That person is great.

I don't think -- I think this' a concern that people will try to get rid of vrbo or get rid of your businesses just to be mean because they don't want them in the neighborhood. I don't see that as happening. Another question I have is there's the requirement -- let me find it. There's the requirement to have that rather extensive -- here it is. On page -- the big notice that you have to have on the back of door or something where it says, you know, all things you are not supposed to do.

Brent Stockwell: Hard to read.

Councilmember Whitehead: Couldn't this be a requirement for the ads as well? Because it includes the six adults.

Brent Stockwell: We can take a look at that. We cannot place requirements on online marketing places themselves. We can place that on the owners or the owners designee. We will see if it can be included in the advertisements as well.

I know that in some of the prior conversations we had with people that run short-term rentals there's only such space in there and there are some things that we require on there, but we can

take a look at that.

Councilmember Whitehead: Okay. Back to complying with our rules the trash -- another big thing is the trash and the recycle. So can that be -- how are we going to enforce that. -- again, I'm not talking about the locally managed properties but we know that there's trash just left for weeks. How were planning to enforce that and what are the penalties?

[Time: 03:51:01]

Luis Santella: Brent, I will take that question. Mayor and members of the city council, went enforce that through the current criminal and civil citations. Those are mechanisms we currently have. So they would go to city court and be adjudicated. Those particular violations won count as verified violations. So it couldn't lead to suspensions unless they were so serious they disrupted the public safety.

Councilmember Whitehead: Okay. Then there was a question if -- if -- if I'm a property manager, I have to be a licensed real estate agent or a broker. How does that apply to this?

Luis Santella: We don't think it's applicable. We don't think we have the authority to requirement that. The state has preempted us from regulating and mandating what licensed Realtors can do. So we don't think that would be in the realm our authority.

Councilmember Whitehead: Okay. Well, I'm looking forward to have a healthier community and better laws on the books to help us all keep our tourism industry up and neighborhoods safe. So thank you.

Brent Stockwell: It's also important to note that we do have a sergeant that's dedicated to running the short-term rentals unit. We still have to wait a while for all the officers to get hired and on board. But the sergeant is actively reviewing all of these cases and adding great value and assistance and making sure that's better. We also as of today have a full-time code inspector dedicated to short-term rentals response as well.

We are working on hiring an additional one. And all of those things are helpful because we had to do all the other things we had to do in terms of police and code enforcement. We do have some additional responsibilities to be able to do that.

Mayor Ortega: Good? Councilwoman Littlefield.

Councilmember Littlefield: Brent, I would like to thank you for all the work that you have done this. It really shows and it's very much appreciated. Thank you.

You were asking for input from what I was worried about, the feedback I have gotten from people, and families who have been impacted by these. A, noise. Especially late at night noise.

Late hours, nudity, trash left out. Jumping off the rooftops into the pools in the nude, in front of kids.

I got one call from a friend who was next to a sex party being held in one of these homes with marijuana sales and evidently having a lovely time in the backyard and loud and lights and so those are the finds of things that people complain about. So those are the kinds of things that interfering with the quality of life of our neighbors and our neighbor and children.

[Time: 03:54:28]

A lot of what I get complaint about is things that happen if kids are out in the yard playing and there's a home here and the guys are running around nude or having a sex party or something, and the kids see this. And this is irritating. Those are the kinds of things that I have heard from, loud noises all night long, parties, music and nobody can sleep and they have to go to work in the morning. That's kind of where I am.

I have to agree with Councilwoman Milhaven and what she said. I think she was right on target with a lot of her comments here. Those are things I would like to make sure that we have a clear path to solve that kind of thing, background checks. That's important.

We are allowing people into the neighborhoods of our citizens to be there, and to enjoy the neighborhoods. That's fine, but we need to be able to expect a reasonable and rational response to those people in the neighborhood. I mind having people offended by actions that aren't neighborhood if you well. So thank you very much.

Brent Stockwell: And if I may, if people are wondering why those types of things are not included in this ordinance, they are in the nuisance party ordinance and other ordinances. They will be by highlighting for owners what our laws are and what they can and can't do. And requiring them to go through a licensing process and attest that they will follow that, we think that all has an effect of making them more aware and decreasing the likelihood that those things will occur.

The notice clearly outlines those things and other things that are already against the law to do in public view. So with just tried to make that a little bit more clear but that's why they are not in the ordinance that you have in front of you because they are already covered and having additional staff to enforce those and having stronger laws and the ability to suspend a license for someone for the bad actor as mentioned earlier, that repeatedly violates the law, those are all things and better tools for us. Thank you.

Councilmember Littlefield: That's true but those are the things that give the strs a bad name and make them resented in neighborhoods.

Brent Stockwell: Understood but right now it could hand three times, five times, seven times

and all we can do is fine them. This would actually give the ability to suspend their license for a year, and then -- and then we'll have to take additional action if they operate without a license.

Councilmember Littlefield: Thank you. I appreciate that input and thank you very much for what you have done, Brent.

[Time: 03:57:35]

Mayor Ortega: Okay. I have a few comments. Basically, really appreciate all the work done by the committees, and then by going to the website on short-term rentals, other voices independent and most is offered. That's just a fact. We have seen that bit of information. But the -- just to clarify a couple of things.

This ordinance is not intended to define sex offender and so forth. Those are already defined in a glossary at the state level. So we're not going to, you know, qualify at what point just to the best of their knowledge or the national registry, according to state law. We don't need to append or add a glossary when it's covered under other definitions.

Now, obviously everything got triggered by 1168, our ability to do this because the state had no enforcement. They did not fund anyone at the state level when they enacted and preempted us from acting from taking control of our own neighborhoods. Obviously, you are making a big investment as a short-term rentals owner, and one of the purposes of -- of tonight was to be productive is that it's my opinion and my finding that our direction among council is in line with health and security from the public do. Do I get nods for that?

Secondly, although some of the terminology may be clumsy or dissatisfactory or however you say, it is still according to the legislation, that allows us to make -- to move forward, otherwise, we did not have any protections for our neighborhood. And I will say that the most important investment protection is the neighbors and our way of family-friendly neighborhoods.

That's what matters we have also pointed out how it is to -- for life safety reasons, for the ownership to also take care and have smoke detectors and I don't think there's any -- I would ask for consensus that we are taking the best advice from the fire department and I don't hear anyone objecting that that's problem either.

The verbiage or questions of prohibitions of certain -- whether it's sex trafficking which is -- they have said that, as well as major felonies as being a problem on -- you know, as a reason not to rent, and that's -- you can't enumerate all the felonies that is possible, but it does mention that. I interpret that again, what are we doing? We are protecting our neighborhoods. You have an investment.

I've seen situations where basically party houses form a gauntlet. Does 1168 go far enough? I don't believe so. And we all expect that I won't Paul back from what we have and say well,

maybe certain felonies -- no.

I think we have to keep the verbiage and be very strong about that and consistent with that. So I'm as seeing nods among us. The final thing is everybody has to pay taxes when you are a business in Scottsdale. A year ago in April, only 600 of them had even filed with the state. Now, come on.

[Time: 04:01:58]

If you are selling ice cream or you have a store that doesn't have a license, you get nailed by the city. And we had to chase them down and we actually didn't have the suspension ability until you had 1168. It's like they had -- we were reporting them to the state and the state said we don't have anybody to follow up on this. That's the truth.

So think about that for five or six years or four or six years people basically, they could have been collecting sales tax. How do we know? They weren't paying it. I mean, when was that part really taken into account? So that's, you know, water under the bridge. We plan to be very firm and just, you know, know that we are -- we are with -- we are listening to you.

I appreciate all the comments and, you know, we do support small business and all the other things that are going on. At the same time, I'm very concerned about the shortage of housing and that's one of the ramifications of STR. Is there any other element that we have not answered for you? Because we want this to be productive. We want it to move forward according to the schedule.

And then finally the last thing is it was tested, right? You could say Paradise Valley or you could say we had a decision from the attorney general, saying, okay, this can stand. That can stand. And that's the basis of what we're doing right now. I think it's fair to all, and certainly want to not have tragedies in any of these locations.

With that, I see no other comments. And therefore, this matter is closed. I will ask for a motion to adjourn.

Councilmember Littlefield: So moved.

Councilmember Janik: Second.

Mayor Ortega: Please record your vote. Thank you and good night.