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CALL TO ORDER

[Time: 00:00:01]

Mayor Ortega: I call the April 18th, 2023, City Council Regular Meeting and Work Study Session to order. City Clerk, Ben Lane, will you please conduct the roll call?

ROLL CALL

[Time: 00:00:15]

City Clerk Lane: Thank you, Mayor. Mayor David Ortega.

Mayor Ortega: Present.

Clerk Ben Lane: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Present.

Clerk Ben Lane: Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

Clerk Ben Lane: Tom Durham.

Councilmember Durham: Here.

Clerk Ben Lane: Barry Graham.

Councilmember Graham: Present.

Clerk Ben Lane: Betty Janik.

Councilwoman Janik: Present.

Clerk Ben Lane: Solange Whitehead.

Councilwoman 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: Acting City Auditor Lai Cluff.

Lai Cluff: Here.

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

[Time: 00:00:38]

Mayor Ortega: We have a joyful crowd here tonight. And the buzz is greatly appreciated. We have Scottsdale Police Sergeant Sean Ryan, Detective Dustin Patrick and Officer Matelli here, as well as Firefighter Raul Skolnek if anyone needs any assistance.

Also for your information, at the upper deck and through that opening is the restrooms -- are the restrooms if needed. So let me call forward the teen library volunteers to lead us in the Pledge of Allegiance. Please come forward.

Teen Library Volunteers: 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: And if you could just stay there. That's good. Well, I do want to call our attention to the war in Ukraine, and remember that their sacrifice and fight for freedom and democracy is ongoing. I ask that you join with me and pause in silence for the people of Ukraine.

[Moment of silence]

Thank you. Well, in Scottsdale, we are celebrating earth week! Which begins on Earth Day, this Saturday, April 22nd, and concludes with arbor day on Friday, April 28th. The city is hosting a variety of events, and for more information, you can visit our website, Scottsdaleaz.gov and search earth week.

Next, we have a special acknowledgment to recognize volunteers which are all -- are of all ages and who assist. We have 2600 city employees, but we have a thousand more volunteers than that here in the city. Can you imagine that? And that is a wonderful, wonderful gift that's given to each of us. Well, with that, I will read a proclamation in celebration.

[Time: 00:04:03]

Whereas, Scottsdale volunteers play a critical role assisting the city of Scottsdale to execute the mission of simply better service for a world-class community; and whereas, the citywide volunteer program enlists residents and matches their talents and enthusiasm with numerous services, programs, and departments; and whereas, in fiscal 2022, more than 3200 amazing volunteers contributed over 88,000 hours of services to our community; and whereas, volunteers, like you, contributed a value of work that equates to more than \$2.4 million in savings without the additional cost to taxpayers; and, whereas, by sharing their talents and time, volunteers personally benefit by spreading their love for Scottsdale.

Therefore, I David D. Ortega, the 12th Mayor of Scottsdale do hereby proclaim April 16th through 22nd of this year as Scottsdale Volunteer Appreciation Week in Scottsdale and encourage everyone to join me in celebrating the kindness and generosity of volunteers who serve our community and to consider volunteering themselves.

[Applause]

Thank you.

So it gives me a great deal of pleasure to also recognize our volunteer of the year. So I would ask if Janet Orlandi can come forward with the other volunteers that are here tonight. She was a recipient of the William P. Schrader volunteer impact award, and at this point, we're going to

come forward and we'll get a -- you're doing well. We'll get Solange with us, who also -- Jan is Solange's boss, okay? And she -- that's her role.

So we're going to come forward and then I will call Melissa Orr, who is our library director, to carry on with some of the recognition. So hold on. We'll take our picture.

Melissa Orr: Okay. Alexis? Okay.

[Off microphone comments]

[Time: 00:08:21]

Melissa Orr: Are we ready? Good evening, Mayor Ortega and City Councilmembers, it is national volunteer week and we are excited about that at our library system. I am very excited to represent the Scottsdale public library tonight. As part of the library's strategic plan in 2019, we created our mission statement and our vision statement that we live by: Our mission statement is putting people at the heart of dynamic library services.

And our vision statement is to preserve the past, enrich the present, and illuminate the future. And we have created an award for this. And we are here to recognize that individual tonight, who truly embodies the vision that our library system lives by every single day. I am pleased to announce winner for this year is Trey Granger.

Slide, please. Trey has been serving as the president of the Friends of the Scottsdale Public Library since 2017. During this time, he has worked with six different library directors. There will probably be seven by the time he's done. He was often a one-man show with only one or two active members to work with. Imagine that as a fundraising committee and arm for the library system.

Trey has since grown the friends to a board of 12 active members who assist with so many things, fundraising, marketing, memberships, and communications. Thanks to his lead, the friends have been part of many successful grants, fundraisers, and events that have benefited the library. Trey believes in preserving the past, with his efforts to fund the Scottsdale Heritage Connection space at Civic Center, enriching the present with his efforts on the recent Skyroom opening at Civic Center, and illuminating the future by always looking forward in his efforts to help the library provide exciting new programs and innovations for the citizens of Scottsdale to enjoy.

It is my pleasure this evening to honor Trey Granger with SPL's Vision Award. Come forward, Trey. For the next part of our awards, I would like to turn it over to Alexis Skidmore who is a library assistant at Civic Center Library. Thank you.

Alexis Skidmore: Mr. Mayor, honorable council, I would like to present to you these amazing

teen volunteers. Come on down, guys. Scottsdale Public Library became a certifying organization for the Presidential Volunteer service award in 2022. This is our first batch of Presidential Service award recipients. Many of these teens actually earned their award by accident because they didn't know that it was an award that they could earn through volunteerism at the library.

The award was first established by President George W. Bush and is awarded by the president ever since. And it's specifically for teens. Anybody, really. That can give hundreds of hours in volunteerism to their community.

These teens come from all branches of the public library. We have public school, private school, charter school, home-schooled kids who all participate in volunteerism at the library. Scottsdale public library had 225 teens volunteer in the year 2022. And they contributed over 3700 hours in volunteer service. So if we could have a round of applause in recognition for these wonderful teens.

[Time: 00:13:25]

I'm going to be taking these teens back to the library right now, where we are going to recognize their accomplishments and their hours individually. Thank you so much for hosting us here.

Everybody say cheese!

Mayor Ortega: Well, I will mention our City Council are enthusiastic supporters of all the volunteers and programs, especially at the library. What a great resource we have to share and grow in knowledge. Next, I will call on the city manager Jim Thompson to provide the city manager's report.

City Manager Thompson: Thank you, Mr. Mayor, and City Council, our airport director will take the show this evening. So Gary, if you would, please.

Gary Mascaro: Thank you, Jim, thank you, Mayor, members of the council. This is kind of a tough act to follow because I'm kind of boring compared to what that was. I will try to liven it up as much as possible. Two items I wanted to talk about. We will show you a video shortly that will advertise what we did back in October of 2022 on our airport emergency drill.

Scottsdale Airport is not required to do an airport emergency drill, only special service airports, airports that have airlines, but we want to always go to the next level. So we did a full-blown emergency drill in partnership with the office of communications, of course, fire department and police department. So with that.

Video Presentation: As one of the busiest single runway facilities in the nation, safety and security are top priorities at Scottsdale Airport. The airport offers outstanding year-round flying conditions, convenient departures and arrivals and proximity to renowned dining, upscale

shopping, resorts and more. The city, especially the Scottsdale aviation department is responsible for maintaining the safety and the security of the airport facility, runways and taxiways.

While we hope there's never an actual emergency, we want to be prepared for worst case scenario at the Scottsdale Airport.

To achieve that mission, Scottsdale Airport organized an emergency drill. The airport participated in a simulated crash with fire, police, airport operations, and other agencies.

Scottsdale tower, this is leer, November 3321, we are declaring an emergency. We are experiencing severe hydraulic problem and need immediate clearance to land. Go to runway 21, cleared to land. This is a drill.

From the moment the tower broadcast an emergency alert, our highly-trained employees went into action. First responders were on the scene in 45 seconds.

It's really important for us to conduct a drill on site here at the actual airport, to see how our firefighters react, how the Scottsdale Airport operations reacts, and really put us to the test.

[Time: 00:17:30]

Organizers meticulously coordinated a realistic and complex crash scene, complete with a burning model airport, detached fuselage and victims.

This was the first case scenarios for us. It was one of the bigger planes, low impact with fire involvement, away from the station. So you had to travel quite a ways to get there. And then to have 15 patients we don't usually have that. If we have a landing gear down or something, it's usually one soul on board. For us to have a crash on the airport and to be able to practice that, that was huge for us.

Scottsdale on-site fire crew at station 609 undergo training.

To be able to get on scene within a couple of minutes and put the fire out, start treating patients. I think we were on scene probably a total of 30 to 45 minutes.

Scottsdale Airport is technically not required to do a large-scale drill but we thought it was important to practice it in real time. With very little time to prepare and new details emerging as the situation unfolded, the city's public information officers responsible for communicating with the public were also tested at a mock news conference.

About 9:15, we received a call to stage out on the tarmac for a plane coming in for an alert two. That was quickly upgraded to an alert three.

I was very proud of the way staff handled the situation because it came together and it showed that we can work together as a team and we can build on that.

To learn more about Scottsdale Airport, visit Scottsdaleairport.com. Scottsdale Airport, your gateway to Scottsdale and the valley.

Gary Mascaro: So that was the video that will be on our YouTube and we wanted to highlight all the hard work that everybody did, including again the office of communications for putting that video together and we are ready to go and prepared for the future.

So that is item number one, I wanted to discuss Mayor and members of the council. Item number two is the Scottsdale Airport sustainability review of airfield projects. What I wanted to showcase a little bit is we do a lot of construction at our airport, but we wanted to also focus and highlight several sustainability efforts that we continuously are trying to do for each and every project.

I'm going to invite our young engineer, Brad Mikulecky, he will give you a five-minute spiel on what the airport has been doing.

[Time: 00:20:02]

Brad Mikulecky: Thank you for that introduction, Gary. And thank you, Mr. Mayor and councilmembers for letting me speak tonight. My name is Brad Mikulecky and I will go through the Scottsdale Airport review that we have completed. On the slides, you can see all the federally funded projects that have been completed at the Scottsdale Airport since 2018. This is a relatively long list.

I wanted to highlight that at the airport, we are not just doing pavement projects. We are also doing drainage projects, airfield electrical projects, airfield security upgrades and the pavement rehabilitation and reconstruction projects too. Highlighted, you can see the projects that we actually included in our sustainability review.

The three past projects are highlighted towards the top, and those were the larger projects that the airport has taken on in recent years. And then the four projects at the bottom, are the projects that are planned to be completed in the federal fiscal year -- or sorry in the calendar year of 2023.

The first project that we're going to look at was the runway 321 rehabilitation project. That was completed in fall of 2019. This project was completed with an airport improvement program and AIP grant from the FAA. And the main focus ever this project was to replace all the underground electrical facilities which includes the conduit, and the electrical system, as well as upgrade 122 runway electrical light fixtures and 14 airfield signs around the airfield.

The upgrade from -- for all the lights and signs was to upgrade from incandescent to LED lights. It avoids using 8,420-kilowatt hours annually which is equivalent to the greenhouse gas emissions by averting 2.5 tons of waste from landfill over to a recycling facility. Next way is the runway 3-21. Which was completed in summer of 2021, when the airport was closed for 39 days.

This project was completed as well with an airport improvement program, an AIP grant from the FAA, and this project was a rehabilitation of the existing runway asphalt pavement, a reconstruction of the runway shoulders and then a reconstruction of the runway blast pads which is the asphalt at the end of -- at each end of the runway.

In order to remove all of the asphalt that we had for this project, they used a milling machine which grinds up all the existing asphalt and brings it into rocks that are about the size of an aggregate base that you would see. And previous projects what they end up doing with those asphalt millings they get sent to a dump or get used at another runway project around the valley.

For this project, actually, there was over 1,000 truckloads of asphalt millings. A whole runway worth and to put that in perspective for you guys that's enough asphalt millings to fill four and a half Olympic-sized swimming pools. And we are talking a lot of airport millings. And the airport coordinated with the WestWorld of Scottsdale in order to bring all the asphalt millings there in order to expand and reinforce their existing parking lots and by doing that, that saved 4,130 gallons of gas which is equivalent to the greenhouse gas emissions of just over 4.5 homes for their energy use for one year.

[Time: 00:23:32]

The next is taxiway a project this was two phases. Phase one was completed in 2018 and phase two just being completed this year in January of 2023. This project was funded by a combination of an airport improvement program and AIP grant from the FAA, as well as a bipartisan infrastructure grant, a BIA.

And the taxiway was reconstructed and all of the taxiway light fixtures and signs on the taxiway were upgraded from incandescent and to LED lights and now the entire airfield is powered by LED lights as opposed incandescent lights which is 800 lights and 120 signs. As a result of this project, for just replacing all of these on the taxiway itself, it avoids using 30,240-kilowatt hours annually, which is equivalent to the greenhouse gas emissions avoided by recycling 930 bags of waste as opposed to them going to a landfill.

So overall, from our projects that we have completed since 2018, the overall electricity use of the entire airfield was cut by 50% which is an incredible feat for us. Moving forward, to the projects that are planned to be completed in 2023, the perimeter road rehabilitation and the

airport drive rehabilitation projects are planned to be completed with an Arizona department of aeronautics grant, and the other projects are completed to be bipartisan infrastructure law Grant from the F.A.A.

When we were evaluating all of these pavement areas, we realized -- or we evaluated and analyzed existing pavement section is suitable for reuse, but the existing asphalt has to be removed and replaced in order for all the pavements to be continually used. As a result of that determination, we realized that the life expectancy of all of these pavements is to be increased by over 50% and it will save over 1,000 gallons of gas that isn't going to be needed in order to remove out all of that material, bring in new material, and replace that to complete our rebuild and reconstruct those pavement areas when that 1,000 gallons of gas that was saved is equivalent to the carbon sequestered by 147 trees planted and grown for ten years.

And the last project that we're going to look at is the west side apron lighting upgrades project which is planned to be completed in 2023. So this project, on the airfield, on the west side of the airfield hence the west side, along the aircraft apron, and in order to keep sustainability as a forefront and in order to cut energy costs on the airfield, these lights are planned to be replaced with L.E.D. light fixtures which will help to save 24,090-kilowatt hours annually, which is equivalent to the greenhouse gas emissions avoided by diverting 6 tons of waste from a landfill over to a recycling facility.

With that said, that's the end of my presentation, thank you Mayor and councilmembers for allowing me to have some of your time.

[Time: 00:27:01]

Gary Mascaro: Thank you, Mr. Mayor and members of the council that concludes the city manager's report. How did I do, Jim?

Mayor Ortega: Thank you, Gary. I had one quick comment. Obviously, the federal funding involved over this period of time was probably tens of millions of dollars. And those are, you know, federal funds that are paid by taxpayers and returned to added value to our community. I know that the economic impact of the airport is \$1.5 billion or so every year.

And these improvements really would not be possible without the federal grants and those applications which, of course, promote safety, you know, durability and then energy savings and so forth. I want to commend the whole team.

We've realized there were close to 200,000 operations, including a spectacular Super Bowl season, are you know, which took crews, all hands on deck. So our compliments to everyone. Thank you very much.

Gary Mascaro: Thank you, Mr. Mayor. Thank you, members of the council.

Mayor Ortega: Next, I will move on to the possible executive session. During tonight's meeting, the council may make a motion to recess into executive session, to obtain legal advice on any applicable item on the agenda. If authorized by the council, the executive session will be held immediately and will not be open to the public. The public meeting will resume following the executive session.

I also want to announce and make note of, as per council rules of procedure, citizens attending City Council meetings shall observe the same rules of order and decorum applicable to members of the council and city staff. Unauthorized remarks or demonstrations from the audience such as applause, stamping of feet, whistles, boos, yells and/or other demonstrations shall not be permitted. Violation of these rules could result in removal from the meeting by security staff.

PUBLIC COMMENT

Next, we will move on to what's posted as public comment. Public comment is reserved for Scottsdale citizens, Scottsdale business owners and/or property owners to comment on non-agendized items that are within the council's jurisdiction. Advocacy for or against a candidate or ballot measure during the council meeting is not allowed pursuant to state law and is therefore not deemed to be within the council's jurisdiction.

No official council action can be taken on public comment items, and speakers are limited to three minutes to address the council. According to the clerk, I received three requests for public comment. That is, again, non-agendized items. The first is Alex McLaren. The next is Heather Phillips. And then Michael Andrew. I would ask you to come forward and state your name and place of residence and then you have three minutes, sir.

[Time: 00:30:36]

Alex McClaren: Thank you. Good evening Mayor, members of the council, Alex McLaren, 7624 East Osborn Road. I attended the open house yesterday for the upcoming Thomas Road project. There was a lot of discussion. There was -- I think it was a very good presentation. The staff did a great job. There was lots of interaction with everyone who was there. A lot of the discussion focused on traffic congestion.

As part of the 68th Street project, which was approved a few weeks ago, I reviewed the city's 2020 congestion report which is on the city's website. If you go to the website to transportation plan, look for the congestion report 2020 and it is there. They look at levels of service at intersections, levels of service of how much delay you get at intersections, how much delay you get on stretches of roadways as well.

Overall, the 2020 congestion report was very favorable. The city tries to do the intersections at what's called a level d level of service. Most of the -- most of the intersections are at d or better.

However, the data that is used for the 2020 report is from 2016 to 2019. So it is dated. I contacted city staff and asked if it's going to be updated.

I'm told that it is continually monitored and updated but I would strongly urge that the city staff put together an updated congestion report for the residents and for everyone to use to be able to talk the same language when we are talking about congestion and it should be based on obviously the latest traffic numbers and the latest technology as well. And I would also suggest that they give -- that they give some baseline comparisons to other communities of how the congestion stacks up against other communities. Thank you.

Mayor Ortega: Thank you. Next we have Heather Phillips and Michael -- sorry, Mitchell Andrew.

Heather Phillips: Hello, City Council. Just piggy backing on what Alex said, I attended the meeting, and I spoke with some of the councilmembers in attendance. I also had a great conversation with Phillip on the transportation committee. He reiterated what Alex said, that the study was done pre-COVID 2020, based on 2016 to 2019 data.

This struck me as very odd, because the transportation department seems to have an extremely limited base of knowledge of what's going around Old Town currently. Just a couple little things for people that aren't, you know, ritzy and don't have, you know, great big properties.

In Old Town, prior to COVID, rents were very affordable and a single person could live in a two bedroom for \$600 to \$900 a month, unfortunately, after COVID and the pandemic issues, a one bedroom is going for \$1,800.

Two people can't live in the two and three bedrooms they used to. That means three and four are living in them and there's more cars. It's not the amount of residents that are going on, it's the basis of rents that are causing multiple households to have to team up with roommates and increase the car usage in Old Town. That's something that Philip wasn't aware of and he didn't mention in his study.

It's something that I think is really important when you are basic traffic studies on residential areas that you have to be cognizant of the people living in those areas now. It's not the same as it was pre-COVID. There's a lot of different things going on in the world now, and affordability is absolutely one of the most exponential factors going on right now.

[Time: 00:35:16]

So, you know, if you haven't thought of those things, those -- that's something that we are asking you to think of. And very quickly, another thing that stuck out, the parks and rec is doing their stakeholder planning. The stakeholder planning, the users groups and stakeholders consist of several groups, none of which have any vested interested in dog communities, and dog off-leash areas.

Going over the plans, those are very ill prepared. Mayor, when you were on the City Council, you had the opportunity to be involved in the first dog park Chaparral. You know the issues that happened with that, with the grading and the cost overruns and the problems because they were not dog lovers. Right now, Thompson Park is not on the board. There's not a lot going on with it. It's been put on hold numerous times. If that's going to go through, there is still less than 1% of total park space going to off-leash areas. So the parks and recs could do a lot better. There could be more parks.

Mayor Ortega: Thank you very much. Next, we have Mitchell Andrew. Good. Stand very close to the microphone. That would help.

[Time: 00:37:20]

Mitchell Andrew: All right. Hi. My given name is Mitchell Andrew. I will be whom I will be. I'm a nonresident city of the most high, all glory to God. I have a friend who is a business owner nearby. This friend does not try to exploit my perceived weaknesses but chooses -- but chooses to utilize my strengths for a mutual benefit providing value to the community.

A little back story about the journey I have experienced. I've had a successful career early on, cut short by a motorcycle wreck. This kept me from walking on my own power for a couple of years. Also resulting in organic brain damage. I have been approved for a first-time home loan at the age of 20 and had a brand new Toyota truck and two motorcycles paid for and ended up losing everything. I have become self-sustainable and self-sufficient three times. Three different times.

One time, was lost to the wreck. Another time was lost to an officer waking me up at gunpoint to the face and arresting me for resting. It's getting more difficult to recover. The city of Scottsdale, men and women who represent the city are making a concerted effort to destroy my pursuit of happiness and productivity while I refuse to put my burdens on society.

Officers trespass me from the Scottsdale bakery by making fraudulent claims to property management when I stopped an older man smoking meth behind duke's bar who was approaching children unoccupied by parents while still blowing out his drug smoke. This is all on record. The owner had to get it sorted out with property management. And this resulted in an unnecessary escalation of controversy that could have easily been resolved if the officer did not refuse to speak with the bakery owner. I was arrested last week for filming at the scene of an incident that only I witnessed. This resulted in bodily injury and at least \$2,500 of property damage for me.

Early Sunday, I was witnessed to what appears to be multiple felonies that happened in front of multiple officers watching for entertainment. Thank you. Which resulted in officers scattering like cockroaches, even participating in the crimes. This results in my property being stolen with force, destroyed in the presence of observing officers, some evidence destroyed and I tried to

report it multiple times, still unsuccessfully. SPD acted in bad faith, negligently and with ill intent evidently, resulting in me being trespassed from the granite reef substation before I could peacefully resolve the ongoing controversies.

Mayor Ortega: Thank you.

Mitchell Andrew: Can I have one more sentence?

Mayor Ortega: Yes.

Mitchell Andrew: Which brought me here yesterday, where I was in a discriminatory fashion threatened with arrest for parking in a shady area and the officers ignoring other blatant. I have four parking tickets.

MINUTES

Mayor Ortega: Thank you, sir. Seeing no other public comment, I will now close public comment. Next, we have the consideration, approval of the minutes.

I request a motion to approve the retreat meeting minutes on March 9th, 2023; special meeting minutes of March 21st, 2023; executive session minutes of March 21, 2023; and regular meeting and work study session minutes of March 21, 2023. Motion?

Councilwoman Janik: So moved.

Councilwoman Whitehead: Second.

Mayor Ortega: Thank you. I have a motion and a second. Please record -- register your vote. Thank you. Unanimous.

CONSENT AGENDA

[Time: 00:42:08]

Next, we will move on to the posted agenda items. Items 1 through 8. Do councilmembers have questions on any of the consent agenda items or request to move any of the consent agenda items to the regular agenda? I see Councilmember Graham. I recognize you.

Councilmember Graham: Thank you, Mayor. I would like to pull item 3, Gainey Hyatt Hotel parking reduction.

Mayor Ortega: Any other requests? I request a motion to approve consent agenda items 1 through 8, excluding number 3, which will be on the regular consideration. Do I have a motion?

Councilwoman Janik: So moved.

Councilmember Durham: So moved.

Mayor Ortega: We have a motion and a second. There's also an opportunity for public comment on any of the consent agenda items. Seeing none, at this point, then I close public comment for the agenda items and I would ask to please register your vote on consent agenda items. Okay. Unanimously approved.

ITEM 03 – GAINNEY HYATT HOTEL PARKING REDUCTION (22-SA-2023#2)

[Time: 00:43:31]

Mayor Ortega: Next, we will go for a presentation. Excuse me, for item number 3. It's a Gainney Hyatt hotel parking reduction, case 22-SA-2023 Number 2. And we -- please announce yourself and continue.

Wayland Barton: Good evening, my name is Wayland, I'm a planner here with the city's current planning department and also the case coordinator for the Gainney Hyatt hotel parking reduction case. To start off the case presentation, the request today is by the applicant for the parking reduction to an existing resort that's more than 10% of the total parking required.

For some context of the site, it is just north of East Doubletree Ranch Road. East of north Scottsdale Road in the Gainney Ranch district with the golf course directly north of the site, corporate center to the east, and the Gainney Village directly south.

For a close up aerial, we see the site here a little bit more in-depth with the Gainney Club Drive Condominiums to the northwest of the site and Gainney Village south of Doubletree Ranch Road. For the zoning of this site, it is R-5 PCD and multifamily community, which is highlighted in the red boundary.

The purpose of the request today is to reduce the amount of required parking based on the city's current parking standards by 17.7% to accommodate a future plus/minus 11,840 square ballroom expansion. That ballroom expansion is generally in that red box area, not consuming any of the existing parking which is an expansion of the existing ballroom, currently there at the Gainney resort.

Here's some preliminary 3D renderings of that ballroom expansion which was on the red highlighted box on the previous slide. So for some key items for consideration today, in the ordinance, Section 9 does allow a parking reduction from the city's current standards by more than 10%, however, that would be subject to City Council approval.

And so for this request, we are looking at a 1,281 required parking stall count to 1,054 required

spaces which is 17.7%. The existing site is currently providing that 1,054 parking spaces today. Staff recommends that the City Council approve the parking master plan with the overall parking reduction of 17.7% per the attached stipulations in the reports. I'm here for any questions and the applicant is as well to have a presentation if needed.

Mayor Ortega: I see no questions at this point. So we will bring forward -- excuse me, Councilwoman Whitehead.

Councilwoman Whitehead: Is the applicant going to give a presentation or --

Mayor Ortega: Yes.

Councilwoman Whitehead: I will wait until afterwards.

Mayor Ortega: Yes, we will have the applicant come forward.

[Time: 00:47:12]

Kurt Jones: Mayor and members of council, with Tiffany and Bosco. I'm here representing the Gainey Hyatt. With me is Nina with Zinia, I have a long presentation that I can go to or if there's specific questions I can cut to the slides. It's up to you if you would like me to go to through a full presentation.

Mayor Ortega: Councilwoman Janik, do you have a comment?

Councilwoman Janik: I would like information to make sure you have checked with the neighbors that might be affected by it, and I don't know as far as the length of the presentation.

Mayor Ortega: Okay. I suggest -- and I will go back to Councilman Graham, is it your pleasure to have a full presentation or some summary thereof.

Councilmember Graham: Thank you, Mayor. Mr. Jones doesn't have to give a full presentation if he so desires. A summary presentation would be satisfactory.

Mayor Ortega: Okay. So I also have a comment from Councilwoman Whitehead. Give us short version, okay?

Kurt Jones: The short version is that the expansion requested, we did a study back in 2019, we did a study during the peak season, just a few months ago in January and February. The peak periods this was the actual Saturday of the Barrett-Jackson event. There was approximately 338 spaces used of the 1,054 that exist out there. So that was with the big event here in town.

That was with two major ballroom events being used and almost at 90% occupancy. The hotel

has been operating since 1985, never had a parking problem. To the question of -- if someone can show the Elmo, I've got approval letter from the Gainey Ranch president. If you zoom into one of those paragraphs, basically it does state all the representative surrounding properties, neighbors were a part of this meeting and went through a full presentation with them and they were very happy with the presentation.

They don't want to see any additional parking, any improvements close to their properties and they wrote this letter and I think the -- sort of the third paragraph says after a detailed review, the consensus was that they were satisfied with the parking study that we presented to them. With, that I think we have got the president of the association approval. We have the surrounding property owner's approval and we are requesting this reduction because of the parking is just not necessary for this expansion.

Mayor Ortega: Thank you. Councilwoman Whitehead, and then me and then Councilmember Graham.

[Time: 00:50:11]

Councilmember Whitehead: This is a great example of where the government gets out of the way and lets the business do what it needs to do. The only entity that would be harmed is the Hyatt hotel. There's no place else for their it visitors to park. So, of course, they're going to make the decision that is light for them. So I see no reason to oppose this and thank you for reaching out to the neighbors. That's how we roll in Scottsdale. Thank you.

Kurt Jones: Thank you.

Mayor Ortega: One quick question, this would improve the marketability of conference space. What is injure existing space and then the add on of 11,000, what is -- what is your total attendance space.

Kurt Jones: 34,000 after this expansion.

Mayor Ortega: Thank you. And I have one other observation, because if I look at a camp, the McCormick Ranch and conference center, there on McCormick parkway has 50,000 square feet of meeting space. And they have 750 parking spaces. Just looking at how things get built over time. I think you would be competitive even offering half the space and more parking than the other nearby resort. Councilmember Graham and I will ask for a motion.

Councilmember Graham: Thank you, Mayor. And maybe some of my questions might be for Wayland, if you are available, Wayland for some of these questions. Thank you, Kurt, for your presentation.

Kurt Jones: Thank you.

Councilmember Graham: One thing I can say, we can talk about getting out of the way for parking, but if we got out of the way for every resort, we wouldn't have any public parking in the downtown area, because we have minimum required parking for a reason to protect our public parking.

If this facility -- if the Hyatt Gainey was constructed today under the current parking code, how many parking spots would be required? With this addition. This will be a great addition.

Wayland Barton: Yes, Mayor Ortega, Councilmember Graham. I think the history of this resort starts in 1985. They did reduce the parking at that time, again 1985, by about 15%. That reduction still carries with the current hotel. So we don't assess it off the current standards we have that underlying use permit in effect today. If we were to factor in the previous you know, 1985 case and today, there's a lot of code changes during that span of time. We don't have that information readily available, but the history goes back to 1985.

[Time: 00:53:10]

Councilmember Graham: Let me ask this again today. If it was built today how many requires.

Wayland Barton: If there was no prior use permit. We would base it off of current standards Article 9 in the code which would specify the ballroom. Unit count, per the base calculations. I don't have the breakdown of the floor plan and I don't have information right here today.

Councilmember Graham: Don't you think that's kind of important to understand -- how many spots are we waiving today?

Wayland Barton: I don't have that information as far as how many are waived. It's building upon the previous 1985 case, which is still true today going forward.

Councilmember Graham: That information seems relevant in my opinion. Because we may have more -- we may have more resorts coming to Scottsdale.

Wayland Barton: If you are asking about the ballroom itself or the unit count?

Councilmember Graham: I would be asking if the resort was built today with the ballroom included, how many -- I'm curious how many parking spots would be required under the code? Kurt might have more information than me right now. So I will defer to Kurt.

Kurt Jones: And Mayor and Councilmember Graham, if the resort were to utilize today's ordinance, the number would be somewhere around 1500 parking spaces required.

Councilmember Graham: Okay.

Kurt Jones: And so there's not an apples-to-apples comparison based on the way the city code kind of approved this property over time. As you recall, the property added the parking structure in the late 1999ish time frame to add parking for that ballroom expansion.

The spa moved out of the main hotel, but that space, then that void got filled. There was another parking study with that. There's no apples-to-apples comparison, but approximately 1500 parking spaces if you were to do a similar count.

Councilmember Graham: I would have been more comfortable if staff had researched that. We are giving a zoning variance off a number that is actually based off of a number that was given a prior variance. So this is a variance on top of a variance; is that correct, Wayland?

[Time: 00:55:42]

Wayland Barton: Mayor Ortega, Councilmember Graham, the term "variance" from the parking, I believe, would be a reduction from the 1985 case; is that correct?

Councilmember Graham: Are you saying variance is the wrong term?

Wayland Barton: I don't believe variance would be -- it would be the amended standards part of the P.C.D. for the parking reduction.

Councilmember Graham: Okay, parking reduction, I won't use the term variance. So they have a certain amount of space and it was granted a parking reduction and they are going to add space now and then we are going to div -- and then they have a new requirement and so a new parking reduction. They want a parking reduction on what they existing have right now.

Wayland Barton: Yes so the request would be from the 17.7% from how we would calculate the ballroom expansion with today's code.

Councilmember Graham: Right.

Wayland Barton: And so there wouldn't be anything about the 1985 case on how we assess the current ballroom expansion. So we're kind of separating out our reviews with the unit count and what occurred in 1985. And what we're looking at with the ballroom expansion.

Councilmember Graham: Separate topic. Has the city ever gotten any complaint. Do you know how there's the corporate center to the east and other abutting centers. Has the city ever gotten any complaints from any of -- from any of those entities about parking overflow from Hyatt Gainey?

Wayland Barton: Councilmember Graham, I'm not aware of any complaints with that corporate

center.

Councilmember Graham: Don't you think that's relevant. Whether we got complaints with the overflow.

Wayland Barton: I don't have information that we received any complaints, especially part of the case, when the city did their notification process which is 750 feet of the subject site.

Councilmember Graham: Okay. And then another question I have is did, is we have got a lot of resorts here. I'm just wondering, you know because when we talk about taking away parking, what if we -- did you consider the possibility if we applied the same level of zoning reduction or parking reduction on top of parking reduction across the whole city? Do you think -- do you have concerned about a cascade effect for future resorts?

Wayland Barton: Yes, Councilmember Graham, with this particular case, we were focused on the Gainey Hyatt, the Gainey Resort for the proposal, but to your point, it's a case by case on what the hotel comes to the city with.

Councilmember Graham: I have questions whether there's complaints or recent complaints from abutting facilities to the city, and what the parking requirements would be under the new code because this council worked really hard to put together a new code and, you know, what would the parking requirements be if we were using the code that we all agreed we should be using?

So I would make a motion, Mayor, to continue this item to a future date until we can get that code in the next month or so. Thank you.

[Time: 00:58:58]

Mayor Ortega: I do not hear a second for that. Councilmember Durham, Whitehead and Caputi. Councilmember Durham.

Councilmember Durham: Thank you, Mayor. One major issue, maybe Mr. Jones wants to comment, the very high prevalence of Uber and Lyft and so forth and so on, many people don't rent cars anymore. They come to the hotel in an Uber or Lyft or whatever and they get around town in the Uber or Lyft or whatever for the rest of their stay.

So there's been a great reduction in the need for parking in these types of places and in that sense, you know, what happened in '85 is completely irrelevant to what the parking demands or today and maybe that's something we need to revisit or maybe we can do it on a case-by-case basis. I know you have looked into this. So if you would like to comment on that, I will give you a chance.

Kurt Jones: And Mayor and Councilmember Durham, thank you for that question. That's the overriding issue that we have with regard to this resort. You have a study that was done in 2019, with the highest amount of parking during their peak periods, was not even close to half of the parking that's there now. The city approved over the course of time the additions to this resort, meeting the current -- meeting the parking requirements as it got approved.

So currently, we are an approved resort with the approved parking approvals. Post COVID, we have the same but less use of the parking spaces. So it's a theme happening with Uber and Lyft and that's the reason why there's no need for that formula in the parking ordinance to require that much parking. Again, I think Councilwoman Whitehead said it great, how the resort is requesting to do this for the city. There's no need to do this. There's no need for the expansion and the traffic that would generate additional parking.

Mayor Ortega: Any follow-up on that, Councilmember Durham?

Councilmember Durham: No, I think that's a good explanation for the reason for this change.

Mayor Ortega: Councilmember Caputi and Vice Mayor Littlefield.

[Time: 01:01:48]

Councilwoman Caputi: We judge each project on its own merit and this project does not require any more parking. It would be ridiculous to put more asphalt in a situation when on the busiest weekend we could even possibly have, it's not even half of what is required. So, again, we look at projects based on what makes sense for the project. I would like to make an alternate. To approve, the reduction of parking 17.7% to an existing resort on a total 27.35-acre site as allowed zoning ordinance, with multifamily residential:

Councilwoman Whitehead: Second.

Councilmember Durham: Second.

Mayor Ortega: And just to clarify that's a main motion. We have Councilmember Littlefield and Councilmember Whitehead.

Vice Mayor Littlefield: I want to clarify, I don't want to set a precedent on other building hotels or things where this might not apply, the things you are talking about here. But you have never had a complaint about the back of parking? You never had an issue or a problem with it in the past?

Kurt Jones: Mayor and Councilwoman Littlefield, we met with the board of director, and the surrounding residential report owners. The notice went out from the city that we were requesting this, and I don't believe anybody is here to speak on it, so we have basically

surrounded the site, met with the folks and they agreed.

Again, the concern was more aesthetics and noise and some landscaping were their issues and no complaints on parking, especially from the residents and these were residents that have lived there over the course of several years next to the hotel.

Vice Mayor Littlefield: Thank you very much.

Councilwoman Whitehead: Are there any public parking garages or public parking areas in the area?

Kurt Jones: I don't believe there's any public parking in the area. There's no parking on the streets either.

[Time: 01:04:16]

Councilwoman Whitehead: So some of my colleagues are worried about that becoming a standard. That's not how we operate in Scottsdale. The Hyatt is before us today because when there is an amended standard, it needs council approval. Unlike a downtown hotel, where their visitors or guests could occupy an entire public garage, that was my point, that can't happen here.

If there are not enough parking spaces, then the Hyatt suffers. No public parking garage. And to the point, the concern about the private -- I guess the private parking lot down the street, it's not a city's job to monitor and project private property. So in terms of making sure that the right people park there, again, this is why we cater and look at each individual case and make sure we get it right for our businesses and instead of having a parking lot, we will have a revenue-generating banquet hall. So thank you.

Mayor Ortega: Thank you. I would just add that what we do have in this project, is 38 years of performance. We don't have overflow citations. We had a change over three and a half decades which includes the Uber/Lyft component, people are -- as I understand it also, improving all the room units as well, to keep up with the marketplace. And I think that's a great investment and therefore, I will support it. Finally, I show Councilwoman Janik.

Councilwoman Janik: Very quickly, the purpose of the parking master plan is to make sure that any facility has sufficient parking. You have demonstrated through years of performance that you do have sufficient parking. So I will be supporting this. Thank you.

Mayor Ortega: Thank you. Seeing no other hands, please record your vote. There's only one motion on the table. The continuance failed and it's just the main motion. The motion passed 6-1. Councilmember Graham dissenting.

ITEM 09 – PUBLIC HEARING ON THE BIENNIAL CERTIFIED AUDIT OF LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENTS PLAN AND DEVELOPMENT IMPACT FEES FISCAL YEAR 2020/21

[Time: 01:06:45]

Mayor Ortega: Next, we will move on to regular agenda item number 9. Number 9 is a public hearing on the biennial certified audit of land use assumptions, infrastructure improvements plan and development impact fees, fiscal year 2021/21, fiscal year 2021/20 and our presenters are Lai Cluff. We will first have the presentation and then I will call for public comment. Proceed.

Acting City Auditor Cluff: Thank you, Mayor and the City Council. I will provide information about the public hearing requirements and then I will hand it off -- over to Kevin Burnett from Wildan Financial Services to provide an overview of the work that he did on this project. Thank you.

In 2011, state legislature placed several requirements on the community impact fees. These requirements applied to Scottsdale water and wastewater utilities. The state law requires that the city either appoint an infrastructure improvement advisory committee, or provide a biennial certified audit of the land use assumptions, infrastructure improvement plan and development fees.

Like many other -- sorry, many other valley municipalities, Scottsdale water has opted to have the biennial certified audit. State statute also outlines the audit requirements and one of those is that it shall be conducted about a qualified professional. This also cannot be an employee or official of the city and not anyone that helped to prepare the impact plan.

We contracted Wildan Financial Services who is qualified to perform this work and we administer the contract for that. Additional statutory requirements include that the city must post the report on its website, and conduct a public hearing within 60 days. We first posted the report to the audit committee materials on March 10th, and on March 20th, the audit committee voted unanimously to accept the report, and move to public hearing. We posted it and notice of public hearing on the city's website on March 30th. And so I will hand it off to Kevin. Thank you.

Kevin Burnett: Thank you very much, I'm Kevin Burnett with Wildan Financial Services. While it's called an audit, it's a little bit different than what you traditionally think of an audit. It's not an accounting audit or I.R.S. audit. It's more of a compliance with the state statutes and making sure that the city is following the -- the -- what is required under the state statute.

So as was mentioned, so the city's development impact fees are subject to the statutory requirements of Arizona Revised Statutes 946305. It dictates how you can assess fees and how they are collected and what they can be used for and the reporting that needs to be done. So in some -- at a high level development impact fees are used to assess the -- are used to offset the cost to providing necessary public services to development.

They have to be based on land use assumptions adopted by the city and they also have to be based on an infrastructure improvement plan which is also adopted by the city. So we took a look at the city's land use assumptions, the original was done in 2017, and updated in July of 2021, the infrastructure improvement program was originally done in 2017, and then updated again in 2021. And then the development fee report itself.

So it was first published in 2018, and it was updated and adopted in August of 2021. The development impact fees revenue and expenditures spanned July 1st, 2020, through June 30th, 2021 and July 20th, 2021 through June of 2022. All of these different land use assumptions, I.I.P.s and development fees were in play during this period. And then we completed the audit earlier this year. So going through some of the objectives, so the audit scope involved looking at the land use assumptions, was the development consistent with the capital needs, what progress has been made on those land use assumptions, the infrastructure improvement plan, was the system expanded to accommodate growth. You can only use development impact fees for growth.

[Time: 01:11:54]

So you can't use it to replace a water line that's worn out or fix a pump station. It has to be for expansion-related projects. Were the expenditures made on ineligible items? Was it spent on a water fee or was it used to build a new park or fix a road? There's restrictions on what you can use it for.

The level of service, are you maintaining the same level of service for new growth and then a permit sampling which is not part of the state statute but it's something we like to check in, making sure the fees were assessed appropriately. So in terms of our results, on the land use assumptions we did notice some minor differences between what was projected and the actual development.

Bearing in mind that when these plans are put together, are they are a ten-year projection of what we think is going to happen and based on the best available information on that day. As time progresses a subdivision may get postponed by a year and a commercial development might come in a year early. We look at the ten-year snapshot and as long as you are on track for that ten-year period then you are adhering to the state statutes.

Review of the infrastructure improvement plan, again, the improvement plans were based on the best available information at the time. A new water tank may be moved up a year or pushed back a year from what the original projects were, as long as it's being done within that ten-year time frame, you are adhering to the state statutes.

And then we reviewed the expenditure. So all of the expenditures were appropriate. They were on growth-related projects, development impact fee eligible projects and water was used for

water and sewer was used for sewer and there was no commingling of that. The level of service, we found it to be an appropriate matching between the new development and the available resources.

And then when we get into the permit samplings, we looked at this two different ways. So for example, if somebody purchased a one inch meter where they charged the one inch meter or when somebody was entering it into the system, they accidentally hit a two and they were charged for a two inch meter as opposed to a one inch meter. We didn't see any of that.

As you mentioned before, the studies were updated when you update the fees there's a grandfathering clause within the state statute itself. If you started a development before the new fee goes into effect, then you have a 24-month grandfathering period where you are not allowed to assess the higher fee. So as an example of one of the permits that we sampled it was for fiscal year '21/22, the going rate for a one-inch residential water meter was \$4,222.

The development was charged \$3,211, which on the surface makes it look like there was an issue there but that development fell within that grandfathering clause, so that \$3,211 was what the fee should have been prior and so they were, in fact, charged the appropriate fee. Beyond that, we didn't find any instances of developments being charged the incorrect rates, the incorrect fees, we didn't see any inequities in the assessments there.

So it is our professional opinion that the city's development impact fee program is consistent and in compliant with Arizona Revised Statutes 94.6305. And with that proof overview, if you have any questions, I'm happy to respond.

Mayor Ortega: Thank you. At this point, I would open public comment. Seeing none, there has been no public comment on the presentation. Therefore, I will close public comment. I see a hand raised by Councilmember Graham.

Councilmember Graham: Thank you for your presentation. You talked a lot about the things we were doing right and that's -- I'm very pleased to hear about all of that. Did you find any exceptions? Were there any findings or any areas for improvement?

[Time: 01:15:51]

Kevin Burnett: So, the only things that we found were kind of like what I mentioned before, where there was a project was supposed to happen in year three, that got pushed off into year five, or there was a project that was budgeted for a certain amount in the initial study, when the new study came along and updated those costs, some of those costs have gone up, much like cost of everything else have gone up. So some anomalies, I would say. I wouldn't say any issues per se.

And, again, everything is based on the available information that you have at the time, and the

crystal ball is not always perfect. We didn't find anything outside of the norm than when we conduct these studies elsewhere in the state where the projections don't always match up with what actual events are.

Councilmember Graham: That was my next question, how you compare us to comparative cities?

Kevin Burnett: We haven't had any issues with what you have done. We haven't had any issues any -- we did have one client that was not adhering to the grandfather. So that was an exception to them. From the sampling that we, did you are adhering to what you were supposed to.

Councilmember Graham: Thank you for talking to us tonight.

Mayor Ortega: We have Councilmember Caputi and then myself.

Councilwoman Caputi: Can you put that last slide back up, where it had the number four level of service and also thank you so much. This was wonderful. And I think it's great to celebrate the wonderful things that we're doing as a city. I think that's just a -- I want to underline that point, the level of service, appropriate matching of new development and available resources.

I think this' a lot of folks would have this feeling that we don't appropriately match our infrastructure with our growth, and it's very reassuring to know that we certainly do that as a city, that we checked that box. So I just want to underscore that, that's a really important point.

Kevin Burnett: Absolutely.

Mayor Ortega: Well, thank you. I think our processes are strong and that, of course, is very important. We also note, of course, that enterprise funds such as water and sewer have to be self-sustaining. The last report I saw about a year ago, was that our water costs were -- the infrastructure was about \$34 million and we had collected 20. And on the sewer, we're at about 34 and we collected half.

So they are a bit ahead, and some collections to be made. With that, and since we are concluded on public comment, I see no further questions. We will move on to the next item. We're not voting on it. We are just accepting it. It's for information. Next is public comment.

[Time: 01:18:57]

Public comment is posted and it's an additional opportunity for Scottsdale citizens to comment on non-agendized items are within the council's jurisdiction. So official action can be taken. And there's no requests for public comment at this second session. So therefore, I will close public comment.

According to our agenda, we are moving to citizen petitions items. Our charter allows for and calls for a -- we are open to receiving a citizen petition. However, none was posted with the clerk and accordingly, there's no -- item number 10, citizen petition is vacated.

ITEM 11 – ROAD DIETS DISCUSSION AND POSSIBLE ACTIONS AT FUTURE COUNCIL MEETING

[Time: 01:19:53]

Mayor Ortega: We will move on to the Mayor and council item number 11. The item is -- it was posted as road diets discussion and possible action at future council meeting. Item number 11 was added to the agenda on April 14th at the request of the Vice Mayor Littlefield, and we will -- I will now ask and cowl on her to present your request. Vice Mayor?

Vice Mayor Littlefield: Thank you, Mayor. I have caused this item to be placed on the agenda. We have all seen and read the multiple locations that are listed for road diet adjustments by the transportation department. The whole issue started out when we were told from the dais during our discussion of 68th Street road diet, that road diets would not spread to other parts of our city, that they would be uncommon and rare occurrences.

Those clips have been broadcast throughout the city for all to see. You can check it. Now, however, we see there are multiple locations, 15 to date, and rising. That will be coming up for consideration in the -- for this very same thing throughout the entire city. Scottsdale citizens I have talked to, I have heard from, they are outraged. They feel betrayed and they feel lied to.

And we have all seen and read the hundreds of emails that they have sent us. Citizens don't want the automobile lanes reduced, especially by the council voting for more businesses, apartments, and hotels throughout the city has and will continue to cause a vast increase in the number of cars and other motorized vehicles that will use our city streets in the not too distant future.

We have over 10,000 apartments approved now, and every year we approve more. Citizens also fear that by reducing the number of vehicular lanes we will cause additional travel issues for our emergency vehicles that have time sensitive needs to reach their destinations. For example, fire trucks rushing to a fire, police cars racing to a crime scene. Ambulances trying to take critically ill people to hospitals.

They will have to dodge bicycles and skateboards and walkers but there will not be a second car lane to move into. By creating these road diet plans in mass, and without approval, we have divided the city and have outraged our citizens to an extent that I have not seen since the uproar over the DDC. It's that bad. And like the DDC, this issue needs to be settled by the vote of the people.

We need this healing as quickly as we can. Whether you support or oppose road diets is not the question. You should want the voters to decide the issue. It's the only hope we have to restore

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the trust of our citizens. I have already heard throughout the city that this issue will be remembered and will impact the next election, north, south, east and west and I believe it. There's that many people I have heard from. Everywhere I go.

If we don't allow a vote of the citizens on this, the wound of continue to fester within our community and with each and every road diet plan we hold up here to consider. It will get worse. Therefore, I move that we ask the city manager to agendaize an item for council action regarding the placement of the issue of road diets on the next available city election ballot. While this may seem like a simple technical issue to some, it has become a divisive political issue, and it needs to be decided by the voters. Thank you.

Councilwoman Janik: Second.

Mayor Ortega: Okay. I have a motion and a second. I see some discussion. Councilmember Whitehead.

[Time: 01:24:12]

Councilwoman Whitehead: I want to comment on something that Councilwoman Littlefield just said. We are all up here elected to do what's right for our community. Not to do what is right for our reelection. I want to get this out right now. The past month, these past few weeks, we've had the opportunity to spend a lot of time discussing road diets.

And as rowdy and seemingly divisive as it's been, it has not been for nothing. It's served a really important purpose. Six of us up here spent the better part of a year going through and improving a transportation action plan. We are not experts, but we are charged with approving policy that protects our community. So did we get it perfect? I can tell you based on the last month of discussion, we did not.

And it was not because staff was trying to pull the wool over our eyes as some suggested. I want to remind everybody that until this year, this was not a controversial issue. Just over two years ago there was a road diet on Indian School Road and Councilwoman Littlefield did make the motion to approve it, and it was approved 7-0. There's been no complaints. No accidents caused by it. So it does work sometimes.

But the reason I'm opposing a public vote is for three reasons. Number one, the public safety is Scottsdale's primary job. It's not up for a public vote! We don't ask the citizens what the speed limits should be, whether Pima Road should be widened, whether people with disabilities should have access to our public roadways. It's our job.

And it's the City Council's job to adopt policy that achieves public safety. And we didn't get it perfect in this transportation action plan. I know that. The second reason is we don't approve blanket policies. If we approve a blanket policy on road diets, we would have the highly

populated south deciding what is best for a Legend Trail Parkway and I was just up at Legend Trail and those residents specifically told me, they want to have their voice matter more. They want to have local control.

We might have a policy -- a configuration change, an option for them, and they should weigh in. And also, I want to point out that what makes sense for 68th Street where there's a very high collision rate and we had pedestrian deaths does not make sense for McDowell Mountain Ranch Road. So, of course, we need to not have a blanket policy.

We need to do what we do best which is listen to the local people impacted based on date and based on community, not a general policy. And the third reason is I will never spend a half a million dollars, your tax dollars for something that's our job. I will not waste two years for something that this council is obligated to fix today, and to fix for free!

And that is why I have requested and with the support of my colleagues up here, we are going to relook at the road diets and I bet make some pretty big changes on how we describe them, which -- what the criteria are, and with -- if I get my way, we are going to remove some of them off the list.

[Time: 01:28:13]

There's a big difference between lane reductions and just changing the lane widths to slow down. I think that's a subtlety when we were doing the transportation action plan. So I will not be supporting it, but I absolutely will continue to support my constituents and make sure we get this transportation action plan right and I just want to thank everybody for all the input, rowdy or not. Thank you, Mayor.

Mayor Ortega: Councilwoman Janik and then Councilmember Durham.

Councilwoman Janik: Thank you, Mayor. This issue has divided the city. And that is a very high price to pay for a couple of miles of changing the roads. I think we need to resolve it and we need to bring the city back together and I think best way to do it is to have every person make their choice known. Some people say, oh, people don't want it. Other people are saying, yes, they do.

And there's only one way to get the adequate data and that's to have a vote on it. Now, I have never questioned that staff is well-intentioned on safety. I have never questioned that. But who is to say that the new way is more safe than the old way? And many people feel leaving it as it is, is the safer option. The other thing is the cost of the election in 2024, would be \$15,000.

At what price do we try to bring the city back together? Do we try to recognize each individual voter and how they feel about a very controversial issue that based on the current action plan will continue into years in the future. So I will be supporting this and I also think it's a good idea

to have an open discussion on it in the future, because there are a lot of people that didn't understand it. They did not know it was coming about.

I think we need to make sure that we do a much better job with notification, and I think that way we can bring the community together. And I think it's at least worth a discussion to be agendized at another meeting. So, again, I will be in favor of this motion.

Mayor Ortega: Okay. Thank you. Well, my comment is this, the subject is already agendized. Council requested a work study on this item. It's scheduled for May 16th. The public record. There may be some information, additional information for understanding. And I went through the open house discussion on Thomas. Many people were confused, thinking there would be one lane in both directions on Thomas Road. There was a lot of misdirection. I heard.

I'm not saying it was valid. In fact, there were five lanes, right? So this is part of what we heard. So I cannot support a motion -- I do support more information. We are already scheduled for that. That was requested prior to Vice Mayor's motion. It's already been set up. That means that the staff will have to present findings as well as the transportation commissioners have called on. And so we have that fair and open process already underway. And next, we have Councilmember Durham, Councilwoman Caputi.

[Time: 01:31:42]

Councilmember Durham: Thank you, Mayor. I agree 100% with everything Councilmember Whitehead said. Our main job is public safety. And as far as I'm concerned public safety is not up for a vote. We are not going to tell the Fire Chief Shannon how many people go on a truck. We are not going to explain how to put out a fire. Or explain to Chief Walther how many people should be on the job.

They're experts. It's not our job. I don't think we should be making a vote on making our roads safer. When it comes to our roads, I think there are two experts, our staff who is trained on this, and our experts, and then, I think the other experts are the people who live near a road or use it regularly. The condition of roads is uniquely a local issue. If you live on Legend Trail, I don't think you should get to vote on what happens on 68th Street. And vice versa. If you live on 68th, I don't think you should have any voice in what happens on Legend Trail. This is not like the Preserve, where everyone paid taxes to buy the Preserve land. And everyone voted to create the Preserve that. Was an issue across the whole city and involved literally every single citizen in the city. These don't.

The people on 68th Street were up here a couple of weeks ago, and they told us it was dangerous. And I looked at the city's statistics, the four-lane stretch of 68th Street is, in fact, one of the most dangerous stretches of road in the city. It's number one -- no, not number one. It's number 21 on the number of accidents per mile driven. If you look at the two-lane stretch of 68th Street, the accidents are very low. But when you get to the four-lane stretch of 68th Street,

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the accidents on that stretch are double what they are on the rest of the 68th. So the people who live there, they are the experts on what's going on on 68th and they were right. And we need to listen to them because they know the local conditions. So safety is any one number one concern.

I was riding my bicycle on 96th Street a few days ago. I didn't know that 96th Street had undergone a road diet. It's one the most beautiful streets in Scottsdale. It's gorgeous well a nice roundabout that's beautifully landscaped, trees, good bicycle lanes, low traffic. It's wonderful. And adopting this policy would stop the contemplation of road diets on 96th Street or any other street. All of us got an email today about how wonderful 96th Street is, and what a good idea the road diet was. So every street is different. Every street needs a different consideration. So the facts of each trend of each project are going to be different. And we up here are going to have to judge that. When it comes to following the staff's direction, I don't blindly follow the staff. I pepper them with questions.

[Time: 01:35:48]

I have been sending emails to our staff on close to a daily basis, asking them about the statistics and I have been going over the statistics myself, and I have been looking at a lot of the literature on road diets. They're successful in many places when they are well planned, like the one on 96th Street was and they are not successful when they are not well planned. So that's why we can't vote on these as group. Each one is separate.

And I agree 100% on Councilwoman Whitehead's call on a work study session. I think we need to set out clear criteria and directions to our transportation department under what conditions we think road diets would be advisable and under what conditions we think they wouldn't be advisable. And we'll do that with their guidance, but every street situation is unique. And I don't think we can take a one size fits all approach. Thank you, Mayor.

Mayor Ortega: Okay. Also, while we have Councilwoman Caputi and then Councilmember Graham. I just want to suggest that discussion is limited. We have the topic that's already -- the topic is whether or not work study would -- the motion and call for a future election. So discussion of the particulars of this, or outcomes of elections is not relevant. I would prefer to hear from the final two councilmember, Councilmember Caputi and then Councilmember Graham.

Councilwoman Caputi: That's a great point, and I agree with what Councilman Durham just said. We look at the items on the council on each individual case. We want more resident input. Why do we want less, whether there's 50 potential projects or two. We want to give our residents an opportunity to weigh in on each one. That's our job. We want as much resident input as we possibly can. So we want to do public outreach and we want to have time for public comment, and have a meeting on each item that matters. We want to weigh the facts and the data and then we want to make public decisions and we can always vote no. So I would for sure

be in favor of not taking any action on, this although we have a work study. Proceed.

Mayor Ortega: Councilmember Graham.

[Time: 01:38:37]

Councilmember Graham: Thank you, Mayor. I very much appreciate Vice Mayor Littlefield putting forward this motion. I think this motion makes a lot of sense and I would support it. I want to talk just briefly about that support.

First of all, there have been some arguments made, that you know, we don't vote on public safety. We don't get into that, but we do vote on public safety, and actually, one the things that residents voted on is they told us in the 2019 bond package, if I can pull up my list, Via Linda police station improvements, new fire station 90th and Via Linda. Renovate the foothills police station. Those are -- those are public safety projects that voters told us specifically in the 2019 bonds that they wanted. And we are not putting the money towards those and instead we are putting the money towards projects like this. We do vote on public safety and that's absolutely relevant. I agree with Vice Mayor Littlefield, this is an outrage that I have not seen in the years I have been tracking this. A vote like this can help Scottsdale rebuild trust with its residents. We just paid for a very expensive survey and residents told us we got very low marks for trust. We got low marks for transparency. We got low marks for communicating upcoming projects to residents. They told us that in the survey.

68th Street, if I could talk just briefly about 68th Street, we know that the notification was flawed. The Exeter neighborhood did not get notified.

Mayor Ortega: Excuse me, please confine the discussion on the motion. The motion was not relevant on 68th Street. We are trying –

Councilmember Graham: Move it along.

Mayor Ortega: Be very clear on what the scope is of the motion. Vice Mayor Littlefield.

Councilmember Graham: Mayor, may I complete?

Mayor Ortega: You had another thing, sorry.

Councilmember Graham: Sorry about that. You know, we don't have to engineer the exact language of the motion right now. That's not what Vice Mayor Littlefield is talking about. She's talking about putting this principle before voters to vote on and whether we want to eliminate the -- eliminate lanes across the street, or across the city. I think that is important because I have heard some of the councilmembers say, if you live up in legend trail, you don't get a voice down here. I don't think we should eliminate anyone's voice. I think everybody pays the taxes.

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They pay for all of these projects and they should get a say. This should be about a framework for whether or not we are going to be ditching more lanes or if we acknowledge the fact that we are a car first city and we want to make sure that we project the -- the transportation corridors that are used by parents driving their kids to school, and practice by commuters driving to work every day and by the elderly trying to get to their appointments.

We want to make sure that they have a say in all of this. The last thing I will say, and thank you for letting me speak, the Indian School Road diet was not as unanimous as it's being sold. When I was on transportation, I studied that and I voted no on the road diet on Indian School. It's not as unanimous as it's been suggested.

[Time: 01:42:28]

Mayor Ortega: Well, we have Vice Mayor Littlefield and -- go ahead, please.

Vice Mayor Littlefield: Thank you, Mayor. I appreciate that. For one thing, we all pay taxes both locally and through our federal taxes. So which tax is it that we come to, to do this? It really is immaterial. I would like to say this because I did not immediately jump on this bandwagon of road diets, there have been multiple accusations by some, both citizens and councilmembers that I am either for or against them or that I'm inconsistent in my stand regarding them. And that's simply not true. I'm basically neutral to road diets. They are a tool. That's what they are. If they are useful and beneficial tool, then we should use them. If they are not, we should not use them just because they are the in thing for today. We were still in a recessionary period, in the economy, businesses were closing, many people were out of work or were working from home, because of COVID.

And road diets seemed to be the one cool in our toolbox that the city could consider. Obviously, car usage went down. So when they take all of these studies on the road in 2020, it's a low number. It makes sense. Now thankfully, the opposite is true. Scottsdale is recovering and we are busily building and opening new businesses and new apartment complexes. We have thousands on the looks that have not yet been built. But they are there.

And they all have parking attached to them when they are built for a reason. They are all going to have cars and those cars are going to be on roads hopefully. Scottsdale is recovering. And I fully expect our car usage to continue and to increase, not only due to our own citizens but due to the folks coming to Scottsdale from our neighboring towns and cities, who are going to be working here in our new hospitals that are going to be building and our new businesses, all of these things that we're currently building in Scottsdale, people are going to have to work there. And they are going to come to and from Scottsdale.

Yeah, to Scottsdale from Scottsdale, from other cities, are that are also growing and we're going to be going there. So I think that our current time right now, is a time of car increase. Transportation increase. And changing the road structures should have a long-term

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forward-looking horizon, not a backward looking horizon. We should not be taking data from 2020 or 2018 or even 2021. We should be looking forward to 2030, or 2035, and trying to say, hey, in the next ten years how many cars do you think we're going to be having on our roads and what is our need and capacity going to be? That's where I am, personally. And I would like to say one thing too, and that is on our planning commission, we are very, very fortunate –

[Time: 01:46:01]

Mayor Ortega: Councilwoman, if you could please bear with us. There will be a work study on all the details, and commissioners can come forward. We already staged that request. Part of this is going to happen. So the empirical information can be provided that you have discussed. And I don't think -- I think have to call on the city attorney at this point, we are just sticking with the motion that you have made, not discussing the particulars of each email or other consideration. I respected that we -- we have already set up a work study for all additional questions in the future.

So we don't need to bring that up right now. I know there's more to say, but that's why we have something already scheduled and that would allow a lot of information to come forward. At this point, I will just call on the city attorney, based on your motion, to just clarify, where we're at. Thank you.

City Attorney Scott: Mayor, thank you. You already said much of what I wanted to say, which is basically this item has been agendized, but it's for a very limited discussion for the council to determine whether or not to vote to place this on a future agenda. And so we can't have the full discussion of the item tonight. I understand the Mayor's point also, it's already coming back in some form in a work study, but my concern is just that of the open meeting law. And trying to keep the council on track under the open meeting law so we don't get too far afield of this council item as it has been agendized.

Mayor Ortega: So with that, again, I'm just taking privilege here that that's -- that's my directive and understanding. We continue to get additional information coming through and the -- the work study, for detailed discussion is already set. So at this point, I will call on people to register your vote on the motion. And again, this is as stated, and as agendized.

Please -- okay, I see Councilmember Durham and Councilwoman Whitehead. Is there more necessary comment? Or question about the motion?

Councilmember Durham: I was going to make an alternative motion.

Mayor Ortega: You are certainly may.

Councilmember Durham: I would make a motion to not take action.

Mayor Ortega: So by denying the motion, we don't take action. We don't need a second motion to requiring no action. So at this point, I would request that the -- please record your vote. Do you need -- okay.

Councilwoman Janik: Would you repeat.

Mayor Ortega: Would you repeat the motion as you read it. It was to request -- direct the city manager -- sorry -- to agendize the item for a future agenda and with the prospect of putting it on the next election. That's the way it was stated in the motion. That's the way it was stated in the posting of it.

[Off microphone comment]

Vice Mayor Littlefield: Or responsible charter offer to investigate the matter and prepare a written response to the council or to take no action. Those are our three alternatives.

Mayor Ortega: There is already a motion on the floor and we just need to repeat the motion as shown and agendized is -- can we get a clarification from the city attorney? We're not changing the motion after we had all of this discussion.

[Time: 01:50:24]

City Attorney Scott: Mayor, if I may, the motion that Vice Mayor Littlefield made, although it was a little longer and contained more words was basically to direct the city manager to agendize this item for future meeting. That was her motion. And it was seconded.

Mayor Ortega: Sure. And there was a discussion about the next possible election on the agenda.

Councilmember Graham: Yes.

Mayor Ortega: So it was agendized that way. I clarified that we already have a work study that was --

City Attorney Scott: Mayor, if I may. That was the item. The item was at the request of Vice Mayor Littlefield direct the city manager to agendize an item for discussion and possible council action regarding the placement of the issue of road diets on the next available city election ballot. That was the item that was agendized under council items and the motion that was made and seconded was direct the city to agendize the item for a future meeting.

[Time: 01:51:32]

Mayor Ortega: Correct. And so at this point, we are going to vote. I have clarified that there's -- that -- Councilmember Durham, did you mean to take your call request off? Okay. So

just to clarify, the discussion was about a possible next election in 2024, to agendize for that purpose.

I respectfully vote no and I would ask for everyone to register your vote and point out again that we do have already a work study where all this topic will be discussed in detail.

Councilwoman Whitehead: Mayor, I think people are confused. So a yes vote puts it on an agenda and a no vote is takes no action.

Councilmember Graham: Denies it.

Mayor Ortega: That's correct. Okay. So please record your vote. The motion is defeated by a vote of 4-3. Graham, Littlefield -- Vice Mayor Littlefield and Councilwoman Janik voting yes. Next, we will move on to the next matter, which is our -- let's see. Okay. We will next move on to the work study.

Work study is an opportunity for us to speak more casually and regarding input on the quarterly financial update. I will ask for a six-minute recess and we will reconvene right at 7:00. Thank you very much.

[Break]

WORK STUDY ITEM 01 – QUARTERLY FINANCIAL UPDATE

[Time: 01:53:30]

Mayor Ortega: We are reconvening our work study for the purpose of looking at our quarterly financial update. Our presenter is Sonia Andrews, city treasurer. Take it away. Take away, Sonia.

City Treasurer Andrews: Thank you, Mayor. This is our quarterly update for the third quarter of this year. Next slide. The primary focus of quarterly financial updates is to highlight any economic drivers that's impacting our city revenues and provide a-level overview of the general fund revenues as it relates to our budget.

Basically sales tax trends and any variances. I'm happy to report that quarter three is no different than quarter two. So I will sound like I'm repeating myself because nothing new has really happened in quarter three. Just like quarter two, sales tax collections continue to grow but at a slower pace. The dining and hotel and motel categories are leading in our tax collection growth. And our general fund sources and uses are within budget. Next slide.

And this is the same chart I show every quarter. As you can see, this is the 12-month rolling average of our local sales tax collection trends as you can see in fiscal year '21/22, there was a steeper increase in growth, compared to this fiscal year. Next slide.

And this slide just shows all the detail, retail sales tax categories and as you can see, the hotel/motel category is 40% above our budget. And that's because of a one-time audit payment that we received and also hotels doing better than anticipated, as a result of demand and continued price increases. And next slide.

And this shows our overall total general fund revenues. Local sales tax being the largest revenue source, but our overall general fund revenues are up 17% over budget, 10% over the third quarter last year. Next slide.

[Time: 01:56:00]

And on to our general fund uses, our general fund uses are increased 7.5% compared to the third quarter of last year, but there are no variances between budget and actual. Next slide. And this is the general fund uses by division. And, again, just like the second quarter, which I have reported some of the negative variances that because of timing differences, and just minor differences, in general, our by division, our total overall general fund uses within 1% of the budget. And that ends my presentation, if you have any questions that I can answer.

Mayor Ortega: Thank you. At this point, I do open up for public comment. Work study is an opportunity for up to five individuals to come forward. We have no comment on your quarterly report. And we have received it in person. So I appreciate that. You know, the good news is -- well, collections are up.

The bad news is some of that is due to inflation. The higher things -- the more things cost, then, the sales tax revenue increases. Now, we do have to support our basic services, which are, you know, police, fire and streets and all the mobility factors that we have, including all of those wonderful libraries that we have running, right? So things are expected to moderate, as you are supposing. Let me move on to Councilmember Graham.

Councilmember Graham: Thank you, Mayor. Sonia, very good presentation. Can I ask you -- can I drill down on a couple of revenue sources for a second. Is that okay?

City Treasurer Andrews: Absolutely.

Councilmember Graham: Very good. Can you talk a little bit about sales tax from construction?

City Treasurer Andrews: Mm-hmm. So can we go back to the slide that has the local sales tax by category?

Councilmember Graham: There it is.

City Treasurer Andrews: I think we have to go back one more slide.

Councilmember Graham: Yeah.

City Treasurer Andrews: Okay. So our construction sales tax is favorable by 2.2 million due to an increase from specialty contractors. Some new projects and a one-time audit payment. I believe the audit payment was upwards of a million dollars. And that was a pretty large audit payment that we received for a speculative builder that increased our construction sales tax.

[Time: 01:58:52]

Councilmember Graham: Can you say a little bit more about that audit payment. Did we audit somebody and there was a penalty?

City Treasurer Andrews: We do. We do have a tax audit department that audits our taxpayers, and through the audit, we did receive a pretty sizable recovery.

Councilmember Graham: Okay. And the construction -- that's interesting to know. Thank you. Is there any way in the construction sales tax to -- because people talk a lot about we have to keep doing up zonings so we know -- so we get more construction sales tax. Is there any way to break up that construction sales tax revenue between what we've rezoned versus what's just being redone or remodeled?

City Treasurer Andrews: Councilmember Graham, we do not track construction sales tax in that manner. We would have to manually -- in order to get that data, we would have to manually look at each developer project to see whether it was a rezone or an up zone or whatever it is. And that data is protected under the confidentiality statute anyways. So we would not provide that.

Councilmember Graham: So if somebody made that claim, would you say that's speculation?

City Treasurer Andrews: I don't know if that --

Councilmember Graham: If somebody made the claim that we need to keep authorizing rezonings so we can continue to collect strong be construction sales tax, would you say that was speculation?

City Treasurer Andrews: Councilmember Graham, I would say we do not have the data to support an answer for that.

Councilmember Graham: Okay, city manager, it almost seemed like you wanted to say something. Did I misread you.

City Manager Thompson: Thank you, Mr. Mayor, Councilmember Graham, collection of sales tax, we do have -- or we are required by state law to be somewhat limited open disclosure that

if it could be determined who the actual provider or party that submitted the sales tax.

Sometimes we could look at issues, but if we, in this case look at those that are redevelopment or new development, but if there's only one new development, we all know who it was. So we got to be careful sometimes when we start to break these down because of our non-disclosure that we are required. So I was thinking that and trying to find a way to provide you the data you desire, but then also be careful that we don't create another issue for ourselves.

Councilmember Graham: So that would be a pretty difficult statement for somebody to make, right?

[Time: 02:01:21]

City Manager Thompson: It depends. That would be my answer here because it really depends on the volume, the number of individual parties, who you could say sales tax for a certain type of retail if we have a substantial amount of entities in it, we would have to do it manually, as Sonia has pointed out, but if we get to a situation where there's one or two that would serve that segment, make the S.I.C. code that you were looking at or something, we would get ourselves in possible trouble.

Councilmember Graham: I'm sure you will tell the audience, what S.I.C. stand for?

City Manager Thompson: That's your service industry code. So basically, there's a whole book of them and there as a ton of them but everyone is assigned one based on what industry they serve in. So thank you.

Councilmember Graham: Thank you, city manager. I didn't mean to put you on the spot there. Thank you, Sonia. Our life blood is our sales taxes. It's our shopping sales tax. It's people that come here and spend \$1,000 staying at our resorts. These are very sought after tourists. These are very sought after dollars and we are in a very privileged position. So with that, thank you, Mayor.

Mayor Ortega: Thank you. I would like to comment about the x factor on all of our -- part of the audit that came through on our rate increases or processes for rates as well as revenues. So it's revenues and expenses. And that relates to state legislative action.

So the preemption of our zoning land use map that was spoken about earlier and what the expectations are for revenues out of commercial properties, are they get converted all to apartments for instance, by right, not by our general plan. There was a bill on that subject, and there -- that was -- while there was another one about sales tax for food, and, again, those were issued that impact our main budget. This is just a quarterly.

So assuming that this is \$7 million issue in this quarter, it's really about a \$25 million issue or

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\$28 million over the whole year. And that preemption at the state level did pass but it was vetoed by the governor. And it said, you know, let the local jurisdictions decide that. And don't just wipe out that possibility. It's a significant revenue stream.

The same issue came up, about taxes on rentals and housing. That was also passed by the legislature. We could see what effect that would have on our infrastructure, our police, fire and our ability to provide services. So that did pass also through the Arizona legislature, and it was vetoed by the governor. Well, we lobbied pretty heavily among other cities, which depend on this revenue to be able to provide these basic services.

So that's one of the x factors that we are dealing with on a weekly basis, and we do depend on our other city partners and working in tandem to provide services city-wide. Councilmember Caputi and we're almost done.

[Time: 02:05:04]

Councilwoman Caputi: Sonia, I noticed that the state shared revenues looked like they increased but I was under the impression that they were projected to go down in the future because our population did not increase quite as much as we thought. So there's a lag, right, between what we are looking at today, versus what we will looking at a couple years from now? And I'm going to say that there's the same situation with construction sales tax revenue, that what we're looking at right now is from projects that were approved many years ago and we're finally looking at it today, because, of course, when the -- when the approval happens and the activity happens are completely -- can be very unrelated by many years. Is that right?

City Treasurer Andrews: Councilmember Caputi, you are right in that construction sales tax typically have a 12-to-18-month lag. And it's really hard to know, because developers do pay the sales tax differently. Some developers pay it based on quarterly progress payments and some developers pay it at the end of the project. So it's really hard to say.

It's 12 months or 18 months or however many months, but there's definitely a delay. So the revenues collected nor construction sales tax today are probably projects from several -- you know, months, including up to 18 months ago. As far as the state shared sales tax -- I'm, the state shared income tax, because we are allocated that tax two years in arrears, so the amount of the taxes that we're collecting today from the state are being allocated from the state today, is actually income taxes from fiscal year '21.

And so in fiscal year '21, with all the pandemic spending and all the, you know, PPP loans and all the things that was happening with the stimulus money, there was a significant amount of income tax that was collected.

[Time: 02:07:01]

Councilwoman Caputi: And, of course, construction sales tax revenue is made up by folks doing tenant improvement or redevelopment projects and also by people who are doing brand new projects and I'm not sure that we would necessarily care where the construction sales tax revenue comes from, right?

I mean, the number is important, that's how we fund our infrastructure and it's important that we have that revenue, whether people are redeveloping or developing. We still -- it's still a great thing to have construction sales tax revenue as a component of our total revenue package. Just making a point. Thank you.

Mayor Ortega: Thank you. I see no other hands up. With that, I think we are concluded and I would ask for a motion to adjourn.

Councilmember Graham: Motion.

Councilmember Durham: Second.

Mayor Ortega: Please record your vote. Unanimous. Have a good evening. Let's celebrate earth week.