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CALL TO ORDER

[Time: 00:00:01]

Mayor Ortega: Hello, I call the May 21, 2024, City Council Regular Meeting to order. City Clerk Ben Lane please conduct the Roll Call.

ROLL CALL

[Time: 00:00:09]

Ben Lane: Thank you, Mayor. Mayor David Ortega.

Mayor Ortega: Present.

Ben Lane: Vice Mayor Solange Whitehead.

Vice Mayor Whitehead: Here.

Ben Lane: Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

Ben Lane: Tom Durham.

Councilmember Durham: Here.

Ben Lane: Barry Graham.

Councilmember Graham: Here.

Ben Lane: Betty Janik.

Councilwoman Janik: Here.

Ben Lane: And Kathy Littlefield.

Councilwoman Littlefield: Here.

Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Ben Lane: Acting City Auditor Lai Cluff.

Lai Cluff: Here.

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

Mayor Ortega: Thank you. We have Scottsdale Police Officers Ryan Lowing and Joshua Currington as well as Firefighter Brian Missirlian here should anyone need assistance. I will point out the restrooms are at the upper level through the rectangular opening to my left. Let's begin with the Pledge of Allegiance, Councilwoman Betty Janik.

PLEDGE OF ALLEGIANCE

[Time: 00:00:55]

Councilwoman Janik: 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'S REPORT

[Time: 00:01:22]

Mayor Ortega: At this time, we draw attention to the ongoing wars in foreign countries as they fight to protect their democracy and freedom. Also ask that we keep in these thoughts our men and women serving on duty in these dangerous locations. I ask you to join with me in pause and silence and reflection for these war-torn countries.

Thank you. Now, every year we have several seasons, and one of the seasons is we call the high season of activities. It starts in November and continues right into May with all the events and all the programs held in Scottsdale. At this time, I want to commend all of our city personnel for their work through this busy season, knowing that they are on the job and busy year-round, working for us. So, I have a Citation of Merit which I'd like to read. The Citation of Merit is intended for each and every employee of the Scottsdale. Whereas City of Scottsdale personnel are vital in the success of the high tourism season annually and our community and play as significant role in the efficiency and safety of local regional, national, and international events that are hosted within our city.

Whereas when our population doubles with seasonal residents and tourists during the high season, city of Scottsdale professionals effectively perform vital municipal functions and maintain the highest standards in public safety, traffic operations, park managements, and efficient waste disposal, et cetera and; whereas the city of Scottsdale employees are committed to providing world class operations that benefits Scottsdale residents, businesses, and visitors alike, year round; and whereas the professionals of the City of Scottsdale, especially those working in the departments of Tourism and Events, Parks and Recreation, Public Works, Fire and Police Department, at WestWorld, and at Scottsdale Stadium, and one of my favorites, in Code Enforcement did a phenomenal job this year and delivered a safe and enjoyable high season and; whereas the city of Scottsdale recognizes and appreciates all city staff professionals who have chosen public service and are responsible for our friendly and hospitable city. Therefore, I David D. Ortega, do proclaim Scottsdale employees high season Citation of Merit. We have several representatives from all departments, please come forward, meet me in front. I do want the charters to come too. Ben has to stay at his desk. Jim, you're up too. Sonia. Thanks.

I also have a second proclamation, and you'll notice we have some glowing visitors here in the first two rows, and this proclamation is written for IBD Awareness Week. Whereas May 19 is recognized as World IBD Day to draw attention worldwide in the fight against Crohn 's disease and ulcerative colitis known as inflammatory bowel disease, IBD, a disease that affects people of all ages and can be life threatening. And whereas according to the Crohn's and Colitis Foundation of the America, 1.4 million Americans are diagnosed with IBD, and 30,000 new cases are diagnosed yearly; and whereas if detected early, treatment of inflammatory bowel disease can prevent

complications, especially for children and adolescents, the most commonly diagnosed age groups. However, more children aged 5 and under are being diagnosed and whereas IBD Junior Board at Phoenix Children's Hospital recognizes the community support is needed to increase awareness of the diseases as well as ongoing research. Therefore I, David D. Ortega, Mayor of Scottsdale, do declare the week of, that we are in, as IBD Awareness Week in Scottsdale and urge residents and businesses to support members of our community of all ages who are diagnosed with IBD. Great to have you and please come forward.

Finally, in closing, I will say that this is a very joyful week in our community. And it's really the peak of the peak because this is graduation week. So, if you look at the high schools and junior high, middle schools, all the charters, it's a joyous time for family and for this reason, of course, that our excellent staff manages our safety and traffic and all these other considerations that are so special. So, I really think this graduation week is the highlight and finale of our event season.

CITY MANAGER'S REPORT

[Time: 00:09:57]

Mayor Ortega: I'll next call on City Manager Jim Thompson to provide a City Manager's Report.

Jim Thompson: Thank you, Mr. Mayor, members of Council. This evening, I have Karen Churchard, she is going to come forward and we're going to do a Tourism and Events Strategic Plan update. Thank you.

Karen Churchard: Mr. Mayor, Vice Mayor, Councilmembers, thank you for the opportunity to give you an update on the City's Tourism and Events Five-Year Strategic Plan. Just the cursor, Will? Okay. Sorry about that. The city and Experience Scottsdale came together nearly two years ago to begin the RFP process to create this Plan. And all along the way we have had the pleasure of working side by side with many of you, Experience Scottsdale, different city departments, and the community to really create the Plan together. And before we started implementing it, we also met with several community organizations, making presentations, and also to some of our Commissions, which was very well received. Next please. There are eight principles. We just started our first year and they all center on these eight topics which I'll briefly review. Community and wellbeing being the first, is about where people live well, get well, and includes a focus on the health and the well-being of the environment and community. Next slide, one more there, Will, thanks. Sorry about that.

Going the wrong direction. There you go. Okay, several departments have been supported and working with Blue Zones Project. We helped them with their January kickoff as well as when the community event that they did recently at the Civic Center. We also entered into an agreement with Clarity of Place to do a place balance study which talks about our local community and nonlocal community members that go to different events, and we just got the results of those and are providing that to the Tourism Development Commission. We also worked with Lisa McNeilly

on the Sustainable Plan in terms of tourism and gave some different introductions with her like the Alliance for Golf. And we also, two of the Experienced Scottsdale staff went through a sustainable destination marketing sustainable designation. Next please. In terms of culture and creativity, this is all about our arts and culture and the vibrancy for making us one of the west's most vibrant cities. Next please. There are five different strategies and we have made headways on many of them. As you recall, we had a public art ordinance update work study with you last fall, we'll be bringing a recommendation towards soon. We are still determining that process. We are also just completing an arts and cultural assessment with the third-party vendor, and those results are coming in, working with Brent Stockwell and Will Brooks in the City Manager's Office. Our Mayor, thanks to him, got us our designation as a World Heritage City. We have also been working with the Arts District and Museum of the West. We created two district videos and ran campaigns that were, did remarkably well, and we will report more on that in the coming future.

In terms of Native Americans, southwest and western heritage, we really made some great headway there too. Dia de los Muertos expanded into the Civic Center last fall, and we have already started discussions on expanding it even further this year. In terms of Native American, we really have done some great work with our tribal partners. We have the Arizona Indigenous Culinary Experience, which is held at the Museum of the West. It's been held for several years, and actually is now drawing international and national journalists. And a one-time event that we partnered on was the new Art Is Culture, Culture Is Art documentary screen about Kiva Lloyd NEW, and we also featured Robert Black's private collection of the Kiva Lloyd fashions. Next please. In terms of festivals and events we are working with several different city departments, it takes a lot of collaboration there. And this is about, we already know we have some world class events, but we are trying to expand throughout the whole year with more indoor facilities. Next. We are doing a lot of work with WestWorld, we are in the final stages of a one-year economics impact study that will conclude in June. The results will come in August. We'll be meeting with City Manager Thompson to review those and any next steps. We looked at a feasibility study, we put that on hold. In terms of expanding and attracting more events to Civic Center, we last October November held the Fall in Love with Scottsdale Civic Center which was very successful and a lot of new events that Scottsdale Arts has brought to that venue as well as we are seeing a lot of event rentals with new events and events that have come back.

[Time: 00:15:25]

And then finally, we are exploring a phase one sponsorship opportunity study with Superlative that we just got the results this morning, and that's about potential corporate sponsorships of our tourism related facilities. Again, we'll be meeting with City Manager Thompson and his Assistant City Managers to discuss any possible movement forward. Next please. Meetings and events is a principle we have not done a lot with yet, because we had we have a transition with our Economic Development Director. We just met recently with Teri Killgore and look forward to a lot of good results with that principle. Next please. Outdoor pursuits made some great progress there, this is about all about our great opportunities for outdoor advancements. Next please. We have been meeting with McDowell Sonoran Conservancy about adding some Exceptionally Scottsdale

experiences. In terms of the Arizona canal, we have had many events that are listed here are the REI Bike Tour, which is an ongoing tour along the canal, the 5k Night Run, second annual, the lululemon 10k held their yoga classes, and we did a Final Four activation. And then finally, I think our proudest is the Tour de Scottsdale which we the Tourism Development Commission recommended that the city enter into a five-year single source with McDowell Conservancy, they held their first bike races many of you know, and Vice Mayor Whitehead participated in, 2,700 riders, 48 states, and five countries represented. It was an amazing event; we look forward to future success.

And finally, our last principle is, oh not last, sorry, placemaking, I can't forget placemaking and entertainment. This is about Old Town Scottsdale, and the progress that we have made to date is we talked to the Council and others about, next slide please, Will. We talked to the Council about wayfinding discussions, we want to do something with pedestrian way finding, we've got room to grow there. We'll be working on that in this next year. I mentioned the district videos, we have already started doing the next one, which is 5th Avenue Shopping District, and we plan to do all districts over the next few years, two to three each year. Old Town networking meetings, we brought those back. They are quarterly, thank you to many Councilmembers for attending and the Mayor has been welcomed to each of those meetings to our businesses, it's a great way for us to really engage not only my department, but also the departments of the city. And then the last is the luxury destination Virtuoso. Experience Scottsdale has entered a partnership with them to really make the level of luxury great in terms of travel-type opportunities. And then last, not last, I'll find my notes here. Two more. Sports tourism, this one, next slide please.

We are working with Parks and Recreation on their master plan. So, lot of work to be done there, but I'm really thrilled we have met with their vendors several times and our alignment between their strategies and ours is exceptional. So, look forward to that. And I'm really proud of the Final Four activation that we did. And this is an important area where this strategy speaks to collaborating regionally and when we do events like Super Bowl and Final Four, it really takes our city being a partner in that. I thank the Council and the Mayor for financially supporting those activities, and the activation that we did with my team was pretty exceptional and we couldn't have done it without a lot of departments, so we thank them all for that. Next is our last one, finally I really mean last.

[Time: 00:19:18]

Travel and hospitality advocacy, this area, next slide, is really being handled by Experience Scottsdale and they are doing exemplary work. They've worked on diversity of all their photography, their videography, and their content creators. They are also doing a lot of training sessions with the industry, and they yearly they do a couple of times they do a lot of advocacy, talking about the importance of tourism, and also give presentations to Commissions and community presentations. And finally, they've been really good about aligning different tourism into job opportunities on their webpage. So, with that, I just want to say thank you very much for the support that you've given us in making the city's Tourism and Events Strategic Plan a reality.

We are happy with year one and we look forward to the next few years, so thank you.

Mayor Ortega: Outstanding, Karen. Let me call on Vice Mayor Whitehead.

Vice Mayor Whitehead: First of all, I think all of us up here want to thank you, Karen. She's retiring after doing a phenomenal job. I remember when tourism was three months long. I encourage everybody just as a snapshot of what is happening under Karen's on her watch, June Days, go to Scottsdale website look at June Days. Every single season is packed with incredible events, and ideas on how to spend time with your family or with friends, and it's so impressive. The June Days website is, I mean, you would expect that from, I don't know, a tourist company and it's done right here in Scottsdale. So, kudos to you, this was a great report. We have really broadened not only the time frame that people come as the Mayor says, people keep showing up in August and July. We have people showing up all the time. But we have brought in the types of events, so every person, all over the world has a reason to come to Scottsdale. And our staff, I just want to just do one more callout to staff. Cleaning up Old Town in the middle of the night so every day it sparkles for our tourists, it's just impressive. So, we are going to miss you, Karen.

Karen Churchard: Thank you.

[Time: 00:21:40]

Mayor Ortega: Well, Karen, you are retiring at the end of this month, and what a great foundation and legacy that you've set the table. And I'm glad to say, every day, every month, every season, there's something new to love about Scottsdale. You're creative, the people that have explored Scottsdale for the first time usually go away in awe, and almost 80% of the people return to Scottsdale, that's how successful we are. It's one thing to draw people here and another thing to have a really lasting impression that brings them back. So with that, we are very joyful that your service has been outstanding, and then looking forward to following your address, we'll know where you are. We'll keep tabs, and I know you'll stay close for all of our events that we enjoy. Thank you, Karen, let's give her a big hand.

Karen Churchard: Thank you.

Mayor Ortega: Also, just to mention, was that it? Also, just to mention that Vice Mayor Solange Whitehead has served as Vice Mayor and she completes her term with this meeting, and Councilmember Graham will begin his term as Vice Mayor in June. So, thank you very much, Vice Mayor Whitehead for your service and we will continue on. Here's an announcement. The, during tonight's meeting, the Council may make a motion to recess into Executive Session to obtain legal advice on any applicable item that is 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 would then resume following an Executive Session. Also, 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 and demonstrations shall not be permitted. Violation of these rules could result in removal from the meeting by security staff. And I say that because the meeting will go on in a very orderly timely fashion when we adhere to that. Additionally, the Council recently updated its Council Rules. Councilmembers shall not send any electronic communications while attending public Council Meetings or Executive Sessions. Only electronic devices supplied by the City to reference digital material is permitted. All other electronic devices must off the dais.

PUBLIC COMMENT

[Time: 00:24:49]

Mayor Ortega: Next, we are moving to public comment. Public Comment is reserved for Scottsdale citizens, 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 a Council meeting is not allowed pursuant to State law and is therefore not deemed to be within the jurisdiction of the Council. No official Council action can be taken on public comment items and speakers are limited to three minutes to address the Council. And all you need to do is check in with the Clerk. Step forward as I call your name. So, we have received several requests for public comment. Again, items that are not on the agenda. One is Scott Stewart and Brent Bieser. Scott, if you could please come forward, state your place of residence, and then you'll follow the clock at the prompt there. Once again, calling on Scott Stewart. Going twice. Not present. Next, we have Brent Bieser. He's going to come forward and state a topic of his concern.

[Time: 00:26:23]

Brent Bieser: Good evening, Mayor, and City Council. Name is Brent Bieser, 7317 East Vista Drive here in Scottsdale. And wanted to follow up on a petition that I submitted to the City Council probably about six weeks ago regarding a basically a text amendment to suggest that we go through the DR, Development Review Board, on all SR projects, and the City Council was kind enough to vote to have a report created by the City Manager's Office, so that was great. And I did receive a copy of the City Manager's Report. It was a little bit curious; I was only asking for a development review on just one district, the SR district, but for some reason the report seemed to conflate that all districts would have to fall under this. And the way I read the SR zoning is it's a special district, its got special requirements, its got a special purpose, and it seems like keeping the neighbors in the dark, the way that we currently review these projects when they come to the city and that they are basically handled behind closed doors by the staff, didn't seem like a very transparent way of handling these properties. So, that was kind of curious.

I know that the City Manager's Report did stress the importance of the efficiency of going through staff and not going through the Development Review Board. And you really can't argue with the efficiency of it, but if the staff is not handling it properly with, with the careful reading of the zoning and that they are just kind of freewheeling it, then efficiency really is of no value if they're not doing a careful job of enforcing and applying the zoning ordinance. So that was something

that was kind of curious. I know that the after the report, basically my understanding is four of the seven Councilmembers then would need to say they would like to have this be an agenda item. And I have no clue, other than Councilwoman Janik was kind enough to write back and say that she was going to vote to not put it on the agenda. I'm running out of time. She was not going to put it on the agenda. She felt that the building was compliant, and compatible with the neighborhood, which is only just a few percent of what the problems are that we have with the SR parcels.

So, I did reach out to Councilman Graham probably four or five e-mails over the last six weeks, never did hear back. I'm not sure if there's a glitch in the system, but I never heard back on any of your thoughts on that. So, I just wanted to basically try to learn what I did wrong. Was my petition too vague? Was it not vague enough? I would like to get some input from each of the City Council members, so I will shoot an e-mail to you and ask if you could help me understand a little bit. You know, we clearly have a problem and how do we find a solution working within the system that we currently have. So just kind of give you heads up you're going to have an e-mail on the way that would be a big help to me.

Mayor Ortega: Thank you, sir.

Brent Bieser: Thank you.

Mayor Ortega: Next at this point I see no other speakers, so I will close public comment.

MINUTES

[Time: 00:29:48]

Mayor Ortega: Next, on the agenda I request a motion to approve Special Meeting Minutes of April 16, 2024, Executive Session Minutes of April 16, 2024, and Regular Meeting and Work Study Session Minutes of April 16, 2024.

Councilwoman Janik: So moved.

Vice Mayor Whitehead: Second. Second.

Mayor Ortega: Thank you, I have a motion and a second. Please record your vote. We are unanimous.

CONSENT AGENDA

[Time: 00:30:20]

Mayor Ortega: Next, we move on to Consent Agenda Items 1 through 5. There is an opportunity for the public to speak on any Consent Agenda Items. Consent Agenda Items have a full file of

backup information, and at this point the five Items 1 through 5 show no public speakers. And I also, we have the opportunity for Council to ask a question or make a motion. I see Councilwoman Janik and then Councilwoman Littlefield.

Councilwoman Janik: Thank you, Mayor, I have a question on Item Number 1, AFB Development Final Plat 12- PP-2022. Do we have anybody from staff to address that? Thank you.

[Time: 00:31:19]

Meredith Tessier: Good afternoon, Councilwoman Janik. Meredith Tessier with the Planning Department. How may I address your question?

Councilwoman Janik: Thank you. And it's just for clarification. I keep getting e-mails that say, "Why are you allowing more people in our community by building more apartment buildings, more houses, et cetera?" Can you please confirm that this was not a zoning change, that this was what was platted from the get-go years ago?

Meredith Tessier: Certainly. No problem. Again, this is Meredith Tessier with the Planning Department. The subdivision meets the General Plan requirements, it was zoned back in 1986, so it does conform with the single-family residential dwelling units as well as the density. So, it's in conformance not only with the General Plan but the Master Plan as well as zoning ordinance, thank you.

Councilwoman Janik: Thank you, Meredith. So, I hope everybody heard that. That it was supposed to be there since 1986. And I think it's important for the community to know that most of what we see going on has already been planned, and it was planned decades ago. So please try not to blame us because usually we are not responsible. So, thank you. And I think this will be a great community because it's a first new development with single family residence that we have seen in a while, so I welcome it. Thank you.

Mayor Ortega: Vice Mayor Whitehead.

Vice Mayor Whitehead: Thank you, Mayor, I motion to approve or adopt Items, Consent Agenda Items 1 through 5.

Councilwoman Littlefield: Second.

Mayor Ortega: Thank you, I heard the motion to approve Item Consent Agenda Items 1 through 5. Please record your vote. We are unanimous, 7-0. Thank you.

REGULAR AGENDA – ITEM 6

[Time: 00:33:20]

Mayor Ortega: Next, we will move on to Regular Agenda Items Number 6 and 7. Item Number 6 is the Infrastructure Reimbursement Agreement. Presenter is Brian Biesemeyer, Water Resources Executive Director.

Brian Biesemeyer: Good evening, Mayor, and Council. I have a presentation for you on an infrastructure reimbursement agreement amendment with McDowell Mountain Village or Optima, as well as some budget transfers to support that agreement in construction going on. Little background on the agreement. It allows for construction of a sewer servicing the area north of the CAP canal and south of the 101 between Pima Road and Scottsdale Road with an accelerated schedule, minimizing community impacts, and opening this area for current and future development. Optima funds construction with reimbursement from the city, and they will be reimbursed for the capacity that they don't take up. So, they will build more capacity than they will use. The capacity that they use, they will pay for, and they will not be reimbursed for. Sewer development fee funds are used for the portions of the infrastructure improvement plan project that initially was budgeted for that.

As we'll discuss later, that budget requirement was not sufficient so, we have some other means of making sure development pays for development. And that is by attaching payback requirements to development as they come into that area. So, as future development comes, they will have a payback agreement on their parcels to pay for this sewer as it develops. A little background here, and I want to put something up on Elmo, Will, if you could switch me. Can you zoom in a little to that? Sorry, it's a little admittedly so, it's a large map parcel. That's good, thank you. I'll switch it because it's upside down. So, the parcel we are talking about, or the sewer segment we are talking about, starts up here at A, goes through down through Princess Drive all the way to G, which happens to be in the middle of the TPC Clubhouse parking lot. So, it's a considerable segment, a number of segments going down to G. We talked about in February, when I came to you in February, we talked about another segment of that, and that is the segment from G across the TPC and then down the 101 Access Road. So that's what we previously talked about, tonight we are talking about the larger segment that goes from Optima down to the TPC Clubhouse.

The proposed amendment is to increase the amount allowed for reimbursement to account for escalating costs. And this is, this part of the escalating cost is for payment of items ordered in advance of construction, items ordered and obtained for construction. The general payment process is when construction is completed, that segment is then paid for. It's first inspected, it's ensured that it complies with all our requirements, and then we reimburse the developer. There is a portion of this agreement that allows for some additional payments up front, and that is to allow them to purchase items, bulk items to ensure the construction can go unimpeded and to make sure the items are there and they're not waiting for deliveries. And so, that's the portion that we are escalating that cost because their total costs are going up. But they aren't paid in full until each segment is completed. Now, we did change some of the segments in A4, we divided that up, that was a rather large, long segment. We broke that up for the developer, they still have those same requirements, each segment must be completed, inspected, approved and then it can be paid for.

The percentage of funding does not change. The percentage for the parties involved does not change. The budget increases requested is \$19 million and there will be budget transfers from other projects which I'll go through.

[Time: 00:38:10]

I have to say that \$15 million is actually for the project, \$4 million is a contingency. We have some unknowns, we thought it best to reserve some contingency funding for those unknowns and I'll explain those as well. Will, if I can go through, I'll just keep trying here. And I keep going the wrong way. So, we talked about project funds, the original budget for 23/24, FY 23/24, was \$5.949 million. The actual IIP that was set up. So, Will, if I could have the overhead again? Could you zoom in? Well, never mind, just leave it there, I think I can see it. The actual IIP project was right around \$12 million, just shy of \$12 million. So, the first part of that was put in for FY23/24. The second part was in 24/25. It's not clear on this table that that's what occurred, I put asterisks here to kind of explain that, that the 24/25 part was actually in the FY24 CIP budget. That's where it's always been planned for. So, it wasn't a \$6 million initial budget, it was a \$12 million initial budget, but spread for two years. So, as you know, in February I was here to talk about some additional budget needs for the TPC portion, we are again here tonight to talk about budget needs for this portion of \$19 million. But before I get into that, the actual needs, let me go one more here.

So, the budget transfer requested is \$19 million. And you can see from this where we are asking, we are transferring \$6 million from the Frank Lloyd Wright 24-inch Booster Station, that is completed construction, that's a \$6 million savings. The SROG Regional Wastewater Facilities, they have, that is a savings as well, \$3.5 million for this last fiscal year. Zone 14/16 Water System Improvements is the same. That project is completed, that's savings we want to transfer over to this. We are asking for sewer and wastewater contingency funding for \$8 million to shore up the entire \$19 million. We will next FY, coming here in July, work to put some money back in those contingency funds as we progress. The reasons for the budget increase. GMP 3, which is the guaranteed maximum price for the Optima segment, did not come to the city until mid-March. We were here in February; I didn't have the information about GMP 3 until mid-March. Since that time, we have been working with Optima, working with the Budget Office, on how to fund the increased cost because that GMP cost came in at \$27 million for the Optima segment.

The original IIP project was that was a large cost. Why was that large? It's a great question. Well, the original project, the IIP was budgeted with using 2019 dollars. We know prices have accelerated. So, there is around 30 - 40% increase in our costs that we have seen. Is that the amount total you've seen this is a magnitude of five or more times the original budget. So that's only a portion of it. The bigger portion is really the increase in scope. So, we went from an existing, it says two existing, one sewer line going into the next. An 18-inch sewer line that we are going to oversize in one portion up to 21 inches, so add 3 inches in size, the next segment we are going to increase to 30 inches. Just replace that entire sewer in kind, it's an easier construction, you go in, and you do have to pump sewage around it as you do the replacement. But it's an easy

construction, it's the same line, same disturbed area that you can just go through and replace that. Due to -

[Time: 00:42:54]

Councilmember Graham: Brian. Brian, just, I'm sorry to interrupt you, GMP, guaranteed maximum price.

Brian Biesemeyer: Right.

Councilmember Graham: Just so people know that.

Brian Biesemeyer: I'm sorry, you're right, Councilman, it's a guaranteed maximum price, my apologies for. It's not, I thought I said it, but you're right, it's a guaranteed maximum price by the contractor that was contracted to do that.

Councilmember Graham: Thank you.

Brian Biesemeyer: Okay. So, the, as I was saying, the size is tremendously larger given what we know of the projected development in the corridor around the 101. We hired a consultant, Carollo Engineers, to look at the entire area, to give us estimates of potential growth in that area, and come up with flow requirements, and that's how we upsized this line. And let me show you if I could get the Elmo one more time, Will. So, I talk about 18-inch and we're going to a 36-inch sewer. It sounds like that's just twice the size. Not really. Flow through a sewer is based on the cross-sectional area plus the velocity of flow going through the sewer. So, if you go from 18 to 36, you are talking cross-sectional area that's four times larger. And that's what I'm trying to show here that you have. So, it's four times larger just in the cross-sectional area, slope also has a function in that. And if you keep the Elmo up, Will.

So, the original project 18, and we are going to upsize it to 21. That gave us 700 gallons per minute increased flow. With this new 36, we left the existing sewer lines in place, we are talking a flow capacity of 7,100 gallons per minute. A huge increase in the size and magnitude of that sewer interceptor. So, we are talking, a substantially larger project than was envisioned in the IIP that was done and adopted in 2021, again with prices from 2019. You can go back, thanks. Thank you, Will. Additionally, there's changes in the pipeline alignment from that initial design for that IIP due to the size of that and the inability to fit the larger pipes in certain corridors. So, we had to change the entire alignment. We did increase the types of materials. We wanted to ensure we did this once; we did not want to go through this area again with another development. We didn't want to have another sewer coming through the area, wanted to do it once. So, we researched pipe material, we increased the cost of that pipe material to something we hope will last between 50 and 100 years, we put in prefabricated poly concrete manholes. We required that so we don't have to go back and recoat those manholes every 10 or 20 years. They should stay in place, and we are not disrupting the neighborhood, and we have a longer lasting asset.

[Time: 00:46:30]

The uncertainty of the alignment I mentioned the \$4 million we want to hold back for contingency, and that's due to the uncertainty of the alignment. We have to go through Bureau of Reclamation land in two different places and we have to get their approval for that alignment. We don't yet have that. I don't know what they're going to give us, not that they're, they have different concerns than we do. Particularly we are going to go through the levy, the big retention levy that protects the CAP canal. And that's that the portion along the 101 alignment that I referred to earlier. So, we're going to go through, we're going to have to actually jack and bore, create a tunnel under that levy so we don't disrupt the retention capabilities of that levy. We don't know whether it's straight across that levy or it's at an angle. Obviously, those impact cost and we want to reserve some cost to allow to adjust according to what the Bureau of Reclamation requires. And there's ongoing complexity with the 101 construction in that area as well. So those things lead us to request that additional \$4 million for our contingency for this project as we go. We hope we don't need it. Our desire would be not to use it, but we think it's prudent to have that available to us.

As I mentioned we broke up the additional segments in the divisions for one of the areas into six different areas. And you can see them here. They just progress through the area and break that up into more manageable parts. And that concludes my presentation. Our recommendation is adoption of Resolution 13130. The actual wording was too big for a single slide and that I apologize for. I did ask the City Attorney if I could reduce it. She said, "No, it's got to be this language." I asked one of your assistants if I could do that, I did not ask her directly. But they said "No, this is the language that needs to be done." So, I apologize for what has to be read. And I'm sorry I used the City Attorney as the brunt of that but pending your questions.

Mayor Ortega: Sure, first of all, we'll start with Vice Mayor Whitehead, Councilwoman Janik, and Councilmember Durham. So, Vice Mayor Whitehead.

[Time: 00:48:56]

Vice Mayor Whitehead: Thank you, Mayor. Yeah, I just want to summarize really for the public, and I want to thank Mr. Biesemeyer. Needless to say, this is the type of item that gets a lot of attention from me and my colleagues because of these large numbers and there's always a concern, is the city paying for something the developer should pay for. It is a complex issue. So, I'm going to summarize what you said, feel free to jump in, because we have had this lengthy conversation. So, water infrastructure and sewer infrastructure is paid for by development. So how does that happen? Well, the developer is responsible for the parcel of land, the amount of flow that they are going to create and not the surrounding areas. So, can you put up the map that shows the entire length that we are dealing with? So, as you can see in the top left-hand side, there's a little section that is Optima. And they are the first project going in. So that developer is responsible for providing the water infrastructure for that area. However, what Brian said in a more complicated way is we don't want to dig up this entire area multiples of time. We don't want

to have that developer pay for a line that at the end of the day is too small and has to be replaced, and why not go for quality. Is anybody going to thank us 50 years from now? Probably not.

But actually, this is a great example of how cities must invest sometimes up front, in this case not the city, it's the city requiring the developers to invest up front to save the city future dollars. So, the Optima developer who is moving forward first is paying up front, but he is paying for more than what is required of him, and that's the payback. Then we are doing the entire project all at once, and as the different parcels develop, the city will be reimbursed. There was something interesting you said in the e-mail to me, that now just went away, and that's that in this particular case, because we have expedited the work in order to do the whole project at once, the amount that in this case the one developer pays, Optima pays, that stays the same, but the reimbursement, but he has to pay it sooner, but the reimbursement schedule doesn't change.

So, he's holding the, he's holding the bill longer, the city doesn't pay that developer back sooner, even though we are doing the work and he's going to spend the money up front. So, I think that this is, you know, obviously this is a project we have to do. It's a project that ultimately the developers of each parcel pay for, but unlike, the unlike the line that the City Council approved in February, this is developer funded. And so, the developer cost for Optima hasn't changed other than dealing with the price increases like everything else. But that is the reason for this much larger, I think, Brian called it increase of scope. Sort of an understatement when you look at that map. You have one little red line and then suddenly a project that goes all the way down to the TPC. So, I hope that's helpful. And with that, if you could put that motion back on, I will motion to. Should we let others speak? I'll let others speak.

Brian Biesemeyer: Mayor and Vice Mayor Whitehead, if I may, I can say that the construction is already ongoing for Optima. So, they have already spent money and they're not getting reimbursed, they won't be reimbursed until July 1. So, the amendment is not to change when that reimbursement starts. It is to give them and recognize the fact that there are some things that they've ordered in advance, that they'll need reimbursement for. So, there is a price limit go up in one section, but all the rest, they build it, they get paid for it, and but they are actually under construction with a significant amount of construction already occurred.

Vice Mayor Whitehead: But I want to, again, I want to point out that they are getting reimbursed for that which is not a caused by that development. They are being reimbursed only for the portion that is in excess of what that development would need.

Brian Biesemeyer: That is correct.

Vice Mayor Whitehead: Thank you.

Mayor Ortega: Okay, City Attorney.

[Time: 00:53:51]

Sherry Scott: Thank you, Mayor, and Vice Mayor. I want to clarify while all of this detailed information was correctly placed on the agenda, your motion could be as simple as adopt Resolution Number 13130.

Brian Biesemeyer: Awesome.

Councilmember Whitehead: I motion to adopt. Well, I'll let the others speak. But yeah, thank you for that clarification and I think we all appreciate that.

Mayor Ortega: Councilwoman Janik, Councilmember Durham.

[Time: 00:54:52]

Councilwoman Janik: Thank you, Mayor. Brian, I'm still missing some pieces to this puzzle. Could you go back to the slide that says budget transfers requested fiscal year 23/24.

Brian Biesemeyer: Will do you got that? Okay. One more back, I think. Right? This one?

Councilwoman Janik: No, no. The first one you had is good.

Brian Biesemeyer: One more. I'll go there. Oops, there we go, sorry.

Councilwoman Janik: Okay, well first of all, thank you for your presentation, I appreciate all the detail that went into it. When we look at the request for the additional budget, it's \$19 million. That is because, if I understand correctly, the scope of the project has increased, and the costs have increased.

Brian Biesemeyer: That is correct.

Councilwoman Janik: And this reflects only our portion of the responsibility of payment? That's where I'm confused. Is this partially coming from Optima? Are they going to also pay the increases that occur? Or did we set a price and now we are kind of covering for them because the price went up, but they had a price guarantee?

Brian Biesemeyer: This is the overall budget for the entire portion of it. Some will not be reimbursed. Their part won't be reimbursed, but so this is what we need for budget authority to continue to go through this process and reimburse them as well as the, this is the entire project. So, this includes the 19 in on there, 14 or 15 of that is on their project. So, we need that \$15 million to reimburse them, yes. That's additional price, but they are still held accountable for their portion of that. But this particular amount would be the reimbursement.

Councilwoman Janik: Okay. And the reimbursement is stated a particular time in the progress of the project.

Brian Biesemeyer: Each segment has to be completed, and then the reimbursement, inspected and assured it's working and then reimbursement occurs.

Councilwoman Janik: Okay. And we have to have the money up front so we can do the whole project, hence it's \$19 million, but we will get some of that money back.

Brian Biesemeyer: When development occurs in that entire area. Will, if you can go through the overhead again? Sorry. Nope, the Elmo. So obviously there's a lot of land up here that is not been developed, as well as certain parcels down here. So, all those parcels when they develop will have payback agreements tied to them, that ensures they pay for the capacity that they're going to use.

[Time: 00:57:22]

Councilwoman Janik: Okay. All right. So just probably ask the same question again, that \$19 million, some of that will come back to us?

Brian Biesemeyer: Yes, because that's the reimbursement to Optima. But then when other development comes, then we will get that development paying us for that. We are in a number of discussions with developers when they talk about the possibility of developing in there. We tell them, "Great, but you are going to owe us for sewer and we're going to put a payback on your property that requires you to pay us back for this big sewer infrastructure that has been put in."

Councilwoman Janik: Okay. And Optima gets reimbursed for their portion.

Brian Biesemeyer: They get reimbursed for everything but their portion. Whatever their portion is, they take that they will pay for that. And they will not get reimbursed for that.

Councilwoman Janik: It's what they actually pay, not a number that we project.

Brian Biesemeyer: It's what they actually pay. They have to submit their actual bills, we review them, audit them, look at them, and then pay them accordingly after we verify that the sections have been completed and such.

Councilwoman Janik: Okay, thank you for the clarification. Appreciate it.

Mayor Ortega: Okay, Councilmember Durham and then Councilmember Graham.

[Time: 00:58:40]

Councilmember Durham: Thank you, Mayor. This first question, this pipeline traverses a very long stretch, obviously. Is there, and I assume you've thought this through, there's no place closer to the Optima that we could hook into?

Brian Biesemeyer: Thank you, Mayor, and Councilman Durham. That's an awesome question, thank you for asking that. This is a very confined area, and there are particular obstacles to creating infrastructure in this area. There's the 101, which has very limited accesses under that. We own a few that we went in when the 101 was constructed and put some casing in there to allow for that, but we've been using that for water infrastructure, so it's very few. So, to go north of that would require you to jack and bore underneath there and create a new tunnel, per se underneath there. Extremely expensive. Then there is the CAP canal with its berm around it, it also constrains us, and makes it difficult. When we analyze this, we looked at potential of lift stations going north, that's sewage pumping stations going north, crossing the 101 in there, each development, major development might have to create a lift station. That creates a mechanical station that has, will require redundancy, will require two force mains because the county requires two force mains in case one goes out, odor control, a lot of sensitive things that would happen that would one be more expensive. Two, we believe in the long run not be as attractive to the community because of the potential for sewer overflows and odor in the area. So, we looked at that and said, "We can't do that." We need to take it back to our existing north pumpback station, which has the capacity, and that is right at the bottom, get this up.

Councilmember Durham: Okay.

Brian Biesemeyer: That's right at the where my pen is, so we have a large sewer lift station there, our north pumpback station designed to take this capacity we are giving to it. We should use that asset that's been in place, designed for that reason to do it. But it's a very constrained environment. And so, yes, it's a long sewer route through there, but because of the constraints, it needed to be done.

Councilmember Durham: I knew you would have a good answer. I just wanted to hear what it was. So, that answers another one of my questions, I think, which is, I mean the caisson is right across the 101 but because of the constraint of the 101, there's no way we can loop them into the system to?

Brian Biesemeyer: No, they're actually, with them, we decided early on that they should, that they would need to build their own lift station, so they did but it's north of the 101, so it doesn't cross it. So, there's a lift station that they built to take it to the take their wastewater to the water campus.

Councilmember Durham: And this route is going to run through the Princess, right?

Brian Biesemeyer: It is.

Councilmember Durham: So, is there any benefit to them that we can possibly?

Brian Biesemeyer: There's capacity for them as they go through their expansion plans, so access this.

Councilmember Durham: Okay, so as they go through an expansion, that they would put up part of the cost of this.

Brian Biesemeyer: They will benefit from this.

Councilmember Durham: Okay. All right. I think you said part of it is part of the cost because we are doing this in segments, to try to get it done faster?

Brian Biesemeyer: It does allow for it, yes.

Councilmember Durham: And what's, what's the point or the reasoning behind that?

Brian Biesemeyer: Well, it's motivation to Optima to complete those segments to get paid.

Councilmember Durham: Okay.

Brian Biesemeyer: So, and it allows them, they've divided it up in this way, but it's motivation for them to complete segments, get in, get out, get paid.

Councilmember Durham: Okay. All right. Thank you.

Mayor Ortega: Okay, Councilmember Graham?

[Time: 01:02:55]

Councilmember Graham: Thank you, Mayor, thank you, Brian. So, if I can kind of overview this, we reimburse the developer for infrastructure that affects them, but now after we did a study we are reimbursing for a whole area.

Brian Biesemeyer: We are reimbursing not for the infrastructure that they need, but for infrastructure needed for the entire area.

Councilmember Graham: For the entire area.

Brian Biesemeyer: Right.

Councilmember Graham: Okay. Somebody have a disagree with that? Because that's what the packet says. Okay.

Mayor Ortega: Continue.

Councilmember Graham: Okay. When was the sewer study done, Brian?

Brian Biesemeyer: Sewer, I'm going to look over at Scott. When did we? October of 23.

Councilmember Graham: Why did we, why did we wait to do the sewer study before we put these deals together to?

Brian Biesemeyer: We had done an earlier study, that's what the IIP was based on. But we looked at the at the new development that was coming, when Optima came and started that and started the discussion. We told Optima, "Hold on, we need to understand what this does to our plans." And we did that at the second study.

Councilmember Graham: Did we do the study before or after we made the initial agreement with Optima?

Brian Biesemeyer: I think it was corresponding? After?

Councilmember Graham: So, I think that's my question right there, where do we wait to do a study after we put an agreement together?

Brian Biesemeyer: Well, we wanted, if I may.

Councilmember Graham: Please.

Brian Biesemeyer: Is this a question?

Councilmember Graham: Yes.

Brian Biesemeyer: Okay. If I may, it was because that development was unique. And then it, kind of, we didn't want to be, again, doing multiple projects, we wanted a single project to do it. If there's more development coming in with higher densities in that area, we wanted to handle it. It's not our decision, it's Council's decision on what development comes in within the limits of zoning and other things, but we wanted to be prepared for what could possibly develop in that same area in a similar fashion.

[Time: 01:05:22]

Councilmember Graham: But what, had there been any rezonings after Optima before the study that prompted the study?

Brian Biesemeyer: Not to my knowledge.

Councilmember Graham: Okay. So, I notice in this agreement, Optima is asking for more money, that's what it says, Optima has made a request for money. Is that common for these agreements?

Brian Biesemeyer: They are not asking, they are asking for reimbursement. They are entitled to the money they get per segment when it's built, so that they're entitled to.

Councilmember Graham: Yes, we know that.

Brian Biesemeyer: What they're asking for is reimbursement for items that are not quite complete, and they wanted to be able to, again, like I stipulated, order materials in advance, have things there available, before a segment is completed, so some partial payments.

Councilmember Graham: So, is that? I guess my question is when's the last time that one of these development agreements that the applicant or the developer came and asked for more money? Is that common?

Brian Biesemeyer: It's not very common.

Councilmember Graham: Okay.

Brian Biesemeyer: I don't know the answer.

Councilmember Graham: You can't think of the last time?

Brian Biesemeyer: I can't for water and sewer, no.

Councilmember Graham: Okay.

Brian Biesemeyer: But if I may, it is in the agreement, there's, we upped the threshold in the agreement, it is in there for quarterly payments, as I mentioned.

Councilmember Graham: That's timing, we're talking about the amounts.

Brian Biesemeyer: No, but the amount is also in there. There is an amount to pay them for that same feature, just raised that amount.

Councilmember Graham: I guess, that's part. That's another one of my questions, is we are, we are delegating the project to a private party and covering a percentage of the expected cost. Wouldn't it, wouldn't it be better just to set a flat amount?

[Time: 01:07:11]

Brian Biesemeyer: To stipulate we only?

Councilmember Graham: A flat amount.

Brian Biesemeyer: A flat amount.

Councilmember Graham: So that they have incentive to keep it in budget.

Brian Biesemeyer: If you existed in an environment that was not inflationary.

Councilmember Graham: Because I know, I know you're scoffing, but we can always go back and change it, but we are doing that right now. To me it seems like we would just do flat amounts. What percentage, I know we are writing a check from contingencies, what percentage of our contingencies? Maybe this is for Sonia. We are writing a massive check from our contingencies. I know we've got. What percentage of our contingencies does this absorb?

[Time: 01:07:45]

Sonia Andrews: Mayor, Councilmember Graham, I believe that it uses most of the contingencies but if you give me a moment, I can double check that number.

Councilmember Graham: Okay.

Brian Biesemeyer: That's for water and wastewater contingency, not for the city contingencies to be clear.

Councilmember Graham: Correct, in the enterprise fund.

Brian Biesemeyer: And to be clear, we have never, in the almost 12 years I have been here, we have never used those contingencies and we're asking for that until the end of the year.

Councilmember Graham: To the end of the fiscal year.

Brian Biesemeyer: To the end of the fiscal year when we would.

Councilmember Graham: Which is next month.

Brian Biesemeyer: Right.

Councilmember Graham: Okay. I guess, can you explain to us, the original budget was \$6 million and now we are looking at \$68 million, and I know and I'm going to go through the cost increases in a second. Was it \$6 million or \$12 million initial budget?

Brian Biesemeyer: It was \$12 million split between two years.

Councilmember Graham: Okay. So, this is a 560% increase.

Brian Biesemeyer: It is.

Councilmember Graham: And in February we just infused \$20 million more into it.

Brian Biesemeyer: Right.

Councilmember Graham: Okay.

Brian Biesemeyer: That's part of the 550% increase.

Councilmember Graham: We say that we are going to recover this with paybacks and impact fees. How long is that going to take?

Brian Biesemeyer: Paybacks are when that area develops, so as soon as development comes in.

Councilmember Graham: It could be decades; it could be generations.

Brian Biesemeyer: Could be two years from now.

Councilmember Graham: We don't know.

Brian Biesemeyer: I don't know. Lot of activity in that area. If it was 50 years, we wouldn't be doing this. 50 years is outside our plan.

Councilmember Graham: But we have empty lots that sit there for decades, that nobody builds on.

Brian Biesemeyer: We do.

[Time: 01:09:38]

Councilmember Graham: Okay. Are you going to change the rates in this area to cover increased costs?

Brian Biesemeyer: We are going to, currently we have an impact fee study in place, going through that process because, yes, this represents increased costs, and we want to get that cost and push that on developers as soon as we can. It's a slow process for impact fees.

Councilmember Graham: We are pressuring all of our residents to cut their water 5%. We just raised their rates last month or last week. We've done it multiple years in a row. And I want to make sure in this area they are going to cover the cost increases from a 600% increase. So, you say you're going to do a sewer study and we're going to recover it.

Brian Biesemeyer: We're going to do an impact fee study. So by law for impact fees to go up, we have to go through and do an impact fee study, we have to do an IIP, Infrastructure Improvement Plan, we have the land use planning, we have to adjust those, all those are by state law.

Councilmember Graham: Can you promise us that the other residents outside the area won't subsidize this with their normal fees?

Brian Biesemeyer: There is a cost in that line for existing sewer flows.

Councilmember Graham: Okay, so we can't. I want to talk about the reasons for the cost increase. Increased sewer line due to more density. We talked about the timing of upzonings; we did the sewer study after all the rezonings.

Brian Biesemeyer: After the single rezoning.

Councilmember Graham: After the rezoning. Difficulty of locating the size of the sewer required. Can you say a little more about that? Was that difficulty for us or for Optima?

Brian Biesemeyer: Well, both, because it's their project to do that. We were assisting them in finding the best routes, so we had the least disruptions of our residents, but also there are utility conflicts and utility corridors you have to stay out of. The larger your sewer is, the less room you have.

Councilmember Graham: Are we increasing our reimbursement to them because they struggled to locate the size of the sewer?

Brian Biesemeyer: No. I don't see how?

Councilmember Graham: Because that's what increased the cost of this. And you just said both you and the developer had struggled with that.

Brian Biesemeyer: We struggled to locate that. That's why we changed the route from the IIP.

[Time: 01:12:01]

Councilmember Graham: So, I'm asking, did the developer's difficulty with that increase their reimbursement request?

Brian Biesemeyer: Did, I'm not sure I quite get that. They didn't add to the cost of their design work, but yeah, the ultimate cost of the project is due to the fact that there's limited corridors to go down for that utility.

Councilmember Graham: Longer lasting material. Is there, can you say a little more about that?

Brian Biesemeyer: Sure. It's Hobas. It's a pipe material. It's a fiberglass impregnated line that's not subject to corrosion. In most sewers, hydrogen sulfide is created by the sewage. The hydrogen sulfide gets up and attacks the crown of the sewer and causes decay of that sewer. With this pipe, we should not have that decay of the sewer.

Councilmember Graham: Is that new technology?

Brian Biesemeyer: It is relatively new technology.

Councilmember Graham: Was it created in the last couple of years?

Brian Biesemeyer: No, it's been around for about ten. I don't know, Scott, how long? About ten years.

Councilmember Graham: Okay, so we made a decision to use that after we wrote the agreement with Optima. Is that what you're saying?

Brian Biesemeyer: It's our first use of that material.

Councilmember Graham: So.

Brian Biesemeyer: We decided that was a better investment to make for that material.

Councilmember Graham: Polymer concrete manholes for extended life. Is that the same? Is that a new technology?

Brian Biesemeyer: We have been doing that just recently in the last several years, but that is, has not traditionally been standard. We find that it's a little more costly to install, but the long-term maintenance and lifespan is longer, and the maintenance requirements are less.

Councilmember Graham: I guess, these two things, longer lasting material, and polymer concrete manholes, why did we decide to do those that after we wrote the contract with Optima?

Brian Biesemeyer: We decided to mandate them versus generally give some flexibility in that.

Councilmember Graham: Rerouting to avoid disruption. That sounds like we made decisions after we drew up the contract.

[Time: 01:14:19]

Brian Biesemeyer: Sure, because we don't draw up the contract with a line, the designed line. We drew up the contract, then they had to design that line and I find a placement for it.

Councilmember Graham: The last thing is increased complexity to 101 expansion. Are they, is ADOT messing up our project?

Brian Biesemeyer: It can mess up the timing of the project and the ability to get in a particular corridor.

Councilmember Graham: Is there anything we can get from them, or can we pressure them to make allowances or space for us or is it just we just got to foot the bill?

Brian Biesemeyer: First we got the Bureau and then we'll deal ADOT. If they do delay us, I don't think we have a lot of control on that.

Councilmember Graham: Okay, all right, well I'm done with my questions. I, you know, I don't think we have Bureau of Reclamation approval, so more costs actually are possible. I think it's possible we come back and have to approve even more costs for this. You know, I question whether we are getting the best deal, so unless I see a second to defer this and discuss it more so the public can understand it, I'm going to vote, I'm going to be a nay. Thank you, Brian.

Mayor Ortega: Okay. I will speak next. No project is a stand-alone project. All the land uses carry a design for water and sewer. They have to. And they have to have 100-year water supply in our, in the boundaries of Scottsdale. We are very competent in the reclaiming the, and reusing the water and wastewater. When you have a project, which is the furthest away from the plant, which produces water, or refines the wastewater, the pipes alone are only one, probably 1/3 of the cost because the objective is to get the waste from point A to point B where it's treated. So, we have the capacity at point B to treat this, and at point B the capacity to treat water off the CAP, and deliver it to the furthest point, in this case, which is point A. That's the Optima. In the course of doing this, no project stands alone. I said that at the beginning.

What that means is if the pipe was sized just the wastewater, from the Optima point A, all the way to point B, and it will only need an actual 8-inch line. Then if it were built on the right-of-way of the public, it would be an 8-inch line from start to finish, but that's not the way we do things in Scottsdale. All municipalities know, especially when there's a mile run or 3/4-mile run, that there's an accumulation of other capacity that needs to tap into that. That is the way the system works and whenever we can use gravity, then it flows in a proper way. So asking four or five developers or six developers to place an 8-inch line, trench and proceed through the public right-of-way, would be ridiculous. We don't do that. We are the umpire, and we are the competent engineer of a jurisdiction that handles that.

[Time: 01:18:24]

Now, as such, if our Water Department or Wastewater Department decides that there's a better manhole cover, manhole lining, better tubing that's going to last, who does that infrastructure; who is ultimately responsible for the infrastructure? The city is. Both on the

wayside and the delivery side. This is a competent approach that's not, we are not up here to negotiate whether one of us thinks that a poly lining is appropriate or not. If there was a better invention that happened that made the time schedule and be produced to be delivered that would last in a durable manner, I'd take it. Now, every project has a pro rata share of that. Now, for whether the city is building it all or compels this, it's Title 34 that allows, we can't take gifts or give gifts, so the project and infrastructure is built according to the best planning rather than have eight different developers scrambling around doing their own thing and using different specifications. That's as simple an explanation as I can say. On the water side, you have to imagine, again, the largest pipe, the largest pipe will originate near the water plant, and it diminishes all the way to the end, it's not 30 inches at the beginning and 30 inches 20 miles away. It is sized accordingly in an efficient manner. The question of pro rata share is standard.

The other objective is that the largest landholder in Scottsdale is the State Land Department. And we have assurances, and we give assurances that these properties will have a capacity that they that the landowner doesn't have to pay for it, but as the development occurs, in other words as development demand occurs, then of course the capacity pays for that. If it's empty land, there's no demand, right? It hasn't occurred yet. So, by doing this, because half of the property is already developed, there's already a demand in there and then the new vacant lots that are for sale by the state or second sale, are then compelled to pay in their pro rata share. That's as simple as it gets. The other situation is that all cities are competing with each other for the same 30-inch pipe. Peoria is, Albuquerque is, L.A. is, they are all competing. And to say that somehow, we have a little special price and special price deal, we don't. We have to compete with all these growing areas, whether they're Scottsdale houses or Peoria houses or businesses and so forth. These are the market ramifications that we deal with for all the supplies and everything else the city does.

The final thing I will say is that the asset and the enterprise fund anticipates and has contingencies and savings to handle this. The simple way that I look at it is if the city pays \$10 or \$20 million into it, and basically when it's completed, we pay for it, we take possession of that. We have that. It's an asset on the book. If I were an accountant and I say I either have \$20 million cash or I have a \$20 million water system or a conveyance of system, it's still on the books. It's there and it's really a more expensive to replace as time goes on. So, it's an efficient way to do things. You know how we get complaints about people saying, "Why are they digging up this street? Why are they repaving?" And so forth. That is our duty, and it's been done in a very competent way. The other thing is he pointed out that there's a lift station, lift stations are very expensive, basically like a sump pump taking sewage out of the basement, right, and lifting it up. That's there and we need to use that asset. So, all of these things have been thought out. With that, I move for approval of this item, and all the attachments as Resolution Number 13118 authorizing on call engineering services and contracts as stated in the posted item.

Vice Mayor Whitehead: Second.

[Time: 01:23:41]

Mayor Ortega: At this point, I see one other person to speak, and that hasn't spoken, Councilwoman Caputi. And also, let me go to City Attorney, did I? Was I clear enough on the motion?

Sherry Scott: Yes, you were, but I'm not sure the number was to correct. Just to clarify the motion, it's adopt Resolution Number 13130.

Vice Mayor Whitehead: Sorry, I had that.

Mayor Ortega: Excuse me, I will do it.

Vice Mayor Whitehead: I need my glasses.

Mayor Ortega: I have it right here. Excuse me. It is adopt Resolution Number 13130 authoring, 1, 2, 3, 4, 5 items as listed in the agenda. And I heard a second. And I'll ask Councilwoman Caputi and I don't think Councilwoman Littlefield has spoken yet.

Councilwoman Caputi: Just a quick comment, Brian. The developer is asking to be reimbursed for the increased costs of the other folks down the line, they're not asking to have reimbursement for their own costs. The world has changed the costs are much higher, this developer is going to be assuming all the costs that impact their own situation. They're simply asking to be reimbursed because they're taking one for the team as the Mayor explained, they're making that initial investment to make sure that we have enough infrastructure for everything else that's going on. And they're asking to be reimbursed because they are investing in that for people that will later reimburse the city for it. This particular developer is, of course, assuming all of their own cost overruns, which are incredibly significant as we all know, since the cost of everything construction related has gone up exponentially. Plus as you explained, it's a whole different project now. It doesn't matter the percentage of increase; it's you're not even comparing apples to apples anymore. We are comparing apples to oranges at this point. Again, I just want to reiterate that we can't, we can't make a private property pay for the future private properties, that would be a taking. They're covering their own cost overruns. We are simply reimbursing them for things that have nothing to do with them in the future that they are assuming for us now.

Brian Biesemeyer: That is correct.

[Time: 01:14:19]

Councilwoman Caputi: Okay. And I also just want to reiterate a little comment was made, we didn't increase for. When we recently increased fees on water, it didn't impact Tier 1 users, is that correct?

Brian Biesemeyer: That is correct. It did not.

Councilwoman Caputi: Okay, just want to repeat that because that keeps getting mentioned as well. It's the large users that really got impacted by the change of fees, which makes sense, because we don't people to use as much. That helps regulate behavior, right?

Brian Biesemeyer: Tier 1 and Tier 2 did not go up. So, if you could stay below those tiers, your cost per thousand gallons did not go up.

Councilwoman Caputi: Great, thank you. I'm sorry. Can I just ask one more question? I'm so sorry. If we were to say no, just as an example tonight, what would happen? I mean, how is that even an option, if we say no, then everyone downstream in the future will have to, it will just be every person for themselves, we will have to go back to the drawing board and put in the less than needed smaller infrastructure and then just say we'll deal with it as we go?

Brian Biesemeyer: If we said no at this point, I suspect we would be in a number of lawsuits because we have.

Councilwoman Caputi: That too.

Brian Biesemeyer: We have a requirement to do that.

Councilwoman Caputi: Because people are talking about saying no. What would that even look like?

Brian Biesemeyer: If we would only service a single development at a time, it would look like continual construction through neighborhoods over the next ten years as those areas developed.

Councilwoman Caputi: Construction, traffic, irritation of the residents, more expense down the road.

Brian Biesemeyer: It would, exactly, all those.

Councilwoman Caputi: Right, okay. Thank you.

Mayor Ortega: Councilwoman Janik.

[Time: 01:27:36]

Councilwoman Janik: Thank you Mayor. Quick question is it then accurate to say that over time these expenses will be reimbursed as development continues.

Brian Biesemeyer: They will to the maximum extent of the law.

Councilwoman Janik: Okay, thank you.

Mayor Ortega: Okay. Vice Mayor Whitehead.

Councilmember Whitehead: I just want to stress that again because Councilman Graham mentioned the rates. He wanted to know if the Water Director can guarantee rates. It's the City Council that determines rates, and we did just approve rates and Councilwoman Caputi just mentioned and we mentioned this in the last meeting, the City of Scottsdale, unlike most cities in the Valley, the City of Scottsdale always protects the rates for the amount of water households need. So big users do get impacted, but most likely people who live in a single-family house and use a normal amount of water are not impacted by those rates. And I also just wanted to say that, yes, the cost to the city did not change, but what we are talking about is building a whole system now instead of doing it piecemeal. And one of the problems with doing it piecemeal is if the Optima built just to their specific needs and down the road all the rest of the land gets built, that cost of changing, Optima developer is gone, that's on you and me. And so, this is truly saving money in the future, and with you know, by doing the whole project at once, less disruptions, less cost and none of us anyway, I'll call the question at this point, thank you.

[Time: 01:29:22]

Mayor Ortega: Okay, the question has been called.

Councilmember Graham: Point of order, so I can't respond? Go ahead, Mayor.

Mayor Ortega: We'll vote on the point of order. So, the point of order was called for the vote on the motion and the second. If you vote yes, that would proceed to that. Please record your vote.

Councilmember Durham: What are we voting on? The point of order?

Mayor Ortega: The point of order is to move forward.

Councilmember Graham: To cut off debate.

Mayor Ortega: Yeah. That's right.

Councilmember Durham: This is the point of order, okay, thank you.

Mayor Ortega: Okay, it was 6-1 to continue to the vote on the motion, and the rhetoric is done. So, we will please record your vote. Okay, carried 6-1.

REGULAR AGENDA – ITEM 7

[Time: 01:30:35]

Mayor Ortega: Moving on, we will now go to Item Number 7. Item Number 7 is the Community

Sustainability Plan. We will have a presentation on a large draft, which has been the object of a lot of community input. I do want to mention that we will have some members of the public who wish to speak, and we will get right to that right after the presentation. We have Lisa McNeilly, Sustainability Director. Go ahead.

Lisa McNeilly: Thank you everybody. Thank you, Mayor Ortega, Vice Mayor Whitehead, Councilmembers. Thank you for the opportunity to bring this Plan to you for adoption. I presented details of the Plan to you at past sessions, but I want to briefly review how we got here tonight. Next slide. The Community Sustainability Plan is an important part of the city's commitment to sustainable future and seeks creative solutions to solving the environmental challenges that we all face. Council included adoption of the Plan as a Council priority in its organization strategic plans, and it was identified as part of the General Plan 2035 implementation. The contributions of the Scottsdale Environmental Advisory Commission, the Commission as I'll call them moving forward, are many. They played a key role in development of the Plan, reviewing the data, text, and targets. And the Plan also reflects the work of staff in multiple departments and the leadership team that has provided internal guidance. Next slide.

While I'm the presenter tonight, the current version of the Plan was built based on City Council direction and input from the community. Feedback at Work Study Sessions resulted in a sharp focus on priorities, a push to develop baseline metrics, and set meaningful targets and the need to include the cost and the benefits of action under this Plan. The discussion also asked for a compelling narrative and to avoid overlap with existing plans like the Transportation Action Plan or the General Plan. At more recent meetings I received clear direction of the ambition and targets in the Plan and to bring you this final version for adoption tonight. Next slide. Over the last two years we have worked with the community and the development of the Plan. The Commission shared their expertise and reviewed the Plan during 27 different public meetings. We incorporated consensus input received from that Commission and spent extended time at these meetings discussing both the components and the urgency of the Plan. Input from the seven-member body has shaped the Plan framework and ensured that the Plan reflects the character of Scottsdale but also set our sights high to achieve aspirational targets.

We had community meetings, where we identified strategies, there was public testimony in front of this body and in front of the Commission and a draft Plan was posted online last month to get additional input. Next slide. But with that background, we are here tonight to review the results of these months of work and consultation. Expanding our sustainable efforts are going to be even more important as we are looking at the buildout as we just discussed in the last item. But I want to take a step back and answer the question, what is sustainability? I get asked that a lot. This has been in my title for a couple of decades. It can encompass a broad set of targets, but Scottsdale's Plan has been defined by Council and has been streamlined to focus on five priorities. Leaving other topics for consideration elsewhere.

[Time: 01:34:20]

But what else makes this Plan unique to Scottsdale and its values? First, the solutions in the Plan will improve our natural environment, will result in other benefits and positive outcomes, cost savings, health and safety improvements, economic vitality. This Plan is structured to ensure that the investments we make maximize the benefits to our residents. It doesn't focus on just one segment of the community; it starts with action by the city and asks others in the community to contribute as well. At the same time, it's resident and market driven. There are numerous examples, where important work is already being done and so we know that actions can be cost effective. Finally, this Plan is an aspirational document and not a mandate. There are no penalties if targets are not met. Let me repeat that. Since some have interpreted this Plan differently. There are no mandates. It also does not require future mandates, which would be up to this or to future City Councils. The focus is education about options, opportunities, and cost-effective solutions. Next slide.

As I mentioned to turn this Plan into action, Scottsdale has identified the five priority areas for becoming a sustainable, resilient, and thriving community. We want to increase the use of clean energy and help people. Especially those with lower or fixed incomes to reduce their electricity bills. We are focused on delivering quality drinking water now and in the future. We want to use a circular economy approach to diverting refuse from the landfill to extend its life and avoid those long-term costs. We are looking to improve the air quality to, to protect community health and find ways to cool our city to the advantage of our residents, our tourists, and our businesses. Tackling these challenges of energy and water and waste generation reduce pollution and cost, benefit the environment. They also improve air quality and address extreme heat. For example, when we add desert adapted trees, they filter pollutants from the air, they provide shade, they lower temperatures, they lower, and that in return results in less energy needed to cool buildings without requiring significant long-term water use.

The Plan includes baseline data for 32 indicators that show where we are, it's baseline data. And these are tied to the same number of targets that indicate where we want to be. During the last two work study sessions you recommended targets that balance accountability and control over outcomes, balance achievability and ambition, and set some aspirational or visionary targets for 2040 or 2050. These targets are not caps on activities or individuals, we are instead asking residents and businesses to join us on this better path. By adopting this Plan, we would be joining cities other cities in the state and but also high-profile businesses, the utilities, the Scottsdale Area Association of Realtors, HonorHealth, in being transparent about our vision for the future and setting targets to achieve that vision. Next slide.

Got a few more slides to just review the framework and the layout for the five priorities. I'm going to use some sample text from the extreme heat section just to make it a little bit less abstract. In this case, we have baseline data on average July temperatures both the average high and the average low on the right. You can see that there's been an upward trend. We note in the indicator that what that baseline data is, what the 2023 data was, and then we set a target to reduce those day and nighttime temperatures. This is, and so that's kind of, you'll see that framework replicated throughout the Plan. If you're wondering why there is some text in red, this is just one of a few

instances where there's been changes to the Plan since that March Work Study Session based on community input and staff review, and we wanted to be transparent about those. In this case, the target was just updated to better, more clearly tie to it the indicator. Next slide.

[Time: 01:38:41]

The strategies in the Plan provide general guidance to help us work towards the targets and are carried out through specific actions. We have a robust list of 15 strategies, 93 specific actions, and again you can see in this extreme heat example showing the proposed steps to plant more trees. This highlights the general approach in the Plan that leans towards education, partnerships, additional research, rather than mandates. Note we have another tracked edit, just an action added as a result of community input. Next slide. There are implementation tables for each priority that detail when the work will be accomplished and who will lead the efforts. This is the guide to those implementations. It highlights sort of the time horizon, who our partners will be, who will take the lead, an estimate of cost and benefits. This guide now makes clear that tables include completion dates, and that resiliency has been added as a benefit of some of the actions. Next slide.

So, this is the final example from the extreme heat section. You can see again for each of those actions where we laid out that time horizon on through the benefits. For this strategy, it shows how different departments will be working together and highlights the health and air quality benefits of trees. Note that the city will be busy. Half of the 93 actions are scheduled for completion within the first three years. But I do want to pause here to talk a little bit more about the value and costs and the benefits of the actions in the Plan. With a master plan like this one, it can be difficult to estimate total costs and benefits up front. Mostly because there's too many assumptions required to be accurate. As we know, assumptions can change over time, they also may not fit. We can estimate the cost of individual actions and refine those as work gets started. But estimating total investment and payback to achieve long-term targets is more complicated. For example, we don't know how quickly technology will develop or what future costs will be. We see these kinds of changes often, whether it's widespread and more quick and, you know adoption of Smartphones or the dramatic price declines in the price of big screen TVs. We expect the same kind of thing to happen between now and 2050 in areas like energy and solid waste.

Some estimates of needed investment do exist, but they are often incomplete or not relevant to this Plan or to Scottsdale. They may assume that targets are achieved more quickly and therefore assume a higher cost. They may lump together investments by utilities, businesses, and everyone so they can't be used to show the costs to the city. They often don't quantify the benefits. And we need to keep those benefits in front of mind. It's half of any transaction, you know, what do I get for my money? Residents, businesses in the city will be encouraged to take steps that reduce energy waste and water cost. As air quality improves, and heat lessens health outcomes will be better. And that is what will be remembered about this Plan. After all, the people using the Greenbelt today, they weren't thinking about what that cost initially, they are thinking about the beauty of the surroundings. If I asked anyone here, I don't imagine anyone would say no, we

shouldn't have done that. But if you remember the story of the Greenbelt, the initial project was a concrete trough.

[Time: 01:42:30]

Do you know why the Army Corps of Engineers suggested a concrete trough? It was the most cost-effective option at the time. Because they didn't look at the benefits, they didn't think about what it would be for the city, what it would do, the unexpected consequences to our business, to our residents, to our tourism, to our heart of the city. A final related point about the cost of an action is also important. Studies that we have included in the Plan talk about economic consequences of inaction could average around \$2 billion between 2020 and 2059. Another found that Maricopa County, not somewhere else, Maricopa County, would see a 5 to 10% drop in GDP without taking action on heat and a 15 to 20% increase in energy costs. Next slide. Implementing some of the Plan's 15 strategies and 93 actions will begin immediately. Others will start or evolve, and be revised over time. Similar to the General Plan, this is a long-term plan that will be implemented incrementally and Council through the budget process would prioritize what parts you want to fund and implement first.

We expect the city will lead and be a catalyst for further action in the private sector and a catalyst for further action by the private sector. To ensure the Plan is designed to be a living document, to ensure the continuous improvement we'll be producing an annual progress report, you'll hear from us every year on how we are doing, and we have included an assurance to formally update the plan every three years. Next slide. Just a quick note for those who are looking to compare this document to the one that was discussed in March, as I mentioned, there was direction received at those Work Study Sessions that are just included in this edits from input received later marked in red to the members of the public, these changes are in the red in the document in the meeting packet, if you'd like to review them. Like to go to the Elmo. Tonight's action in the City Council is to adopt Resolution 13107 approving the Community Sustainability Plan. But I've been asked to present multiple options. The city is ready to start on implementation and achieve those quick first wins while building a better understanding of what's possible. We are moving in the right direction; we just want to get started and look forward to returning to this chamber at some point to share our first annual progress report. That's the end of my presentation.

Mayor Ortega: Thank you.

PUBLIC COMMENT

[Time: 01:45:42]

Mayor Ortega: And we will now move to public comment. Several people have been listed with the Clerk and you can come forward and state your name, place of residence. The first person on the list is James Jim Davis and Dr. Sonnie Kirtley has donated her time. And so, you'll have four minutes, sir, but I do want to mention that well, I guess we should have a happy early birthday to

Sonnie. May I say that for us? Congratulate you on your upcoming birthday. She's 43 times 2, wait, 43 times 2. That's 86. 43 times 2. Okay. So, thank you, we'll have James Davis, then we will have Austin Fairbanks, Patricia Badenoch. Proceed Jim.

Jim Davis: Thank you, Mayor Ortega, Councilmembers. My name is Jim Davis, I reside at 27483 North 103rd Way, Scottsdale, 85262. I'm here tonight on behalf of the Coalition of Greater Scottsdale, or COGS, most of you are familiar with it. We are here to ask the Council to consider adding a conversation about fiscal sustainability. It is not covered in this Plan and COGS strongly believes that fiscal sustainability for the City of Scottsdale is more critical, more important, and deserves more attention even than the discussion tonight and we would appreciate that discussion. The city is under-investing in its assets. Over the last seven years the streets have depreciated by \$60 million. The additions were such that they did not cover the depreciation. So, \$10 million a year almost in deficiency in terms of spending and as you all discussed earlier, on the water and sewer systems, the costs of have escalated so that deficiency in terms of mileage of streets is even more significant. The city approved, in 2019, a bond project to cover some \$300 million of a total of \$800 plus million that were identified as needed projects. Many of those projects should have been covered in the annual operating budgets.

So, again, the city is under-investing in its assets. COGS believes that the city is not fiscally sustainable, and we point to a number of indicators. The first thing is, of course, to recognize how valuable tourism is. We all know that, and we know that fiscal sustainability means keeping the tourism and the high income, high net worth residents in Scottsdale. By doing that, we will help maintain the lower tax base and the fiscal sustainability. By not doing that, we have the opposite situation. The Scottsdale also is expanding significantly, the high-density residential development, COGS firmly believes that is a net negative to the fiscal sustainability of the city. The additional residents in those high-density residential units do not pay enough revenue to the city to cover the costs of providing the safety and the services that those residents require. And additionally, of course, the high-density residents frequently represent a number of stories, they interrupt the views and discourage tourism and high-density and high net worth residents. The bars in the entertainment district do not generate enough revenue to the city to pay for the safety costs. These are just two examples of drags on the city's fiscal sustainability that deserves the City Council's attention and COGS's judgment. And COGS would welcome a conversation on fiscal sustainability on the part of the City Council and the community at large because we think that fiscal sustainability is critical to everything that goes on in the city and certainly to its future. Thank you. Appreciate your time and attention.

Mayor Ortega: Thank you, sir. I do have a written comment from Sonnie saying COGS fully supports the Commission's recommendation on Sustainability Plan. Again, other comments are of record. We'll go on to Austin Fairbanks, Patricia Badenoch.

[Time: 01:51:01]

Austin Fairbanks: Honorable Mayor and Council, good evening, my name is Austin Fairbanks, I'm a

Scottsdale homeowner at 2938 North 61st Place 85251. Last Monday, I e-mailed each of you with my seven-page analysis of the proposed Sustainability Plan. I looked at each of the five thematic areas the Plan considering and came to the unfortunate conclusion, that the plan before you today is a Phoenix or Tucson style climate action plan being introduced by the back door. I want to begin my comments here today by pointing out that Scottsdale contributes 0.00067% of all global greenhouse gas emissions. Even if we reach the 90% reduction threshold it purports to aim for it would impact less than seven millionths of total greenhouse gas emissions. I spent a lot of time on my report which is on page 230 of your packet looking at costs and benefits of these proposals which are nebulous, but I tried to quantify some of these things. For instance, Energy Strategy 2 which is improve municipal energy performance based on the average cost identified in the report. It might cost \$283 million from the city's taxpayers to reduce greenhouse gas emissions in the city's facilities by 90%.

Energy Strategy 3, reduce the energy impact of the built environment through sustainable building practices and policies comes with a goal of 10% of all buildings in Scottsdale being green buildings by 2035. There's just one small problem, even if 100% of all new buildings at the current rate of construction in Scottsdale are green buildings, if a current pace continues, we'll have 8.8% of all total buildings will be green buildings, so we won't meet the standard of 100% mandated to follow the green policy. That's going to cost \$90 million worth of mandates just to hit the 8.8 %, not reach the 10% target. And those are just two examples where logic and fiscal prudence were frankly thrown out the door to accommodate this green new deal style agenda. Another area this applies to is water conservation, everyone recognizes that Scottsdale is a desert and Scottsdale citizens and residents have voluntarily reduced water usage about 6.6% a year according to the Sustainability Plan's data. But that calls for doubling that pace over the next decade even as City Council is approving new developments. So, I would also point out that setting a 14.5% reduction goal for residential water users versus 10% for commercial and HOA landscaping is unequal and it disproportionately targets residents.

We are told this is an aspirational document but if you were to adopt this Plan, it would be a policy statement from Council to staff that you want to meet these goals, and in many ways the easiest way to achieve those goals is by increasing fees and imposing costs and mandates. Many of the more benign objectives on the Plan are already ongoing. So, we can continue converting LED light bulbs and replacing leaky faucets without adopting this plan. Finally, if you're inclined to continue developing, a Sustainability Plan I would urge you to send this proposal back to the drawing board and instead look at resiliency and adaptation, those are two goals. If Scottsdale is going to get hotter and have less water in the future, we need a plan for how we are going to adapt to those changes but trying to socially engineer residents to reduce greenhouse gas emissions, seven millionths in total, is the wrong approach. Thank you for your time.

Mayor Ortega: Thank you, next we have Patricia Badenoch and then Paul Rowe, and then Robbie Louchheim.

[Time: 01:54:28]

Patricia Badenoch: Thank you for this opportunity to speak. Patricia Badenoch, about 50-year resident of Scottsdale. This draft design full of repeated suggestions showing numerous abstract illustrations to educate through repetition that we must compromise our style of life in order to accommodate what? An overpopulated community. I say nothing is valid in the sustainability effort until you identify what buildout is, for whom and for what? There is a vague reference where it says where we are, and tied to targets about where we want to be. This is really about where you want to take us. I don't care how many open house opportunities you've held; it does not begin to document the truth from the many people I have talked to going door to door distributing campaign information. Then there is the audacity quote, keep Scottsdale safe, wild, and beautiful. I don't know what wild is, is that the bar district or the STR's? Then there's a maintain Scottsdale's small-town feel. That horse has already left the gate.

Climate control, the controlling factor behind this so-called Sustainability Plan. Illustrated throughout is the spiked-up graph going sky high and repeating that sustainability brain wash is showing last year's summer as being the hottest ever. Never let an extreme go to waste. It is so transparent for this to lend authenticity to our climate demise. I find it particularly disdainful that as taxpayers we are flipping the bill to pay the salaries to all these staff members constructing displays, directing outcome to justify their own existence at our expense in multiple ways. And, again, repetition is to brainwash. Well, the new money is the new green, and more than one summer would lend better convincing, we will see this soon. And finally, I also found it interesting of this repeated quote, there are no penalties if targets are not met. Is this some kind of legalese? Thank you.

Mayor Ortega: Next we have Paul Rowe, Robbie Louchheim, and Jim Haxby.

[Time: 01:57:21]

Paul Rowe: Good evening, my name is Paul Row, and I reside in 78th Place in Villa Monterrey. Mayor Ortega, members of the City Council, as an 11-year-old moving with my parents into Phoenix on Labor Day weekend 1958 from Los Angeles, we were greeted by a city of about 365,000, and towns like Scottsdale with a population of 10,000, if that many. The air was crystal clear, traffic was minimal. Since then, the metropolitan area has grown by over tenfold, and Scottsdale is a burgeoning suburb of a quarter million. With this growth have come all the intended benefits and drawbacks of a large urban area. Many days the air quality is diminished by a layer of haze and smog and traffic is congested. Therefore, the question arises of how best to address the issue of maintaining the quality of life that we have become accustomed to while preserving the suitable environment is crucial.

The current proposal put forth by the Council includes a number of significant reductions in electric, water, and vehicle usage while imposing a series of reductions that threaten the very quality of life that we are accustomed to. Draconian measures put forth by a plethora of studies and recommendations by innumerable groups, and individuals worldwide fail to take into account the particular requirements of the residents of our city. This could very well lead to a decline in the quality of life for Scottsdale residents rather than an improvement at significant cost and a loss

of individual liberty. I might add that the presenter stated there were no mandates. If so, why have this to begin with, this proposal? And stating also that the presenter stated in the early part of her presentation it was cost effective, then later said she could not estimate the total cost. With these things in mind, I highly recommend that the Council reject this draft plan wholesale. Thank you.

Mayor Ortega: Thank you. Next, we have Jim Haxby, Bob Pejman. Did we get Robbie Louchheim? Okay, Robbie, go ahead. Thank you.

[Time: 02:00:43]

Robbie Louchheim: Thank you, Mayor, and City Council. I didn't plan on speaking; I really don't have anything prepared. So, thank you for the people before me. My name is Robbie Louchheim. My wife and I are 38-year residents in Scottsdale and small business owners, we reside at 8602 East Hazelwood 85251, and we adamantly oppose this Sustainability bill. This is the plan. I don't like the door that it opens, and again, I appreciate the people that have come before me, and I think it's a bad thing to open the door for this, so thank you.

Mayor Ortega: Thank you, Jim Haxby, Bob Pejman, and Geoff Kull.

[Time: 02:01:32]

Jim Haxby: Thank you, Mayor, and Council. I urge you to vote no on this thing whatsoever. This Plan is full of idealistic visions and mandates for the only purpose that some people can pat themselves on the back saying they've done something about the environment which man's never done, and the residents of Scottsdale will suffer for it. It kind of reminds me of the campaign to replace paper bags with plastic years ago. We had, we are going to save the forest, by getting rid of all the paper bags, and what did we get for it? Plastic pollution. In both the ocean and the ground. We didn't save it; we took something that was recyclable and replaced it with plastic. And this is what this thing reminds me of. There's no proof that any of this will be workable. That's why we don't have any repercussions if you don't comply with it. The Plan will increase costs to the residents, especially the low-income residents of the city and the seniors living on fixed income. They're going to suffer and the irony of all that of the residents paying more for services, for water and waste is that we are approving apartments left and right. We are increasing the density and expecting the existing residents to pay for it.

And so, it's you know, I think it's time to scrap this Plan and what we ought to really be thinking about, is trying to figure out what size of population can the infrastructure of Scottsdale handle? Not that we have to build out, build out, and develop and develop. One part of it is okay, we are going to rely on MAG to improve the air quality. Well, as a pilot flying in and out of here for 40 years, I can tell you that the air pollution in the Valley has been here for a long, long time in those 40 years. But their solution is light rail, MAG's solution, and the residents of Scottsdale have said no, we don't want light rail. So, why are we pursuing that? So, I think, you know, we have got a Plan with no penalties, and visions that have no proof, and concepts which are admirable to

improve the quality of our life to reduce the heat, the quality of our water, but this Plan isn't going to do it. Thank you.

Mayor Ortega: Thank you, next we have Bob Pejman, Geoff Kull. And by the way can you put slide number 13 back on the overhead? I think it was 13.

[Time: 02:04:55]

Bob Pejman: Thank you, Mayor Ortega, Councilmembers, name is Bob Pejman address is on the record. And hey, who in Scottsdale doesn't support sustainability? I think every resident wants a sustainable Scottsdale and the quality of living, livability. And I read the report and way at the beginning it talks about historic drought, we don't have water, we have to protect the air quality, and all of that. And the obvious question is, Ms. McNeilly, you put this report together, why did you ever not think about restricting overdevelopment? Because overdevelopment is what's making these things worse. So, what kind of plan is this, guys? Seriously. You are going to put restrictions, this Council has no problem putting restrictions on single-family homes basically, but it's got trouble putting restrictions on themselves, you guys. That I'm not talking about private property rights. Everybody's entitled to build to zoning, I'm talking about when you approve rezonings that result in 300 or 400 units. So, let's put it in perspective, we have about 14,000 units already in pipeline and I'm sure you're going to be approving some more soon.

But the hypocrisy is mind numbing. Again, you want to adopt Sustainability Plan that puts utility and service restrictions on residents, but you're not willing to put any restrictions on the number of additional multi-family units you create through deliberate upzonings, and so that's a pretty good system. You approve apartment buildings, high-density apartment buildings which deplete utilities, resources and some of those developers give you campaign contributions, so you enrich them, they enrich some of you. And so, what do you do then? You punish the residents; you restrict their usage. It's a pretty good deal, it's a pretty good system, but pretty good deal for some of you here. It's not a good deal or system for the residents. And I think that this has to go back to the table and made more equitable and make no mistake, a yes vote on this a yes vote for Scottsdale new green deal. Thank you.

Mayor Ortega: Okay. Next, we have Geoff Kull is the final speaker. Is that correct? Again, I'm looking for the City Council action requested slide, thought it was number 13, if you could put that up on the projection. I think it's page 13. Proceed. Thank you, sir.

[Time: 02:07:21]

Geoff Kull: Good evening, Mayor, Council, appreciate the opportunity to speak. Appreciate what you do to try to help the city. We are here tonight to discuss the sustainability issue facing the City of Scottsdale. Like Pejman said, we are all for sustainability, we are all for the environment, there's never any question about that. For those people who have issues and want to bring these before the City Council, it's because we have issues with the specifics about these proposals. What we are finding here is with this particular proposal, that it's cloaked in flowery rhetoric that obscures the

unpleasant realities that are interwoven into the fabric of the entire fine print of this proposal. Some of the key issues here that I think most residents need to be aware of, is that, for example, there's a 90% reduction in household waste that's being required, mandated by this proposal, while at the same time increasing rates on the homeowner. And what that means then is that the 10% remaining waste that a homeowner has, assuming they hit the 90% reduction, is being penalized, homeowner is being penalized, so that they have to pay more to reduce their home to 90%; number one.

Number 2, there's 11.7% reduction in household water use that's being required, demanded, asked for, whatever. There's also a rate increase that's being asked for this, which is a penalty that's being imposed on a homeowner reducing water use by 12%. There's a penalty for being proactive for accomplishing the goals of this proposal. There's the mandated requirement for public transportation ride sharing to reduce pollution and ozone levels, and on and on. There's all these things going on within this proposal. So, in other words, the Sustainability Program requires residents to produce less waste, use less water, drive less with their cars, all while paying more for the privilege of restricting their lifestyle and giving up their freedoms and the quality of the life that they are accustomed to, and which they are striving for in this community. And this is all being initiated by some controlling agenda by some hidden bureaucrats, I don't know these people are that's drafting these proposals, but I would like to know who they are.

I know there's a lot of people involved, but there's some people that are really driving this and frankly, I heard there's some people coming in from out of state that have been hired by the city that are running some of these things. So, couple of questions I have is number one, who are these people? And number two, how can the City Council, how can you the City Council support a Sustainability Program requiring these restrictions on residents, yet approve more apartments that use more water, create more trash, generate more traffic and congestion. You can't have sustainability here in the City of Scottsdale while at the same time approving these projects that are bringing in more people, using more water, creating more traffic, driving more cars, all these sorts of things, you can't have it both ways. What are you going to do about that?

Mayor Ortega: Thank you, Mr. Kull. Time has expired. I think you repeated that last sentence, so, we heard you. Thank you.

Geoff Kull: Thank you.

Mayor Ortega: At this point, we have concluded public comment, and we'll move on to Council deliberation. I see Councilwoman Janik, then Councilmember Durham.

Councilwoman Janik: I'll defer to Councilmember Durham to go first if that's all right with him.

[Time: 02:11:59]

Councilmember Durham: Yes.

Councilwoman Janik: Okay, thank you.

Councilmember Durham: Thank you, Councilwoman Janik, thank you, Mayor. I believe the Sustainability Plan is critical to the future of Scottsdale, and many people who have spoken here tonight have recognized that. They have said we like sustainability; we just don't want to pay for it. We don't want to suffer any benefits any detriments, but I think it was Mr. Rowe who pointed out, we have an air quality problem, we have an air quality problem today, we are under a bad air alert. And you look around and you can see that we have bad air today, and we also have a fire near the Preserve. And so, some people have said, well, you know, we can't really do anything about it because we are only x percent of the world, but the fact is that people will say we can't do anything, but we have to. It's part of our commandment. I was very impressed by, there's a discussion on page 5 of the Sustainability Program, which points out that we have a long history of practicing sustainability in Scottsdale. It's stated that the Greenbelt is the first nonstructural flood system in the country. I didn't know that. That's an amazing fact as Miss McNeilly pointed out. Some people would have said, "Well, we don't want to spend the money. Let's just throw a concrete trough down the middle of Scottsdale." Can you imagine where we would be if those people had won out? The people who didn't want to spend any money? Didn't want to make Scottsdale beautiful?

And in addition to the Greenbelt, we have the Preserve, famous certainly over the country, the biggest urban park in the country. We have passed the environmentally sensitive land overlay, and natural area open spaces. Our water treatment is some of the most sophisticated in the world. We have the first LEED platinum fire station in the country. This Council passed a mandatory green construction code just a year or two ago. So, we have been a leader in sustainability for many, many years and we are not going to stop now. There's an e-mail circulating, many of you have probably read it, that says Scottsdale residents have long been the most committed to sustainability of any group in the Phoenix area. I agree. We have been leaders in sustainability. But the same e-mail goes on to say well, we have done enough. It's time to stop, we have created the Preserve, we have good water, so let's stop, we don't need to worry about sustainability anymore. And I think that's frankly, it's a ridiculous argument. It's not time to stop.

[Time: 02:15:15]

Look at our air quality today. This e-mail and many others are filled with information. These e-mails and many people have sent us e-mails as a response to this first e-mail, and even though we have been working on this for two years, some people just kind of saw this e-mail yesterday and responded for the first time. These e-mails claim that we are introducing government mandates. Our last witness said that too. I'm very disappointed in that, because it's absolutely not true. I wish I had a dollar for every e-mail that says were introducing mandates. If I did, I would pay for Mr. Biesemeyer's sewer because I would have plenty of money. Now, some of this misinformation, unfortunately, it's coming from inside the house, so to speak. Even some members of this Council are spreading the false claim that we are putting forth mandates. But if you look at page 8 of the Plan, it very specifically says, "This Plan is an aspirational document and

not a mandate." I don't know how we can be any clearer. I guess we could jump up on the dais and start waving our arms and screaming at the top of our lungs that aren't going to pass a mandate, but the truth is, we aren't.

I, for one, would never pass a Plan that includes mandates. We are going to apply common sense, at least as long as I'm on this Council, we are going to apply common sense in moving forward with this Plan. So where does that leave us for today? I think it's a too important, this Plan is too important to pass it without making sure that we have it absolutely right. And I confess that I've waffled at times between considering this as a final project or as a working product. But I could use a little bit more time on this, and more importantly, I think we must try to gain as much citizen support as we can. I realize that many people have concerns about some parts of this Plan. It has many benefits, it's going to reduce your water costs, some of the very easy suggestions in here will reduce your water costs. If you can use less water, use water efficient appliances in your house, water efficient faucets and so on, there are suggestions in here that will help you save money. And if this Plan can help you save water, that helps all of us and reduces your water bill. And if we can reduce trash, that's going to save money too.

So, we have, but I think we have an obligation to make the benefits of this Plan as clear as we possibly can. So, my position on this is that I'm in favor of option C, which is that we continue adoption of this Plan to a later date, in between we have a series of open houses. And we have already had open houses on this, but I think we need to try to do it again, to make it as clear as possible to the citizens what all the benefits of this Plan are. And we'll go through the e-mails, we'll go through the comments we have heard today, and we will try as best we can to spell out the benefits of this Plan. And I expect all the keyboard warriors who have been on their computers the last day to show up. And I'm surprised not many of them showed up tonight. And I want them to show up, and listen, and listen in good faith, that's the most important thing. And pay attention. We have been working on this a long time so, I don't think people should blindly follow an e-mail that they got yesterday, the day before this goes to the Council.

I know we are never going to convince anyone, some people thrive on disinformation, and finding the government bogeyman behind every door. And we all recognize that's for political purposes, much of it. It also reminds me of the Oscar Wilde quotation, "The cynic is someone who knows the cost of everything and the value of nothing." Well, there's a lot of people out there who are looking at the cost of everything and don't appreciate the value. That's one of the reasons I appreciate that Miss McNeilly brought up the Greenbelt again, perfect example. I'm so glad we didn't look at the cost of the Greenbelt and we considered the value of it. This Plan has value we can't ignore. And I'd like to remind you from the last session we have, we have some of the lowest in the Valley water and sewer and trash rates. We have one of the lowest tax rates. So, we have a history of protecting citizens in Scottsdale and we will continue to do that. So, Mr. Mayor, I would move to.

Mayor Ortega: Option C?

Councilmember Durham: Yes, I would move option C, that we move our Resolution 13107 to a later date to allow at least two community outreach sessions. Thank you.

Mayor Ortega: Councilwoman Janik.

[Time: 02:20:58]

Councilwoman Janik: I'll second that motion but I also want to speak to it. First of all, I want to thank Lisa for all the work she has done. She has had to try to bridge the gap between citizens who are resistant to this and a Commission that is very forward thinking. So, thank you for your patience in dealing with all this. And you need to know we have already done sustainability on water, there is still more work to do. We have always done sustainability on solid waste. And yet there is still more work to do. We have had successes; we will continue to have successes. I believe that we are capable of moving the needle on availability of water, on heat, on air pollution. And as far as proof of concept, as a scientist and a science teacher, I want to remind you that Alexander Fleming when he discovered penicillin did not have proof of concept. When we walked on the moon for the first time, we did not have proof of concept. And finally, when we came up for successful treatments for AIDS, okay, we did not have proof of concept. That is how we evolve as a people, with more scientific advancements, with more technology. Right now, we really can't outline because we are working to develop these, and they will come about.

So the other thing I'm very confident of is that unless we embrace you, the people, to want to be part of this, we will not be successful. We cannot force it on you. Again, it is something that you have to accept, have to believe in, and I think because of Scottsdale, because of our history as a great city, and because of what much of what Councilman Tom said, that we have the ability to advance. You say I don't want to pay for this. Well, how good is our city going to be if it gets 10 degrees warmer for three months in the summer? How good is our city going to be if we don't have enough water, which is a finite resource. I think that we can all accomplish this by working together. And know that cost over time when you come up with new technology goes down, it's not a linear relationship, that it goes up if you double it, it doubles in cost. That's not true. The cost of modern technology goes down over time.

[Time: 02:23:35]

So, I know that there are a lot of concerns, I don't like it when people cut and paste what one person says and then I get 100 e-mails. If you really believe you show up for the meetings, you come up with your own ideas, just like you have no idea how many hours all of us have worked with this specific project, it's been since I started about 3 1/2 years ago. So where were you 3 1/2 years ago? You were ignoring everything that was going on and, again, the cost of inaction may be far, far higher than the cost of action. You need to remember that. And I agree that, yes, there are problems, yes, we need to explain it better. And I think that we will, we will take the time, we will answer the e-mails, because, again, if you don't believe in it, we won't go anywhere with it. So, I ask you to be open to these ideas, to be critical of them, but don't say "I hate this Plan." I don't want to tell you how many of those e-mails I got. Darn it, tell me what you don't like, and don't cut

and paste it from somebody else's e-mail.

Read it, understand it, and say, "Well, you know what? I don't think this is going to be possible." Because with air pollution, it's tough, because we are doing a good job with air pollution, but other parts of the community are not, and yet we are all suffering with high ozone days. So, I realize that. I realize we probably have to pull back on some of these, but I also believe there's a lot of them that will propel us forward into the future. So again, I support option C, I think that we need more time, more effort and I think we need to convince you of the benefits based on what we have already done as a city. Thank you.

Mayor Ortega: Thank you, Councilmember Graham, Councilwoman Littlefield.

[Time: 02:25:27]

Councilmember Graham: First, I want to start by saying that I don't appreciate anyone from up here casting aspersions about you, the residents, who are taking time to send us feedback, throwing out smears like keyboard warriors, or being critical of the kind of feedback you send us. I don't think we should be doing that. Everyone wants a sustainable Scottsdale, and everyone wants to conserve our natural resources. Our city leads in water innovation, open space, energy efficiency, and environmental awareness. We say as much of in our General Plan, that Scottsdale embraces environmental conservation and ample access to our magnificent open spaces. As many things that I like about this document, there are too many of the proposals that either go too far or leave basic questions unanswered. I studied the evolution of this document very closely, over the past year plus, and I have offered my suggestions during our Work Study Sessions. While I support many of its precepts, including the following, raising awareness about drought conditions and the importance of water conservation, stressing the importance of shade to combat the heat island effect, understanding how our use of energy and production of waste affects our environment, and continuing to expand city level programs such as the grass to turf conversion.

For starters, the Sustainability Plan should incorporate financial and population sustainability. Whereas this document ignores those limiting its focus to climate. We know the Plan doesn't expressly set, doesn't expressly set climate mandates, but we also know it will alter and influence major decisions made by this and future Councils. We have gotten hundreds of e-mails from residents who are either confused or find elements of the Plan too extreme. In our work studies, I strongly urged my colleagues to soften some of the Plan's sharp edges. During those meetings, staff would often offer two options, a less aggressive goal and a more extreme goal. Unfortunately, the Council majority chose the extreme goal almost every time. And those extreme goal selections are in the document that are before you today. Some of the areas that we could moderate, as I went through and studied the Plan and presented a Plan and document that's more balanced to you, the residents, includes asking residents to reduce their refuse by 90% within 15 years. This is one of the Plan's goals that I think must be moderated.

I don't believe it's our job to police residents like that and I'm concerned this is going to lead to

toxic legal dumping. Dave Bennett, our City Waste Manager told the City Council in one of our Work Studies, that this goal, unless new technology is invented, this goal will require raising your rates on waste materials. It also raises the questions where are residents going to put their trash? It's not good leadership if we can't answer that basic question. Increasing citywide tree canopy from 13 to 25%. I want more shade as much as anyone, but the City Manager tells us that this goal requires land, water, and millions of dollars that we don't have. It should be noted that the city has just started a shade study. If some of you went to one of the shade open houses last week. And I think those results finalizing the shade study could better inform this Plan. It's not good leadership to codify something when staff tells us it's impractical and it contradicts other goals.

Air quality, the Plan is light on details and simply refers us to follow the Maricopa Association of Governments. It's not good leadership to outsource our decisions to the next level of government and their political issues. We have seen how deferred decision making has caused issues in the recent past. Water reduction, we are in a drought, and we need use less water. I support more than voluntary measures in order to secure our water future. That's why I supported the preventing front lawns on new builds and the lawn to gravel incentive. However, we contradict this goal with the tree canopy goal which requires more water. There is simply only one way to achieve the goal of this, to achieve this goal, and that is to increase residents' water bills.

And if you read the section in the draft plan, the measure goes very easy on commercial entities and very tough on residents. It's not good leadership to both contradict the same document than to clamp down on residents while giving commercial entities a pass. Consistent enforcement is good leadership. So, as I stated, I support much of the concepts of this document, however other areas simply boil down to impacting residents' basic costs of living. We not only hear about it, we often discuss how living costs are higher with inflation and economic uncertainty, beleaguering our residents who struggling to make ends meet. Some up here may argue that residents' costs are going to go up anyway, and to that I would respond, with why would you want to make it worse? So based on these considerations and concerns, I agree with the motion that's on the table to defer this for as long as possible, get as much feedback as possible, until we get as much support as possible. So, we can sharpen our pencils and find a better balance between meeting sustainability goals and the burdens that this document would place on you the residents now and in the long run. Thank you, Mayor.

Mayor Ortega: Councilwoman Littlefield?

[Time: 02:32:02]

Councilwoman Littlefield: Thank you, Mayor. And thank you all, every one of you here tonight and who is listening in for all the e-mails that I have received over the last couple of weeks from our citizens. I was amazed at the number of e-mails, the interest that all of you showed in this and the concerns that were presented to me. All but two of those hundreds of e-mails said no. That's not reaching out to our citizens. There are several things I have concerns about regarding the Sustainability Plan. All of the goals sound great, and yes, there are goals. However, my concerns mostly revolve around the unintended consequences of what some of these actions are that are

contemplated. Let's look at some of the Plan's goals and targets. Waste reduction goal, households to reduce waste and trash by 90% in 15 years. The Solid Waste Manager told Council this would require increasing rates to households, to me this raises concerns about folks possibly dumping their trash in our Preserve, along roadsides, or in trash bins and parks. Thus, filling them up faster than anticipated. We need to look for unintended consequences when we start considering these kinds of goals rules and laws.

Water reduction goal, households to reduce water consumption 1.3% per year until 2033. That's 11.7% in nine years and in ten years, it's 13%. To reach this goal, it is anticipated that the city will have to raise water rates, this is in the Plan. So, we will have to raise your rates so you can have less water. Where is the incentive to do this? Shouldn't we be reducing your rates if you strive to meet this goal? It seems to me that we are backwards here. Air quality goal. This is in alignment with MAG's goal to reduce ozone. As the city's MAG representative, I can tell you point blank their first goal is to get you out of your cars and into public transportation, buses, and light rail. This is not what our citizens want, this is what MAG wants, and you have told us many times you do not approve this. Heat extreme, extreme heat goal, we have that in Scottsdale. To solve the Scottsdale problem, our Sustainability Plan wants to increase the citywide tree canopy from 13% to 25%.

Now, I'm a native here, and I love trees, I'm sorry, I just do, but where are we going to get either the water or the millions of dollars that it would take to do this? Does this not conflict with our goal of reducing our overall water usage? Also, where are we going to get the land to plant all these trees. Force you to put trees in your yards so then you have to water them with reduced water allotments. This greatly reduces the number of trees in all of Scottsdale and it requires more water and more people to maintain these trees which translates into more cost. The Plan doesn't say how to pay for them or how to pay to care for them. So, or where the land is that we would need to plant them. Energy Goal Number 5, citywide electricity reduction of 15% in 10 years regardless of energy source. Since we all purchase our energy from APS and SRP, we would have to use city resources to monitor our city's energy users. That would be you. So, would the staff oversee our energy efficiency and usage both for you and your businesses? Would there be fines if you use too much as prescribed by the city regardless of life changes or needs? Since when have we as citizens given the city the kind of power or right to monitor our homes and our businesses and our lives to this kind of extent? Also, does this include the vast number of apartments, already approved but not yet built that I'm sure that will require energy. Reducing total power outage while increasing vast numbers of users means less power availability for everyone. And of course, higher fees.

[Time: 02:37:09]

When the idea of for Sustainability Plan first came up, I was thinking of voluntary ways that we could find to continue to use and reduce waste and help our environment. Much like our citizens have already done. Scottsdale is known for this. I was not looking for an environment police force to report energy users to city authorities and possibly fine citizens for their increases in usage

needs. For me, this goes far too far and makes Scottsdale look less of a desirable place to live. For our residents and for our businesses, who also use energy. Scottsdale has worked hard to become a very environmentally friendly city, our citizens want this, and we have proven it over the years' time and time again. However, we do not want to be coerced. I can think of no way that would be worse than to try to gain citizen support than coercing them. You need to ask them, we need to involve them, to find ways that are mutually satisfactory to everyone. Indeed, all of the many, many e-mails that I received sent this same message. Involve us. A very loud no was sent in these e-mails out of the hundreds I got, I got two yes's.

I have never ever in the ten years I've been on Council received this kind of unanimous response from our citizens on a Council issue before. Any issue. I think this needs a huge review, not only of staff, but with our residents as well. I am very concerned about the unintended consequences that this and the total cost of it, both monetarily to our citizens and with our quality of life to our citizens. Neither of these have been fully investigated. It's one thing to offer options to residents to reduce negative environmental impacts, and I believe that that would be accepted by at least most to consider. Scottsdale is a very ecofriendly city, it has been for many, many years. However, it is quite another thing to introduce involuntary hardline demands monitored and enforced by the city until we look more and more like a police state. This is that first step. And I don't want to take it.

Also, one issue on the social welfare side to consider, is how all of these increases in costs in apartment living will affect those who are currently teetering on the brink of homelessness. Increases in utility costs translate into increases in rent. This would hurt many of our poorest citizens who are on the edge of homelessness and cannot afford these kinds of increases. It boils down to higher prices, higher taxes, and less freedom. How much higher and how much less is uncertain at this time. It has not been defined nor has it been discussed with our citizens. However, it certainly points the way to more autocratic control by the city over our citizens personal and private lives. Also, I did not see where the Plan addresses the expected increase in population that Scottsdale is going to have over the coming years. Increasing the number of apartments, homes, and businesses bring with them an increase in power usage, numbers of cars on our roads, increase in water needs, trash pickup, et cetera. And I did not see any of that factored into the Plan, and I think it should be.

Finally, the Plan seems unduly interested in fines and control techniques to hold over the heads of our citizens. Every single goal had that. For me, the kind of Sustainable Plan for these kinds of lifestyle changes in Scottsdale need to come from the bottom up not the top down. Changes like these over many, many years, they last for many, many years, and I do not believe they are what our citizens are looking for. Scottsdale is known for better quality of life, in line with the living standards of our citizenry while not enduring the degradation of either. I think this Plan needs a great deal more thought, definitely more interaction with our citizens, and a deep dive into a realistic analysis of what each part of this Plan would cost to both our citizens and to our cities, both in lifestyle changes and monetary costs. Because of all these factors I cannot approve this Plan tonight, but I will go with option 3, to continue discussing it. And I hope discussing it with

many of our citizens here who will be affected by the future of the decisions made regarding this Plan. Thank you.

Mayor Ortega: Councilwoman Caputi.

[Time: 02:42:34]

Councilwoman Caputi: I just have a brief comment. I feel like we have all read completely different Plans because I don't really understand a lot of these comments. But I just want to make the general comment that, you know, our city is the gold standard of the Valley. I think the point of the Plan is just to recognize that we want to be good stewards with our scarce resources, particularly for the next generation. I didn't read anywhere in the Plan that we were doing any sort of government mandates or asking people to do anything, so again I feel like I've read a completely different Plan. I definitely support continuing; I think we got an awful lot of comments. I'm a little bit confused about why we didn't hear from folks earlier. We have done outreach meetings for, I don't know, at least the last year, I think, maybe even more, two years. So again, this has been a very long, slow deliberate process. We have been meeting with residents continually, getting feedback, trying to revise the Plan, trying to keep it as big picture and aspirational as possible.

So again, I'm a little bit confused about why everyone is coming back now and insisting it's very specific. Totally fine with continuing, but I heard from everyone in the room tonight that they care passionately about sustainability, that it's very important to you, that you do want our beautiful gold standard city to be here not just for today but into the future. And people had a lot of things that they didn't like about the Plan, which, again, confused me since to me it's so big picture and aspirational. But I would just say if we push this off indefinitely, I would greatly welcome people's comments. It's really easy to say what you don't like, but I'm sitting here wondering what people actually would like to see in the Plan. I would invite, I thought we already did this, but everyone saying we want to be sustainable, we want more sustainability, I guess I'm confused about what people think that looks like. So, I'm totally fine supporting C, but I would love to hear what the ideal Sustainability Plan would look like because now I guess I'm just completely confused. Thank you.

[Time: 02:44:55]

Mayor Ortega: Thank you. So, I do support the motion, and have a few comments. So, every household, every city, and the general public feels the squeeze when it comes to energy, energy costs, water, water conservation, waste, air quality, and the heat. We all feel it, we all have to deal with larger bills and the consequences of each of those areas. This is a very important, it's more than an exercise. Now, when the topic of waste is brought up, the fact is, that we are running out of landfills. To say there are no controls on landfills, and we can't take, why do that? The fact is, we are running out of landfills, we all have to acknowledge that. We can't wake up 15 years from now and say, "You know what? There's no place to dump it." Because we didn't at least change direction, either packaging, either recycling, some other model because there is not an infinite

factor in land for landfills, that's just a fact. The same thing is with water. The rates that have been people that we pay for bulk water have almost tripled. And I say I know they doubled but the Federal Government is compensating at a rate that's three times what the water was when we when I first entered office. Okay. It is federal water, whether it's from SRP or whether it's from CAP, we pay for it, we compete with other cities that pay for it, and the Federal Government is saying that is a scarce resource. We cannot ignore that, as the municipal component and all of the municipalities, whether they are using SRP or CAP water, have to get involved in a proactive way, right? And that's a positive message.

It's a positive message because even the air pollution, and questions about traffic, all of the traffic is interconnected, one way or the other for surface streets across the Valley. We can't shut off the Indian School on our end or expect somebody else to do it on the other end. Somehow it has to, you know, operate as a full system. What we are leading to with this is that these five elements will require further input, not misinformation. Because we can weigh the tonnage, because we have two operations happening. One is the city's own operations; how efficient can we be? How, what are the expectations for the residents here? They expect us to employ the best technology to save their taxpayer or rate payer money, that's an expectation that we have. We have shown and we have said part of the Sustainability Plan said we can save 15% of our energy use within our own buildings, and still deliver a very good library, fire station, and all those things. Those are things that we want, those are things that are positive expectations within our own house. It's in a way of demand, we see that same demand from a citizen taxpayer saying give me value. Make sure you're not wasting.

[Time: 02:48:57]

Why? Because that's their expectation. In our own household, the squeeze is on. Save energy, save water, why? Because it's costing mom and dad money or the older group money, and we are, the inflation factors as well are all putting the squeeze on us. So, it's not escapable, and this is not an exercise, this is not a drill, this is a useful, constructive way of finding some answers together. Earlier we talked about competing with other cities for water pipe and pumps and all these things. Well, there's a push and pull because they can only produce so many of the infrastructure pipe and so forth that we need. We are competing with one another. That's why we, Scottsdale has always been known as a very involved community, certainly the perception of saying, "Wow, we are going to reduce waste."

Well, if we don't have a place to dump it and if we don't start reducing now, in five years and ten years, it's going to be a huge problem. And the other thing that I like about this is it is asking for measurable results. Measurable to find out whether or not any actions will save water. When we talk about trees, the monsoons blow down about 200 trees every season. We replace them, right? And some of them have aged out and they've fallen over, right? So, all of that is maintenance as well as a sustainable way that our city works together. We will continue as Council to look for high value return in every category in our own house and municipal waste. With that, we have a motion and a second, please record your vote. It's unanimous, and with that, we have concluded Item Number 7.

PUBLIC COMMENT

[Time: 02:51:11]

Mayor Ortega: Our next agenda item is public comment. An opportunity for the general public to come forward on items not on the agenda. Seeing none, that item is closed.

CITIZEN PETITIONS

Mayor Ortega: Next is Item 8 which pertains to citizen petitions. Petitions can come forward through the Clerk's office. None were presented, none are being presented to Council at this time. Therefore, that Item is closed.

ADJOURNMENT

[Time: 02:51:46]

Mayor Ortega: Finally, we are coming to, I move we adjourn. Do I have a second?

Vice Mayor Whitehead: Second.

Mayor Ortega: Motion and second. Please record your vote. Thank you, unan, Mr. Graham, okay, he did it. Okay.