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CALL TO ORDER

[Time: 00:00:02]

Mayor Lane: Good afternoon, everyone. It's nice to have you here with us. I would like to call to order our 5 p.m. regular meeting of June 2nd, 2015. And take a moment to say happy anniversary to my wife. 36 glorious years. But this is how we spend them now. So I would like to start with a roll call, please.

ROLL CALL

[Time: 00:00:33]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: City Manager Fritz Behring.

City Manager Fritz Behring: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

[Time: 00:00:58]

Mayor Lane: Thank you. Some order of business, we do have cards, they are white cards if you would like to speak on any item on the agenda, and/or, for public comment. Those are the white cards the city clerk is holding up over her head, right here to my right. And we also have cards if you would like to give us some written comments on any of the agenda items and they are the yellow cards that she's now holding up over her head and that will be red throughout the proceedings on those issues. This afternoon, we have Scottsdale police officers, Tom Cleary and Jason Glenn over here, almost directly in front of me. They are here to assist you if you have need for their assistance. The areas for council dais are for staff and council. We have facilities for your convenience under

that exit sign there, if you have a need for that, for your convenience.

PLEDGE OF ALLEGIANCE

[Time: 00:01:52]

Mayor Lane: We are pleased to welcome the city of Scottsdale community services special events team. I don't know if this is the mud mania folks, but they do a lot of other things although I'm certain it is, and for a few of this year's youngest mud mania participants we have with us to lead us in the pledge.

Might Mud Mania participants: I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible with liberty and justice for all.

Mayor Lane: Thank you very much. We will have some introductions later on with the same group.

INVOCATION

[Time: 00:02:50]

Mayor Lane: For an invocation this afternoon, we have Berta Myer, the director from the Bible church. Please, if you would come to the podium.

Berta Myer: I would like to thank the mayor, Jim lane, and all of the councilmembers for giving me the opportunity to come this afternoon and lead us in prayer. Shall we pray? God, we thank you for this opportunity to come before you. We thank you and are grateful for Mayor Jim lane and the council members and for the service to the people of Scottsdale. We ask that you lead and guide the events of the meeting and provide a spirit of unity and cooperation. We ask that you would provide wisdom to the leaders that they would govern with justice and humility with intent to represent the people's best interests. We pray for those who may speak at the meeting that you would give them clear minds and the right words to speak and that their words will be heard, understood, and fairly considered. We ask that you bless the meeting and the decisions made will benefit in tangible ways the people that our leaders serve. Thank you amen.

MAYOR'S REPORT

[Time: 00:04:10]

Mayor Lane: Thank you. Well, it is that I'm of year again. It is Saturday, June 6th. If you are not familiar with tradition, it is -- this year is the 40th anniversary, 40 years of mighty mud mania, and so this Saturday, June 6th is the 40th annual mighty mud mania at Chaparral park and it's been going on since 1976. And Scottsdale's summer kickoff with obstacle courses and muddy fun for the entire family. This year's event will take place from 7:30 a.m., get out there and get your place early, in the chill of the morning until 1 p.m. and I hope that they are going to make mighty mud mania or if not for your

own use, for some other younger person that you might know.

But in honor of this great community event, I would like to present this proclamation. I'm going to go ahead and read it here and then I will ask, through the years of mighty mud mania and specifically the person I will mention here. We celebrate the 40th anniversary of the mighty mud mania which began in 1976 as the Shout Out decathlon. A promotional gimmick for Shout laundry spray. And quickly became one of the most celebrated annual events in Scottsdale. So we had this test pilot event for shout and now we have an iconic celebration. Whereas the event started with one obstacle course and has grown to three courses, two free play mud pits, Mudville mud town, water slide and sand castle areas, the Scottsdale hosts over 10,000 people from all over the state to participate in this event. We probably have some past attendees and participants here in the audience, I'm sure too. Whereas we recognize parks and recreation manager, Terry Ericson, affectionately known as the mud lady. Don't call her that in public, though. For her dedication to mighty mud mania over the past four decades. Whereas mighty mud mania is a beloved Scottsdale tradition, I know, I therefore, Jim lane, mayor of the city Scottsdale, do proclaim it mud mania day. I encourage everyone to get out there and get muddy.

Please come forward.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:08:28]

Mayor Lane: Okay. We have a presentation today by the Spirit of Scottsdale Awards and every house changes booklet. So we have Todd Becher from the Neighborhood Advisory Commission, and Brad Carr, senior planner.

Neighborhood Advisory Commissioner Mike Gonzalez: Mayor Lane, councilmembers, my name is Mike Gonzalez, and this is Joe Meli, we are members of the Neighborhood Advisory Commission, unfortunately Todd had a family emergency and won't be here. And this spring, the Neighborhood Advisory Commission invited -- was invited to accept nominations for a spirit of Scottsdale award. This is our initial project for the year. We encourage members of the Scottsdale community to vote for homes in their home which in the McDowell corridor which is between Osborn and McKellips and Pima Road and 56th Street to submit friends, neighbors, anyone who had a home or a business that they thought would deserve a community award for the way it looked, and some of the rules are properties are judged or beautification, use of plants, temperatures, neighborhood context and overall appearance.

We had over 20 nominees. Each of the nominees had this sign posted in their front yard and the Neighborhood Advisory Commission members were the judges. And I will read the winners. And the single family townhome, Dave Flora with his home on Elm drive, Tom Witt on East Hubble. In commercial, Sharon and Rebecca have joined us, and for multifamily and combo, the Oasis Park, and Mary, Robin, Jim, and Jack are representing that. That's on East Thomas. Mayor, if you would do us the honor of presenting the awards.

Mayor Lane: Thank you for all of that, and --

[Time: 00:12:53]

Senior Planner Brad Carr: Good evening, mayor and members of council, just to dove tail on that presentation, we wanted to make you aware of some efforts that the city planning staff is working on to further encourage homeowners within that area of south Scottsdale and McDowell revitalization corridor to enhance their properties and maybe be further recipients of those awards that were presented. Staff has been working on providing some visual reference to homeowners in the area, ways they can improve their property, and by simple means and even going as far as adding additions to their homes. So I just wanted to quickly highlight a couple of those ideas that we're presenting in that booklet that will be coming out shortly.

For instance in house one here, we have a pretty standard home in the south Scottsdale area and the idea here is to enhance that home by removing the turf and adding some desert landscaping to strengthen the existing housing stock and promote efficiency and sustainability within some of those homes in the southern Scottsdale area, and then add to the long-term viability of those homes by doing so. And then another one here is this house seven, it will be in that forthcoming book. This goes a little further by adding an addition with a two-car garage to the front of the house, and, again, enhancing that landscaping out front with the intent to, again, inform homeowners in the area on some ideas that they can do to their homes to, again, promote that long-term viability of housing stock in the southern part of the city. So we just wanted to dove tail on that presentation and give you an idea of that -- of that booklet that will be forthcoming here in a couple of weeks.

PUBLIC COMMENT

[Time: 00:14:36]

Mayor Lane: Thank you very much. Next order of business is public comment and public comment and public comment is reserved for citizens comments regarding non-agendized items with no official action taken on these items. The speakers are limited to three minutes. We do go to a maximum of five speakers and there will be another occasion at the end of the meeting to be able to contribute to public comment if they would like. At this point in time, we have four requests to speak. They will be at three minutes each and we will start with Anne Gray.

Anne Gray: Good evening, council. Good evening fellow citizens. It's good to be here. My husband and I are residents of Scottsdale for 15 years. We have three children. I'm the mother of an Eagle Scout and a wife of an Eagle Scout and I'm a Roman Catholic. I would like you to reconsider the condition by failing to pass a nondiscrimination to protect the LGBT. It's personal. As I said, I'm mother of three children. My oldest son Paul is gay. He received a world-class education in our city, graduated from the I.B. program at Desert Mountain and is now at a remarkable law school. The problem is he's not coming home. He's not coming to Scottsdale. He wrote this letter to you, and I hope you each received it. And the reason that this mother will not have her child come home is

because the protections don't exist in our city that are on the books in other places in our country. The Unity Pledge is not enough of a guarantee for the LGBT population to call Scottsdale home. The Unity Pledge is a wonderful start but it is not the teeth that the LGBT population requires and it's not the guarantee that my son would say I'm going to move home and just hope everybody behaves. And the other thing that you need to know about the millennials, many of whom have passed through my home, is that this is what they expect. This is the city that they want to call home. They want us to have on the books that we mean what we say and the teeth is in the ordinance. It's not in the Unity Pledge. Other places exist in this country which are doing it, and that's where his friends, many of whom are straight allies are going because the straight allies, protect -- demand and protect the same thing for their friends. I just ask you -- I want to bring my son home. I want to have him call Scottsdale home. He would be a benefit to the city. Lastly, for the past two years, I have worked with the LGBT homeless youth population and these young people are literally being kicked out of their homes because they are gay. I saw it every single day. And what they need is this city to say, you are welcome. This is a safe place. You can call this home and it's got to be by an ordinance. So I respectfully ask you, as Paul's mother, help me bring him home. Help us be a more inclusive society that we are going to mean what we say and it's going to be on the books and that's who we should be.

[Time: 00:18:31]

Mayor Lane: Thank you, Ms. Gray. Next would be Rabbi Kravitz.

Rabbi Robert Kravitz: I'm Rabbi Robert Kravitz, I'm a lifelong advocate for human and civil rights I proudly served two terms as the chairman of the human relations commission with the state board member of the Arizona for Martin Luther King civil rights holiday, and sit currently on the regional board of the anti-defamation league. I come to address the human rights aspect of the gender equality. My tradition and many others, we are created in the image of God, however we view that. Scottsdale has become a welcoming community, from a place where discriminatory signs were seen that read, no Jews, blacks or dogs. We have become a community with diversity is accepted and we gather communities celebrating diversity and we envision a state without hate. Protecting human beings from the pain of discrimination is the right thing to do. Now we need you to reconsider your March 31st decision, so we can continue to move forward to develop a nondiscrimination ordinance for the city of Scottsdale. This is the 21st century. Now, all of our friends coworkers and neighbors should be able to live in a supportive community, a community where all are treated the same, a community where business is open to all, a community where no one is turned away or denied service, because of who they are or whom they love. In ancient texts we read (Speaking Hebrew) love your neighbor as yourself. Some call it the Golden Rule. The Unity Pledge has no legal effect, but it needs also to be redeemed by our actions. Real protection demands our support and your action, action that will include and protect all persons. A nationally known disability advocate friend of mine notes diversity is a business imperative. Inclusion is a choice. I urge you to make that choice, to make the west's most western city as a world-class city, inviting, welcoming and accepting to all. Thank you for your time.

[Time: 00:21:30]

Mayor Lane: Thank you, Rabbi. Next will be -- there may be two names here but Marnie Thadden. And Kathy Borem, together? Okay.

Cathy Beren: Good afternoon. Mamie and I represent a group of residents of the Wheel Inn Ranch mobile park in south Scottsdale, consisting of the veterans, 28%; disabled, 40%; elderly, 40%, and those with a fixed income, 78% of our residents have \$24,000 or less a year. Ryan Hartman, the owner of the land, recently gave us a notice of termination, of tenancy due to change of land use effective January 31st, 2016. This means we are being forcibly displaced. The state relocation fund does not supply adequate funds for moving or a fair market value for our homes and we own our homes. If we must leave our homes, we don't have the money. The state of Arizona has very limited policies to protect residents in these circumstances. This law must change! We have owned our homes for many years. We were told our homes could be moved, even if by chicken wire, but where can they move? We must walk away from our connections to Scottsdale, medical, buying power, voting, tax paying contribution. Mr. Hartman stated even though we must move, he will allow R.V. rentals to continue on our land. R.V.s do not have the same long-term commitment to Scottsdale. We question the treatment of our residents by Mr. Hartman. For example, we have been -- we have had no landscaping since October 2014! This -- our concern is the weeds could cause a fire hazard. How is this a beautification of south Scottsdale? And this is not just making money. It must also involve treating others with dignity and respect. And Mamie is one of our residents.

Mamie Thadden: My name is Mamie. I am 82 years old. I have lived in Wheel Inn Park for 19 years. Okay. I have lived in Scottsdale for 70 years. I have very low income and because I'm disabled, I have many medical issues. My doctors are here in Scottsdale. My son Frankie is also a low-income disabled resident who lives next door to me. We take care of each other. We have no idea what to do how can we survive? We want to keep our homes. Thank you for your time and attention.

[Time: 00:25:12]

Mayor Lane: Thank you, ladies. Our last and final request to speak on public comment period is Don Benton.

Pastor Don Benton: My name is Don Benton. My handwriting is atrocious, sorry about that. I'm the pastor of Scottsdale United Methodist Church, the oldest Protestant church in Scottsdale. We just celebrated our 91st birthday. I grew up in Phoenix and my best friend growing up was a member of Scottsdale United Methodist Church. I have always considered Scottsdale a dynamic town, now a city, and a great place to live. I look back at my college years when I was -- I did a lot of singing and dancing and performing with amateur acting groups, and many of the people I worked with and enjoyed as friends were lb -- well, I will just say gay. I did not know that at the time. It was a few years later that I realize that they protected me and my innocence by not inviting me to have drinks after performances or go to the bars where I might discover who they truly are. And I quote, Don, I

don't think you want to go with us. As a fairly young man growing up, and pretty innocent at that, I had to learn a lot about different issues that face each of us today. Race, gender, the privilege, and the education of our children, and the oppressed, the poor, the very poor and those who are not. Most of these issues we still face today and hopefully we are still trying to address. But this council does have the power to address one of the issues that still faces us. As a pastor, I heard stories from parents and gay -- parents and grandparents of gay children and grandchildren about the separation and sometimes reconnection, the loss of spouses, partners, and other loved ones who are gay. The issue of gender knows no political, economic, or cultural boundaries. It affects all aspects of American life. So what does the city of Scottsdale want for its future? I understand that everyone here has taken a Unity Pledge, and I thank God for that, for -- but like many Christians we may profess our faith but we don't want to be accountable for our faith. Wouldn't it be great if we could actually practice our faith, but I digress. The city council has the opportunity to practice the Unity Pledge we professed. You can say not only is Scottsdale a dynamic place to live and plant roots but we want to treat fairly all of those who live here by the example of our city's practices. All hard working people, including those who are gay and transgendered should be treated fairly and equally by the law of Scottsdale and should have the opportunity to earn that living. As a pastor, who works and worships in Scottsdale, I give you my word that I will be a partner to each one of if you allow me through this process, and I have gone through the process myself. I will hold conversations, participate in public forums and bring a word of reconciliation and accountability to who we are as Scottsdale citizens. I do have 100 postcards who live and work and worship in this town, to let you consider. Thank you for your time.

[Time: 00:30:10]

Mayor Lane: Thank you, Reverend. That does complete the requests to speak from the public at this time. We move on to our next area of business, and first and foremost, I would like to indicate that item 21a was removed at the request of the applicant. That's the Harquahala Valley land purchase. That has been removed at this time, with no scheduled date for return on it.

ADDED ITEMS

Mayor Lane: We do have a couple of added items. The council reports in support materials for 21b was added on May 28th, 2015. Do I have a motion to accept the agenda as presented or to continue the added item to the June 16th, 2015, council meeting?

Vice Mayor Milhaven: Mayor, I move that we accept the agenda as presented.

Councilman Smith: Second

Mayor Lane: Motion has been made and accepted to take the agenda as presented. All in favor, aye.

MINUTES

[Time: 00:31:19]

Mayor Lane: The next item of business is -- do I have a motion to approve the regular meeting minutes of April 28th, 2015, May 5th, 2015 and May 12th, 2015, and the special meeting minutes of May 12th, 2015.

Councilman Phillips: So moved.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. We are then ready to vote. All those in favor, please indicate by aye and register your vote aye. Those opposed with a nay. Okay.

CONSENT AGENDA

Mayor Lane: Moving on to the consent items. As may be -- we have a request by Councilman Phillips to pull item 10 and a request, Councilman Smith to pull 21b and that amounts to moving it to the regular agenda. So item 10 and 21b. They would be removed from the consent items and moved to the regular agenda for discussion and separate vote. Let me ask, Ms. Jagger, is 21b still relevant? Is it separate from 21a entirely?

City Clerk Carolyn Jagger: Yes, Your Honor.

Mayor Lane: Okay. Very good. All right then we do have the consent items 1 through 21b. Well, actually, it would be 1 through 21. Absent item 10.

Councilmember Korte: So moved.

Councilwoman Klapp: Second.

Mayor Lane: A motion has been made and seconded for the consent items as indicated. We are ready then to vote since there's no further comment. Okay. So the consent items are complete. Other than the items that have been removed to the regular agenda, if you are here for any of the other consent items, you are free to stay with us. To be further entertained or to leave quietly, if you would be so kind.

ITEM 10 – GAS STATION TEXT AMENDMENT (2-TA-2015)

[Time: 00:33:46]

Mayor Lane: So we will start with item 10, the gas station text amendment 2-TA-2015, and we are prepared for a presentation on that. Dan?

Senior Planner Dan Symer: Mayor, members of the council, Dan Symer, current planning. The case

before you is 2-TA-2015, it's a modification to the zoning ordinance text amendment. The simple request is to modify criteria 4 of the existing commercial use permit and to change the word "lot" to parcel." A few things to consider. This is a privately initiated application. It does affect the city, citywide for all gas station requests. It does incorporate flexibility to meeting the minimum lot size or parcel size in this consideration, 22,500 square feet. It does maintain the intent of the existing ordinance and the remainder of the conditional use permit criteria will not be modified. That's a brief introduction to the case and I will be happy to answer any questions.

Mayor Lane: Thank you. Are there any questions? And I guess I would ask, Councilman Phillips, do you have any questions of this? Or has it been taken care of it?

Councilman Phillips: Thank you, mayor. The reason I pulled this is because it seems to me that the amendment du jour. We have this one for the gas station text amendment and now I'm starting to see this precedent of changing things by text amendment seems to be the way to go. I don't feel good about it because when you change something from a text amendment for one applicant, it changes it for the entire city. And you could have adverse effects, maybe works out good for him. It doesn't work out good for somebody else. And we don't really know, it could be five years, ten years down the road and we go, wow, we shouldn't have done that. So I'm very apprehensive to vote for text amendments that affect the whole city like this. I would prefer to see that somehow it could be done per applicant and I did talk to the applicant and in this particular case, that's pretty hard to do, to change that. So I can understand that feeling and for that reason, I will not be making a motion to deny it, but I will not be voting for it. Thank you.

[Time: 00:36:31]

Mayor Lane: Thank you, councilman. Well, then I presume with the explanation that's been given if we have any further comments. Councilwoman Littlefield.

Councilwoman Littlefield: I would like to know, where is this location that the applicant wants to consolidate lots into parcel.

Senior Planner Dan Symer: Mayor Lane, members of the council, Councilwoman Littlefield, the location is on the southwest corner of Camelback and Scottsdale Road. There are two parcels there, which are both controlled by the applicant representatives. I'm sorry, Camelback and Miller.

Councilwoman Littlefield: I was going to say, really? And can you tell me who the applicant is?

Senior Planner Dan Symer: The applicant's representative is here, Councilwoman Littlefield. If you would like, have them speak because there are two separate property owners. The applicant is Circle K, who has long-term control over one parcel and owns the other parcel.

Councilwoman Littlefield: Okay. I have a problem with this, for the very same reason that Councilman Phillips has and that is when you do a text amendment like this, you affect all of the various land throughout the entire city that has the same kind of property. And I don't think that we

can see ahead far enough to see what the ongoing consequences could be to Scottsdale and I don't know that, you know, if this applies citywide, can you tell me why this would be something that would be good for the residents of Scottsdale? As a general text amendment item coming down the pike like this. How does this benefit our citizens?

Senior Planner Dan Symer: Mayor, members of the council, Councilwoman Littlefield, you would have to go back to the original intent when the council placed this criteria involved and the intent was to ensure that the area of land that was utilized for a gas station at that time, a service station, met a certain minimum size requirement, which was arbitrarily chosen. It was a former Whitey's Gas Station on Indian School and Miller, of being 22,500 square feet. The intent was to ensure they had adequate space for maneuverings and operations. This text amendment maintains that intent. So therefore ensuring the original objectives that were intended by the council in 1967, and maintain them today.

Councilwoman Littlefield: To answer this particular item, I don't have a problem with this particular issue then. But I do have a problem with a text amendment that covers all the Scottsdale without knowing what the future consequences of that will be.

[Time: 00:39:54]

Mayor Lane: Thank you, councilmember. Councilwoman Milhaven.

Vice Mayor Milhaven: Could you help us understand the difference between a lot and a parcel.

Senior Planner Dan Symer: Sure. It comes down to -- mayors and members of the council, it comes down to a definition of what a lot is and what a parcel is as defined by the zoning ordinance. The zoning ordinance defines a lot as the net lot area, minus any dedications. The word "parcel" in the zoning ordinance allows for more than one lot to account for the minimum standards to meet the development requirements. So it's merely terminology that it comes down to, are you using more than one lot to meet the parcel requirements or one lot in itself.

Vice Mayor Milhaven: So lot on the corner was a gas station, and that's owned by one party.

Senior Planner Dan Symer: Correct.

Vice Mayor Milhaven: And the Circle K owns the adjoining property?

Senior Planner Dan Symer: Yes, mayor members of council, the Circle K owns the immediate corner.

Vice Mayor Milhaven: Oh, okay.

Senior Planner Dan Symer: And they have a 50-year lease, is it on the current Circle K station.

Vice Mayor Milhaven: And so those are two lots.

Senior Planner Dan Symer: Correct.

Vice Mayor Milhaven: And they want to develop that as a gas station?

Senior Planner Dan Symer: As one gas station.

Vice Mayor Milhaven: And so that's two lots and one parcel?

Senior Planner Dan Symer: Correct.

Vice Mayor Milhaven: And so that's all this text amendment is taking is that they can do that.

Senior Planner Dan Symer: That's correct.

Vice Mayor Milhaven: And it's not allowing anybody to build a gas station where they currently can't build a gas station this.

Senior Planner Dan Symer: Mayor, members of council, they have to meet the minimum 22,500 square foot requirement which would be stipulated through the site plan review process.

Vice Mayor Milhaven: But nobody can build a gas station tomorrow that they couldn't build.

Senior Planner Dan Symer: That's correct.

[Time: 00:41:53]

Vice Mayor Milhaven: I would like to adopt ordinance 4213, approving the text amendment to the city of Scottsdale Zoning Ordinance 455, and Article 1, administration and procedures, for the purpose of amending the conditional use permit's additional conditions for a gas station to change the word "lot" to "parcel" and determine that the proposed zoning ordinance text amendment is consistent and conforms with the adopted general plan. And in my mind, it's just clarifying. It seems practical and clarifies and I don't see that it creates any risk, thank you.

Councilmember Korte: Second.

Mayor Lane: Would you like to speak to it?

Councilmember Korte: Dan, that southwest corner of Miller and Camelback had a prior gas station. That gas station -- how long has that been blighted?

Senior Planner Dan Symer: Mayor, members of council, Councilmember, Korte, the site was vacated in about 2002 is when it was blighted and it was shortly thereafter that we put the temporary fence amendment in effect, because the grating, so as was between 2005. So prior to, that you used

to be able to approve a non-conforming site, but with the modification a couple of years ago, you couldn't do that.

Councilmember Korte: So this has been a blighted corner in our city for 15 years or 12 years?

Senior Planner Dan Symer: At least.

Councilmember Korte: And if this motion is not passed, it will continue to remain vacant and blighted?

Senior Planner Dan Symer: Mayor, members of council, I can't speak for the owners of the properties, but it's a small site to be developed. That's correct.

[Time: 00:43:44]

Mayor Lane: Thank you. Councilwoman Littlefield.

Councilwoman Littlefield: Are there any other areas in Scottsdale, other lots that could be combined like this, where a gas station in the future, where this would be representative of what they want?

Senior Planner Dan Symer: Mayor, members of council, Councilwoman Littlefield, there are other locations, although most of those have buildings on them currently. There's approximately 21, but less than five of those are undeveloped. So you would have to acquire a parcel -- you would be acquiring more than one parcel or entering into long-term lease agreements to accommodate the same situation as the applicant has done to achieve the same situation.

Councilwoman Littlefield: Okay. Thank you.

Mayor Lane: Thank you, councilwoman. Dan, just real quick. You mentioned something about the fact that you couldn't improve noncompliant property. So without this amended language, it is noncompliant?

Senior Planner Dan Symer: Mayor, members of council, mayor, the property is -- it's compliant in the sense that it's undeveloped. Could they build a gas station by itself on that property today? No, they could not because they would be noncompliant.

Mayor Lane: All right. So that's certainly reason for the change in the language. Okay. Thank you. We have a motion and a second on the table. I think we had no further questions as indicated. We are ready then to vote. All of those in favor please indicate by aye. Aye. The motion passes 6-1. Councilman Phillips opposing. Thank you very much, Mr. Symer. All right that completes item 10, which was moved from consent to the regular agenda.

ITEM 21B – INDUSTRIAL PROPERTY REAL ESTATE SALE AGREEMENT

[Time: 00:45:41]

Mayor Lane: We then have item 21b, that was moved to regular agenda. Yes, Mr. Worth.

Public Works Director Dan Worth: Good evening, mayor and council. The item 21b is a proposal to purchase a piece of land about 4.9 acres. You can see it generally outlined in red on the diagram, showing on the green. The intent for the city to purchase this parcel is twofold. You can see to the northwest of the parcel is our existing central groundwater treatment facility. The water that we treat through the central groundwater treatment facility meets all current safe water drinking standards, but the proposed expansion to that facility, that we would be looking to put on the part of the parcel that we are looking to buy would improve the water quality. The groundwater in this area, has a high level of dissolved solids and hardness and it leads scaling in pipes, and the cost to the residents, this proposed treatment facility will help alleviate that problem as well as treat a couple of other contaminants that are potentially of concern. That's one potential use.

The other potential use for which we are proposing to buy the parcel is for a detention basin, as part of the granite reef storm water project. Currently, the granite reef wash flows down Pima road, and makes its way to 87th street, and houses east and west of 87th street between Thomas and McDowell are the primary area that's in the Pima designated flood plain now that would be released if we were to build this project, this basin would be a part of. It doesn't solve the whole problem, but it's a very integral part that the granite reef flooding problem.

This parcel, the parcel we bought from the school district at Apache park is for the same project, the same purpose, both situated very close to the existing wash this at the northern end of the wash is really in an optimal position to do the most benefit for the pollution to that flooding problem. Those are the two purposes for which we intend to buy the parcel, for which we propose buying it.

The funding comes from two different sources, the enterprise funding, the water resources funding which is currently allocated in the C.I. P. and the water contributions systems project that pays for distribution system improvements citywide. That's one source of funding. The other source of funding is another currently approved C.I.P. project, the granite reef wash project which has several funding sources from the city. We have some bond funding from the 2007 bond issuance, as well as some general fund, and we have an agreement with the Pima county to contribute to that and the Maricopa County flood control district to pay for 50% of the cost of right-of-way acquisition and construction, design and construction so we would anticipate getting that portion of the purchase reimbursed by the county flood control district, the 50% of it.

The price, we appraised the dirt for -- and let me back up, this parcel is part of a larger parcel that includes the building and the parking surrounding it. To the east the old micro semi plant, the semi-conductor plant that is sitting unused. It's coming under new ownership. We are proposing to buy the parcel from the new owners. We appraised the land only that we are seeking to obtain at about \$2.6 million. They appraised the land only at \$2.6 million. We had a bit of a difference as far as severance and the severance associated with this is by taking that land, which has been used for parking, we are reducing the usability of the building.

The parking that they are left with does not allow them to get full use to the building under current zoning. The value of that was something that we had a dispute on. We valued it at about \$700,000. They valued it at about \$1.2 million. The number we comprised was adding to the \$2.6 million appraised value and bringing us to the negotiated purchase price of \$3.675 million. With that, I would be happy to answer any questions.

[Time: 00:50:43]

Mayor Lane: Thank you, Mr. Worth. Well, I may ask Mr. Smith if you have further question on this. Mr. Smith? Councilman Smith, pardon me.

Councilman Smith: I don't particularly have a question on the project or its merits or its intent. It all sounds very logical. My reason for pulling this was only to understand the appraisal process and how we came up with the number of \$3.675 million. And pardon me, maybe I'm just not understanding, but it sounds like we are -- we are paying them 2 million 6 for the land and then another \$1 million for the land because they were going to give it to us. I don't understand the severance. I was astonished, the two appraisals and ours, for the land outlined in read were a total of \$9 apart which is astonishing. And then the confusing part was once we both had agreed on what the land was worth, then we paid them another \$1 million because they lost the land. It can't be that -- I'm missing something. That's my question, though.

Public Works Director Dan Worth: Mayor, Councilman Smith, in short, the concept of severance is that we're buying the land, but we are also buying some value that is currently inherent in what they are left with, where we are taking away some of the value of what they are left with. If we were to seek this land through a condemnation process, that would also be considered, you know, a court would award the cost of what we obtained, plus the severance damage that we inflict on what they are left with by lowering the value of what they hold on to.

D. Smith: And so it's worth \$1 million to them as a parking lot behind a building that's not used, is that -- or hasn't been used or is vacant or however you described it?

Public Works Director Dan Worth: Councilman Smith, it's true they have gotten very little value. The previous owner that just sold the property, since they sold the plant, but if that plant were to --

6:00 P.M. Council Recess

DUE TO A MEDICAL EMERGENCY, THE COUNCIL RECESSED THE JUNE 2, 2015 REGULAR MEETING AT 6:00 P.M. THE JUNE 2, 2015 MEETING RECONVENED AT 6:25 P.M. AND THE COUNCIL CONTINUED REGULAR AGENDA ITEMS 21B THROUGH 26 AND SPECIAL MEETING AGENDA ITEM 1 TO JUNE 3, 2015.